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Coorong Quays, Hindmarsh Island

Aspen Group Equity Raising

13 September 2022



Aspen's Business Model

Sustainable Ecological Footprint

Aspen's efficient dwellings use significantly less resources to manufacture and operate than the average Australian home – we also recycle/refurbish dwellings

With solar installed, our dwellings can produce more electricity than they consume

We install energy and water saving devices and metering to reduce resource use

Our communities share resources such as common areas, recreation facilities, gardens and transport

Our parks are highly vegetated, and our land management programs reduce degradation and environmental risks

Aspen's carbon emission reduction target for the assets that it controls is in accordance with the 2015 Paris Agreement

Aspen Provides Quality Accommodation on Competitive Terms to Australian Households

Customer-centric business model servicing households that can afford no more than \$400 weekly rent or \$400k purchase price

We provide a range of products demanded by our customers in residential, retirement and park communities

We foster a safe, social, diverse, and inclusive culture in our communities by providing on-site management, customer services, and community facilities which gives our residents a sense of home and meaningful connections to the community

Total value of real estate in Aspen's addressable market >\$1 trillion

Average Dwelling Rent
<\$300pw

Average Land Lease Rent
<\$180pw

Average New Dwelling Sales Price of <\$375k

Some of our properties are located in past and present Indigenous communities, and we actively seek to help them conserve heritage items

We recently established **Aspen Social** – collaborating with the Red Cross and Nulsen Disability Services to help provide social housing

Governance

Aspen Group comprises Aspen Group Limited and Aspen Property Trust with two separate independent Boards

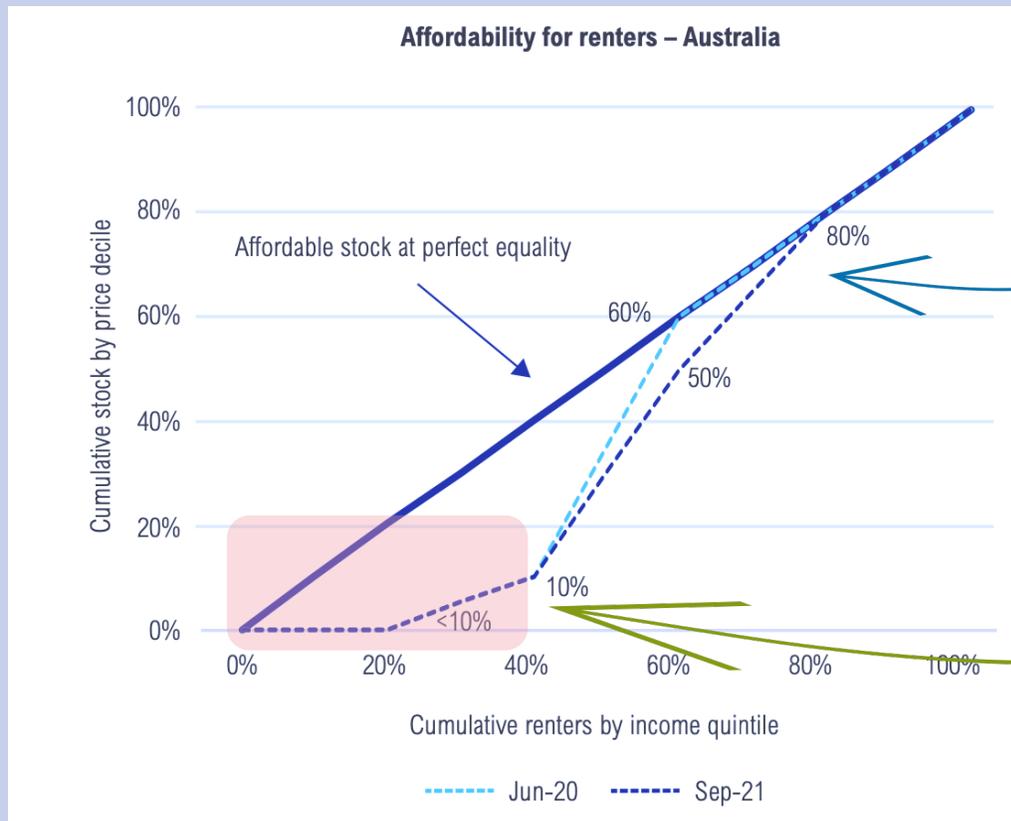
Aspen provides equal employment opportunities regardless of gender, gender-identity, age, culture, race and religion.

