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**CORRS
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Sydney
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2 May 2024

Online lodgement

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Partner
Sandy Mak (02) 9210 6171
Email: sandy.mak@corrs.com.au

Dear Sir / Madam

Takeover bid by Aspen Group Limited – Third Supplementary Bidder’s Statement

We act for Aspen Group Limited ACN 004 160 927 (**Aspen**) in relation to its off-market takeover bid (**Offer**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of the current and to be issued fully paid ordinary shares in Eureka Group Holdings Limited ACN 097 241 159 (ASX:EGH) (**Eureka**).

We **enclose**, by way of lodgement:

- (a) pursuant to section 647(3)(a)(ii) of the Corporations Act (as inserted by *ASIC Corporations (Replacement Bidder’s and Target’s Statements) Instrument 2023/688*) a copy of Aspen’s third supplementary bidder’s statement in relation to the Offer (**Third Supplementary Bidder’s Statement**); and
- (b) a formal notice of variation pursuant to section 650D of the Corporations Act to increase the Offer consideration from 0.26 Aspen Securities per Eureka Share to 0.28 Aspen Securities per Eureka Share.

A copy of the Third Supplementary Bidder’s Statement, together with the accompanying notice, was lodged with the Australian Securities and Investments Commission and sent to Eureka today, and will be sent to each person referred to in section 650D(1)(c)(ii) (as inserted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*).

Yours faithfully
Corrs Chambers Westgarth



Sandy Mak
Partner



Third Supplementary Bidder's Statement

in respect of the Offer by **Aspen Group Limited ACN 004 160 927**

to *acquire* all of Your Eureka Shares in

Eureka Group Holdings Limited (ASX:EGH) ACN 097 241 159

ACCEPT ASPEN'S UNCONDITIONAL OFFER

- ASPEN HAS INCREASED ITS ALL SCRIP OFFER TO 0.28 ASPEN SECURITIES PER EUREKA SHARE
- ASPEN'S OFFER IS NOW BEST AND FINAL
- ASPEN'S OFFER CLOSURES AT 7.00PM ON 28 MAY 2024 AND WILL NOT BE EXTENDED UNLESS LEGALLY REQUIRED
- ASPEN ISSUES CLARIFICATIONS TO ITS SECOND SUPPLEMENTARY BIDDER'S STATEMENT

THIS DOCUMENT CONTAINS IMPORTANT UPDATES IN RELATION TO THE OFFER

Offer Information Line:

Please call 1300 972 485 (within Australia) or +61 2 9068 1924 (outside Australia) between 8.30am and 7.00pm (Sydney time), if you have any questions or require assistance with your acceptance.

Legal Adviser



Financial Advisor



Important notice

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

It is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) issued by Aspen Group Limited ACN 004 160 927 (**Aspen**), in relation to the off-market takeover offer by Aspen for all issued fully paid ordinary shares in Eureka Group Holdings Limited ACN 097 241 159 (**Eureka**), pursuant to the bidder's statement dated 8 March 2024 and replaced by the replacement bidder's statement dated 15 March 2024 (**Replacement Bidder's Statement**) and supplemented by the second supplementary bidder's statement dated 16 April 2024 (**Second Supplementary Bidder's Statement**) (the **Bidder's Statement**).

This Third Supplementary Bidder's Statement is given in compliance with the requirements of Chapter 6 of the Corporations Act and supplements, and must be read together with, the Bidder's Statement.

This Third Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Bidder's Statement.

Unless the context requires otherwise, terms defined in the Bidder's Statement have the same meaning in this Third Supplementary Bidder's Statement.

A copy of this Third Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 2 May 2024. Neither ASIC nor its officers take any responsibility for the content of this Third Supplementary Bidder's Statement.

1 Increase to Offer Consideration which is Aspen's BEST AND FINAL offer

Aspen is pleased to announce that the consideration payable under the Offer is increased from 0.26 Aspen Securities per Eureka Share to 0.28 Aspen Securities per Eureka Share (**Increased Offer Consideration**). As a result, all Eureka Shareholders who accept, or have accepted, Aspen's Offer are entitled to receive the Increased Offer Consideration, regardless of when they accepted the Offer.

The Increased Offer Consideration has an implied value of \$0.48 per Eureka Share as at 1 May 2024, being the last trading day immediately prior to the announcement of this Third Supplementary Bidder's Statement, based on the closing price of Aspen Securities of \$1.715 per Aspen Security, as compared to the closing price of Eureka Shares of \$0.54 per Eureka Share on that date, which represents a discount of 11%.

A copy of the formal notice of variation in respect of the Increased Offer Consideration is attached to this Third Supplementary Bidder's Statement as **Annexure A**.

Aspen confirms that the Increased Offer Consideration is its **BEST AND FINAL** offer, and Aspen will not improve the Offer by increasing the number of Aspen Securities offered for each Eureka Share under the Offer.

2 Aspen's Offer closes at 7.00pm (Sydney time) on 28 May 2024 and WILL NOT BE EXTENDED

Aspen's Offer Period will close at 7.00pm (Sydney time) on 28 May 2024 and will not be extended unless Aspen's voting power in Eureka increases to more than 50% within the last 7 days of the Offer Period. If this occurs, the Offer Period will be automatically extended under the Corporations Act so that it ends 14 days after Aspen's voting power in Eureka increases to more than 50%.

As at the date of this Third Supplementary Bidder's Statement, Aspen has a voting power in Eureka of 35.5%.

