

Aspen Group

FY23 Financial Results Presentation



17 August 2023

CoVE Cooks Hill

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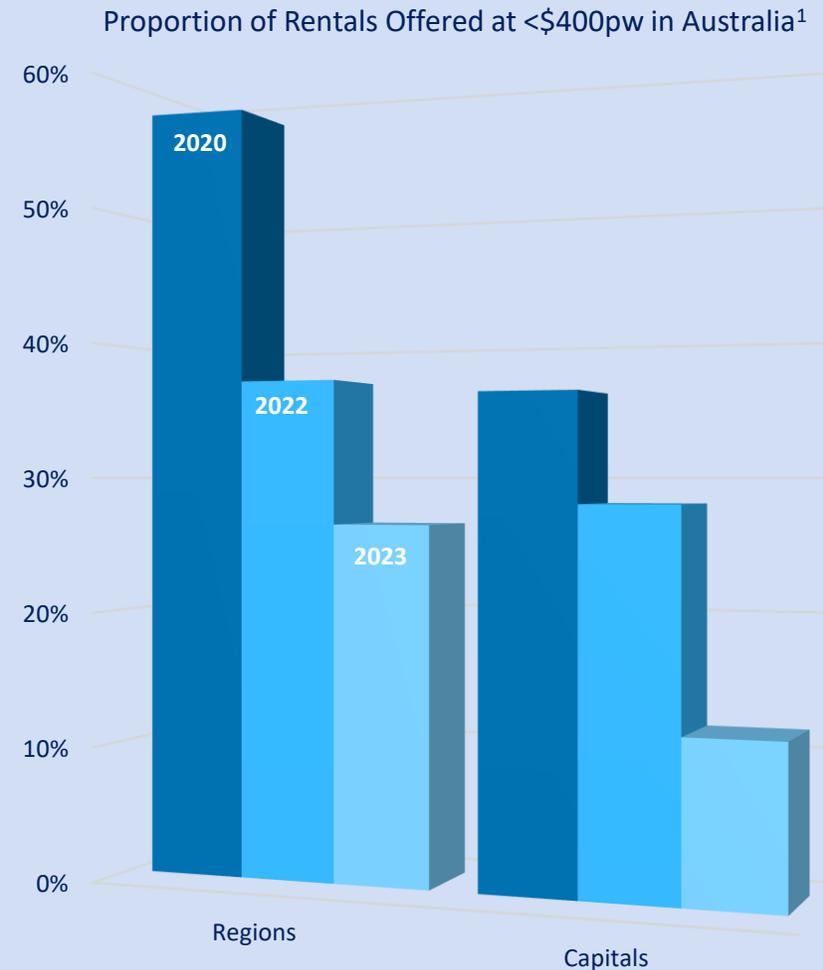


Aspen's Business Model

Aspen's Mission and Integrated Operations, Development and Capital Management Platform



Severe (and worsening) Housing Shortages for Aspen's Core Customer Base



1. Source PropTrack - % of all dwellings (houses and units) offered for rent in Australia at <\$400pw on Realestate.com.au in the months ending March 2020, April 2022 and April 2023. 2. TAM – Total Addressable Market estimate based on total value of dwellings worth <\$400k

Some Reasons for Lack of Affordable Housing – Solutions are Scarce

Population
Growth

Changing Demographics and
Preferences – mismatch between what's
been built v. what's now in demand

Scarcity of Land in Attractive
Locations near Amenities and Jobs

Lack of Infrastructure
provision by Governments

Developers paying too
much for Land

Competition between and
amongst Owners & Renters

NIMBY - Council and Local
Community preference for
Premium Housing

Highly Taxed Supply – stamp duty, land
tax, GST, developer contributions, rates,
payroll tax, income tax, CGT

Artificially Low
Interest Rates

Onerous Lease
Obligations for Landlords

Poor Productivity of
Building Industry

Some Council and Utility
Rates increasing above
general inflation

Government Incentives and
Tax System Favour Owning
over Renting

Easier to procure bank debt funding
for BTS (with presales) than BTR (with
no tenant pre commitments)

Increasingly Stringent and
Costly Planning & Building
Regulations

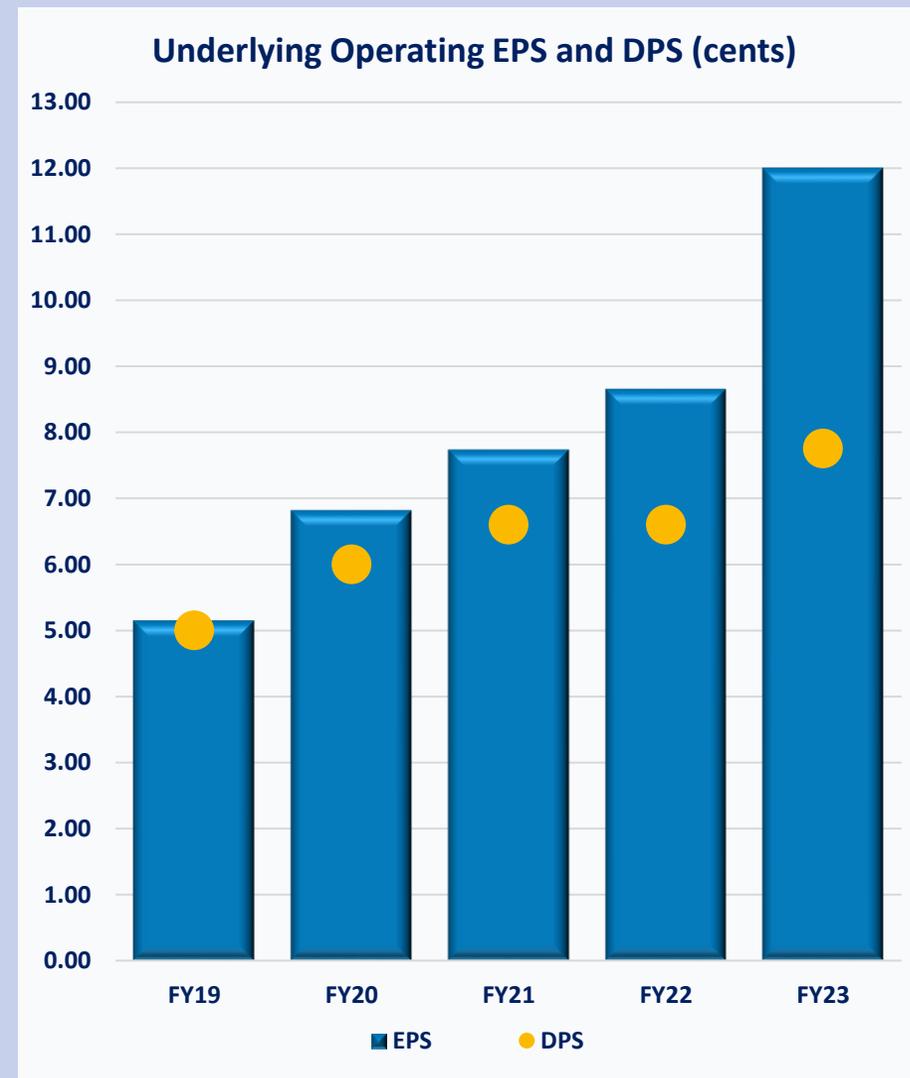


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FY23 Results Summary

FY23 Operating Earnings – Continued Growth Across the Group

Aspen Group	Operations	Development
Total Revenue \$70.4m +53%	Rental Income ¹ \$50.3m \$275pw per dwelling/site ³	Sales Revenue \$20.1m \$239k per dwelling/site ³
NOI & Development Profit \$30.6m +67%	Property NOI \$24.3m Margin 48%	Development Profit \$6.2m Margin 31%
Underlying EBITDA \$24.6m +81%	Highly Competitive Rents & Prices driving Demand	Diversified Income Streams
Underlying Operating Earnings ² \$20.9m +77%	No Lease Incentives Frictional Vacancy Only Minimal Arrears	Measured Development Profit Contribution Attractive Profit Margins
EPS 12.00 cents +39%	Statutory Profit \$54.4m / 31.2cps Underlying Operating Earnings and Cashflow closely aligned – Robust Distributions	
DPS 7.75 cents +17%		



(% changes are compared to FY22)

1. Rental Income includes a small amount of ancillary revenue at some of our properties 2. Underlying Operating Earnings is a non-statutory accounting 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 underlying operating performance – refer to financial report for full definition. 3. Ex-GST

FY23 Capital – Balance Sheet Strengthened

Aspen Group	Operations	Development
Total Assets \$553 million	3,702 Dwellings/Sites	1,092 Sites
4,794 Dwellings/Sites	\$117k per dwelling/site	\$33k per site
Net Debt \$130 million	WACR ¹ 6.5%	ROIC ² 18%
Gearing ³ 25% / ICR ⁴ 4.8x	<p>Full Control – No JVs or Fund interests</p> <p>WACR amongst highest in A-REIT index</p> <p>Relatively Liquid Assets in High Demand</p> <p>Strong Capital Position</p> <p>NAV Growth driven by NOI Growth and Development Value-Add</p> <p>Development Assets only 7% of Total Assets</p> <p>Gearing Reduced for Risk Reduction</p>	
NAV ⁵ \$2.01 per security +13%		

