



ASPEN GROUP LIMITED
Half Year Financial Report ended
31 December 2024

Aspen Group Limited

Appendix 4D

Half-year report



1. Company details

Name of entity:	Aspen Group Limited
ABN:	50 004 160 927
Reporting period:	For the period ended 31 December 2024
Previous period:	For the period ended 31 December 2023

2. Results for announcement to the market

		Percentage Change %	Amount \$'000
Revenues from ordinary activities	up	20.1% to	50,894
Profit for the period	up	39.9% to	31,173
Underlying Operating Earnings before tax for the period ¹	up	30.9% to	16,136

¹ Underlying Operating Earnings represents earnings before tax excluding non-underlying items. Non-underlying items include depreciation, share-based payments, gains and losses on fair value movements and disposals, and non-recurring items which are not part of ordinary operating performance.

	31 December 2024 Cents	31 December 2023 Cents
Basic earnings per security	15.59	12.38
Diluted earnings per security	15.37	12.24

Distributions

Group	Amount per security Cents	Franked amount per security Cents
Interim distribution declared for the period ended 31 December 2024	5.00	-

On 19 December 2024, the directors announced a distribution for the period ended 31 December 2024 of 5.00 cents per ordinary security with a record date of 31 December 2024 to be paid on or around 28 February 2025.

The profit for the Aspen Group after providing for income tax amounted to \$31,173,000 (31 December 2023: \$22,281,000).

3. Net tangible assets

	Reporting period \$	30 June 2024 \$
Net tangible asset per ordinary security	2.28	2.18

4. Control gained over entities

Not applicable.

Aspen Group Limited

Appendix 4D

Half-year report



5. Loss of control over entities

Not applicable.

6. Distributions

Current period

	Amount per security Cents	Franked amount per security Cents
Combined		

Interim distribution declared for the period ended 31 December 2024

5.00 -

On 19 December 2024, the directors announced a distribution for the period ended 31 December 2024 of 5.00 cents per ordinary security with a record date of 31 December 2024 to be paid on or around 28 February 2025.

	Amount per security Cents	Deferred tax %
Aspen Property Trust		

Interim distribution for the period

5.00 88.3%

	Amount per security Cents	Tax rate for franking credit %
Aspen Group Limited		

Interim distribution for the period

- -

Previous period

	Amount per security Cents	Franked amount per security Cents
Combined		

Interim distribution declared for the period ended 31 December 2023

4.25 -

	Amount per security Cents	Deferred tax %
Aspen Property Trust		

Interim distribution for the period

4.25 86.3%

	Amount per security Cents	Tax rate for franking credit %
Aspen Group Limited		

Interim distribution for the period

- -

Ex-dividend date 30 December 2024

Record Date 31 December 2024

Payment Date (on or around) 28 February 2025

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The condensed consolidated interim financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Financial Report.

8. Attachments

Details of attachments (if any):

The Half Year Financial Report of Aspen Group Limited for the period ended 31 December 2024 is attached.

9. Signed

Signed _____

A handwritten signature in blue ink, appearing to read "Guy Farrands", is written over a horizontal line.

Date: 20 February 2025

Guy Farrands
Chairman



Aspen Group Limited

ABN 50 004 160 927

Half Year Financial Report - 31 December 2024

Aspen Group Limited

Directors' report

31 December 2024



The directors present their report together with the consolidated condensed interim financial statements of Aspen Group ("Aspen") comprising Aspen Group Limited (the "Company") and its subsidiaries, and its stapled entity Aspen Property Trust (the "Trust") and its subsidiaries, for the half-year ended 31 December 2024 ("period") and the auditor's review report thereon.

Directors

The following persons were directors of Aspen Group Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Guy Farrands	Independent Non-executive Chairman
Edwina Gilbert	Independent Non-executive Director
John Freedman	Independent Non-executive Director (appointed 25 September 2024)
Clive Appleton	Independent Non-executive Chairman (retired 15 November 2024)
John Carter	Executive Director and Joint Chief Executive Officer
David Dixon	Executive Director and Joint Chief Executive Officer

Evolution Trustees Limited is the Responsible Entity (RE) of the Trust. The following persons held office as Directors of Evolution Trustees Limited during or since the end of the period:

David Grbin	Non-executive Chairman
Alexander Calder	Non-executive Director
Rupert Smoker	Executive Director
Ben Norman	Alternate Director

Aspen Funds Management Limited is the investment manager. The following persons held office as Directors of Aspen Funds Management Limited during or since the end of the period:

Guy Farrands	Independent Non-executive Chairman
Edwina Gilbert	Independent Non-executive Director
John Freedman	Independent Non-executive Director (appointed 25 September 2024)
Clive Appleton	Independent Non-executive Chairman (retired 15 November 2024)
John Carter	Executive Director and Joint Chief Executive Officer
David Dixon	Executive Director and Joint Chief Executive Officer

Operating and financial review

Aspen's business

Aspen's mission is to provide quality accommodation on competitive terms. Our core customer base is the approximate 40% of Australian households with income of less than \$100,000 per annum who can afford to pay no more than about \$400 per week to rent a home. Aspen's fully integrated platform encompasses operations, asset management, development, and capital management. We provide a broad spectrum of products and services to our customers under different lease types and terms. We seek to maximise the profitability and value of our properties and reduce risk by continually optimising the product and customer mix based on demand, relative pricing and expenses, regulatory requirements, capital usage and other factors.

Aspen's business has two main components or segments:

- Rentals – leasing dwellings and land sites to tenants
- Development – creating and selling new Lifestyle dwellings (and leasing the associated land sites) and Residential land lots

Rentals

At 31 December 2024, Aspen's rental pool comprised 3,995 good quality dwellings and land sites (up 1% on 30 June 2024) valued at \$530 million (up 3% on 30 June 2024).

