# Step-change Acquisition and Growth Strategy
# Underwritten $70.4m Equity Raising

October 2024

eureka Group

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# Overview

## Increases Eureka's units under management by 13.5% and provides capital for village expansions and Acquisitions

### Step Change in Eureka's Growth

- 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 $49.9m and has identified $7.5m of village expansion opportunities ("**Acquisitions**")
- Acquisitions will deliver a step-change in Eureka's growth profile and increased scale in seniors' rental communities
- Acquisitions include:
  - 2 villages under heads of agreement subject to due diligence for approximately $14.8m which will deliver immediate yield of 9.6% per annum
  - 5 villages in due diligence or advanced discussions for approximately $30.3m in total
  - 38 individual units at existing managed villages for $4.8m (24 units have already been acquired since 30 June 2024 for $3.0m)
  - Village expansions of $7.5m which will deliver a yield on cost of more than 12.5% per annum

### Underwritten Equity Raising

- Acquisitions will be funded via a fully underwritten equity raising of $70.4m, comprising:
  - A 1 for 3.4 accelerated non-renounceable pro-rata entitlement offer of new fully paid ordinary shares ("**New Shares**") to raise $55.4m ("**Entitlement Offer**"); and
  - An institutional Placement of New Shares to raise $15.0m ("**Placement**")

  Together the "**Equity Raising**" (refer to page 22 for further details)
- The Equity Raising will be undertaken at an issue price of $0.61 per 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
- Eureka Directors who hold or control Eureka shares and the CEO 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 $1m. Mr Whiteman will not be paid any sub-underwriting fees

### Accretive Financial Impact

- 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 deployed[1] pro forma Underlying EPS growth of at least 19% on FY24
  - Pro forma fully deployed[1] NTA of $0.501 per share (3.8% increase on 30 June 2024 NTA of $0.483)
  - Pro forma fully deployed[1] gearing of 26.7% (reduced from 36.6% as at 30 June 2024 and below the target range of 30-40%)

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

# Strategic Rationale

## Provides Eureka with the capital to quickly scale and execute on acquisition opportunities

**Consolidates market position and enhances scale** (1)

- Reinforces status as Australia's largest owner, operator and developer of seniors' rental communities
- 479 units acquired or to be acquired and 30 development units with minimal incremental corporate overhead
- Pro forma portfolio value of $333m[1] post completion of Acquisitions (22% increase)
- Increases proportion of 100% owned villages within portfolio

**Step-change in growth profile** (2)

- Acquisition of stabilised assets providing immediate yield, with a weighted average 9.6% yield per annum on cost for Acquisitions under heads of agreement
- Demonstrates Eureka's deal origination capability and access to on and off-market deal flow
- Positions Eureka to materially grow underlying EPS over the next three years

**Compelling Acquisitions** (3)

- Approximately $57m of Acquisitions comprising operating villages with strong fundamentals and added development potential
- Multiple Acquisitions located in Queensland which is an attractive market for seniors' rental communities and where Eureka's existing rental villages operate at close to 100% occupancy
- Acquisitions are aligned with Eureka's portfolio objectives to acquire high-quality sites located in major metro markets and key regional locations

**Supportive market tailwinds and resilient business** (4)

- Sector continues to benefit from long-term macroeconomic factors, marked by a growing ageing population, constrained supply of seniors' rental accommodation, continued strong demand for rental accommodation and new government supports for affordable accommodation development
- Inflation-protected, government backed income streams continue to underpin Eureka's EPS profile

**Positive financial impact** (5)

- FY25 Underlying EBITDA growth of at least 16% on FY24
- FY25 Underlying EPS growth of at least 8% on FY24
- Fully deployed[2] pro forma Underlying EPS growth of at least 19% on FY24
- Pro forma fully deployed[2] NTA of $0.501 per share (3.8% increase on 30 June 2024 NTA of $0.483)
- Pro forma fully deployed[2] gearing of 26.7% (reduced from 36.6% as at 30 June 2024 and below the target range of 30-40%)

1. Includes share of assets held in joint venture and WA fund. Excludes management rights assets
2. Assumes full year impact of deployment of proceeds of the Equity Raising towards the Acquisitions

# Capital supports significant growth opportunities

## Demonstrates Eureka's deep origination and execution capability

### Acquisitions under Heads of Agreement – 2 Villages

- **Adelaide Hills – subject to exchange and completion of contracts**
  - Boutique over 50s rental village in the Adelaide Hills, South Australia – 30km from Adelaide CBD
  - Acquisition price of $10.3m[1] with ingoing yield of 9.2% per annum
  - 55 well maintained units with high occupancy of 98%[2]
  - Board approved, due diligence satisfactorily completed, final stages of contract negotiation
  - Settlement expected to occur by November 2024

- **Regional Coastal QLD Caravan Park – subject to confirmatory due diligence**
  - Comprises 120 sites/cabins with approvals in place to repurpose 25 sites into 30 cabins
  - Located in a major coastal Queensland employment hub within close proximity to local amenity including a golf course
  - Favourable demographic with 13.8%[3] of the local population over the age of 65
  - A fully occupied Eureka village is in close proximity which the identified asset would complement
  - Planned conversion to all-age rental, diversifying Eureka's income source into an adjacent asset class
  - Acquisition price of $4.5m[1] with ingoing yield of 10.6% per annum
  - Net return of greater than 12.5% on new cabin installations (estimated cost of $4.5m)
  - Key terms agreed (including price), due diligence being finalised
  - Settlement expected to occur by December 2024

### Acquisitions in Due Diligence or Advanced Discussions – 5 Villages

- Boutique rental village of 51 units in South East Queensland
- Boutique rental village of 60 units in South East Queensland
- Two rental villages in North Queensland with a combined 109 units
- Rental village in Fraser Coast, Queensland with 46 units
- Further opportunities also under assessment

### Organic Growth

- Acquisition of 38 units as part of individual unit acquisition strategy for $4.8m
  - 24 units acquired to date for $3.0m in FY25 with the remaining forecast unit acquisitions (not yet contracted) to be acquired for $1.8m
- 20 unit expansion at Brassall for $3.0m subject to Development Approval (DA)
  - Target return of 12.5% per annum

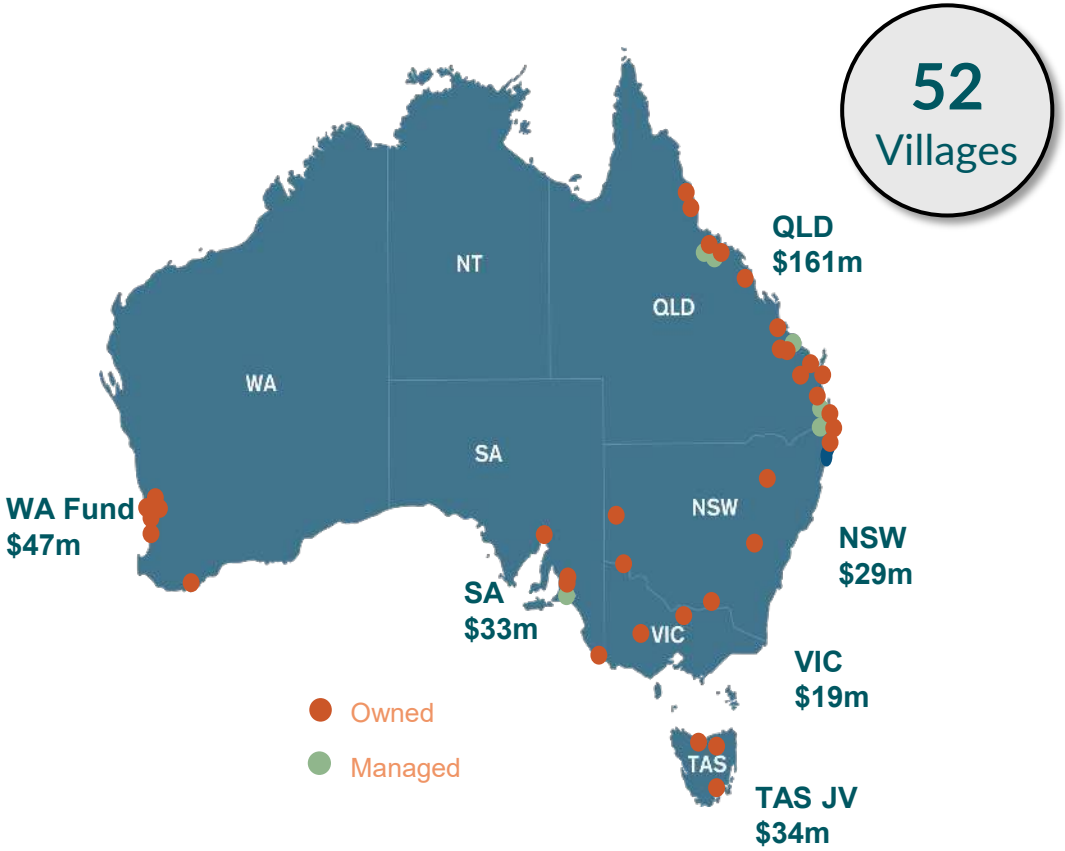
1. Excluding transaction costs
2. As at 21 October 2024
3. ABS Census All persons (2021)

