

**APPENDIX 4D**  
**Half-Year Financial Report**  
**Half-Year ended 31 December 2023**

**Name of Entity:** Ingenia Communities Group (“INA”), a stapled entity comprising Ingenia Communities Holdings Limited ACN 154 444 925, Ingenia Communities Fund ARSN 107 459 576, and Ingenia Communities Management Trust ARSN 122 928 410.

Current period:	1 July 2023 – 31 December 2023
Previous corresponding period:	1 July 2022 – 31 December 2022

**Results for announcement to the market**

	31 Dec 2023	31 Dec 2022	Change	Change
	\$'000	\$'000	\$'000	%
Revenues	211,576	173,557	38,019	22%
Profit from ordinary activities after tax attributable to members	42,508	33,650	8,858	26%
Net profit for the period attributable to members	42,508	33,650	8,858	26%
Underlying profit	43,507	34,174	9,333	27%
<b>Distributions - current period (cents):</b>				
FY23 Final Distribution (paid 21 September 2023)	5.8	5.8	-	-
FY24 Interim Distribution (payable 21 March 2024)	5.2	5.2	-	-
<b>FY24 Interim distribution dates</b>				
Ex-dividend date	23 February 2024			
Record date	5pm, 26 February 2024			
Payment date	21 March 2024			
The Dividend and Distribution Reinvestment Plan is not operational for this distribution				
	31 Dec 2023	31 Dec 2022 Restated <sup>(1)</sup>	Change	Change
Net asset value per security	\$3.82	\$3.74	\$0.08	2%
Net tangible asset value per security	\$3.57	\$3.49	\$0.08	2%

(1) Opening balances for 31 December 2022 balance sheet restated for recognition of deferred taxes and a non-current liability in FY22. Refer to Note 1 in the 31 December 2023 Half-Year Financial Report for further detail.

**Results for announcement to the market**

The half-year financial report does not include all of the information required for a full-year financial report and should be read in conjunction with the Group’s annual financial report for the year ended 30 June 2023 and any ASX announcements issued during the period.

**Details of entities over which control has been gained or lost during the period**

Control gained: None  
Control lost: None

**Details of any associates and joint venture entities required to be disclosed**

The Group has a 50% interest in the following joint venture entities and their wholly owned subsidiaries:

- Sungenia LandCo Pty Ltd
- Sungenia Land Trust
- Sungenia OpCo Pty Ltd
- Sungenia Operations Trust
- Sungenia Development Pty Ltd

Refer to Note 12 in the 31 December 2023 Half-Year Financial Report for further detail.

**Audit status**

This report is based on the consolidated 31 December 2023 Half-Year Financial Report of Ingenia Communities, which has been reviewed by Ernst & Young. The Auditor's Independence Declaration provided by Ernst & Young is included in the 31 December 2023 Half-Year Financial Report.

**Other significant information and commentary on results**

Please refer to the Group's separate results presentation and announcement.

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2023 Half-Year Financial Report.

**For all other information required by Appendix 4D, including a results commentary, please refer to the following documents:**

- Directors' Report
- Reviewed Half-Year Financial Report
- Results presentation and media release



Charisse Nortje  
Company Secretary  
20 February 2024



**INGENIA COMMUNITIES HOLDINGS LIMITED**  
**A.C.N. 154 444 925**

**HALF-YEAR FINANCIAL REPORT**  
**31 December 2023**

[www.ingeniacommunities.com.au](http://www.ingeniacommunities.com.au)  
Registered Office: Level 3, 88 Cumberland Street, The Rocks NSW 2000

# Half-Year Financial Report

Ingenia Communities Holdings Limited

For the six months ended 31 December 2023

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# Directors' Report

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

The Directors of Ingenia Communities Holdings Limited ("ICH" or the "Company") present their report together with the Company's financial report for the six months ended 31 December 2023 (the "current period") and the Independent Auditor's Report thereon. The Company's financial report comprises the consolidated financial report of the Company and its controlled entities, including Ingenia Communities Fund ("ICF" or the "Fund") and Ingenia Communities Management Trust ("ICMT") (collectively, the "Trusts").

The shares of the Company are "stapled" with the units of the Trusts and trade on the Australian Securities Exchange ("ASX") as one security (ASX Code: INA). Ingenia Communities RE Limited ("ICRE" or "Responsible Entity"), a wholly owned subsidiary of the Company, is the responsible entity of the Trusts. In this report, the Company and the Trusts are referred to collectively as the Group.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling of the Company and the Trusts was regarded as a business combination. The Company has been identified as the parent for preparing consolidated financial reports.

## DIRECTORS

The Directors of the Company at any time during or since the end of the current period were:

### Non-Executive Directors (NEDs)

Jim Hazel (Chairman)  
Robert Morrison (Deputy Chairman)  
Amanda Heyworth  
Pippa Downes  
Gregory Hayes  
Sally Evans  
John McLaren (resigned, effective 2 November 2023)

### Executive Director

Simon Owen (Managing Director and Chief Executive Officer (MD and CEO))

### Company Secretaries

Natalie Kwok (Chief Investment Officer and General Counsel (CIO and GC))  
Charisse Nortje

## OPERATING AND FINANCIAL REVIEW

### ICH overview

The Group is an active owner, manager and developer of a diversified portfolio of lifestyle, rental and holiday communities along Australia's east coast. The Group's real estate assets at 31 December 2023 were valued at \$2.1 billion, comprising 38 lifestyle rental and 33 holiday communities and 19 seniors rental communities (Ingenia Gardens). The Group also manages and has a co-investment in 11 assets through its development joint venture (JV) and funds management platform and provides management and development services to these entities. The Group was first included in the S&P/ASX 200 in December 2019 and had a market capitalisation of approximately \$1.8 billion at 31 December 2023.

The Group's vision is to create Australia's best residential communities and holiday park accommodation, with a focus on the seniors demographic and families. The Board is committed to delivering long-term underlying earnings per security (EPS) growth to security holders while providing a supportive community environment for residents and guests and creating communities that have a positive impact on our stakeholders and planet.

### Our Values

At Ingenia we build community on a foundation of integrity and respect, creating a place where people have a sense of connection and belonging. We strive for continuous improvement in our resident and guest service, to ensure that they receive an amazing experience every day. Whether it's time to live, play, stay or renew, we deliver freedom of choice with a range of industry award winning lifestyle and holiday options.

# Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## Creating Australia's best lifestyle and holiday communities



### Strategy

The Group is positioning for scale and long-term sector leadership while enhancing the operational performance of its investment properties and developing new sustainable communities.

Using a disciplined investment framework, the Group will: continue to refine its portfolio, with a focus on growing its lifestyle rental base; build out its existing development pipeline to improve asset quality and sustainability; expand development and revenue streams directly and via capital partnerships, including with Sun Communities, Inc (NYSE: SUI) and the Group's funds management platform; realise embedded growth and enhance returns from existing rental and holidays communities.

The immediate business priorities of the Group are:

- Continue to deliver the development pipeline across the Group and Joint Venture (JV) and integrate new building partners to support scale and settlements growth;
- Improve performance of existing communities through maintainable rental growth, active cost management and investment in new rental, tourism cabins and amenities;
- Improve resident and guest experience by investing in our systems and processes;
- Enhance competitive advantage through recruiting, retaining and developing industry leading talent;
- Build on the Group's sustainability program through environmental, social and governance initiatives which include progressing the construction of three communities targeting a Green Star - Communities rating, delivering emissions reductions and expanding charitable giving;
- Maintain focus on employee, resident and guest health and safety; and
- Expand the Group's capital partnerships to leverage Ingenia's capability and established platform, to expand the Group's development pipeline.

### Portfolio Refinement, Integration and Development Pipeline Expansion

The Group is well positioned for further expansion through development with 15 land lease communities currently underway and 10 communities commencing development over FY24-25. The Group will also look to expand the portfolio where feasible.

During the period, in line with a focus on divesting non-core assets and recycling capital into the Group's development pipeline, the Group divested:

- six Ingenia Gardens communities in WA;
- one greenfield development site in QLD that was considered surplus to the Group's needs;
- one holiday park, Lake Hume, NSW; and
- adjoining land to a NSW based holiday park.

The Group has committed to purchasing a site adjoining its Ingenia Lifestyle Plantations (NSW) community and continues to look for new sites; and recently acquired a leasehold holiday park at Old Bar Beach NSW to complement the existing network of holiday parks.

# Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 1H24 financial results

The six months to 31 December 2023 delivered total revenue of \$211.6 million, up 22% on the prior corresponding period. The Group settled 143 turnkey homes (1H23: 115 homes) delivering a gross new home development profit of \$34.6 million (1H23: \$23.6 million). A further 31 homes were settled within the JV (1H23: 10 homes), achieving a combined total of 174<sup>1</sup> turnkey home settlements during the period (1H23: 125 homes). Holidays income grew by 12% to \$66.5 million (1H23: \$59.6 million) mainly from tourism rental income which increased by 11% to \$51.1 million (1H23: \$45.9 million). Lifestyle Rental income increased by 13% to \$42.1 million (1H23: \$37.3 million), driven by the growth in residential rental income which grew by 9% to \$33.2 million (1H23: \$30.3 million).

Underlying profit of \$43.5 million, which represents an increase of \$9.3 million on the prior corresponding period, is primarily attributable to strong growth in the Lifestyle Development, Lifestyle Rental and Ingenia Holidays operating segments offset in part by increases in the Group's cost base, including volume related expenses, net finance expense and income tax expense.

Statutory profit of \$42.5 million was up 26% on the prior corresponding period. The statutory result reflects the combination of growth in underlying earnings from the operating segments and fair value movements on investment properties offset in part by the Group's share of losses from the JV net of tax.

Operating cash flow for the period was \$21.8 million, down 7% from the prior corresponding period. This reduction was predominantly driven by the continuing investment in home inventory ahead of forecast settlements in the second half of FY24 and early FY25 and an increase in borrowing costs paid attributable to higher interest rates and additional borrowings. Strong cashflows from the Lifestyle Rental, Ingenia Gardens and Ingenia Holidays portfolios positively contributed to the operating cashflows for the period.

The Group's net asset value (NAV) of \$3.82 per security was up by 1% (30 Jun 2023: \$3.77) and net tangible assets per security (NTA) increased 1% to \$3.57 (30 Jun 2023: \$3.52).

## Key metrics

- More than 14,500 income generating sites across the Group as at 31 December 2023
- Statutory profit of \$42.5 million, up 26% on the prior corresponding period
- Underlying profit of \$43.5 million, up 27% on the prior corresponding period
- Basic earnings per security (Statutory) of 10.4 cps, up 25% on the prior corresponding period (1H23: 8.3 cps)
- Basic earnings per security (Underlying) of 10.7 cps, increased by 27% on the prior corresponding period (1H23: 8.4 cps)
- Operating cash flows of \$21.8 million, down 7% on the prior corresponding period
- Interim distribution of 5.2 cps, consistent with the prior corresponding period

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<sup>1</sup> Excludes two (31 Dec 2022: three) settlements at Ingenia Lifestyle Coastal Palms, part of the Funds Management business.

# Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## Group results summary

Underlying profit for the financial year has been calculated as follows, with a reconciliation to statutory profit:

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating profit before interest and tax</b>	<b>56,338</b>	<b>41,985</b>
Less: contractual cash flows for ground lease and financial liabilities <sup>(1)</sup>	(1,201)	(930)
<b>EBIT<sup>(1)</sup></b>	<b>55,137</b>	<b>41,055</b>
Share of joint venture profit	3,084	733
Interest income	362	161
Finance expense	(11,767)	(6,969)
Tax expense associated with underlying profit	(3,309)	(306)
Share of associate loss	-	(500)
<b>Underlying profit<sup>(1),(2)</sup></b>	<b>43,507</b>	<b>34,174</b>
Net gain/(loss) on change in fair value of:		
Investment properties <sup>(1)</sup>	24,572	7,629
Acquisition costs	(269)	(2,062)
Financial liabilities <sup>(1)</sup>	(2,091)	(215)
Investment and other financial instruments	(3,915)	524
Share of joint venture loss	(7,420)	(1,885)
Gain on disposal of investment properties	4,682	753
Tax expense associated with items below underlying profit	(16,558)	(5,268)
<b>Statutory profit</b>	<b>42,508</b>	<b>33,650</b>

(1) EBIT has been adjusted to include movements arising from the settlement of contractual cash flows for ground leases of \$0.7 million (31 December 2022: \$0.6 million) and financial liabilities of \$0.5 million (31 December 2022: \$0.3 million). This has been adjusted against the fair value gain/(loss) on investment properties and financial liabilities. Prior year comparatives have been updated to reflect this change.

(2) Underlying Profit is a non-IFRS measure designed to present, in the opinion of the Directors, the results from the ongoing operating activities in a way that appropriately reflects underlying performance. Underlying Profit excludes items such as unrealised fair value gains/(losses) and adjustments arising from the effect of revaluing assets/liabilities (such as derivatives and investment properties). These items are required to be included in statutory profit in accordance with Australian Accounting Standards.

## Segment performance and priorities

### Residential

#### Ingenia Lifestyle Development

Development is currently underway at 15 communities and the Group has a extensive development pipeline of 5,935 new home sites across 28 projects within Ingenia and the JV (30 Jun 2023: 5,778).

The Group delivered 143 new turnkey settlements (1H23: 115) with a further 31 (1H23: 10) settlements in the JV as construction timeframes continued to improve and builders became more readily available. New home settlements increased by 24% on 1H23 however the average margin per home on settlements declined on account of the product mix and increases in building costs.

During the period, the Group has deployed significant operating cashflows in developing communities and building inventory ahead of home settlements in 2H24 and FY25. The Group is continuing to experience solid demand for its lifestyle offering from downsizers, with positive responses to new project releases having regard to both home product offerings and pricing.

The carrying value of the Ingenia Lifestyle Development investment property at 31 December 2023 is \$282.9 million (30 Jun 2023: \$251.7 million).



## Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### Performance

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>Change %</b>
Ingenia new home settlements (#)	143	115	24%
Gross new home development profit (\$m)	34.6	23.6	47%
Other income <sup>(1)</sup> (\$m)	1.6	0.8	100%
EBIT contribution (\$m)	16.0	7.7	108%
EBIT margin (%)	20.4	15.2	5%

(1) Fee income generated by the Group from the Joint Venture relating to asset development and sales management.

### Strategic priorities

The key strategic priorities for Ingenia Lifestyle Development include: launching new projects in our existing markets; expanding into new growth regions; managing the Group's new home inventory to meet continued market demand; securing further development approvals for new homes within the current pipeline and on new properties recently acquired; enhancing home and clubhouse designs to improve the sustainability of our communities; delivering an outstanding experience for new residents; and identifying and integrating new building partners to support scale and growth of settlements.

### Ingenia Lifestyle Rental

At 31 December 2023, Ingenia Lifestyle Rental comprises 38 communities offering an attractive community lifestyle for active downsizers as well as affordable all age rental accommodation. Ingenia Lifestyle Rental EBIT increased 18% to \$19.3 million.

During 1H24, the Group continued to expand its rental assets through the settlement of 143 new homes from the development business and the installation of 38 new all age rental cabins, 27 of which were installed at the Brisbane North Rental Village.

Permanent rental income grew by 10% on the prior corresponding period driven by contractual rental increases, new rental contracts from the settlement of new homes and investment in new rental cabins.

The carrying value of the Lifestyle Rental investment property at 31 December 2023 is \$883.2 million (30 Jun 2023: \$868.4 million).

### Performance

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>Change %</b>
Permanent rental income (\$m)	33.2	30.3	10%
Tourism rental income (\$m)	1.5	1.3	15%
Other <sup>(1)</sup> (\$m)	7.4	5.7	30%
EBIT contribution (\$m)	19.3	16.3	18%
EBIT margin (%)	45.9	43.6	2%

(1) Income from resales, commissions, ancillary guest and resident services and deferred management fees (DMF).

### Strategic priorities

The strategic priorities for Ingenia Lifestyle Rental are: increasing engagement and experience for new and current residents; maintaining high occupancy and sustainable rental growth; continuing investment in new rental homes and leveraging scale efficiencies.

## Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### Ingenia Gardens

Ingenia Gardens comprises 19 rental communities located across the eastern states of Australia. Collectively, these communities offer 1,019 rental units. The portfolio maintained high occupancy with demand for affordable seniors rental accommodation continuing across the portfolio.

Consistent with the Group's focus on divesting non-core assets and recycling capital, six rental communities located in Western Australia were divested in December 2023.

The result for the period was down 7% on previous corresponding period primarily as a result of the divestment of the 6 communities located in Western Australia and two communities in the previous corresponding period. On a comparative portfolio basis, rental growth was achieved at a rate aligned to growth in the aged pension. EBIT was impacted by higher staff costs driven by award wage increases.

The carrying value of these assets at 31 December 2023 is \$127.7 million (30 Jun 2023: \$168.0 million).

### Performance

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>Change %</b>
Rental communities (#)	19	25	(24%)
Occupancy (%)	95.4	95.7	-
Rental income (\$m)	12.2	12.7	(4%)
Catering income (\$m)	1.1	1.3	(15%)
EBIT contribution (\$m)	5.4	5.8	(7%)
EBIT margin (%)	40.5	40.8	-

### *Strategic priorities*

The strategic priorities of Ingenia Gardens are: maintaining high occupancy rates; maintaining sustainable rental income growth; improving resident retention; increasing referrals and; maintaining wellbeing, safety and engagement of residents.

