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ASX ANNOUNCEMENT
30 October 2024

Aspen Group

Sale of Eureka Group Shares

Aspen Group (ASX: APZ) is pleased to announce the sale of 55.1 million (50%) of its shares in Eureka Group Holdings (ASX: EGH) at a price of \$0.61 each, totaling \$33.6 million. 34.6 million shares were sold unconditionally on-market, and 20.5 million shares are being sold to Filetron Pty Ltd, a major Eureka shareholder, conditional on the parties entering into a formal sale and purchase agreement and Eureka shareholder approval. Aspen's stake in Eureka is expected to reduce from approximately 36% to 13% post settlement of Eureka's current equity raising and Aspen's share sales.

Aspen's gain on the share sale will be approximately \$8.75 million (4.4 cents per Aspen security) excluding distributions received on the shares to date.

The sales proceeds will initially be applied to reduce net debt to approximately \$145 million and gearing¹ to 23%. Aspen's gearing is expected to reduce further in the near term with the sale of up to \$18 million of townhouses at Burleigh Heads at a net rental yield of less than 3%.

Aspen is expected to have over \$100 million of balance sheet capacity to acquire and develop properties that are more competitive in their marketplace, more affordable for our target customer base, and generate superior returns for Aspen's securityholders. We believe there are increasingly attractive opportunities to profitably develop new property in strong markets and acquire existing property below replacement cost in weak markets. This includes ramping up our Lifestyle development projects where we are enjoying strong growth across all metrics: sales volume, development profit margin, ROIC², annuity land rent, and land value uplift.

Aspen's guidance for FY25 Underlying Earnings³ is unchanged at 15.2 cents per security and does not include the gain on the sale of Eureka shares.

A further update will be provided at Aspen's AGM on 15 November 2024.

Announcement authorised by the Board of Aspen Group Limited.

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1. Gearing = financial debt less cash / total assets less cash less retirement village resident loans and deferred revenue
2. ROIC – return on invested capital
3. Underlying Earnings is a non-IFRS measure that is determined to present, in the opinion of the directors, the operating activities of Aspen in a way that appropriately reflects Aspen's underlying operating performance – refer to financial report for full definition

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