Eureka Shareholders are urged to **ACCEPT** the improved Aspen Offer without delay.

3 Aspen's FY25 EPS and DPS guidance remains unchanged

Aspen confirms that Aspen Group's guidance for FY25 EPS of 14.50–15.00 cents, issued by Aspen Group on 16 April 2024, remains unchanged regardless of Aspen's ownership interest in Eureka at the close of the Offer.¹ This equates to 4.06–4.20 cents per Eureka Share, **an increase of 35–40% on Eureka's FY24 EPS guidance of 3.00 cents.**

Please refer to **Annexure B** of this Third Supplementary Bidder's Statement for further details and the pro-forma FY25 EPS forecast financial information for the year ending 30 June 2025 for the Combined Group assuming either 100% ownership or 50.1% ownership of Eureka (**Pro-forma Forecast FY25 EPS**).

Aspen also affirms the Increased Offer Consideration does not impact the FY25 DPS guidance issued by Aspen Group on 16 April 2024 and Aspen continues to expect to pay a minimum distribution of 9.50 cents for FY25 on all issued Aspen Securities (including Aspen Securities issued as part of the Offer as varied in accordance with this Third Supplementary Bidder's Statement).² This equates to 2.66 cents per Eureka Share based on the Increased Offer Consideration, **an increase of 90% on Eureka's annualised DPS for FY24.**³

The Increased Offer Consideration will result in a minor reduction to the pro-forma 31 December 2023 NAV per security of the Combined Group in the range of 1–2% to approximately \$2.03–\$2.05 depending on Aspen's ownership interest in Eureka at the end of the Offer Period. This equates to approximately \$0.57 per Eureka Share based on the Increased Offer Consideration, **an increase of 16% on Eureka's NAV per Eureka Share of \$0.49 at 31 December 2023.**

Please refer to **Annexure C** of this Third Supplementary Bidder's Statement for further details and the pro-forma historical statements of financial position as at 31 December 2023 for the Combined Group assuming either 100% ownership or 50.1% ownership of Eureka (**Pro-forma Historical Statement of Financial Position**).

As at the date of this Third Supplementary Bidder's Statement it is unclear if Filetron Pty Ltd as trustee for Hunter Discretionary Trust (**Filetron**) will accept the Aspen Offer as varied pursuant to this Third Supplementary Bidder's Statement.

In the event Filetron does not accept the Aspen Offer, then Aspen will be unable to achieve the 90% threshold needed to compulsorily acquire all Eureka Shares during the Offer Period.

If Eureka's Directors, who Aspen understands own or control 2.3% of Eureka Shares also fail to accept the Offer, then Aspen will not reach the 80% threshold requirement, and scrip-for-scrip roll-over relief will not be available to Eureka Shareholders who accept the Aspen Offer.

In such circumstances, Aspen will remain a significant shareholder on Eureka's Register. Please refer to Sections 7.5 and 7.6 of the Replacement Bidder's Statement released to ASX on 15 March 2024

¹ Underlying operating earnings per security (**EPS**) is a non-IFRS measure that is determined to present, in the opinion of the directors, the operating activities of Aspen Group in a way that appropriately reflects Aspen Group's underlying operating performance. Refer to Aspen Group's financial reports for full definition of EPS. For further details of Aspen Group's FY25 EPS guidance, see Aspen Group's announcement to the ASX dated 16 April 2024 titled "Aspen Group- FY25 Guidance".

² Please refer to Aspen Group's ASX announcement dated 16 April 2024 and titled "Aspen Group- FY25 Guidance" for details of Aspen Group's DPS guidance.

³ Based on an assumed FY25 DPS of at least 9.50 cents per Aspen Security being Aspen Group's DPS guidance as a minimum distribution for FY25, and a DPS of 1.40 cents per Eureka Share being Eureka's most recent half year DPS of 0.70 cents on an annualised basis.

for an overview of Aspen’s intentions if Aspen does not become entitled to proceed with compulsory acquisition.

4 Eureka Announcement

Aspen notes Eureka’s announcement on 18 April 2024 titled “*Deficiencies in Aspen’s Second Supplementary Bidder’s Statement*” (**Eureka Announcement**). Aspen wishes to clarify the further points set out below.

4.1 Independent Expert’s Report

In the Second Supplementary Bidder’s Statement, Aspen referenced certain statements from the Independent Expert’s Report which Eureka has argued are incomplete. Accordingly, Aspen has extracted in the table below the more fulsome statements from the Independent Expert’s Report, as requested by Eureka, to provide further context to such statements. Aspen has also included additional explanations regarding its views on the matters addressed by such statements.

Aspen notes that Eureka Shareholders should read the Independent Expert’s Report in full and in its entirety in forming their own views as to the merits of the Aspen Offer.