### Tourism

#### Ingenia Holidays and Mixed Use

At 31 December 2023, the Ingenia Holidays portfolio comprises 33 holiday communities that offer holiday accommodation, annual sites and permanent homes.

The Group continues to refine and consolidate the portfolio with the divestment of Ingenia Holidays Lake Hume NSW followed by the acquisition of Ingenia Holidays Old Bar Beach NSW shortly thereafter; and the installation of 43 new tourism cabins. As part of the portfolio refinement, the Group has earmarked a further asset in the portfolio for sale located in Broulee, NSW.

Tourism rental income increased 11% and EBIT increased by 19% driven by continuing strong demand for domestic holiday destinations.

The carrying value of the Group's Holidays investment property at 31 December 2023 is \$817.1 million (30 Jun 2023: \$757.5 million).

### Performance

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>Change %</b>
Tourism rental income (\$m)	51.1	45.9	11%
Permanent rental income (\$m)	5.8	5.6	4%
Annuals rental income (\$m)	5.5	5.3	4%
Other <sup>(1)</sup> (\$m)	4.1	2.8	46%
EBIT contribution (\$m)	24.3	20.4	19%
EBIT margin (%)	36.5	34.2	2%

(1) Income from commissions, ancillary guest and resident services and commercial rent.

## Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### *Strategic priorities*

The strategic priorities for Ingenia Holidays are: to maximise tourism revenue by leveraging marketing opportunities within the guest database of 1.2 million guests; direct marketing efforts to enhance the booking experience through the website; implementing targeted campaigns through the year; strategic use of channels to attract new customers; nurturing relationships with existing guests; invest in park densification to improve the overall guest experience and cater to growing demand; and commit to delivering unique products and services that set Ingenia apart in the market.

### *Capital Partnerships*

Capital partnerships through co-investment and shared funding enables the Group to leverage the existing business platform, generate fee income and extend the Group's asset base. With a wide pipeline of opportunities before the Group, there is potential to expand and extend capital partnering to support future acquisitions, enhance development, and enable portfolio refinement and growth.

### Development Joint Venture

The JV with Sun Communities (NYSE: SUI) leverages Ingenia's capability and platform to generate fees and expands its development opportunities via co-investment. Once homes are sold, Ingenia provides operational services to the land lease communities. At completion of development, and following a holding period of not less than 5 years, Ingenia has the right to acquire the communities at market value. As at 31 December 2023, the JV has invested in five projects with four under active development.

The JV delivered \$21.5 million (1H23: \$5.2 million) revenue from the settlement of 31 (1H23: 10) new homes at Burpengary, QLD (Ingenia Lifestyle Freshwater), and at Bobs Farm, NSW (Ingenia Lifestyle Natura).

### Performance

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>Change %</b>
Greenfield properties (#)	5	5	-
Investment carrying value (\$m)	72.5	64.9	12%
New home settlements (#)	31	10	210%
Fee income <sup>(1)</sup> (\$m)	0.2	0.9	(78%)
Joint venture revenue (\$m)	21.5	5.2	313%
Joint venture operating profit before interest and tax (\$m)	7.9	1.8	339%
Share of loss from joint venture (\$m)	(4.3)	(1.2)	258%

(1) Asset management services to the JV and origination fees from the JV.

### *Strategic priorities*

The strategic priorities for the JV are to continue to assess greenfield sites in key metro and coastal markets and to develop its significant portfolio of new land lease communities.

### Funds Management

The Group's funds and asset management business manages five funds that invest in lifestyle and holiday communities situated in NSW and QLD. The Group receives fees for the management and development of the assets and management of the funds.

The Group also co-invests into each of the five funds, to increase alignment with fund investors. The investment in the funds generates asset ownership and development revenue streams.

The increase in investment carrying value is a result of the increase in value of the assets in the underlying funds.

### Performance

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>Change %</b>
Investment carrying value (\$m)	6.4	5.8	10%
Fee income (\$m)	0.8	0.7	14%
Distribution income (\$m)	0.3	0.5	(40%)

## Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### *Strategic priorities*

The strategic priority of the funds management business is to leverage the Group's platform to maximise investor returns and deliver an income stream for the Group.

### ***Food, Fuel & Beverage***

The Group's service station and food & beverage operations are adjoined to Ingenia Holidays communities, with the offering contributing to an enhanced guest experience and providing a service to the greater local community.

### **Performance**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>Change %</b>
Total revenue (\$m)	10.1	10.1	-
EBIT contribution (\$m)	0.9	0.7	29%
EBIT margin (%)	8.6	6.9	2%

### **Capital management of the Group**

At 31 December 2023, the Group had facilities with a combined limit of \$780.0 million, with a weighted average term to maturity of 2.9 years, drawn to \$626.9 million. Interest rate exposure is managed through a combination of fixed rate debt and interest rate derivatives on 51.8% of the drawn debt.

The Group's Loan to Value Ratio ("LVR") was 33.3% (covenant 55%).

### **Financial position**

The following table provides a summary of the Group's financial position as at 31 December 2023:

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	11,259	45,716	(34,457)
Inventories	87,197	54,147	33,050
Investment properties	2,110,968	2,045,630	65,338
Intangibles	102,375	102,584	(209)
Other assets	118,026	105,864	12,162
Assets held for sale	11,115	24,190	(13,075)
<b>Total assets</b>	<b>2,440,940</b>	<b>2,378,131</b>	<b>62,809</b>
Borrowings	680,767	661,668	19,099
Other liabilities	129,878	126,397	3,481
Deferred tax liability	72,916	53,279	19,637
<b>Total liabilities</b>	<b>883,561</b>	<b>841,344</b>	<b>42,217</b>
<b>Net assets/equity</b>	<b>1,557,379</b>	<b>1,536,787</b>	<b>20,592</b>

Investment property book value increased by \$65.3 million from 30 June 2023 resulting from improved earnings and investment in capital works within communities under development offset in part by the realisation of value associated with the sale of homes in the communities under development and the disposal of the Western Australia Ingenia Gardens properties.

Borrowings increased by \$19.1 million attributable to the Group investing in investment properties and home inventory, the acquisition of development sites and investment in additional all age rental and holiday cabins across the portfolio offset in part by the receipt of proceeds from the sale of the six Ingenia Gardens communities in Western Australia and other selected asset divestments.

## Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### Cash flow

	31 Dec 2023	31 Dec 2022	Change
	\$'000	\$'000	\$'000
Operating cash flow	21,845	23,528	(1,683)
Investing cash flow	(47,668)	(108,795)	61,127
Financing cash flow	(8,634)	81,399	(90,033)
<b>Net change in cash and cash equivalents</b>	<b>(34,457)</b>	<b>(3,868)</b>	<b>(30,589)</b>

Operating cash flow for the Group was down 7% to \$21.8 million as the Group continued to invest in home inventory to support 2H24 settlements and incurred additional interest costs attributable to higher interest rates and borrowings, offset in part by the strong performance in the tourism portfolio and growth in the rental portfolio.

Cash outflows from investing activities decreased by 56% due to lower acquisition activity during the six months compared to 1H23 and the collection of proceeds from the sale of investment properties which increased to \$65.7 million (1H23: \$16.0 million). The proceeds received were subsequently used to pay down external debt.

### Distributions

The following distributions were made during or in respect of the half-year:

- On 22 August 2023, the Directors declared a final distribution of 5.8 cps amounting to \$23.6 million, which was paid on 21 September 2023.
- On 20 February 2024, the Directors declared an interim distribution of 5.2 cps, amounting to \$21.2 million to be paid on 21 March 2024.

### FY24 outlook

The Group's residential communities remains well placed for ongoing expansion with strong demand from an ageing population. Incoming residents are seeking quality community living and affordable rental accommodation in metro, coastal and regional markets which the Group is well placed to deliver. Investment in inventory will enable us to capitalise on this demand and enables the generation of long-term sustainable rental cash flows. Investing in new rental homes remains a key priority for the Group.

Ingenia will continue to grow its Lifestyle Rental business building out its development pipeline, generating attractive returns, stable, resilient cashflows and increased scale.

The strong demand for domestic holiday accommodation is expected to continue with Ingenia to benefit via an extensive portfolio of properties located in attractive holiday destinations. The priority for Ingenia Holidays is to enhance the customer experience by refurbishing existing cabins and investing in new tourism cabins and amenities.

The Group's solid balance sheet and deal flow provides ongoing opportunity for growth. The Group will increase its asset base through capital partnerships including the ongoing development activity in the JV with the commencement of new developments in 2024 contributing to growth.

The Group will regularly assess market opportunities and the performance of existing assets, divesting and acquiring assets where superior longer-term returns are available.

Ingenia will continue to deliver on its environmental commitments as the Group targets a 30% reduction in carbon emissions (from assets owned since 2019) over a five-year period to 2026 and a carbon neutral operation by 2035.

During the year, Mr Simon Owen (MD and CEO), advised the Board of his intention to step down in FY24. Mr Owen will proceed to step back from day-to-day operational activities of the business in February 2024. John Carfi has been appointed as CEO, effective 1 April 2024.

## Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Changes in the state of affairs during the financial year are set out in the various reports in this Financial Report. Refer to Note 9 for assets held for sale, Note 10 for investment properties acquired or disposed of during the period and Note 15 for details of debt facility.

### EVENTS SUBSEQUENT TO REPORTING DATE

#### Divestment of Ingenia Holidays Broulee

On 31 January 2024, the Group completed the divestment of Ingenia Holidays Broulee, located in Broulee, NSW, for \$7.3 million.

#### Acquisition of adjacent land

On 5 February 2024, the Group completed the acquisition of land adjacent to Ingenia Lifestyle Millers Glen, located in Beaudesert, QLD, for a purchase price of \$10.0 million.

#### Interim distribution

On 20 February 2024, the Directors declared an interim distribution of 5.2 cps amounting to \$21.2 million, to be paid on 21 March 2024.

### LIKELY DEVELOPMENTS

The Group will continue to pursue strategies aimed at the longer term growth of its cash earnings, profitability and market share within the lifestyle and rental and tourism sectors through:

- Developing greenfield sites in identified growth corridors and expanding existing land lease communities;
- Ongoing co-investment through the Group's capital partnerships to fund growth and leverage scale and capability; and
- Divesting non-core assets to further support investment in growth and portfolio refinement.

Detailed information about the operations of the Group is included in the various reports in this financial report.

### ENVIRONMENTAL REGULATIONS

The Group has policies and procedures in place to ensure that, where operations are subject to any particular and significant environmental regulation under the laws of Australia, those obligations are identified and appropriately addressed. The Directors have determined that there has not been any material breach of those obligations during the financial year.

### GROUP INDEMNITIES

The Group has purchased various insurance policies to cover a range of risks (subject to specified exclusions) for directors, officers and employees of the Group serving in their respective capacities. Key insurance policies include: directors and officers insurance, professional indemnity insurance and management liability insurance.

### INDEMNIFICATION OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the reporting period.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

## Directors' Report (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### NON-AUDIT SERVICES

During the period, non-audit services were provided by the Group's auditor, Ernst & Young. The directors are satisfied that the provision of the non-audit services is compatible with, and did not compromise, the independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- the non-audit services were for taxation, regulatory and assurance related work, and none of this work created any conflicts with the auditor's statutory responsibilities;
- the Audit and Risk Committee resolved that the provision of non-audit services during the financial year by Ernst & Young as auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001*;
- the Board's own review conducted in conjunction with the Audit and Risk Committee, having regard to the Board policy set out in this Report, concluded that it is satisfied the non-audit services did not impact the integrity and objectivity of the auditors; and
- the declaration of independence provided by Ernst & Young, as auditor of ICH.

### ROUNDING AMOUNTS

ICH is an entity of the kind referred to in ASIC Instrument 2016/191, and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors of the Responsible Entity.



Jim Hazel  
Chairman  
Adelaide, 20 February 2024



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## Auditor's Independence Declaration to the Directors of Ingenia Communities Holdings Limited

As lead auditor for the review of the half-year financial report of Ingenia Communities Holdings Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ingenia Communities Holdings Limited and the entities it controlled during the financial period.

Ernst & Young

Yvonne Barnikel  
Partner  
20 February 2024



# Consolidated Statement of Comprehensive Income

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Lifestyle homes sales		76,767	49,593
Residential rental income		51,146	48,699
Tourism rental income		52,685	47,185
Annuals rental income		5,547	5,331
Other revenue	5	25,431	22,749
<b>Revenue</b>		<b>211,576</b>	<b>173,557</b>
Cost of lifestyle homes sold		(42,189)	(26,023)
Employee expenses		(52,365)	(50,155)
Property expenses		(28,931)	(26,859)
Administrative expenses		(13,953)	(13,497)
Operational, marketing and selling expenses		(10,888)	(7,861)
Service station expenses		(4,770)	(4,926)
Depreciation and amortisation expenses		(2,142)	(2,251)
<b>Operating profit before interest and tax</b>		<b>56,338</b>	<b>41,985</b>
Interest income		362	161
Finance expense	6	(11,767)	(6,969)
<b>Operating profit before tax</b>		<b>44,933</b>	<b>35,177</b>
Share of joint venture loss	12	(4,336)	(1,152)
Net gain/(loss) on change in fair value of:			
Investment properties	10(b)	23,872	7,027
Acquisition transaction costs	10(b)	(269)	(2,062)
Financial liabilities		(2,592)	(543)
Investments and other financial instruments		(3,915)	524
Gain on disposal of investment property		4,682	753
Share of associate loss		-	(500)
<b>Profit before income tax</b>		<b>62,375</b>	<b>39,224</b>
Income tax expense	7	(19,867)	(5,574)
<b>Net profit for the period</b>		<b>42,508</b>	<b>33,650</b>
<b>Total comprehensive income for the period net of income tax</b>		<b>42,508</b>	<b>33,650</b>
		<b>31 Dec 2023 Cents</b>	<b>31 Dec 2022 Cents</b>
<b>Distributions per security paid<sup>(1)</sup></b>		<b>5.8</b>	<b>5.8</b>
<b>Earnings per security:</b>			
Basic earnings			
Per security	4	10.4	8.3
Diluted earnings per security			
Per security	4	10.3	8.2

(1) Distributions relate to the amount paid for the previous reporting period. An interim distribution of 5.2 cps (31 December 2022: 5.2 cps) for the current reporting period was declared on 20 February 2024 to be paid on 21 March 2024.

Notes to the Consolidated Financial Statements are included on pages 18 to 33.

# Consolidated Balance Sheet

Ingenia Communities Holdings Limited

As at 31 December 2023

	Note	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents		11,259	45,716
Trade and other receivables		20,330	18,010
Inventories	8	87,197	54,147
Assets held for sale	9	11,115	24,190
Other financial assets		3,234	3,234
Tax receivable		1,183	29
<b>Total current assets</b>		<b>134,318</b>	<b>145,326</b>
<b>Non-current assets</b>			
Trade and other receivables		788	787
Investment properties	10	2,110,968	2,045,630
Investment in a joint venture	12	72,494	61,829
Other financial assets		6,771	10,207
Plant and equipment		9,991	9,199
Intangibles and goodwill	11	102,375	102,584
Right-of-use assets		3,235	2,569
<b>Total non-current assets</b>		<b>2,306,622</b>	<b>2,232,805</b>
<b>Total assets</b>		<b>2,440,940</b>	<b>2,378,131</b>
<b>Current liabilities</b>			
Trade and other payables	14	102,207	95,517
Borrowings	15	4,828	3,988
Employee liabilities		5,486	5,050
Other financial liabilities		611	659
Provision for income tax		-	333
<b>Total current liabilities</b>		<b>113,132</b>	<b>105,547</b>
<b>Non-current liabilities</b>			
Borrowings	15	675,939	657,680
Other financial liabilities		16,789	16,941
Employee liabilities		1,027	993
Other payables	14	3,758	6,904
Deferred tax liability	13	72,916	53,279
<b>Total non-current liabilities</b>		<b>770,429</b>	<b>735,797</b>
<b>Total liabilities</b>		<b>883,561</b>	<b>841,344</b>
<b>Net assets</b>		<b>1,557,379</b>	<b>1,536,787</b>
<b>Equity</b>			
Issued securities	16(a)	1,704,198	1,704,212
Reserves		(761)	(2,010)
Accumulated losses		(146,058)	(165,415)
<b>Total equity</b>		<b>1,557,379</b>	<b>1,536,787</b>
<b>Net asset value per security (\$)</b>		<b>\$ 3.82</b>	<b>\$ 3.77</b>

Notes to the Consolidated Financial Statements are included on pages 18 to 33.

