

ASX Announcement

6 July 2022

Profit Guidance for year ended 30 June 2022

Eureka Group Holdings Limited (“Eureka” or the “Company”) provides the following update in relation to its expected results for the year ended 30 June 2022 (FY22).

On 23 February 2022, Eureka advised that its Underlying EBITDA¹ (U-EBITDA) forecast for FY22 was expected to be within a range of \$10.9 million to \$11.1 million, subject to the timing of settlement dates for existing and any further acquisitions. This guidance range reflected increased costs from investment in people for growth.

This guidance range was impacted by the inundation of Eureka’s property in Lismore, NSW in a severe flood event in late February 2022. Prior to the flood, the Lismore property was expected to contribute \$0.875 million to Eureka’s forecast U-EBITDA for FY22 (equating to \$0.3 million for the period from March to June 2022). The Lismore property has limited insurance for flood damage due to its Lismore location. It has sufficient insurance to cover staff terminations, clean-up costs and to safely secure the site. A decision will be made on the impact of the diminution in value subject to ongoing discussions with the Lismore council on any future usage of the site by Eureka and prior to the issue of the FY22 financial statements.

Since March 2022, Eureka has completed the acquisition of the management and letting rights for six villages comprising 333 units in South-East Queensland and the acquisition of a 46-unit village in Bowen, Qld. The acquisitions are performing in line with expectations. However, delays in obtaining regulatory and body corporate approval have reduced their forecast contribution to the FY22 results.

The repositioning of Eureka’s village in Orange, NSW to bring the resident profile into line with the senior independent living model has been prolonged but is nearing completion and the village is expected to return to normalised contributions in FY23.

As a result of these issues, Eureka provides a revised U-EBITDA guidance range of \$10.2 million - \$10.4 million.

Eureka remains confident that it is establishing a support platform that is appropriate with the capability and resources to meet future growth targets. It has a strong acquisition and development pipeline to build its senior independent living rental portfolio and U-EBITDA growth going into FY23 and beyond.

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

For further information, contact Murray Boyte, Executive Chairman on 07 5568 0205.

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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.

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.

Important Information and Disclaimer

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements. Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Eureka). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward looking statements and the assumptions on which those statements are based.