# About Eureka

# Scalable affordable build-to-rent seniors living portfolio

Eureka is the only ASX-listed pure play specialist in seniors' rental accommodation

## NATIONAL FOOTPRINT (as at 30 June 2024)




## PORTFOLIO SNAPSHOT (as at 30 June 2024)

**2,835**
Units under management

**$328m**
Assets under management

**98%**
Occupancy

**$274m**
Investment property[1]

**8.17%**
WACR[2]

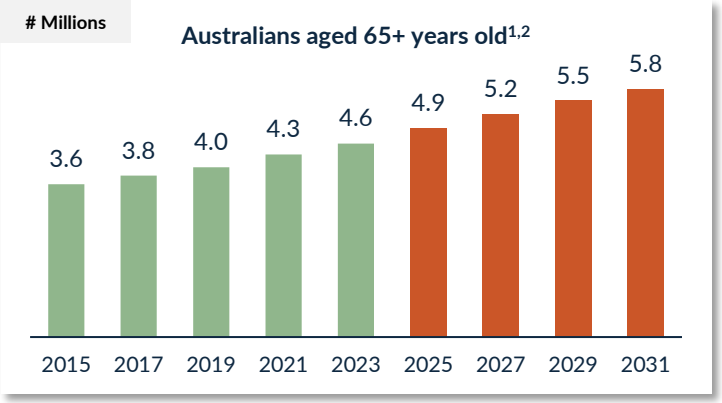
1. Includes share of assets held in joint venture and WA fund. Excludes management rights assets
2. Refer Definitions on page 37

# Over 50s rental offers significant growth opportunities

Housing market dynamics supports the need for affordable seniors' rental accommodation

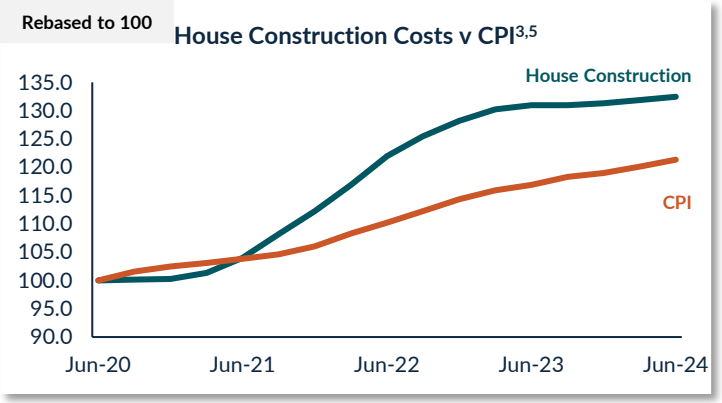
## HIGH LEVELS OF DEMAND

- Consistently high occupancy rates of >96% across Eureka's portfolio since FY21
- Several Eureka villages have multi-year wait lists
- **Ageing population** drives future demand. 4.6m of the Australia population >65 years old increasing to 5.8m by 2031[1] (26.1% growth)



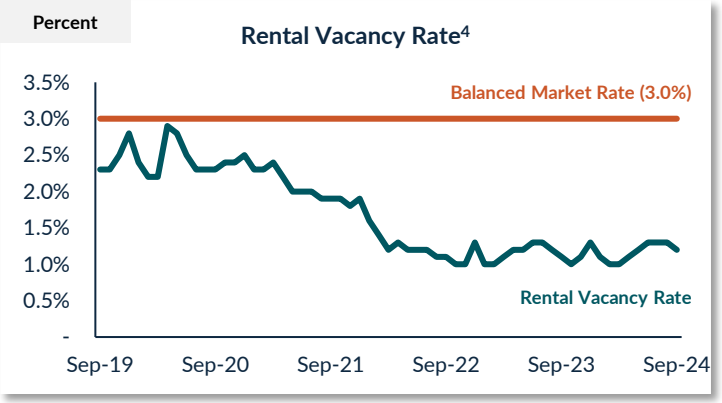

## CONSTRAINED SUPPLY

- Deteriorating affordable housing project economics driven by increased construction and financing costs.
- Construction costs have grown 32.4% post COVID outpacing CPI, driving new capital into premium build[3]
- 1.2% national rental vacancy rate remains lower than the 3.0% balanced market vacancy rate[4]




## MODULAR HOUSING SOLUTIONS

- Rental villages are 'horizontal' build to rent (BTR)
- Product lends itself to off-site, modular construction which allows for quicker development periods and lease-up, **improving project economics**



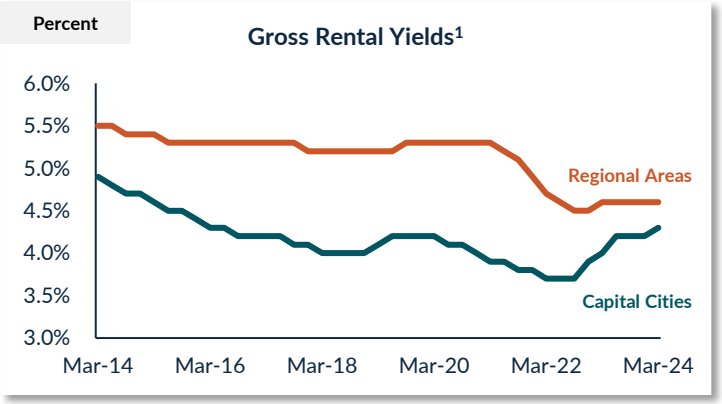

1. ABS National, State and Territory Population (March 2024)
2. ABS Population Projections (November 2023)
3. ABS Producer Price Indexes (June 2024)
4. SQM Research (September 2024)
5. ABS Consumer Price Index (June 2024)

# Over 50s rental offers significant growth opportunities

Shares many attributes with residential land lease communities 10 years ago

## TARGET KEY REGIONAL MARKETS

- Many seniors/downsizers moving to sea/tree change chasing lifestyle and affordable housing
- Rental yields have been consistently higher in regional areas as compared to capital cities




## GOVERNMENT-SUPPORTED REVENUE

- Stable source of revenue as pension payments from the Federal Government are direct debited from residents to Eureka
- Australian pension payments are indexed bi-annually in March and September each year to the higher of CPI and the Pensioner and Beneficiary Living Cost Index, providing Eureka's revenues with **embedded inflation protection**

**>95%**

Eureka's residents receive the full entitlement of government support payments

## GOVERNMENT FUNDING SUPPORTS

- State and federal governments have increased funding support for affordable housing
- $4 billion State government investment supporting the commencement of 10,300 social and affordable homes across QLD, NSW, and VIC[2,3,4]
- $10 billion Federal government investment via the Housing Australia Future Fund (HAFF) to build 40,000 social and affordable homes[5]
- Federal Opposition government proposed to allocate $5 billion in spending towards the construction of 500,000 new homes[6]

**$14 billion**

in State and Federal Government Investment into Social & Affordable housing

1. PropTrack Rental Report (March 2024 Quarter)
2. Department of Housing, Local Government, Planning and Public Works (QLD Government)
3. Communities & Justice (NSW Government)
4. Regional Housing Fund (Victoria Government)
5. Housing Australia
6. ABC (October 2024)

# Cash flows backed by the Australian Government pension

Government backed age pension and rent assistance payments support Eureka's revenue streams