The rental pool is offered to tenants on a broad range of lease terms and duration including overnight (short stay), 12-month fixed term, and lifetime. Occupancy rate at our longer stay (12 months or more) rentals are consistent with Australia's residential market vacancy rate of less than 1.6%. In some of our properties, we offer shorter term rentals to maximise profitability through dynamic yield management - optimising the balance of rental rate, lease term, occupancy and costs. During the half, our short stay occupancy was negatively impacted due to unexpected project disruptions for two of our corporate customers, and sudden changes to foreign student visa requirements, that we estimate cost about \$1.00 million in net rental income in the half. We believe the disruptions will prove to be one-off events.

Aspen's rents are well supported by household income, government subsidies and corporate profitability and the quality of our tenant base has been improving over the past few years. Our average weekly rent in HY25 was \$328 per dwelling/site, an increase of 4% on HY24.

Development

The momentum across Aspen's development business is very positive, with revenue, profitability and margin metrics improving.

At 31 December 2024, Aspen's development pipeline comprised 1,104 approved sites and additional spare land valued at \$44 million (up 25% on 30 June 2024).

Aspen offers new Lifestyle houses at prices well below the median price of local freehold houses. Our average sale price in HY25 was only \$470,000 and we do not charge exit fees on our Lifestyle land lease, unlike some of our competitors. Aspen's residents lease their land site for less than \$200 per week and many are eligible for Commonwealth Rent Assistance to help pay the rent.

Aspen also develops and sells new Residential land lots and the average sale price in HY25 was only \$218,000. At this price, our customers can typically build a new home cheaper than existing houses in the local area.

In HY25, 48 new Lifestyle houses and Residential land lots were sold, up 14% on HY24.

Total Development Profit was \$5.45 million in HY25, up 68% on HY24 and profit margin was 33%, up 6 percentage points on HY24.

We have a significant development pipeline acquired at low cost, and we are on track to more than double production to over 200 new dwellings and land lots in FY25 with the aim of materially increasing sales over the next several years.

Financial Performance – HY25

Aspen generated a statutory net profit of \$31.17 million and Underlying Operating Earnings of \$16.14 million.

Underlying Operating Earnings is a non-IFRS Accounting Standards 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. Underlying Operating Earnings excludes non-cash items including depreciation and amortisation, asset/liability revaluation gains and losses, share based payments and movements in deferred tax assets and liabilities. Other Non-Operating Earnings adjustments are made for transactions occurring infrequently and those that are outside the course of Aspen's ongoing business activities, including but not limited to asset acquisition transaction costs. Underlying Operating Earnings is determined having regard to principles which include providing clear reconciliation between Statutory Net Profit and Underlying Operating Earnings in the directors' report and financial report, including both positive and negative adjustments, maintaining consistency between reporting periods, and taking into consideration property industry practices.

Non-IFRS Accounting Standards financial information has not been audited in accordance with Australian Auditing Standards.

Aspen's underlying financial performance improved in HY25 compared to HY24 - the tables below summarise Aspen's Underlying Operating Profit (non-statutory) and bridge to statutory profit:

- Statutory profit increased 40% to \$31.17 million equating to 15.59 cents per security.
- Underlying EBITDA increased 33% to \$20.35 million.
- Underlying Operating Earnings increased 31% to \$16.14 million equating to 8.07 cents per security, an increase of 18% from the prior period.
- Half year ordinary distributions per security increased 18% to 5.00 cents.
- Total rental and ancillary services revenue increased 12% to \$33.64 million.
- Net rental income increased 13% to \$17.18 million and net rental margin increased from 50% to 51% mainly due to tight cost controls and change in portfolio mix.
- Development profit increased 68% to \$5.45 million at a margin of 33%, increasing from 27% in the prior period.
- Net corporate overheads increased by 11% to \$3.75 million due to an enlarged management platform and higher remuneration.
- Net finance expense increased 41% to \$4.21 million mainly due to higher interest rates.

Aspen Group Limited
Directors' report
31 December 2024



	31 December 2024	31 December 2023	Change	Change
	\$'000	\$'000	\$'000	%
Rental and ancillary services revenue	33,639	30,137	3,502	12%
Direct property expenses	(16,456)	(14,970)	(1,486)	10%
Net rental income (NRI)	17,183	15,167	2,016	13%
Net rental margin (%)	51%	50%		
Revenue from development activities ¹	16,394	11,963	4,431	37%
Cost of sales ¹	(10,946)	(8,714)	(2,232)	26%
Development profit ¹	5,448	3,249	2,199	68%
Development margin (%)	33%	27%		
NRI and development profit	22,631	18,416	4,215	23%
Investment income ²	1,472	276	1,196	433%
Net corporate overheads	(3,753)	(3,378)	(375)	11%
Underlying EBITDA	20,350	15,314	5,036	33%
Net finance expense	(4,214)	(2,984)	(1,230)	41%
Tax ³	-	-	-	-
Underlying Operating Earnings	16,136	12,330	3,806	31%
No. of Securities (weighted – '000)	199,924	179,967	19,957	11%
Underlying Operating Earnings per security (cents)	8.07	6.85		18%
Ordinary distributions per security (cents)	5.00	4.25		18%

¹ Excludes proceeds from sale of investment properties from the Perth House Portfolio and Burleigh Heads

² For the purposes of calculating Aspen's Underlying Operating Earnings, the investment income comprises the actual dividend income received during the period amounting to \$0.764 million plus the projected investment income of \$0.708 million which represents Aspen's share of Eureka Group Holdings Limited's (EGH) estimated underlying earnings of 3.0 cps above the actual dividend income.

³ For the purpose of illustrating Underlying Operating Earnings, the net deferred tax movement (which is a non-cash item and is shown in the Statement of Profit or Loss) has been excluded.

