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ASX ANNOUNCEMENT

23 January 2024

Intended Takeover Offer for Eureka Group Holdings Limited

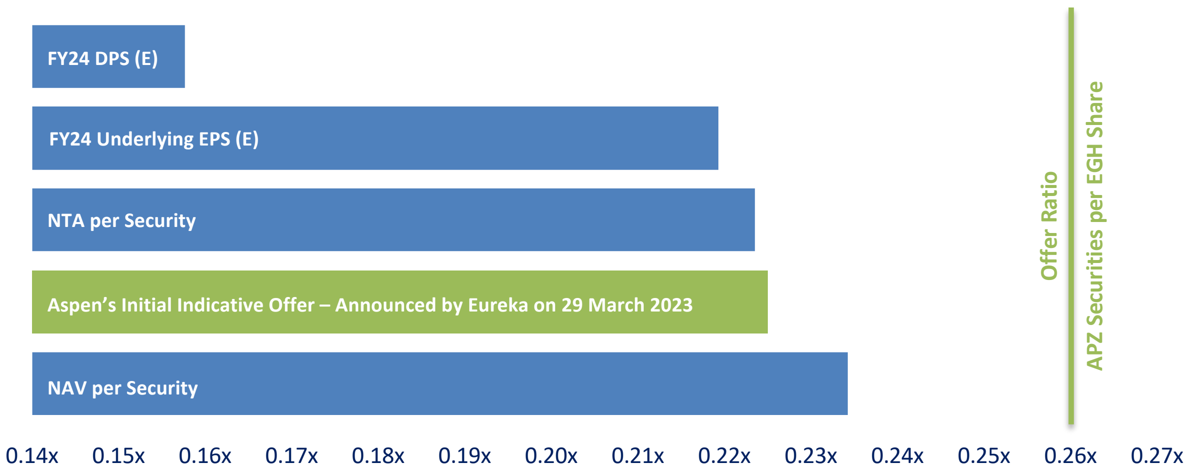
0.26 APZ Securities per EGH Share

Aspen Group Limited ACN 004 160 927 (**Aspen**) is pleased to announce its intention to make an off-market takeover offer for all the ordinary shares in Eureka Group Holdings Limited (ASX: EGH) (**Eureka** or **EGH**) (the **Offer**).

Details of the Offer

- The Offer will be made by way of an off-market takeover bid by Aspen to acquire all of the fully paid ordinary shares (**EGH Shares**) on issue in Eureka.
- The shareholders of Eureka (**Eureka Shareholders**) who accept the Offer will receive, subject to the fulfilment or waiver of the conditions to the Offer (**Conditions**), 0.26 fully paid ordinary stapled securities in Aspen Group (comprising Aspen Group Limited and Aspen Property Trust ARSN 104 807 767) (ASX: APZ) (**APZ Securities**) for every 1 EGH Share. Each APZ Security comprises one fully paid ordinary share in Aspen Group Limited stapled to one fully paid ordinary unit in the Aspen Property Trust.
- If Aspen is successful in acquiring 100% of the EGH Shares on issue under the Offer, Aspen and Eureka securityholders would hold approximately 73% and 27% of the combined group (**Merged Group**) respectively at the conclusion of the transaction.
- Aspen's Offer ratio has increased 15.6% on the offer ratio of 0.225 APZ Securities per EGH Share proposed by Aspen in an indicative offer to the Board of Eureka for its consideration, as announced by Eureka on 29 March 2023.
- Aspen's Offer ratio is above the relative financial contributions of each group in terms of net asset value per security[1] (**NAV**), net tangible asset value per security[2] (**NTA**), estimated FY24 underlying operating earnings per security[3] (**EPS**), and estimated FY24 distributions per security[4] (**DPS**) as shown below:

Eureka Metrics relative to Aspen Metrics on a Per Security Basis



- Aspen's Offer of 0.26 APZ Securities per EGH Share implies a NAV offer value of $0.52 per EGH Share representing an 11% premium to Eureka's NAV, based on the audited NAV of APZ Securities of $2.01 per APZ Security and Eureka's NAV[1] of $0.47 per EGH Share as at 30 June 2023.
- In Aspen's opinion, the relative trading prices of APZ Securities and EGH Shares has been disturbed by the potential for Aspen to make a takeover offer for Eureka since Aspen acquired a 13.7% stake in Eureka on 13 December 2022. Aspen's Offer essentially represents a nil-premium merger based on the relative VWAP[5] at which APZ Securities and EGH Shares have traded on the ASX since being disturbed as shown in the table below:

Trading Days up to and including 22 January 2024	VWAP APZ Securities	Implied Value of Aspen Offer per EGH Share	VWAP EGH Shares	Implied Offer Premium (Discount)
Since 14 December 2022	$1.760	$0.458	$0.450	1.6%
90 Days	$1.709	$0.444	$0.440	1.1%
60 Days	$1.709	$0.444	$0.437	1.7%
30 Days	$1.718	$0.447	$0.437	2.1%
10 Days	$1.684	$0.438	$0.440	(0.4%)
5 Days	$1.687	$0.439	$0.445	(1.4%)
1 Day	$1.657	$0.431	$0.442	(2.6%)

Source: FactSet as at 22/1/2024

- APZ Securities typically trade ex-distribution in December and June each year, whereas EGH Shares typically trade ex-distribution in March and August which, depending on the timing of the Offer and the distributions made by Aspen and Eureka, may result in Eureka Shareholders accruing distributions from both entities if they accept Aspen's Offer[6].
- The Offer is subject to the conditions set out in **Annexure A** in this announcement.
- Aspen intends to lodge a copy of the Bidder's Statement with the Australian Securities and Investments Commission and the ASX and despatch a copy of the Bidder's Statement to Eureka Shareholders within 2 months, as required by the *Corporations Act 2001* (Cth). The Bidder's Statement will contain detailed and important information for Eureka Shareholders, including how to accept the Offer, information about Aspen and the Merged Group, and the key reasons why Eureka Shareholders should accept the Offer.

Strategic Rationale and Highlights[7]

Aspen believes that a merger of Aspen and Eureka would bring significant benefits to both Eureka and Aspen securityholders, and that the two groups have the potential to be worth more together than as standalone entities.

Key reasons why Eureka Shareholders should accept the Offer are set out below. Further details will be provided in Aspen's Bidder's Statement. It should be noted that certain benefits outlined below assume that Eureka becomes a wholly owned subsidiary of Aspen. In the event Aspen does not acquire 100% of Eureka some of the benefits that would otherwise accrue to Eureka Shareholders that have accepted the Offer may not be fully realised.

✓ **Aspen and Eureka are in the same fundamental business of providing affordable accommodation to Australian households**

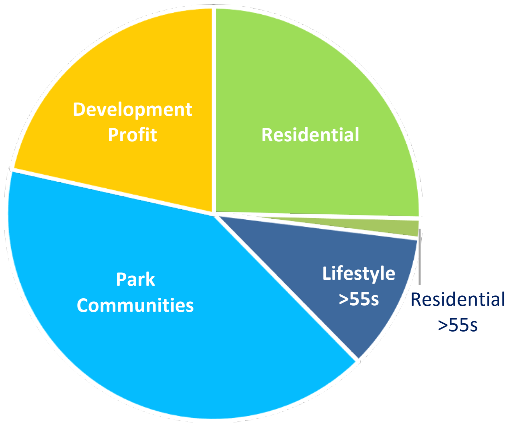
- Aspen Group provides quality accommodation on competitive terms to a variety of household types in residential, lifestyle and park communities across Australia
- Eureka provides *"quality and affordable rental accommodation for independent seniors and disability pensioners within a comfortable community environment"*[8] which is a subset of Aspen's target market

✓ **The Merged Group would be larger and more diversified than the individual entities alone which improves economies of scale and reduces risk**

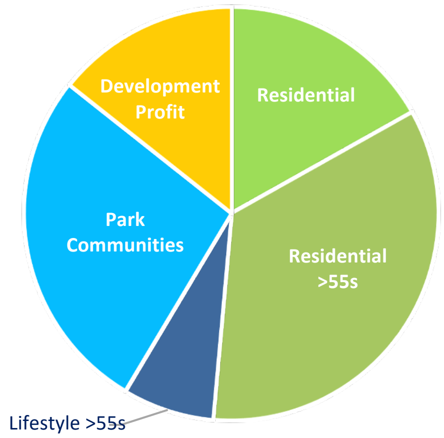
- Australia-wide footprint with presence in every Australian State and the Northern Territory. Aspen has senior head office employees in proximity to most of its properties in Sydney, Adelaide and Perth, and Eureka's Brisbane team would complement the platform
- Almost 8,000 dwellings and sites including about 1,200 approved sites for future development
- Highly diversified by geography, property type, tenant type, lease type, and regulation