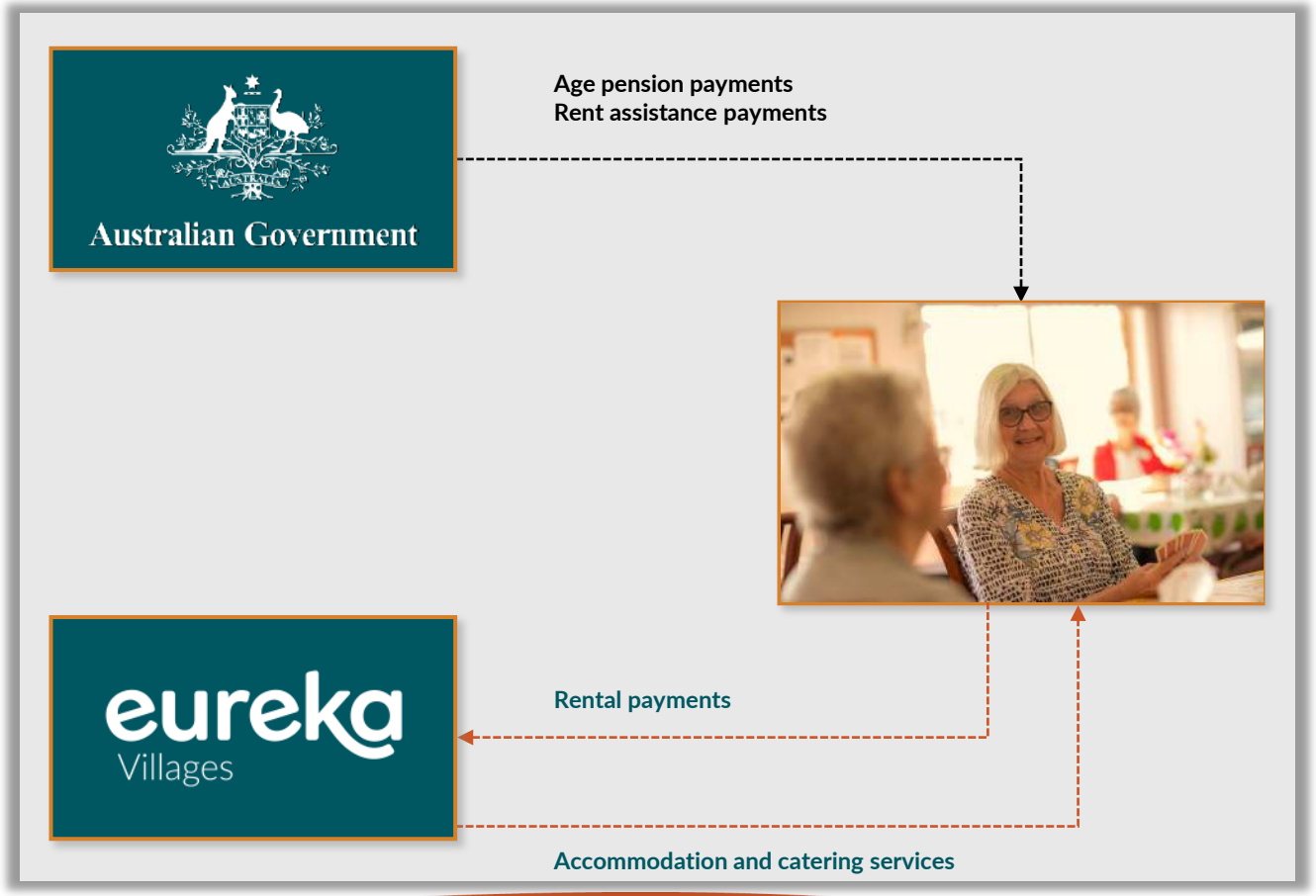
## Commentary

- >95% of Eureka's residents receive the full entitlement of government support payments, such as age pension, rent assistance and other supplements, to support their cost of living
- This can be up to $1,356 per fortnight for singles and $1,924 for couples[1]

- Pension payments from the government are direct debited from residents to Eureka

- Australian pension payments are indexed bi-annually in March and September each year to the higher of CPI and the Pensioner and Beneficiary Living Cost Index, providing Eureka's revenues with embedded inflation protection

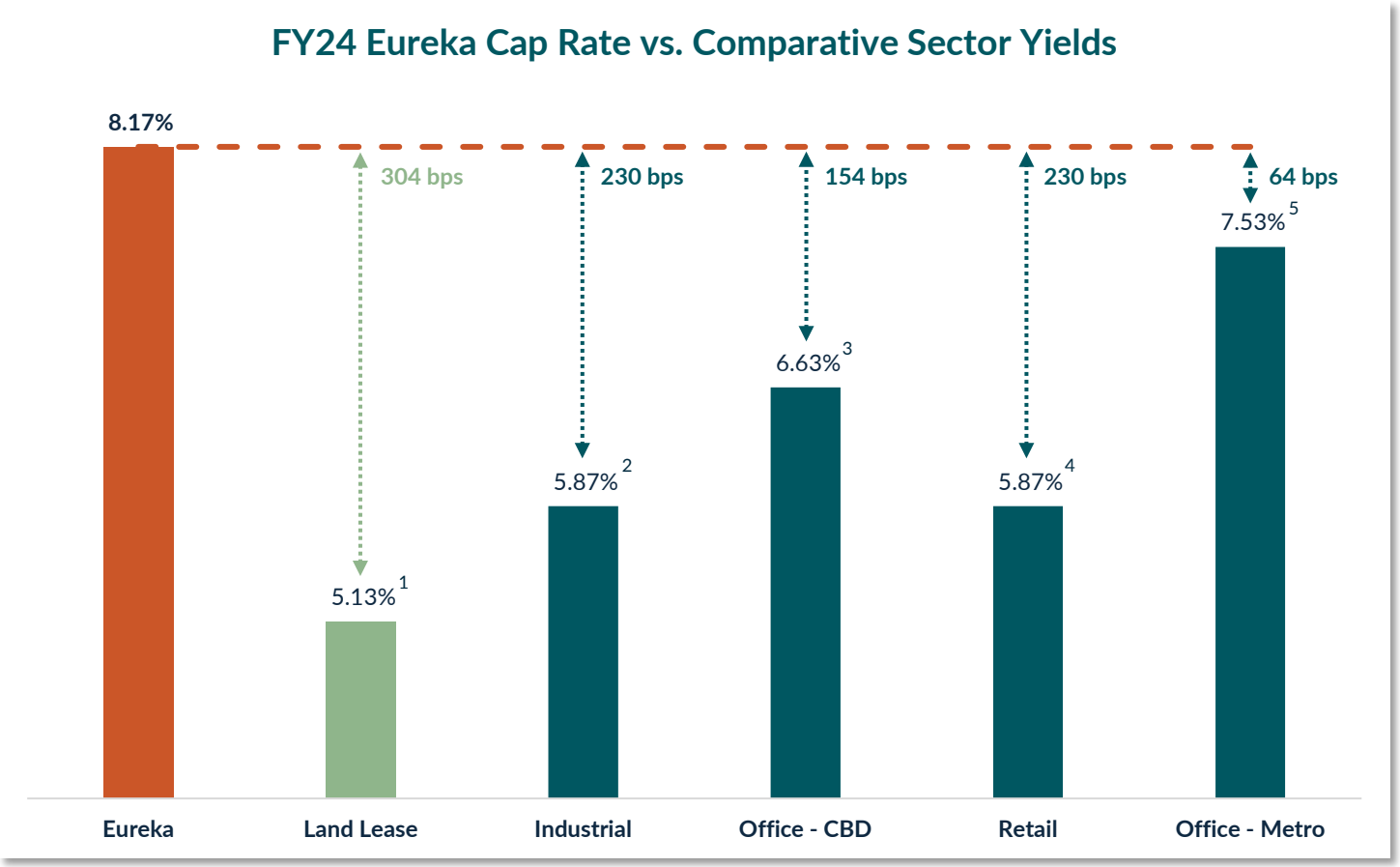
## Payments backed by Government




1. Services Australia – Australian Government (20 September 2024)

# Seniors' rental offers compelling yields

Eureka is trading at compelling yields with potential for significant capital valuation upside




- Core Australian property sectors are characterised by yields between 5.9% to 6.6% (excluding land lease and metro office)
- Core property sectors have experienced cap rate expansion over the past two years, averaging 142 bps expansion across industrial, office and retail
- Land lease, an adjacent sector to seniors' rental has not experienced the same level of cap rate expansion as core real estate, continuing to trade at tight yields (currently 5.1%)
- The seniors' rental sector has experienced recent yield compression, but yields remain well above core real estate by 150 – 230 bps and 304 bps above land lease
- Potential portfolio upside once Eureka's portfolio reaches "institutional scale"
- Yields remain compelling in a high-interest rate environment
- Eureka's residents are funded by the Commonwealth Government, providing strong security of rental inflows

1. Transaction evidence
2. Colliers Australian Industrial and Logistics Snapshot Q2 2024
3. Colliers Australian CBD Office Snapshot Q2 2024
4. Colliers Australian Retail Snapshot Q2 2024
5. Colliers Australian Metro Office Snapshot Q2 2024

# Eureka's pathway to growth

Building long term value via a disciplined growth plan, backed by a resident first philosophy

## INTERNAL EFFICIENCIES AND ORGANIC OPPORTUNITIES

- Unwavering focus on **resident experience** and building community
- Drive occupancy rate and length of stay
- Seek **sustainable rental growth** opportunities
- **Invest in our people** – recruit, develop, and retain great people
- Continue individual unit acquisition program
- Execute on community expansion opportunities
- Divest non-core and remote communities
- Exit marginal management contracts

## EXPAND EXTERNAL CAPITAL AND VILLAGE OPPORTUNITIES

- Execute on identified village acquisition opportunities
- Repurpose existing built form into over 50s rental communities such as holiday parks, motels, serviced apartments and older retirement villages/nursing homes at attractive yields
- Develop new communities in identified growth corridors
- Consider sector adjacencies – all age rental community, social and affordable housing
- Build capital partnerships to accelerate and fund growth – funds management, joint ventures, Public Private Partnerships