We continuously strive for the highest WH&S standards at our properties to keep our employees, suppliers and customers safe

Our Joint CEOs own a combined stake of 9% in Aspen Group and 50% of their remuneration package is deferred for up to 3 years and subject to performance hurdles and vesting conditions

Massive Demand for Aspen's Lower Cost Accommodation

Aspen's core target market is the c.40% of Australian households who can afford to pay no more than \$400pw in rent...



Market in Equilibrium:

- Supply / Demand in Balance
- Average / Normal Returns

Aspen's Target Market

Market Dislocation:

- Demand is more than 4x Supply
- Opportunities to help solve a problem and generate Outsized Returns

Less than 10% of rental stock in Australia is available at rents that the bottom 40% of household renters (by income) can afford¹

Aspen Highlights

The demand for more affordable accommodation is significant in Australia's \$9 trillion residential property market...

✓ Fully integrated owner, operator, developer platform that is adding value

- Operating capabilities for both long and short stay customers - optimising revenue / costs / risks through changing market conditions
- Development capabilities – creating quality product at a very competitive cost that is well suited to our customer base
- Generating a measured mixture of passive rental / operating income (c.75-80%) and development profits (c.20-25%)
- Past 3 years: Operating EPS growth of 19% per annum and NAV per security growth of 17% per annum

✓ Rapidly building scale at attractive entry prices aligned with our affordable strategy

- Diversified portfolio of residential, retirement and park communities with latent development upside
- 4,646 dwellings/sites - up 69% past 12 months
- 68% of portfolio in metropolitan locations
- 1,362 dwellings/sites or 29% of portfolio currently under redevelopment/refurbishment - creating quality long term rental streams and generating NAV uplift
- Attractive portfolio valuation: WACR 6.4%; \$85k per dwelling/site; \$34k per approved development site

✓ Expected growth drivers over the medium term

- Residential rents underpinned – vacancy rates at or near historic lows in most markets, new dwelling building cost up 20% past 12 months¹, demand increasing, relative scarcity of well-located land
- Rebound in short stay demand with Covid dissipating and borders opened – broad based across tourists, corporates and students
- Completion and leasing of Burleigh Heads, Cooks Hill and Perth Apartment Portfolio refurbishment projects over next 3-18 months expected to materially add to income and net asset value
- Increased development activity and highly diversified – now 8 retirement and residential projects underway v. only 1 in FY20
- Potential acquisition opportunities expected to increase - strengthened balance sheet will help Aspen execute



1. Source: Australian Bureau of Statistics, Consumer Price Index, Australia June 2022

Summary of FY22 Results – Operating Earnings & Distributions

Profits increased materially in a challenging environment with portfolio positioned for continued growth...

Total Revenue
\$46m
+31%

Property NOI
\$14.8m +17%
Development Profit
\$3.5m +78%

Operating Earnings¹
\$11.8m
+34%

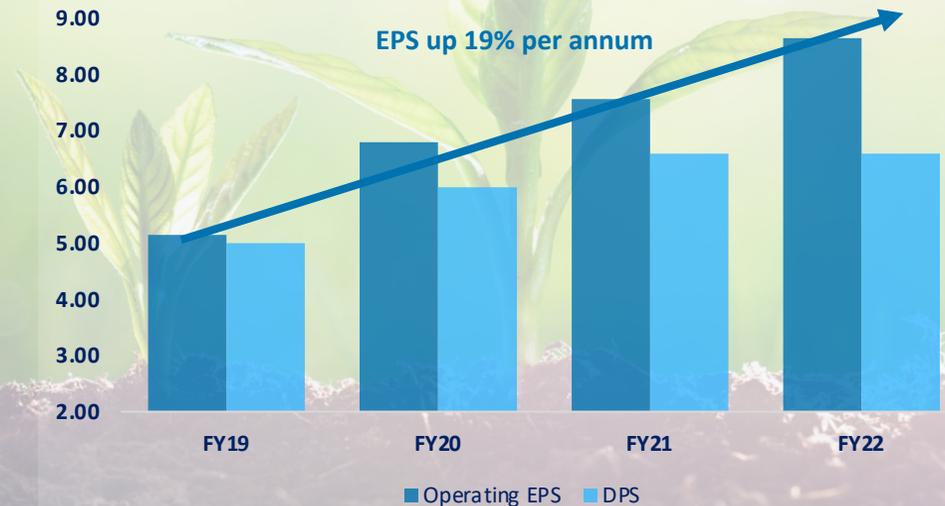
Operating EPS
8.65 cents
+14%

DPS
6.60 cents
Retained more Earnings for Reinvestment

(compared to FY21)