Aspen Group – Property NOI and Development Profit Mix[9]

APZ - FY24 Estimate



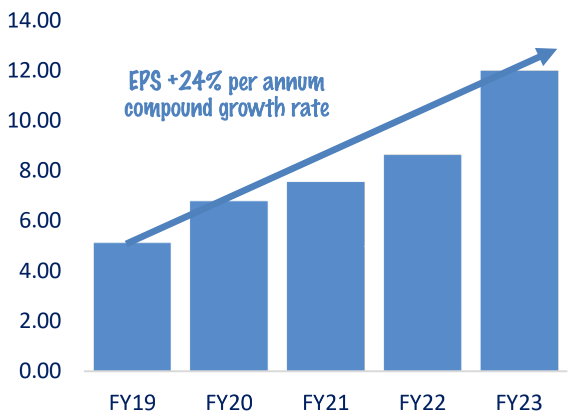
APZ - Post Merger Pro Forma Estimate



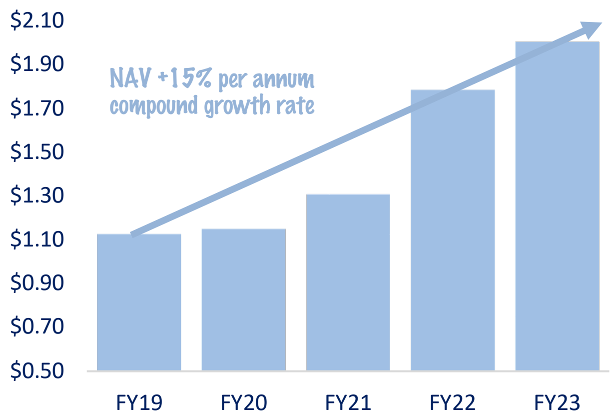
✓ **Aspen Group has a proven track record[10] of adding value through its fully integrated platform with strong ownership, operating, development, and capital management skills**

- Aspen's board and executive management team have extensive real estate experience with four members each holding senior roles in the industry for over 30 years
- Aspen's Joint Chief Executive Officers have led Aspen for 5 years and own a substantial combined stake in the group of over 8%
- Aspen Group adds value for securityholders through acquiring suitable properties at attractive prices, refurbishing existing buildings and greenfield development, offering a variety of lease terms and services to customers, operating the assets well and recycling capital
- Over the 4 years to 30 June 2023 under the current executive management team, Aspen delivered 15% per annum compound increase in NAV per security, 24% per annum compound increase in EPS, and an average distribution yield of 6% per annum[11]

Underlying Operating EPS (cents)



Net Asset Value per Security



✓ Expected Increase in Underlying Operating Earnings per Security (EPS) for both groups of Securityholders

- Aspen Group generated Underlying Operating EPS of 12.00 cents in FY23 and has provided guidance of 12.50-13.00 cents for FY24. Aspen Group is currently well on track to meet FY24 guidance
- Aspen estimates pro forma FY24 Underlying Operating EPS of 13.00-13.50 cents for the Merged Group, which represents an increase of 4% on Aspen Group's current FY24 guidance. This equates to 3.38-3.51 cents per EGH Share, which represents an increase of 21-25% on Aspen's estimate of Eureka's Underlying Operating EPS on a standalone basis. Aspen's estimate of FY24 Underlying Operating EPS for the Merged Group is based on the following assumptions:
  - FY24 Underlying Operating EPS of 12.50-13.00 cents per APZ Security for Aspen Group being Aspen Group's disclosed EPS guidance;
  - FY24 Underlying Operating EPS of 2.80 cents per EGH Share for Eureka which is an assumption made by Aspen in the absence of specific guidance from Eureka;[12]
  - Cost synergies of $2.2 million per annum by merging the companies, mainly related to eliminating duplication of Board and administrative functions; and
  - Total transaction costs of $10.6 million for the Merged Group.

✓ Increase in Distributions per Security (DPS) for Eureka Shareholders

- Aspen Group's minimum DPS guidance for FY24 is 8.50 cents and it has declared an estimated first half DPS of 4.25 cents. The implied distribution payout ratio is at the low end of Aspen Group's policy to distribute 65-75% of underlying earnings
- As far as Aspen is aware, Eureka has not publicly disclosed distribution guidance for FY24. Eureka's annualised DPS is 1.34 cents based on its most recent half year dividend of 0.67 cents per share for the half year ending 30 June 2023
- If Aspen acquires Eureka, Aspen Group would still expect to pay a minimum DPS of 8.50 cents in FY24 on all issued APZ Securities (including APZ Securities issued as part of the Offer) which equates to 2.21 cents per EGH Share based on Aspen's Offer ratio, an increase of 65% on Eureka's current annualised DPS.