# Building Blocks of EPS Growth over next three years

EPS Growth driven by organic growth and external opportunities

| | | |
|---|---|---|
| **Organic Growth** | **Rent Growth** | >95% of Eureka's residents receive government support payments which are indexed bi-annually by at least CPI |
| | **Individual Unit Acquisitions** | 70 unit pipeline of managed units to be acquired across four villages (24 units acquired to date in FY25). Significant incremental benefit once 100% freehold interest is owned (collapse expensive body corporate structure, drive efficiencies, improved valuations) |
| | **Scale Benefits** | Previous investment in platform capability means growth can be achieved with minimal incremental corporate overhead |
| | **Expansions** | 2 sites with opportunity to deliver 50 additional units at >12.5% return |
| **External Opportunities** | **Acquisitions and capital recycling** | Fragmented market provides significant opportunity to acquire villages in high demand regional markets at attractive yields. Capital recycling opportunities of $25m in non-core assets |
| | **Development** | Development potential on owned sites to deliver 230 additional units at Kingaroy and Gladstone |
| | **Funds Management** | Continue to expand funds management platform and pursue capital light growth initiatives |

**>CPI rental growth**

**>25% increase in village profitability from 100% ownership**

**>40% EBITDA margin**

**>12.5% return**

**>8% yield**

**>12.5% equity IRR**

**Recurrent fee income stream**

# Strong Management Team

Eureka's management are well positioned to deliver on future growth objectives

**Simon Owen**

*Chief Executive Officer*

- Simon is a highly experienced and respected leader with over 25 years' experience in leading property and retirement living businesses, including 14 years as Chief Executive Officer and Managing Director of Ingenia Communities Group (ASX:INA)

**Laura Fanning**

*Chief Financial Officer*

- 25 years' financial, governance and commercial experience gained primarily in ASX-listed companies
- In addition to her role as Chief Financial Officer, Laura serves as Joint Company Secretary

**Michael Heffernan**

*Head of Real Estate*

- Michael has over 20 years' experience in senior leadership roles in the property and infrastructure sectors
- Leads group's capital transactions including acquisitions, divestments and development

**Andrew Hudson**

*Head of Operations*

- Andrew has over 25 years' operations experience.
- Lead for resident experience initiatives, asset management and operations strategy
- Responsible for operational process

# Trading Update

## Occupancy levels remain at 98% with macro tailwinds underpinning future demand

| | |
|---|---|
| **Eureka's rental villages continuing to deliver stable cashflows** | • Occupancy presently tracking at 98% - near record high levels<br>• Pension increase of 4.1% for six months to September 2024 – expect FY25 same unit rental growth of 5 – 7%<br>• Across 52 communities the Group presently has 34 communities trading at 100% occupancy |
| **Queensland experiencing particularly strong demand** | • One vacancy is forecast across over 1,400 units in Queensland by the end of October 2024<br>• Some softness in rental rate / occupancy being experienced across select villages in South Australia and Tasmania |
| **General demand for rental accommodation remains very high underpinning Eureka's business model** | • Across Australia, current vacancy for residential accommodation is 1.2% as at 30 September 2024[1]<br>• Average rents over past 12 months have increased by 7.2% as at 31 August 2024[2] |
| **Significant supply / demand imbalance for rental accommodation expected to remain in place** | • Demand for rental accommodation remains very high driven by strong levels of immigration and overseas students, an ageing population, housing affordability concerns and limited supply<br>• Highly constrained new supply due to cost of construction, lack of access to development funding and availability of suitable land |

1. SQM research residential vacancy rates
2. Corelogic research

# Transaction Overview

# Eureka Portfolio Impact

## Acquisitions expected to deliver a material uplift in portfolio value

| Key Metrics | 30 June 2024 | Post Acquisitions | Change |
|---|---|---|---|
| Owned | 28 | 33 | 17.9% |
| Managed | 13 | 11 | (15.4%) |
| Joint Venture | 5 | 7 | 40.0% |
| Managed Fund | 6 | 6 | - |
| **Total Number of Villages** | **52** | **57** | **9.6%** |
| Investment Properties[1] | $274m | $333m | 21.6% |
| Assets Under Management | $328m | $395m | 20.5% |
| Units under management | 2,835 | 3,217 | 13.5% |

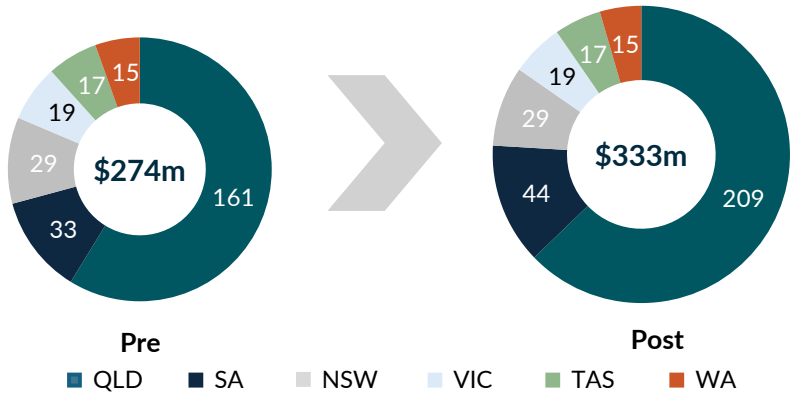
**21.6%**
Growth in Investment Properties value

**13.5%**
Growth in units under management

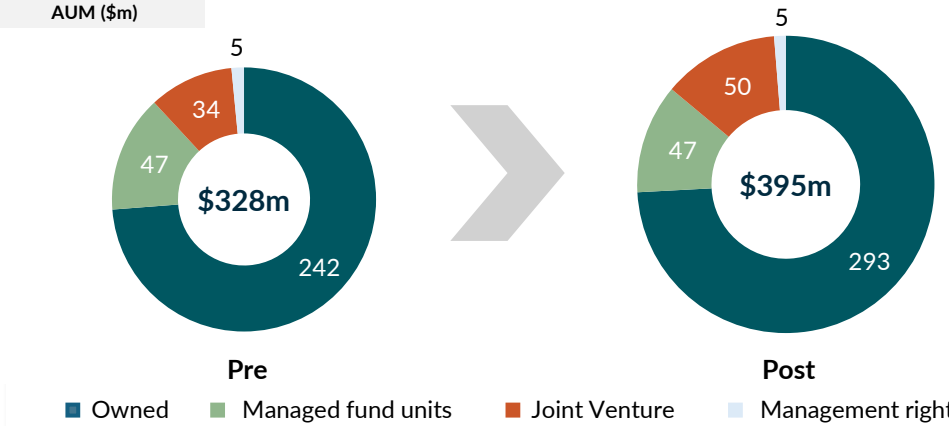
**$0.501**
Pro-forma NTA per share (3.8% increase on 30 June 2024)

**74%**
Owned units AUM as % of total AUM (by value)

Geographic diversification (by investment property value) ($m)




AUM ($m)

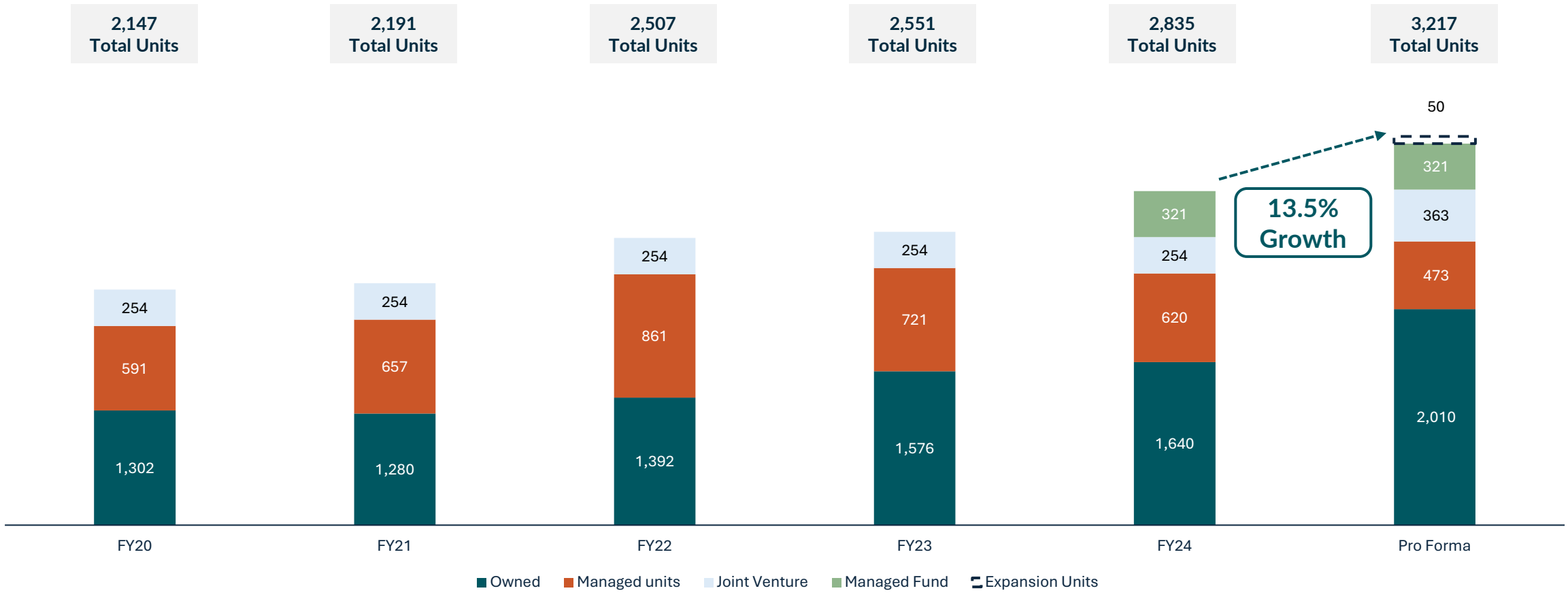



Portfolio heavily skewed to Queensland which is an attractive market for seniors' rental communities and where Eureka's existing villages operate at near 100% occupancy

