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1H25 Results Presentation February 2025  
Simon Owen  
Chief Executive Officer



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# Highlights



# Key achievements

## Growth in underlying financial performance and transformative \$70.4 million capital raise

Solid results	<ul style="list-style-type: none"><li>• 11% revenue growth and 16% underlying EBITDA<sup>1</sup> growth pcp reflecting strong resident demand, rental growth and asset acquisitions</li><li>• Maintained high portfolio occupancy during the year and achieved 97% at half-year end</li></ul>
Operational Focus	<ul style="list-style-type: none"><li>• Valuation uplift of \$4.6m driven by improved village earnings and stable capitalisation rates but \$1.0m lower than \$5.6m in prior period</li><li>• Comprehensive review of annual rent increase methodology undertaken, with a focus on individual rental outcomes</li></ul>
Acquisitions and developments	<ul style="list-style-type: none"><li>• Completed acquisition of 55 unit senior's rental village in Mount Barker, South Australia for \$10.3m</li><li>• Acquired 26 units in managed villages for \$3.2 million</li><li>• Announced \$4.5 million acquisition of Kin Kora Residential Village in Gladstone as first all-age rental village</li><li>• Expansion into all-age affordable rental – addressable market is 19x seniors rentals</li><li>• Multiple further acquisitions are expected in FY25. Pipeline for over \$100m of accretive acquisitions.</li></ul>
Capital management	<ul style="list-style-type: none"><li>• Raised \$70.4m of equity and broadened institutional shareholder base</li><li>• Undertaking refinance and upsizing of core debt facility</li><li>• Divested Mount Gambier village for \$5m and announced further asset recycling of \$25-30m over next 12 months</li></ul>
Refreshed Board and management team	<ul style="list-style-type: none"><li>• New CEO appointed in September 2024</li><li>• Russell Banham transitions to non-executive Chair commencing 25 February 2025</li><li>• John Whiteman and Carolyn Tregarthen appointed as non-Executive Directors</li><li>• Murray Boyte retires as non-executive Chair from 25 February 2025</li></ul>

1. Refer to page 27 for adjustments to derive underlying EBITDA and page 30 for Definitions



# 1H25 Highlights

Revenue and earnings growth driven by strong resident demand, rental growth and property valuations

\$22.6m

Revenue

↑ 11% 1H24

Like-for-like revenue growth 8%

\$8.2m  
Underlying EBITDA<sup>1</sup>

↑ 16% 1H24

Like-for-like village EBITDA growth 7%

\$5.4m  
Underlying profit before tax<sup>1</sup>

↑ 24% 1H24

\$4.6m  
Valuation uplift  
↓ from \$5.6m 1H24

Continued growth in investment property values despite being lower than pcp

1.57 cps  
Underlying EPS<sup>1</sup>

↑ from 1.44 cps 1H24

1.86 cps  
EPS

↓ from 2.09 cps 1H24

Reduction due to increase in shares on issue

0.73 cps  
1H25 dividend

↑ 4% 1H24

52.3 cents  
NTA per share

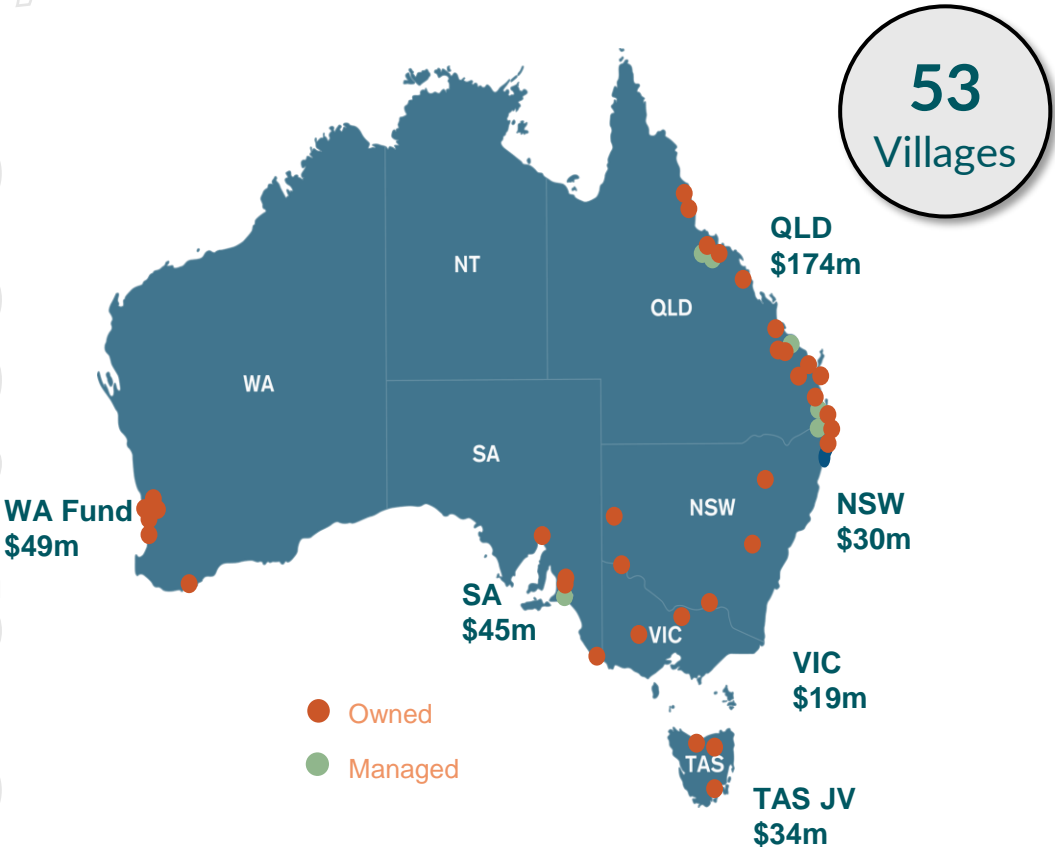
↑ 8% FY24



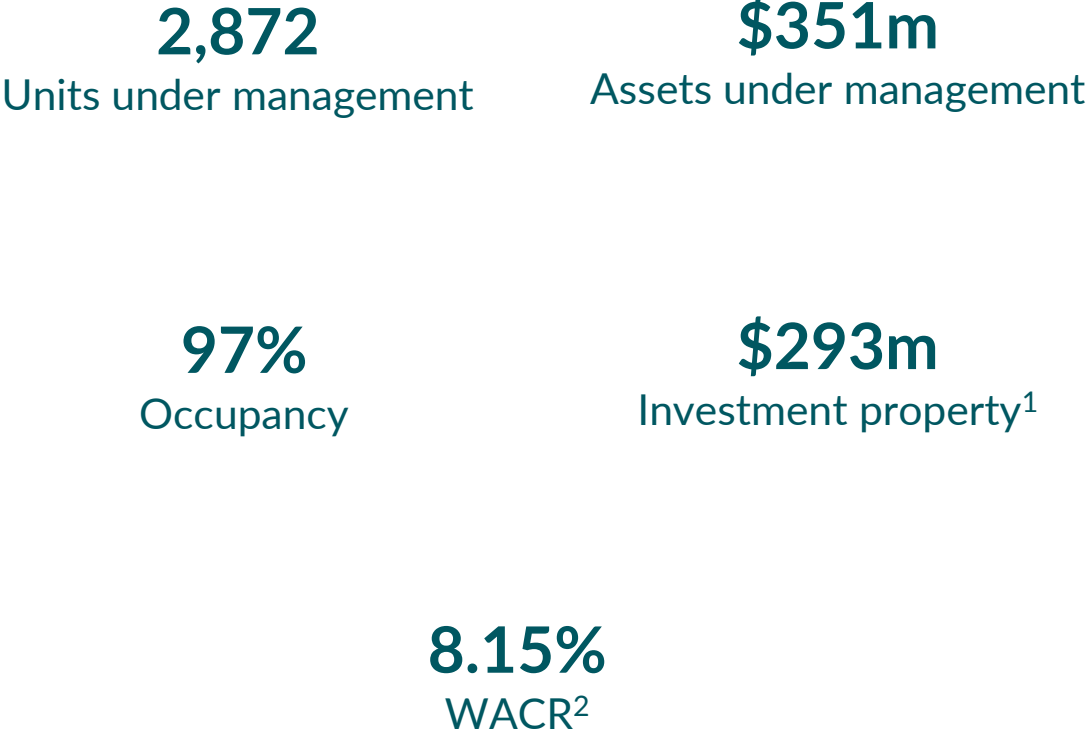
# Growing portfolio of seniors and all-age rental communities

