

## ASX ANNOUNCEMENT

28 October 2024

### Response to Media Report

Eureka Group Holdings Limited (ASX: EGH) (“**Eureka**” or the “**Company**”) notes a report in The Australian newspaper today relating to rental increases at several of the Company’s rental villages in Tasmania.

Eureka acknowledges that it recently reduced the proposed level of rental increases for approximately 44 residents at the villages after the residents complained about the increases to the Tasmanian Residential Tenancy Commission.

Eureka also notes that the Tenants Union of Tasmania has referred resident complaints to the Australian Competition & Consumer Commission.

Commenting on rental agreements the Chief Executive Officer of Eureka Mr Simon Owen said a review of the Company’s internal processes when considering rental increases across its nation-wide portfolio of 52 villages was one of several initiatives he had undertaken since his commencement as CEO on 12 September 2024.

The rental increases at the villages in Tasmania, that were referred to the Residential Tenancy Commission and were found to be unreasonable, occurred prior to Mr Owen’s appointment.

The Company is also aware that there are a further three cases in front of the Commissioner awaiting determination which have been lodged with the assistance of the Tenants Union of Tasmania.

“The review was one of my first priorities when I was appointed and I will personally sign off on future rental increases,” Mr Owen said.

“It is critical that the Company has a rigorous process in reviewing the agreements and that we fully factor in the cost-of-living pressures that are affecting all Australian households to ensure that any rental increases are fair and reasonable.

“I take this issue very seriously and it is not acceptable that we issued an increase in rent for one resident by as much as 14 per cent.

“The Company has a transparent and open relationship with State Governments and regulatory authorities and always cooperates fully with them.

“As Australia’s largest pure play provider of affordable rental housing to independent seniors, Eureka must maintain a high standard of service across our entire portfolio of retirement villages.

“In general, our rent increases are aligned with increases that our residents receive in the Commonwealth Pension and Rent Assistance which makes it very transparent”.

Mr Owen added that for Eureka to maintain this high standard and to ensure the quality-of-service delivery, it is necessary for rental rates to increase in line with economic conditions.

“Over the past few years, we have seen significant double digit increases in key cost areas such as insurance, council rates, electricity, food and interest rates – many of these costs are outside the company’s ability to control.

“However, it is very important that we get the right balance between our commercial objectives as an ASX listed company with shareholder expectations and our social obligations to our residents.

“Clearly, we did not get it right with some of the proposed rental increases in Tasmania and we need to put in the place the appropriate checks and balances to ensure that we achieve the right outcomes.”

Eureka’s rent increases are tied to what the government determines with pension and commonwealth rent assistance.

Eureka’s villages are not a like-for-like comparison with the private rental market, which is a position that has been accepted by the Residential Tenancy Commissioner in Tasmania.

Rents can only increase every 12 months in Tasmania and any increases to current residents never exceed a price guide which is typically reviewed twice yearly.

Eureka has a 50% ownership interest in the five rental communities in Tasmania and is the manager.

Ends

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

-Ends-

**For further information:**

**Investors**, contact Simon Owen, CEO 07 2145 6322

**Media**, contact John Hurst, Tribune Partners, 0418 708 663