Independent Expert’s Report	Aspen’s comment
<p><i>Increase to NAV and NTA</i></p> <p><i>If Aspen successfully acquires 50.1% or more of Eureka (and the other conditions of the Offer are either waived or met), then Eureka shareholders that accept the Offer will likely experience an increase in earnings and dividends per share as well as an improvement in NAV and NTA per share (albeit the uplift in NAV and NTA is largely illusory as Aspen trades at a significantly larger discount to NAV / NTA than Eureka⁸⁴). Post-transaction, Aspen is also expected to have lower gearing than Eureka on an equivalent standalone basis.</i></p> <p>(at page 85 of the Independent Expert’s Report)</p> <p>.....</p> <p>⁸⁴ <i>Since the release of its FY23 results through to the last trading day prior to the announcement of its intention to make a takeover offer, Aspen traded at a discount to</i></p>	<p>It was noted in the Second Supplementary Bidder’s Statement, that the Offer will result in NAV per security accretion of 10% for Eureka Shareholders.⁴ Based on the Increased Offer Consideration, the Offer will now result in an accretion of 16% for Eureka Shareholders.⁵</p> <p>In Aspen’s view, the full extracted quote is not inconsistent with the position that the Offer is accretive to NAV.</p> <p>The IE’s comment that the uplift in NAV and NTA is “largely illusory” is subjective and it is unclear to Aspen what the implications of this comment are. Aspen notes that in its Bidder’s Statement it has specifically drawn Eureka Shareholders’ attention to the fact that Aspen Securities have been trading at a greater discount to its NAV as against its listed peers, including Eureka.</p>

⁴ Based on Aspen Group’s NAV of \$2.10 per Aspen Security and Eureka’s NAV of \$0.49 per Eureka Share as at 31 December 2023.

⁵ Ibid.

NAV and NTA of approximately 15%. Eureka, on the other hand, traded at a much smaller discounts to NAV and NTA of approximately 8% and 2% respectively.

Likely price of Eureka shares if the Offer lapses

In our opinion, if the Offer lapses and no higher offer or alternative proposal emerges, it is likely (at least in the short term) that Eureka shares will trade at a discount to our valuation (consistent with the difference between the value of Eureka on a minority or portfolio interest basis and the value on a 100% controlling interest basis).

In this regard, we note that Eureka shares last traded at \$0.45 per share (being the closing price on the last trading day prior to the announcement of Aspen's intention to make a takeover offer on 23 January 2024). That said, the share price should be supported by the additional information disclosed by Eureka subsequent to 23 January 2024 including its 1H24 results (which included a 2.7% and 2.9% increase respectively in its reported NAV and NTA per share) and the relatively positive guidance for FY24F provided within the Target's Statement. We also note that the S&P/ASX 300 A-REIT Index has increased by some 15% from between 22 January 2024 and 3 April 2024⁷⁶ and there have been recent significant on-market purchases of Eureka shares at prices in excess of \$0.50 per share.

(at page 82 of the Independent Expert's Report)

.....
⁷⁶ We note that the increase in the S&P/ASX 300 A-REIT Index is heavily skewed towards Goodman Group which currently accounts for more than 38% of the index weighting and has exhibited an increase of 32% over the period between 22 January 2024 and 3 April 2024. Excluding Goodman Group, the increase in the

In Aspen's view the Independent Expert's Report, including the full quote extracted to the left, is not inconsistent with the prospect that the Eureka share price may fall in the absence of the Offer.

For completeness, as Aspen has previously noted in the Replacement Bidder's Statement dated 15 March 2024, Aspen's view is that the recent significant on-market purchases of Eureka Shares at prices in excess of \$0.50 have mostly been driven by a single shareholder.

Aspen also notes that this shareholder has voting power of 19.68% as at 30 April 2024 in Eureka and, therefore, has limited capacity to undertake further on-market purchases without launching a competing proposal.⁶

Aspen continues to maintain the view, as stated in the Second Supplementary Bidder's Statement, that given Aspen's current voting power and the significant period that has elapsed since its initial acquisition of a 13.7% stake in Eureka, the present likelihood of a competing proposal emerging is low.

⁶ See Eureka's ASX announcement dated 18 April 2024 and titled "Change in substantial holding".

Independent Expert's Report
Aspen's comment

S&P/ASX 300 A-REIT Index over this period is closer to 7%.

4.2 Eureka's FY25 EPS

In the Eureka Announcement, Eureka has stated that Aspen has not provided any explanation of the operating assumptions underlying Aspen's estimate of Eureka's FY25 EPS. Aspen's operating assumptions underlying its estimate for Eureka's FY25 underlying EPS compared to Eureka's forecast of its EPS in FY24 are set out below.