Reconciliation of Statutory Profit and Operating Results:

	31 December 2024	31 December 2023	Change	Change
	\$'000	\$'000	\$'000	%
Total comprehensive income attributable to parent entity	31,324	24,488	6,836	28%
Revaluation of property, plant, and equipment (Darwin Freespirit)	(151)	(2,207)	2,056	(93%)
Statutory net profit attributable to parent entity	31,173	22,281	8,892	40%
Adjustments:				
Depreciation of property, plant and equipment	717	667	50	7%
Property revaluation (gains) / loss	(20,100)	(23,751)	3,651	(15%)
Fair value loss / (gain) on retirement village resident loans	503	1,674	(1,171)	(70%)
Net (gain) / loss on investment in securities ²	(7,582)	795	(8,377)	(1054%)
Fair value loss / (gain) on interest rate swaps	472	1,045	(573)	(55%)
Deferred tax expense / (benefit) recognised	11,150	9,089	2,061	23%
Share based payments expense	1,061	868	193	22%
(Gain) / loss from sale of investment properties	(1,272)	(281)	(991)	353%
Others ¹	14	(57)	71	(125%)
Underlying Operating Earnings	16,136	12,330	3,806	31%
Net finance expense	4,214	2,984	1,230	41%
Underlying EBITDA	20,350	15,314	5,036	33%
Net corporate overheads and investment income	2,281	3,102	(821)	(26%)
Underlying Operating & Development Net Income	22,631	18,416	4,215	23%

Aspen Group Limited

Directors' report

31 December 2024



¹ Others are those excluded from CODM's review of operating profits. This includes asset acquisition transaction costs and other non-underlying adjustments arising from interest and payment of lease liabilities.

² Net gain on investment in securities of \$7.582 million comprises total gain on investment in securities of \$8.289 million less investment income based on estimated underlying earnings per share of \$0.708 million represented by Aspen's share of Eureka Group Holdings Limited's (EGH) estimated underlying earnings of 3.0 cps amounting to \$1.472 million less the actual dividend income received for the period of \$0.764 million.

Balance Sheet

As at 31 December 2024, compared to 30 June 2024:

- Net asset value increased 5% to \$457.396 million
- Total property assets increased by 4% to \$596.964 million - portfolio attractively valued on a WACR* of 6.8% which was unchanged
- During the period, Aspen acquired 36 apartments in Viveash WA (\$2.100 million), and land adjoining Aspen Lifestyle Alexandrina Cove SA (\$1.282 million)
- During the period, Aspen sold 6 houses from Perth houses portfolio and 14 units from Burleigh Heads for total gross proceeds of \$17.400 million
- During the period, Aspen sold 55.1 million of its shares in Eureka Group Holdings (ASX ticker: EGH) at \$0.61 per share. The shares were originally acquired at a weighted average cost of \$0.45 per share and this resulted in realised gain of \$8.591m of which \$3.917 million is included in the current year Profit or loss
- Total financial debt (net of borrowing transaction costs) decreased 14% to \$143.247 million. Gearing** reduced from 26% to 21% which is below our long term target range of 30-40%
- NAV per security excluding DTL increased by 7% from \$2.23 to \$2.39
- In September 2024, the Group hedged more of its floating interest rate exposure on its debt with interest rate swaps with a notional value of \$80.00 million and fixed rate of 3.67% to September 2027.

* Weighted average capitalisation rate

** Net debt excluding resident loans / total assets less cash less resident loans and deferred revenue

	31 December 2024	30 June 2024	Change	Change
	\$'000	\$'000	\$'000	%
Investment properties	550,273	515,611	34,662	7%
Investment property assets held for sale	6,498	18,871	(12,373)	(66%)
Property, plant and equipment (includes Darwin Freespirit)	40,193	40,172	21	-
Carrying value of properties	596,964	574,654	22,310	4%
Cash	9,354	4,524	4,830	107%
Inventories (includes Mt Barker and CQ land, and lifestyle houses)	33,440	25,389	8,051	32%
Investment in Eureka Group Holdings Limited	33,899	58,320	(24,421)	(42%)
Other assets	7,643	6,065	1,578	26%
Total assets	681,300	668,952	12,348	2%
Financial debt ¹	143,247	166,015	(22,768)	(14%)
Deferred tax liability	21,740	10,590	11,150	105%
Distributions payable	10,142	8,569	1,573	18%
Other liabilities	48,775	50,121	(1,346)	(3%)
Total liabilities	223,904	235,295	(11,391)	(5%)
Net Asset Value (NAV)	457,396	433,657	23,739	5%
NAV per security (\$)	2.28	2.18	0.10	5%
NAV per security excluding DTL (\$)	2.39	2.23	0.16	7%

¹ Net of borrowing transaction costs of \$0.753 million (30 June 2024: \$0.932 million)

Outlook

Conditions in the markets in which Aspen operates are expected to be reasonable over the next 12-24 months with inflation and interest rates stabilising, robust employment levels and decent wage growth, building industry conditions normalising, and the general undersupply of affordable housing likely to continue to persist.

Aspen will continue to seek opportunities to grow its portfolio through acquisition and development.

Environmental, Social, and Corporate Governance

Aspen aims to be a trusted and ethical business wherever its operations are located and in doing so, return value to investors as well as local stakeholders. This objective applies across its business of owning, operating and developing real estate.

The needs of current and future generations are at the heart of our decision-making processes. Our key decisions recognise the interdependence between environment, people and economics. We recognise the importance of sustainability in our day-to-day operations, and it is integrated into our organisational culture, stakeholder engagement, governance and management practices. This environment helps our people excel and our customers and communities to prosper. Aspen's employees proudly deliver sustainable outcomes for investors, customers, communities and the environment.