Eureka is highly weighted to the fast-growing Queensland market

NATIONAL FOOTPRINT (as at 31 December 2024)



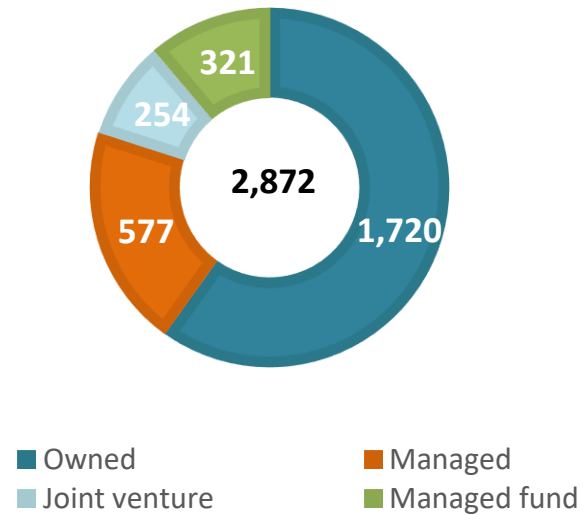
PORTFOLIO SNAPSHOT (as at 31 December 2024)



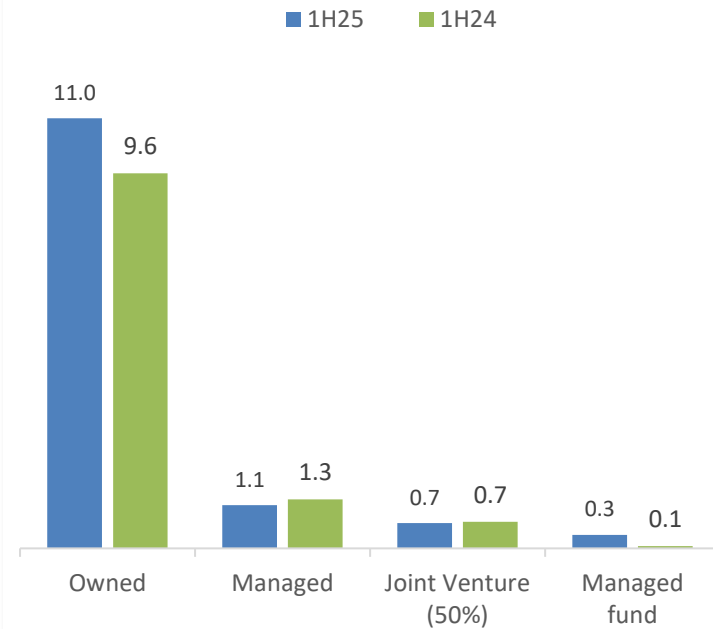
1. Includes share of assets held in joint venture and WA fund. Excludes management rights assets  
2. Refer Definitions on page 30

# Village portfolio analysis

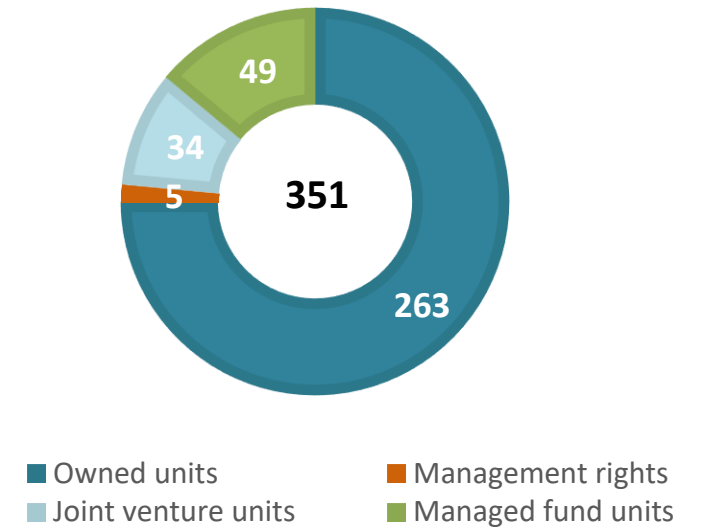
Unit numbers at 31 December 2024



Village Contribution<sup>1</sup> (excluding revaluations) (\$m)



Asset values at 31 December 2024 (\$m)



Legend

- Joint venture - Tasmania 50% interest
- Managed fund - WA 27% interest

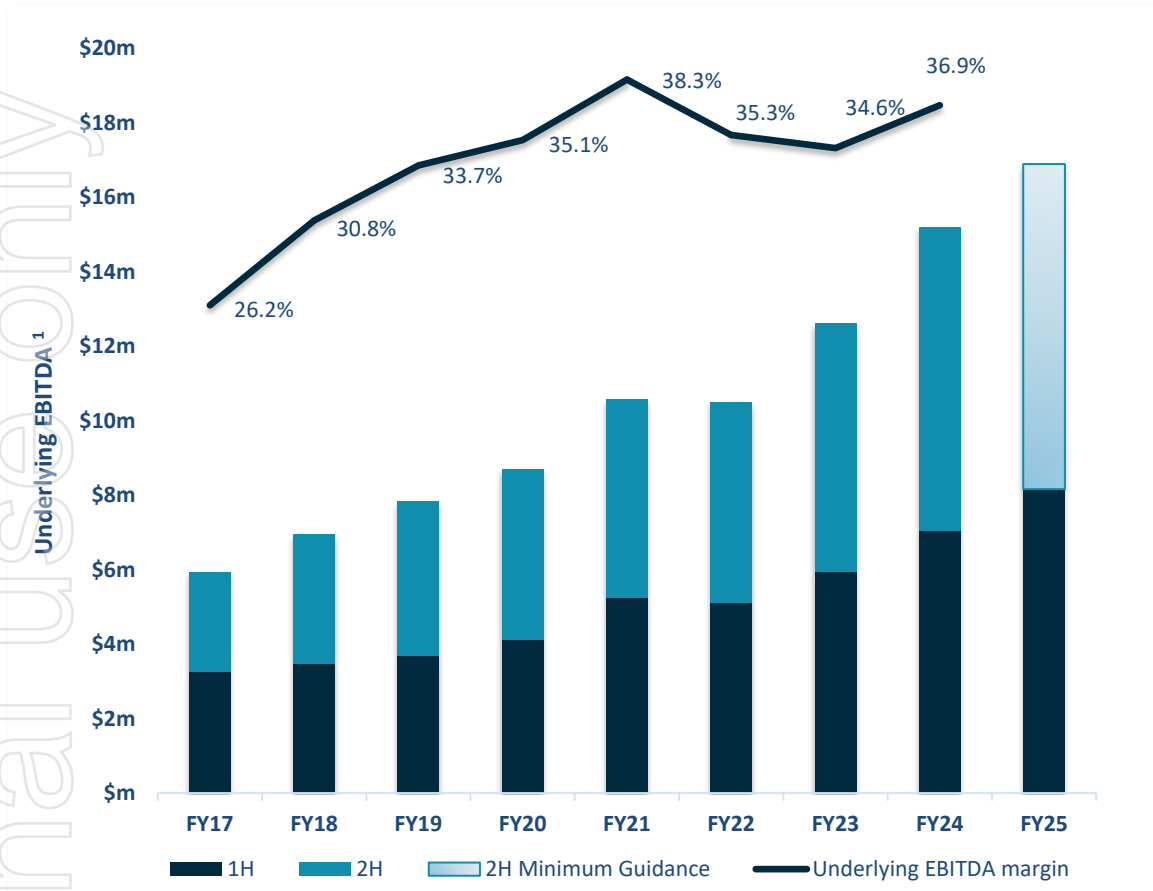
1. Refer Definitions on page 30



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# Underlying EBITDA

Continued Underlying EBITDA growth, with margins improving



- 1H25 underlying EBITDA of \$8.2m, up from \$7.1m

- Growth of 16% on 1H24 underlying EBITDA underpinned by organic growth, Mt Barker acquisition and full period contribution from prior year acquisitions and developments

