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ASX ANNOUNCEMENT

Thursday, 24 October 2024

Eureka accelerates growth profile with strategic Acquisitions and fully underwritten \$70.4 million Equity Raising

Highlights

- Eureka has entered into heads of agreement, is in due diligence or advanced discussions to acquire 441 units across 7 villages and has acquired or is in advanced discussions to acquire 38 single units across 4 managed villages with a total expected investment of \$49.9 million and has identified \$7.5 million of village expansion opportunities (“**Acquisitions**”)
- Fully underwritten equity raising of \$70.4 million to fund the Acquisitions, comprised of a \$55.4 million 1 for 3.4 accelerated non-renounceable pro-rata entitlement offer and a \$15.0 million institutional placement (“**Equity Raising**”)
- FY25 guidance pro forma for the impact of the Acquisitions and Equity Raising are:
 - FY25 Underlying EBITDA growth of at least 16% on FY24
 - FY25 Underlying EPS growth of at least 8% on FY24
 - Fully deployed¹ pro forma Underlying EPS growth of at least 19% on FY24
 - Pro forma fully deployed¹ NTA of \$0.501 per share representing a 3.8% increase on 30 June 2024 NTA of \$0.483
 - Pro forma fully deployed¹ gearing of 26.7%, reduced from 36.6% as at 30 June 2024 and below the target range of 30-40%

Eureka Group Holdings Limited (ASX:EGH) (“**Eureka**” or the “**Company**”) is pleased to announce approximately \$49.9 million of Acquisitions and \$7.5 million in village expansion opportunities to deliver a step-change in Eureka’s growth profile, increased scale in seniors rental communities and reinforce Eureka’s status as Australia’s largest owner, operator and developer of seniors’ rental communities.

Newly commenced Eureka CEO Mr Simon Owen said: “These strategically compelling Acquisitions accelerate our growth strategy and provide Eureka with a stronger growth trajectory. They also build on our track record of deal origination capability and access to deal flow, both on and off market.

“The Equity Raising provides Eureka with the capital to execute on these Acquisition opportunities and rapidly increase scale as a leading provider of seniors’ rental accommodation in Australia”.

Acquisitions

Eureka has identified Acquisitions comprising operating villages with strong fundamentals and added development potential.

¹ Assumes full year impact of deployment of proceeds of the Equity Raising towards Acquisitions

The Acquisitions, primarily located in Queensland, will add 479 units and 30 development units to Eureka's portfolio and include:

- two villages under heads of agreement subject to due diligence for approximately \$14.8m which will deliver immediate yield of 9.6% per annum
- five villages in due diligence or advanced discussions for approximately \$30.3 million in total;
- 38 individual units at existing managed villages for \$4.8 million (24 units have already been acquired since 30 June 2024 for \$3.0 million with the remaining to be acquired for \$1.8 million); and
- village expansions of \$7.5 million which will deliver a yield on cost of more than 12.5% per annum.

Equity Raising

Acquisitions will be funded via a fully underwritten \$70.4 million Equity Raising comprising:

- a 1 for 3.4 accelerated non-renounceable pro-rata entitlement offer of new fully paid ordinary shares ("**New Shares**") to raise \$55.4 million ("**Entitlement Offer**"); and
- an institutional Placement of New Shares to raise \$15.0 million ("**Placement**")².

The Equity Raising is fully underwritten by MA Moelis Australia Advisory Pty Ltd and Morgans Corporate Limited.

New Shares issued under the Equity Raising will rank pari passu with existing Eureka shares from the date of issue. Approximately 24.6 million New Shares will be issued under the Placement, equivalent to ~8% of existing Eureka shares on issue. The Placement is being conducted under Eureka's existing placement capacity pursuant to ASX Listing Rule 7.1.

Proceeds from the Equity Raising will be used to fund the Acquisitions and costs of the Equity Raising. Proceeds will initially be used to repay debt until Acquisitions reach settlement and developments commence.

Funds are expected to be fully deployed within 9 to 12 months.

The Equity Raising will be conducted at a fixed issue price of \$0.61 per New Share ("**Offer Price**"), which represents a:

- 9.6% discount to the last price of \$0.68 per share on 23 October 2024;
- 7.5% discount to the 5-day VWAP of \$0.66 per share on 23 October 2024; and
- 7.2% discount to the theoretical ex-rights price ("**TERP**")³ of \$0.66.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 3.4 existing shares in Eureka held as at 7.00pm (AEDT) on Monday, 28 October 2024 (**Record Date**). Fractional entitlements under the Entitlement Offer will be rounded up to the nearest whole share.