- Aspen is a fully integrated owner, operator, developer that can accommodate both long and short stay customers, with a strong track record of value creation – MER² is very competitive at 1.0%
- Occupancy and rents / room rates are increasing across the portfolio:
 - Massive unsatisfied demand for longer term residential accommodation at more affordable rents
 - Rebound in demand for short stay accommodation with COVID dissipating and borders reopening – broadly spread across tourists, corporates, students
- Continued rapid growth in profitability while maintaining a measured balance of Property NOI (81%) and Development Profit (19%)
- Highly cash generative business – no lease incentives, no straight-line accounting of income, minimal arrears, low development inventory / high stock turn – operating cashflow after finance and borrowing costs up 25% to \$14.1m equating to 119% of Operating Earnings (128% in FY21)
- New distribution policy targeting 65-75% of Operating EPS to retain earnings to fund SIBC and support growth initiatives

Operating EPS and DPS (cents)



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 report for full definition. Result excludes Trading Profits from the sale of Perth Houses in FY22 (\$1.67m) and FY21 (\$0.19m) and residential land sales at Coorong Quays post acquisition on 1 June 2022. The previously reported Trading Profits on the Perth Houses are captured in the revaluations of these properties which have increased Net Asset Value. 2. MER – Management Expense Ratio: Net Corporate Overheads / Closing Total Assets

Summary of FY22 Results - Capital

Aspen has continued to grow its business, portfolio and value while managing risks...

Approved dwellings/sites

4,646

+69%

Total Asset Value

\$452m

+84%

Portfolio WACR¹

6.4%

Value per dwelling/site

\$85k

Net Debt

\$117m

Gearing³

28%

NAV per security

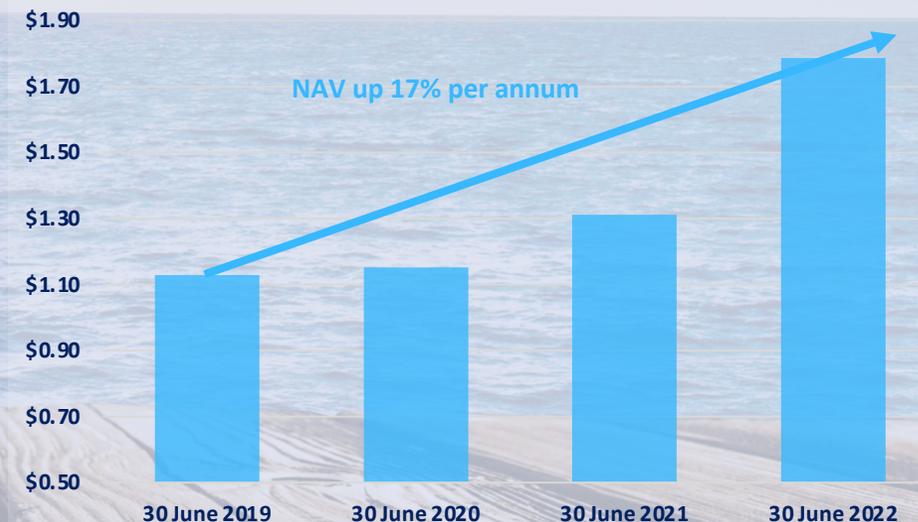
\$1.79

+36%

(compared to FY21)

- Business and portfolio continues to scale up through attractively priced acquisitions and redevelopment/refurbishment projects
- NAV increase mainly driven by NOI increase, value-add in our projects and retained earnings - only 9cps of the 48cps increase related to a 40bps compression in WACR¹
- Over the past 3 years Aspen's total asset value has increased by \$311m with only \$73m of new equity raised - the material value creation has increased debt capacity, reduced WACC² and increased returns for securityholders
- Discount of c.\$25m (16cps) imbedded in valuations of current residential refurbishment projects to allow for development and leasing risk, and time value – expected to be released over the next 6-18 months as projects are completed
- Aspen owns 100% interests in all its properties - no JV partner interests to satisfy

Net Asset Value per Security



1. WACR – weighted average cap rate, weighted by value – on a like-for-like basis for all properties held since 30 June 2021. 2. WACC – weighted average cost of capital. 3. Gearing = (financial debt less cash) / (total assets less cash less RV resident loans)

Performance Update - First 2 Months FY23 (Unaudited)

Continued growth across the portfolio...