- Underlying EBITDA margin was 36.2% for 1H25, down from 36.9% in June 2024.
- Relates to reduced occupancy, delays in issuing rent increases in certain villages and increased property and overhead costs, including council rates and utility charges.

- Underlying EBITDA margin is expected to improve in 2H25 through organic growth, acquisitions and rent increases



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# About Eureka



# Building Blocks of EPS Growth over next three years

EPS Growth driven by organic growth and external opportunities

## Organic Growth

- Occupancy
- Rent Growth
- Individual Unit Acquisitions
- Leverage Platform
- Expansions

31 Eureka villages are 100% occupied with waitlists. Majority of vacant units concentrated across 7 villages

>95% of Eureka's seniors residents receive government support payments which are indexed bi-annually by at least CPI

70 unit pipeline of managed units to be acquired across four villages (26 units acquired to date in FY25). Significant incremental benefit once 100% freehold interest is owned (collapse expensive body corporate structure, drive efficiencies, improved valuations)

Leverage platform capabilities in seniors rental into all-age including operations, leasing, and property management. Additional capability required in acquisitions, development, marketing and IT

Initial 2 sites with opportunity to deliver 50+ additional units at >12.5% return

## External Opportunities

- Acquisitions and capital recycling
- Development
- Funds Management

Fragmented market provides significant opportunity to acquire villages in high demand regional markets at attractive yields including re-purposing of caravan parks, motels and retirement villages. Capital recycling opportunities of a further \$25m-\$30m in non-core or regionally isolated assets and low profitability management contracts

Assessing opportunity to develop 230 new units at Kingaroy and Gladstone

Continue to expand funds management platform and pursue capital light growth initiatives

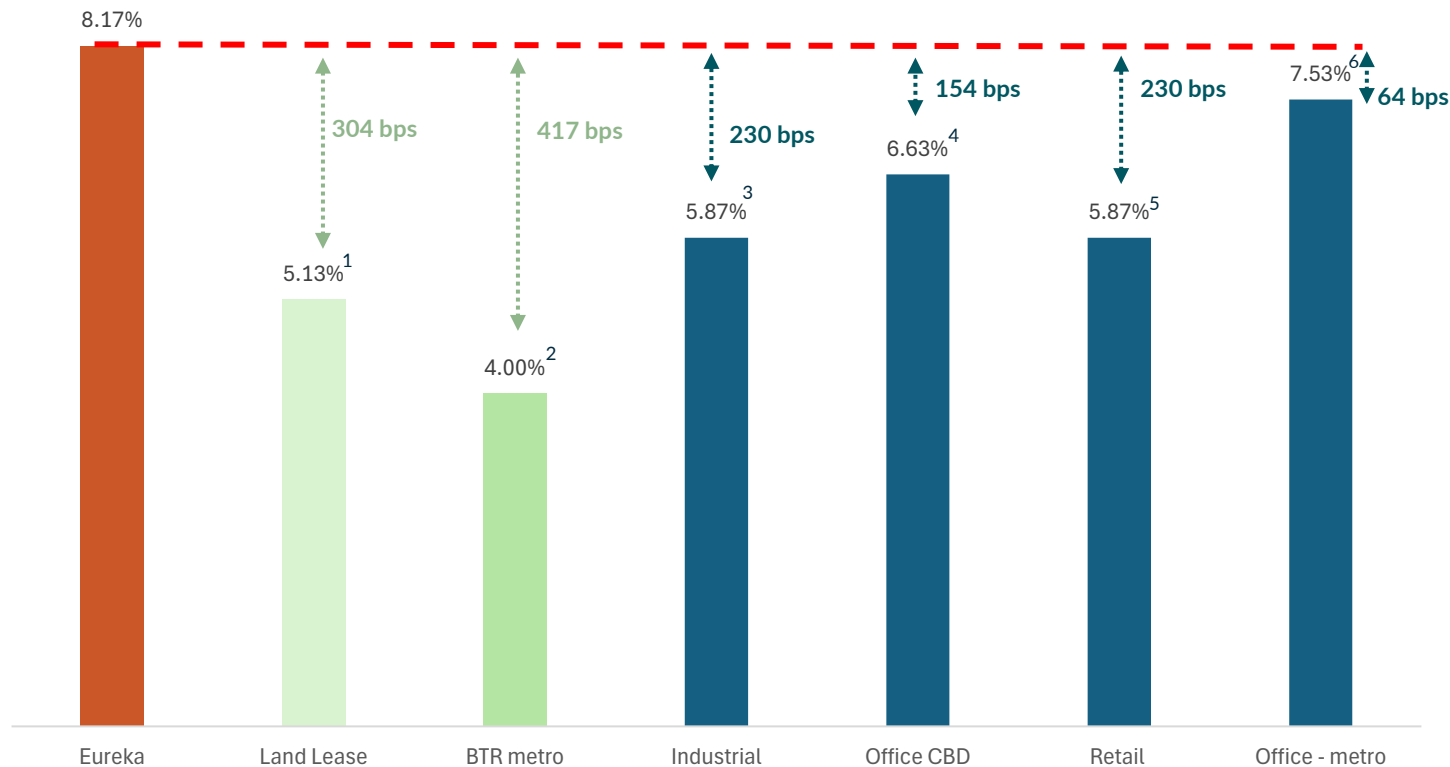
- >98% occupancy
- >CPI rental growth
- >25% increase in village profitability from 100% ownership
- >40% EBITDA margin
- >12.5% return

- >8% yield
- >12.5% equity IRR
- Recurrent fee income stream

# Seniors' rental offers compelling yields

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

FY24 Eureka Cap Rate vs. Comparative Sector Yields



- 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%)
- Build to rent metro trades at a tight yield between 3.75% to 4.25%
- 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 valuation upside once Eureka's portfolio reaches "institutional scale"

1. Transaction evidence  
 2. Savills Built to Rent Market Update 2024  
 3. Colliers Australian Industrial and Logistics Snapshot Q2 2024  
 4. Colliers Australian CBD Office Snapshot Q2 2024  
 5. Colliers Australian Retail Snapshot Q2 2024  
 6. Colliers Australian Metro Office Snapshot Q2 2024

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# All-age Rental Communities

## High Growth Expansion Opportunity

- Eureka has recently expanded into all-age rental communities building upon our sector leadership in over 50's rentals
- Targeting essential service workers, hi-vis trades and active retirees in high employment regional and outer-metro markets
- Many regional communities have very limited rental accommodation available. Supply is highly constrained and growing demand – compelling investment thesis
- Focusing on repurposing existing built form such as caravan parks, motels and retirement villages - preserve existing yield with expansion or conversion opportunity
- Virtually no institutional capital looking at this space
- Ingoing yields of 8-10% and 5 year IRR > 15%
- Approximately 30% of Australian population rent and 94% of renters are under the age of 65 - significantly increases Eureka's addressable market