Social

Aspen improves society and reduces inequality by providing quality accommodation on competitive terms to a wide variety of Australian households. Many of our customers are disadvantaged with below-average wealth and income, and find it difficult to secure suitable accommodation. Our average dwelling rent is under \$400 per week and land site rent is under \$200 per week. The average price at which we sell new houses at our Lifestyle communities is under \$500,000.

Aspen values quality stakeholder relationships that are connected, responsive and collaborative. Through these relationships we understand the communities' needs, aspirations, cultures, and their sense of place. We support our customers in a variety of ways so that they can live happier and healthier lives. For instance, we foster a social, diverse, and inclusive culture in our communities by providing on-site management, customer services and community spaces and facilities. This gives our customers a sense of home and meaningful connections to the community. We collaborate with charitable organisations such as the Red Cross and churches to help people with extra needs.

Some of our properties are located in past and present Indigenous communities and we actively seek to help these communities. For instance, to help protect the Barlings Beach Aboriginal Place, we completed an archaeological dig within our Barlings Beach park community with the assistance of the Mogo Local Aboriginal Land Council. Another example is the protection and proposed public display of an Aboriginal Scar Tree within our Mount Barker residential community.

Environmental

With a growing portfolio of properties located across Australia, the environmental impact of our communities, environmental risks, and opportunities to mitigate risks and reduce our ecological footprint is important.

Looking after the environment, today and for future generations, is essential. We recognise the need to continually reduce environmental impacts, work towards sustainable resource use and ensure emissions are at or below levels that can be reabsorbed without harm. Additionally, we apply the precautionary principle when considering environmental impacts: uncertainty in the long-term outcomes of environmental effects should not delay action to reduce pollution and reduce consumption of non-renewable materials.

Our portfolio is highly diversified in terms of age, location and community types which presents some challenges and opportunities around environmental impacts and performance, and we consider this through our acquisition, operating and development processes. In reviewing our environmental performance and objectives we consider not only the impact of our own operations but the performance of the dwellings within our communities that are owned by our customers.

Reduced resource use, energy intensity and CO₂ emissions are inherent in Aspen's business model because we typically provide accommodation with some or all of the following attributes:

- Communal living – efficient sharing of resources such as living, dining, entertaining and recreational spaces, and transport (eg. community bus)
- Dwelling size less than half the Australian average for new homes – it is estimated that about 40% of household energy use is for temperature control (heating and cooling) and this is proportional to floorspace
- New homes and community facilities with improved building techniques, designs and materials that meet increasingly stringent regulatory standards including for energy efficiency (eg. replacing obsolete vans/annexes with highly insulated modern dwellings that require significantly less energy to operate)
- Reduced resource wastage in development / refurbishment work – we prefer to recycle and refurbish old buildings over demolishing and re-building new
- Installing electricity instead of gas appliances where possible
- Replacing our vehicles (including buggies) with more efficient or electric/hybrid versions when appropriate
- Renewable energy installations such as rooftop solar, solar-boosted gas/electric water heaters and solar street lighting – we intend to install batteries at our properties if they become economic for our customer base
- Water saving devices and recycling – clean water requires energy to produce and distribute
- Metering to make customers more aware of their electricity, gas and water use, and charging directly for it to influence behaviour
- Relatively high levels of vegetation that absorbs CO₂
- Community gardens - local food production reduces transport requirements and absorbs CO₂
- Recycling and composting facilities - composting food reduces emissions relative to burying food

We continually embrace new technologies to deliver innovative products and services to our customers whilst minimising costs and our ecological footprint.

Some of our properties, particularly our park communities, are located in attractive natural environments and are therefore subject to heightened environmental risks and increasing insurance costs. This includes properties located along coastlines and other waterways and close to bushland, which increases the risks of erosion, flood, and fire. We also own properties in regions where cyclones are common such as Karratha and Darwin. We seek to protect these properties through, amongst other things, undertaking physical risk assessments, constructing more robust buildings and infrastructure and maintaining them well, and good land management practices such as bushfire management programs and maintaining sand dunes and natural waterways. None of Aspen's properties have suffered material physical damage from flood, fire, or storm events over the past 10 years.

Sustainable Procurement

Aspen continually reviews its procurement processes with the aim of ensuring we are appropriately managing ESG risk in our supply chain, including the consideration of modern slavery as a priority. Due to the types of inputs Aspen uses and that the majority are produced and sourced onshore, we believe the risk is relatively low.

Employees

We work to maintain a performance oriented and inclusive culture, to attract, develop and retain talented people, and to drive a high level of employee engagement and success. We embrace and value all employee differences including gender, gender-identity, age, culture, race, religion and lifestyle choices, and support each of our employees to achieve their potential and their career goals. Our commitment to diversity extends to all aspects of employment, from recruitment to career development, promotion and remuneration. We recognise the competing demands that are often placed on employees outside of work and we seek to provide appropriate options to achieve work-life balance.

We employ the candidate that we believe is best suited to the role; however, we are also committed to maintaining a diverse workforce including the number of females in leadership and other traditionally male dominated roles within the business.

Aspen's rapid business growth has created significant opportunities for employees. We believe that investing in the development of our people will benefit the business as well as motivate individual employees to achieve their own career objectives while delivering sustainable results. Our development, talent and succession planning processes seek to ensure that we maximise learning and progression for our people and continue to attract and retain individuals aligned with our vision and values. These processes include:

- A defined performance management process that sets clear and measurable goals for individual employees that are aligned with the Group's strategy, culture, and values
- Continuous performance reviews
- Career development planning
- Role-specific training across all departments
- Sponsoring employees for personal development through tertiary education and other courses

Individual performance is regularly assessed both internally and through customer feedback and all our head office employees and senior management at the properties can benefit from Aspen's incentive bonus schemes.