Main Growth Drivers

- Strong rental growth across the portfolio due to low vacancy rates, higher building costs and supply delays, increasing demand – particularly for more affordable product
- Strong rebound in tourist, worker and student demand with Covid dissipating and borders open
- Leasing of residential dwellings post refurbishment (Burleigh Heads, Perth Apartments)
- New retirement houses being developed and sold – more annuity rents in the land lease communities
- Upgrading of parks and cabins over the past few years has led to improved rates and occupancy
- Tight cost controls has helped improve profit margins

\$m	FY22 YTD August			FY23 YTD August			Growth	
Operations								
	Revenue	NOI	Margin	Revenue	NOI	Margin	Revenue	NOI
Residential	\$0.74	\$0.34	46%	\$1.78	\$1.01	57%	140%	197%
Retirement Communities	\$0.71	\$0.43	61%	\$0.84	\$0.53	63%	19%	24%
Park Communities	\$4.19	\$1.85	44%	\$6.00	\$2.83	47%	43%	53%
Total Operations	\$5.63	\$2.62	46%	\$8.61	\$4.38	51%	53%	67%
Development								
	Revenue	Profit	Margin	Revenue	Profit	Margin	Revenue	Profit
Residential	\$0.00	\$0.00	0%	\$0.75	\$0.27	37%	NA	NA
Retirement Communities	\$0.20	\$0.04	21%	\$2.97	\$0.79	26%	1354%	1717%
Total Development	\$0.20	\$0.04	21%	\$3.72	\$1.06	29%	1721%	2349%
	Revenue	Income	Margin	Revenue	Income	Margin	Revenue	Income / Expense
Operating and Development	\$5.84	\$2.66	46%	\$12.34	\$5.44	44%	111%	104%
Net Corporate Overheads		-\$0.89			-\$0.89			0%
EBITDA		\$1.77	30%		\$4.55	37%		156%
Net Interest Expense		-\$0.27			-\$0.42			57%
Operating Earnings¹		\$1.51	26%		\$4.13	33%		174%
Securities		120.04			155.05			
Operating EPS (cents)		1.26			2.66			112%

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 report for full definition.

Performance Update - First 2 Months FY23 (Unaudited)

Property Operations

Total Revenue \$8.6m – up 53% compared to previous corresponding period (pcp)

- Up 32% on a like-for-like basis
- Darwin FSR is in peak season and up 29% to \$3.0m
- Aspen Karratha Village (AKV) occupancy is around 50% (but volatile week to week) and total revenue is up 97% to \$0.9m

Total Property Net Operating Income (NOI) \$4.38m – up 67% to pcp

- Up 45% on a like-for-like basis
- Darwin FSR up 38% to \$1.6m
- Aspen Karratha Village (AKV) up 123% to \$0.3m
- Perth Apartment Portfolio contributed \$0.44m (none in pcp) – number of leased apartments has grown from 211 at acquisition to 386

Property NOI Margin expanded from 46% to 51% - all segments improved

Property Development

Total Development Profit of \$1.06m equates to 30% of entire FY22 result of \$3.51m

15 retirement houses and residential land lots settled

- 8 retirement houses at Wodonga Gardens at average margin of \$99k / 26% (plus Deferred Management Fee of 25% of resale value, the value of which is not included in development profit)
- 7 residential land lots at Coorong Quays (CQ) at average margin of \$39k / 37% (these new residents pay annuity encumbrance fees and may lease and frequent other areas of CQ)

Contracts¹ on hand of \$11.2m (ex. GST)

Corporate

- **Net Corporate overheads flat** – Aspen is no longer earning project management fees from the Marina Hindmarsh Island Fund post acquisition
- **Net interest expense up** due to higher debt and interest rates – less interest is capitalised against the Residential refurbishment projects as they are completed and leased

1. Contracts includes contacts, deposits and EOLs 2. 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 report for full definition.