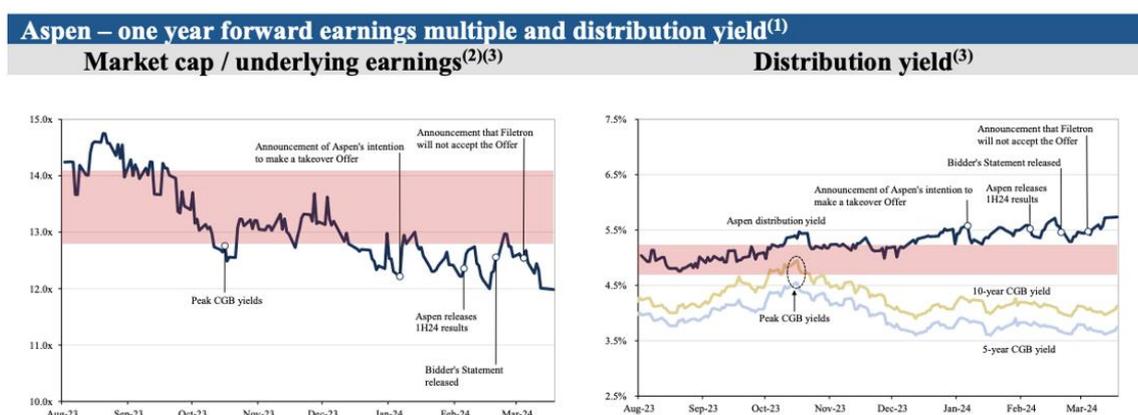
\$million	Eureka's estimate of EGH FY24	Aspen's estimate of EGH FY25	Change on EGH FY24(E)	Assumptions
Net property income	\$19.4	\$20.2	4%	Average rent increase of 3% (rents are correlated to pensions which are CPI-linked) + 1% increase in the number of units occupied (including additional units developed and change in occupancy)
Management fee net income	\$2.6	\$3.0	15%	Eureka's FY24 estimate + \$0.4 million of fees from Eureka WA Fund
Co-investment income	\$1.8	\$1.8	1%	Average rent increase of 3% for Tasmania JV properties + \$5 million stake retained in Eureka WA Fund earning a yield of 8%
Corporate costs	(\$8.7)	(\$9.2)	5%	Eureka's FY24 estimate + \$0.5 million for marketing and IT expenses that Aspen estimates it would classify as underlying (treated as non-underlying by Eureka)
Depreciation and amortisation	(\$0.7)	(\$0.8)	19%	Eureka's HY24 actual of \$0.415 million annualised
Net interest expense	(\$5.4)	(\$6.0)	10%	Average debt of \$97.5 million (including Eureka's share of debt in the Tasmania JV) at weighted average cost of debt (WACD) of 6.1% (18bps higher than HY24 actual WACD - consistent with increase in cash rates and increasing proportion of unhedged debt over the period)
Rounding	\$0.1	\$0.0		
Underlying earnings	\$9.1	\$9.1	0%	
Weighted shares	301.7	302.8	0.4%	Increase in weighted number of securities due to dividend reinvestment plan
Underlying EPS (cents)	3.00	3.00	0%	

Aspen’s estimate of Eureka’s FY25 underlying earnings has been prepared using publicly available information. To the best of Aspen’s knowledge, the assumptions provide a reasonable basis for Aspen’s estimate.

4.3 Trading multiples and assessed realisable value of Aspen Securities

Aspen wishes to further clarify the statements made in Section 7(h) of the Second Supplementary Bidder’s Statement as they relate to the year forward earnings multiple and distribution yields disclosed in the Independent Expert’s Report.

The IE’s assessed realisable value of an Aspen Security of \$1.65–\$1.80 per Aspen Security equates to a market capitalisation / underlying earnings ratio (**PE Ratio**) of 12.8–14.1x based on the IE’s assessment of the Combined Group’s pro-forma FY24 underlying earnings. This range is illustrated in the red shaded area of the PE Ratio chart, as extracted below from paragraph 217 of the Independent Expert’s Report.



Note:

- 1 The red shaded range represents the implied metric range for Aspen (post-transaction) based upon our assessed realisable value of Aspen securities (on a post-transaction basis).
- 2 Underlying operating profit before tax and before amortisation of acquired intangibles, noting that Aspen’s underlying operating earnings have been adjusted to include an allowance for depreciation (other than depreciation associated with right of use assets).
- 3 Forecast earnings and dividend yield are based on FactSet broker average forecasts (excluding outliers and outdated forecasts).

Source: FactSet, company announcements and LEA analysis.

In the same chart, the IE indicated that Aspen Securities were trading at a PE Ratio of 12.0x as at the date of the Independent Expert’s Report. Aspen’s disclosures in Section 7(h) of the Second Supplementary Bidder’s Statement were premised on a particular reading of paragraph 217 of the Independent Expert’s Report that the PE Ratio for the realisable value range of Aspen Securities as shaded in red was calculated on a comparable basis to the historical PE Ratio for Aspen Securities. Aspen understands this to be contrary to Eureka’s interpretation of the PE Ratio chart.

Accordingly, Aspen retracts the disclosures made in Section 7(h) of the Second Supplementary Bidder’s Statement.

In Aspen’s opinion, the PE Ratio chart extracted above illustrates that the Aspen Security price has become increasingly attractive over the period due to the PE Ratio declining from about 14.0x to 12.0x and the distribution yield increasing from about 5.0% to 5.6%, and that Aspen Securities remain attractively priced at \$1.715 per Aspen Security.⁷

⁷ Based on the closing price of Aspen Securities on the ASX on 1 May 2024.

5 Approval

This Third Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the directors of Aspen Group Limited.

Date: 2 May 2024

Signed for and on behalf of Aspen Group Limited

A handwritten signature in black ink, appearing to read 'Clive Appleton', with a long horizontal flourish extending to the right.

Clive Appleton
Chairman

Annexure A

Notice under section 650D of the Corporations Act

A copy of this notice was lodged with ASIC on 2 May 2024.

ASIC takes no responsibility for the contents of this notice.

Notice of variation of Offer – increase of Offer Consideration

To: Australian Securities and Investments Commission (**ASIC**)

ASX Limited

Eureka Group Holdings Limited ACN 097 241 159

Each Eureka Shareholder as required under the *Corporations Act*

Aspen Group Limited ACN 004 160 927 (**Aspen**) gives notice for the purposes of section 650D of the *Corporations Act 2001* (Cth) (*Corporations Act*) that its off-market takeover offer (**Offer**) for all of the current and to be issued fully paid ordinary shares in Eureka Group Holdings Limited ACN 097 241 159 (ASX:EGH) (**Eureka**) contained in its bidder's statement dated 8 March 2024 and replaced by the replacement bidder's statement dated 15 March 2024 as supplemented by the second supplementary bidder's statement dated 16 April 2024 and the third supplementary bidder's statement dated 2 May 2024 (**Bidder's Statement**) is varied as set out in this notice of variation. Capitalised terms in this notice have the same meaning given in the Bidder's Statement unless the context requires otherwise.