1. Includes share of assets held in joint venture and WA fund. Excludes management rights assets

# Growing Eureka's Units Under Management

Step-change growth strategy underpins material increase in units under management post transaction



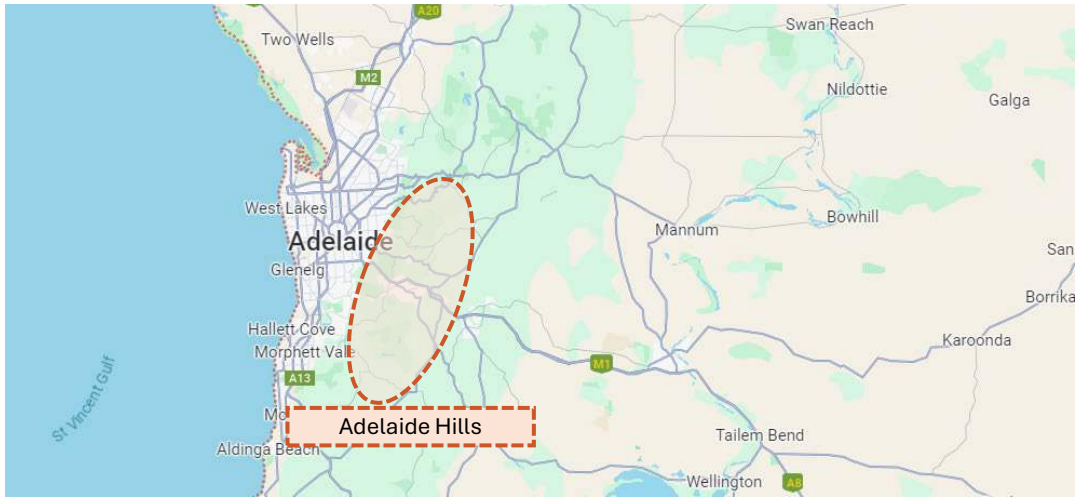
# Boutique Seniors Rental Village, Adelaide Hills SA

## DESCRIPTION

- Asset is located ~30km southeast of Adelaide CBD, in the Adelaide Hills district
- Comprises 54 single bed units catering for both singles and couples spread across 7 separate single level buildings and a 3 bed managers unit
- Well maintained, gated community that is in close proximity to public transport and other local amenities including a hospital
- Eureka has a strong presence in Adelaide, with two owned and two managed villages which the village would complement
- Village is located in a core market for Eureka, with favourable demographics including a population of 6,946 over the age of 65[1], of which 59% receive the pension[2]
- Demonstrates ability of Eureka management team to source off-market acquisition opportunities
- Eureka expects to settle the acquisition by November 2024

| Snapshot | Adelaide Hills, SA |
|---|---|
| **Acquisition Price** | $10.3m |
| **Ownership** | 100% |
| **Units** | 55 |
| **Occupancy** | 98%[3] |
| **EBITDA Yield (p.a.)** | 9.2% |

## ACQUISITION OVERVIEW




1. ABS Census All persons (2021)
2. DSS Benefit and Payment (December 2021)
3. As at 21 October 2024

# Capital Management

## Robust balance sheet positioned for growth

| Key Metrics | | FY24 | Pro Forma Acquisitions and Equity Raising | Change |
|---|---|---|---|---|
| Cash | [$m] | 2.3 | 2.3 | - |
| Debt | [$m] | 91.2 | 82.7 | (9.4%) |
| Total assets | [$m] | 275.2 | 332.6 | 20.8% |
| Balance sheet gearing | [%] | 36.6 | 26.7 | (9.8%) |

| Static metrics | | FY24 | |
|---|---|---|---|
| Proportion of debt hedged | [%] | 55 | |
| Weighted average hedge maturity | [years] | 1.15 | |
| Weighted average hedge rate | [%] | 3.96 | |
| Cost of debt p.a. | [%] | 6.13 | |
| Facility Limit | [$m] | 101.0 | |
| Interest cover ratio | [x] | 3.0x | ICR covenant 2.5x |

- Core $96m bank facility in place until 2026, with no principal repayments required until expiry. Additional $5m facility in place until October 2025
- Domestic banks have indicated strong support for refinancing debt facility
- $50m of interest rate hedging across three tranches covering 55% of drawn debt (pre Acquisitions and Equity Raising)
- Continued asset recycling to optimise returns – targeting $25 – 30m in asset sales

26.7%
**Gearing below 30 – 40% target range**

$82.7m
**Pro forma debt**

# Equity Raising

# Equity Raising Summary

## $70.4m fully underwritten Equity Raising

| | |
|---|---|
| **Equity Raising Structure** | • Fully underwritten institutional Placement of New Shares to raise $15.0m ("**Placement**")[1]<br>• Fully underwritten 1 for 3.4 accelerated non-renounceable pro-rata entitlement offer of New Shares to raise $55.4m ("**Entitlement Offer**") comprising of:<br>  ▪ An accelerated institutional component ("**Institutional Entitlement Offer**"); and<br>  ▪ A retail component ("**Retail Entitlement Offer**") – the record date for the Retail Entitlement Offer is Monday, 28 October 2024 at 7.00pm (AEDT) ("**Record Date**")<br>• The Equity Raising represents 37.4% of total Eureka shares on issue<br>• 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**")[2]<br>• The Placement and Entitlement Offer are together referred to as the "**Offer**" or "**Equity Raising**" |
| **Pricing** | • Fixed issue price of $0.61 per share represents a:<br>  ▪ 9.6% discount to the last close price of $0.68 per share on 23 October 2024<br>  ▪ 7.5% discount to the 5-day VWAP of $0.66 per share on 23 October 2024; and<br>  ▪ 7.2% discount to the Eureka TERP[3] of $0.66 |
| **Ranking** | • New Shares issued under the Placement will not be entitled to participate in the Entitlement Offer<br>• New Shares issued under the Equity Raising will rank pari passu with existing Eureka shares from the date of issue |
| **Use of Proceeds** | • Proceeds from the Equity Raising will be used to fund the Acquisitions and costs of the Offer<br>• Proceeds will initially be used to pay down debt facilities and deployed as Acquisitions settle and developments complete |
| **Underwriters and Advisers** | • Underwriters and Joint Lead Managers: MA Moelis Australia Advisory Pty Limited and Morgans Corporate Limited. MA Moelis Australia Securities Pty Limited is the foreign sale nominee<br>• Financial Adviser: BG Capital Corporation Pty Limited |
| **Participation of Filetron** | • 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 |
| **Participation of Eureka Directors and CEO** | • Eureka Directors who hold or control Eureka shares and the CEO have committed to taking up their full entitlement under the Entitlement Offer<br>• Mr John Whiteman, Non-Executive Director of Eureka, has committed to sub-underwrite the Entitlement Offer up to $1m. Mr Whiteman will not be paid any sub-underwriting fees |

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

# Sources and Uses of Proceeds

| Sources of Proceeds | $m |
|---|---|
| Placement | 15.0 |
| Entitlement Offer | 55.4 |
| **Total Sources** | **70.4** |

| Uses of Proceeds | $m |
|---|---|
| Acquisitions | 57.4 |
| Property transaction costs | 4.0 |
| Equity Raising costs | 3.3 |
| Debt retirement | 5.8 |
| **Total Uses** | **70.4** |

- Equity Raising will raise approximately $70.4 million
- The Equity Raising will fund the acquisition of $19.6 million of villages under heads of agreement, $30.3 million of villages in due diligence or advanced discussions, $7.5 million of village expansion work at Brassall and QLD Caravan Park and associated transaction costs
- Proceeds will initially be used to repay debt until Acquisitions reach settlement and developments commence
- To the extent some of the Acquisitions do not proceed, management would source similar acquisition opportunities
- Funds are expected to be fully deployed within 9 to 12 months
- Post transaction pro forma gearing is forecasted to be 26.7% (reduced from 36.6% as at 30 June 2024) which is below the target gearing range of 30-40% and provides debt capacity to fund future acquisitions and developments