Equity Raising



Equity Raising Summary

<p>Equity Raising</p>	<ul style="list-style-type: none"> ▪ Aspen Group, comprising Aspen Group Limited and Aspen Property Trust (Aspen), intends to undertake an equity raising comprising: <ul style="list-style-type: none"> - An institutional placement to raise \$36.34 million (the Institutional Placement) - A security purchase plan to raise \$3.00 million (the SPP) (together with the Institutional Placement, the Equity Raising)
<p>Institutional Placement</p>	<ul style="list-style-type: none"> ▪ Institutional Placement to eligible investors of 23m new fully paid ordinary APZ securities (Securities) at \$1.58 each, totalling \$36.34m: <ul style="list-style-type: none"> - represents 14.8% of existing APZ securities on issue
<p>Securityholder Purchase Plan (SPP)</p>	<ul style="list-style-type: none"> ▪ Aspen will offer eligible security holders in Australia and New Zealand an opportunity to participate in a SPP to raise up to \$3.00m ▪ Eligible security holders will be invited to subscribe for up to a maximum of \$30,000 of additional Securities, free of transaction and brokerage costs ▪ The issue price will be the same as the Placement price of \$1.58 per security ▪ Aspen may (in its absolute discretion), in a situation where total demand exceeds \$3.00 million, decide to increase the amount to be raised under the SPP or apply a scale back ▪ The SPP will not be underwritten
<p>Ranking</p>	<ul style="list-style-type: none"> ▪ New Securities issued pursuant to the Equity Raising will rank equally with existing APZ securities and will be entitled to the distribution for the six months ending 31 December 2022
<p>Pricing Metrics</p>	<ul style="list-style-type: none"> ▪ Issue price of \$1.58 per security represents: <ul style="list-style-type: none"> - 4.5% discount to last close of \$1.655 on 12 September 2022 - 9.8% discount to Aspen’s pro forma NAV of \$1.75 per security - 4.2% distribution yield (based on FY22 distribution of 6.60cps)
<p>Use of Net Proceeds</p>	<ul style="list-style-type: none"> ▪ Initially, debt reduction to better position Aspen to take advantage of acquisition opportunities
<p>Brokers to Placement</p>	<ul style="list-style-type: none"> ▪ Bookrunner, Underwriter and Joint Lead Manager: MA Moelis Australia Advisory Pty Limited ▪ Joint Lead Manager: Taylor Collison Limited

Impact of the Equity Raising – Guidance Maintained

Audited accounts at 30 June 2022 adjusted for the Institutional Placement (assumes \$nil raised in the SPP):

Sources & Applications - \$m			
Equity Raising		\$36.3	
Total Sources		\$36.3	
Equity Raising Expenses		\$1.5	
Debt Repayment		\$34.9	
Total Applications		\$36.3	
Balance Sheet - \$m			
	30-Jun-22	Equity Raising	Pro Forma
Properties	\$412.5		\$412.5
Development Inventories	\$15.8		\$15.8
Cash	\$10.7		\$10.7
Other Assets	\$13.4		\$13.4
Total Assets	\$452.4	\$0.0	\$452.4
Financial Debt	\$127.7	-\$34.9	\$92.8
RV Resident Loans	\$27.1		\$27.1
Other Liabilities	\$20.6		\$20.6
Total Liabilities	\$175.4	-\$34.9	\$140.6
Total Equity	\$277.0	\$34.9	\$311.9
Securities	155.0	23.0	178.0
NAV per Security	\$1.79		\$1.75
Gearing¹	28%		20%

With the net proceeds from the Institutional Placement being used for debt reduction, the initial pro forma impacts on Aspen are:

- Debt reduces from \$127.7m to \$92.8m
- Undrawn lines under existing debt facilities increases to \$61.9m
- Gearing reduces from 28% to 20%
- Aspen will maintain its BBSW rate hedges totalling \$70m to April 2024 at 50bps - the debt being repaid is currently subject to higher floating rates
- Net Asset Value declines by 2.0% to \$1.75
- Dilutive to Operating EPS – earnings yield is currently at least 200bps higher than marginal cost of debt
- Aspen is placed in a much stronger position to weather interest rate increases well above current levels (should it occur), and to take advantage of opportunities to expand its portfolio at attractive prices

Equity raised under the SPP would result in an additional slight dilution of Operating EPS and Net Asset Value

Guidance Maintained

Aspen remains well positioned to continue to grow Operating EPS and/or Net Asset Value per security by at least 10% per annum over the medium term

1. Gearing = (financial debt less cash) / (total assets less cash less Retirement Village (RV) resident loan liabilities)

Timetable

Key Event	Date
Record Date for SPP	Monday 12 September 2022
Trading halt and announcement of Equity Raising	Tuesday 13 September 2022
Institutional Placement bookbuild opens	Tuesday 13 September 2022
Trading halt lifted	Wednesday 14 September 2022
Settlement of Securities issued under the Institutional Placement	Friday 16 September 2022
Normal trading of Securities issued under the Institutional Placement	Monday 19 September 2022
SPP Offer opens	Tuesday, 20 September 2022
SPP Offer closes	Tuesday, 4 October 2022
Issue of Securities under the SPP	Tuesday, 11 October 2022
Normal trading of Securities under the SPP	Wednesday, 12 October 2022



Appendices



Appendix 1: International Offer Restrictions

This document does not constitute an offer of new stapled securities ("New Securities") of Aspen in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Appendix 1: International Offer Restrictions

Singapore

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- This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.
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United States of America

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Appendix 2: Key Terms of the Placement Agreement

Aspen Group Limited (**Company**) and Evolution Trustees Limited as responsible entity of the Aspen Property Trust (**Trust**) (each, an **Issuer** and together, the **Issuers**) have entered into a placement agreement with MA Moelis Australia Advisory Pty Ltd (**MA Moelis**) (the **Placement Agreement**), pursuant to which the Underwriter has agreed to act as a joint lead manager, and on an exclusive basis as bookrunner and underwriter, of an institutional placement (**Placement**) of securities in Aspen, each of which are stapled securities comprising a fully paid ordinary share in the Company and a fully paid unit in the Trust (**Placement Securities**) on the terms and conditions in the Placement Agreement.