# Consolidated Cash Flow Statement

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Rental and other property income	140,974	126,812
Property and other expenses	(106,218)	(98,125)
Proceeds from sale of lifestyle homes	87,274	54,016
Purchase of lifestyle homes	(82,116)	(49,853)
Proceeds from sale of service station inventory	6,161	6,212
Purchase of service station inventory	(5,311)	(5,515)
Borrowing costs paid	(17,565)	(8,321)
Income tax paid	(1,716)	(1,859)
Interest received	362	161
	<b>21,845</b>	<b>23,528</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of investment properties	(10,680)	(39,411)
Additions to investment properties	(85,608)	(69,370)
Purchase and additions of plant and equipment	(2,285)	(1,985)
Proceeds from sale of investment properties	65,650	16,040
Net payments for acquisition of subsidiaries	-	(15,505)
Investment in joint venture and associates	(15,000)	943
Distributions from investment in funds	255	493
	<b>(47,668)</b>	<b>(108,795)</b>
<b>Cash flows from financing activities</b>		
Payments for security issue costs	(14)	(14)
Distributions to security holders	(23,640)	(23,640)
Proceeds from borrowings	176,000	191,000
Repayment of borrowings	(158,280)	(80,000)
Payments for debt issue costs	(15)	(136)
Other financial liabilities	(2,685)	(3,646)
Payment for derivatives and financial instruments	-	(2,165)
	<b>(8,634)</b>	<b>81,399</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(34,457)</b>	<b>(3,868)</b>
Cash and cash equivalents at the beginning of the period	45,716	14,486
<b>Cash and cash equivalents at the end of the period</b>	<b>11,259</b>	<b>10,618</b>

Notes to the Consolidated Financial Statements are included on pages 18 to 33.

# Consolidated Statement of Changes in Equity

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

		Attributable to security holders					
		Ingenia Communities Holdings Limited					
Note		Issued Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000	ICF & ICMT \$'000	Total Equity \$'000
	<b>Carrying value 1 Jul 2023</b>	<b>91,958</b>	<b>(2,010)</b>	<b>48,319</b>	<b>138,267</b>	<b>1,398,520</b>	<b>1,536,787</b>
	Net (loss)/profit	-	-	(8,033)	(8,033)	50,541	42,508
	<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>(8,033)</b>	<b>(8,033)</b>	<b>50,541</b>	<b>42,508</b>

*Transactions with security holders in their capacity as security holders:*

16(a)	Issue of securities	(1)	-	-	(1)	(13)	(14)
	Share based payment transactions	-	2,138	-	2,138	-	2,138
	Lapsed rights	-	(489)	489	-	-	-
	Payment of distributions to security holders	-	-	-	-	(23,640)	(23,640)
	Payments to employee share trust	-	(400)	-	(400)	-	(400)
	<b>Carrying value 31 Dec 2023</b>	<b>91,957</b>	<b>(761)</b>	<b>40,775</b>	<b>131,971</b>	<b>1,425,408</b>	<b>1,557,379</b>

		Attributable to security holders					
		Ingenia Communities Holdings Limited					
Note		Issued Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000	ICF & ICMT \$'000	Total Equity \$'000
	<b>Carrying value 1 Jul 2022</b>	<b>91,960</b>	<b>(4,312)</b>	<b>102,137</b>	<b>189,785</b>	<b>1,339,723</b>	<b>1,529,508</b>
	Restatement <sup>(1)</sup>	-	-	(41,315)	(41,315)	26,384	(14,931)
	<b>As restated at 1 July 2022</b>	<b>91,960</b>	<b>(4,312)</b>	<b>60,822</b>	<b>148,470</b>	<b>1,366,107</b>	<b>1,514,577</b>
	Net profit	-	-	7,923	7,923	25,727	33,650
	<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>7,923</b>	<b>7,923</b>	<b>25,727</b>	<b>33,650</b>

*Transactions with security holders in their capacity as security holders:*

	Issue of securities	(1)	-	-	(1)	(13)	(14)
	Share based payment transactions	-	1,626	-	1,626	-	1,626
	Payment of distributions to security holders	-	-	-	-	(23,640)	(23,640)
	<b>Carrying value 31 Dec 2022</b>	<b>91,959</b>	<b>(2,686)</b>	<b>68,745</b>	<b>158,018</b>	<b>1,368,181</b>	<b>1,526,199</b>

(1) Refer to Note 1 for further detail.

Notes to the Consolidated Financial Statements are included on pages 18 to 33.

# Notes to the Financial Statements

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) The Group

The financial report of Ingenia Communities Holdings Limited (the “Company”) comprises the consolidated financial report of the Company and its controlled entities, including Ingenia Communities Fund (“ICF” or the “Fund”) and Ingenia Communities Management Trust (“ICMT”) (collectively, the “Trusts”). The shares of the Company are stapled with the units of the Trusts and trade on the Australian Securities Exchange (“ASX”) effectively as one security. Ingenia Communities RE Limited (“ICRE”), a wholly owned subsidiary of the Company, is the Responsible Entity of the Trusts. In this report, the Company and the Trusts are referred to collectively as the Group.

The constitutions of the Company and the Trusts require that, for as long as they remain jointly quoted on the ASX, the number of shares in the Company and the number of units in each trust shall remain equal and those security holders in the Company and unitholders in each trust shall be identical.

The stapling structure will cease to operate on the first to occur of:

- the Company or either of the Trusts resolving by special resolution in accordance with its constitution to terminate the stapling provisions; or
- the commencement of the winding up of the Company or either of the Trusts.

The half-year financial report as at and for the half-year ended 31 December 2023 was authorised for issue by the Directors on 20 February 2024.

### (b) Basis of preparation

The half-year financial report is a general purpose financial report, which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all of the information required for a full-year financial report and should be read in conjunction with the Group’s annual financial report for the year ended 30 June 2023 and any ASX announcements issued during the period.

As permitted by Instrument 2015/838, issued by the Australian Securities and Investments Commission, the financial statements and accompanying notes of the Group have been presented in the attached combined financial report.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$’000), unless otherwise stated, as permitted by Instrument 2016/191.

The financial report is prepared on a historical cost basis, except for investment properties, derivative financial instruments, other financial assets and other financial liabilities, which are measured at fair value.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group’s annual financial report for the year ended 30 June 2023 with the exception of new amended standards and interpretations which have been applied as required.

Where appropriate, comparative amounts have been restated to ensure consistency of disclosure throughout the financial report.

#### Prior period restatement - correction of an error

The opening retained earnings balance for 1 July 2022 was corrected for two errors in previous periods which resulted in the recognition of deferred tax liabilities and the recognition of a non-current provision. The net impact of the restatement was \$14.9 million. Refer to Note 1(b) of the 30 June 2023 Annual Financial Report for further detail.

### (c) Adoption of new and revised accounting standards

New accounting standards, amendments to accounting standards, and interpretations have been published that are not mandatory for the current reporting period and are not expected to have a material impact on the Group’s future financial reporting.

# Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 2. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Group to exercise its judgement in the process of applying its accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

#### i. Valuation of investment property, other financial assets and other financial liabilities

The Group has investment properties and assets held for sale which together represent the estimated fair value of the Group's investment property. Other financial assets includes the Groups investment in a number of unlisted property funds. Other financial liabilities relate to a profit share arrangement with a third-party which is carried at fair value.

The carrying value of these assets reflect certain assumptions about expected future rentals, rent-free periods, operating costs and appropriate discount and capitalisation rates. The valuation assumption for properties to be developed reflect sales prices for new homes, sales rates, new rental tariffs, estimates of capital expenditure, discount rates and projected property growth rates.

In forming these assumptions, the Group considered information about recent sales activity, current market rents, discount rates, capitalisation rates for properties similar to those owned by the Group, as well as independent valuations of the Group's property.

#### ii. Valuation of inventories

The Group has inventory in the form of lifestyle homes and service station fuel and supplies, which it carries at the lower of cost or net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the time of estimation, the amount the inventories are expected to realise and the estimated costs of completion. Key assumptions require the use of management judgement, and are continually reviewed.

#### iii. Fair value of derivatives

The fair value of derivative assets and liabilities is based on assumptions of future events, and involves significant estimates. Given the complex nature of these instruments, and various assumptions that are used in calculating mark-to-market values, the Group rely on counterparty valuations for derivative values. The counterparty valuations are usually based on mid-market rates, and calculates using the main variables of the forward market curve, time and volatility.

### (b) Critical judgements in applying the entity's accounting policies

There were no judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies that had a significant effect on the amounts recognised in the financial report.

# Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 3. SEGMENT INFORMATION

### (a) Description of segments

The Group invests predominantly in rental properties located in Australia with five reportable segments:

- Lifestyle Development – comprising the development and sale of lifestyle homes and fees from the management of development and sales in the joint venture;
- Lifestyle Rental – comprising long-term accommodation within lifestyle and all age rental communities;
- Ingenia Gardens – seniors rental villages;
- Holidays & Mixed Use – comprising tourism and rental accommodation within holiday parks;
- Fuel, Food & Beverage Services – consists of the Group's investment in service station and food & beverage operations adjoined to Ingenia Holiday communities;
- Corporate & Other – comprises the Group's remaining assets and operating activities including, funds and joint venture management and corporate overheads.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker in assessing performance and determining the allocation of resources. Other parts of the Group that are neither an operating segment nor part of an operating segment are included in Corporate & Other.

### (b) 31 Dec 2023

	Residential		Gardens	Tourism	Other		Total
	Lifestyle Development	Lifestyle Rental			Ingenia Gardens	Fuel, Food & Beverage	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segment revenue</b>							
Lifestyle home sales	76,767	-	-	-	-	-	76,767
Residential rental income	-	33,203	12,176	5,767	-	-	51,146
Tourism rental income	-	1,536	-	51,149	-	-	52,685
Annual rental income	-	21	-	5,526	-	-	5,547
Other revenue	1,561	7,333	1,174	4,068	10,074	1,221	25,431
<b>Total revenue</b>	<b>78,328</b>	<b>42,093</b>	<b>13,350</b>	<b>66,510</b>	<b>10,074</b>	<b>1,221</b>	<b>211,576</b>
<b>Segment underlying profit</b>							
External segment revenue	78,328	42,093	13,350	66,510	10,074	1,221	211,576
Cost of lifestyle homes sold	(42,189)	-	-	-	-	-	(42,189)
Employee expenses	(11,416)	(8,311)	(3,809)	(20,683)	(2,196)	(5,950)	(52,365)
Property expenses <sup>(1)</sup>	(1,623)	(10,204)	(2,981)	(14,276)	(474)	(574)	(30,132)
Administrative expenses	(2,575)	(2,509)	(1,055)	(3,446)	(86)	(4,282)	(13,953)
Operational, marketing and selling expenses	(4,177)	(1,478)	(67)	(3,195)	(1,738)	(233)	(10,888)
Service station expenses	-	-	-	(76)	(4,694)	-	(4,770)
Depreciation and amortisation expenses	(389)	(290)	(35)	(568)	(24)	(836)	(2,142)
<b>Earnings before interest and tax<sup>(1)</sup></b>	<b>15,959</b>	<b>19,301</b>	<b>5,403</b>	<b>24,266</b>	<b>862</b>	<b>(10,654)</b>	<b>55,137</b>
Share of joint venture profit							3,084
Interest income							362
Finance expense							(11,767)
Income tax expense							(3,309)
<b>Total underlying profit<sup>(1)</sup></b>							<b>43,507</b>
Net gain/(loss) on change in fair value of:							
Investment properties <sup>(1)</sup>							24,572
Acquisition transaction costs							(269)
Financial liabilities <sup>(1)</sup>							(2,091)
Investments and other financial instruments							(3,915)
Share of joint venture loss							(7,420)
Gain on disposal of investment properties							4,682
Income tax expense							(16,558)
<b>Profit after tax</b>							<b>42,508</b>
<b>Segment assets</b>							
Segment assets	371,985	1,028,638	132,642	813,738	380	82,442	2,429,825
Asset held for sale	-	-	-	11,115	-	-	11,115
<b>Total assets</b>	<b>371,985</b>	<b>1,028,638</b>	<b>132,642</b>	<b>824,853</b>	<b>380</b>	<b>82,442</b>	<b>2,440,940</b>

(1) EBIT has been adjusted to include movements arising from the settlement of contractual cash flows for ground leases of \$0.7 million and financial liabilities of \$0.5 million. This has been adjusted against the fair value gain/(loss) on investment properties and financial liabilities. Prior year comparatives have been updated to reflect this change.

# Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 3. SEGMENT INFORMATION (CONTINUED)

(c) 31 Dec 2022

	Residential						Total
	Lifestyle		Gardens	Tourism	Other		
	Lifestyle Development	Lifestyle Rental	Ingenia Gardens	Ingenia Holidays	Fuel, Food & Beverage	Corporate & Other	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segment revenue</b>							
Lifestyle home sales	49,593	-	-	-	-	-	49,593
Residential rental income	-	30,332	12,727	5,640	-	-	48,699
Tourism rental income	-	1,275	-	45,910	-	-	47,185
Annual rental income	-	30	-	5,301	-	-	5,331
Other revenue	835	5,651	1,385	2,760	10,103	2,015	22,749
<b>Total revenue</b>	<b>50,428</b>	<b>37,288</b>	<b>14,112</b>	<b>59,611</b>	<b>10,103</b>	<b>2,015</b>	<b>173,557</b>
<b>Segment underlying profit</b>							
External segment revenue	50,428	37,288	14,112	59,611	10,103	2,015	173,557
Cost of lifestyle homes sold	(26,023)	-	-	-	-	-	(26,023)
Employee expenses	(10,238)	(8,491)	(3,588)	(20,124)	(2,271)	(5,443)	(50,155)
Property expenses <sup>(1)</sup>	(978)	(9,366)	(3,822)	(12,802)	(455)	(366)	(27,789)
Administrative expenses	(2,549)	(2,348)	(539)	(3,816)	(44)	(4,201)	(13,497)
Operational, marketing and selling expenses	(2,583)	(581)	(354)	(1,966)	(1,727)	(650)	(7,861)
Service station expenses	-	-	-	(42)	(4,884)	-	(4,926)
Depreciation and amortisation expenses	(399)	(243)	(46)	(502)	(24)	(1,037)	(2,251)
<b>Earnings before interest and tax<sup>(1)</sup></b>	<b>7,658</b>	<b>16,259</b>	<b>5,763</b>	<b>20,359</b>	<b>698</b>	<b>(9,682)</b>	<b>41,055</b>
Share of joint venture profit							733
Share of associate loss							(500)
Interest income							161
Finance expense							(6,969)
Income tax expense							(306)
<b>Total underlying profit<sup>(1)</sup></b>							<b>34,174</b>
Net gain/(loss) on change in fair value of:							
Investment properties <sup>(1)</sup>							7,629
Acquisition transaction costs							(2,062)
Financial liabilities <sup>(1)</sup>							(215)
Investments and other financial instruments							524
Share of joint venture loss							(1,885)
Gain on disposal of investment properties							753
Income tax expense							(5,268)
<b>Profit after tax</b>							<b>33,650</b>
<b>Segment assets</b>							
Segment assets	325,588	1,011,271	164,904	700,530	420	80,723	2,283,436
Asset held for sale	-	-	-	5,300	-	-	5,300
<b>Total assets</b>	<b>325,588</b>	<b>1,011,271</b>	<b>164,904</b>	<b>705,830</b>	<b>420</b>	<b>80,723</b>	<b>2,288,736</b>

(1) EBIT has been adjusted to include movements arising from the settlement of contractual cash flows for ground leases of \$0.6 million and financial liabilities of \$0.3 million. This has been adjusted against the fair value gain/(loss) on investment properties and financial liabilities.



# Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 4. EARNINGS PER SECURITY

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>Per security</b>		
Profit attributable to security holders (\$'000)	42,508	33,650
Weighted average number of securities outstanding (thousands):		
Issued securities (thousands)	407,583	407,583
Dilutive securities (thousands):		
Long-term incentives	2,310	1,830
Short-term incentives	492	397
Talent Rights Grant	762	401
Fixed Remuneration Rights	116	98
<b>Weighted average number of issued and dilutive potential securities outstanding (thousands)</b>	<b>411,263</b>	<b>410,309</b>
Basic earnings per security (cents)	10.4	8.3
Dilutive earnings per security (cents)	10.3	8.2

## 5. OTHER REVENUE

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other revenue</b>		
Ancillary guest and resident income	7,910	7,601
Fuel, food and beverage sales	10,068	10,102
Fee income <sup>(1)</sup>	2,527	2,718
Refurbished home sales	2,291	491
Other <sup>(2)</sup>	2,635	1,837
<b>Total other revenue</b>	<b>25,431</b>	<b>22,749</b>

(1) Fees from the provision of property management, asset development and sales management services to the funds and the Joint Venture.

(2) Other income includes distributions from investment in funds and deferred management fees.

## 6. FINANCE EXPENSE

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Debt facility interest expense	(16,225)	(10,214)
Lease interest expense <sup>(1)</sup>	(987)	(1,029)
Capitalised interest	5,445	4,274
<b>Finance expense</b>	<b>(11,767)</b>	<b>(6,969)</b>

(1) Lease interest expense relates to lease of right-of-use assets and certain ground leases for investment properties that are long-term in nature.

