

ASX / Media Release

19 August 2019

Ingenia to expand with acquisition of Eighth Gate Capital Management

Highlights

- Conditions precedent met for acquisition of funds and asset management business (Eighth Gate Capital Management)
- Ingenia to invest \$19.6 million to acquire the operating business and an interest in the Funds
- Adds 759 permanent homes and 844 holiday sites, increasing lifestyle sites under management by more than 26%
- Extends Ingenia's clusters in NSW and South East Queensland and provides market leading entry into Victoria

Ingenia Communities Group (ASX: INA) advises that the Group expects to complete the acquisition of the Eighth Gate Capital Management funds and asset management business on 22 August 2019.

Ingenia will acquire the business and will co-invest in each of the Funds, ensuring alignment with Fund investors and access to the revenue streams generated by asset ownership and development. Ingenia is investing \$13.8 million to acquire an interest in each of the six managed Funds, with Ingenia's holding in the funds ranging from 10% to 19.5%.

The acquisition expands Ingenia's footprint in key clusters, leverages the Group's established business operations, and diversifies Ingenia's revenue base and capital partnerships.

Ingenia will receive funds management, asset management and development management fees and will have a last right of refusal to acquire the fund assets at market value when the funds' assets are realised. In addition, Ingenia may earn performance fees, subject to delivery of specified fund returns.

Simon Owen, CEO of Ingenia Communities, said he was excited to expand Ingenia's business operations to funds management, a complementary business which leverages the Group's platform and provides an additional avenue for growth.

"We are pleased to welcome Nick Bonifant, the founder of Eighth Gate, and the investors in each of the funds, to Ingenia. We look forward to continuing to deliver fund performance, drawing on our in-house teams and established platform," Mr Owen said.

The funds management investment will contribute to earnings in FY20, with growth anticipated as development within the funds is progressed.

About Eighth Gate

Eighth Gate Capital Management has assets under management of approximately \$140 million, across six funds. Eighth Gate operates communities under the Allswell Communities brand.

ENDS

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Ingenia Communities Holdings Limited (ACN 154 444 925), Ingenia Communities Fund (ASRN 107 459 576) and Ingenia Communities Management Trust (ARSN 122 928 410). The Responsible Entity for each scheme is Ingenia Communities RE Limited (ACN 154 464 990) (AFSL415862).