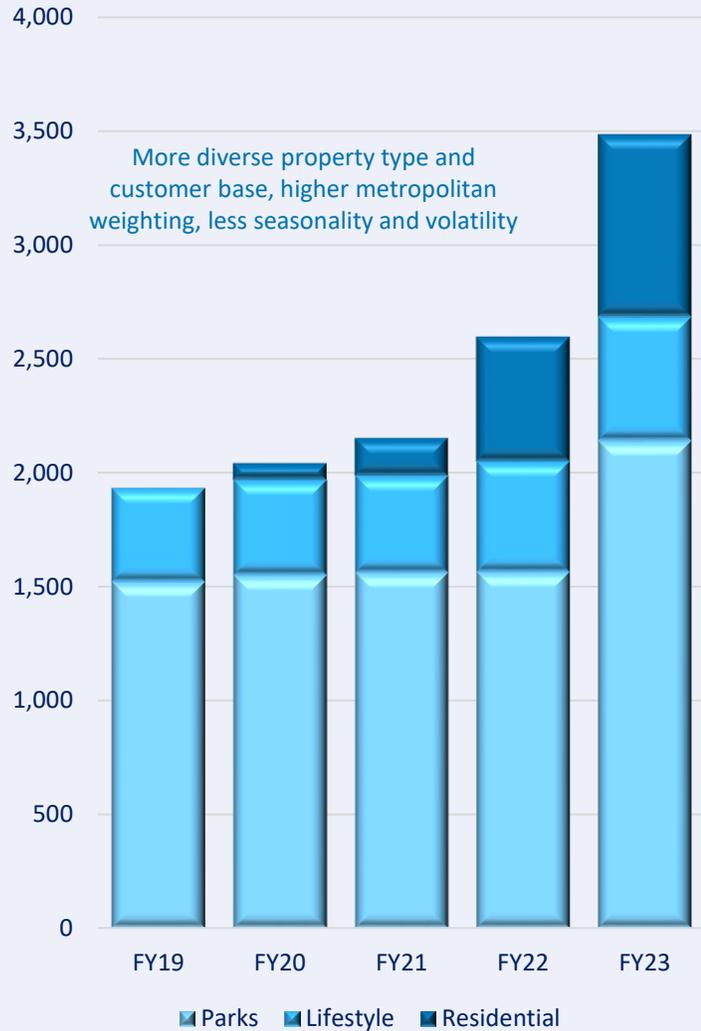


(% changes are compared to FY22)

1. Weighted Average Cap Rate 2. 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 Communities
 3. Gearing = (Financial Debt minus Cash) / (Total Assets minus Cash minus Retirement Village Resident Loan Obligations & Deferred Revenue). 4. ICR – Interest Cover Ratio = EBITDA / Interest Paid 5. NAV – Net Asset Value

Operations - Increasing Scale, Margins and Profitability while Reducing Risk

Operational Dwellings/Sites – Average



Average Weekly Revenue per Operational Dwelling/Site



Operating Performance (\$m)



Aspen's Rents are Competitive and Well Supported by Incomes & Subsidies

Residential Communities¹



30 June 23
Est. Average Market Rent²
\$369pw



+13%

30 June 23
Average In-place Rent
\$326pw



+11%

FY23
Average Revenue per Dwelling
\$295pw

Lifestyle Communities



Federal Budget FY24
Maximum CRA Rate up 15%
(largest increase in 30 years)



15%
more

Commonwealth Rent
Assistance Cap³
\$212pw



14%
gap

FY23
Average Revenue per Site
\$186pw

Park Communities



Diverse mix of “permanent”
tenants through to shorter stay
tourists and workers

Dynamic Yield Management
(rate v. lease term v. occupancy)



Dwelling & facility upgrades
and cost saving initiatives

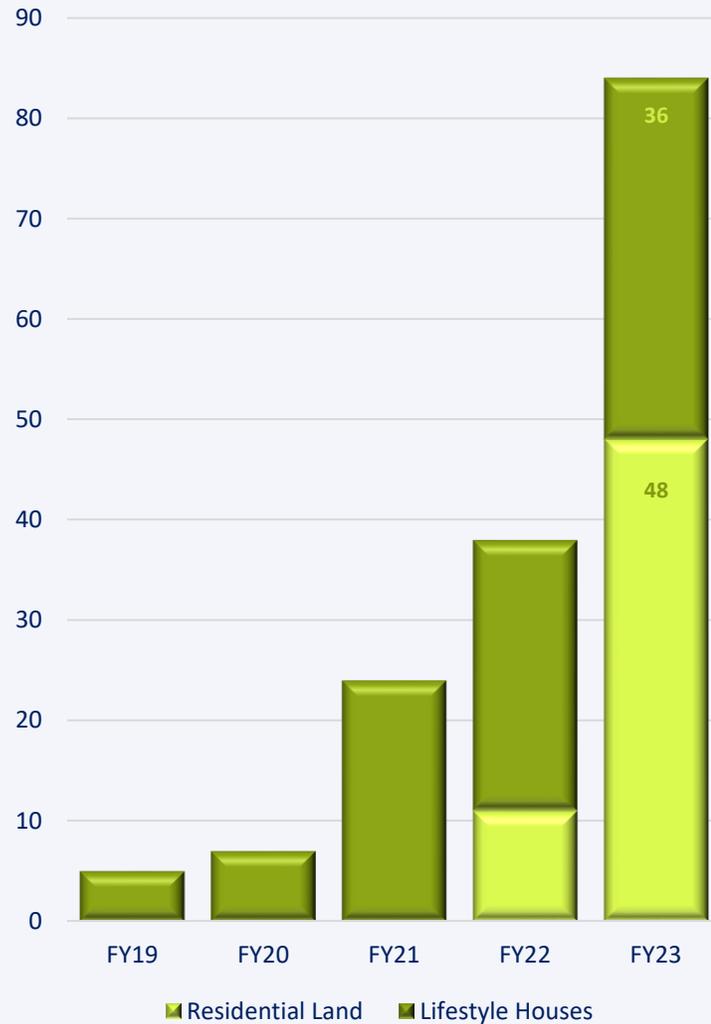


FY23
Average Revenue per Dwelling/Site
\$291pw

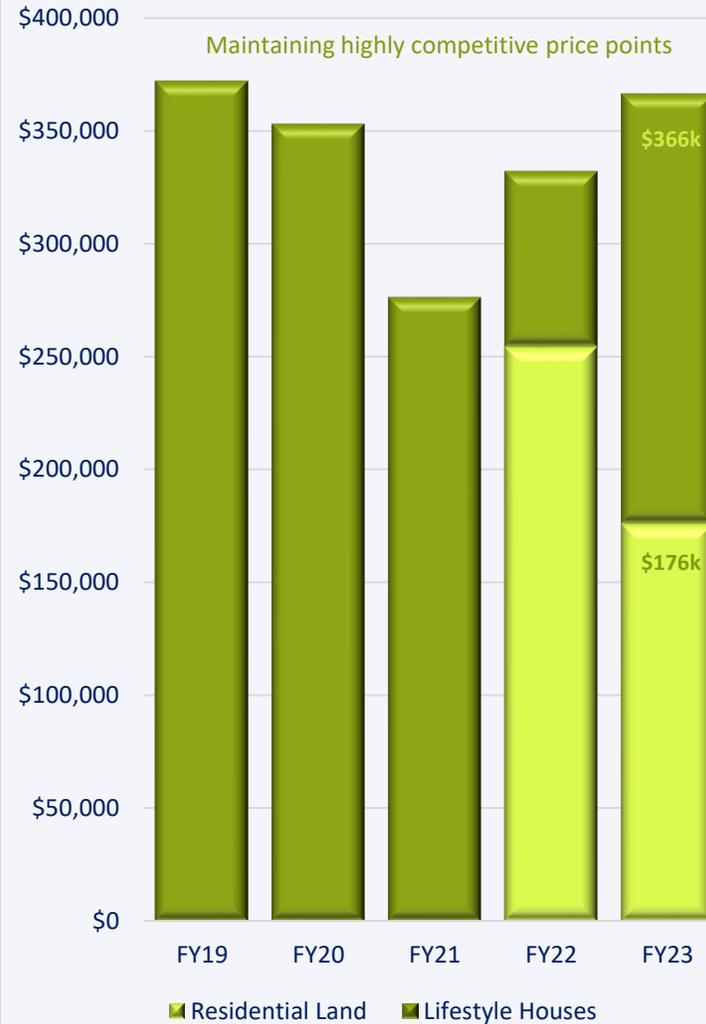
1. Operational dwellings only – excludes dwellings under refurbishment 2. Based on rents being achieved in late FY23 on new leases and renewals 3. Commonwealth Rent Assistance (CRA) cap for a couple household