## 7. INCOME TAX EXPENSE

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Income tax expense</b>		
Current tax expense	(229)	-
Increase in deferred tax liabilities	(19,638)	(5,574)
<b>Income tax expense</b>	<b>(19,867)</b>	<b>(5,574)</b>

## Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### 7. INCOME TAX EXPENSE (CONTINUED)

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<b>(b) Reconciliation between tax expense and pre-tax profit</b>		
Profit before income tax	62,375	39,224
Less: amounts not subject to income tax (inclusive of intragroup eliminations)	(895)	(36,162)
	<b>61,480</b>	<b>3,063</b>
Income tax expense at the Australian tax rate of 30% (31 Dec 2022: 30%)	(18,444)	(919)
Tax effect of amounts which are not deductible:		
Derecognition of previously recognised tax losses	-	(3,522)
Other	(1,423)	(1,133)
<b>Income tax expense</b>	<b>(19,867)</b>	<b>(5,574)</b>

### 8. INVENTORIES

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Lifestyle homes:		
Completed	18,614	19,756
Display homes	7,974	3,368
Under construction	60,240	30,711
Fuel, food and beverage supplies	369	312
<b>Total inventories</b>	<b>87,197</b>	<b>54,147</b>

The lifestyle home balance includes:

- 54 new completed homes (30 Jun 2023: 65)
- 28 display homes (30 Jun 2023: 11)
- Lifestyle homes under construction includes 354 partially completed homes at different stages of development (30 Jun 2023: 208). It also includes demolition, site preparation costs, buybacks on future development sites and refurbished/renovated/annuals completed homes.

### 9. ASSETS HELD FOR SALE

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Investment properties held for sale:		
Avina, Vineyard, NSW <sup>(1)</sup>	3,437	-
Broulee, Broulee, NSW <sup>(2)</sup>	7,678	7,698
Lake Hume, Bowna, NSW	-	5,292
Seachange Hervey Bay, Urangan, QLD	-	11,200
<b>Total assets held for sale</b>	<b>11,115</b>	<b>24,190</b>

(1) Land adjacent to the established park.

(2) Includes a land component that is leased from the Crown and is recognised as investment property with an associated ground lease. The value of the capitalised leases carried within investment property is \$0.6 million. (30 June 2023:\$0.6 million)

### 10. INVESTMENT PROPERTIES

#### (a) Summary of carrying value

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Completed properties	1,805,803	1,770,328
Properties under development	305,165	275,302
<b>Total carrying value</b>	<b>2,110,968</b>	<b>2,045,630</b>

# Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 10. INVESTMENT PROPERTIES (CONTINUED)

### (b) Movements in carrying value

	31 Dec 2023	30 Jun 2023
Note	\$'000	\$'000
<b>Carrying value at the beginning of the period</b>	<b>2,045,630</b>	<b>1,937,888</b>
Acquisitions	7,548	48,834
Expenditure capitalised	78,603	135,549
Net gain on change in fair value <sup>(1)</sup>	23,603	523
Transfer to assets held for sale	9 (3,437)	(24,190)
Disposals	(40,979)	(52,974)
<b>Carrying value at the end of the period</b>	<b>2,110,968</b>	<b>2,045,630</b>

(1) Net of acquisition transaction costs written off \$0.3 million (31 Dec 2022: \$2.1 million).

### (c) Reconciliation of fair value

	Ingenia Gardens \$'000	Lifestyle Rental \$'000	Holidays & Mixed Use \$'000	Total \$'000
<b>Carrying value at the beginning of the period</b>	<b>168,010</b>	<b>1,120,113</b>	<b>757,507</b>	<b>2,045,630</b>
Acquisitions	-	-	7,548	7,548
Expenditure capitalised	754	70,154	7,695	78,603
Net gain on change in fair value <sup>(1)</sup>	(2,458)	(24,146)	50,207	23,603
Transfer to assets held for sale	-	-	(3,437)	(3,437)
Disposals	(38,576)	-	(2,403)	(40,979)
<b>Carrying value at the end of the period</b>	<b>127,730</b>	<b>1,166,121</b>	<b>817,117</b>	<b>2,110,968</b>

(1) Net of acquisition transaction costs written off \$0.3 million (31 Dec 2022: \$2.1 million).

### (d) Individual property carrying value

	Carrying value	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
<b>Completed properties</b>		
<i>Ingenia Gardens:</i>		
Brooklyn, Brookfield, VIC	6,150	5,450
Jefferis, Bundaberg North, QLD	5,300	5,170
Oxley, Port Macquarie, NSW	6,410	6,550
Townsend, St Albans Park, VIC	5,710	6,000
Goulburn, Goulburn, NSW	6,250	6,120
Coburns, Brookfield, VIC	6,400	5,540
Hertford, Sebastopol, VIC	4,760	5,000
St Albans Park, St Albans Park, VIC	6,570	6,900
Taloumbi, Coffs Harbour, NSW	7,100	7,000
Wheelers, Dubbo, NSW	6,630	6,900
Taree, Taree, NSW	6,250	6,480
Grovedale, Grovedale, VIC	6,580	6,350
Marsden, Marsden, QLD	15,750	15,600
Dubbo, Dubbo, NSW	6,550	6,450
Wagga, Wagga Wagga, NSW	5,810	5,950
Bathurst, Bathurst, NSW	5,860	6,100
Warrnambool, Warrnambool, VIC	5,250	5,400
Carrum Downs, Carrum Downs, VIC	8,550	10,740
Sovereign, Ballarat, VIC	5,850	5,890
Carey Park, Bunbury, WA	-	6,040
Yakamia, Yakamia, WA	-	5,770
Seascape, Erskine, WA	-	6,500
Seville Grove, Seville Grove, WA	-	5,400
Swan View, Swan View, WA	-	9,800
Ocean Grove, Mandurah, WA	-	4,910
	<b>127,730</b>	<b>168,010</b>

# Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 10. INVESTMENT PROPERTIES (CONTINUED)

### Completed properties

	Carrying value	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<i>Ingenia Lifestyle Rental:</i>		
The Grange, Morisset, NSW	33,975	33,859
Ettalong Beach, Ettalong Beach, NSW <sup>(1)</sup>	1,549	1,557
Stoney Creek, Marsden Park, NSW	27,700	29,695
Chambers Pines, Chambers Flat, QLD	81,060	72,146
Bethania, Bethania, QLD	43,600	50,179
Lara, Lara, VIC	47,121	47,573
Latitude One, Port Stephens, NSW <sup>(2)</sup>	43,500	44,000
Blueys Beach, Blueys Beach, NSW	1,103	1,050
Durack Gardens, Durack, QLD	47,100	44,300
Eight Mile Plains, QLD	47,005	47,000
Plantations, Woolgoolga, NSW	27,034	28,250
Hervey Bay (Lifestyle), Hervey Bay, QLD	26,400	26,846
Brisbane North, Aspley, QLD	47,000	44,659
Bevington Shores, Halekulani, NSW	29,886	29,000
Taigum, Taigum, QLD	25,500	23,333
Sunnylake Shores, Halekulani, NSW	16,000	15,648
Redlands, Thornlands, QLD	7,167	7,000
Natures Edge, Buderim, QLD	35,517	29,894
Anna Bay, Anna Bay, NSW	1,821	4,331
Arundel, Arundel, QLD	69,600	69,639
Emerald Lakes, Carrara, QLD	21,700	23,119
Coomera, Upper Coomera, QLD	20,123	20,123
Toowoomba, Harristown, QLD	10,172	8,771
Carrum Downs (Rentals), Carrum Downs, VIC	26,150	25,920
Chelsea, Bonbeach, VIC	25,250	25,457
Frankston, Carrum Downs, VIC	26,250	25,606
Glenroy, Glenroy, VIC	30,687	31,461
Sunshine, Albion, VIC	23,112	23,911
Werribee, Werribee, VIC	34,100	30,868
Parkside, Ballarat, VIC	6,000	3,216
	<b>883,182</b>	<b>868,411</b>

(1) Includes a land component that is leased from the Crown, local municipalities or private lessors and are recognised as investment property with an associated ground lease. The value of the capitalised leases carried within investment property is \$1.0 million (30 June 2023: \$1.0 million).

(2) The carrying value of Latitude One represents 100% of the property value. A profit share arrangement is in place with a third-party, the liability for which is carried at fair value and classified as a non-current financial liability.

## Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### 10. INVESTMENT PROPERTIES (CONTINUED)

#### Completed properties

	Carrying value	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<i>Ingenia Holidays and Mixed Use:</i>		
Nepean River, Emu Plains, NSW	15,700	13,500
Kingscliff, Kingscliff, NSW	14,283	14,000
One Mile Beach, One Mile, NSW <sup>(1)</sup>	47,296	33,335
Hunter Valley, Cessnock, NSW	10,900	11,500
White Albatross, Nambucca Heads, NSW	47,000	37,530
Noosa, Tewantin, QLD	32,500	27,500
Lake Macquarie (Holidays), Mannering Park, NSW	14,258	13,700
Sydney Hills, Dural, NSW	17,316	17,500
Conjola Lakeside, Lake Conjola, NSW	64,900	64,700
Soldiers Point, Port Stephens, NSW	36,500	23,244
South West Rocks, South West Rocks NSW <sup>(1)</sup>	32,839	31,919
Ocean Lake, Ocean Lake, NSW	13,700	13,700
Avina, Vineyard, NSW	13,563	17,000
Hervey Bay (Holidays), Hervey Bay, QLD	13,000	13,750
Cairns Coconut, Woree, QLD	81,439	77,600
Bonny Hills, Bonny Hills, NSW	18,311	17,600
Rivershore, Diddillibah, QLD	24,094	24,850
Byron Bay, Byron Bay, NSW <sup>(1)</sup>	29,834	25,380
Middle Rock, One Mile, NSW	23,320	22,500
Inverloch, Inverloch, VIC <sup>(1)</sup>	45,571	41,603
Townsville, Deeragun, QLD	9,939	9,700
Merry Beach, Kioloa, NSW <sup>(1)</sup>	32,273	32,870
Noosa North, Tewantin, QLD <sup>(1)</sup>	15,612	14,551
Eden, Eden, NSW <sup>(1)</sup>	9,871	10,268
Torquay, Torquay, VIC <sup>(1)</sup>	19,843	20,536
Phillip Island, Newhaven, VIC <sup>(1)</sup>	12,171	13,273
Cape Paterson, Cape Paterson, VIC <sup>(1)</sup>	8,149	8,161
Ulladulla, Ulladulla, NSW	12,500	13,000
Beacon, Queenscliff, VIC	33,000	30,877
Murray Bend, Koonoomoo, VIC	15,100	15,600
Swan Bay, Swan Bay, VIC	9,300	9,260
Big 4 Wagga, Wagga Wagga, NSW	13,529	13,400
Old Bar Beach, Old Bar, NSW <sup>(1)</sup>	7,280	-
	<b>794,891</b>	<b>733,907</b>
<b>Total completed properties</b>	<b>1,805,803</b>	<b>1,770,328</b>

(1) Includes a land component that is leased from the Crown, local municipalities or private lessors and are recognised as investment property with an associated ground lease. The value of the capitalised leases carried within investment property is \$52.0 million (30 June 2023: \$51.2 million).

The figures shown above are the fair values of the operating rental streams associated with each property and exclude any valuation attributable to the development component of the investment property. In determining fair values for completed properties, the Group considers relevant information including the capitalisation of rental streams using market assessed capitalisation rates.

## Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### 10. INVESTMENT PROPERTIES (CONTINUED)

#### Properties under development

	Carrying value	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<i>Ingenia Lifestyle Rental:</i>		
Chambers Pines, Chambers Flat, QLD	5,516	10,405
Bethania, Bethania, QLD	1,250	1,574
Lara, Lara, VIC	14,738	15,451
Latitude One (Lot 25), Port Stephens, NSW	24,000	2,500
Blueys Beach, Blueys Beach, NSW	10,143	9,137
Hervey Bay (Lifestyle), Hervey Bay, QLD	24,339	21,191
Sunnylake Shores, Halekulani, NSW	390	1,685
Parkside, Ballarat, VIC	26,143	15,974
Redlands, Thornlands, QLD	2,100	2,100
Beveridge, Beveridge, VIC	22,712	19,994
Natures Edge, Buderim, QLD	7,069	11,943
Drift, Bargara, QLD	16,981	13,159
Rochedale, Rochedale, QLD	25,106	25,284
Coomera, Upper Coomera, QLD	2,663	2,662
Toowoomba, Harristown, QLD	10,668	11,802
Sanctuary, Victoria Point, QLD	41,735	40,348
Millers Glen, Beaudesert, QLD	8,806	8,459
Branyan, Branyan, QLD	6,151	5,860
Sunbury, Sunbury, VIC	12,750	12,500
Gordonvale, Cairns, QLD	17,500	19,674
Anna Bay, Anna Bay, NSW	2,179	-
	<b>282,939</b>	<b>251,702</b>
<i>Ingenia Holidays and Mixed Use:</i>		
Avina, Vineyard, NSW	15,626	17,000
Cairns Coconut, Woree, QLD	2,400	2,400
Rivershore, Diddillibah, QLD	4,200	4,200
	<b>22,226</b>	<b>23,600</b>
<b>Total properties under development</b>	<b>305,165</b>	<b>275,302</b>
<b>Total investment properties</b>	<b>2,110,968</b>	<b>2,045,630</b>

For investment properties under development the Group assesses fair value based on expected net cash flows discounted to their present value using market determined risk-adjusted discount rates and other available market data such as recent comparable transactions. As such the fair value of an investment property under development at each reporting date will depend on the stage of development that each investment property is at, the number of lifestyle home settlements still to be realised and the discount rate.

Investment properties are carried at fair value in accordance with the Group's accounting policy in the Group's 30 June 2023 Annual Report (Note 1 (q)).

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date in the principal market for the asset or liability, or in its absence, the most advantageous market.

In determining the fair value of certain assets, recent market offers have been taken into consideration.

# Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 10. INVESTMENT PROPERTIES (CONTINUED)

### (e) Description of valuations techniques used and key inputs to valuation on investment properties

	Valuation technique	Significant unobservable inputs	Range (weighted average)		Relationship of unobservable input to fair value
			31 Dec 2023	30 Jun 2023	
<b>Ingenia Gardens</b>	Capitalisation method	Stabilised occupancy	92% - 99% (96.0%)	88% - 99% (96.0%)	As costs are fixed in nature, occupancy has a direct correlation to valuation (i.e. the higher the occupancy, the greater the value).
		Capitalisation rate	8.11% - 9.26% (8.7%)	7.2% - 9.5% (8.9%)	Capitalisation has an inverse relationship to valuation.
<b>Holidays &amp; Mixed Use</b>	Capitalisation method (for existing rental streams)	Short-term occupancy	20% - 80% for powered and camp sites; 30% - 80% for tourism and short term rental	20% - 80% for powered and camp sites; 30% - 80% for tourism and short term rental	The higher the occupancy, the greater the value.
		Residential occupancy	100%	100%	
		Operating profit margin	22% - 60% dependent upon short-term and residential accommodation mix	22% - 63% dependent upon short-term and residential accommodation mix	The higher the adopted operating margin, the greater the value.
		Capitalisation rate	7.0% - 12.0% (8.28%)	6.75% - 11.50% (7.6%)	Capitalisation has an inverse relationship to valuation.
<b>Lifestyle Rental</b>	Capitalisation method (for existing income streams)	Short-term occupancy	20% - 80% for powered and camp sites; 30% - 95% for tourism and short term rental	20% - 80% for powered and camp sites; 30% - 95% for tourism and short term rental	The higher the occupancy, the greater the value.
		Residential occupancy	100%	100%	
		Operating profit margin - Stabilised	36% - 72% dependent upon short-term and residential accommodation mix	39% - 75% dependent upon short-term and residential accommodation mix	The higher the adopted operating margin, the greater the value.
		Capitalisation rate	4.92% - 7.75% (5.3%)	4.90% - 7.27% (5.3%)	Capitalisation has an inverse relationship to valuation.
<b>Lifestyle Development</b>	Home Sales profit	Profit margin	24% - 55% (38%)	27% - 50% (36%)	The higher the margin, the greater the contribution to overall development value.
	Discounted cash flow	Discount rate	8.55% - 20.0% (17.1%)	6.5% - 22.5% (16.8%)	Discount rate has an inverse relationship to valuation.

# Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

## 10. INVESTMENT PROPERTIES (CONTINUED)

### Capitalisation method

Under the capitalisation method, fair value is estimated using assumptions regarding the expectation of future benefits. The capitalisation method involves estimating the expected income projections of the property and applying a capitalisation rate into perpetuity. The capitalisation rate is based on current market evidence. Future income projections take into account occupancy, rental income and operating expenses.

### Discounted cash flow method

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield normally reflects the exit value expected to be achieved upon selling the asset and is a function of the risk-adjusted returns of the asset and expected capitalisation rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment or refurbishment as well as the development of new units. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net underlying cash flows, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The valuation can be relied upon at the date of valuation however, a higher level of valuation uncertainty than normal is assumed. Due to the heightened degree of valuation uncertainty, property values may change significantly and unexpectedly over a relatively short period of time.