# Pro Forma Balance Sheet

Strong balance sheet with capacity to undertake future acquisitions and development opportunities

| [$m] | 30-Jun-24 | Shares issued post balance date[1] | Pro forma | Equity Raising and Acquisitions | Pro forma |
|---|---|---|---|---|---|
| Cash | 2.3 | | 2.3 | | 2.3 |
| Investment Properties and JV interests | 251.6 | | 251.6 | 57.4 | 309.0 |
| Assets held for sale | 10.5 | | 10.5 | | 10.5 |
| Other assets | 3.4 | | 3.4 | | 3.4 |
| Intangibles | 7.5 | | 7.5 | | 7.5 |
| **Total assets** | **275.2** | | **275.2** | **57.4** | **332.6** |
| | | | | | |
| Debt | 91.2 | (2.8) | 88.4 | (5.8) | 82.7 |
| Other liabilities | 29.8 | | 29.8 | | 29.8 |
| **Total liabilities** | **121.0** | **(2.8)** | **118.2** | **(5.8)** | **112.4** |
| | | | | | |
| **NAV** | **154.2** | **2.8** | **157.0** | **63.2** | **220.2** |
| | | | | | |
| **NTA** | **146.7** | **2.8** | **149.5** | **63.2** | **212.7** |
| | | | | | |
| **Shares on issue (m)** | **303.9** | **4.9** | **308.8** | **115.4** | **424.2** |
| **NTA per share ($)** | **0.48** | | **0.48** | | **0.50** |
| **Gearing** | **36.6%** | | **35.4%** | | **26.7%** |

1. Post balance date, Eureka completed a $1.5 million share placement to CEO Simon Owen issuing 2.87 million shares at an issue price of $0.5222 and issued 2.04 million shares via a Dividend Reinvestment Plan at an issue price of $0.6302

# Equity Raising Indicative Timetable

| Key Event | Date 2024 |
|---|---|
| Trading halt and announcement of the Acquisitions and Equity Raising | Thursday, 24 October |
| Institutional Entitlement Offer and institutional Placement conducted | Thursday, 24 October |
| Trading halt lifted and trading re-commences on an ex-entitlement basis | Monday, 28 October |
| Record date for Retail 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 institutional Placement | Friday, 1 November |
| Allotment and ASX quotation of New Shares issued under the Institutional Entitlement Offer and institutional 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 |

# Guidance and Outlook

| | |
|---|---|
| **Transaction summary** | • 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 $49.9m and has identified $7.5m of village expansion opportunities<br>• Acquisitions will be funded via an underwritten Equity Raising of $70.4m at a fixed issue price of $0.61 per share, comprising:<br>  • A 1 for 3.4 accelerated non-renounceable pro-rata Entitlement Offer to raise $55.4m; and<br>  • An institutional Placement of New Shares to raise $15.0m |
| **Trading update and outlook** | • Occupancy presently tracking at 98% - near record high levels<br>• Expect FY25 same unit rent growth of 5 – 7%<br>• Demand for rental accommodation remains very high driven by strong levels of immigration and overseas students, an ageing population, housing affordability concerns and limited supply |
| **Guidance** | • FY25 Underlying EBITDA growth of at least 16% on FY24<br>• FY25 Underlying EPS growth of at least 8% on FY24<br>• Fully deployed[1] pro forma Underlying EPS growth of at least 19% on FY24 |

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

# Appendix

# Key Risks

**General Risks**

This section discusses some of the key risks associated with an investment in Eureka. A number of risks and uncertainties may adversely affect the operating and financial performance or position of Eureka and in turn affect the value of Eureka shares. These include specific risks associated with an investment in Eureka and general risks associated with any investment in listed shares. The risks and uncertainties described below are not an exhaustive list of the risks facing Eureka. Potential investors should carefully consider whether the New Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risks setout below.

**Financial Product Advice Disclaimer**

This document is not financial product advice and has been prepared without taking into account your investment objectives or personal circumstances. Before investing in New Shares, you should consider whether an investment in New Shares is suitable for you. Potential investors should consider publicly available information on Eureka (such as that available on the websites of Eureka and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

| | |
|---|---|
| **General Investment Risks** | There are risks associated with any stock market investment, including:<br>• The demand for Eureka shares may increase or decrease and Eureka shares may trade above or below the issue price on the ASX;<br>• If Eureka issues New Shares, an existing Shareholder's proportional interest in Eureka may be reduced; and<br>• The market price of the shares may be affected by factors unrelated to the operating performance of Eureka such as stock market fluctuations and volatility and other factors that affect the market as a whole. |
| **Share Price Fluctuations** | The value of Eureka's shares will be determined by the stock market and will be subject to varied and often unpredictable influences in the share market beyond Eureka's control. These factors include, but are not limited to, the demand for, and availability of Eureka's shares, movements in interest rates, exchange rates, and rates of inflation, fluctuations in the Australian and international stocks markets, changes in fiscal, monetary and regulatory policies, and general domestic and international and economic activity. Depending on general market conditions and Eureka's share price, Eureka may not be able to attract new investors or raise capital as and when required. |
| **Macro-economic Risks** | Macro-economic risks can impact the performance of Eureka, including changes to economic conditions in Australia and internationally, investor sentiment and international and local stock market conditions, changes in fiscal, monetary and regulatory policies which may impact economic conditions such as interest rates and consequently the performance of Eureka. |
| **Legislative and Regulatory Risks** | Changes in laws, regulation and government policy may affect Eureka's business and therefore the returns Eureka is able to generate. |

# Key Risks

| | |
|---|---|
| **Environmental and Insurance Risk** | Eureka's properties are subject to environmental risks including loss of property and profits due to bushfires, floods, cyclones, erosion of waterways and other events. These risks and potential losses may increase in the future if the climate continues to change. Eureka carries insurance for some of these events, however insurance may not cover all or any of the losses incurred, insurance may prove increasingly difficult to obtain or the cost may become prohibitive. |
| **Liquidity and Dilution** | Liquidity in Eureka shares may be limited and it may be difficult for investors to buy or sell lines of shares at market prices.<br>In response to market conditions or for other reasons, ASX may amend temporarily or permanently, rules relating to the issue or trading of shares, which may affect the liquidity of Eureka shares.<br>Eureka may issue New Shares in the future. This may be on terms which may result in a Eureka shareholder being ineligible to participate pro rata or at all. Upon implementation of the Offer, Eureka will issue shares, as set out in this Presentation. The issue of shares will dilute the interests of existing shareholders to differing extents depending on whether the individual shareholders take up their Entitlements. There is also a risk that shareholders will be further diluted as a result of future capital raisings required in order to fund Eureka's activities. It is not possible to predict what the value of Eureka's shares will be following completion of the Offer and the Directors do not make any representation as to such matters. The last trading price of Eureka shares on the ASX prior to the date of this Presentation is not a reliable indicator as to the potential trading price of shares after implementation of the Offer. |
| **Tax Implications** | Future tax liabilities may be impacted by changes to the Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia. This in turn could impact the value or trading price of Eureka shares, the taxation treatment of an investment in Eureka or the holding costs or disposal of its shares. |
| **Litigation** | Eureka may, in the ordinary course of business, be involved in possible litigation disputes (such as environmental and workplace health and safety, industrial disputes and other legal claims). A material legal action may adversely affect the operational and financial results of Eureka. |
| **Business Strategy Risk** | Eureka's business strategy is focused on providing rental accommodation for independent seniors through the active management of existing assets, the acquisition of additional villages and units and the realization of development opportunities. A key element to this strategy is ensuring ongoing capital recycling and strong capital management planning. Eureka's future growth is dependent on the successful execution of this strategy. Any change or impediment to implementing this strategy may adversely impact on Eureka's operations and future financial performance. |

# Key Risks

| | |
|---|---|
| **Development Risk** | Eureka undertakes property development. Such projects have a number of risks including (but not limited to): delays or issues around planning, application and regulatory approvals; development cost overruns; environmental costs; project delays; issues with building and supply contracts; expected sales prices (should Eureka make the decision to sell any projects) and leasing rates or timing of expected sales and leasing not being achieved.<br>A sustained downturn in the residential property markets due to deterioration in the economic climate could result in reduced development profits through lower selling, leasing prices, leasing volumes and delayed settlements or leasing. |
| **Capital expenditure risk** | Eureka's properties may require unforeseen capital expenditure from time to time, in order to maintain them in a condition appropriate for the purposes intend. This may rise either due to property defects or in response to changes in statutory and compliance requirements (such as environmental, building or safety regulations and standards). There is a risk that capital expenditure may therefore exceed current forecasts, which could lead to increased funding costs and potentially lower distributions. |
| **Increased Competition** | Eureka operates across several geographic markets and offers a unique accommodation product. While there are barriers to entry for new operators, including but not limited to access to capital and staff and complying with legislative requirements, future developments that directly or indirectly compete with Eureka's existing portfolio could impact Eureka's current business and financial performance. |
| **Government Assistance** | Governments and other authorities provide rental assistance and other subsidies for many residents in Eureka's villages. Any change to legislation could result in a reduction in resident demand for leases in the properties and therefore impact Eureka's business. Reductions in subsidies for residential residents could result in loss in rent or increased arrears. |
| **Income and Expense Growth Rates** | Higher than expected inflation rates could lead to greater development and or operating costs. The ability to raise future rents and maintain or grow occupancy may be impacted by residents' income levels and a change in government subsidies. Eureka's future financial performance could be impacted where the inflation in operating and development costs exceeds the growth in rental income. |
| **Dividends** | Future dividends for Eureka shares will be determined by the Directors having regard to the operating results, future capital requirements, bank debt covenants and the financial position of Eureka. There can be no guarantee that Eureka will continue to pay dividends at the current level or at all. |
| **Asset Valuation Risk** | Assets are assessed for changes in fair value or impairment (the latter as required whenever events or changes in circumstances indicate that the carrying amount may not be recoverable). Factors affecting property valuations include capitalisation and discount rates, maintainable earnings, occupancy and the economic growth outlook. Such impacts on property valuations may lead to variations in the valuation of Eureka shares. |