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# Portfolio Review



# Portfolio Summary

- Eureka's core portfolio comprises 1,720 owned units and 254 units held in a 50% Joint Venture
- Eureka has a 27% interest in, and manages, 321 units in the WA fund with a total investment property value of \$49m. Eureka also manages 577 units via management rights
- Total assets under management of \$351m
- Eureka's interest in these assets is \$298m:
  - \$263m of owned investment property<sup>1</sup>
  - \$17m of JV investment property (50%)
  - \$13m of WA fund investment property (27%)
  - \$5m of management rights

Portfolio statistics		1H25	FY24	Change
Owned units	[#]	1,720	1,640	80
JV units	[#]	254	254	-
Managed units	[#]	577	620	(43)
Managed Fund units	[#]	321	321	-
<b>Total Units</b>	<b>[#]</b>	<b>2,872</b>	<b>2,835</b>	<b>37</b>
Investment property value <sup>1</sup>	[\$m]	263	242	21
Value of JV properties (100%)	[\$m]	34	34	-
Value of managed fund properties (100%)	[\$m]	49	47	2
Carrying value of management rights	[\$m]	5	5	-
<b>Total assets under management</b>	<b>[\$m]</b>	<b>351</b>	<b>328</b>	<b>23</b>

## Select Eureka villages



Mackay, QLD



Orange, NSW



Hervey Bay, QLD



Albury, NSW



Eagleby, QLD

1. Includes assets held for sale – 1H25 \$5.0m; FY24 \$10.5m

# Capital raise and deployment of funds

Progressing acquisition and development opportunities to scale quickly

## Capital raise overview

- \$70.4m capital raised at 61 cents per share in November 2024
- Proceeds to be used to fund \$57m of identified acquisitions and developments, as well as fund transaction costs, acquisition costs and retire debt

## Acquisitions & Developments

- **Completed** the \$10.3m acquisition of a seniors rental village in Mount Barker, SA
- **Completed** the acquisition of 26 units in managed villages for \$3.2 million
- **Contracted** the \$4.5m acquisition of a residential village in Kin Kora Gladstone, Qld in February 2025. Planned conversion to all-age affordable rental. First 28 rental cabins will be delivered to site from June 2025. Utilising pre-fab construction
- **Progressing** Brassall, Qld expansion (development approval required) and Kingaroy development
- **Multiple** sites under offer or due diligence

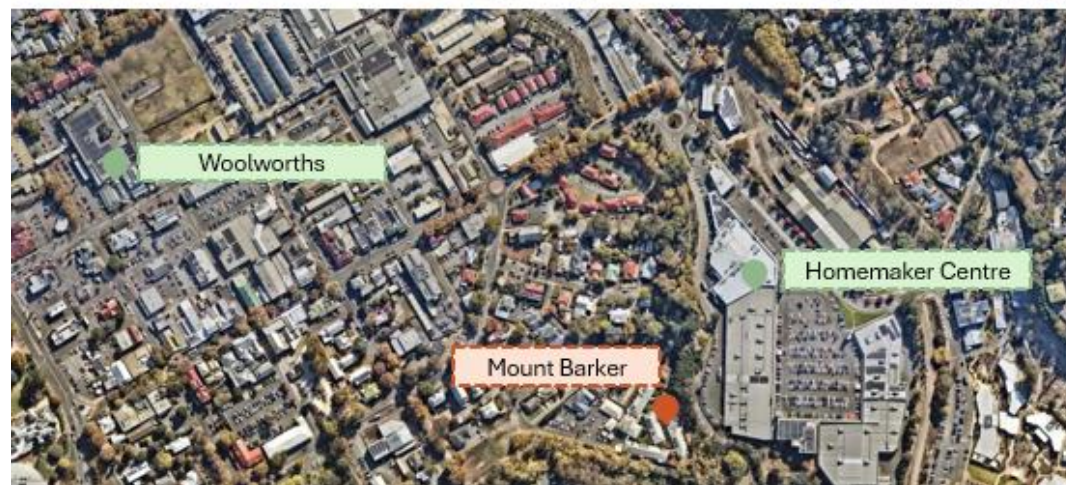
## Strong deal flow and execution capability

- Pipeline of >\$100m accretive acquisitions under assessment
- Funds are expected to be fully deployed in CY2025
- Proceeds have initially been used to repay debt until acquisitions reach settlement and developments commence

# Mount Barker, SA

Boutique over 50s rental village in the Adelaide Hills, South Australia

- Acquisition completed in December 2024
- 55 units with occupancy of 94% on acquisition
- Ingoing yield of 9.2%
- Purchase price of \$10.3m
- Focus on growing occupancy and rents and modest refurbishments as units turnover



# Kin Kora Acquisition - Gladstone

Mixed-use Residential Home Village and Caravan Park

- Located in high employment market of Gladstone on Central Queensland Coast
- At acquisition 19 manufactured homes (residents rent land), 13 cabins and 77 caravan sites
- Ingoing yield of 9.2% with significant earnings upside – target IRR > 15%
- Purchase price of \$4.5m with completion in March 2025
- DA in place to immediately convert 28 caravan sites into new rental villas
- Stabilised yield on new rental cabins >12%
- Potential to add further 60+ long-term rental units (STCA)<sup>1</sup>



1. Refer Definitions on page 30

# Asset Recycling

Active portfolio management to improve yields and operational efficiency

- Mount Gambier (South Australia) community divested in January 2025 for \$5.0m at marginal discount to 30 June 2024 book value (\$5.1m)
- Further \$25-30m of asset sales planned over next 12 months
- Looking to divest non-core or regionally isolated assets to enhance portfolio and deliver operational efficiencies
- Also seek to exit low profitability management contracts with no pathway to full / partial ownership
- Proceeds from divestments will be reinvested into more accretive acquisitions, expansions and developments



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# Capital Management



# Capital management

## Optionality for future funding requirements

- Core \$101m bank facility in place until March 2026, with no principal repayments required until expiry
- Gearing of 13.5%, well below target range of 30% to 40% following \$70.4m capital raise. Pro forma gearing upon full deployment of capital raise proceeds is 26.7% demonstrating capacity for further growth
- Headroom on interest cover ratio and gearing covenants
- \$30m of interest rate hedging across two tranches covering 77% of drawn debt
- Well advanced on refinance and material expansion of existing debt facility, will introduce second bank
- One community divested in January 2025. Plan to divest a further \$25-30m of non-core and regionally isolated assets over the next 12 months

Key metrics		1H25	FY24
Cash	[\$m]	3.3	2.3
Debt	[\$m]	39.1	91.3
Total assets	[\$m]	297.7	275.2
Proportion of debt hedged	[%]	77	55
Weighted average hedge maturity	[years]	1.08	1.15
Cost of debt <sup>2</sup> p.a.	[%]	5.93	6.13
Gearing	[%]	13.5	36.6
Facility Limit	[\$m]	101.0	101.0

### Metrics at 31 December 2024

13.5%  
Gearing<sup>1</sup>

3.21  
Interest Cover Ratio

5.93%  
Cost of debt<sup>2</sup>

1. Refer Definitions on page 30  
2. Excludes facility fee on undrawn limit



# Dividends

Consistent returns to shareholders since commencement of paying dividends

## Dividends

1H25 Interim dividend

**0.73c** per share

- Dividends paid from sustainable cash earnings
- Dividend reinvestment plan (DRP) has been paused