1. Increase of Offer consideration

In accordance with section 650B(1)(b) of the *Corporations Act*, Aspen varies the Offer by:

- (a) increasing the Offer Consideration from 0.26 Aspen Securities per Eureka Share to 0.28 Aspen Securities per Eureka Share; and
- (b) substituting "0.26 Aspen Securities per Eureka Share" with "0.28 Aspen Securities per Eureka Share" in all places it appears (or is deemed to appear) in the Bidder's Statement, the acceptance forms enclosed with the Bidder's Statement and in all other instances where the amount "0.26 Aspen Securities per Eureka Share" appears as the Offer Consideration.

All Eureka Shareholders who accept, or have accepted, Aspen's Offer are entitled to receive the Increased Offer Consideration.

2. No change to other terms of the Offer

Except for the variation to increase the Offer Consideration set out in this notice, the terms of the Offer remain the same.

3. Other information

This notice has been approved by unanimous resolution passed by all the directors of Aspen.

Signed for and on behalf of **Aspen Group Limited**



David Dixon | Director

Aspen Group Limited

Date: 2 May 2024

Annexure B

Pro-forma Forecast FY25 EPS

The directors of Aspen are responsible for the preparation and presentation of the Pro-forma Forecast FY25 EPS. EPS for the purposes of the Pro-forma Forecast FY25 EPS is a non-IFRS measure that is determined to present, in the opinion of the Aspen Board, the operating activities of Aspen Group in a way that appropriately reflects Aspen Group's underlying operating performance. Refer to Aspen Group's latest financial reports released to the ASX for the full definition of EPS.

In preparing the Pro-forma Forecast FY25 EPS, Aspen has been subject to certain limitations. In particular, Eureka has not provided access to non-public information and therefore Aspen has needed to rely on Eureka's publicly available financial information. The Pro-forma Forecast FY25 EPS should be read in conjunction with the assumptions and pro-forma adjustments underlying their preparation.

The Pro-forma Forecast FY25 EPS presented in this Third Supplementary Bidder's Statement is provided for illustrative purposes and may not reflect the financial performance or position of the Combined Group that would have resulted had the acquisition of Eureka actually been completed on the dates indicated. Importantly, the Pro-forma Forecast FY25 EPS and other forward-looking statements involve known and unknown risks, uncertainties and other important factors that may materially impact on actual outcomes, many of which are outside the control of Aspen Group. Such risks, uncertainties and other important factors include, among other things, those matters set out in Section 11 of the Bidder's Statement. Accordingly, you are cautioned not to place undue reliance on such financial information.

The Pro-forma Forecast FY25 EPS and other forward-looking statements do not constitute an express or implied representation that future financial performance or distributions (or any other matter) will be achieved in the amounts or by the dates indicated and are presented merely as a guide to assist Eureka Shareholders in assessing the Offer.

Pro-forma Forecast FY25 EPS

(i) Forecast EPS for year ending 30 June 2025 assuming 100% ownership

	Aspen Group Estimates				
	Aspen	Eureka	Aspen - 100% Scenario Pro-forma		
	FY25 (E) (Midpoint Guidance)	FY25 (E)	FY25 (E) (Midpoint Guidance)	100% Merger Adjustments	Notes
Underlying Operating Earnings - \$'000					
Rental & Ancillary Revenues	65,000	37,000	102,000	0	
Direct Property Expenses	(32,000)	(16,800)	(48,800)	0	
Property Net Operating Income (NOI)	33,000	20,200	53,200	0	
Property NOI Margin	51%	55%	52%		
Rental & Ancillary Revenues - 50% Joint Venture	0	2,800	2,800	0	
Direct Property Expenses - 50% Joint Venture	0	(1,375)	(1,375)	0	
Property Net Operating Income (NOI) - 50% JV	0	1,425	1,425	0	
Property NOI Margin - 50% Joint Venture	0%	51%	51%		
Earnings from Aspen's stake in Eureka	3,234	0	0	(3,234)	a
Earnings from Eureka Villages WA Fund	0	800	800	0	
Development Revenues	33,000	0	33,000	0	
Direct Development Expenses	(23,000)	0	(23,000)	0	
Development Profit	10,000	0	10,000	0	
Development Profit Margin	30%	0%	30%		
Management Revenues	0	6,200	6,200	0	
Direct Management Expenses	0	(3,600)	(3,600)	0	
Management Gross Profit	0	2,600	2,600	0	
Corporate Overheads (unallocated)	(7,500)	(9,160)	(14,783)	1,878	b
Underlying EBITDA	38,734	15,865	53,243	(1,357)	
Net Finance Expense	(9,475)	(5,375)	(15,045)	(195)	c
Net Finance Expense - 50% Joint Venture ²	0	(575)	(575)	0	
Total Net Finance Expense	(9,475)	(5,950)	(15,620)	(195)	
Amortisation of Intangible Management Rights ³	0	(508)	(508)	0	
Interest - Lease Liabilities ⁴	0	(27)	\$0	27	b
Depreciation of right of use assets ⁴	0	(296)	\$0	296	b
Tax Paid	0	0	\$0	0	d
Underlying Operating Earnings	29,259	9,085	37,115	(1,229)	
Total Securities on Issue (weighted)	198,312	302,760	253,951	55,639	e
Underlying EPS - cents	14.75	3.00	14.61	(0.14)	