✓ Greater Opportunities for Growth

- Aspen Group has a broader investment mandate and significantly larger total addressable market than Eureka, and therefore greater opportunities to acquire properties at an attractive price and create value for securityholders
- Aspen Group's core target customer base is the approximate 40% of Australian households with income of less than $90,000 per annum who can afford to pay no more than $400 per week to rent or $400,000 to purchase their housing needs. Aspen estimates that its total addressable market is worth at least $1 trillion of housing stock
- Aspen Group has a more substantial development platform and pipeline than Eureka from which additional value can be created. Aspen Group generates development profits from the sale of houses in land lease communities and land in residential communities. This component of the business is highly profitable, generating about 18% return on invested capital (**ROIC**)[13] with an approximate 12-year pipeline based on current approved sites and sales rates. Development land and inventory currently represents less than 7% of Aspen Group's total assets and is highly diversified across 10 active projects and several Australian States, which mitigates risk

✓ Balance Sheet Strength

- Aspen Group owns all its assets outright and its current balance sheet is robust with a gearing ratio[14] below 30%, interest cover ratio[15] (**ICR**) above 3.0x, and over $50 million of undrawn debt capacity
- Eureka does not own all its assets outright and, with equity interests in a Tasmania joint venture and the unlisted Eureka Villages WA Fund, has a more complex capital structure, less control over its assets and more stakeholders interests to consider

- Aspen believes that Eureka would have approached its debt facility limit after recently debt funding a larger than planned $9 million stake in Eureka Villages WA Fund as announced by Eureka on 7 December 2023
- Aspen estimates that the Merged Group would have lower pro forma gearing, higher pro forma ICR, and more capacity to debt fund capital expenditure and acquisitions, than Eureka on a standalone basis

✓ **Increased Scale and Relevance on the ASX**

- The Merged Group would initially have book equity of about $500 million which is about 3.4x the current scale of Eureka and 1.4x the current scale of Aspen Group
- Aspen believes the larger Merged Group would be more relevant on the ASX, especially to institutional investors including index funds, potentially improving stock liquidity, stock price and cost of capital

✓ **APZ Securities are Attractively Priced at $1.65 per Security[16]**

- Price / NAV of 0.82x based on historic 30 June 2023 NAV of $2.01
- Price / Earnings ratio of 12.7-13.2x based on current FY24 EPS guidance of 12.50-13.00 cents
- Distribution yield of 5.2% based on current minimum FY24 DPS guidance of 8.50 cents

Financial Summary

The tables below summarise the estimated financial impacts of the proposed merger under two scenarios - Aspen acquiring 100% of Eureka's Shares (Scenario 1) and Aspen acquiring 50.1% of Eureka's Shares (Scenario 2).

The net asset value post transaction is pro forma based on the 30 June 2023 accounts of each group. The Underlying Operating EPS and DPS post transaction are pro forma based on Aspen's guidance for FY24, Aspen's estimates of Eureka's Underlying Operating EPS for FY24 based on Aspen's definition of Underlying Earnings, total transaction costs, and overhead cost synergies. The estimated overhead cost synergies under Scenario 1 are expected to be $2.20 million per annum, and nil under Scenario 2. The assumed total transaction costs are $10.60 million for the Merged Group. Eureka's DPS of 1.34 cents has been estimated based on Eureka's most recent half year dividend of 0.67 cents per share annualised.

The Bidder's Statement will include updated financials that will take into consideration the 31 December 2023 audited accounts of both groups that are expected to be released in late February 2024.