Development – Increasing Accommodation and Annuity Income

Development Sales - #



Average Sales Price per Dwelling/Site



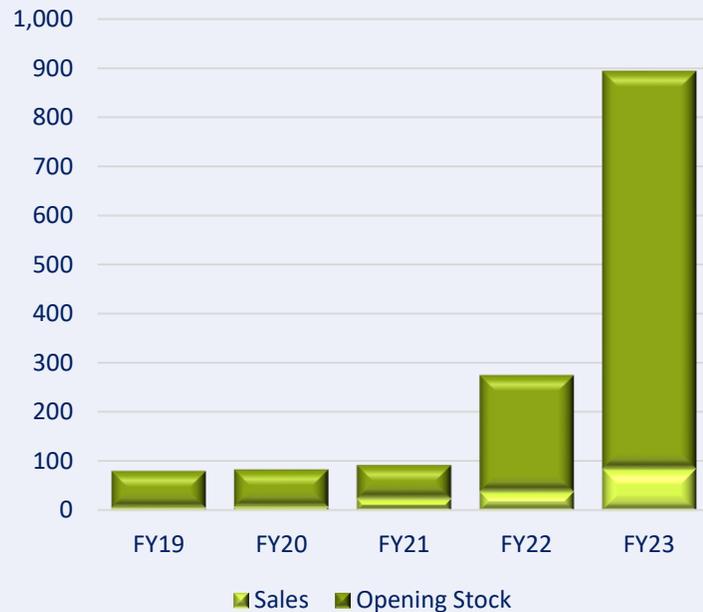
Development Profit, Margin & ROIC



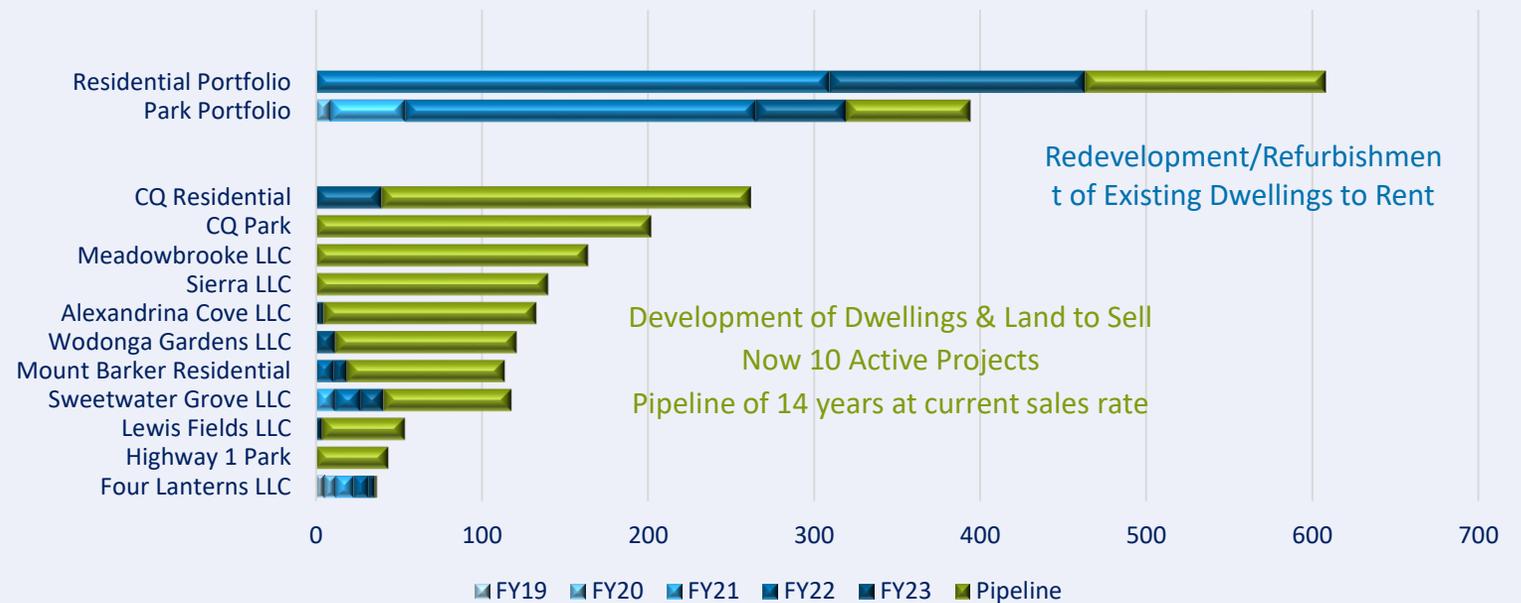
1. ROIC = Total Development Profit divided by Average of Opening and Closing Book Value of development assets including Residential land inventory, civis inventory, new house inventory, and spare land in Lifestyle Communities

Substantial Development Pipeline Secured at Low Cost

Development Sales and Pipeline - #



Development Completions and Pipeline - #



Redevelopment / Refurbishment of Existing Dwellings to Rent – generating Dwelling Rents and NAV Growth:

- ✓ CoVE Cooks Hill (50 units) completed June 2023 - total cost \$10.25m (\$205k per unit) – already 78% leased at average rent \$381pw – expected ROIC 6.3%
- ✓ 132 Guildford Rd Perth (119 units + house) due for completion 4QFY24 - expected total cost of \$22m (\$183k per dwelling) - expected minimum rent \$350pw and ROIC 6.5%
- ✓ Sierra Rental Community (26 dwellings) – refurbishment with aim to lease to corporate or other tenants

Development of New Dwellings & Sites for Sale – generating Annuity Land Rents and Development Profits:

- ✓ Low cost land bank – book value of only \$33k per approved site with typical development cost of only \$40-60k per site
- ✓ High ROIC of 18% in FY23 despite building industry turmoil and large increase in the future development pipeline / capital employed
- ✓ Building cost increases flattening out and timeframes improving

Optimising Capital Usage and ROIC to Drive EPS, DPS and NAV Growth

Residential Dwellings

Recycling capital from properties with relatively high rent / price points to those more suited to our customer base with lower rents and higher expected returns

Eg. Selling houses @ c.3% yield



Developing Cooks Hill and PAP¹ @ 6-7% yield

Lifestyle Communities

Capital light model with the profit margin from house sales more than covering the total cost of the retained land site – annuity land rent created with no permanent capital employed

FY23 = \$3.4m Development Profit + \$0.35m Annuity Land Rent worth c.\$3.5m

Residential Land

Capital released from projects as land is developed and sold

FY23 = \$2.5m net cash released from projects

Park Communities Optimising land use

Creating new leases on underutilised land
Eg. 44 sites at Highway 1 and 20 sites at Barlings Beach²



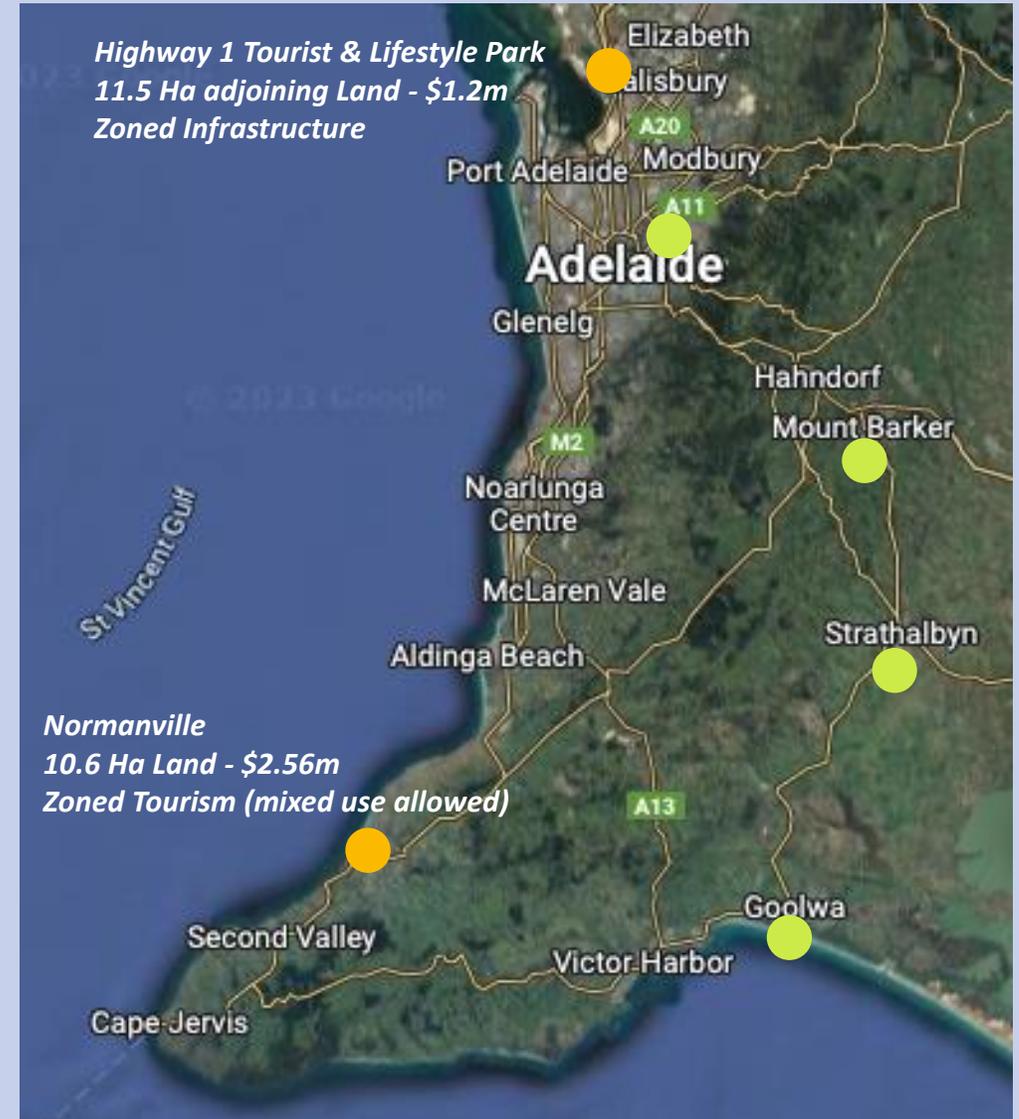
Acquisitions FY24 YTD



*26 Treatts Rd, Lindfield NSW
Retirement Rental Community - \$3.4m / \$200k per dwelling*



*Sierra Lifestyle Village, Wundowie WA
Lifestyle Land Lease Community - \$4.0m / \$20k per approved site*





