eureka
GROUP HOLDINGS LIMITED

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ASX ANNOUNCEMENT

21 March 2024

Major Shareholder Representing 19.29% Does Not Intend to Accept Aspen Offer

The Board of Directors of Eureka Group Holdings Limited (“**Eureka**”) has received written notice from Filetron Pty Ltd (“**Filetron**”), which owns 19.29% of Eureka, that it **does not intend to accept** Aspen Group Limited’s (“**Aspen**”) unsolicited all-scrip takeover offer for all of the shares of Eureka as set out in the bidder’s statement issued by Aspen dated 15 March 2024 (“**Bidder’s Statement”**), which replaced Aspen’s original bidder’s statement dated 8 March 2024 (“**Offer**”).

Under the terms of the Offer, Aspen is offering 0.26 Aspen securities for every one Eureka share.

The Board of Directors wishes to welcome Filetron as a new substantial shareholder and notes that Filetron plans to be a long-term investor and is looking forward to participating in the future growth of Eureka.

Filetron has consented to being named and to having the statement of intention not to accept the Offer referred to in this announcement.

On the basis of the statement by Filetron, Aspen will not be able to achieve the 90% threshold needed to compulsorily acquire all other Eureka shares not held by Aspen. Therefore, a number of the purported merger benefits outlined in the Bidder’s Statement will not be realised, including the estimated synergies, earnings accretion, and the combined balance sheet.

Furthermore, scrip-for-scrip 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 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 may crystalise a capital gains tax liability if they accept the Offer and the Offer becomes unconditional, despite not receiving any cash consideration under the Offer.

The Eureka Board remains of the view that the highly conditional Aspen Offer **is inadequate and materially undervalues Eureka**. The Offer is at a discount to or represents no meaningful premium over Eureka’s share price at any time in the 12 months prior to the Offer being made and the Offer has also consistently represented a discount to the Eureka share price since it was made.

The Eureka Board currently intends to recommend to shareholders in the Target’s Statement that they should **REJECT** the Aspen Offer and **IGNORE all documents** from Aspen, subject to the Eureka Board considering the Independent Expert’s Report that will be contained in the Target’s Statement.

The Eureka Board advises shareholders to take NO ACTION until they receive the Target’s Statement.

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

-Ends-

For further information:

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