## Key dates

**Ex-dividend date**

3 March 2025

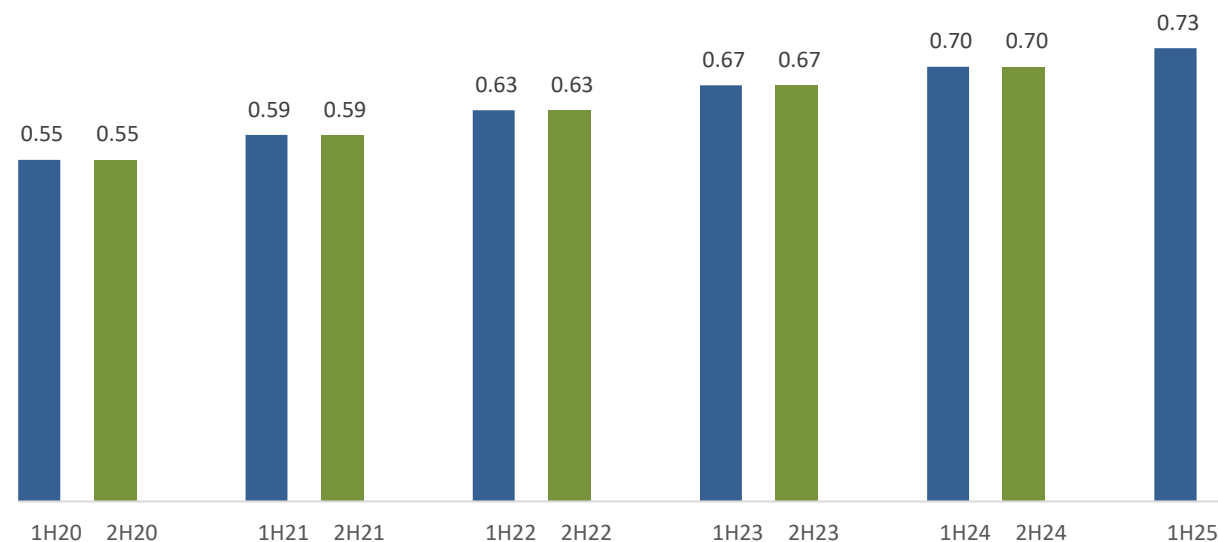
**Record date**

4 March 2025

**Payment date**

18 March 2025

## Dividend track record (cps)



\* Eureka also paid a 1.0 cps final dividend for FY19 when it commenced paying dividends in September 2019



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# Trading Update and Guidance



# Trading Update

Occupancy levels remain at 97% with macro tailwinds underpinning future demand; strong acquisition pipeline

**Eureka's rental villages continuing to deliver stable cashflows**

- Occupancy presently tracking at 97% - some weakness in regional Victoria, New South Wales and Tasmania
- Pension increase of 4.1% for six months to September 2024
- Expect FY25 same unit rent growth of 5 - 7%

**Queensland experiencing particularly strong demand**

- Across 53 communities the Group presently has 31 communities trading at 100% occupancy
- No vacancies are forecast across over 1,400 units in Queensland by the end of February 2025
- Some softness in rental rate and occupancy being experienced across select villages

**General demand for rental accommodation remains very high underpinning Eureka's business model**

- Across Australia, vacancy for residential accommodation was 1.2% as at 30 September 2024<sup>1</sup> - 3.0% is considered a 'balanced' market
- Average rents over past 12 months increased by 7.2% as at 31 August 2024<sup>2</sup>

**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
- Highly constrained new supply due to cost of construction, chronic trades shortages, lack of access to development funding and availability of suitable land

1. SQM research residential vacancy rates  
2. Corelogic research

# Guidance

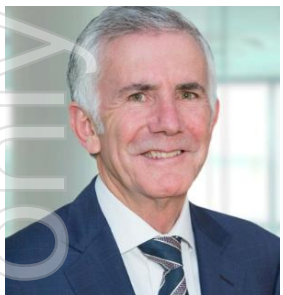
- Fully deployed<sup>1</sup> pro forma Underlying EPS growth of at least 19% on FY24 remains unchanged
- Proceeds from the November 2024 capital raise and disposal of the Mount Gambier village expected to be fully deployed in CY2025
- Minor transactional delays in closing certain deals, the Mount Gambier disposal, occupancy softness and deferred rent increases will impact FY25 guidance by approx. 5%
- Revised FY25 Underlying EBITDA growth of around 11% on FY24
- Revised FY25 Underlying EPS growth of around 2.6% on FY24

1. Assumes full year impact of deployment of proceeds of the Equity Raising towards acquisitions and developments

# Board Succession

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

## New Chairman Appointment



**Russell Banham**  
*Incoming Non-Executive  
Chairman*

- Russell is an experienced company director, skilled in financial management, risk management and corporate governance.
- He has been a non-executive director of Eureka and Chair of the Audit & Risk Committee since 2018
- Russell was an audit partner and had functional leadership responsibilities at Deloitte, Ernst & Young and Andersen.



**Murray Boyte**  
*Outgoing Non-Executive  
Chairman*

- Murray has retired as the Non-Executive Chairman and Director of the Company, effective from 25 February 2025. Murray joined the Eureka Board in November 2017.
- Murray will continue to consult with the Group for the remainder of FY25 and assist the CEO close some legacy issues.

## Board Succession



**Carolyn Tregarthen**  
*Non-Executive Director &  
Audit & Risk Committee Chair*

- Carolyn has over 30 years' experience in Financial Services and Real Estate focused on funds, investment and asset management across both Australia and the United States.
- Her most recent executive role was as Managing Director of the Lendlease Communities business in the U.S., where she was responsible for the development and ongoing management of a portfolio of over 40,000 homes and 12,000 hotel beds.
- Carolyn is a Graduate of the Australian Institute of Company Directors and a former Member of the Institute of Chartered Accountants Australia and New Zealand.



**John Whiteman**  
*Non-Executive Director*

- John is a highly credentialed and experienced executive and director with a broad range of funds management experience.
- John's executive career includes almost 20 years with AMP Capital, during which he held several positions within the \$4.0 billion AMP Capital Fund.
- John is currently Chairman of Leyton Funds, which has over \$350 million of AUM.

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# Financial Information



# Profit and loss

- Underlying EPS of 1.57 cps
- 11% increase in total revenue driven by like-for-like village growth (8%) and acquisitions
- 16% growth in underlying EBITDA including like-for-like village growth of 7% and acquisitions
- Occupancy was 97% at 31 December 2024
- Valuation uplift of \$4.6m, \$1.0m lower than pcp
- Profit after tax of \$6.4m was in line with prior year. Growth in underlying EBITDA was offset by a lower level of revaluations
- Underlying EBITDA margin was 36.2%, an improvement on pcp but marginally lower than at 30 June 2024 (36.9%) due to reduced occupancy in certain villages, delayed rent increases and increased property & overhead costs. Margin is expected to improve in FY25 through organic growth, acquisitions and economies of scale
- Non-recurring costs include costs associated with capital raise, general meeting of shareholders and technology project
- Finance costs in line with prior period. 77% of the drawn debt is hedged at 31 December 2024. Weighted average cost of debt is 5.93%<sup>2</sup>
- No cash tax is payable due to substantial carry forward revenue tax losses. Effective tax rate was 31%

(\$ '000)	31-Dec-24	31 Dec-23	Change
Rental income	16,496	14,286	
Revenue from contracts with customers	6,061	5,986	
<b>Total revenue</b>	<b>22,557</b>	<b>20,272</b>	<b>11%</b>
<b>Reconciliation of profit after tax to underlying EBITDA<sup>1</sup></b>			
<b>Profit after tax</b>	<b>6,362</b>	<b>6,299</b>	
Income tax expense	2,848	2,789	
Depreciation and amortisation	250	402	
Finance costs	2,376	2,323	
<b>EBITDA<sup>1</sup></b>	<b>11,836</b>	<b>11,813</b>	
Net gain on change in fair value of:			
- Investment properties, including assets held in equity accounted investments	(4,593)	(5,615)	
Transaction costs including acquisitions, disposals and asset realisations	167	113	
Capital management projects	351	286	
Technology	134	324	
Other	270	135	
<b>Underlying EBITDA<sup>1</sup></b>	<b>8,165</b>	<b>7,056</b>	<b>16%</b>
<b>Underlying profit before tax<sup>1</sup></b>	<b>5,376</b>	<b>4,331</b>	<b>24%</b>
Basic earnings per share (cents)	1.86	2.09	
Underlying earnings per share (cents)	1.57	1.44	
Dividends per share (cents)	0.73	0.70	
Underlying EBITDA margin <sup>1</sup>	36.2%	34.8%	