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FY24 Outlook and Guidance

FY24 Outlook and Guidance

Expected Conditions

- ✓ **Demand for accommodation to keep growing** - population growth and the economy / employment holding up
- ✓ **Rents to remain structurally higher** - sticky building costs, increasing regulatory burden and interest rates normalising
- ✓ **Governments increasing incentives** to encourage new supply and support tenants with low income – we don't expect the introduction of onerous rent controls as it would be counter-productive
- ✓ **Tenants** will mitigate against market rent increases and other cost of living pressures in a variety of ways which may include **relocating to Aspen's properties**
- ✓ **Retirees more incentivised to free up capital by "right sizing" into rental and land lease communities** with house prices generally increasing again, higher interest rates on cash deposits, and increasing CRA

Aspen Drivers

- ✓ **Investing more in our platform**, particularly high-quality operations and development managers closer to the properties
- ✓ **More dwellings and sites in our rental pool** – continued creation of new land leases, Cooks Hill refurbishment completed June 2023, 132 Guildford Road Maylands refurbishment expected to complete Q4 FY24
- ✓ **Our Residential rents expected to increase** but remain competitive
- ✓ **Opportunities to maximise NOI through dynamic yield management** – total revenue from our Park Communities is up 16% FY24 YTD v. pcp
- ✓ **Expect Development Profits to increase** – aiming for small increase in sales volumes and stable % profit margins, but a larger proportion of higher value dwellings v. land sites – about 37% of FY24 target has contracted² YTD
- ✓ **Maintaining measured balance** of NOI (c.80%) v. Development Profit (c.20%) over the medium term
- ✓ **Selling assets at a yield well below cost of debt**, particularly metropolitan residential with relatively high rent that trades at c.3% net yield
- ? **Acquiring assets to enhance portfolio mix and improve growth prospects** over the medium term even if it dilutes EPS in the short term
- X **Interest expense to more than double in FY24** – guidance assumes average cost of debt of 6%

FY24 Guidance³

Underlying Operating EBITDA¹
\$29-30m
 Up 18-22% on FY23

Underlying Operating EPS¹
12.50-13.00 cents
 Up 4-8% on FY23

Minimum DPS
8.50 cents
 Up 10% on FY23



Appendix A



Business and Property Portfolio

Aspen's Business Model

Sustainable Ecological Footprint

Aspen recycles/refurbishes old buildings

Our smaller dwellings use less energy to operate than the average Australian home

We avoid gas appliances where possible

With solar installed, our dwellings can potentially 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 Mission

Provide Quality Accommodation on Competitive Terms

Customer-centric business model servicing the full spectrum of Australian households

Undersupply <\$400 weekly rent and <\$400k price

Residential, Lifestyle and Park Communities

We foster a safe, social, diverse, and inclusive culture in our communities by typically 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 <\$350pw

Average Land Lease Rent <\$200pw

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

Aspen Social – collaborating with charities to help provide social housing

Governance

Majority independent Board

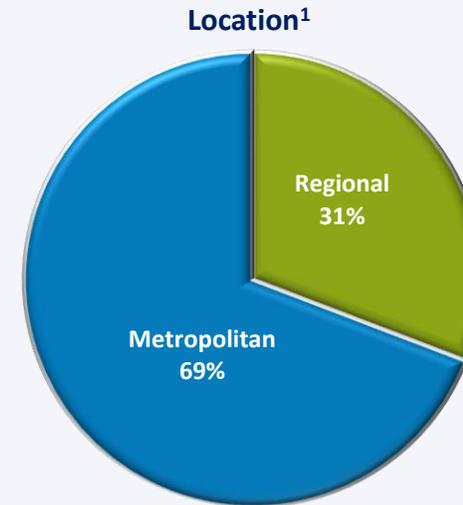
Aspen provides equal employment opportunities regardless of gender, gender-identity, age, culture, race and religion.

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

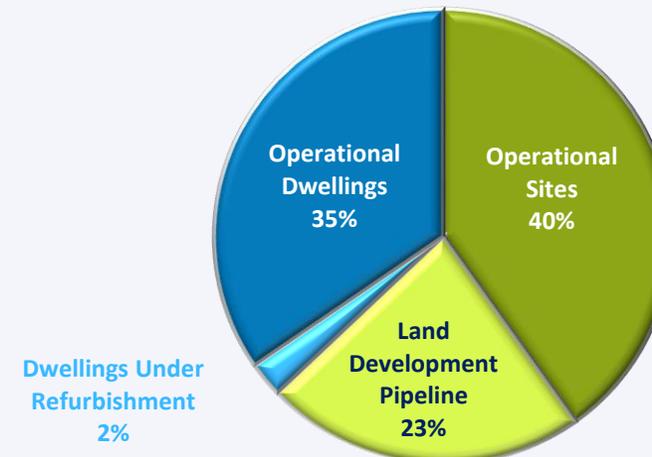
Our Joint CEOs own a combined stake of 8% in Aspen Group and 55% of their remuneration packages are deferred for up to 3 years and subject to performance and vesting conditions

Portfolio Summary – 30 June 2023

Portfolio Aggregates	Total	General Traits of Aspen's Properties
Dwellings that Aspen Leases	1,670	<ul style="list-style-type: none"> ✓ Desirable locations – particularly metropolitan and/or close to major facilities ✓ Large land parcels that are under-utilised ✓ Existing dwellings priced at below replacement cost with alternative uses and can be repurposed / refurbished ✓ Land and development cost at the low end of (or below) local competition ✓ Competitive operating costs (eg. economies of scale, land tax subsidy) ✓ Flexibility / optionality ✓ Strong potential for higher value use over time
Land Sites that Aspen Leases	1,912	
Total Operational Dwellings/Sites	3,582	
Dwellings Under Refurbishment	120	
Undeveloped Sites - Land Leasing	775	
Undeveloped Sites - Land Sales	317	
Total Approved Dwellings/Sites	4,794	
Land Area (Hectares)	174.9	
Dwellings/Sites per Hectare	27	
Book Value (\$m)	\$467	
- per Hectare (\$m)	\$2.7	
- per Approved Site	\$97k	
Valuation WACR	6.5%	



Total Dwellings/Sites: Operating v. Development²



1. Location weighted by book value 2. Mix weighted by # of dwellings and sites

Geographic Diversity

WA		Land Area (Hectares)	Dwellings/Sites
13	Mandurah	6.8	158
14	AKV	2.9	180
15	Perth House Portfolio	2.5	59
16	Perth Apartment Portfolio	4.7	515
17	Meadowbrooke Lifestyle Estate	9.1	184

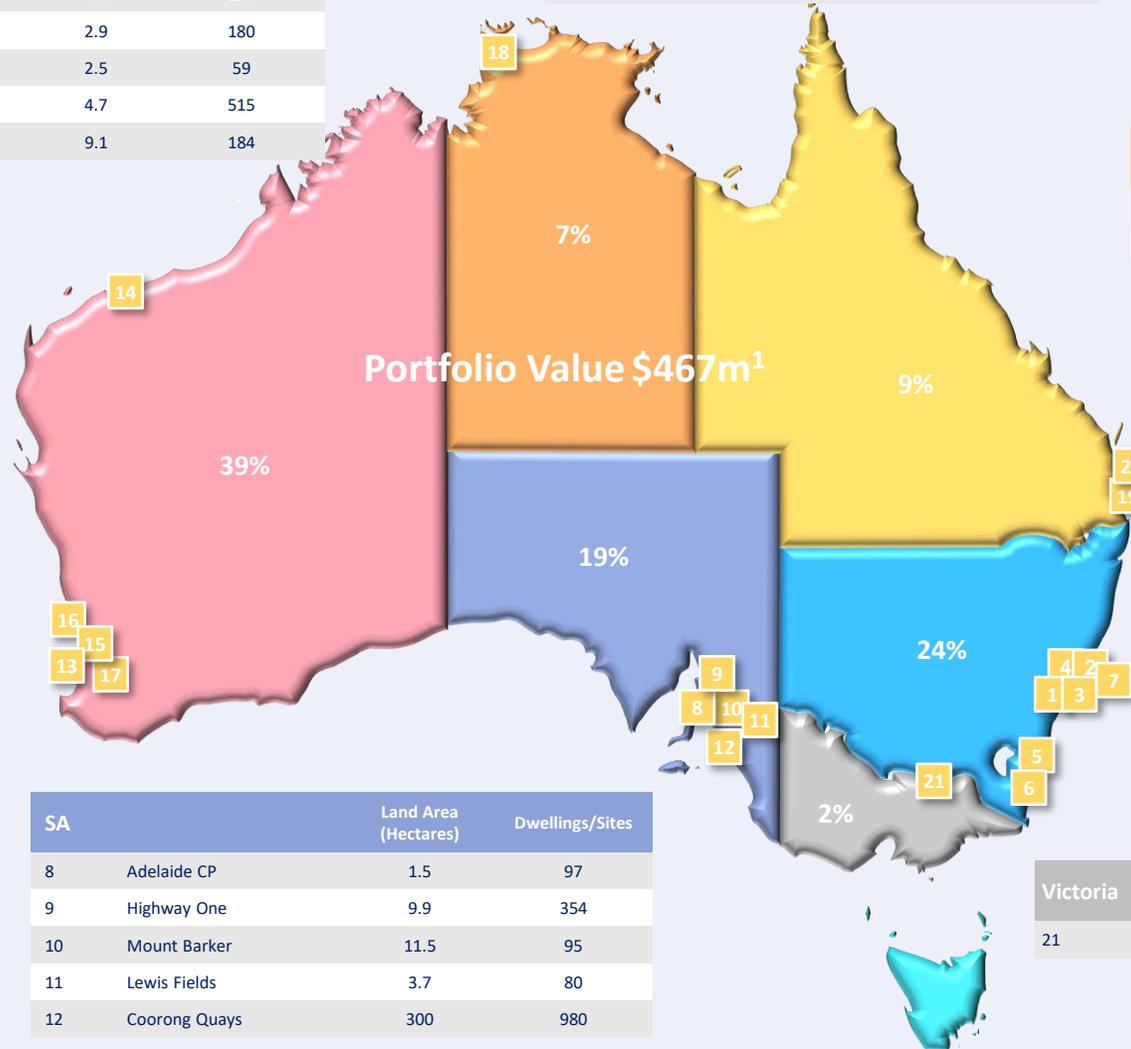
NT		Land Area (Hectares)	Dwellings/Sites
18	Darwin FreeSpirit	10.8	455

