

22 August 2023

Ingenia agrees terms to extend development partnership with Sun Communities for a further 7 years

Highlights

- Ingenia has reached agreement on terms to extend its Joint Venture with Sun Communities for a further 7 years
- Ingenia and Sun Communities will continue to jointly invest in new greenfield opportunities, providing capital light acceleration of development and rental contract growth
- Ingenia will continue to receive fees for services provided to the Joint Venture, leveraging the Group's platform and capability in development and community operations
- Continues successful Joint Venture which currently has four communities under active development, with a further community planned to commence construction later this year.

Ingenia Communities Group (ASX: INA) ("Ingenia") today announced it has extended its development Joint Venture with Sun Communities, Inc (NYSE: SUI) ("Sun"). Sun is a leading owner and operator of manufactured housing (MH), recreational vehicle (RV) and marina properties.

The Joint Venture vehicles are held (50:50) by Ingenia and Sun, with Sun also holding an interest in INA. Sun brings its experience and expertise through regular engagement with Ingenia's team and a position on the Group's Board of Directors.

The Joint Venture was established in November 2018. Recognising the success of the partnership over the past five years, the Joint Venture terms are largely unchanged. The Joint Venture will continue to have a first right to acquire all greenfield developments sourced by Ingenia and Ingenia will receive fees for services to the Joint Venture as well as reimbursement of agreed costs.

Key terms include:

- an extension of the Joint Venture arrangement for a period of 7 years, to November 2030 (previously 5 years to November 2023)
- The Joint Venture will now own communities for a period of 5 years once stabilised (i.e. 95% of homes settled)
- Ingenia will have a right to acquire Sun's interest in a community for the 12-month period following the 5 years of stabilised JV ownership
- Sun will have a new right of first refusal to acquire Ingenia's interest in a community should Ingenia not exercise its right to acquire Sun's interest
- Sun can seek liquidity in respect of a stabilised community during the 5 year period by giving Ingenia 6 months' notice with Ingenia having a right of first refusal

- Sun has a new first and last right of refusal to purchase Joint Venture assets or structure at the conclusion of the Joint venture if the rights held by Ingenia are not exercised
- Ingenia will generate fees for development management, asset management, and development outperformance
- Ingenia will receive a property services fee in recognition of managing the assets beyond stabilisation
- The Joint Venture will cease to pay Ingenia origination fees for asset acquisitions, but will reimburse the Group for all external transaction costs
- Both parties will contribute equal capital to acquire and develop assets

Sun and Ingenia to seek further opportunities of mutual benefit across technology and customer insights, sustainability, community design and product and service development.

The revised terms are subject to receipt of relevant securityholder approvals (if any).

Simon Owen, CEO of Ingenia, said he was pleased to announce agreement on terms for the extension of the Joint Venture given the Group's successful working relationship with Sun.

"We see capital partnering as a smart and logical means to capitalise on the breadth of opportunities within our development pipeline, while retaining our ability to access new rental contracts. Over the past five years we have acquired five greenfield sites in partnership with Sun, allowing acceleration of development and supporting rental cash flow growth. With four of these communities now actively under construction, including the 606-site Morisset development, the Joint Venture will grow materially over the next few years.

"In addition to accelerating development, the Joint Venture leverages the people and platform that the Group has in place, providing enhanced returns and reducing capital spend on development.

"Extending our relationship with Sun, a partner who is aligned strategically and economically with leading skills and deep industry experience, is a great outcome for the Group," Mr Owen said. "I am confident Ingenia and Sun will continue to identify opportunities that mutually benefit our respective businesses."

Gary Shiffman, Chairman and CEO of Sun, said: "We look forward to continuing to work with the Ingenia team and participating in the creation and ownership of new communities in the Joint Venture."

The new terms will apply to all current projects as well as any future projects acquired and developed within the Joint Venture.



New home at Ingenia Lifestyle Natura, Port Stephens, NSW

Authorised for lodgement by the Chairman.

ENDS

For further information please contact:

Donna Byrne

General Manager Investor Relations & Sustainability

P 02 8263 0507

M 0401 711 542

About Ingenia Communities Group

Ingenia Communities Group (ASX: INA) is a leading operator, owner and developer of communities offering quality affordable rental and holiday accommodation focussed on the growing seniors market in Australia. The Group has over 100 communities across Australia and is included in the S&P/ASX 200.

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).