Scenario 1 – Aspen Acquires 100% of EGH Shares

Estimated Pro Forma Financials[7]	Aspen	Eureka	Merged Group	Per EGH Share	% Change per EGH Share
Net Asset Value per Security (NAV) 30 June 2023	$2.01	$0.47	$1.99	$0.52	**9%**
Net Tangible Asset Value per Security (NTA) 30 June 2023	$1.98	$0.44	$1.93	$0.50	**13%**
Underlying Operating EPS (cents) FY24 Guidance for APZ / APZ Estimate for EGH	12.50-13.00	2.80	13.00-13.50	3.38-3.51	**21-25%**
DPS (cents) FY24 Guidance for APZ / Current for EGH	8.50	1.34	8.50	2.21	**65%**

Scenario 2 – Aspen Acquires 50.1% of EGH Shares (including those already held by Aspen)

Estimated Pro Forma Financials[7]	Aspen	Eureka	Aspen post Acquiring 50.1% of EGH Shares	Per EGH Share[17]	% Change per EGH Share
Net Asset Value per Security (NAV) 30 June 2023	\$2.01	\$0.47	\$1.96	\$0.51	**8%**
Net Tangible Asset Value per Security (NTA) 30 June 2023	\$1.98	\$0.45	\$1.90	\$0.49	**11%**
Underlying Operating EPS (cents) FY24 Guidance for APZ / APZ Estimate for EGH	12.50-13.00	2.80	12.50-13.00	3.25-3.38	**16-21%**
DPS (cents) FY24 Guidance for APZ / Current for EGH	8.50	1.34	8.50	2.21	**65%**

Investors should be aware that estimated FY24 Underlying Operating EPS for the Merged Group is an estimate only made for illustrative purposes based on the assumptions stated in this announcement including an assumption made by Aspen about the FY24 Underlying Operating EPS for Eureka. The actual FY24 Underlying Operating EPS for the Merged Group and Eureka may differ significantly from the estimates provided and assumptions made. The directors of Aspen do not guarantee that the estimates or assumptions will be achieved and Aspen Securityholders and Eureka Shareholders are advised to carefully consider the assumptions which have been made as well as the additional financial information which will be provided in the Bidder's Statement in due course and which will take into account Aspen's and Eureka's financial results for the half year ended 31 December 2023.

Offer Conditions

The Offer will be subject to a number of conditions, including a 50.1% minimum acceptance condition. A full list of conditions to the Offer is set out in **Annexure A** to this announcement. Further details regarding the status of the conditions and Aspen's obligations use its best endeavours to satisfy certain of the conditions will be set out in the Bidder's Statement.

Announcement authorised by the Board of Aspen Group Limited.

END

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1. Based on Aspen Group's net asset value (**NAV**) of $2.01 per APZ Security and Eureka's NAV of $0.47 per EGH Share as at 30 June 2023 adjusted as follows. Aspen Group's 30 June 2023 audited accounts reflect an ex-distribution NAV with a provision made for the final distribution to be paid post period end (total of $7.6m or 4.25 cents per security). Eureka's 30 June 2023 accounts did not provision for the distribution of $2.0m or 0.67 cents per security relating to 2HFY23 that was paid post period end. Eureka's NAV has been adjusted by the distribution paid to allow like-for-like comparison with Aspen Group
2. Based on Aspen Group's net tangible asset value (**NTA**) of $1.98 per APZ Security and Eureka's NTA of $0.45 per EGH Share as at 30 June 2023 adjusted as follows. Aspen Group's deferred tax asset is classified as an intangible asset. Aspen Group's 30 June 2023 audited accounts reflect an ex-distribution NTA with a provision made for the final distribution to be paid post period end (total of $7.6m or 4.25 cents per security). Eureka's 30 June 2023 accounts did not provision for the distribution of $2.0m or 0.67 cents per security relating to 2HFY23 that was paid post period end. Eureka's NTA has been adjusted by the distribution paid to allow like-for-like comparison with Aspen Group
3. Underlying Operating Earnings 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. Assumes FY24 Underlying Operating Earnings per security (**EPS**) of 12.50-13.00 cents for Aspen Group being Aspen Group's disclosed EPS guidance, and 2.80 cents for Eureka being Aspen's estimate of Eureka's EPS based on Aspen's definition of Underlying Operating Earnings
4. Assumes FY24 Distribution per Security (**DPS**) of 8.50 cents for Aspen Group being Aspen Group's disclosed guidance as a minimum, and 1.34 cents for Eureka being Aspen's estimate of Eureka's DPS based on Eureka's most recent half year DPS of 0.67 cents on an annualised basis
5. VWAP – Volume Weighted Average Price at which APZ Securities and EGH Shares have traded on ASX
6. Aspen will not deduct from the Offer the value of any interim distributions declared or made by Eureka for 1H FY24, provided it is less than $2.50m in aggregate but reserves all other rights in respect of any excess above this or any other distribution made by Eureka. Eureka Shareholders will receive the 1H FY24 interim distribution from Eureka if they continue to hold EGH Shares on the record date for that distribution, which based on previous years is expected to be in March 2024, and will receive the 2H FY24 final distribution from Aspen if they accept Aspen's Offer, the conditions are satisfied or waived and they are issued with APZ Securities before the record date for that distribution, which is expected to be in June 2024
7. The assumptions that Aspen has made in calculating the financial estimates will be set out in the Bidder's Statement and will take into consideration the 1HFY24 audited accounts of both groups which are expected to be released in late February 2024
8. Source: Eureka's website
9. Based on Aspen's estimates for FY24
10. Past performance is not a reliable indicator of future performance
11. Average distribution yield based on NAV at start of period
12. As far as Aspen is aware, Eureka has not publicly disclosed guidance for FY24 EPS. In its Annual General Meeting presentation slides dated 26 October 2023, Eureka stated that it expects "continued growth in underlying EBITDA", that the "interest rate environment remains challenging" and that it will continue to incur "non-recurring expenses for implementation of technology platform". Aspen has assumed for the purposes of preparing an estimate of FY24 Underlying Operating EPS for the Merged Group that Eureka will generate Underlying Earnings of $8.4m (which is an increase of 4.6% on Eureka's stated underlying earnings before tax of $8.0m in FY23) equating to 2.80 cents per share in FY24. In making this assumption Aspen has made adjustments to Eureka's underlying earnings to include certain costs including branding and information technology expenses which Eureka classified as non-underlying in its FY23 and FY22 financial reports, but which Aspen would typically consider to be normal ongoing expenses for businesses of this kind. The estimate is based on publicly available information about Eureka
13. Return on invested capital (**ROIC**) = FY23 Development Profit divided by Average of Opening and Closing book value of development assets including residential land inventory, civils Inventory, new house Inventory, and spare land in lifestyle villages
14. Gearing = Financial Debt less Cash / Total Assets less Cash less Retirement Village Resident Loan obligations and deferred revenue
15. Interest Cover Ratio (**ICR**) = Underlying EBITDA / Total Interest Paid
16. Based on the closing price of APZ Securities on the ASX on 22 January 2024
17. Outcomes are for EGH Shareholders who accept the Offer

