

Shareholders advised to take **NO ACTION** regarding the Aspen Offer

25 March 2024

Dear Eureka Shareholder

On Friday 22 March 2024, Aspen Group Limited (“**Aspen**”) provided notification that it completed the despatch of its Bidder’s Statement dated 15 March 2024, relating to its attempt to gain control of Eureka Group Holdings Limited (“**Eureka**”) via an unsolicited, all-scrip takeover offer to acquire all of your Eureka shares for 0.26 Aspen securities for every one Eureka share (“**Offer**”).

Eureka’s Target’s Statement is expected to be sent to you on 8 April 2024, which will outline in detail the reasons for your Directors concluding that **Aspen’s Offer is inadequate, materially undervalues Eureka shares and is not in the best interests of Eureka shareholders.**

Your Directors currently intend to recommend in the Target’s Statement that you **REJECT THE OFFER** and **IGNORE ALL DOCUMENTS** sent to you by Aspen, subject to the Eureka Board considering the Independent Expert’s Report that will be contained in the Target’s Statement.

In summary, the reasons why you should **REJECT** the Aspen Offer include:

- **The implied value of the Offer is inadequate and represents a discount or no meaningful premium over Eureka’s share price at any time in the last 12 months.** If you accept the Offer for your Eureka shares and the Offer becomes unconditional, you will be receiving Aspen securities with an implied Offer value materially LESS than the current Eureka share price. The current implied Offer value is \$0.455 per Eureka share,¹ which is 12.5% LESS than the current ASX trading price of Eureka shares of \$0.520².
- **Eureka major shareholder, Filetron Pty Ltd, which holds approximately 19.29%³, has advised Eureka that it does not intend to accept the Offer as described in the Bidder’s Statement.** On this basis, Aspen will not be able to achieve the 90% threshold needed to compulsorily acquire all Eureka shares. This means that a number of the merger benefits outlined by Aspen in its Bidder’s Statement will not be realised. A copy of Eureka’s ASX announcement dated 21 March 2024 is attached for your information.
- **The Offer is highly conditional and is not certain to proceed.**
- **Eureka Shareholders would become exposed to significant new risks in the combined group to which they are not currently exposed.** New risks include increased exposure to development activities and reduced exposure to the affordable seniors’ rental retirement living sector from 100% to 41% by portfolio value.
- **Accepting the Offer will restrict Eureka shareholders from dealing with their shares including participating in any alternative proposal should one emerge.**

¹ Based on an Aspen close price of \$1.750 as at 22 March 2024, the last trading day before this announcement.

² Based on a Eureka close price of \$0.520 as at 22 March 2024, the last trading day before this announcement.

³ Based on change in substantial holding notice lodged with the ASX on 20 March 2024.

- **There are adverse income tax consequences associated with the Offer.** Scrip-for-scrip capital gains tax rollover relief is only available if Aspen becomes the owner of at least 80% of all Eureka shares. The 19.29% of Eureka shares held by Filetron Pty Ltd, which does not intend to accept the Offer, makes it highly unlikely that Aspen will meet the 80% threshold. This means that any Eureka shareholder who makes a capital gain on the disposal of their Eureka shares will crystallise a capital gains tax liability if they accept the Offer and the Offer becomes unconditional, despite not receiving any cash consideration under the Offer.

Your Board recommends that you **TAKE NO ACTION** in relation to any documents sent to you by Aspen until you have received and considered Eureka's Target's Statement.

To assist your Directors to determine whether the Offer fully reflects the underlying value of Eureka's shares, Lonergan Edwards & Associates Limited has been engaged to prepare an Independent Expert's Report and express an opinion on whether or not the Offer is fair and reasonable for Eureka's shareholders.

That opinion will be contained in the Target's Statement. You are encouraged to read the Independent Expert's Report, in full, when you receive the Target's Statement.

Your Board believes that your Company has an attractive future, and it will continue to pursue opportunities that are aligned with Eureka's business model to deliver future earnings and net asset growth for all shareholders.

You can be assured that your Board will consider any alternative offers that take full account of Eureka's strategic value and growth prospects (if such offers were to emerge).

Your Board will continue to keep you updated on all material developments relating to the Offer.

On behalf of the Board of Eureka, I thank you in anticipation of your continued support.

Your sincerely

Murray Boyte
Executive Chairman

This announcement was approved and authorised for release by Eureka's Board of Directors. The letter will be forwarded to shareholders today.

-Ends-

For further information:

Investors, contact Murray Boyte, Executive Chairman, 07 5568 0205

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