# Key Risks

| | |
|---|---|
| **Funding Risk** | Eureka currently has bank debt which contains certain financial and operational covenants. Any breach of these covenants could result in the early enforced repayment of debt. Such repayment could incur capital losses if assets need to be sold in a short period or shareholders may be diluted if equity needs to be raised at a large discount. In addition, interest rate changes may have a material impact on profitability. Eureka mitigates this risk through its capital management plan and interest rate hedging.<br><br>Eureka currently has debt maturity in October 2025 and March 2026. At the maturity of these loans, there is no certainty they will be refinanced on the same terms currently in place. |
| **Operational Risks** | Routine village operations require Eureka to manage risks related to maintenance of a safe environment including property condition, food service, building compliance and resident wellbeing. Compliance and management systems, including third party inspections where appropriate, have been established to manage these risks. |
| **Personnel Risk** | The ability of Eureka to successfully deliver on its business strategy is dependent on retaining key employees of Eureka. The loss of senior management or other key personnel could adversely impact on Eureka's business and financial performance. |
| **Accounting Standards** | Changes to accounting standards may affect the reported earnings of Eureka from time to time. |
| **Acquisition Risks** | The Offer is not conditional on deploying the proceeds into the specified acquisition of assets. There is a risk that Acquisitions may not occur and the timing, consideration paid and investment return on any acquisition made may vary from the existing portfolio. |
| **Acquisition Integration** | Eureka intends to implement a number of initiatives to integrate assets that it acquires into the group's operations and to achieve the optimal, steady-state maintainable earnings. This may include redevelopment of existing sites or changing the way the asset is managed. The cost to reposition an asset at the time of implementation may vary from the assumptions at time of acquisition. It may take longer than expected for the assets to reach steady-state maintainable earnings. |
| **Cyber Risks** | Eureka recognizes the importance of cyber security in safeguarding digital assets, systems and information from unauthorized access or disruption. Eureka mitigates this risk through various security measures and a contingency plan for business continuity. |
| **Investment Risks** | The above list of risk factors ought not to be taken as exhaustive of the risks faced by Eureka or by investors in Eureka. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Eureka and the value of its shares. Shares issued in Eureka carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares. |

# International Restrictions

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*. Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act

# Key terms of Underwriting Agreement

Eureka has entered into an underwriting agreement ("**Underwriting Agreement**") with MA Moelis Australia Advisory Pty Ltd ACN 142 008 446 and Morgans Corporate Limited ACN 010 539 607 (together, the "**Joint Lead Managers**") who have agreed to act as joint lead managers, bookrunners and underwriters to the Placement and Entitlement Offer. Eureka has agreed to pay the Joint Lead Managers:

- a management fee of 1.50% (plus GST) of the Institutional Entitlement Offer proceeds;
- an underwriting fee of 1.75% (plus GST) of the Institutional Entitlement Offer proceeds;
- a management fee of 1.50% (plus GST) of the Retail Entitlement Offer proceeds; and
- an underwriting fee of 1.75% (plus GST) of the Retail Entitlement Offer proceeds.

Eureka may in its absolute discretion pay an incentive fee equal to 0.5% (plus GST) of the total Equity Raising proceeds to the Joint Lead Managers. Where Eureka determines to extend the timetable by 10 business days or more, an additional extension fee of 0.25% (plus GST) of the Equity Raising proceeds will be payable. Eureka must also reimburse the Joint Lead Managers for their reasonably incurred expenses, including legal costs (up to $30,000), out-of-pocket expenses, stamp duty, transfer taxes, withholding taxes (or similar) incurred in relation to the Equity Raising. The Underwriting Agreement contains customary representations, warranties and indemnities from Eureka in favour of the Joint Lead Managers.

The obligations of the Lead Manager under the Underwriting Agreement to underwrite the Equity Raising are conditional on the satisfaction or waiver of customary and typical conditions, including receipt by the Joint Lead Managers of various usual reports, sign-offs and consents. If any of the condition's precedent are not satisfied or waived, the Joint Lead Managers may terminate the Underwriting Agreement, in which case, the Joint Lead Managers would no longer be required to underwrite the Equity Raising.

The events which may trigger termination rights for the Joint Lead Managers include:

- (**Offer materials**) A statement contained in the Offer materials is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive under the applicable laws.
- (**Cleansing notice**) A cleansing notice is defective, or a corrective notice issued or required to be issued under the *Corporations Act 2001* (Cth) ("**Corporations Act**").
- (**Amendment**) Eureka amends any of the Offer materials' without the prior written consent of the Joint Lead Managers.
- (**Capital structure**) Eureka alters its capital structure without the consent of the Joint Lead Managers (other than in connection with the Equity Raising).
- (**ASIC**) ASIC makes or commences certain actions, investigations or determinations against Eureka in respect of the Offer.
- (**Quotation approval**) Unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Joint Lead Managers, have a material adverse effect on the success or settlement of the Equity Raising) by the ASX for official quotation of the shares to be quoted under the Equity Raising is refused, or is not granted.

# Key terms of Underwriting Agreement

- (**Unable to issue shares**) Eureka is prevented from allotting and issuing the shares to be allotted or issued under the Equity Raising within the times required.
- (**ASIC modification or ASX approval**) Any ASIC modification, ASX approval, or other regulatory approval required to perform obligations under this agreement or to carry out the Offer is withdrawn, revoked, or otherwise ceases to be effective.
- (**Certificate**):
    - A certificate required pursuant to the Underwriting Agreement is not furnished when required by Eureka; or
    - * contains a statement which is untrue, incorrect or misleading or deceptive (including by omission).
- (**Timetable**) Any delay in the events specified in the timetable agreed pursuant to the Underwriting Agreement without the prior written approval of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed).
- (**Market fall**) If the S&P/ASX All Ordinaries Index falls by more than 10% or more below the level at market close on the Business Day immediately prior to the date of this agreement and remains at that level:
    - at the close of trading on ASX for two consecutive business days; or
    - at the close of trading on ASX on the business day immediately prior to the settlement date of the Institutional Entitlement Offer or the Retail Settlement Date, as the case may be.
- (**Delisting**) ASX announces that Eureka will be removed from the official list or that the shares will be either removed or suspended for more than two trading days (other than a trading halt in connection with the Equity Raising).
- (**Insolvency**) Eureka is subject to an event of insolvency, including the appointment of a liquidator.
- (**Withdrawal**) Eureka withdraws the Equity Raising (or any part of it) or indicates that it does not intend to, or is unable to proceed with, the Equity Raising (or any part of it).
- (**Force majeure**) There is an event, occurrence or non-occurrence after the execution of this agreement which makes it illegal for the Joint Lead Managers to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the offer of the shares, or that causes the Joint Lead Managers to delay satisfying a material obligation under the Underwriting Agreement.
- * (**Adverse change**) Any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of Eureka (or the group).
- * (**Prosecution or investigation) A** director or senior executive is charged with an indicatable offence, there is a public action against Eureka or a director or a director is disqualified from managing a corporation.
- **(Fraud)** Eureka (or any group member) or any director or officers engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity.