Notes:

1. Based on Aspen's treatment of expenses as underlying or non-underlying in its definition of Underlying Operating Earnings
2. Aspen can only reconcile Eureka's Underlying EBITDA and Underlying profit before tax as reported in its financial results presentations by omitting Eureka's share of Joint Venture interest expense
3. Aspen has not formed an opinion on the value of Eureka's intangible management contracts under Aspen's ownership and therefore the amount of amortisation that would be applicable for Aspen's underlying earnings.
4. Aspen includes gross rent payable as an underlying expense in corporate overheads and therefore treats accounting interest and depreciation for right of use assets (leased premises) as non-underlying to avoid double-counting.

Adjustments to Pro-forma Forecast FY25 EPS assuming 100% ownership

- a. Aspen's current 35.7% stake in Eureka consolidated
- b. Aspen's estimate of overhead cost synergies of \$2.20 million and reclassification of Eureka's premises lease interest and depreciation to corporate overheads
- c. Additional transaction costs of the merger of \$3.0 million funded with debt at an interest cost of 6.5%
- d. Assumes Aspen's historic tax losses are sufficient to shelter the Combined Group's pro-forma taxable income
- e. Issue of 0.28 Aspen Securities per Eureka Share acquired by Aspen under the Offer

(ii) **Forecast EPS for year ending 30 June 2025 assuming 50.1% ownership**

	Aspen Group Estimates				
	Aspen	Eureka	Aspen – 50.1% Scenario Pro-forma		
	FY25 (E) (Midpoint Guidance)	FY25 (E)	FY25 (E) (Midpoint Guidance)	100% Merger Adjustments	Notes
Underlying Operating Earnings - \$'000					
Rental & Ancillary Revenues	65,000	37,000	102,000	0	
Direct Property Expenses	(32,000)	(16,800)	(48,800)	0	
Property Net Operating Income (NOI)	33,000	20,200	53,200	0	
Property NOI Margin	51%	55%	52%		
Rental & Ancillary Revenues - 50% Joint Venture	0	2,800	2,800	0	
Direct Property Expenses - 50% Joint Venture	0	(1,375)	(1,375)	0	
Property Net Operating Income (NOI) - 50% JV	0	1,425	1,425	0	
Property NOI Margin - 50% Joint Venture	0%	51%	51%		
Earnings from Aspen's stake in Eureka	3,234	0	0	(3,234)	a
Earnings from Eureka Villages WA Fund	0	800	800	0	
Development Revenues	33,000	0	33,000	0	
Direct Development Expenses	(23,000)	0	(23,000)	0	
Development Profit	10,000	0	10,000	0	
Development Profit Margin	30%	0%	30%		
Management Revenues	0	6,200	6,200	0	
Direct Management Expenses	0	(3,600)	(3,600)	0	
Management Gross Profit	0	2,600	2,600	0	
Corporate Overheads (unallocated)	(7,500)	(9,160)	(16,983)	(323)	b
Underlying EBITDA	38,734	15,865	51,043	(3,557)	
Net Finance Expense	(9,475)	(5,375)	(14,850)	0	c
Net Finance Expense - 50% Joint Venture ²	0	(575)	(575)	0	
Total Net Finance Expense	(9,475)	(5,950)	(15,425)	0	
Amortisation of Intangible Management Rights ³	0	(508)	(508)	0	
Interest - Lease Liabilities ⁴	0	(27)	\$0	27	b
Depreciation of right of use assets ⁴	0	(296)	\$0	296	b
Tax Paid	0	0	\$0	0	d
Underlying Operating Earnings before minority interests	29,259	9,085	35,110	(3,234)	
Non-controlling interests	0	0	(4,533)	(4,533)	e
Underlying Operating Earnings	29,259	9,085	30,576	(7,767)	
Total Securities on Issue (weighted)	198,312	302,760	211,791	13,479	e
Underlying EPS - cents	14.75	3.00	14.44	(0.32)	

Notes:

1. Based on Aspen's treatment of expenses as underlying or non-underlying in its definition of Underlying Operating Earnings
2. Aspen can only reconcile Eureka's Underlying EBITDA and Underlying profit before tax as reported in its financial results presentations by omitting Eureka's share of Joint Venture interest expense
3. Aspen has not formed an opinion on the value of Eureka's intangible management contracts under Aspen's ownership and therefore the amount of amortisation that would be applicable for Aspen's underlying earnings.
4. Aspen includes gross rent payable as an underlying expense in corporate overheads and therefore treats accounting interest and depreciation for right of use assets (leased premises) as non-underlying to avoid double-counting.

Adjustments to Pro-forma Forecast FY25 EPS assuming 50.1% ownership

- a. Aspen's current 35.7% stake in Eureka consolidated
- b. Aspen's estimate of overhead cost synergies of \$nil and reclassification of Eureka's premises lease interest and depreciation to corporate overheads
- c. Additional transaction costs of the merger of \$nil as Aspen's FY25 earnings estimates assume that transaction costs are incurred in FY24 and funded with debt
- d. Assumes Aspen's historic tax losses are sufficient to shelter the Combined Group's pro-forma taxable income
- e. Issue of 0.28 Aspen Securities per Eureka Share acquired by Aspen under the Offer

Annexure C

Pro-forma Historical Statements of Financial Position

The Pro-forma Historical Statements of Financial Position for the Combined Group have been prepared to illustrate the impact of transactions relating to the Aspen Offer as if they occurred on 31 December 2023 and is based on the following information:

- audited Aspen Group historical statement of financial position as at 31 December 2023 (as lodged with the ASX on 22 February 2024);
- audited Eureka historical statement of financial position as at 31 December 2023 (as lodged with the ASX on 29 February 2024); and
- other significant transactions, adjustments and events that have occurred post 31 December 2023 for Aspen Group and Eureka based on publicly available information and other additional information considered necessary to reflect the directors' pro-forma adjustments.