## 11. INTANGIBLES AND GOODWILL

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Summary of carrying amounts</b>		
Software & development	4,991	5,025
Goodwill	101,319	101,319
Less: accumulated amortisation	(3,935)	(3,760)
<b>Total intangibles</b>	<b>102,375</b>	<b>102,584</b>
<b>(b) Movements in carrying amount</b>		
<b>Carrying amount at beginning of period</b>	<b>102,584</b>	<b>103,203</b>
Disposals	(2)	-
Amortisation expense	(207)	(619)
<b>Carrying amount at end of period</b>	<b>102,375</b>	<b>102,584</b>



## Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### 12. INVESTMENT IN A JOINT VENTURE

The Group holds a 50% interest in a joint venture with Sun Communities for the development of greenfield communities. The Group's interest in the Joint Venture is accounted for using the equity method in the consolidated financial statements. The valuation methodology of the Joint Venture's assets and liabilities are consistent with that of the Group.

The following table illustrates the summarised financial information of the Group's investment in the Joint Venture entities:

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance Sheet</b>		
Cash	6,894	7,769
Trade and other receivables	1,317	1,293
Inventory	34,442	16,942
<b>Current assets</b>	<b>42,653</b>	<b>26,004</b>
Investment property	149,530	139,568
Other non-current assets	493	500
<b>Non-current assets</b>	<b>150,023</b>	<b>140,068</b>
Trade and other payables	(10,922)	(7,670)
<b>Current liabilities</b>	<b>(10,922)</b>	<b>(7,670)</b>
Borrowings	(36,767)	(34,744)
<b>Non-current liabilities</b>	<b>(36,767)</b>	<b>(34,744)</b>
<b>Net assets/equity</b>	<b>144,987</b>	<b>123,658</b>
Group's share in equity - 50%	72,494	61,829
<b>Group's carrying value in investment</b>	<b>72,494</b>	<b>61,829</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Statement of Comprehensive Income</b>		
Revenue	21,486	5,226
Cost of sales	(9,569)	(1,933)
Operating costs	(3,990)	(1,486)
Depreciation	(68)	(46)
<b>Operating profit before interest and tax</b>	<b>7,859</b>	<b>1,761</b>
Net finance expense	(977)	(120)
Impairment	-	(917)
Net loss on change in fair value of investment property	(14,873)	(2,853)
Income tax expense	(681)	(175)
<b>Net loss for the period</b>	<b>(8,672)</b>	<b>(2,304)</b>
<b>Total comprehensive loss for the period net of income tax</b>	<b>(8,672)</b>	<b>(2,304)</b>
<b>Group's share of loss for the period</b>	<b>(4,336)</b>	<b>(1,152)</b>

## Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### 13. DEFERRED TAX ASSETS AND LIABILITIES

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Deferred tax assets</b>		
Tax losses	26,436	24,994
Accruals	4,733	4,830
Other	4,122	4,238
<b>Deferred tax liabilities</b>		
DMF receivable	(5)	(5)
Investment properties	(100,640)	(81,156)
Other	(7,562)	(6,180)
<b>Net deferred tax liability</b>	<b>(72,916)</b>	<b>(53,279)</b>
<b>Tax effected carried forward tax losses for which no deferred tax asset has been recognised</b>	<b>3,180</b>	<b>3,058</b>

The tax effected carried forward tax losses for which no deferred tax asset has been recognised in the current period relates to capital loss of \$3.2 million (30 Jun 2023: \$3.1 million).

The availability of carried forward tax losses to the ICMT tax consolidated group is subject to recoupment rules at the time of recoupment. Further, the rate at which certain revenue losses can be utilised is determined by reference to market values at the time of tax consolidation and subsequent events. The carried forward capital losses can only be recouped from future capital gains.

The Group offsets tax assets and liabilities, if and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

### 14. TRADE AND OTHER PAYABLES

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Current</b>		
Trade payables and accruals	73,405	73,644
Deposits – tourism and residential	26,539	19,598
Other	2,263	2,275
<b>Total current</b>	<b>102,207</b>	<b>95,517</b>
<b>Non-Current</b>		
Other	3,758	6,904
<b>Total non-current</b>	<b>3,758</b>	<b>6,904</b>

## Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### 15. BORROWINGS

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Current</b>		
Lease liabilities – Right-of-use assets	1,293	1,094
Lease liabilities – Ground leases	3,535	2,894
<b>Total current</b>	<b>4,828</b>	<b>3,988</b>
<b>Non-current</b>		
Bank debt	626,850	609,130
Prepaid borrowing costs	(2,576)	(3,015)
Lease liabilities – Right-of-use assets	2,182	1,672
Lease liabilities – Ground leases	49,483	49,893
<b>Total non-current</b>	<b>675,939</b>	<b>657,680</b>

#### (a) Bank debt

As at 31 December 2023, the Group's debt balance, drawn from the facilities, was \$626.9 million (30 Jun 2023: \$609.1 million). The Group's Australian properties pledged as security at reporting date is \$1,971.1 million (30 Jun 2023: \$1,912.5 million). The value is based on the most recent external valuation amounts of the investment properties net of resident liabilities.

The facility maturity dates are:

- 31 December 2025 (\$174.6 million);
- 30 September 2026 (\$175.4 million);
- 31 January 2027 (\$200.0 million);
- 21 February 2027 (\$100.0 million);
- 26 December 2027 (\$55.0 million); and
- 5 February 2028 (\$75.0 million).

#### (b) Bank guarantees

The Group has the ability to utilise its bank facilities to provide bank guarantees, which at 31 December 2023 were \$21.5 million (30 Jun 2023: \$24.1 million).

### 16. ISSUED SECURITIES

	6 months to 31 Dec 2023 \$'000	12 months to 30 Jun 2023 \$'000
<b>(a) Carrying values</b>		
<b>Balance at beginning of the period</b>	<b>1,704,212</b>	<b>1,704,230</b>
Issued during the period:		
Distribution Reinvestment Plan ("DRP")	-	-
Equity raising and distribution costs	(14)	(18)
<b>Balance at end of the period</b>	<b>1,704,198</b>	<b>1,704,212</b>

#### The closing balance is attributable to the security holders of:

Ingenia Communities Holdings Limited	91,957	91,958
Ingenia Communities Fund	1,473,441	1,473,451
Ingenia Communities Management Trust	138,800	138,803
	<b>1,704,198</b>	<b>1,704,212</b>

	6 months to 31 Dec 2023 '000	12 months to 30 Jun 2023 '000
<b>(b) Number of issued securities</b>		
<b>Balance at beginning of the period</b>	<b>407,583</b>	<b>407,583</b>
Issued during the period:		
Distribution Reinvestment Plan ("DRP")	-	-
<b>Balance at end of the period</b>	<b>407,583</b>	<b>407,583</b>

## Notes to the Financial Statements (continued)

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

### 16. ISSUED SECURITIES (CONTINUED)

#### (c) Term of securities

All securities are fully paid and rank equally with each other for all purposes. Each security entitles the holder to one vote, in person or by proxy, at a meeting of security holders.

### 17. COMMITMENTS

There were commitments for capital expenditure on investment properties and inventories contracted but not provided for at reporting date of \$124.4 million (30 Jun 2023: \$79.3 million).

In FY23, Ingenia entered into an arrangement to acquire Plantations (land lease) adjoining land for a purchase price of \$18.8 million (inclusive of GST) on or before 30 April 2024. As at 31 December 2023, a deposit of \$0.9 million has already been paid.

### 18. CONTINGENT LIABILITIES

The Group has the following contingent liabilities:

- Bank guarantees totalling \$21.5 million provided for under the \$780.0 million bank facility. Bank guarantees primarily relate to the Responsible Entity's AFSL capital requirements (\$10.0 million).

### 19. SUBSEQUENT EVENTS

#### Divestment of Ingenia Holidays Broulee

On 31 January 2024, the Group completed the divestment of Ingenia Holidays Broulee, located in Broulee, NSW, for \$7.3 million.

#### Acquisition of adjacent land

On 5 February 2024, the Group completed the acquisition of land adjacent to Ingenia Lifestyle Millers Glen, located in Beaudesert, QLD, for a purchase price of \$10.0 million.

#### Interim distribution

On 20 February 2024, the Directors declared an interim distribution of 5.2 cps amounting to \$21.2 million, to be paid on 21 March 2024.

## Directors' Declaration

Ingenia Communities Holdings Limited  
For the six months ended 31 December 2023

In accordance with a resolution of the directors of Ingenia Communities Holdings Limited, I state that:

1. In the opinion of the directors:
  - a) The financial statements and notes of Ingenia Communities Holdings Limited for the half-year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of its financial position as at 31 December 2022 and of its performance for the six months ended on that date; and
    - (ii) complying with Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*; and
  - b) there are reasonable grounds to believe that Ingenia Communities Holdings Limited will be able to pay its debts as and when they become due and payable.

On-behalf of the Board



Jim Hazel  
Chairman  
Adelaide, 20 February 2024



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## Independent Auditor's Review Report to the Members of Ingenia Communities Holdings Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Ingenia Communities Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the half year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-Year Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' Responsibility for the Half-Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Yvonne Barnikel  
Partner  
Sydney  
20 February 2024

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**INGENIA COMMUNITIES FUND  
AND  
INGENIA COMMUNITIES MANAGEMENT TRUST**

**HALF-YEAR FINANCIAL REPORT  
31 DECEMBER 2023**

[www.ingeniacommunities.com.au](http://www.ingeniacommunities.com.au)  
Registered Office: Level 3, 88 Cumberland Street, The Rocks NSW 2000

# Half-Year Report

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

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# Directors' Report

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

Ingenia Communities Fund ("ICF" or the "Fund") (ARSN 107 459 576) and Ingenia Communities Management Trust ("ICMT") (ARSN 122 928 410) (together the "Trusts") are Australian registered schemes. Ingenia Communities RE Limited (ACN 154 464 990; Australian Financial Services Licence number 415862), the Responsible Entity of the Trusts, is incorporated and domiciled in Australia.

The parent company of Ingenia Communities RE Limited ("ICRE" or the "Responsible Entity") is Ingenia Communities Holdings Limited ("ICH" or the "Company"). The shares of the Company are "stapled" with the units of the Trusts and trade on the Australian Securities Exchange ("ASX") as one security (ASX Code: INA). The Company and the Trusts along with their subsidiaries are collectively referred to as the Group in this report.

The Directors' Report is a combined Directors' Report that covers the Trusts for the six months ended 31 December 2023 (the "current period").

## DIRECTORS

The Directors of the Responsible Entity at any time during or since the end of the current period were:

### Non-Executive Directors (NEDs)

Jim Hazel (Chairman)  
Robert Morrison (Deputy Chairman)  
Amanda Heyworth  
Pippa Downes  
Gregory Hayes  
Sally Evans  
John McLaren (resigned, effective 2 November 2023)

### Executive Director

Simon Owen (Managing Director and Chief Executive Officer (MD and CEO))

### Company Secretaries

Natalie Kwok (Chief Investment Officer and General Counsel (CIO and GC))  
Charisse Nortje

## OPERATING AND FINANCIAL REVIEW

### ICF and ICMT overview

ICF and ICMT are two of the entities forming part of ICH, which is a triple staple structure traded on the ASX.

The Group is an active owner, manager and developer of a diversified portfolio of lifestyle, rental and holiday communities along Australia's east coast. The Group's real estate assets at 31 December 2023 were valued at \$2.1 billion, comprising 38 lifestyle rental and 33 holiday communities and 19 seniors rental communities (Ingenia Gardens). The Group also manages and has a co-investment in 11 assets through its development joint venture (JV) and funds management platform and provides management and development services to these entities. The Group was first included in the S&P/ASX 200 in December 2019 and had a market capitalisation of approximately \$1.8 billion at 31 December 2023.

The Group's vision is to create Australia's best residential communities and holiday park accommodation, with a focus on the seniors demographic and families. The Board is committed to delivering long-term underlying earnings per security (EPS) growth to security holders while providing a supportive community environment for residents and guests and creating communities that have a positive impact on our stakeholders and planet.

### Our Values

At Ingenia we build community on a foundation of integrity and respect, creating a place where people have a sense of connection and belonging. We strive for continuous improvement in our resident and guest service, to ensure that they receive an amazing experience every day. Whether it's time to live, play, stay or renew, we deliver freedom of choice with a range of industry award winning lifestyle and holiday options.

# Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

## Creating Australia's best lifestyle and holiday communities



### Strategy

The Group is positioning for scale and long-term sector leadership while enhancing the operational performance of its investment properties and developing new sustainable communities.

Using a disciplined investment framework, the Group will: continue to refine its portfolio, with a focus on growing its lifestyle rental base; build out its existing development pipeline to improve asset quality and sustainability; expand development and revenue streams directly and via capital partnerships, including with Sun Communities, Inc (NYSE: SUI) and the Group's funds management platform; realise embedded growth and enhance returns from existing rental and holidays communities.

The immediate business priorities of the Group are:

- Continue to deliver the development pipeline across the Group and Joint Venture (JV) and integrate new building partners to support scale and settlements growth;
- Improve performance of existing communities through maintainable rental growth, active cost management and investment in new rental, tourism cabins and amenities;
- Improve resident and guest experience by investing in our systems and processes;
- Enhance competitive advantage through recruiting, retaining and developing industry leading talent;
- Build on the Group's sustainability program through environmental, social and governance initiatives which include progressing the construction of three communities targeting a Green Star - Communities rating, delivering emissions reductions and expanding charitable giving;
- Maintain focus on employee, resident and guest health and safety; and
- Expand the Group's capital partnerships to leverage Ingenia's capability and established platform, to expand the Group's development pipeline.

### Portfolio Refinement, Integration and Development Pipeline Expansion

The Group is well positioned for further expansion through development with 15 land lease communities currently underway and 10 communities commencing development over FY24-25. The Group will also look to expand the portfolio where feasible.

During the period, in line with a focus on divesting non-core assets and recycling capital into the Group's development pipeline, the Group divested:

- six Ingenia Gardens communities in WA;
- one greenfield development site in QLD that was considered surplus to the Group's needs;
- one holiday park, Lake Hume, NSW; and
- adjoining land to a NSW based holiday park.

The Group has committed to purchasing a site adjoining its Ingenia Lifestyle Plantations (NSW) community and continues to look for new sites; and recently acquired a leasehold holiday park at Old Bar Beach NSW to complement the existing network of holiday parks.

# Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

## 1H24 financial results

The six months to 31 December 2023 delivered total revenue of \$211.6 million, up 22% on the prior corresponding period. The Group settled 143 turnkey homes (1H23: 115 homes) delivering a gross new home development profit of \$34.6 million (1H23: \$23.6 million). A further 31 homes were settled within the JV (1H23: 10 homes), achieving a combined total of 174<sup>1</sup> turnkey home settlements during the period (1H23: 125 homes). Holidays income grew by 12% to \$66.5 million (1H23: \$59.6 million) mainly from tourism rental income which increased by 11% to \$51.1 million (1H23: \$45.9 million). Lifestyle Rental income increased by 13% to \$42.1 million (1H23: \$37.3 million), driven by the growth in residential rental income which grew by 9% to \$33.2 million (1H23: \$30.3 million).

Underlying profit of \$43.5 million, which represents an increase of \$9.3 million on the prior corresponding period, is primarily attributable to strong growth in the Lifestyle Development, Lifestyle Rental and Ingenia Holidays operating segments offset in part by increases in the Group's cost base, including volume related expenses, net finance expense and income tax expense.

Statutory profit of \$42.5 million was up 26% on the prior corresponding period. The statutory result reflects the combination of growth in underlying earnings from the operating segments and fair value movements on investment properties offset in part by the Group's share of losses from the JV net of tax.

Operating cash flow for the period was \$21.8 million, down 7% from the prior corresponding period. This reduction was predominantly driven by the continuing investment in home inventory ahead of forecast settlements in the second half of FY24 and early FY25 and an increase in borrowing costs paid attributable to higher interest rates and additional borrowings. Strong cashflows from the Lifestyle Rental, Ingenia Gardens and Ingenia Holidays portfolios positively contributed to the operating cashflows for the period.

The Group's net asset value (NAV) of \$3.82 per security was up by 1% (30 Jun 2023: \$3.77) and net tangible assets per security (NTA) increased 1% to \$3.57 (30 Jun 2023: \$3.52).

## Key metrics

- Net profit for the half-year for ICF \$10.6 million (1H23: \$22.8 million)
- Net profit for the half-year for ICMT of \$39.9 million (1H23: \$3.0 million)
- Interim distributions of 5.2 cents per unit by ICF, nil from ICMT.

## Segment performance and priorities

### Capital Partnerships

Capital partnerships through co-investment and shared funding enables the Group to leverage the existing business platform, generate fee income and extend the Group's asset base. With a wide pipeline of opportunities before the Group, there is potential to expand and extend capital partnering to support future acquisitions, enhance development, and enable portfolio refinement and growth.

### Development Joint Venture

The JV with Sun Communities (NYSE: SUI) leverages Ingenia's capability and platform to generate fees and expands its development opportunities via co-investment. Once homes are sold, Ingenia provides operational services to the land lease communities. At completion of development, and following a holding period of not less than 5 years, Ingenia has the right to acquire the communities at market value. As at 31 December 2023, the JV has invested in five projects with four under active development.

The JV delivered \$21.5 million (1H23: \$5.2 million) revenue from the settlement of 31 (1H23: 10) new homes at Burpengary, QLD (Ingenia Lifestyle Freshwater), and at Bobs Farm, NSW (Ingenia Lifestyle Natura).

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<sup>1</sup> Excludes two (31 Dec 2022: three) settlements at Ingenia Lifestyle Coastal Palms, part of the Funds Management business.

## Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

### Performance

	31 Dec 2023	31 Dec 2022	Change %
Greenfield properties (#)	5	5	-
Investment carrying value (\$m)	72.5	64.9	12%
New home settlements (#)	31	10	210%
Fee income <sup>(1)</sup> (\$m)	0.2	0.9	(78%)
Joint venture revenue (\$m)	21.5	5.2	313%
Joint venture operating profit before interest and tax (\$m)	7.9	1.8	339%
Share of loss from joint venture (\$m)	(4.3)	(1.2)	258%

(1) Asset management services to the JV and origination fees from the JV.

### Strategic priorities

The strategic priorities for the JV are to continue to assess greenfield sites in key metro and coastal markets and to develop its significant portfolio of new land lease communities.

### Funds Management

The Group's funds and asset management business manages five funds that invest in lifestyle and holiday communities situated in NSW and QLD. The Group receives fees for the management and development of the assets and management of the funds.

The Group also co-invests into each of the five funds, to increase alignment with fund investors. The investment in the funds generates asset ownership and development revenue streams.

The increase in investment carrying value is a result of the increase in value of the assets in the underlying funds.

### Performance

	31 Dec 2023	31 Dec 2022	Change %
Investment carrying value (\$m)	6.4	5.8	10%
Fee income (\$m)	0.8	0.7	14%
Distribution income (\$m)	0.3	0.5	(40%)

### Strategic priorities

The strategic priority of the funds management business is to leverage the Group's platform to maximise investor returns and deliver an income stream for the Group.

### Capital management of the Group

At 31 December 2023, the Group had facilities with a combined limit of \$780.0 million, with a weighted average term to maturity of 2.9 years, drawn to \$626.9 million. Interest rate exposure is managed through a combination of fixed rate debt and interest rate derivatives on 51.8% of the drawn debt.

The Group's Loan to Value Ratio ("LVR") was 33.3% (covenant 55%).

### Distributions

The following distributions were made during or in respect of the half-year:

- On 22 August 2023, the Directors declared a final distribution of 5.8 cps amounting to \$23.6 million, which was paid on 21 September 2023.
- On 20 February 2024, the Directors declared an interim distribution of 5.2 cps, amounting to \$21.2 million to be paid on 21 March 2024.

# Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

## **FY24 outlook**

The Group's residential communities remains well placed for ongoing expansion with strong demand from an ageing population. Incoming residents are seeking quality community living and affordable rental accommodation in metro, coastal and regional markets which the Group is well placed to deliver. Investment in inventory will enable us to capitalise on this demand and enables the generation of long-term sustainable rental cash flows. Investing in new rental homes remains a key priority for the Group.

Ingenia will continue to grow its Lifestyle Rental business building out its development pipeline, generating attractive returns, stable, resilient cashflows and increased scale.

The strong demand for domestic holiday accommodation is expected to continue with Ingenia to benefit via an extensive portfolio of properties located in attractive holiday destinations. The priority for Ingenia Holidays is to enhance the customer experience by refurbishing existing cabins and investing in new tourism cabins and amenities.

The Group's solid balance sheet and deal flow provides ongoing opportunity for growth. The Group will increase its asset base through capital partnerships including the ongoing development activity in the JV with the commencement of new developments in 2024 contributing to growth.

The Group will regularly assess market opportunities and the performance of existing assets, divesting and acquiring assets where superior longer-term returns are available.

Ingenia will continue to deliver on its environmental commitments as the Group targets a 30% reduction in carbon emissions (from assets owned since 2019) over a five-year period to 2026 and a carbon neutral operation by 2035.

During the year, Mr Simon Owen (MD and CEO), advised the Board of his intention to step down in FY24. Mr Owen will proceed to step back from day-to-day operational activities of the business in February 2024. John Carfi has been appointed as CEO, effective 1 April 2024.

## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Changes in the state of affairs during the current period are set out in the various reports in this Financial report. Refer to Note 7 for assets held for sale, Note 8 for investment properties acquired or disposed of during the period and Note 13 for details of debt facility.

## **EVENTS SUBSEQUENT TO REPORTING DATE**

### **Divestment of Ingenia Holidays Broulee**

On 31 January 2024, the Group completed the divestment of Ingenia Holidays Broulee, located in Broulee, NSW, for \$7.3 million.

### **Acquisition of adjacent land**

On 5 February 2024, the Group completed the acquisition of land adjacent to Ingenia Lifestyle Millers Glen, located in Beaudesert, QLD, for a purchase price of \$10.0 million.

### **Interim distribution**

On 20 February 2024, the Directors declared an interim distribution of 5.2 cps amounting to \$21.2 million, to be paid on 21 March 2024.

## Directors' Report (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

### LIKELY DEVELOPMENTS

The Trusts will continue to pursue strategies aimed at the longer term growth of its cash earnings, profitability and market share within the lifestyle and rental and tourism sectors through:

- Developing greenfield sites in identified growth corridors and expanding existing land lease communities;
- Ongoing co-investment through the Group's capital partnerships to fund growth and leverage scale and capability; and
- Divesting non-core assets to further support investment in growth and portfolio refinement.

Detailed information about the operations of the Group is included in the various reports in this financial report.

### ENVIRONMENTAL REGULATION

The Trusts have policies and procedures in place to ensure that, where operations are subject to any particular and significant environmental regulation under the laws of Australia, those obligations are identified and appropriately addressed. The Directors have determined that there has not been any material breach of those obligations during the financial year.

### GROUP INDEMNITIES

The Trusts have purchased various insurance policies to cover a range of risks (subject to specified exclusions) for directors, officers and employees of the Group serving in their respective capacities. Key insurance policies include: directors and officers insurance, professional indemnity insurance and management liability insurance.

### INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Trusts have agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the reporting period.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

### ROUNDING OF AMOUNTS

The Trusts are of the kind referred to in ASIC Instrument 2016/191, and in accordance with that Class Order, amounts in the financial report and Director's Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors of the Responsible Entity.



Jim Hazel  
Chairman  
Adelaide, 20 February 2024





**Building a better  
working world**

Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## Auditor's Independence Declaration to the Directors of Ingenia Communities RE Limited as Responsible Entity for Ingenia Communities Fund and Ingenia Communities Management Trust

As lead auditor for the review of the half-year financial report of Ingenia Communities Fund and its controlled entities and Ingenia Communities Management Trust and its controlled entities for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ingenia Communities Fund and the entities it controlled and Ingenia Communities Management Trust and the entities it controlled during the financial period.

Ernst & Young

Yvonne Barnikel  
Partner  
20 February 2024

# Consolidated Statement of Comprehensive Income

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

Note	ICF		ICMT		
	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000	
Lifestyle home sales	-	-	18,188	16,785	
Residential rental income	-	-	51,146	48,699	
Tourism rental income	-	-	52,685	47,185	
Annuals rental income	-	-	5,547	5,331	
Other revenue	20,511	16,910	33,241	29,558	
<b>Revenue</b>	<b>20,511</b>	<b>16,910</b>	<b>160,807</b>	<b>147,558</b>	
Cost of lifestyle homes sold	-	-	(10,078)	(8,831)	
Employee expenses	-	-	(45,399)	(44,280)	
Property expenses	(459)	(415)	(33,835)	(30,709)	
Administrative expenses	(799)	(794)	(10,045)	(9,357)	
Operational, marketing and selling expenses	-	-	(10,402)	(7,956)	
Service station expenses	-	-	(4,770)	(4,926)	
Responsible entity fee and expenses	(4,476)	(4,174)	(2,993)	(2,643)	
Depreciation and amortisation expenses	-	-	(16,379)	(14,462)	
<b>Operating profit before interest and tax</b>	<b>14,777</b>	<b>11,527</b>	<b>26,906</b>	<b>24,394</b>	
Interest income	26,036	17,057	127	74	
Finance expense	(12,907)	(7,282)	(22,978)	(16,318)	
<b>Operating profit before tax</b>	<b>27,906</b>	<b>21,302</b>	<b>4,055</b>	<b>8,150</b>	
Share of joint venture (loss)/profit	10	(7,807)	(1,961)	125	88
Net (loss)/gain on change in fair value of:					
Investment properties	8	(7,891)	3,965	54,938	3,062
Acquisition transaction costs	8	-	(2,062)	(269)	-
Financial liabilities		(2,290)	-	(302)	(543)
Investments and other financial instruments		(3,934)	517	19	8
Gain/(loss) on disposal of investment properties		4,625	997	57	(244)
<b>Profit before tax</b>	<b>10,609</b>	<b>22,758</b>	<b>58,623</b>	<b>10,521</b>	
Income tax expense	5	-	-	(18,691)	(7,552)
<b>Net profit for the period</b>	<b>10,609</b>	<b>22,758</b>	<b>39,932</b>	<b>2,969</b>	
<b>Total comprehensive income for the period net of income tax</b>	<b>10,609</b>	<b>22,758</b>	<b>39,932</b>	<b>2,969</b>	
<b>Profit attributable to unit holders of:</b>					
Ingenia Communities Fund		9,986	22,031	-	-
Ingenia Communities Management Trust		623	727	39,932	2,969
		<b>10,609</b>	<b>22,758</b>	<b>39,932</b>	<b>2,969</b>
<b>Total comprehensive income attributable to unit holders of:</b>					
Ingenia Communities Fund		9,986	22,031	-	-
Ingenia Communities Management Trust		623	727	39,932	2,969
		<b>10,609</b>	<b>22,758</b>	<b>39,932</b>	<b>2,969</b>
<b>Earnings per unit:</b>					
Basic earnings per unit	4	2.6	5.6	9.8	0.7
Diluted earnings per unit	4	2.6	5.6	9.7	0.7

Notes to the Consolidated Financial Statements are included on pages 13 to 25.

# Consolidated Balance Sheet

Ingenia Communities Fund and Ingenia Communities Management Trust

As at 31 December 2023

	Note	ICF		ICMT	
		31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Current assets</b>					
Cash and cash equivalents		1,280	37,374	8,802	7,163
Trade and other receivables		1,231	1,274	9,465	11,122
Inventories	6	-	-	15,353	14,541
Assets held for sale	7	-	11,200	11,115	12,990
Other financial assets		3,234	3,234	-	-
<b>Total current assets</b>		<b>5,745</b>	<b>53,082</b>	<b>44,735</b>	<b>45,816</b>
<b>Non-current assets</b>					
Trade and other receivables		733	733	144	144
Receivable from related party		839,817	741,543	-	-
Investment properties	8	892,827	930,184	1,105,160	1,026,680
Investment in a joint venture	10	38,340	43,147	237	113
Other financial assets		650	4,102	17,136	17,119
Plant and equipment		-	-	9,023	8,284
Intangibles and goodwill	9	-	-	92,812	93,009
Right-of-use-assets		-	-	236,329	228,461
<b>Total non-current assets</b>		<b>1,772,367</b>	<b>1,719,709</b>	<b>1,460,841</b>	<b>1,373,810</b>
<b>Total assets</b>		<b>1,778,112</b>	<b>1,772,791</b>	<b>1,505,576</b>	<b>1,419,626</b>
<b>Current liabilities</b>					
Trade and other payables	12	7,530	8,519	61,231	58,703
Borrowings	13	1,831	1,805	23,598	28,238
Employee liabilities		-	-	5,486	5,050
Other financial liabilities		-	-	611	659
<b>Total current liabilities</b>		<b>9,361</b>	<b>10,324</b>	<b>90,926</b>	<b>92,650</b>
<b>Non-current liabilities</b>					
Payable to related party		-	-	764,876	744,108
Borrowings	13	653,352	635,669	238,395	225,203
Other financial liabilities		-	-	16,789	16,941
Employee liabilities		-	-	1,027	993
Other payables	12	3,758	2,116	-	4,788
Deferred tax liability	11	-	-	69,457	50,766
<b>Total non-current liabilities</b>		<b>657,110</b>	<b>637,785</b>	<b>1,090,544</b>	<b>1,042,799</b>
<b>Total liabilities</b>		<b>666,471</b>	<b>648,109</b>	<b>1,181,470</b>	<b>1,135,449</b>
<b>Net assets</b>		<b>1,111,641</b>	<b>1,124,682</b>	<b>324,106</b>	<b>284,177</b>
<b>Equity</b>					
Issued units	14	1,473,441	1,473,451	138,800	138,803
(Accumulated losses)/Retained earnings		(375,698)	(362,044)	186,006	146,074
<b>Unit holders interest</b>		<b>1,097,743</b>	<b>1,111,407</b>	<b>324,806</b>	<b>284,877</b>
Non-controlling interest		13,898	13,275	(700)	(700)
<b>Total equity</b>		<b>1,111,641</b>	<b>1,124,682</b>	<b>324,106</b>	<b>284,177</b>
<b>Attributable to unit holders of:</b>					
Ingenia Communities Fund		1,097,743	1,111,407	(700)	(700)
Ingenia Communities Management Trust		13,898	13,275	324,806	284,877
		<b>1,111,641</b>	<b>1,124,682</b>	<b>324,106</b>	<b>284,177</b>

Notes to the Consolidated Financial Statements are included on pages 13 to 25.

# Consolidated Cash Flow Statement

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

	ICF		ICMT	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Rental and other property income	-	-	138,591	126,385
Property and other expenses	(314)	(887)	(100,706)	(90,599)
Proceeds from sale of lifestyle homes	-	-	22,530	18,654
Purchase of lifestyle homes	-	-	(13,579)	(19,982)
Proceeds from sale of service station inventory	-	-	6,161	6,212
Purchase of service station inventory	-	-	(5,311)	(5,515)
Interest received	215	71	127	74
Borrowing costs paid	(17,464)	(8,201)	(20)	(40)
Income tax paid	-	-	-	(25)
	<b>(17,563)</b>	<b>(9,017)</b>	<b>47,793</b>	<b>35,164</b>
<b>Cash flows from investing activities</b>				
Payments for investment properties	(338)	(24,704)	(10,342)	(14,707)
Additions to investment properties	(7,796)	(8,488)	(24,478)	(27,691)
Purchase and additions of plant and equipment	-	-	(1,974)	(1,890)
Purchase and additions of intangible assets	-	-	-	-
Proceeds from sale of investment properties	56,291	12,040	9,359	4,000
Investment in joint venture and associate	(3,000)	-	-	-
Net payment for acquisition of subsidiaries and business combinations	-	(15,505)	-	-
Distributions from investment in funds	-	-	255	493
	<b>45,157</b>	<b>(36,657)</b>	<b>(27,180)</b>	<b>(37,795)</b>
<b>Cash flows from financing activities</b>				
Payments for security issue costs	(10)	(11)	(3)	(2)
Distributions to unit holders	(23,640)	(23,640)	-	-
(Repayment of)/proceeds from related party borrowings	(57,743)	(37,787)	(17,660)	1,149
Proceeds from borrowings	176,000	191,000	-	-
Repayment of borrowings	(158,280)	(80,000)	-	-
Payments for debt issue costs	(15)	(136)	-	-
Payment for derivatives and financial instruments	-	(2,165)	-	-
Other	-	(815)	(1,311)	(1,504)
	<b>(63,688)</b>	<b>46,446</b>	<b>(18,974)</b>	<b>(357)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(36,094)</b>	<b>772</b>	<b>1,639</b>	<b>(4,988)</b>
Cash and cash equivalents at the beginning of the period	37,374	492	7,163	12,831
<b>Cash and cash equivalents at the end of the period</b>	<b>1,280</b>	<b>1,264</b>	<b>8,802</b>	<b>7,843</b>

Notes to the Consolidated Financial Statements are included on pages 13 to 25.