If certain conditions are not satisfied or certain events occur, MA Moelis may terminate the Placement Agreement. Termination of the Placement Agreement could have a material adverse impact on the total amount of proceeds that could be raised under the Placement.

MA Moelis' obligations under the Placement Agreement, including to manage the Placement, are conditional on certain matters, including the timely delivery of due diligence process sign-offs and other documents, and that Aspen remains able to service its debts.

A summary of events which may trigger termination of the Placement Agreement include (but are not limited to) the following:

- (*) an Issuer is in breach of the Placement Agreement or any of an Issuer's representations or warranties in the Placement Agreement is not true or correct when made or taken to be made
- (*) if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group are not capable of being performed in accordance with their terms
- (*) a Group Member, breaches, or defaults under any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which is not promptly waived by the relevant financier or financiers
- (*) an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing
- (*) any financing or related arrangement referred to in the Offer Materials is not or will not be refinanced, terminated, amended or entered in to
- the Issuers are unable or unlikely to be able to issue the Placement Securities on the Issue Date specified in the Timetable
- any event specified in the Timetable is delayed for more than one business day without the prior written consent of MA Moelis
- the Issuers alter their capital structure or that of the Trust (other than as contemplated in the Placement Agreement), or the Constitution
- any Group Member is or becomes subject of an Insolvency Event
- there is a Material Adverse Effect when compared to the position disclosed in the Offer Materials or otherwise disclosed by the Issuers to the ASX on or prior to the date of the Placement Agreement
- a Certificate that is required to be given by the Placement Agreement is not given within the specified time or a statement in that Certificate is not true or has a material omission
- the Issuers or their respective directors or officers (as these terms are defined in the Corporations Act) engage in any fraudulent conduct or activity in connection with the Placement
- either John Carter or David Dixon is removed from office or replaced
- (*) a change in the board of directors of the Issuers (other than John Carter) occurs or is announced
- there are not, or there ceases to be, reasonable grounds for any statement or estimate by the Issuers in the Offer Materials (including any financial forecasts)
- (*) responses to the DDQ or any other information supplied by or on behalf of the Issuers to MA Moelis in relation to the Group or the Placement is, or becomes, false or misleading or deceptive, or likely to mislead or deceive, including by way of omission
- a statement contained in the Offer Materials, is, or MA Moelis becomes aware that such a statement was at the time it was made, misleading or deceptive
- ASIC issues, or threatens in writing to issue, proceedings or commences any inquiry or investigation in relation to the Placement which becomes public or is not withdrawn within 24 hours or by 7.00 am on the Settlement Date (whichever is earlier)
- the ASX makes any official statement to any person that Securities will be suspended from quotation, the Company or the Trust will be removed from the official list of ASX, or that quotation of all of the Placement Securities will not be granted by ASX or such approval has not been given before the close of business on the last date on which the Placement Securities may be allotted, or such suspension from quotation occurs which becomes public or is not withdrawn within 24 hours or by 7.00 am on the Settlement Date (whichever is earlier)
- (*) any Government Agency commences any public action against an officer of an Issuer in his or her capacity as an officer of the Issuer or announces that it intends to take any such action or an officer of an Issuer is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act
- (*) any Government Agency issues proceedings or commences any public action, or any investigation or hearing against or in respect of an Issuer or the Group or announces that it intends to take any such proceedings or action

Appendix 2: Key Terms of the Placement Agreement (cont'd)