The Pro-forma Historical Statements of Financial Position have been prepared assuming a range of scenarios:

- acquisition of 100% of Eureka; and
- acquisition of 50.1% of Eureka.

The Pro-forma Historical Statements of Financial Position, which assume that 100% of the Eureka Performance Rights have been converted into Eureka Shares but no Eureka Shares have been issued under the Eureka Dividend Reinvestment Plan, have been prepared in accordance with the recognition and measurement principles contained in the AAS (including Australian Accounting Interpretations) adopted by the Australian Accounting Standard Board, which comply with the recognition and measurement principles of the International Accounting Standards Board and interpretations adopted by the International Accounting Standards Board.

The Pro-forma Historical Statements of Financial Position have been prepared in accordance with and should be read in conjunction with the accounting policies detailed in Aspen Group's Annual Report for the year ended 30 June 2023.

The Pro-forma Historical Statements of Financial Position are provided for illustrative purposes only and are not presented as being necessarily indicative of the Combined Group's future financial position.

Pro-forma Historical Statements of Financial Position

(i) Combined Pro-forma Historical Statement of Financial Position as at 31 December 2023 for 100% ownership

Statement of Financial Position - \$'000	Aspen Group	Eureka	Combined Group Pro-forma		
	31 December 2023	31 December 2023	31 December 2023	100% Merger Adjustments	Notes
Current assets					
Cash and cash equivalents	5,000	3,230	8,230		
Trade and other receivables	3,062	1,355	4,417		
Inventories	12,451	-	12,451		
Prepaid expenses	2,490	-	2,490		
Investment property assets held for sale	1,283	-	1,283		
Other assets	-	2,067	2,067		
Total current assets	24,286	6,652	30,938		
Non-current assets					
Investment properties	499,226	230,042	729,268		
Property, plant and equipment	36,744	332	37,076		
Equity accounted investments	-	21,219	21,219		
Inventories	12,468	-	12,468		
Intangible assets	44	8,247	8,291		A
Right-of-use assets	726	699	1,425		
Derivative financial assets	2,215	-	2,215		
Investments at fair value through profit & loss	18,905	-	590	(18,315)	B
Other assets	-	16	16		
Total non-current assets	570,328	260,555	812,568		
Total assets	594,614	267,207	843,506		
Current liabilities					
Trade and other payables	16,035	6,689	25,834	3,110	C
Lease liabilities	225	-	225		
Resident loans	33,640	-	33,640		
Provisions	1,633	1,001	2,634		
Deferred management revenue	764	-	764		
Other financial liabilities	-	217	217		
Total current liabilities	52,297	7,907	63,314		
Non-current liabilities					
Interest bearing loans and borrowings	155,807	91,887	258,294	10,600	D
Trade and other payables	-	161	161		
Provisions	-	41	41		
Lease liabilities	630	-	630		
Deferred tax	3,850	18,555	3,171	(19,234)	E
Deferred management revenue	3,053	-	3,053		
Other financial liabilities	-	575	575		
Total non-current liabilities	163,340	111,219	265,925		
Total liabilities	215,637	119,126	329,239		
Net assets	378,977	148,081	514,267		
Equity					
Issued capital	599,863	127,678	747,934	20,393	F
Reserves	16,550	(23)	16,550	23	G
Retained profits (accumulated losses)	(233,599)	20,426	(246,380)	(33,207)	G
Non-controlling interest	(3,837)	-	(3,837)		
Total equity	378,977	148,081	514,267		
Securities	180,230	301,748	253,417	73,187	F
Net asset value per security (NAV)	2.10	0.49	2.03		
Net tangible asset value per security (NTA)	2.10	0.46	2.00		

Pro-forma adjustments and assumptions for 100% ownership

- a. Aspen has not formed an opinion on the value of Eureka's intangible management contracts
- b. Aspen's 13.6% stake in Eureka consolidated
- c. Provision for additional distribution to be paid on new Aspen Securities issued for Eureka takeover
- d. Total transaction costs of the Combined Group of \$10.6 million funded with debt
- e. Aspen's cost base for Eureka will essentially equal the purchase price, therefore Aspen's deferred capital gains tax liability on its investment in Eureka's assets is expected to be nil at the time of acquisition. Also adjusting for the deferred tax impact on Aspen's current 13.6% stake
- f. Issue of 0.28 Aspen Securities per Eureka Share acquired by Aspen Group
- g. Acquisition elimination entries to reflect Eureka acquisition and acquisition costs incurred

(ii) **Combined Pro-forma Historical Statement of Financial Position as at 31 December 2023 for 50.1% ownership**