1. Refer Definitions on page 30  
2. Excludes facility fee on undrawn limit



# Balance sheet

- Net tangible assets per share grew by 8% to 52.3 cents
- Rent is paid fortnightly in advance resulting in minimal trade receivables and working capital
- Investment property values increased by \$27m due to valuation uplift, acquisitions and capital improvements plus \$5m transferred from Assets held for Sale. Refer page 14
- Assets held for sale comprises village in Mt Gambier, SA which was sold in January 2025
- Equity accounted investments decreased due to \$1.3m disposal of investment in WA fund
- Core \$101m bank facility in place until 2026, with no principal repayments required until expiry
- Undertaking refinance and upsizing of core debt facility
- Gearing of 13.5% is below target range of 30% to 40% due to \$70.4m capital raise. Pro forma gearing upon full deployment of capital raise proceeds is 26.7% demonstrating capacity for further growth
- Growth in NTA per share due to \$70.4m capital raise at \$0.61 per share

(\$ '000)	31-Dec-24	30-Jun-24
<b>Assets</b>		
Cash and cash equivalents	3,254	2,257
Trade and other receivables	824	741
Investments accounted for using the equity method	19,313	20,219
Investment properties	257,989	231,391
Property, plant and equipment	72	75
Intangible assets	7,355	7,505
Assets held for sale	5,000	10,492
Other assets	3,853	2,550
<b>Total assets</b>	<b>297,660</b>	<b>275,230</b>
<b>Liabilities</b>		
Trade and other payables	3,543	6,060
Borrowings	38,991	91,223
Provisions	1,298	1,152
Deferred tax liabilities	23,734	21,931
Lease liabilities	775	623
<b>Total liabilities</b>	<b>68,341</b>	<b>120,989</b>
<b>Net assets</b>	<b>229,319</b>	<b>154,241</b>
Net debt <sup>1</sup>	35,838	89,074
Balance sheet gearing <sup>1</sup>	13.5%	36.6%
Net tangible assets per share (cents)	52.3	48.3



# Cash flow statement

- Net cash from operating activities was \$1.2m (-67% on pcp).
- Current period cash flow from operations was impacted by payment of \$1.2m in costs relating to the defence of the take over bid made by Aspen Group Limited (accrued at 30 June 2024), payment of insurance premiums earlier than in the prior year and higher interest payments reflecting higher debt levels prior to the November 2024 capital raise.
- Payments for investment property includes acquisition of rental village in Mt Barker, SA, individual unit acquisitions in managed villages and capital improvements. PY includes expansion of the village in Brassall, Qld and land for greenfield development in Gladstone, Qld
- Received \$1.27m from reduction in investment in WA fund
- A \$70.4m capital raise was completed in November 2024. The proceeds will be used to fund acquisitions and developments and were initially used to repay debt. Full deployment of the funds raised is expected in CY2025

(\$ '000)	31-Dec-24	31-Dec-23
<b>Cash flows from operating activities</b>		
Receipts from customers	22,740	19,597
Payments to suppliers and employees	(18,712)	(14,035)
Distributions received	715	300
Interest received	14	10
Interest paid	(3,513)	(2,104)
<b>Net cash provided by operating activities</b>	<b>1,244</b>	<b>3,768</b>
<b>Cash flows from investing activities</b>		
Payments for investment property and intangibles	(16,653)	(13,153)
Payments for investments in associates	-	(9,000)
Payments for property, plant & equipment	(17)	(20)
Proceeds from disposal of investment in associate	1,270	-
Repayment of loans by third party	18	30
Other net receipts / (payments)	(326)	(482)
<b>Net cash used in investing activities</b>	<b>(15,708)</b>	<b>(22,625)</b>
<b>Cash flows from financing activities</b>		
Net proceeds / (repayment) of borrowings	(52,238)	22,285
Payment of dividends	(860)	(1,718)
Proceeds from share issue	71,896	-
Share issue transaction costs	(3,185)	-
Other payments for financing activities	(152)	(295)
<b>Net cash provided by financing activities</b>	<b>15,461</b>	<b>20,272</b>
<b>Net increase in cash and cash equivalents</b>	<b>997</b>	<b>1,415</b>
Cash and cash equivalents at the beginning of the period	2,257	1,815
<b>Cash and cash equivalents at the end of the period</b>	<b>3,254</b>	<b>3,230</b>



# Definitions

## **Balance sheet gearing or 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

## **STCA**

Subject to Council Approval

## **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 EBITDA margin**

Underling EBITDA divided by Total Revenue

## **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

## **Village Contribution**

An unaudited non-IFRS measure calculated from amounts disclosed in the operating segments note to the financial statements. Excludes changes in fair value, finance costs and depreciation and amortisation

## **WACR**

Weighted Average Capitalisation Rate



# Appendix

# Eureka's build-to-rent portfolio is well positioned

A leading provider of affordable accommodation for independent seniors living

	Residential home	Government social housing	Land lease communities	Seniors rental 'Eureka'	Retirement village	Aged care
	Community-based independent living				Care services available	Advanced care services
Operator characteristics	Provision of services	Facilities development and asset ownership	Facilities development and asset ownership	Facilities development and asset ownership	Facilities development and asset ownership	Combination of facilities and service provision
Typical age	All	50+	70+	70+	70+	80+
Rental assistance available?	✓	✓	✓	✓	✗	✓
Key features	<ul style="list-style-type: none"> <li>Mixed resident demographic</li> <li>Very limited availability with long waiting lists</li> <li>No social / community engagement</li> <li>Does not include meal service</li> </ul>	<ul style="list-style-type: none"> <li>Site agreement model whereby residents own a manufactured home on rented land</li> <li>Community style living and facilities</li> <li>Few additional services</li> <li>Upfront capital commitment and ongoing rent</li> </ul>	<ul style="list-style-type: none"> <li>Community style living and facilities, including meal service in a majority of villages</li> <li>All inclusive headline rental price</li> <li>Simple Residential Tenancy Agreement</li> <li>No entry or exit fees</li> <li>Significant level of autonomy and independence</li> <li>Safe and secure villages</li> </ul>	<ul style="list-style-type: none"> <li>Increased services, including care</li> <li>Residents generally pay an entry contribution equivalent to unit purchase price</li> <li>Significant ongoing fees</li> <li>Deferred management fee model in some instances</li> </ul>	<ul style="list-style-type: none"> <li>Little independence, significant levels of care</li> <li>Homes staffed with nurses and other healthcare professionals</li> <li>Typically charge daily care fees and upfront refundable accommodation bond</li> </ul>	
Caters for	<ul style="list-style-type: none"> <li>Means tested</li> <li>Only available to lowest socio-economic demographic</li> </ul>	<ul style="list-style-type: none"> <li>Those seeking to release capital by selling their residential home</li> </ul>	<ul style="list-style-type: none"> <li>Retirees receiving government pension</li> <li>Seniors ageing in place independently</li> </ul>	<ul style="list-style-type: none"> <li>Elderly retirees who have typically sold their main residence and can afford lifestyle arrangements</li> <li>Residents are typically independent</li> </ul>	<ul style="list-style-type: none"> <li>Elderly people who require significant levels of care</li> </ul>	