Queensland		Land Area (Hectares)	Dwellings/Sites
19	Burleigh Heads	0.9	18
20	UMG Co-living	1.2	308

NSW		Land Area (Hectares)	Dwellings/Sites
1	Four Lanterns	3.9	134
2	Sweetwater Grove	6.0	204
3	Lindfield Apartments	0.35	42
4	Koala Shores	5.1	144
5	Barlings Beach	8.8	260
6	Tween Waters	3.0	147
7	Cooks Hill	0.19	50

SA		Land Area (Hectares)	Dwellings/Sites
8	Adelaide CP	1.5	97
9	Highway One	9.9	354
10	Mount Barker	11.5	95
11	Lewis Fields	3.7	80
12	Coorong Quays	300	980

Victoria		Land Area (Hectares)	Dwellings/Sites
21	Wodonga Gardens	8.8	172



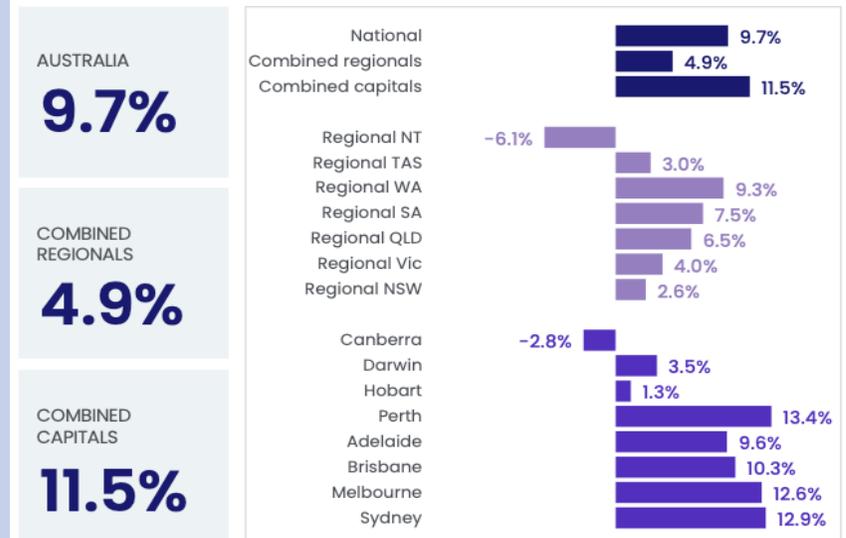
1. Portfolio Value is net of Resident loan obligations on Retirement Village leases and % represents portion of portfolio in each State by book value as at 30 June 2023.

Residential Communities

\$m unless stated	Residential Communities		
	FY23	FY22	Change
# Dwellings (close)	992	999	(1%)
# Operational	872	733	19%
# Refurbishment Pipeline	120	266	(55%)
Total Book Value	\$213	\$174	23%
WACR	4.6%	4.1%	50bps
Implied Average Gross Rental Yield @ 65% Margin	7.1%	6.3%	80bps
Operating Revenue	\$12.25	\$6.56	87%
Per Operational Dwelling per Week	\$295	\$231	28%
NOI	\$7.28	\$2.69	171%
Margin	59%	41%	1800bps

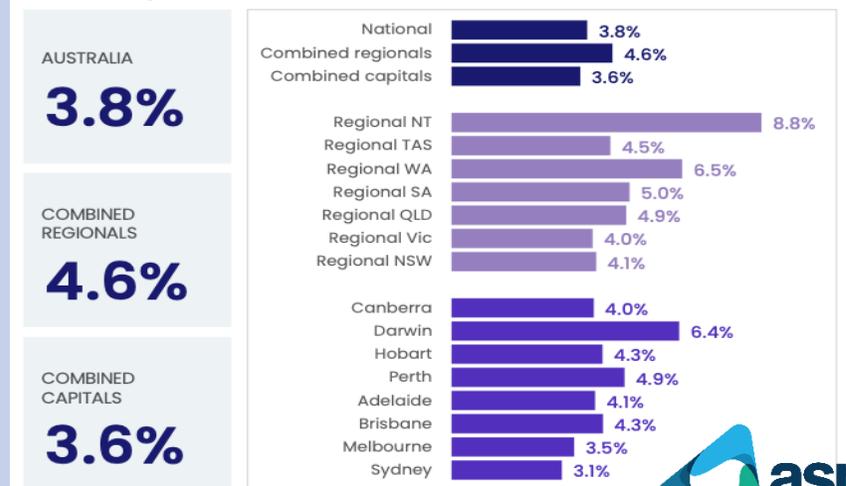
- Sale of individual Perth houses during the year
- Dwellings added to the rental pool post refurbishment – Burleigh Heads early in the year, Perth Apartments throughout the year (now complete except 132 Guildford Road), and Cooks Hill late in the year
- Increasing rents across the portfolio, but remain competitive – no leasing incentives
- Only frictional vacancy and very low arrears
- Margin expanded as refurbishments completed and portfolio occupancy increased - stabilised residential properties achieving around 65%
- Current portfolio expected to generate annualised NOI over \$11m once all existing refurbishment projects are completed and leased

Annual change in rental rates to June 2023



Source: CoreLogic

Gross rental yields, June 2023



Residential Portfolio Summary

	Residential ¹						Total Residential
	WA		NSW		QLD		
	Perth Apartment Portfolio ⁶	Perth House Portfolio	Lindfield Apartments	Cooks Hill	Uniresort	Burleigh Heads	
Region	Perth Metro	Perth Metro	Sydney Metro	Newcastle Metro	Brisbane Metro	Gold Coast Metro	
Land Ownership	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	
Resident Tenure	Rental	Rental	Rental	Rental	Rental	Rental	
Total Land Area (HA)¹	4.7	2.0	0.35	0.19	1.2	0.94	9.4
Operational Sites	395	59	42	50	308	18	872
Pipeline - Refurbishment Dwellings	120	0	0	0	0	0	120
Pipeline - Undeveloped Sites	0	0	0	0	0	0	0
Total Approved Sites²	515	59	42	50	308	18	992
- per Ha	109	30	120	263	256	19	105
Owned Dwelling Inventory ³	515	59	42	50	308	18	992
- per Approved Site	100%	100%	100%	100%	100%	100%	100%
Book Value⁴ (\$m)	\$122.5	\$23.0	\$13.2	\$12.25	\$27.5	\$14.5	\$212.9
Costs to Complete (\$m)	\$9.4⁶						\$9.4⁶
As if Complete Value (\$m)	\$136.1	\$23.0	\$13.2	\$12.25	\$27.5	\$14.5	\$226.5
Valuation Cap Rate	4.57%	3.27% ⁵	3.65%	5.25%	6.50%	3.14%	4.56%
Value Per HA (\$m)	\$25.8	\$11.5	\$37.7	\$64.5	\$22.8	\$15.4	\$22.6
Value Per Approved Site	\$238k	\$390k	\$314k	\$245k	\$89k	\$806k	\$215k

1. The Ridge, Mount Barker and Coorong Quays residential land projects are classified as development inventory on the balance sheet (not investment property) and are therefore not included in this table

2. Approved Sites is the total number of dwellings / sites currently permitted on the property under title, licence or other conditions

3. Owned Dwelling Inventory are houses, apartments, cabins, vans, commercial/retail space etc. that Aspen owns that can be sold or leased on short to long term basis to customers

4. Property values are a mixture of Directors' and external valuations - refer to the financial report for additional information on valuations. Capitalisation rates for Residential projects (Guildford Road Perth apartment building) are applied to expected stabilised net income post completion and leasing (costs to complete and a discount for risk where applicable are applied to completed values to derive current book values)

5. Valued on a direct comparison approach - the valuation capitalisation rate is implied based on net operating income and value

6. Excludes discounts for risk and time of \$4.2m

Lifestyle Communities

\$m unless stated	Lifestyle Communities		
	FY23	FY22	Change
# Sites (close)	1,090	1,101	(1%)
# Operational	561	561	0%
# Development Pipeline	529	540	(2%)
Total Book Value	\$75m	\$67m	11%
WACR	6.6%	6.5%	10bps
Operating Revenue	\$5.27	\$4.74	11%
Per Operational Site per Week	\$186	\$187	0%
NOI	\$3.49	\$2.81	24%
Margin	66%	59%	700bps