Filetron Pty Ltd is a substantial shareholder in Eureka, with an approximately 20.5% interest, and has committed to taking up its full entitlement under the Entitlement Offer.

² The Placement will not be offered to the five largest shareholders to provide shares for new and smaller investors

³ The theoretical ex rights price ("**TERP**") is the price at which Eureka Shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP includes the New Shares issued under the Placement. TERP is a theoretical calculation only and the actual price at which Eureka shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may be different from TERP

The Eureka Directors who hold or control Eureka shares and the Chief Executive Officer have committed to taking up their full entitlement under the Entitlement Offer.

Mr John Whiteman, Non-Executive Director of Eureka, has committed to sub-underwrite the Entitlement Offer up to \$1 million. Mr Whiteman will not be paid any sub-underwriting fees.

Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part will not receive any value in respect of those entitlements not taken up.

The Entitlement Offer is non-renounceable, and rights are not transferrable and will not be traded on the ASX or otherwise.

The Entitlement Offer is comprised of two components:

- the institutional component of the Entitlement Offer, which will raise \$48.8 million (**Institutional Entitlement Offer**); and
- the retail component of the Entitlement Offer, which will raise \$6.6 million (**Retail Entitlement Offer**).

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will open today, Thursday 24 October 2024. The institutional Placement will be conducted at the same time.

Eligible institutional shareholders may opt to take up all, part or none of their entitlement in the Institutional Entitlement Offer. Entitlements not taken up under the Institutional Entitlement Offer will be offered investors under an institutional bookbuild at the Offer Price.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia and New Zealand as at the Record Date will be invited to participate in the Retail Entitlement Offer at the same Offer Price and ratio as under the Institutional Entitlement Offer.

The Retail Entitlement Offer will open on Thursday, 31 October 2024 and close at 5.00pm (AEDT) on Monday, 11 November 2024.

Eligible retail shareholders that take up their full entitlement may also apply for additional New Shares in excess of their entitlement through the oversubscription facility up to a maximum of 50% of their entitlement ("**Oversubscription Facility**")⁴.

Eligible retail shareholders will be given access to an information booklet ("**Retail Offer Booklet**"), including a personalised entitlement and acceptance form, on Thursday, 31 October 2024. A copy of the Retail Offer Booklet is also expected to be lodged with the ASX on the same date. The Retail Offer Booklet will contain additional details on how to participate in the Retail Entitlement Offer for eligible retail shareholders should review the document carefully.

The Company has obtained approval from the Australian Securities and Investments Commission to appoint MA Moelis Australia Securities Pty Ltd (AFSL 308241) as nominee for the purposes of section 615 of the Corporations Act (**Sale Nominee**) to arrange for the sale of the New Shares which would otherwise have been available to ineligible shareholders had they been eligible to participate in the Entitlement Offer. The proceeds of sale (if any), net of

⁴ Subject to the availability of additional new Eureka shares, any scale back to the extent that demand exceeds supply (with the scale back being determined by Eureka based on a pro rata basis based on the number of additional new Eureka shares validly applied for by each participating eligible shareholder) and any requirements under law or the Listing Rules, in Eureka's absolute discretion

expenses, will be distributed to ineligible shareholders in proportion to their entitlements at the Record Date. Neither the Sale Nominee nor the Company will be liable for the failure to sell New Shares or to sell them at any particular price.

Timetable

Event	Date (2024)
Trading halt and announcement of the Acquisitions and Equity Raising	Thursday, 24 October
Institutional Entitlement Offer and Placement conducted	Thursday, 24 October
Trading halt lifted and trading re-commences on an ex-entitlement basis	Monday, 28 October
Record date for Entitlement Offer	Monday, 28 October at 7.00pm (AEDT)
Retail Entitlement Offer opens and booklet is dispatched	Thursday, 31 October
Settlement of New Shares under the Institutional Entitlement Offer and Placement	Friday, 1 November
Allotment and ASX quotation of New Shares issued under the Institutional Entitlement Offer and Placement	Monday, 4 November
Retail Entitlement Offer closes	Monday, 11 November at 5.00pm (AEDT)
Announcement of results of Retail Entitlement Offer	Thursday, 14 November
Settlement of New Shares issued under the Retail Entitlement Offer	Friday, 15 November
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 18 November
ASX Quotation of New Shares issued under the Retail Entitlement Offer	Tuesday, 19 November
Dispatch of holding statements for New Shares issued under Retail Entitlement Offer	Wednesday, 20 November

All dates are referenced to Sydney time. These timings are indicative only and subject to variation. Eureka reserves the right to alter the timetable at its absolute discretion and without notice, subject to the ASX Listing Rules. In particular, Eureka reserves the right to extend the closing date of the Retail Entitlement Offer or to withdraw to Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on issue date of New Shares under the Retail Entitlement Offer.