Personal use only

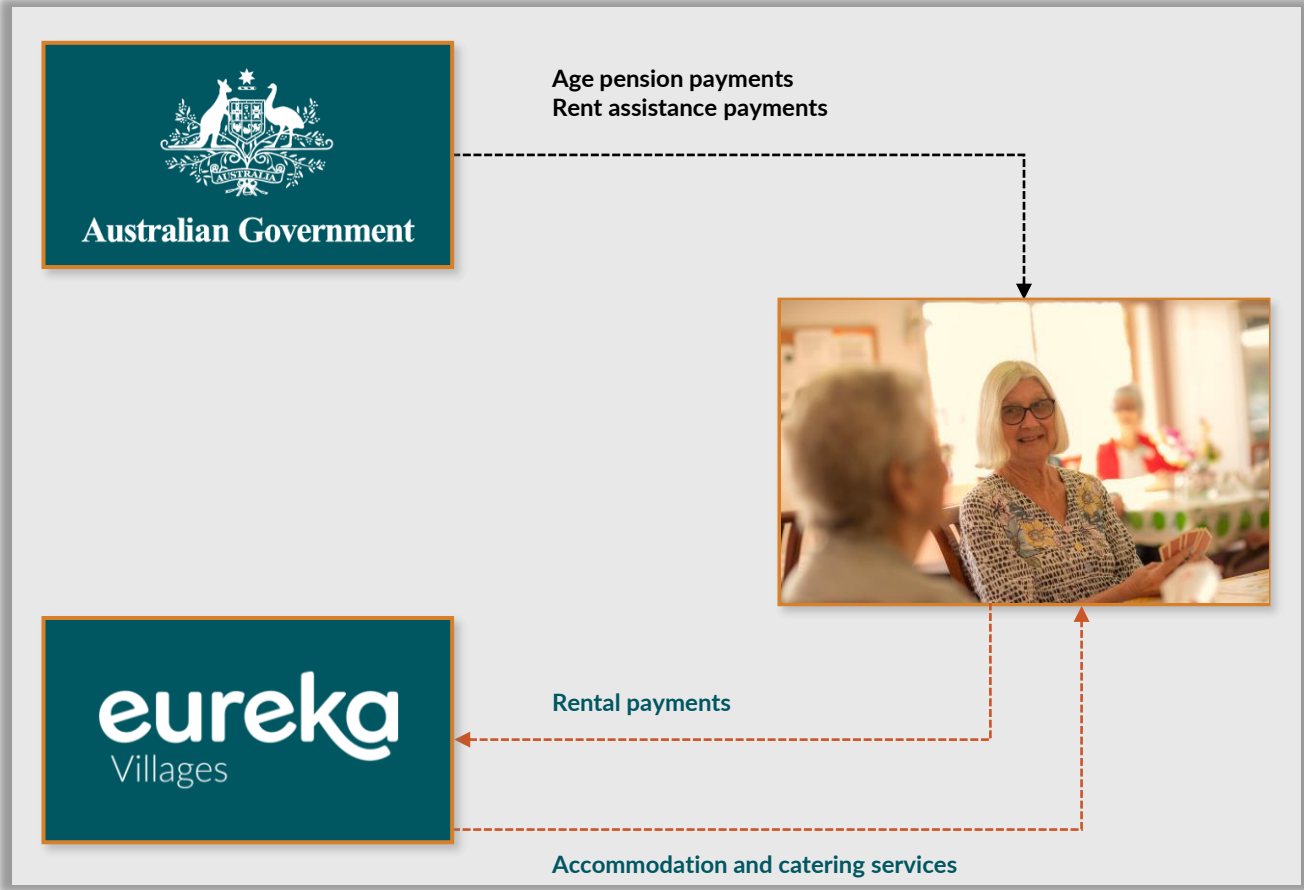
# Cash flows backed by the Australian Government pension

Government backed age pension and rent assistance payments support Eureka's revenue streams for over 50's rentals

## 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<sup>1</sup>
- Pension payments from the government are direct debited from residents to Eureka
- Rent is paid fortnightly in advance resulting in minimal trade receivables and working capital
- 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



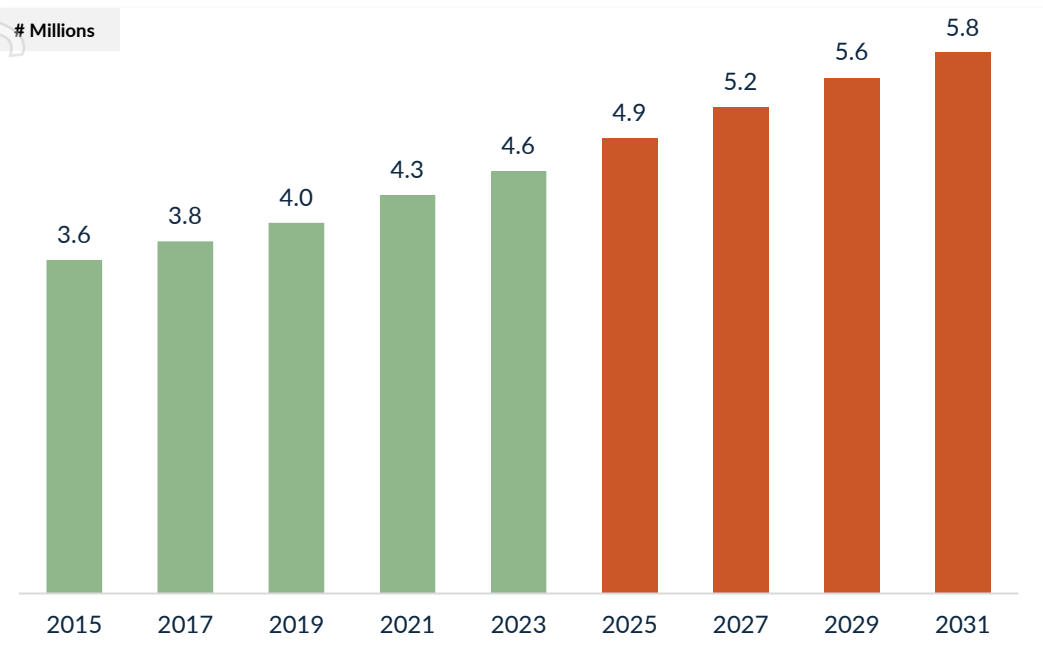
1. Services Australia - Australian Government (20 February 2025)



# A growing ageing population with limited superannuation

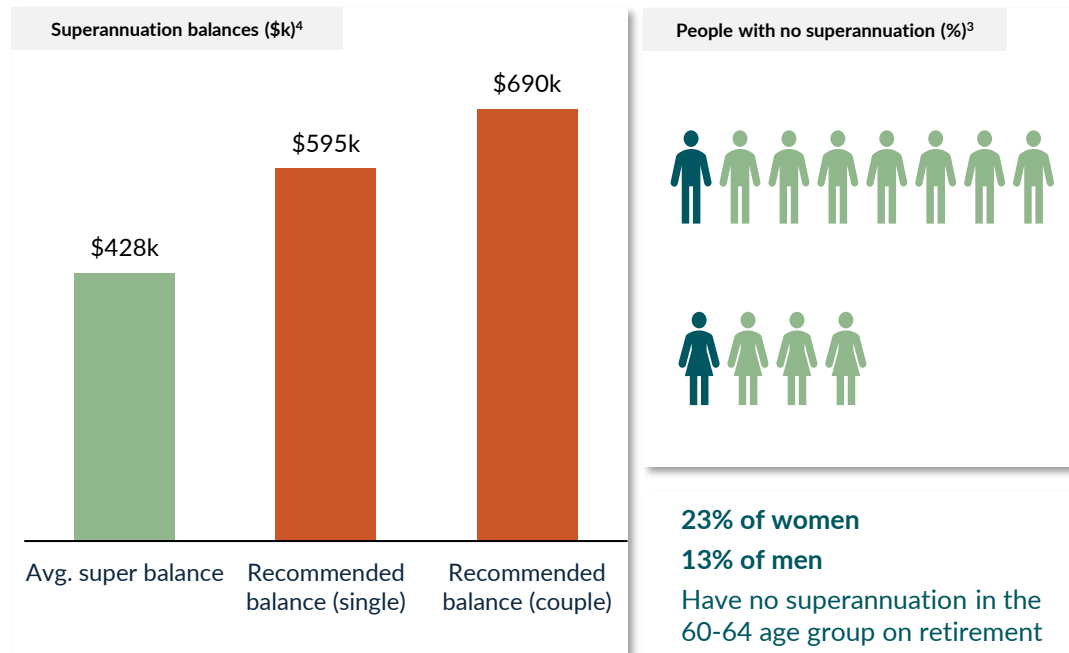
Limited independent community living options for seniors on the age pension