- Aspen's new house prices are well below local median house prices – customers can remain in their local area, enjoy the benefits of a managed community, and free up capital
- Average land rent of only \$186pw – below the Commonwealth Rent Assistance cap of \$212pw (per couple) which supports future rental growth, the sale of new houses and Development Profits
- Typical rent increase of 3-5% per annum comfortably below aged pension increase of 7.85% for the year to March 2023
- Leased 36 new sites - some Sweetwater Grove sites taken offline to make way for the next stage of new development
- Operating margin stabilised



1. Aspen's price is average sales price of our new houses in FY23 and Local Market price is realestate.com.au median house price at June 2023

Lifestyle Communities

	Lifestyle							Total Lifestyle
	NSW		WA		VIC	SA		
	Four Lanterns	Sweetwater Grove	Mandurah Gardens	Meadowbrooke	Wodonga Gardens	Lewis Fields	Alexandrina Cove	
Region	Sydney Metro	Newcastle Region	South Coast	South Coast	Albury-Wodonga	Fleurieu	Fleurieu	
Land Ownership	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	
Resident Tenure	Land Lease	Land Lease / Rental	Land Lease	Land Lease	RV / Land Lease	RV / Land Lease	RV / Land Lease	
Total Land Area (HA)	3.9	6.0¹	6.8	9.1	8.8	3.7	7.5	45.7
Operational Sites	133	127	158	20	63	30	30	561
Pipeline - Refurbishment Dwellings	0	0	0	0	0	0	0	0
Pipeline - Undeveloped Sites	1	77	0	164	109	50	128	529
Total Approved Sites²	134	204	158	184	172	80	158	1,090
- per Ha	34	34	23	20	20	22	21	24
Owned Dwelling Inventory ³	1	28	0	3	63	26	17	138
- per Approved Site	1%	14%	0%	2%	37%	33%	11%	13%
Book Value⁴ (\$m)	\$18.5	\$19.1	\$17.3	\$3.3	\$7.1	\$3.5	\$5.9	\$74.6
Valuation Cap Rate	5.00%	6.75%	6.25%	N/A	10.00% ⁵	8.04% ⁵	7.10% ⁵	6.65%
Value Per HA (\$m)	\$4.7	\$3.2	\$2.6	\$0.4	\$0.8	\$0.9	\$0.8	\$1.6
Value Per Approved Site	\$138k	\$93k	\$109k	\$18k	\$41k	\$44k	\$38k	\$68k

1. Sweetwater Grove land area excludes "Environmental Conservation" land that is not currently approved for development

2. Approved Sites is the total number of dwellings / sites currently permitted on the property under title, licence or other conditions

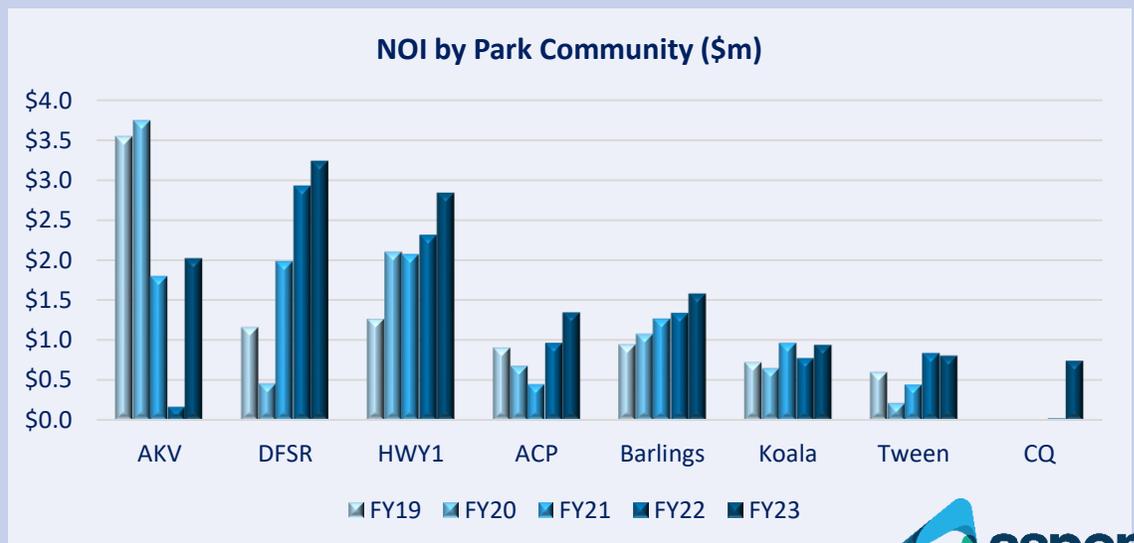
3. Owned Dwelling Inventory are houses, apartments, cabins, vans, commercial/retail space etc. that Aspen owns that can be sold or leased on short to long term basis to customers

4. Property values are a mixture of Directors' and external valuations – please refer to the financial report for additional information on valuations. Note for Wodonga Gardens and Lewis Fields - some leases at these properties are regulated under Retirement Village Acts and residents are obligated to pay Deferred Management Fees (DMF) under contracts. The book values in this table reflect the fair value of the estimated DMF revenue stream plus the fair value of spare land (ie. excludes gross up for resident loans included in the financial statements)

5. Capitalisation rates for Wodonga Gardens relate to Retirement Village DMF contracts and are implied from discounted cashflow models. Alexandrina Cove and Lewis Fields capitalisation rates are weighted by the value of DMF and Land Lease components

Park Communities

\$m unless stated	Park Communities		
	FY23	FY22	Change
# Dwellings / Sites (close)	2,395	2,192	9%
# Operational	2,149	1,990	8%
# Development Pipeline	246	202	22%
Total Book Value	\$163	\$139	17%
WACR	8.9%	9.2%	(30bps)
Operating Revenue	\$32.75	\$23.96	37%
Per Operational Dwelling/Site per Week	\$294	\$294	0%
NOI	\$13.55	\$9.33	45%
Margin	41%	39%	200bps



- Profitability underpinned by relatively high component of long term leases over land (LTCs, annuals, “permanent”, lifetime)
- Short stay tourist demand generally flattening out in 2H – but major event activity in Adelaide benefited ACP and Highway 1
- Increased corporate demand across our largest parks AKV, Darwin and Highway 1
- Black Dolphin acquired and operations merged with Tween Waters in March 2023 leading into low season – minimal contribution to FY23 NOI
- NOI maximised through yield management (rate v. lease term v. average occupancy) and variable cost control

Park Community Portfolio

	Park Communities								Total Parks	Group Portfolio ⁴
	NSW			SA			NT	WA		
	Barlings Beach	Koala Shores	Tween Waters	Highway One	Adelaide CP	Coorong Quays	Darwin FSR	AKV		
Region	South Coast	Central Coast	South Coast	Adelaide Metro	Adelaide Metro	Fleurieu	Darwin Metro	Pilbara		
Land Ownership	Freehold	Free/Leasehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold		
Resident Tenure	Land Lease / Short Stay	Short Stay	Short Stay	Short Stay / Land Lease	Short Stay	Mixed	Short Stay / Rental	Short Stay		
Total Land Area (HA)	8.8	5.1	3.0	9.9	1.4	42.5	10.8	2.9	84.4	140
Operational Sites	260	144	147	310	97	556	455	180	2,149	3,582
Pipeline – Refurbishment Dwellings	0	0	0	0	0	0	0	0	0	120
Pipeline - Undeveloped Sites	0	0	0	44	0	202	0	0	246	775
Total Approved Sites¹	260	144	147	354	97	758	455	180	2,395	4,477
- per Ha	30	28	49	36	68	18	42	62	28	32
Owned Dwelling Inventory ²	33	40	82	115	47	13	150	180	660	1,790
- per Approved Site	13%	28%	56%	32%	48%	2%	33%	100%	28%	40%
Book Value (\$m)³	\$23.0	\$12.1	\$15.7	\$35.3	\$15.2	\$12.2	\$34.3	\$15.5	\$163.4	450.9
Costs to Complete (\$m)										9.4⁵
As if Complete Value (\$m)	\$23.0	\$12.1	\$15.7	\$35.3	\$15.2	\$12.2	\$34.3	\$15.5	\$163.4	464.6
Valuation Cap Rate	7.25%	8.25%	8.25%	8.50%	7.00%	8.75%	8.75%	16.00%	8.92%	6.5%
Value Per HA (\$m)	\$2.6	\$2.4	\$5.2	\$3.6	\$10.7	\$0.3	\$3.2	\$5.3	\$1.9	\$3.2
Value Per Approved Site	\$89k	\$84k	\$107k	\$100k	\$157k	\$16k	\$75k	\$86k	\$68k	\$101k

1. Approved Sites is the total number of sites currently permitted on the property under title, licence or other conditions
2. Owned Dwelling Inventory are houses, apartments, cabins, vans, commercial/retail space etc. that Aspen owns that can be sold or leased on short to long term basis to customers
3. Property values are a mixture of Directors' and external valuations - please refer to the financial report for additional information on valuations
4. The Ridge, Mount Barker and Coorong Quays residential land projects are classified as development inventory on the balance sheet (not investment property) and are therefore not included in this table
5. Excludes developer's risk and time discounts of \$4.2m