Statement of Financial Position - \$'000	Aspen Group	Eureka	Combined Group Pro Forma		
	31 December 2023	31 December 2023	31 December 2023	50.1% Merger	Notes
Current assets					
Cash and cash equivalents	5,000	3,230	8,230		
Trade and other receivables	3,062	1,355	4,417		
Inventories	12,451	-	12,451		
Prepaid expenses	2,490	-	2,490		
Investment property assets held for sale	1,283	-	1,283		
Other assets	-	2,067	2,067		
Total current assets	24,286	6,652	30,938		
Non-current assets					
Investment properties	499,226	230,042	729,268		
Property, plant and equipment	36,744	332	37,076		
Joint venture investment	-	21,219	21,219		
Inventories	12,468	-	12,468		
Intangible assets	44	8,247	8,291		
Right-of-use assets	726	699	1,425		
Derivative financial assets	2,215	-	2,215		
Investments at fair value through profit and loss	18,905	-	590	(18,315)	A
Other assets	-	16	\$16		
Total non-current assets	570,328	260,555	812,568		
Total assets	594,614	267,207	843,506		
Current liabilities					
Trade and other payables	16,035	6,689	24,038	1,314	B
Lease liabilities	225	-	225		
Resident loans	33,640	-	33,640		
Provisions	1,633	1,001	2,634		
Deferred management revenue	764	-	764		
Other financial liabilities	-	217	217		
Total current liabilities	52,297	7,907	61,518		
Non-current liabilities					
Interest bearing loans and borrowings	155,807	91,887	255,194	7,500	C
Trade and other payables	-	161	161		
Provisions	-	41	41		
Lease liabilities	630	-	630		
Deferred tax	3,850	18,555	21,726	(679)	D
Deferred management revenue	3,053	-	3,053		
Other financial liabilities	-	575	575		
Total non-current liabilities	163,340	111,219	281,380		
Total liabilities	215,637	119,126	342,898		
Net assets	378,977	148,081	500,608		
Equity					
Issued capital	599,863	127,678	653,107	(74,434)	E
Reserves	16,550	(23)	16,550	23	F
Retained profits (accumulated losses)	(233,599)	20,426	(236,734)	(23,561)	F
Non-controlling interest	(3,837)	-	67,685	71,522	G
Total equity	378,977	148,081	500,608		
Net assets for Securityholders	378,977	148,081	432,923		
Securities	180,230	301,748	211,146	30,916	E
Net asset value per security (NAV)	\$2.10	\$0.49	\$2.05		
Net tangible asset value per security (NTA)	\$2.10	\$0.46	\$2.03		

Pro-forma adjustments and assumptions for 50.1% ownership

- a. Aspen's 13.6% stake in Eureka consolidated
- b. Provision for additional distribution to be paid on new Aspen Securities issued for the Eureka takeover
- c. Total transaction costs of the entities combined of \$7.5 million funded with debt
- d. Adjusting for the deferred tax impact on Aspen's current 13.6% stake in Eureka consolidated
- e. Issue of 0.28 Aspen Securities per Eureka Share acquired by Aspen Group
- f. Acquisition elimination entries to reflect Eureka acquisition and acquisition costs incurred
- g. Value of Eureka's equity owned by the 49.9% minority holders adjusted for the \$2.017 million provision for Eureka's dividend in relation to 1HFY24 and Aspen's estimate of Eureka's transaction costs of \$4.75 million

A copy of this notice was lodged with ASIC on 2 May 2024.

ASIC takes no responsibility for the contents of this notice.

Notice of variation of Offer – increase of Offer Consideration

To: Australian Securities and Investments Commission (**ASIC**)

ASX Limited

Eureka Group Holdings Limited ACN 097 241 159

Each Eureka Shareholder as required under the *Corporations Act*

Aspen Group Limited ACN 004 160 927 (**Aspen**) gives notice for the purposes of section 650D of the *Corporations Act 2001* (Cth) (*Corporations Act*) that its off-market takeover offer (**Offer**) for all of the current and to be issued fully paid ordinary shares in Eureka Group Holdings Limited ACN 097 241 159 (ASX:EGH) (**Eureka**) contained in its bidder's statement dated 8 March 2024 and replaced by the replacement bidder's statement dated 15 March 2024 as supplemented by the second supplementary bidder's statement dated 16 April 2024 and the third supplementary bidder's statement dated 2 May 2024 (**Bidder's Statement**) is varied as set out in this notice of variation. Capitalised terms in this notice have the same meaning given in the Bidder's Statement unless the context requires otherwise.

1. Increase of Offer consideration

In accordance with section 650B(1)(b) of the *Corporations Act*, Aspen varies the Offer by:

- (a) increasing the Offer Consideration from 0.26 Aspen Securities per Eureka Share to 0.28 Aspen Securities per Eureka Share; and
- (b) substituting "0.26 Aspen Securities per Eureka Share" with "0.28 Aspen Securities per Eureka Share" in all places it appears (or is deemed to appear) in the Bidder's Statement, the acceptance forms enclosed with the Bidder's Statement and in all other instances where the amount "0.26 Aspen Securities per Eureka Share" appears as the Offer Consideration.

All Eureka Shareholders who accept, or have accepted, Aspen's Offer are entitled to receive the Increased Offer Consideration.

2. No change to other terms of the Offer

Except for the variation to increase the Offer Consideration set out in this notice, the terms of the Offer remain the same.

3. Other information

This notice has been approved by unanimous resolution passed by all the directors of Aspen.

Signed for and on behalf of **Aspen Group Limited**



David Dixon | Director

Aspen Group Limited

Date: 2 May 2024