Trading Update, Outlook & FY25 Guidance

Eureka's portfolio of 52 rental villages across Australia comprising 2,835 units under management is currently operating at near record high occupancy levels of 98% with demand particularly strong in the Company's largest operational State of Queensland with only one vacancy forecast across over 1,400 units by the end of October 2024.

Demand for rental accommodation remains very high, driven by a favourable macroeconomic backdrop including strong levels of immigration and overseas students, an ageing population, housing affordability concerns and limited supply.

Eureka today also announces that Non-Executive Chairman, Mr Murray Boyte, has advised the Board of his intention to retire as Non-Executive Chairman and as director of the Company during the first half of the 2025 calendar year after 7 years as Chairman.

Mr Boyte will be succeeded as Chairman by current Non-Executive Director and Chair of the Audit & Risk Committee, Mr Russell Banham.

Eureka Chairman-elect Mr Banham said: "On behalf of the Board, I would like to extend my sincere gratitude to Murray for his leadership as Chairman. Murray guided the Board and management team through an important transformational period for the Company and significantly contributed to Eureka's growth and development. We wish him well in his future endeavours."

Mr Boyte said: "I would like to thank shareholders, my fellow directors and the Eureka team who supported me during my time as Chairman of Eureka.

"I am pleased to have played a role in guiding Eureka's corporate turnaround during challenging times to take the company to its current market leading status in its sector.

"With the appointment of Simon Owen as CEO, I believe that now is the right time for me to step down as Chairman and a director of Eureka.

"Under Simon's leadership, I have every confidence that Eureka's future is in capable hands and that the Company will continue to go from strength to strength."

Mr Boyte is standing for re-election as a director at the Annual General Meeting to be held on 31 October 2024. Whilst not intending to serve out his full three-year term as a director, if re-elected, it is intended that Mr Boyte will continue in his role as Non-Executive Chairman to provide strategic support to the new CEO to facilitate an orderly leadership transition and seamless transfer of his strategic insights.

Additional Information

Please refer to the Investor Presentation lodged on the ASX on 24 October 2024 for additional information on the Acquisitions and the Equity Raising.

Investor and Analyst Briefing

Eureka will conduct an investor briefing at 10am (AEDT) today to discuss details of the Acquisition, Growth Strategy and Equity Raising.

Pre-registration is available via this link: <https://s1.c-conf.com/diamondpass/10043001-nwtrvf.html>

Underwriters and Advisers

MA Moelis Australia Advisory Pty Limited and Morgans Corporate Limited are acting as bookrunners, underwriters and joint lead managers on the Equity Raising.

BG Capital Corporation Pty Limited is acting as financial adviser and Hamilton Locke as legal adviser in relation to the Equity Raising.

This announcement was approved and authorised for release by Eureka's Board of Directors.

-Ends-

For further information:

Investors, contact Simon Owen, CEO, 07 2145 6322

IMPORTANT NOTICES

This announcement does not, and should not be considered to, constitute or form part of any offer to sell, or solicitation of an offer to buy any shares in Eureka, and no part of this announcement forms the basis of any contract or commitment whatsoever with any person. This announcement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not permitted under applicable law. Distribution of this announcement in or from certain jurisdictions may be restricted or prohibited by law. Recipients must inform themselves of and comply with all restrictions or prohibitions in such jurisdictions. Neither Eureka, its officers, advisers or representatives accept any liability to any person in relation to the distribution or possession of this announcement from or in any jurisdiction.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any jurisdiction in which such an offer would be illegal. The New Shares to be offered and sold in the Equity Raising have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Any advice in this announcement is general advice. This advice has been prepared without taking into account the objectives, financial situation and needs of the recipients of this announcement. For that reason, recipients should consider the appropriateness of the advice having regard to their own objectives, financial situation and needs and, if necessary, seek appropriate independent legal, financial and other professional advice.

FORWARD LOOKING STATEMENTS

This announcement includes certain statements, opinions, estimates, projections and forward-looking statements with respect to the expected future performance of Eureka. These statements, which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties are based on, and are made subject to, certain assumptions which may not prove to be correct or appropriate. Actual results may be materially affected by changes in economic and other circumstances which may be beyond the control of Eureka. Except to the extent implied by law, no representations or warranties, express or implied, are made by Eureka, the Joint Lead Managers or their respective officers, advisers or representatives as to the validity, certainty or completeness of any of the assumptions or the accuracy or completeness of the forward-looking statements or that any such statement should or will be achieved. The forward-looking statements should not be relied on as an indication of future value or for any other purpose.