Development – New Dwellings and Sites

\$m unless stated	Total Development			Residential Communities			Lifestyle Communities			Park Communities		
	FY23	FY22	Change	FY23	FY22	Change	FY23	FY22	Change	FY23	FY22	Change
# Development Pipeline (close)	1,092	1,096	0%	317	354	(10%)	529	540	(2%)	246	202	22%
# Sales	84	38	121%	48	11	336%	36	27	33%	0	0	0%
Average Sales Price (inc. GST)	\$258k	\$309k	(17%)	\$176k	\$254k	(31%)	\$366k	\$332k	10%	\$0	\$0	0%
Revenue (ex. GST)	\$20.10	\$10.69	88%	\$7.68	\$2.54	202%	\$12.42	\$8.15	52%	\$0	\$0	0%
Development Profit	\$6.25	\$3.51	78%	\$2.78	\$0.97	187%	\$3.47	\$2.54	37%	\$0	\$0	0%
Margin - %	31%	33%		37%	38%		28%	31%		0%	0%	0bps
Margin per Dwelling/Site	\$74k	\$92k	(20%)	\$59k	\$89k	(34%)	\$95k	\$94k	1%	\$0	\$0	0%
Contracts on Hand (ex. GST) ¹	\$9.18	\$13.55	(32%)	\$3.10	\$5.39	(42%)	\$6.08	\$8.16	(25%)	\$0	\$0	0%

Lifestyle Communities

- Profit excludes NAV uplift from creation of annuity income on leased sites
- FY23 sales volumes were held back by building industry turmoil – capacity is freeing up, timeframes are reducing, and we now have more houses in production than ever
- Prices increasing for new houses and resales
- Managed to pass on the spike in building costs - % margin has declined slightly, but \$ margin is stable
- Contracts on hand impacted by no completed or nearly completed houses available for sale and somewhat patchy buyer enquiry

Residential Land Development

- Material increase in volume post acquisition of CQ in June 2022
- Mount Barker price and volume picked up in 2H after a very quiet 1H – helped by increased availability of builders to quote on new house builds for customers
- Lower average sale price and \$ profit margin due to product mix – prices flat/up at individual projects and % margin fairly stable
- Contracts on hand impacted by generally subdued buyer enquiry and our plan to sell less Residential land in FY24

1. Includes contracts, deposits and EOLs

Portfolio – 30 June 2023

	Land Development Inventory				Total Land Development	Total Portfolio FY23
	Portfolio excl. Land Development FY23	SA	SA	Total Land Development		
		Mount Barker	CQ Residential			
Region		Adelaide Hills	Fleurieu			
Land Ownership		Freehold	Freehold			
Resident Tenure		N/A	N/A			
Total Land Area (HA)	140	8.8	26.6	35.4	175	
Operational Sites	3,582	0	0	0	3,582	
Pipeline - Refurbishment Dwellings	120	0	0	0	120	
Pipeline - Undeveloped Sites	775	95	222	317	1,092	
Total Approved Sites	4,477	95	222	317	4,794	
- per Ha	32	11	8	9	27	
Owned Dwelling Inventory	1,790	N/A	N/A	N/A	1,790	
- per Approved Site	40%	N/A	N/A	N/A	37%	
Book Value (\$m)	450.9	\$5.58	\$10.62	\$16.20	467.1	
Costs to Complete (\$m)	9.4				9.4	
As if Complete Value (\$m)	464.6	\$5.58	\$10.62	\$16.20	483.4	
Valuation Cap Rate	6.5%					
Value Per HA (\$m)	\$3.2	\$0.6	\$0.4	\$0.5	\$2.7	
Value Per Approved Site	\$101k	\$59k	\$48k	\$51k	\$97k	

Acquisitions FY24 YTD

	Settlements FY24 YTD		Contracted FY24 YTD		Total
	NSW	WA	SA	SA	
	26 Treatts Rd	Sierra Village	HWY1 Land	Normanville Land	
Region	Sydney Metro	Darling Ranges	Adelaide Metro	Fleurieu Peninsula	
Land Ownership	Freehold	Freehold	Freehold	Freehold	
Resident Tenure	Rental	Land Lease / Rental	Vacant	Rental	
Total Land Area (HA)	0.3	39.0	11.5	10.6	61.4
Operational Sites	17	38	0	1	56
Pipeline - Refurbishment Dwellings	0	26	0	0	26
Pipeline - Undeveloped Sites	0	140	0	0	140
Total Approved Sites	17	204	1	1	223
- per Ha	54	5	0	0	4
Owned Dwelling Inventory	17	30	0	1	48
- per Approved Site	100%	15%	0%	100%	22%
Purchase Price (\$m)	\$3.40	\$4.00	\$1.20	\$2.56	\$11.16
Valuation Cap Rate	4.00%	8.25%	NA	NA	
Value Per HA (\$m)	\$10.9	\$0.10	\$0.10	\$0.24	\$0.18
Value Per Approved Site	\$200k	\$20k	\$1.20	\$2.56	\$50k

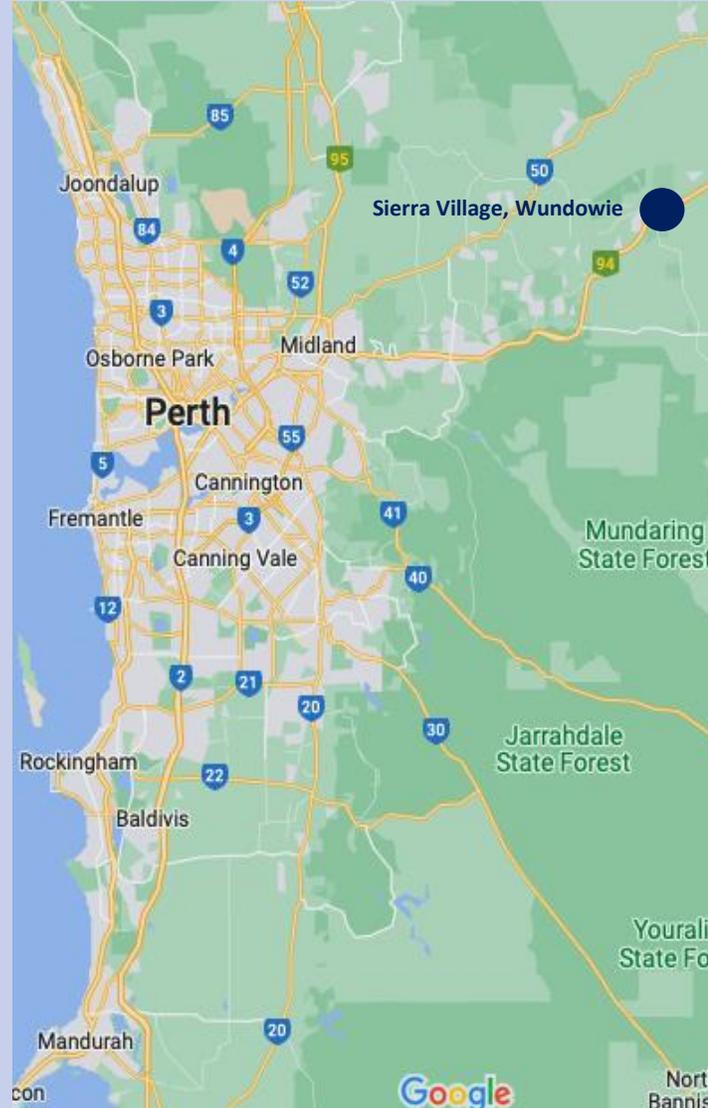
Recent Acquisitions – Lindfield Apartments

- Acquired from Uniting Church in mid July 2023
- Over-55s Community with mixture of Residential and subsidised Retirement leases
- 15kms (25 minute drive) north of Sydney CBD
- 0.31 hectares
- Heritage house plus 16 apartments
- Strategy:
 - Improved scale - increases Aspen's Lindfield Apartment Portfolio to 59 dwellings on 0.66 hectares of prime land
 - Potentially add parking and more units in heritage house
 - Existing subsidised rents will revert to market as tenants choose to vacate over time
 - Experimenting with flexible, long dated leases for Over-55s in return for higher rents
 - Ultimately access higher underlying land value once not encumbered by long term leases
- Financials:
 - Purchase price \$3.4m
 - \$1,088k per sqm of land
 - \$200k per dwelling
 - Average weekly rent \$201
 - Initial yield c.3%
- Lindfield 1 bedroom unit median price \$703k, weekly rent \$550¹



Recent Acquisitions – Sierra Village WA

- Acquired from a Trustee in early August 2023
- 60kms (1 hour drive) north-west of Perth CBD
- 39 hectares adjoining the El Caballo Golf Course
- Sierra Lifestyle Community with 178 approved LL sites
 - 38 new houses completed to date – 34 sold and 4 in unsold inventory
 - 51 additional sites already fully serviced
- Rental Community with 26 dwellings – mixture of houses and ex-motel rooms
- Strategy:
 - Community being stabilised and reinvigorated
 - Refurbish rental community and lease to corporate
 - Clear backlog of LLC resales and new houses in inventory
 - Expand LLC
- Financials:
 - Purchase price \$4.0m
 - \$102k per hectare of land
 - \$20k per approved dwelling/site
 - Average weekly rent \$163 for LLC sites – aiming for \$300 for rental community units
 - Initial NOI yield c.5% - plus potential Development Profits from sale of LLC houses