- (*) any of the following occur: hostilities not presently existing at the date of the Placement Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not); a terrorist act is perpetrated; a chemical or nuclear weapon attack is perpetrated; or a national emergency is declared, involving any one or more of Australia, New Zealand, the United States of America, any member state of the European Union, any member of the North Atlantic Treaty Organisation, Finland, Sweden, Hong Kong, Japan, Singapore, the Peoples' Republic of China or the United Kingdom or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world
- the ASX/S&P 200 Index falls by 10% or more below its level at market close on the trading day immediately prior to the date of the Placement Agreement
- (*) MA Moelis becomes aware of a contravention by an Issuer of an Applicable Law
- (*) there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law or regulatory directive (either in Australia or in any jurisdiction to which the Placement Securities will be marketed), or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Placement Agreement), any of which does or is likely to prohibit, regulate or otherwise adversely affect the Placement, capital issues or stock market
- (*) any of the following occurs: a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, Hong Kong, Japan, Singapore, the United Kingdom or any member or any member state of the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; trading in all securities quoted or listed on the ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the New York Stock Exchange or the Singapore Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of 1 day) on which that exchange is open for trading; or there is any adverse change to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, the United States of America, Hong Kong, the United Kingdom or Singapore, or the international financial markets or any prospective adverse change in national or international political, economic or financial conditions.

Materiality: In respect of the subclauses with an asterisk (*) only, MA Moelis may not terminate unless in the reasonable opinion of MA Moelis, the event has had or is likely to have a materially adverse effect on: the marketing, outcome, success or settlement of the Placement; the likely price at which the Placement Securities will trade on ASX; or the willingness of investors to subscribe for Placement Securities; has given or would be likely to give rise to a liability for MA Moelis under any Applicable Law; or has given or would be likely to give rise to a contravention by MA Moelis or MA Moelis being involved in a contravention of the Corporations Act or any Applicable Law

Appendix 3: Risks

General Risks

This section discusses some of the key risks associated with an investment in Aspen. A number of risks and uncertainties may adversely affect the operating and financial performance or position of Aspen and in turn affect the value of Aspen securities. These include specific risks associated with an investment in Aspen and general risks associated with any investment in listed securities. The risks and uncertainties described below are not an exhaustive list of the risks facing Aspen. Potential investors should carefully consider whether the new Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risks set out below.

<p>Impact of COVID-19</p>	<p>Events relating to COVID-19 have at times resulted in significant disruption and volatility, including material declines in the prices of securities trading on the Australian Securities Exchange (ASX) (including the price of Aspen’s securities) and on other foreign securities exchanges. There is continuing uncertainty as to the further impact of COVID-19, including in relation to government responses, work stoppages, lockdowns, quarantines, travel restrictions and unemployment and on what affect such factors may have on Aspen, the Australian economy and share markets. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not possible to assess the full impact of COVID-19 on Aspen’s business. Further it is possible that any adverse economic impact of COVID-19 may continue beyond the duration of the pandemic.</p>
<p>General Investment Risks</p>	<p>There are risks associated with any stock market investment, including:</p> <ul style="list-style-type: none"> ▪ The demand for Aspen securities may increase or decrease and Aspen securities may trade above or below the issue price on the ASX; ▪ If Aspen issues new securities, an existing Securityholder’s proportional interest in Aspen may be reduced; and ▪ The market price of the securities may be affected by factors unrelated to the operating performance of Aspen such as stock market fluctuations and volatility and other factors that affect the market as a whole.
<p>Macro-economic Risks</p>	<p>Changes to economic conditions in Australia and internationally, investor sentiment and international and local stock market conditions, changes in fiscal, monetary and regulatory policies which may impact economic conditions such as interest rates and inflation and consequently the performance of Aspen.</p>
<p>Liquidity and Dilution</p>	<p>Turnover of Aspen securities can be limited and it may be difficult for investors to buy or sell lines of securities at market prices.</p> <p>In response to market conditions or for other reasons, ASX may amend temporarily or permanently, rules relating to the issue or trading of securities, which may affect the liquidity a securities.</p> <p>Aspen may issue further new securities in the future. This may be on terms which may result in the securityholder being ineligible to participate pro rata or at all. As a result, the percentage interest in Aspen that a security holder may hold, may be diluted in the future.</p>
<p>Legislative and Regulatory Risks</p>	<p>Changes in laws, regulation and government policy may affect Aspen’s business and therefore the returns Aspen is able to generate.</p>

