

ASX ANNOUNCEMENT

6th February 2025

Eureka expands into all-age rental with Gladstone acquisition

- Acquisition of mixed-use residential home village and caravan park comprising 109 lots in high employment market of Gladstone on Central Queensland Coast
- DA in place to immediately convert 28 caravan sites into new rental villas
- Ingoing yield of 9.2%¹ with significant earnings upside

Eureka Group Holdings Limited (ASX: EGH) is pleased to announce it has executed binding contracts to acquire a residential home village and caravan park in Gladstone, Queensland.

The mixed-use park consists of 19 Manufactured Housing Estate (MHE) homes, 13 short stay cabins, and 77 powered and unpowered sites for camping and caravans. The park also includes a three-bedroom Manager's Residence, central amenities block, and in-ground swimming pool.

Eureka has acquired the community on an initial yield of 9.2%¹. The purchase price is \$4.5m.

Expansion into All-Age Rental

With home ownership in Australia continuing to decline, coupled with a shortage of affordable rental homes, the all age rental sector represents a significant opportunity for Eureka. Based on data from the most recent National Census in 2021, approximately 30% of the Australian population rent their homes and of the rental population, 85% are under the age of 55.

Commenting on the acquisition, the Chief Executive Officer of Eureka Mr Simon Owen said, "The Kin Kora village acquisition in Gladstone breaks new ground for Eureka as we expand into the all-age rental market. The housing crisis continues to impact communities across Australia, including in regional areas. Kin Kora presents as an excellent opportunity for Eureka to meet the growing demand for affordable low-cost housing to service a range of markets including essential service workers, active retirees, and tradespeople.

"I expect this will be the first of many similar park acquisitions for Eureka. We currently have multiple parks under due diligence, and a long pipeline of opportunities that we have under review and expect to quickly grow this sector in parallel with the expansion of our existing seniors' affordable rental portfolio."

Eureka operates an existing Seniors Rental Living Village in Gladstone that continues to trade at high occupancy and owns a 2.6ha parcel of land adjacent to the existing Seniors Rental Living Village that has been earmarked as a senior's rental village for future development.

Eureka will seek to immediately replace 28 caravan sites with one and two bedroom rental villas at a cost of approximately \$5million and a stabilised yield on cost of >12%. Over time opportunity exists to add another 20+ rental villas (subject to Council approval).

The purchase will be funded from the proceeds from the Company's successful \$70.4 million capital raising.

Eureka expects to settle the acquisition on 13 March 2025.

¹ Excluding transaction costs

Gladstone Region

Gladstone is the 11th largest town in Queensland with a population of 34,703, and a region comprising 65,500 residents. Gladstone's primary industries are mining-related, with the Port of Gladstone being the fifth largest multi-commodity port in Australia and the fourth largest coal exporting terminal in the world. Several renewable energy projects embracing biofuels, solar energy, and new waste management practices have been proposed for the Gladstone State Development Area.

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

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For further information:

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