# Consolidated Statement of Changes in Equity

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

		Attributable to security holders				
		ICF				
	Note	Issued Capital \$'000	Retained Earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total Equity \$'000
<b>Carrying value 1 Jul 2023</b>		<b>1,473,451</b>	<b>(362,044)</b>	<b>1,111,407</b>	<b>13,275</b>	<b>1,124,682</b>
Net profit		-	9,986	9,986	623	10,609
<b>Total comprehensive income</b>		<b>-</b>	<b>9,986</b>	<b>9,986</b>	<b>623</b>	<b>10,609</b>

*Transactions with security holders in their capacity as security holders:*

Issue of securities	14(a)	(10)	-	(10)	-	(10)
Payment of distributions to security holders		-	(23,640)	(23,640)	-	(23,640)
<b>Carrying value 31 Dec 2023</b>		<b>1,473,441</b>	<b>(375,698)</b>	<b>1,097,743</b>	<b>13,898</b>	<b>1,111,641</b>

<b>Carrying value 1 Jul 2022</b>		<b>1,473,464</b>	<b>(354,260)</b>	<b>1,119,204</b>	<b>11,282</b>	<b>1,130,486</b>
Net profit		-	22,031	22,031	727	22,758
<b>Total comprehensive income</b>		<b>-</b>	<b>22,031</b>	<b>22,031</b>	<b>727</b>	<b>22,758</b>

*Transactions with security holders in their capacity as security holders:*

Issue of securities		(11)	-	(11)	-	(11)
Payment of distributions to security holders		-	(23,640)	(23,640)	-	(23,640)
<b>Carrying value 31 Dec 2022</b>		<b>1,473,453</b>	<b>(355,869)</b>	<b>1,117,584</b>	<b>12,009</b>	<b>1,129,593</b>

		Attributable to security holders				
		ICMT				
	Note	Issued Capital \$'000	Retained Earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total Equity \$'000
<b>Carrying value 1 Jul 2023</b>		<b>138,803</b>	<b>146,074</b>	<b>284,877</b>	<b>(700)</b>	<b>284,177</b>
Net profit		-	39,932	39,932	-	39,932
<b>Total comprehensive income</b>		<b>-</b>	<b>39,932</b>	<b>39,932</b>	<b>-</b>	<b>39,932</b>

*Transactions with security holders in their capacity as security holders:*

Issue of securities	14(a)	(3)	-	(3)	-	(3)
<b>Carrying value 31 Dec 2023</b>		<b>138,800</b>	<b>186,006</b>	<b>324,806</b>	<b>(700)</b>	<b>324,106</b>

<b>Carrying value 1 Jul 2022 as previously reported</b>		<b>138,806</b>	<b>81,470</b>	<b>220,276</b>	<b>(700)</b>	<b>219,576</b>
Restatement <sup>(1)</sup>		-	26,384	26,384	-	26,384
<b>As restated at 1 July 2022</b>		<b>138,806</b>	<b>107,854</b>	<b>246,660</b>	<b>(700)</b>	<b>245,960</b>
Net profit		-	2,969	2,969	-	2,969
<b>Total comprehensive income</b>		<b>-</b>	<b>2,969</b>	<b>2,969</b>	<b>-</b>	<b>2,969</b>

*Transactions with security holders in their capacity as security holders:*

Issue of securities		(2)	-	(2)	-	(2)
<b>Carrying value 31 Dec 2022</b>		<b>138,804</b>	<b>110,823</b>	<b>249,627</b>	<b>(700)</b>	<b>248,927</b>

(1) Refer to Note 1 for further detail.

Notes to the Consolidated Financial Statements are included on pages 13 to 25.

# Notes to the Financial Statements

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) The Trusts

Ingenia Communities Fund (“ICF” or the “Fund”) (ARSN 107 459 576) and Ingenia Communities Management Trust (“ICMT”) (ARSN 122 928 410) (together the Trusts) are Australian registered schemes. Ingenia Communities RE Limited (ACN 154 464 990; Australian Financial Services Licence number 415862), the Responsible Entity of the Trusts, is incorporated and domiciled in Australia.

The parent company of Ingenia Communities RE Limited is Ingenia Communities Holdings Limited (the Company). The shares of the Company are stapled with the units of the Trusts and trade on the Australian Securities Exchange (“ASX”) effectively as one security. In this report, the Company and the Trusts are referred to collectively as the Group.

The stapling structure will cease to operate on the first to occur of:

- the Company or either of the Trusts resolving by special resolution in accordance with its constitution to terminate the stapling provisions; or
- the commencement of the winding up of the Company or either of the Trusts.

The half-year financial report as at and for the half-year ended 31 December 2023 was authorised for issue by the Directors on 20 February 2024.

### (b) Basis of preparation

The half-year financial report is a general purpose financial report, which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all of the information required for a full-year financial report and should be read in conjunction with both the Ingenia Communities Fund and Ingenia Communities Management Trust annual reports for the year ended 30 June 2023 and any ASX announcements issued during the period.

As permitted by Instrument 2015/838, issued by the Australian Securities and Investments Commission, the financial statements and accompanying notes of the Trusts have been presented in the attached combined financial report.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated, as permitted by Instrument 2016/191.

The financial report is prepared on a historical cost basis, except for investment properties, derivative financial instruments, other financial assets and other financial liabilities, which are measured at fair value.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Trusts' annual financial report for the year ended 30 June 2023 with the exception of new amended standards and interpretations which have been applied as required.

At 31 December 2023, the ICF recorded a net current asset deficiency of \$3.6 million. ICF has access to \$131,693,275 of available undrawn bank facilities. Accordingly, there are reasonable grounds to believe that ICF will be able to pay its debts as and when they become due and payable; and the financial report of the ICF has been prepared on a going concern basis.

At 31 December 2023, ICMT recorded a net current asset deficiency of \$46.2 million. This deficiency is due to the timing and nature of the ICMT's business, where trade and other receivables and inventory fluctuates based on settlements of lifestyle homes, trade and other payables are driven by the overall activities of ICMT. ICMT current liabilities and commitments will be funded through forecast operating cashflows and available undrawn debt facilities of the Group.

Where appropriate, comparative amounts have been restated to ensure consistency of disclosure throughout the financial report.

#### Prior period restatement of ICMT - correction of an error

The opening retained earnings balance of ICMT for 1 July 2022 was corrected for two errors in previous periods which resulted in the recognition of deferred tax liabilities and the recognition of a non-current provision. The net impact of the restatement was \$26.3 million. Refer to Note 1(b) of the 30 June 2023 Annual Financial Report for further detail.

# Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accordingly, there are reasonable grounds to believe that ICMT will be able to pay its debts as and when they become due and payable; and the financial report of the ICMT has been prepared on a going concern basis.

### (c) Adoption of new and revised accounting standards

New accounting standards, amendments to accounting standards, and interpretations have been published that are not mandatory for the current reporting period and are not expected to have a material impact on the Group's future financial reporting.

## 2. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Trusts to exercise judgement in the process of applying its accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (a) Critical accounting estimates and assumptions

The Trusts make estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

#### i. Valuation of investment property, other financial assets and other financial liabilities

The Trusts have investment properties and assets held for sale which together represent the estimated fair value of investment property. Other financial assets include ICMT's investment in a number of unlisted property funds. Other financial liabilities relates to a profit share arrangement between ICMT and a third-party which is carried at fair value.

These carrying values reflect certain assumptions about expected future rentals, rent-free periods, operating costs and appropriate discount and capitalisation rates. The valuation assumption for properties to be developed reflects sales prices for new homes, sales rates, new rental tariffs, estimates of capital expenditure, discount rates and projected property growth rates.

In forming these assumptions, the Trusts considered information about current and recent sales activity, current market rents, discount rates and capitalisation rates for properties similar to those owned by the Trusts, as well as independent valuations of the Trusts' property.

#### ii. Valuation of inventories

The Trusts have inventory in the form of lifestyle homes and service station fuel and supplies, which it carries at the lower of cost or net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the time of estimation, the amount the inventories are expected to realise, and the estimated costs of completion. Key assumptions require the use of management judgement, and are continually reviewed.

#### iii. Fair value of derivatives

The fair value of derivative assets and liabilities is based on assumptions of future events, and involves significant estimates. Given the complex nature of these instruments, and various assumptions that are used in calculating mark-to-market values, the Trusts rely on counterparty valuations for derivative values. The counterparty valuations are usually based on mid-market rates, and calculates using the main variables of the forward market curve, time and volatility.

### (b) Critical judgements in applying the entity's accounting policies

There were no judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies that had a significant effect on the amounts recognised in the financial report.

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

### 3. SEGMENT INFORMATION

#### (a) Description of segments

The Trusts invest predominantly in rental properties located in Australia with five reportable segments:

- Lifestyle Development – comprising the development and sale of lifestyle homes and fees from the management of development and sales in the joint venture;
- Lifestyle Rental – comprising long-term accommodation within lifestyle and rental communities;
- Ingenia Gardens – seniors rental villages;
- Holidays & Mixed Use – comprising tourism and mixed-use accommodation within holiday parks;
- Fuel, Food & Beverage Services – consists of the Trusts' investment in service station and food & beverage operations adjoined to Ingenia Holiday communities;
- Corporate & Other – comprises the Trusts' remaining assets and operating activities including, funds and joint venture management and corporate overheads.

The Trusts have identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker in assessing performance and determining the allocation of resources. Other parts of the Trusts that are neither an operating segment nor part of an operating segment are included in Corporate & Other.

#### (b) ICF – 31 Dec 2023

	Residential				Total \$'000
	Lifestyle Rental \$'000	Gardens Ingenia Gardens \$'000	Tourism Holidays & Mixed use \$'000	Other Corporate & Other \$'000	
<b>Segment revenue</b>					
Rental income	9,942	6,536	4,033	-	20,511
<b>Total revenue</b>	<b>9,942</b>	<b>6,536</b>	<b>4,033</b>	<b>-</b>	<b>20,511</b>
<b>Segment underlying profit</b>					
Rental income	9,942	6,536	4,033	-	20,511
Property expenses <sup>(1)</sup>	-	-	(449)	(459)	(908)
Administrative expenses	-	-	-	(799)	(799)
<b>Earnings before interest and tax<sup>(1)</sup></b>	<b>9,942</b>	<b>6,536</b>	<b>3,584</b>	<b>(1,258)</b>	<b>18,804</b>
Share of joint venture loss					(371)
Interest income					26,036
Finance expense					(12,907)
<b>Total underlying profit<sup>(1)</sup></b>					<b>31,562</b>
Net (loss)/gain on change in fair value of:					
Investment properties <sup>(1)</sup>					(7,442)
Financial liabilities					(2,290)
Investments and other financial instruments					(3,934)
Share of joint venture loss					(7,436)
Gain on disposal of investment properties					4,625
Responsible entity fees					(4,476)
<b>Profit after tax</b>					<b>10,609</b>
Segment assets	631,555	127,730	171,571	847,256	1,778,112
<b>Total assets</b>	<b>631,555</b>	<b>127,730</b>	<b>171,571</b>	<b>847,256</b>	<b>1,778,112</b>

(1) EBIT has been adjusted to include movements arising from the settlement of contractual cash flows for ground leases of \$0.4 million. This has been adjusted against the fair value gain/(loss) on investment properties and financial liabilities. Prior year comparatives have been updated to reflect this change.



## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

### 3. SEGMENT INFORMATION (CONTINUED)

(c) ICF - 31 Dec 2022

	Residential				Total \$'000
	Lifestyle	Gardens	Tourism	Other	
	Lifestyle Rental \$'000	Ingenia Gardens \$'000	Holidays & Mixed use \$'000	Corporate & Other \$'000	
<b>Segment revenue</b>					
Rental income	8,250	6,477	2,183	-	16,910
<b>Total revenue</b>	<b>8,250</b>	<b>6,477</b>	<b>2,183</b>	<b>-</b>	<b>16,910</b>
<b>Segment underlying profit</b>					
Rental income	8,250	6,477	2,183	-	16,910
Property expenses <sup>(1)</sup>	(5)	-	(411)	(410)	(826)
Administrative expenses	(1)	-	-	(793)	(794)
<b>Earnings before interest and tax<sup>(1)</sup></b>	<b>8,244</b>	<b>6,477</b>	<b>1,772</b>	<b>(1,203)</b>	<b>15,290</b>
Share of joint venture loss					(534)
Interest income					17,057
Finance expense					(7,282)
<b>Total underlying profit<sup>(1)</sup></b>					<b>24,531</b>
Net gain/(loss) on change in fair value of:					
Investment properties <sup>(1)</sup>					4,376
Acquisition transaction costs					(2,062)
Investments and other financial instruments					517
Share of joint venture loss					(1,427)
Gain on disposal of investment properties					997
Responsible entity fees					(4,174)
<b>Profit after tax</b>					<b>22,758</b>
Segment assets	629,932	161,569	168,293	756,782	1,716,576
<b>Total assets</b>	<b>629,932</b>	<b>161,569</b>	<b>168,293</b>	<b>756,782</b>	<b>1,716,576</b>

(1) EBIT has been adjusted to include movements arising from the settlement of contractual cash flows for ground leases of \$0.4 million. This has been adjusted against the fair value gain/(loss) on investment properties and financial liabilities.

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

### 3. SEGMENT INFORMATION (CONTINUED)

(d) ICMT - 31 Dec 2023

	Residential				Other		Total \$'000
	Lifestyle		Gardens	Tourism	Fuel, Food & Beverage Services	Corporate & Other	
	Lifestyle Development \$'000	Lifestyle Rental \$'000	Ingenia Gardens \$'000	Ingenia Holidays \$'000	\$'000	\$'000	
<b>Segment revenue</b>							
Lifestyle home sales	18,188	-	-	-	-	-	18,188
Residential rental income	-	33,204	12,176	5,766	-	-	51,146
Tourism rental income	-	1,536	-	51,149	-	-	52,685
Annuals rental income	-	22	-	5,525	-	-	5,547
Other revenue	10,156	7,333	1,174	4,068	10,074	436	33,241
<b>Total revenue</b>	<b>28,344</b>	<b>42,095</b>	<b>13,350</b>	<b>66,508</b>	<b>10,074</b>	<b>436</b>	<b>160,807</b>
<b>Segment underlying profit</b>							
External segment revenue	28,344	42,095	13,350	66,508	10,074	436	160,807
Cost of lifestyle homes sold	(10,078)	-	-	-	-	-	(10,078)
Employee expenses	(10,348)	(8,311)	(3,809)	(20,683)	(2,196)	(52)	(45,399)
Property expenses <sup>(1)</sup>	(651)	(10,203)	(2,981)	(13,827)	(474)	(6,451)	(34,587)
Administrative expenses	(2,391)	(2,509)	(1,055)	(3,446)	(86)	(558)	(10,045)
Operational, marketing and selling expenses	(3,708)	(1,478)	(67)	(3,195)	(1,738)	(216)	(10,402)
Service station expenses	-	-	-	(76)	(4,694)	-	(4,770)
Depreciation and amortisation expenses	(336)	(290)	(35)	(568)	(24)	(15,126)	(16,379)
<b>Earnings before interest and tax<sup>(1)</sup></b>	<b>832</b>	<b>19,304</b>	<b>5,403</b>	<b>24,713</b>	<b>862</b>	<b>(21,967)</b>	<b>29,147</b>
Share of joint venture profit							126
Interest income							127
Finance expense							(22,978)
Income tax expense							(2,133)
<b>Total underlying profit<sup>(1)</sup></b>							<b>4,289</b>
Net gain/(loss) on change in fair value of:							
Investment properties <sup>(1)</sup>							55,188
Acquisition transaction costs							(269)
Financial liabilities <sup>(1)</sup>							200
Investments and other financial instruments							19
Share of joint venture loss							(1)
Gain on disposal of investment properties							57
Income tax expense							(16,558)
Responsible entity fees							(2,993)
<b>Profit after tax</b>							<b>39,932</b>
<b>Segment assets</b>							
Segment assets	52,007	541,712	4,912	627,240	380	268,210	1,494,461
Assets held for sale	-	-	-	11,115	-	-	11,115
<b>Total assets</b>	<b>52,007</b>	<b>541,712</b>	<b>4,912</b>	<b>638,355</b>	<b>380</b>	<b>268,210</b>	<b>1,505,576</b>

(1) EBIT has been adjusted to include movements arising from the settlement of contractual cash flows for ground leases of \$0.3 million and financial liabilities of \$0.5 million. This has been adjusted against the fair value gain/(loss) on investment properties and financial liabilities. Prior year comparatives have been updated to reflect this change.

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

### 3. SEGMENT INFORMATION (CONTINUED)

(e) ICMT - 31 Dec 2022

	Residential		Tourism	Other		Total
	Lifestyle	Gardens		Fuel, Food & Beverage Services	Corporate & Other	
	Lifestyle Development \$'000	Lifestyle Rental \$'000	Ingenia Gardens \$'000	Ingenia Holidays \$'000		
<b>Segment revenue</b>						
Lifestyle home sales	16,785	-	-	-	-	16,785
Residential rental income	-	30,332	12,727	5,640	-	48,699
Tourism rental income	-	1,275	-	45,910	-	47,185
Annuals rental income	-	30	-	5,301	-	5,331
Other revenue	8,355	5,651	1,385	2,760	10,103	29,558
<b>Total revenue</b>	<b>25,140</b>	<b>37,288</b>	<b>14,112</b>	<b>59,611</b>	<b>10,103</b>	<b>147,558</b>
<b>Segment underlying profit</b>						
External segment revenue	25,140	37,288	14,112	59,611	10,103	147,558
Cost of lifestyle homes sold	(8,831)	-	-	-	-	(8,831)
Employee expenses	(9,765)	(8,491)	(3,588)	(20,124)	(2,271)	(44,280)
Property expenses <sup>(1)</sup>	(519)	(9,367)	(3,822)	(12,391)	(455)	(31,229)
Administrative expenses	(2,298)	(2,347)	(539)	(3,815)	(44)	(9,357)
Operational, marketing and selling expenses	(2,341)	(583)	(354)	(1,967)	(1,727)	(7,956)
Service station expenses	-	-	-	(42)	(4,884)	(4,926)
Depreciation and amortisation expenses	(333)	(243)	(46)	(502)	(24)	(14,462)
<b>Earnings before interest and tax<sup>(1)</sup></b>	<b>1,053</b>	<b>16,257</b>	<b>5,763</b>	<b>20,770</b>	<b>698</b>	<b>(18,023)</b>
Share of joint venture profit						88
Interest income						74
Finance expense						(16,318)
Income tax expense						(2,473)
<b>Total underlying profit<sup>(1)</sup></b>						<b>7,888</b>
Net gain/(loss) on change in fair value of:						
Investment properties <sup>(1)</sup>						3,254
Acquisition transaction costs						-
Financial liabilities <sup>(1)</sup>						(215)
Investments and other financial instruments						8
Loss on disposal of investment properties						(244)
Income tax expense						(5,079)
Responsible entity fees						(2,643)
<b>Profit after tax</b>						<b>2,969</b>
<b>Segment assets</b>	22,528	558,940	3,335	532,237	420	229,128
Assets held for sale	-	-	-	5,300	-	-
<b>Total assets</b>	<b>22,528</b>	<b>558,940</b>	<b>3,335</b>	<b>537,537</b>	<b>420</b>	<b>229,128</b>

(1) EBIT has been adjusted to include movements arising from the settlement of contractual cash flows for ground leases of \$0.2 million and financial liabilities of \$0.3 million. This has been adjusted against the fair value gain/(loss) on investment properties and financial liabilities.