Annexure A

Offer Conditions

For the purposes of these Offer Conditions, "**Eureka Group**" means Eureka, any direct or indirect subsidiary of Eureka, any incorporated joint venture to which any Eureka or any direct or indirect subsidiary of Eureka is a party and the Eureka Villages WA Property Trust acting through its trustee (**Eureka Villages WA Fund**), and "Eureka Group Member" means any of them.

Condition 1 – Minimum Acceptance Condition

At the end of the period during which the offer for the fully paid ordinary shares in Eureka (**Eureka Shares**) on the terms and conditions of the Bidder's Statement (**Offer**) will remain open for acceptance (**Offer Period**), the relevant Aspen bid vehicle (**Bidder)** has a Relevant Interest (as defined in sections 608 and 609 of the *Corporations Act 2001* (Cth) (**Corporations Act**)) in more than 50.1% of Eureka Shares (on issue at that time).

Condition 2 – No Material Adverse Change

(a) Between the date of this announcement (**Announcement Date**) and the end of the Offer Period (each inclusive) **(Implementation Period**) none of the following occurs:

 (i) an event, change, condition, matter, circumstance or thing occurs, will occur, or is reasonably likely to occur;

 (ii) information is disclosed or announced by Eureka concerning any event, change, condition, matter, circumstance or thing that has occurred (including prior to the Announcement Date), will occur, or is reasonably likely to occur; or

 (iii) information concerning any event, change, condition, matter, circumstance or thing that has occurred (including prior to the Announcement Date), will occur, or is reasonably likely to occur, becomes known to the Bidder,

 (each a **Specified Event**) which, whether individually or when aggregated with all other events, changes, conditions, matters, circumstances or things that have occurred (including prior to the Announcement Date), will occur, or are reasonably likely to occur, has had, will have or would be considered reasonably likely to have:

 (iv) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of Eureka Group taken as a whole; or

 (v) without limiting the generality of **Condition 2, Subsection (a)(iv)**, the effect of:

  (A) reducing the Eureka Group's net asset value by more than 5%; or

  (B) reducing underlying earnings per Eureka Share by more than 5%;

(b) For the purposes of **Condition 2, Subsection (iii)**, the Bidder shall not be taken to know of information concerning any event, change, condition, matter, circumstance or thing before the Announcement Date, unless the information has been fully and fairly disclosed by the Bidder in its public filings with the ASX before the Announcement Date.