Appendix 3: Risks

Environmental Risk	Aspen's properties are subject to environmental risks including loss of property and profits due to bushfires, floods, cyclones, erosion of waterways and other events. These risks and potential losses may increase in future as the climate continues to change. Aspen carries insurance for some of these events, however insurance may not cover all or any of the losses incurred, insurance may prove increasingly difficult to obtain or the cost may become prohibitive.
Tax Implications	Future tax liabilities may be impacted by changes to the Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia. This in turn could impact the value or trading price of Aspen securities, the taxation treatment of an investment in Aspen or the holding costs or disposal of its securities.
Litigation	Aspen may, in the ordinary course of business, be involved in possible litigation disputes (such as environmental and workplace health and safety, industrial disputes and other legal claims). A material legal action may adversely affect the operational and financial results of Aspen.
Business Strategy Risk	Aspen's business strategy is focused on growing its portfolio through acquisition, development and increasing occupancy and income across its key business segments. A key element of Aspen's strategy and earnings is attributable to development and letting of new dwellings in various sectors. Aspen's future growth is dependent on the successful execution of this strategy. Any change or impediment to implementing this strategy may adversely impact on Aspen's operations and future financial performance.
Development Risk	<p>Aspen undertakes property development. Such projects have a number of risks including (but not limited to): delays or issues around planning, application and regulatory approvals; development cost overruns; environmental costs; project delays; issues with building and supply contracts; expected sales prices and leasing rates or timing of expected sales and leasing not being achieved.</p> <p>A sustained downturn in the residential property markets due to deterioration in the economic climate could result in reduced development profits through lower selling / leasing prices, lower selling / leasing volumes and delayed settlements / leasing.</p>
Tourism	Aspen derives income from tourism and tourism related services. The income derived from this business may be seasonal and vary due to weather conditions, changes in demand for current and new alternate tourism destinations, the international and domestic tourism market and general consumer discretionary spending. Due to COVID-19 governments have been enacting restrictions on the movement of people and to whom we can offer our short stay products to. This has impacted revenues from our short stay products and it is not known how long this will continue.

Appendix 3: Risks

<p>Increased Competition</p>	<p>Aspen operates in a variety of markets and offers various accommodation types within its residential, retirement and park communities. While there are barriers to entry for new operators, future developments that directly or indirectly compete with Aspen’s existing portfolio could impact Aspen’s current business and financial performance.</p>
<p>Government Assistance</p>	<p>Governments and other authorities provide rental assistance and other subsidies for many residents in Aspen’s portfolio. Any change to legislation could result in a reduction in resident demand for leases in the properties and therefore impact Aspen’s business. Reductions in subsidies for residential tenants could result in loss in rent or increased arrears.</p>
<p>Income and Expense Growth Rates</p>	<p>Higher than expected inflation rates could lead to greater development and/or operating costs. While resident leases are subject to rental rate increases, the ability to raise future rents and maintain or grow occupancy may be impacted by residents’ income levels and a change in government subsidies. Aspen’s future financial performance could be impacted where the inflation in operating and development costs exceeds the growth in rental income.</p>
<p>Distributions</p>	<p>Future distributions for Aspen securities will be determined by the Directors having regard to the operating results, future capital requirements, bank debt covenants and the financial position of Aspen. There can be no guarantee that Aspen will continue to pay distributions at the current level or at all.</p>
<p>Asset Impairment Risk</p>	<p>Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Factors affecting property valuations include capitalisation and discount rates, the economic growth outlook, land resumptions and releases and major infrastructure projects. Such impacts on property valuations may lead to variations in the valuation of Aspen securities.</p>
<p>Funding Risk</p>	<p>Aspen currently has bank debt which contains certain financial and operational covenants. Any breach of these covenants could result in the early enforced repayment of debt. Such repayment could incur capital losses if assets need to be sold in a short period or securityholders may be diluted if equity needs to be raised at a large discount.</p> <p>Aspen currently has a single debt maturity in April 2024. At the maturity of this loan, there is no certainty it will be refinanced on the same terms currently in place. Aspen is exposed to fluctuating interest rates. While Aspen currently hedges part of its variable rate interest expense, Aspen does retain a portion of interest rate fluctuation exposure.</p>
<p>Personnel Risk</p>	<p>The ability of Aspen to successfully deliver on its business strategy is dependent on retaining key employees of Aspen. The loss of senior management or other key personnel could adversely impact on Aspen’s business and financial performance.</p>

Appendix 3: Risks

Accounting Standards	Changes to accounting standards may affect the reported earnings of Aspen from time to time.
Acquisition Risks	The Placement is not conditional on deploying the proceeds into the specified acquisition of assets. There is a risk that acquisitions may not occur and the timing, consideration paid and investment return on any acquisition made may vary from the existing portfolio.
Acquisition Integration	Aspen intends to implementation a number of initiatives to integrate assets that it acquires into the group's operations and to achieve the optimal, stabilised position and return. This may include redevelopment of existing sites, changing the mix of the assets between longer term occupancy and shorter stay tourism, or changing the way the asset is managed. The cost to reposition the asset and the mix between longer term residents and tourism at the time of implementation may vary from the assumptions at time of acquisition. It may take longer than expected for the assets to reach their optimal stabilised position.

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