

18 January 2023

CAPITAL REDUCTION – ATO CLASS RULING

Euroz Hartleys Group Limited (**Euroz Hartleys** or the **Company**) (ASX: EZL) is pleased to confirm that the Australian Tax Office (**ATO**) has issued ATO Class Ruling CR 2023/1 (**Class Ruling**) in relation to the Australian income tax consequences for the Company's shareholders of the recently completed equal capital reduction (**Capital Reduction**) and associated cancellation of shares (**Share Cancellation**) as approved by shareholders at the Euroz Hartleys Annual General Meeting held on 17 November 2022.

As announced on 29 November 2022, the Capital Reduction and Share Cancellation was applied to all shareholders on the Company's share register as at 4:00pm (WST) on 25 November 2022 (**Eligible Shareholders**¹). The cash payment in respect of the Capital Reduction was made to Eligible Shareholders on 2 December 2022.

The Class Ruling confirms that, for Eligible Shareholders who are resident of Australia for Australian tax purposes:

- (a) no part of the Capital Reduction proceeds will be treated as a dividend for income tax purposes;
- (b) if the Capital Gains Tax (**CGT**) cost base of a share is less than the Capital Reduction proceeds (on a cents per share basis), a capital gain will arise for the difference;
- (c) if the CGT reduced cost base of a share is more than the Capital Reduction proceeds (on a cents per share basis), a capital loss will arise for the difference; and
- (d) a CGT discount may be applied against the net capital gain where the shareholder acquired, or are taken to have acquired, their EZL shares on or before 27 November 2021 and certain other requirements have been met.

The information set out in this announcement is summary in nature and shareholders should refer to the Class Ruling for further information. The tax consequences for an Eligible Shareholder may vary depending upon the shareholder's individual circumstances. Shareholders should consult their own advisers as to the tax consequences.

A copy of the Class Ruling is available at the ATO website at www.ato.gov.au and the Company's website at www.euroz.com.

¹ Paragraphs 4 and 5 of the Class Ruling provide additional information on who the Class Ruling applies to

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This announcement is authorised for release by the Board of Euroz Hartleys Group Limited.