Condition 3 – No Prescribed Occurrences

During the Implementation Period none of the following happens:

(a) Eureka converts all or any of its shares into a larger or smaller number of shares;

(b) Eureka or a subsidiary of Eureka resolves to reduce its share capital in any way;

(c) Eureka or a subsidiary of Eureka:

 (i) enters into a buyback agreement; or

 (ii) resolves to approve the terms of a buyback agreement under sections 257C(1) or 257D(1) of the Corporations Act;

(d) Eureka or a subsidiary of Eureka issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;

(e) Eureka or a subsidiary of Eureka issues, or agrees to issue, convertible notes;

(f) Eureka or a subsidiary of Eureka disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(g) Eureka or a subsidiary of Eureka grants, or agrees to grant, a Security Interest (as defined in section 51A of the Corporations Act) in the whole, or a substantial part, of its business or property;

(h) Eureka or a subsidiary of Eureka resolves that any of them be wound up;

(i) a liquidator or provisional liquidator is appointed to Eureka or a subsidiary of Eureka;

(j) a court makes an order for the winding up of Eureka or of a subsidiary of Eureka;

(k) an administrator of Eureka or of a subsidiary of Eureka is appointed under sections 436A, 436B or 436C of the Corporations Act;

(l) Eureka or a subsidiary of Eureka executes a deed of company arrangement;

(m) a restructuring practitioner for Eureka or for a subsidiary of Eureka, is appointed under section 453B of the Corporations Act;

(n) Eureka or a subsidiary of Eureka makes a restructuring plan under Division 3 of Part 5.3B of the Corporations Act; or

(o) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Eureka or for a subsidiary of Eureka.

Condition 4 - No material acquisitions, disposals, capital expenditure or changes in the conduct of business

During the Implementation Period (other than with the prior written consent of the Bidder), no Eureka Group Member:

(a) enters into or announces any transaction, which would or would be likely to involve a material change in:

  (i) the manner in which the Eureka Group or any Eureka Group Member conducts its business; or

  (ii) the nature (including balance sheet classification), extent or value of the assets or liabilities of the Eureka Group or any Eureka Group Member;

(b) without limiting the generality of paragraph (a), enters into, agrees to enter into or announces any transaction which would, or would be likely to, involve any Eureka Group Member:

  (i) acquiring or disposing of, or agreeing to acquire or dispose of, any assets (including any real property, units in trusts or shares in companies) or entering into contracts or commitments which have an aggregate value in excess of $10,000,000; or

  (ii) entering into any other agreement, contract or commitment that is not in the ordinary course of business;

(c) waives any material third party default where the financial impact on the Eureka Group or any Eureka Group Member will be in excess of $5,000,000 (individually or in aggregate); or

(d) accepts as a compromise of a matter less than the full compensation due to a Eureka Group Member where the financial impact of the compromise on that Eureka Group Member is more than $5,000,000 (individually or in aggregate),

except as have been fully and fairly disclosed by Eureka in its public filings with the ASX prior to the Announcement Date.

Condition 5 – Eureka Villages WA Fund

During the Implementation Period, either:

(a) Leftfield Investments Pty Limited ACN 129 109 164 (**Leftfield**) as trustee of the Eureka Villages WA Fund provides to Eureka and to the Bidder in writing a binding, irrevocable and unconditional waiver or release of any rights (including unilateral termination rights) in connection with a change of control provision, material covenant or related event of default that may be triggered or exercised in response to, or resulting from the making of the Offer, the acquisition of Eureka Shares by the Bidder, or any change in control or delisting of Eureka if the Offer is successful (**Change of Control Right**); or

(b) either Leftfield or Eureka provides written confirmation to the Bidder that no such termination right exists.

Condition 6 - No destruction or damage to any properties

During the Implementation Period, none of the freehold or leasehold properties owned or managed by Eureka Group Members are destroyed and there is no physical damage to any property such that the aggregate of the amount or value of the destruction or damage to the freehold or leasehold properties exceeds or would reasonably be expected to exceed $5,000,000 after recovery of any insured amounts.