Sierra Lifestyle Village



Rental Community



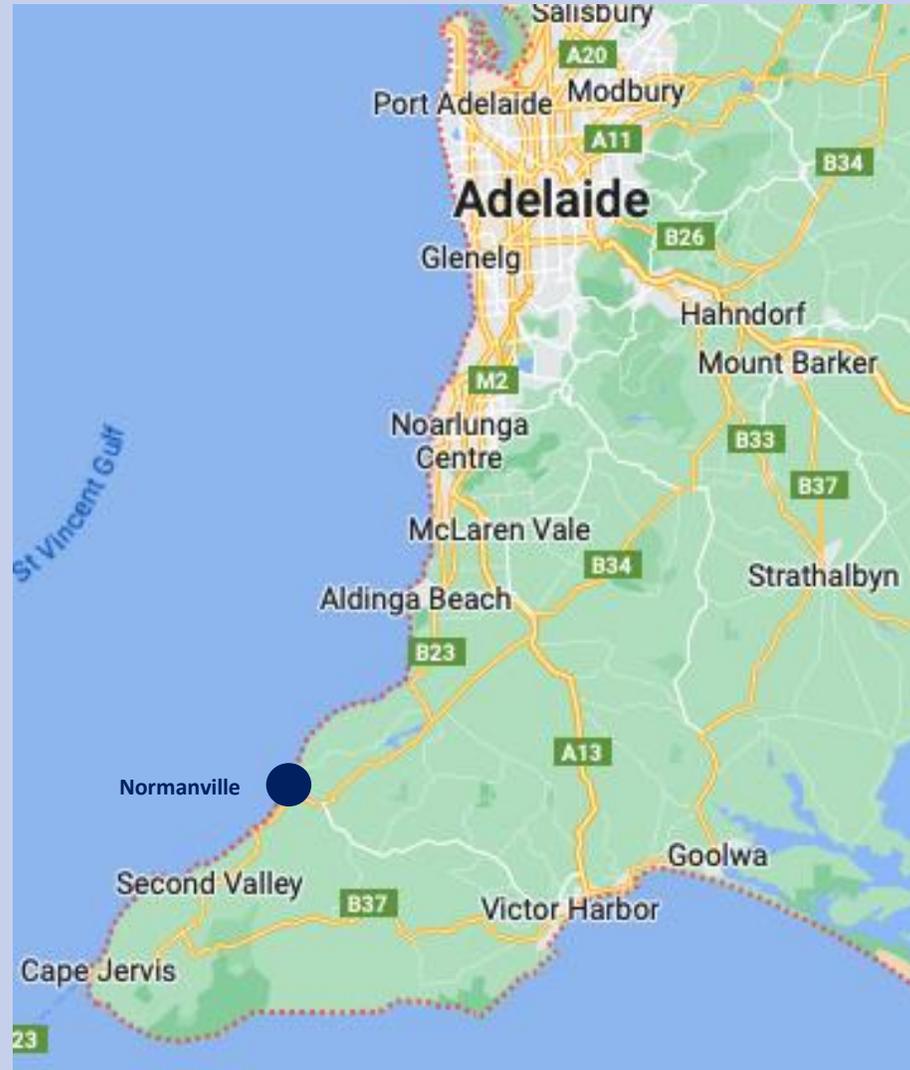
Recent Acquisition – Highway 1 Expansion Land

- Vendor is SA Water Corporation – conditional contracts exchanged, settlement expected in 1H FY23
- Increases Highway 1 scale to 21 hectares with the additional 11.5 hectares to be merged at settlement
- 23kms (25 minute drive) north of Adelaide CBD
- Not appropriately zoned – we will seek approvals for rezoning and additional sites
- Purchase price \$1.2m - \$104k per hectare of land



Recent Acquisition – Normanville SA Land

- Acquired from family who have owned the property for decades
- 76kms (1 hour 15 minute drive) south of Adelaide CBD
- 10.6 hectares with access to the beach
- Zoned for Tourism (mixed use allowed)
- Adjoins existing mixed use park and holiday villa community
- Current improvements include a house, shed, and heritage flour mill that we can adaptively re-use
- Financials:
 - Purchase price \$2.56m (\$243k per Ha)
 - Leased to vendor for 12 months for \$50k





Appendix B

Earnings and Balance Sheet Summary

Statutory Profit and Underlying Operating Earnings

Summary	FY23 \$m	FY22 \$m	Change
Statutory Profit	54.40	75.38	(28%)
Statutory Profit per Security (cents)	31.22	55.16	(43%)
Operating & Development Revenue	70.36	45.96	53%
Operating & Development Net Income	30.56	18.34	67%
<i>Margin</i>	43%	40%	
Other Income (EGH distribution)	0.28	0.00	
Corporate Overheads	(6.36)	(5.40)	18%
Project Management Fees	0.13	0.65	(81%)
Net Corporate Overheads	(6.23)	(4.75)	31%
<i>MER²</i>	1.1%	1.0%	
Underlying EBITDA	24.60	13.60	81%
Net finance expense	(3.70)	(1.76)	(110%)
Underlying Operating Earnings¹	20.90	11.84	77%
Securities (weighted)	174.25	136.93	27%
Underlying Operating EPS (cents)	12.00	8.65	39%
Distribution Per Security (cents)	7.75	6.60	17%
Payout Ratio - DPS/EPS	65%	76%	

Operations & Development	FY23 \$m	FY22 \$m	Change
Operations			
Rental & ancillary services revenue	50.26	35.27	43%
Direct property expenses	(25.95)	(20.43)	27%
Net Operating Income (NOI)	24.31	14.84	64%
<i>Operating Margin</i>	48%	42%	
Contributions to NOI:			
<i>Residential Communities</i>	7.28	2.69	171%
<i>Lifestyle Communities</i>	3.49	2.81	24%
<i>Park Communities</i>	13.55	9.33	45%
Development			
Development revenue	20.10	10.69	88%
Cost of sales	(13.85)	(7.18)	93%
Net Development Profit	6.25	3.51	78%
<i>Development Margin</i>	31%	33%	
Contributions to Development Profit			
<i>Residential Communities</i>	2.78	0.97	187%
<i>Lifestyle Communities</i>	3.47	2.54	37%
<i>Park Communities</i>	0.00	0.00	NA

1. Underlying operating earnings is a non-statutory accounting 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 underlying operating performance – refer to financial report for full definition. Result excludes Trading Profits from the sale of Perth Houses. 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 / Total Assets

Reconciliation of Statutory Profit to Underlying Operating Earnings

	FY23 \$m	FY22 \$m
Statutory Net Profit after Tax	54.40	75.38
Adjustments:		
Depreciation & amortisation	1.20	0.99
Property revaluation (gain) / loss	(34.93)	(61.13)
Fair value (gain) / loss on revaluation of investment in securities	(3.08)	0.08
Deferred tax expense / (benefit) recognised	1.34	(2.58)
Asset transaction costs & other	1.98	(0.90)
Operating Earnings	20.90	11.84
<i>Finance expense</i>	<i>(5.17)</i>	<i>(2.82)</i>
<i>Finance expense capitalised</i>	<i>1.29</i>	<i>1.06</i>
<i>Finance income</i>	<i>0.18</i>	<i>0.01</i>
Net finance expense	3.70	1.76
EBITDA	24.60	13.60
Net corporate overheads and other income	5.96	4.75
Operating and Development Net Income	30.56	18.34

Operating Earnings excludes value creation through redevelopment / refurbishment of properties to rent (not sold) – this is captured in NAV

Depreciation / R&M / SIBC

- Depreciation expense of \$1.20m in the statutory accounts does not reflect the actual expense of repairing and maintaining the portfolio
- Total of \$2.71m spent in FY23:
 - Repairs & Maintenance (R&M) \$1.42m - expensed at the property level in determining Property NOI / Underlying Operating Earnings
 - General Capex \$1.29m mainly “stay in business capex” (but can improve asset value) – not expensed in Property NOI / Underlying Operating Earnings, but reflected in property value and NAV

Net Finance Expense

- At 1 July 2023, interest was being capitalised on \$27.9m of debt:
 - \$10.75m for the refurbishment of 132 Guildford Rd, Maylands - capitalised interest adds to project cost and will cease to be capitalised once the project is completed and leased (stabilised net income post completion and leasing expected to be more than double interest being capitalised)
 - \$10.60m for Mount Barker and CQ residential land projects – capitalised interest adds to project cost and is expensed within COGS as land is sold
 - \$6.55m for other projects

Summary Balance Sheet and Capital Management

Key Metrics	30 June 23 \$m	30 June 22 \$m	Change
Total Assets	553.2	452.5	22%
- Investment Properties	490.4	412.6	19%
- House and Land Development Inventories	21.7	15.8	37%
Net Debt	130.0	117.5	11%
- Cash	8.9	10.7	(17%)
- Gross Debt	138.9	128.2	8%
Net Asset Value (NAV)	361.2	277.0	30%
Securities (period end)	179.4m	155.0m	16%
NAV per Security	\$2.01	\$1.79	13%
Gearing ¹	25%	28%	
Debt Facility			
Expiry	July 2024	April 2024	
Margin (all-in)	200bps	200bps	
Limit (excluding guarantee facility)	\$169.0m	\$150.0m	
Undrawn	\$30.1m	\$21.8m	
Loan to Value Ratio (LTV – covenant 50%) ²	31%	40%	
Interest Cover Ratio (ICR – covenant 2.0x) ²	4.2x	4.9x	
BBSW Interest Rate Hedges			
Expiry	April 2025	April 2024	
Amount	\$70.0m	\$70.0m	
Rate	2.04%	0.50%	

Gearing and LTV reduced – under the current debt facility some of Aspen's property value is not included in the security pool and calculation of LTV

ICR declined due to increase in interest rates – under the current debt facility some of Aspen's income is not included in the calculation of ICR

Development Inventories only 4% of Total Assets

Commenced a process to refinance with a new syndicated debt facility with the aim of increasing number of debt providers, limit and duration

1. Gearing = (Financial Debt minus Cash) / (Total Assets minus Cash minus Retirement Village Resident Loan Obligations & Deferred Revenue) 2. As defined under Aspen's debt facility

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