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PRESS RELEASE

29 March 2023

Aspen Group

Update on Aspen's Stake in Eureka Group Holdings Limited

In mid-December 2022 Aspen Group (Aspen) (ASX: APZ) acquired a 13.7% stake in Eureka Group Holdings Limited (Eureka) (ASX: EGH) for \$16.1 million (39cps). Shortly after the release of both groups' audited 1HFY23 financial results in late February 2023, Aspen put forward an indicative, conditional, non-binding proposal (Proposal) to the Board of Eureka for its consideration.

The Proposal was for Aspen to acquire Eureka in an all-scrip transaction with a merger ratio of 0.225 APZ security per EGH share. Aspen subsequently withdrew the Proposal because the Eureka Board had not engaged in any meaningful discussions. The proposed merger ratio was based around relative FY23 Operating Earnings per Security¹ (EPS) of the groups. We expected pro-forma increases in FY23 EPS of about 7% per Aspen security and about 9% per Eureka share. This was based on Aspen's current mid-range EPS guidance of 11.75 cents and Eureka's current EPS guidance of 2.6 cents and assumed head office cost synergies of about \$1.5 million per annum through combining the groups.

Aspen will continue to pursue other opportunities to grow its portfolio of affordable accommodation on a profitable basis for securityholders. We are seeing more interesting opportunities in the higher interest rate, lower economic growth environment. Aspen will consider all options to realise value for its stake in Eureka.

Aspen continues to perform well across all aspects of its business. Over the three years to 30 June 2022, Aspen delivered EPS growth of 19% per annum and Net Asset Value per security growth of 17% per annum. Aspen's EPS guidance for FY23 is 11.50-12.00 cents, an increase of 33-39% on FY22. Please refer to Aspen's announcements on ASX for further information.

Announcement authorised by the Board of Aspen Group Limited.

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1. Operating 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 operating performance – refer to financial reports for full definition

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