Condition 7 – Responsible entity, trustee, joint ventures and other changes

During the Implementation Period, none of the following occurs (other than with the prior written consent of the Bidder):

(a) any Eureka Group Member implements, or agrees or proposes to implement or otherwise participate in, any transaction, proposal or arrangement under which (if implemented) management of any Eureka Group Member or would be 'externalised' in any way;

(b) any entity is removed or replaced as responsible entity of any Eureka Group Member or an agreement is entered into, or there is any intention announced by Eureka, to remove or replace any responsible entity of any Eureka Group Member;

(c) the trustee of any Eureka Group Member ceases to be the trustee of that Eureka Group Member, unless the outgoing trustee is replaced as trustee by a Eureka Group Member;

(d) in relation to any Eureka Group Member that is the trustee of a trust, the relevant trust is wound up, dissolved, terminated or liquidated, the trust deed is terminated or ceases to be enforceable, or the trustee retires, resigns or is otherwise replaced as trustee of the relevant trust;

(e) a change of control (as defined in section 50AA of the Corporations Act) occurs or is agreed to occur in respect of any Eureka Group Member, other than as a result of the Offer;

(f) a change is made or agreed to be made to any of the constitutional documents of any Eureka Group Member; or

(g) any special or extraordinary resolution is passed or agreed to be passed in respect of any other Eureka Group Member.

(h) in relation to a partnership or an unincorporated joint venture to which a Eureka Group Member is party, the relevant partnership or unincorporated joint venture is dissolved, wound up or terminated or the relevant Eureka Group Member ceases to be a partner or party to the unincorporated joint venture.

Condition 8 – Amendments to agreements

During the Implementation Period (other than with the prior written consent of the Bidder) no contract or commitment (or any series of related contracts or commitments) for the provision by Eureka Group Members of investment management, property management, administration or related services is terminated or amended in a way that is adverse to a Eureka Group Member.

Condition 9 – Regulatory approvals

During the Implementation Period, all approvals, waivers, exemptions, declarations, statements of no objection, orders, notices or consents that are required by law, or by or from any Government Agency (as defined in the Bidder's Statement to be provided), as are necessary to permit:

(a) the Offer to be lawfully made to and accepted by Eureka Shareholders; and

(b) the Offer and any transactions or arrangements contemplated by the Bidder's Statement to be completed (including, without limitation, full, lawful and effectual implementation of the intentions set out in the Bidder's Statement),

are:

(c) granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same; or

(d) no longer required, including as a result of the expiry of any statutory period.

Condition 10 - No regulatory action

During the Implementation Period:

(a) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;

(b) no action or investigation is announced, commenced or threatened by any Government Agency; and

(c) no application is made to any Government Agency,

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, Australian Securities and Investments Commission or the Takeovers Panel (being, the Australian statutory authority regulating corporate takeover transactions), under or relating to a breach of Chapters 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offer and the completion of the off-market takeover bid under Chapter 6 of the Corporations Act constituted by the despatch of the Offer or which requires the divestiture by the Bidder of any Eureka Shares or any material assets of Eureka.

Condition 11 - No distributions

During the Implementation Period, Eureka does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie), other than where in relation to any such distribution in, or in respect of, a financial half year of the Eureka Group ending 31 December 2023 (**Financial Half Year**) (**HY Distribution**), the amount of the HY Distribution, when aggregated with the amount of all other such distributions declared or paid by Eureka in, or in respect of, that Financial Half Year, does not exceed $2.50 million.

Condition 12 – Debt Facilities

During the Implementation Period:

(a) there is no misrepresentation under or breach of, or any event of default, review event, cancellation event, prepayment event or similar event under, any debt facility taken out by one or more Eureka Group Members (**Debt Facility**);

(b) there are no amendments made to, or waivers, standstills or similar indulgences requested by a Eureka Group Member or granted by the lender under (including, without limitation, in respect of any financial covenants) a Debt Facility;

(c) no notices or demands have been served on Eureka or any Eureka Group Member in relation to misrepresentation, default or non-compliance under a Debt Facility; and

(d) no lender under a Debt Facility cancels (or suspends) any commitments under, requires repayment of or is entitled to require repayment of or otherwise terminates any such Debt Facility or requires that any action be taken thereunder (including the acceleration of the performance of any obligation thereunder).

Condition 13 – No Eureka Group insolvency

During the Implementation Period no Eureka Group Member becomes insolvent.

For the purposes of this Condition, “insolvent” has the meaning given in paragraphs (g) to (o) of Condition 3 as if references to “subsidiary” were references to a Eureka Group Member.

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