## Australians aged 65+ years old<sup>1,2</sup>



- ~4.6 million or 17% of Australians are currently 65 years of age or older - this is forecast to grow to 5.8 million (or growth of 28.1%) by 2031
- ~57% of Australians aged 65 and over rely on the Government aged pension as their primary source of income and ~61% receive a form of income support payment

## Seniors superannuation balances are low



- On average, Australians aged 65 and older have insufficient superannuation balances to support a comfortable retirement, increasing the need for age pension to support daily living

1. ABS National, State and Territory Population (December 2023)  
2. ABS Population Projections (November 2023)

3. Association of Superannuation Funds of Australia Retirement Standard Report (21 March 2023)  
4. An update on superannuation account balances report (November 2023)

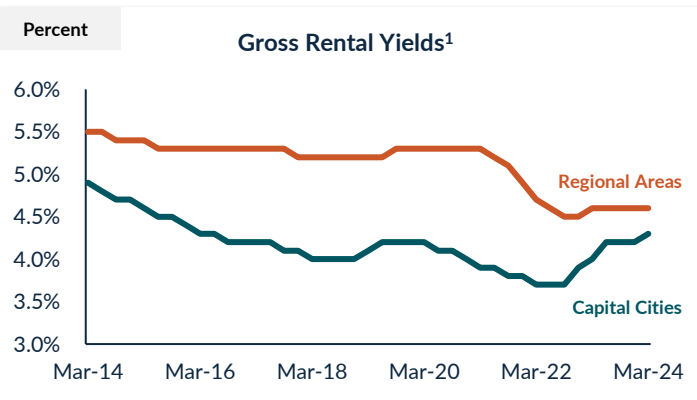


# Affordable rental offers significant growth opportunities

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
- Affordable housing shortages in regional areas for essential workers
- Rental yields have been consistently higher in regional areas as compared to capital cities



## GOVERNMENT-SUPPORTED REVENUE

- Seniors renting in a village have a 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%

of Eureka's seniors living 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<sup>2,3,4</sup>
- \$10 billion Federal government investment via the Housing Australia Future Fund (HAFF) to build 40,000 social and affordable homes<sup>5</sup>
- Federal Opposition government proposed to allocate \$5 billion in spending towards the construction of 500,000 new homes<sup>6</sup>

\$14 billion

in State and Federal Government Investment into Social & Affordable housing

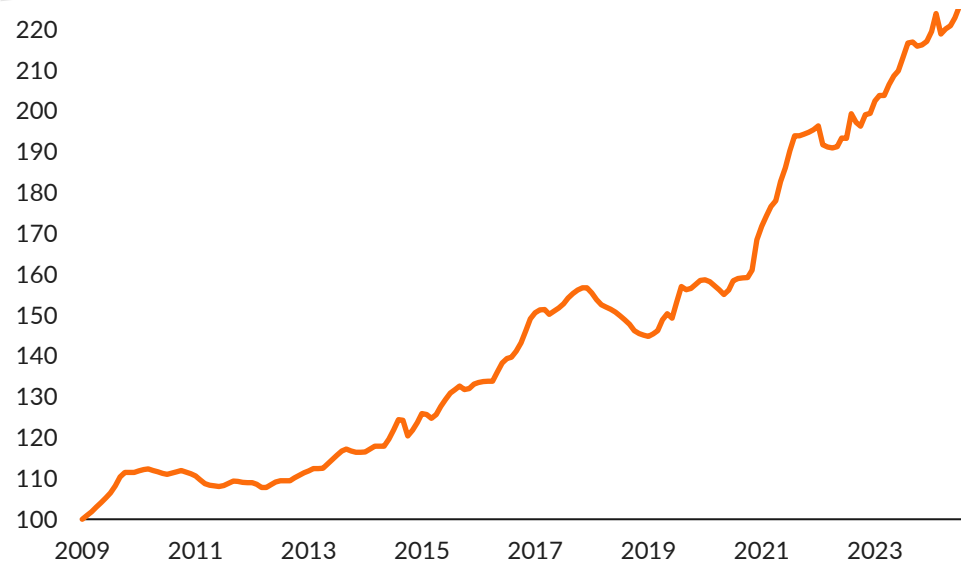
1. PropTrack Rental Report (March 2024 Quarter)  
2. Department of Housing, Local Government, Planning and Public Works (QLD Government)  
3. Communities & Justice (NSW Government)

4. Regional Housing Fund (Victoria Government)  
5. Housing Australia  
6. ABC (October 2024)

# Future demand supported by favourable industry trends

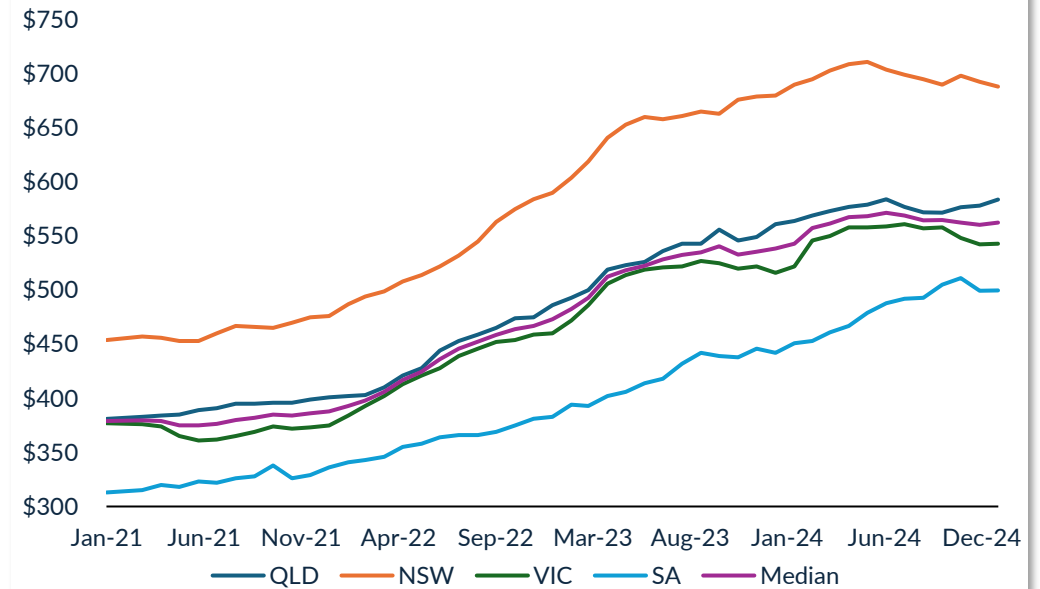
A growing reliance on the Government age pension and high demand for low-cost, quality rental accommodation

## Average property prices in capital cities<sup>1</sup>



- Considerable house price and rental growth over the last 10 years has made everyday residential living unaffordable for many older Australians

## Median weekly rent<sup>2</sup>



- Median rent has increased by 48.4% since January 2021 – 10.0% CAGR making rental opportunities unaffordable for many older people
- The proportion of Australians renting compared with owning a home continues to rise and has done so across all age brackets for the last 20 years

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