Occupational Health and Safety

In operating and developing our communities the safety and health of our people, residents and guests is paramount. We continue to create and maintain safe and healthy environments, ensuring that the operations of the Group are conducted in a manner which safeguards the health and wellbeing of our teams, residents, guests, contractors, and other visitors to our communities. Relevant staff have KPIs which are related to health and safety, reinforcing the importance of our health and safety framework. We ensure that contractors who control development activity and tradespeople at our properties hold appropriate accreditation standards for health, safety, environment, and quality and are appropriately inducted on work practices required at our projects.

We engage the services of Donesafe, insurers and other experts to provide support and training to on the ground teams, to help identify and mitigate health and safety risks, and to help ensure compliance with relevant legislation. Ensuring that we have adequate resources and processes to address risks to health and safety, responding to any issues in a timely manner and reporting to management and the Board are key priorities.

Governance

Aspen Group comprises the stapled head entities Aspen Group Limited and Aspen Property Trust. Aspen Group Limited is a company with a Board of Directors. Aspen Property Trust is a trust governed by a Responsible Entity, Evolution Trustees Limited which is independent from Aspen Group Limited and has its own Board of Directors. Both Boards are comprised of a majority of independent Directors. The two members of the AGL Board who are considered non-independent are the Joint Chief Executive Officers by virtue of their executive roles and substantial shareholdings in Aspen Group.

Aspen's governance framework is led by the Aspen Group Limited Board and the senior executives. They currently focus on the following from a sustainability perspective:

- The health and safety of employees, contractors, customers and visitors
- Legal and regulatory requirements
- Environmental impacts
- Stakeholder engagement

The Board has ultimate responsibility for ensuring that Aspen's sustainability strategies are robust and that systems are in place for managing Aspen's key areas of sustainability risk and opportunity.

Our senior executives ensure that the organisation continues to perform in a way that demonstrates integrity on our environmental position, our commitment to the communities in which we operate and the opportunities we provide for our people and business partners to contribute to current and future generations.

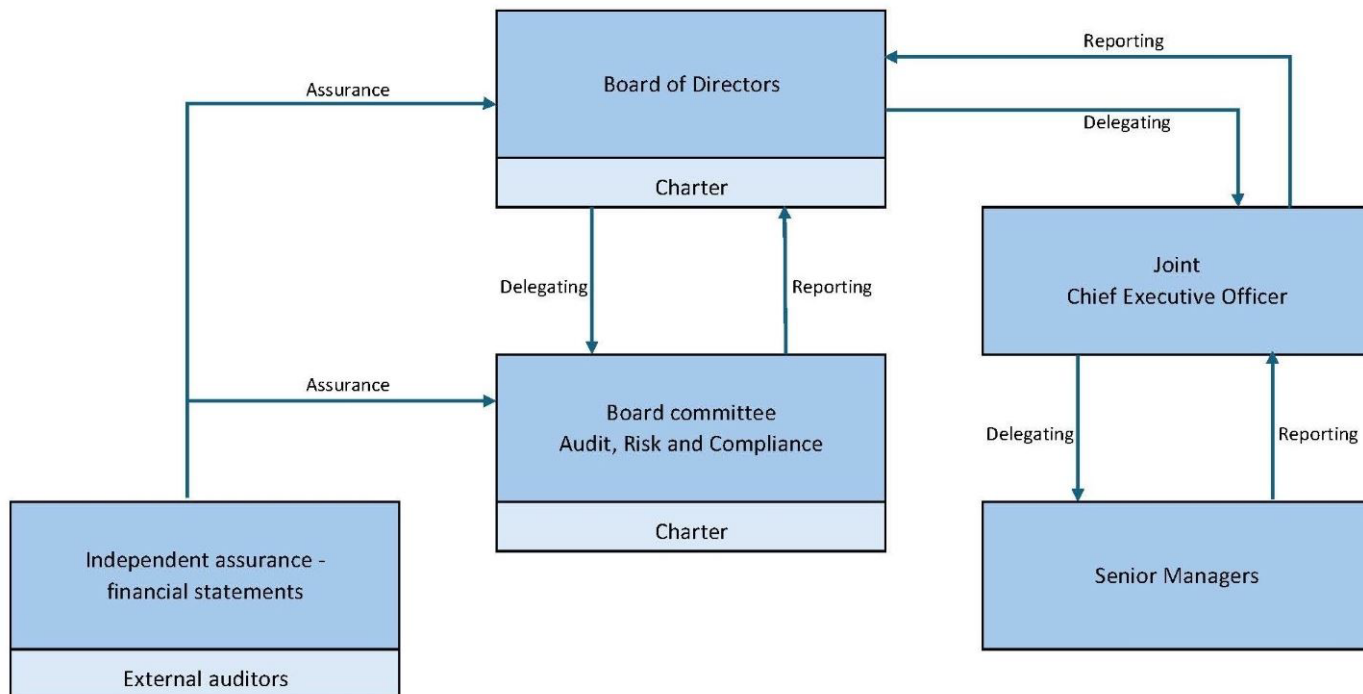
Our current Key Management Personnel include the Joint Chief Executive Officers. They are aligned to the long-term performance of Aspen Group through their substantial personal shareholdings and the structure of their remuneration packages with over 50% of total remuneration deferred for up to 3 years and subject to vesting conditions including qualitative and quantitative performance measures.

Aspen's Corporate Governance Statement is available on its website at

<https://aspengroup.com.au/investor-centre/environmental-social-corporate-governance/>

Aspen's governance framework is outlined below, showing the relationship between the Board, its Committees, and the Joint CEOs.

Aspen Group Limited
 External Governance Framework



Significant changes in the state of affairs

There were no significant changes in the state of affairs of Aspen Group during the financial period.