# Key terms of Underwriting Agreement

- * **(Representations and warranties)** A representation, warranty or undertaking or obligation contained the Underwriting Agreement on the part of Eureka is breached, becomes not true or correct or is not performed.
- * **(Change in law)** There are changes in applicable laws which does or is likely to prohibit or regulate the Equity Raising, capital issues or stock markets or affect the taxation treatment of the shares to be issued under the Equity Raising.
- (**Material Contract**) Any of the obligations of the relevant parties under any of the contracts that are material to the business of Eureka and the group (including in respect of the Mt Barker acquisition) are not capable of being performed in accordance with their terms (in the reasonable opinion of the Joint Lead Managers) or if all or any part of such contracts are amended (without the consent of the Joint Lead Managers), terminated, breached, ceases to have effect or becomes void.
- * (**Breach**) Eureka fails to perform or observe any of its obligations under the Underwriting Agreement.
- * (**Hostilities or disruption to financial markets**):
    - Trading of all securities quoted on ASX, HKEX, LSE, SGX or the NYSE is suspended or limited in a material respect;
    - A general moratorium on commercial banking activities in Australia, Hong Kong, New Zealand, Singapore, the United Kingdom or the United Statements America is declared or there is a material disruption in commercial banking or share settlement or clearance services in any of those countries;
    - Any adverse change or disruption in existing financial markets, political or economic conditions of Australia, Hong Kong, New Zealand, Singapore, the United Kingdom or the United Statements America or the international financial markets or any change in national or international political, financial or economic conditions; or
    - Hostilities  not existing at the date of the Underwriting Agreement or a major escalation in existing hostilities occurs involving one or more of Australia, New Zealand, the United Kingdom, the United Statements of America, Singapore, Syria, Iran, Japan, Hong Kong, North Korea, South Korea, the People's Republic of China, Russia, Ukraine, Israel, Palestine, any Member State of the European Union, any Member of or applicant to the North Atlantic Treaty Organisation, or a national emergency is declared by any of those countries, or a significant terrorist act is perpetrated anywhere in the world.
- * (**Change in management or board**) A change in the senior management or Directors is announced or occurs.
- * (**Information**) Any information supplied by or on behalf of a Eureka group member to the Joint Lead Managers is or is found to be, misleading or deceptive or is likely to mislead or deceive (including by omission).

# Key terms of Underwriting Agreement

- (**New circumstance**):
  - An obligation arises on Eureka to give ASX a notice in accordance with section 708AA(12) of the Corporations Act (as notionally inserted by Instrument 2016/84); or
  - * An event or circumstance occurs or becomes known that would, in the reasonable opinion of the Joint Lead Managers, have required Eureka to give ASX a notice in accordance with section 708AA(12) of the Corporations Act (as notionally inserted by Instrument 2016/84) had the relevant cleansing notice been lodged on the announcement date on the basis of information known at that time.
- **(Constitution)** Eureka varies any term of its constitution without the prior written consent of the Joint Lead Managers.
- (**Contravention of law**):
  - * There is a contravention of applicable laws by Eureka or a group member or any order or requested by a government agency;
  - * Any aspect of the Offer does not comply with applicable laws; or
  - Eureka is prevented from allotting and issuing the shares under applicable laws, an order of a court of a government agency.
- * **(Compliance with law)** Except as otherwise specified in the termination events, any of the Offer materials or any aspect of the Equity Raising does not comply with the applicable laws.

A Joint Lead Manager may be notice give to Eureka and the other Joint Lead Manager, immediately terminate the Underwriting Agreement if any one or more of the termination events occurs and:

- (unqualified) that termination event is not marked with an "*"; or
- (qualified) that termination event is marked with an "*" and, in the reasonable opinion of the Joint Lead Manager:
  - The event has, or is likely to have a material adverse effect on the success, marketing or settlement of the Offer, the value of the shares or the willingness of investors to subscribe for the Offer shares;
  - The event has, or is likely to have, a material adverse effect on the business, financial position or prospects of the Eureka group; or
  - Leads, or is likely to lead to a contravention by the Joint Lead Manager of, or a liability under, any applicable law.

If the Underwriting Agreement is terminated by a Joint Lead Manager, the other Joint Lead Manager may elect to terminate or assume the obligations of the terminating Joint Lead Manager. Upon termination, a Joint Lead Manager will be relieved of all further obligations that remain to be performed under the Underwriting Agreement. Termination by a Joint Lead Manager will not affect any accrued obligations of Eureka.

# Definitions

**Balance sheet gearing**
Calculated as net debt (being interest-bearing drawn debt net of cash) divided by net debt plus equity

**EBITDA**
**(Earnings before interest, tax, depreciation and amortisation)**
An unaudited non-IFRS measure. The Directors believe it is a readily calculated measure that has broad acceptance and is referred to by regular users of published financial statements as a proxy for overall operating performance. EBITDA is calculated from amounts disclosed in the financial statements

**Eureka**
Eureka Group Holdings Limited (ACN 097 241 159)

**Net debt**
Interest-bearing drawn debt net of cash

**New Shares**
New fully paid ordinary shares in Eureka offered under the Placement and Entitlement Offer

**Underlying EBITDA**
An unaudited non-IFRS measure that represents the operating performance of the Group and excludes valuation adjustments, asset disposals and certain non-core or non-recurring transactions

**Underlying EPS**
Underlying profit before tax divided by the weighted average number of shares on issue

**Underlying profit before tax**
Underlying EBITDA less interest, depreciation and amortisation

**VWAP**
Volume-Weighted Average Price

**WACR**
Weighted Average Capitalisation Rate

# Disclaimer

**Purpose**

This presentation (**Presentation**) is dated 24 October 2024 and has been prepared by Eureka Group Holdings Limited (ABN 15 097 241 159) (**Eureka**). This Presentation has been prepared in relation to a fully underwritten institutional Placement and a fully underwritten pro rata accelerated non-renounceable Entitlement Offer of new fully paid ordinary shares in Eureka (**Offer**). The Offer is being underwritten by MA Moelis Australia Advisory Pty Limited (ABN 72 142 008 446) and Morgans Corporate Limited (ABN 32 010 539 607) (**Joint Lead Managers**).

**No offer to sell or invitation to buy**

This Presentation 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 Presentation forms the basis of any contract or commitment whatsoever with any person. This Presentation 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 Presentation 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 Presentation from or in any jurisdiction.

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**No Responsibility for contents of presentation**

To the maximum extent permitted by law, Eureka, the Joint Lead Managers and their respective related bodies corporate and affiliates, and each of their respective directors, officers, employees, shareholders, partners, consultants, contractors, agents, advisers and representatives (**Beneficiaries**):

- make no representation, warranty or undertaking, and accept no responsibility or liability, express or implied, as to the adequacy, accuracy, completeness or reasonableness of this Presentation or any other written or verbal communication transmitted or made available to any recipient; and
- accept no responsibility for any errors in, or omissions from, this Presentation whether arising out of negligence or otherwise.

**Accuracy of projections and forecasts**

This Presentation includes certain statements, opinions, estimates, projections and forward-looking statements with respect to the expected future performance of Eureka Group Holdings Limited. 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.

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**Eligibility**

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Joint Lead Managers. Each of Eureka, the Joint Lead Managers and their respective Beneficiaries disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

# Disclaimer (continued)

**Joint Lead Managers**

Eureka has engaged the Joint Lead Managers to act as sole bookrunners, joint lead managers and underwriters of the Offer.

Joint Lead Managers and their respective Beneficiaries (together, the **Limited Parties**) have not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Presentation or any of its contents and there is no statement in this presentation which is based on any statement by any Limited Party. None of the Limited Parties accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the Offer or otherwise. By accepting this Presentation each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Offer and any other transaction or other matter arising in connection with this Presentation and that there is no duty of care owed to any security holder of Eureka or any other person.

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None of the Limited Parties guarantees the repayment of capital or any particular rate of income or capital return. Eureka and the Limited Parties make no recommendation as to whether a recipient of this Presentation should participate in the Offer.

The Joint Lead Managers and their respective affiliates and related bodies corporate are financial advisory institutions engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Joint Lead Managers and their respective affiliates and related bodies corporate have provided, and may in the future provide, financial advisory, financing services and other services to Eureka and to persons and entities with relationships with Eureka, for which they received or will receive customary fees and reimbursement of expenses.

The Joint Lead Managers and their respective affiliates and related bodies corporate may purchase, sell or hold a broad array of investments (including holding security interests over these investments) and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments, or otherwise originate, hedge, enforce or effect transactions, for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of Eureka, and/or persons and entities with relationships with Eureka. The Joint Lead Managers and their respective affiliates and related bodies corporate may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

In connection with the Offer, one or more investors may elect to acquire an economic interest in the new Eureka securities (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those securities. The Joint Lead Managers or their respective affiliates and related bodies corporate may, for their own respective accounts, write derivative transactions with those investors relating to the new Eureka securities to provide the Economic Interest, or otherwise acquire securities in Eureka in connection with the writing of those derivative transactions in the Offer and/or the secondary market. As a result of those transactions, the Joint Lead Managers or their respective affiliates or related bodies corporate may be allocated, subscribe for or acquire new Eureka securities or securities of Eureka in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in Eureka acquired by the Joint Lead Managers or their respective affiliates or related bodies corporate in connection with its ordinary course sales and trading, principal investing and other activities, result in the Joint Lead Managers or its respective affiliates or related bodies corporate disclosing a substantial holding and earning fees.

The Joint Lead Managers and Eureka reserve the right to change the timetable in their absolute discretion including by closing the Offer early or extending the Offer closing time (generally or for particular investor(s)) in their absolute discretion (but have no obligation to do so), without recourse to them or notice to you.

# Contact details

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