

ASX ANNOUNCEMENT

12 October 2026

Eureka undertakes asset swap and capital release

- Sale of 50% of Eureka's Earlville and Smithfield (Cairns) seniors rental villages for approximately \$11.05 million
- Acquisition of 50% of Condon and Wulguru (Townsville) seniors rental villages for approximately \$10.35 million, plus transaction costs
- Long-term 10 + 10-year Management Agreements secured across all four villages on improved commercial terms including profit share and first right of refusal
- Approximately \$10.4 million of capital released to Eureka, providing capacity to recycle capital into higher-yielding developments and lower gearing
- All four villages are established assets with occupancy of more than 98% and limited competition

Eureka Group Holdings Limited (ASX: EGH) ("Eureka" or the "Group") is pleased to advise that it has executed four joint venture transactions with a syndicate of private investors (the "Syndicate"), involving the sale of 50% interests in two of Eureka's existing Cairns seniors rental villages and the acquisition of 50% interests in two Townsville seniors rental villages owned by the Syndicate.

Under the transaction, Eureka has sold 50% of the shares in the entities owning the Earlville and Smithfield seniors rental villages in Cairns for an independent valuation of \$11.05 million. The existing Eureka entities remain the owners and operators of the villages, with Eureka retaining a 50% interest.

Eureka has used the proceeds, together with debt raised against the Cairns assets, to acquire a 50% interest in the Condon and Wulguru seniors rental villages in Townsville for \$10.35 million, plus stamp duty and other transaction costs. Eureka has managed both Townsville villages for more than 10 years and therefore has extensive operational knowledge of the assets and their resident markets.

The transaction will release approximately \$10.4 million of capacity for Eureka to deploy funds into development and lowering gearing across its broader portfolio.

Eureka has entered into new 10 + 10-year Management Agreements covering all four villages on significantly improved commercial terms. In consideration for the 10 + 10-year Management Agreements, Eureka has agreed to issue the Syndicate a one-off, fully paid EGH share issue, to the value of \$150,000.

Eureka's Managing Director and Chief Executive Officer, Mr Simon Owen, said: "This transaction demonstrates Eureka's strategy of recycling capital from mature, high-performing assets into opportunities where we can increase our ownership and improve the long-term economics of our management platform."



“We retain a 50% interest in two high-quality Cairns villages while acquiring 50% ownership of two equally high-quality established Townsville villages that Eureka has managed for more than a decade. The transaction also secures new long-term management agreements across all four assets on materially improved commercial terms.”

“Importantly, the transaction releases approximately \$10.4 million of capital, which provides Eureka with additional capacity to pursue higher-yielding developments and paying down debt while maintaining ownership interests in four established seniors rental villages in North Queensland.”

Townsville Villages

Condon and Wulguru are established seniors rental villages located in Townsville, with 57 and 50 one-bedroom units respectively, together with manager accommodation and community facilities. Both villages are catered communities and have consistently high occupancy. The villages are located close to hospitals, health care amenities, transport and shopping.

The acquisition provides Eureka with direct ownership exposure to the Townsville seniors rental market, which is a key target market for the Group.

Townsville has an estimated population of 206,260 residents. Over the past 12 months, the local property market has experienced strong growth, with the median house price sitting at \$700,000, reflecting an annual increase of 15.23%. Meanwhile, rental growth is severely strained, with rents rising by 12.3% p.a. over the past 3 years, alongside a tight vacancy rate of 1.6%.

Cairns Villages

Earlville and Smithfield are established seniors rental villages located in Cairns. Earlville comprises 70 one-bedroom units and Smithfield comprises 50 one-bedroom units, with both villages supported by established community facilities.

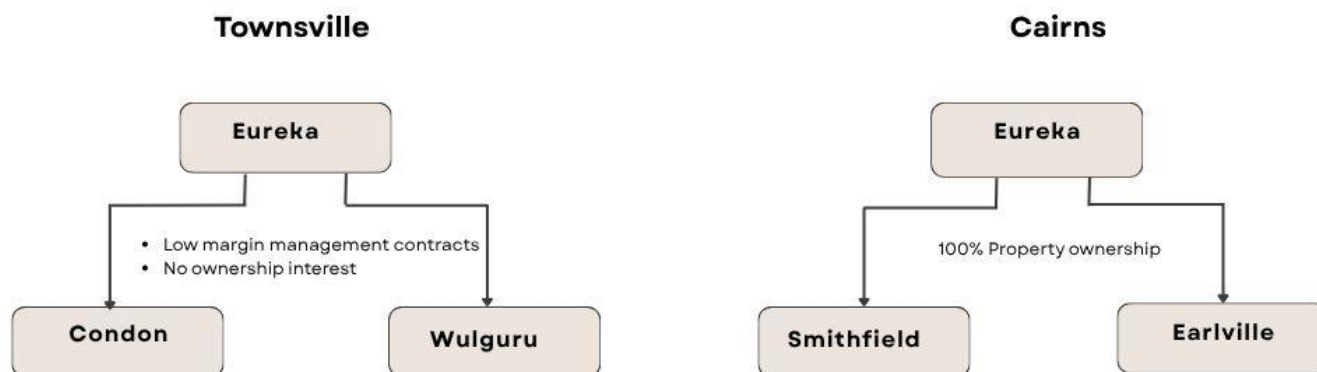
The sale of 50% of the Cairns assets allows Eureka to retain a substantial ownership interest in these well performing villages while recycling capital into the Townsville acquisitions and releasing additional capital for future investment.

Cairns has an estimated population of 179,334 residents. Over the past 12 months, the property market has surged significantly, with the median house price now sitting at \$798,000, representing an annual growth rate of 17.7%. The rental market has remained firm, with rental price growth of 5% p.a. over the past three years. Vacancy rates in Cairns remain below 1%.

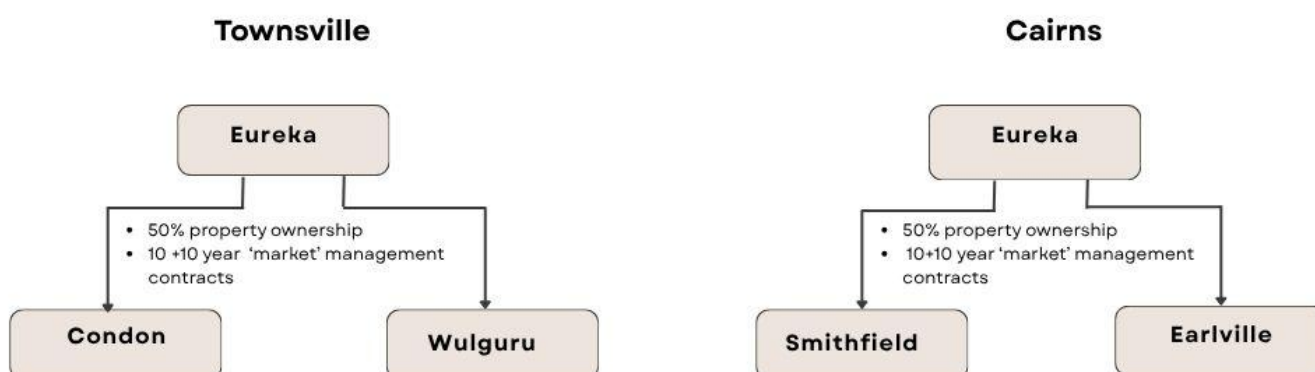
Settlement of the four joint venture transactions is expected to occur in mid-October 2026.

EXPLANATORY CHART

Current



New



+ release of \$10.4m capital

This announcement has been authorised for release by the Board of Directors.

– Ends –

For further information:

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