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

### 4. EARNINGS PER UNIT

	ICF		ICMT	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Profit attributable to security holders (\$'000)	10,609	22,758	39,932	2,969
Weighted average number of securities outstanding (thousands)				
Issued securities (thousands)	407,583	407,583	407,583	407,583
Dilutive securities (thousands)				
Long-term incentives	2,310	1,830	2,310	1,830
Short-term incentives	492	397	492	397
Talent Rights Grant	762	401	762	401
Fixed Remuneration Rights	116	98	116	98
<b>Weighted average number of issued and dilutive potential units outstanding (thousands)</b>	<b>411,263</b>	<b>410,309</b>	<b>411,263</b>	<b>410,309</b>
Basic earnings per unit (cents)	2.6	5.6	9.8	0.7
Dilutive earnings per unit (cents)	2.6	5.6	9.7	0.7

### 5. INCOME TAX EXPENSE

	ICF		ICMT	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<b>(a) Income tax expense</b>				
Current tax benefit	-	-	-	-
Increase in deferred tax liabilities	-	-	(18,691)	(7,552)
<b>Income tax expense</b>	<b>-</b>	<b>-</b>	<b>(18,691)</b>	<b>(7,552)</b>
<b>(b) Reconciliation between tax expense and pre-tax net profit</b>				
Profit before income tax	10,609	22,758	58,623	10,521
Less: non-taxable Trust profit	(10,609)	(22,758)	-	-
	<b>-</b>	<b>-</b>	<b>58,623</b>	<b>10,521</b>
Income tax at the Australian tax rate of 30% (31 Dec 2022: 30%)	-	-	(17,587)	(3,156)
Tax effect of amounts which impact tax expense:				
Derecognition of previously recognised tax losses	-	-	-	(3,522)
Other	-	-	(1,104)	(874)
<b>Income tax expense</b>	<b>-</b>	<b>-</b>	<b>(18,691)</b>	<b>(7,552)</b>

#### (c) Tax consolidation

Effective from 1 July 2012, ICMT and its Australian domiciled owned subsidiaries formed a tax consolidation group with ICMT being the head entity. Under the tax funding agreement the funding of tax within the tax group is based on taxable income as if that entity was not a member of the tax group.

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

### 6. INVENTORIES

	ICF		ICMT	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Lifestyle homes				
Completed	-	-	2,975	8,553
Display homes	-	-	1,729	749
Under construction	-	-	10,280	4,927
Fuel, food and beverage	-	-	369	312
<b>Total inventories</b>	<b>-</b>	<b>-</b>	<b>15,353</b>	<b>14,541</b>

The lifestyle home balance includes:

- 10 new completed homes (30 Jun 2023: 30)
- 6 display homes (30 Jun 2023: 2)
- Lifestyle homes under construction includes 75 partially completed homes at different stages of development (30 Jun 2023: 40). It also includes demolition, site preparation costs buybacks, on future development sites and refurbished/renovated/annuals completed homes.

### 7. ASSETS HELD FOR SALE

The following are the carrying values of assets held for sale:

	ICF		ICMT	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Investment properties held for sale:				
Avina, Vineyard, NSW <sup>(1)</sup>	-	-	3,437	-
Broulee, Broulee, NSW <sup>(2)</sup>	-	-	7,678	7,698
Lake Hume, Bowna, NSW	-	-	-	5,292
Seachange Hervey Bay, Urangan, QLD	-	11,200	-	-
<b>Total assets held for sale</b>	<b>-</b>	<b>11,200</b>	<b>11,115</b>	<b>12,990</b>

(1) Land adjacent to the established park.

(2) Includes a land component that is leased from the Crown and is recognised as investment property with an associated ground lease. The value of the capitalised leases carried within investment property is \$0.6 million. (30 June 2023: \$0.6 million)

### 8. INVESTMENT PROPERTIES

#### (a) Summary of carrying value

	ICF		ICMT	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Completed properties	763,341	790,491	1,065,099	981,369
Properties under development	129,486	139,693	40,061	45,311
<b>Total carrying value</b>	<b>892,827</b>	<b>930,184</b>	<b>1,105,160</b>	<b>1,026,680</b>

#### (b) Movements in carrying value

	Note	ICF		ICMT	
		31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
		\$'000	\$'000	\$'000	\$'000
<b>Carrying value at beginning of the period</b>		<b>930,184</b>	<b>895,037</b>	<b>1,026,680</b>	<b>973,971</b>
Acquisitions		-	48,834	7,548	-
Expenditure capitalised		9,110	8,120	22,103	62,290
Net (loss)/gain on change in fair value <sup>(1)</sup>		(7,891)	424	54,669	45,352
Transfer to assets held for sale	7	-	(11,200)	(3,437)	(12,990)
Disposals		(38,576)	(11,031)	(2,403)	(41,943)
<b>Carrying value at the end of the period</b>		<b>892,827</b>	<b>930,184</b>	<b>1,105,160</b>	<b>1,026,680</b>

(1) Net of acquisition transaction costs written off: ICF \$Nil (31 Dec 2022: \$2.1 million) and ICMT: \$0.3 million (31 Dec 2022: \$Nil).

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

### 8. INVESTMENT PROPERTIES (CONTINUED)

#### (c) Description of valuation techniques used and key inputs to valuation of investment properties

##### Capitalisation method

Under the capitalisation method, fair value is estimated using assumptions regarding the expectation of future benefits. The capitalisation method involves estimating the expected income projections of the property and applying a capitalisation rate into perpetuity. The capitalisation rate is based on current market evidence. Future income projections take into account occupancy, rental income and operating expenses.

##### Discounted cash flow method

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield normally reflects the exit value expected to be achieved upon selling the asset and is a function of the risk-adjusted returns of the asset and expected capitalisation rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment or refurbishment as well as the development of new units. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net underlying cash flows, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Given the constantly changing nature of the situation, the fair value at reporting date involves uncertainties around the underlying assumptions. Valuations can be relied upon at the date of valuation however, a higher level of valuation uncertainty than normal is assumed, and property values could change significantly and unexpectedly over a relatively short period of time.

### 9. INTANGIBLES AND GOODWILL

	ICF		ICMT	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>(a) Summary of carrying value</b>				
Software and development	-	-	4,841	4,874
Goodwill	-	-	91,815	91,815
Less: accumulated amortisation	-	-	(3,844)	(3,680)
<b>Total intangibles</b>	<b>-</b>	<b>-</b>	<b>92,812</b>	<b>93,009</b>
<b>(b) Movements in carrying value</b>				
<b>Carrying value at beginning of the period</b>	<b>-</b>	<b>-</b>	<b>93,009</b>	<b>98,438</b>
Disposals	-	-	(2)	-
Impairment	-	-	-	(4,832)
Amortisation expense	-	-	(195)	(597)
<b>Carrying value at end of the period</b>	<b>-</b>	<b>-</b>	<b>92,812</b>	<b>93,009</b>

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

### 10. INVESTMENT IN A JOINT VENTURE

Together, ICF and ICMT hold a 50% interest in a joint venture with Sun Communities for the development of greenfield communities. The Trusts' interest in the Joint Venture is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Trusts investment in the joint venture entities:

Balance Sheet	ICF		ICMT	
	31 Dec 2023 \$'000	30 June 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Cash	1,508	223	327	153
Trade and other receivables	394	560	191	88
<b>Current assets</b>	<b>1,902</b>	<b>783</b>	<b>518</b>	<b>241</b>
Investment property	77,914	92,487	-	-
Other non-current assets	-	-	221	226
<b>Non-current assets</b>	<b>77,914</b>	<b>92,487</b>	<b>221</b>	<b>226</b>
Trade and other payables	(240)	(384)	(219)	(187)
<b>Current liabilities</b>	<b>(240)</b>	<b>(384)</b>	<b>(219)</b>	<b>(187)</b>
Intercompany loans	(2,897)	(6,593)	(47)	(55)
<b>Non-current liabilities</b>	<b>(2,897)</b>	<b>(6,593)</b>	<b>(47)</b>	<b>(55)</b>
<b>Net assets/equity</b>	<b>76,679</b>	<b>86,293</b>	<b>473</b>	<b>225</b>
Trusts' share in equity - 50%	38,340	43,147	237	113
<b>Group's carrying value in investment</b>	<b>38,340</b>	<b>43,147</b>	<b>237</b>	<b>113</b>

Statement of Comprehensive Income	ICF		ICMT	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue	-	112	1,359	549
Cost of sales	-	-	(545)	-
Expenses	(805)	(342)	(552)	(363)
Depreciation	-	-	(18)	(10)
<b>(Loss)/profit before interest and tax</b>	<b>(805)</b>	<b>(230)</b>	<b>244</b>	<b>176</b>
Interest income	64	78	6	-
Impairment	-	(917)	-	-
Net loss on change in fair value of investment property	(14,873)	(2,853)	-	-
<b>(Loss)/profit before income tax</b>	<b>(15,614)</b>	<b>(3,922)</b>	<b>250</b>	<b>176</b>
Income tax expense	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(15,614)</b>	<b>(3,922)</b>	<b>250</b>	<b>176</b>
<b>Group's share of (loss)/profit for the period</b>	<b>(7,807)</b>	<b>(1,961)</b>	<b>125</b>	<b>88</b>

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

### 11. DEFERRED TAX ASSETS AND LIABILITIES

	ICF		ICMT	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Deferred tax assets</b>				
Tax losses	-	-	26,436	24,994
Accruals	-	-	3,735	3,852
Other	-	-	3,436	3,575
<b>Deferred tax liabilities</b>				
DMF receivable	-	-	(5)	(5)
Investment properties	-	-	(100,599)	(80,923)
Other	-	-	(2,460)	(2,259)
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>(69,457)</b>	<b>(50,766)</b>
<b>Tax effected carried forward tax losses for which no deferred tax asset has been recognised</b>	<b>-</b>	<b>-</b>	<b>3,180</b>	<b>3,058</b>

### 12. TRADE AND OTHER PAYABLES

	ICF		ICMT	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Current</b>				
Trade payables and accruals	6,885	8,184	34,169	37,970
Deposits – tourism and residential	-	-	25,444	18,793
Other	645	335	1,618	1,940
	<b>7,530</b>	<b>8,519</b>	<b>61,231</b>	<b>58,703</b>
<b>Non-current</b>				
Other	3,758	2,116	-	4,788

### 13. BORROWINGS

	ICF		ICMT	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Current</b>				
Lease liabilities – Right-of-use assets	-	-	21,895	27,149
Lease liabilities – Ground leases	1,831	1,805	1,703	1,089
	<b>1,831</b>	<b>1,805</b>	<b>23,598</b>	<b>28,238</b>
<b>Non-current</b>				
Bank debt	626,850	609,130	-	-
Prepaid borrowing costs	(2,576)	(3,015)	-	-
Lease liabilities – Right-of-use assets	-	-	217,990	204,864
Lease liabilities – Ground leases	29,078	29,554	20,405	20,339
	<b>653,352</b>	<b>635,669</b>	<b>238,395</b>	<b>225,203</b>

#### (a) Bank debt

The Group's available debt as at 31 December 2023 was \$780.0 million (30 Jun 2023: \$780.0 million).

As at 31 December 2023, the facilities have been drawn to \$626.9 million (30 Jun 2023: \$609.1 million). The Group's Australian properties pledged as security at reporting date is \$1,971.1 million (30 Jun 2023: \$1,912.5 million). The value is based on the most recent external valuation amounts of the investment properties net of resident liabilities.

The facility maturity dates are:

- 31 December 2025 (\$174.6 million);
- 30 September 2026 (\$175.4 million);
- 31 January 2027 (\$200.0 million);
- 21 February 2027 (\$100.0 million);
- 26 December 2027 (\$55.0 million); and
- 5 February 2028 (\$75.0 million)



## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust

For the six months ended 31 December 2023

### 13. BORROWINGS (CONTINUED)

#### (b) Bank guarantees

The Group has the ability to utilise its bank facilities to provide bank guarantees, which at 31 December 2023 were \$21.5 million (30 Jun 2023: \$24.1 million).

### 14. ISSUED UNITS

	ICF		ICMT	
	6 months to 31 Dec 2023	12 months to 30 Jun 2023	6 months to 31 Dec 2023	12 months to 30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
<b>(a) Carrying values</b>				
<b>Balance at beginning of the period</b>	1,473,451	1,473,464	138,803	138,806
Issued during the period:				
Dividend Reinvestment Plan ("DRP")	-	-	-	-
Equity raising and distribution costs	(10)	(13)	(3)	(3)
<b>Balance at end of the period</b>	<b>1,473,441</b>	<b>1,473,451</b>	<b>138,800</b>	<b>138,803</b>
<b>The closing balance is attributable to the security holders of:</b>				
Ingenia Communities Fund	1,473,441	1,473,451	-	-
Ingenia Communities Management Trust	-	-	138,800	138,803
	<b>1,473,441</b>	<b>1,473,451</b>	<b>138,800</b>	<b>138,803</b>

	ICF		ICMT	
	6 months to 31 Dec 2023	12 months to 30 Jun 2023	6 months to 31 Dec 2023	12 months to 30 Jun 2023
	'000	'000	'000	'000
<b>(b) Number of issued securities</b>				
<b>Balance at beginning of the period</b>	407,583	407,583	407,583	407,583
Issued during the period:				
Dividend Reinvestment Plan ("DRP")	-	-	-	-
<b>Balance at end of the period</b>	<b>407,583</b>	<b>407,583</b>	<b>407,583</b>	<b>407,583</b>

#### (c) Term of securities

All securities are fully paid and rank equally with each other for all purposes. Each security entitles the holder to one vote, in person or by proxy, at a meeting of security holders.

### 15. COMMITMENTS

ICF has commitments for capital expenditure on investment properties and inventories contracted but not provided for at reporting date of \$0.3 million (30 Jun 2023: \$0.4 million). ICMT has commitments for capital expenditure on investment properties and inventories contracted but not provided for at reporting date of \$15.4 million (30 Jun 2023: \$4.8 million).

In FY23, ICMT entered into an arrangement to acquire Plantations (land lease) adjoining land for a purchase price of \$18.8 million (inclusive of GST) on or before 30 April 2024. As at 31 December 2023, a deposit of \$0.9 million has already been paid.

## Notes to the Financial Statements (continued)

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

### 16. SUBSEQUENT EVENTS

#### Divestment of Ingenia Holidays Broulee

On 31 January 2024, the Group completed the divestment of Ingenia Holidays Broulee, located in Broulee, NSW, for \$7.3 million.

#### Acquisition of adjacent land

On 5 February 2024, the Group completed the acquisition of land adjacent to Ingenia Lifestyle Millers Glen, located in Beaudesert, QLD, for a purchase price of \$10.0 million.

#### Interim distribution

On 20 February 2024, the Directors declared an interim distribution of 5.2 cps amounting to \$21.2 million, to be paid on 21 March 2024.

## Directors' Declaration

Ingenia Communities Fund and Ingenia Communities Management Trust  
For the six months ended 31 December 2023

In accordance with a resolution of the directors of Ingenia Communities Fund and of Ingenia Communities Management Trust, I state that:

1. In the opinion of the directors:
  - (a) the financial statements and notes of Ingenia Communities Fund and of Ingenia Communities Management Trust for the half-year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of each Trust's financial position as at 31 December 2023 and of their performance for the six months ended on that date; and
    - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that Ingenia Communities Fund and Ingenia Communities Management Trust will be able to pay their debts as and when they become due and payable.

On behalf of the Board



Jim Hazel  
Chairman  
Adelaide, 20 February 2024

## Independent Auditor's Review Report to the Unitholders of Ingenia Communities Fund and Ingenia Communities Management Trust ("the Trusts")

### Conclusion

We have reviewed the accompanying half-year financial report which have been prepared in accordance with ASIC Corporations (Stapled Group Reports) Instrument 2015/838 and comprise:

- the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Ingenia Communities Fund, comprising Ingenia Communities Fund and the entities it controlled at half-year end or from time to time during the half-year.
- the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Ingenia Communities Management Trust, comprising Ingenia Communities Management Trust and the entities it controlled at half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial reports of the Trusts do not comply with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the Trusts' financial positions as at 31 December 2023 and of their consolidated financial performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-Year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' Responsibility for the Half-Year Financial Report

The Directors of the Ingenia Communities RE Limited as Responsible Entity of the Trusts are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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## Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Trusts' financial positions as at 31 December 2023 and their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Yvonne Barnikel  
Partner  
Sydney  
20 February 2024