Matters subsequent to the end of the financial period

On 24 January 2025, the Group entered into a contract to acquire land at Ravenswood WA for \$12.0 million. The acquisition is expected to be settled before end of April 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect Aspen Group's operations, the results of those operations, or Aspen Group's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Guy Farrands
 Chairman

20 February 2025

20 February 2025

The Board of Directors
Aspen Group Limited
Upper Ground, 285A Crown Street
Surry Hills NSW 2010

Dear Board Members

Auditor's Independence Declaration to Aspen Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Aspen Group Limited.

As lead audit partner for the review of the half year financial report of Aspen Group Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



David Sartorio
Partner
Chartered Accountants

Aspen Group Limited
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General information

The financial statements cover Aspen Group consisting of Aspen Group Limited (the "Company") and the entities it controlled and Aspen Property Trust ("the Trust") and its controlled entities, at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Aspen Group's functional and presentation currency.

The shares of the Company are "stapled" with the units of the Trust and trade on the Australian Securities Exchange ("ASX") as one security (ASX Code: APZ). Evolution Trustees Limited ("ET" or "Responsible Entity") is the responsible entity of the Trust. Perpetual Corporate Trust Limited is custodian of the Trust. Aspen Funds Management Limited provided investment management services to the Group throughout the year. In this report, the Company and the Trust are referred to collectively as Aspen, Aspen Group or the Group.

Its registered office and principal place of business is Suite 21, 285A Crown Street, Surry Hills NSW 2010.

A description of the nature of the Aspen Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 February 2025.

Aspen Group Limited
Condensed consolidated interim statement of profit or loss and other comprehensive income
For the period ended 31 December 2024



	Note	Consolidated	
		31 December 2024 \$'000	31 December 2023 \$'000
Revenue			
Rental income		30,640	27,422
Lifestyle home and residential land sales		16,394	11,963
Food and Beverage, and other ancillary sales		2,999	2,715
		50,033	42,100
Other revenue	4	861	289
Total revenue from ordinary activities		50,894	42,389
Net fair value gain on Investment properties		20,100	23,751
Gain from sale of investment properties		1,272	281
Net gain / (loss) on investment in securities		8,289	(795)
Net fair value loss on revaluation of resident loans		(503)	(1,674)
Expenses and other items			
Operational expenses	5	(4,597)	(4,245)
Property expenses	5	(6,370)	(5,595)
Employee expenses	5	(9,265)	(8,316)
Administration expenses	5	(1,132)	(994)
Cost of lifestyle homes and residential land sold		(10,946)	(8,716)
Depreciation and amortisation expense		(717)	(667)
Earnings before interest and income tax expense (EBIT)		47,025	35,419
Finance costs	5	(4,377)	(3,108)
Finance income		147	104
Fair value (loss) / gain on interest rate swaps		(472)	(1,045)
Profit before income tax expense		42,323	31,370
Income tax expense		(11,150)	(9,089)
Profit after income tax expense for the period		31,173	22,281
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of property, plant and equipment		151	2,207
Other comprehensive income for the period, net of tax		151	2,207
Total comprehensive income for the period		31,324	24,488
		Cents	Cents
Basic earnings per security	20	15.59	12.38
Diluted earnings per security	20	15.37	12.24

The above condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Aspen Group Limited
Condensed consolidated interim statement of financial position
As at 31 December 2024



	Note	Consolidated	
		31 December 2024 \$'000	30 June 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents		9,354	4,524
Trade and other receivables		2,170	2,408
Inventories	6	21,022	12,613
Investments at fair value through profit or loss	7	33,899	-
Derivative financial assets		824	1,689
Prepaid expenses		2,946	671
Investment property assets held for sale		6,498	18,871
Total current assets		76,713	40,776
Non-current assets			
Investment properties	9	550,273	515,611
Property, plant and equipment	8	40,193	40,172
Inventories	6	12,418	12,776
Intangible assets		170	60
Right-of-use assets		488	607
Derivative financial assets		394	-
Investments at fair value through profit or loss	7	651	58,950
Total non-current assets		604,587	628,176
Total assets		681,300	668,952
Liabilities			
Current liabilities			
Trade and other payables		9,294	9,766
Distributions payable		10,142	8,569
Lease liabilities		55	165
Resident loans	11	33,328	33,146
Provisions		1,947	2,849
Deferred management revenue (DMF)	12	722	661
Total current liabilities		55,488	55,156
Non-current liabilities			
Interest bearing loans and borrowings	10	143,247	166,015
Lease liabilities		574	578
Deferred tax		21,740	10,590
Deferred management revenue (DMF)	12	2,855	2,956
Total non-current liabilities		168,416	180,139
Total liabilities		223,904	235,295
Net assets		457,396	433,657
Equity			
Issued capital	13	635,318	632,616
Reserves	14	20,689	20,785
Accumulated losses		(194,774)	(215,907)
		461,233	437,494
Non-controlling interest		(3,837)	(3,837)
Total equity		457,396	433,657

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes

Aspen Group Limited
Condensed consolidated interim statement of changes in equity
For the period ended 31 December 2024



Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	599,104	14,118	(248,220)	(3,837)	361,165
Profit after income tax expense for the period	-	-	22,281	-	22,281
Other comprehensive income for the period, net of tax	-	2,207	-	-	2,207
Total comprehensive income for the period	-	2,207	22,281	-	24,488
<i>Transactions with security holders in their capacity as security holders:</i>					
Security-based payments	-	868	-	-	868
Security-based compensation - issued during the year	643	(643)	-	-	-
Issue of stapled securities, net of transaction costs	116	-	-	-	116
Distributions payable or paid (note 15)	-	-	(7,660)	-	(7,660)
Balance at 31 December 2023	599,863	16,550	(233,599)	(3,837)	378,977
Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2024	632,616	20,785	(215,907)	(3,837)	433,657
Profit after income tax expense for the period	-	-	31,173	-	31,173
Other comprehensive income for the period, net of tax	-	151	-	-	151
Total comprehensive income for the period	-	151	31,173	-	31,324
<i>Transactions with security holders in their capacity as security holders:</i>					
Security-based payments	-	1,061	-	-	1,061
Security-based compensation - issued during the year	1,308	(1,308)	-	-	-
Issue of stapled securities, net of transaction costs	1,394	-	-	-	1,394
Distributions payable or paid (note 15)	-	-	(10,040)	-	(10,040)
Balance at 31 December 2024	635,318	20,689	(194,774)	(3,837)	457,396

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes

Aspen Group Limited
Condensed consolidated interim statement of cash flows
For the period ended 31 December 2024



	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	50,268	42,221
Payments to suppliers (inclusive of GST)	(43,026)	(31,585)
Net cash from operating activities	7,242	10,636
Cash flows from investing activities		
Payment for development of investment properties	(13,384)	(17,764)
Proceeds from sale of investment property assets, net of selling costs	17,061	9,998
Acquisition of property, plant and equipment	(578)	(677)
Acquisition of investment properties, including transaction costs	(2,692)	(12,106)
Proceeds from sale of investment in listed securities	33,454	-
Dividends received	-	276
Interest received	147	104
Net cash from/(used in) investing activities	34,008	(20,169)
Cash flows from financing activities		
Proceeds from borrowings	16,500	18,000
Repayment of borrowings	(39,447)	-
Payment of financing and borrowing costs	(4,892)	(4,658)
Payment of lease liability	(114)	(106)
Distributions paid	(8,467)	(7,625)
Net cash (used in)/from financing activities	(36,420)	5,611
Net increase/(decrease) in cash and cash equivalents	4,830	(3,922)
Cash and cash equivalents at the beginning of the financial period	4,524	8,922
Cash and cash equivalents at the end of the financial period	9,354	5,000

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes

Aspen Group Limited

Notes to the condensed consolidated interim financial statements

31 December 2024



Note 1. Introduction

Aspen Group (“the Group” or “Aspen”) is a stapled entity comprising Aspen Group Limited (“the Company”) and its controlled entities, and Aspen Property Trust (“the Trust”) and its controlled entities.

Aspen was established for the purpose of facilitating a joint quotation of the Trust and the Company and their controlled entities on the ASX, with both entities being stapled together. The Deed of the Trust and the Constitution of the Company ensure that, for so long as the two entities remain jointly quoted, the number of units in the Trust and the number of shares in the Company shall be equal and that unitholders and shareholders be identical. With the establishment of Aspen via a stapling arrangement, the combined group has common business objectives, and operates as a combined entity in the core business of owning, developing and operating affordable accommodation assets.

The Trust, the Company and their controlled entities are domiciled in Australia. The address of Aspen’s registered office is Suite 21, 285A Crown Street, Surry Hills, New South Wales 2010.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Key judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Information about judgements, estimates and assumptions that have a significant effect on the consolidated financial statements are found in the following notes:

- Property, plant and equipment (note 8)
- Investment properties (note 9)

Financial position

During the period ended 31 December 2024 Aspen recorded a profit after tax of \$31.173 million (31 December 2023: profit after tax of \$22.281 million). At 31 December 2024 Aspen had net assets of \$457.396 million (30 June 2024: \$433.657 million), and cash reserves of \$9.354 million (30 June 2024: \$4.524 million).

The consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Comparative information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current period amounts and other disclosures.

New or amended Accounting Standards and Interpretations adopted

The Aspen Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Aspen Group Limited
Notes to the condensed consolidated interim financial statements
31 December 2024



Note 3. Operating segments

Identification of reportable operating segments

Aspen Group is organised into two reportable segments:

- Rental – this segment consists of rental of dwellings across different properties type including residential, lifestyle and parks.
- Development – this segment consists of development and sales of lifestyle homes and residential land lots.

Other includes items that are not allocated to a reportable segment. This includes the sale of investment in securities, depreciation, fair value gain on revaluation of investment properties, fair value changes on retirement resident loans, corporate overheads and income, interest income and interest expense.

The identification of Aspen's operating segments has changed during the current period based on expansion in the Group's business activities and resultant changes in the internal reporting to the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) to assess performance and determine the allocation of resources. Reporting of HY2024 segment information has been changed to reflect the new identified segments in the current year. Accordingly, the comparative period numbers have been changed to conform with current year disclosure.

The CODM reviews Underlying Operating Earnings by reportable segment. The Underlying Operating Earnings also includes Net Corporate Overheads, Investment Income and net Finance expense (included in Other). All other items below the Underlying Operating Earnings are reviewed on a total basis as a part of other segment.

The information reported to the CODM is on a monthly basis.

Segment information is provided below:

	Rental		Development		Other		Consolidated	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Residential	10,273	7,756	3,563	4,167	-	-	13,836	11,923
Lifestyle	3,802	3,314	12,831	7,796	-	-	16,633	11,110
Parks	19,564	19,067	-	-	-	-	19,564	19,067
Total segment revenue¹	33,639	30,137	16,394	11,963	-	-	50,033	42,100
Net rental income and development profit	17,183	15,167	5,448	3,249	-	-	22,631	18,416
Investment income ⁶	-	-	-	-	1,472	276	1,472	276
Net corporate overheads	-	-	-	-	(3,753)	(3,378)	(3,753)	(3,378)
Total Underlying EBITDA²	17,183	15,167	5,448	3,249	(2,281)	(3,102)	20,350	15,314
Net finance expense	-	-	-	-	(4,214)	(2,984)	(4,214)	(2,984)
Underlying Operating Earnings	17,183	15,167	5,448	3,249	(6,495)	(6,086)	16,136	12,330
Depreciation and amortisation	-	-	-	-	(717)	(667)	(717)	(667)
Net Fair value gain on Investment properties	-	-	-	-	20,100	23,751	20,100	23,751
Fair value loss on retirement village resident loans	-	-	-	-	(503)	(1,674)	(503)	(1,674)
Net gain / (loss) on investment in securities ⁷	-	-	-	-	7,582	(795)	7,582	(795)
Fair value loss on interest rate swaps	-	-	-	-	(472)	(1,045)	(472)	(1,045)
Share based payments expense	-	-	-	-	(1,061)	(868)	(1,061)	(868)
Gain/ (loss) from sale of investment properties	-	-	-	-	1,272	281	1,272	281
Others ³	-	-	-	-	(14)	57	(14)	57
Income-tax (expense) / benefit	-	-	-	-	(11,150)	(9,089)	(11,150)	(9,089)
Profit / (loss) after tax attributable to parent entity	17,183	15,167	5,448	3,249	8,542	3,865	31,173	22,281
<i>Segment assets and liabilities reviewed by CODM can be analysed as follows:</i>	-	-	-	-	-	-	-	-
Segment assets ⁴	596,771	537,081	33,304	24,797	51,225	32,736	681,300	594,614
Segment liabilities ⁵	-	-	-	-	(223,904)	(215,637)	(223,904)	(215,637)
Additions to non-current assets during the period	18,395	30,938	-	-	161	97	18,556	31,035

Aspen Group Limited
Notes to the condensed consolidated interim financial statements
31 December 2024



Note 3. Operating segments (continued)

¹ All segment revenues are derived from external customers.

² Underlying EBITDA represents earnings before interest, tax, depreciation and amortisation, fair value gains/losses, and excludes non-underlying items which are included in other income / expenses – see Footnote 3 for non-underlying items.

³ Others are those excluded from CODM's review of operating profits. This includes asset acquisition transaction costs and other non-underlying adjustments arising from interest and payment of lease liabilities.

⁴ Other segment assets include all assets of the Group excluding the property assets (investment properties, property, plant and equipment, and cabins and land inventories).

⁵ Other segment liabilities include all liabilities of the Group including the property liabilities.

⁶ For the purposes of calculating Aspen's Underlying Operating Earnings, the investment income comprises the actual dividend income received during the period amounting to \$0.764 million plus the projected investment income of \$0.708 million which represents Aspen's share of Eureka Group Holdings Limited's (EGH) estimated underlying earnings of 3.0 cps above the actual dividend income.

⁷ Net gain on investment in securities of \$7.582 million comprises total gain on investment in securities of \$8.289 million less investment income based on estimated underlying earnings per share of \$0.708 million represented by Aspen's share of Eureka Group Holdings Limited's (EGH) estimated underlying earnings of 3.0 cps amounting to \$1.472 million less the actual dividend income received for the period of \$0.764 million.

Note 4. Other revenue

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Dividend income	764	276
Management fees	-	13
Other income	97	-
	861	289

Recognition and measurement

Revenue

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and can be reliably measured. Revenue brought to account but not received at balance sheet date is recognised as a receivable.

Rental income (short and long stay) is recognised on a straight-line basis over the accommodation period. Fixed rental increases are recognised on a straight-line basis over the period until the next market review date. Rent received in advance is recognised as contract liabilities.

Development sales from the sale of houses and land is recognised at the point in time when control of the land / home is transferred to the customer, on settlement of the transaction.

Food and beverage, other ancillary sales, and net gaming revenue are recognised at the point in time when the provision of the service is provided to the customer.

Management fees are recognised over the period the provision of the related service is transferred to the customer.

Dividend income is recognised at the point in time when the contractual right to receive the dividend income is established.

Note 5. Expenses and other items

Operational expenses	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Contractors	147	220
Consumables	1,065	1,074
Services and supplies	1,023	822
Marketing expenses	101	135
Other operational costs	2,261	1,994
	4,597	4,245

Aspen Group Limited
Notes to the condensed consolidated interim financial statements
31 December 2024



Note 5. Expenses and other items (continued)

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Property expenses		
Repairs and maintenance	752	695
Motor vehicle expenses	63	64
Utilities	2,591	2,392
Insurance	965	833
Rates and taxes	1,729	1,454
Other property expenses	270	157
	6,370	5,595

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Employee expenses		
Salary and wages	7,572	6,886
Superannuation	632	562
Security-based payments	1,061	868
	9,265	8,316

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Administrative expenses		
Corporate administration costs	1,114	974
Occupancy costs	18	20
	1,132	994

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Finance expenses		
Interest – loans and borrowings	4,360	3,089
Interest – rights of use assets	17	19
	4,377	3,108

Income tax expense

Aspen has recognised a current income tax expense during the period in respect of deferred taxable income. Accordingly, a net \$11.150 million income tax expense was recognised in the statement of profit or loss for the period ended 31 December 2024.

Aspen Group Limited
Notes to the condensed consolidated interim financial statements
31 December 2024



Note 6. Inventories

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<i>Current assets</i>		
Land under development	1,877	711
Manufactured homes under development	19,009	11,758
Others (supplies)	136	144
	21,022	12,613
<i>Non-current assets</i>		
Land under development	12,418	12,776
	33,440	25,389

Recognition and measurement

The Group holds inventories in relation to development of residential land lots and manufactured homes, as well as supplies. Inventories are held at the lower of cost and net realisable value. Costs of inventories comprise all acquisition costs, costs of conversion (including capitalised finance costs) and other costs incurred in bringing the inventories to their present location and condition. Inventory includes work in progress and materials used in the production of the manufactured homes. Net realisable value is determined based on an estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The non-current land development represents the amount of inventories that is expected to be recovered more than twelve months after the reporting period.

Note 7. Investments at fair value through profit or loss

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<i>Current assets</i>		
Investment in listed entity (Eureka Group Holdings Limited)	33,899	-
<i>Non-current assets</i>		
Other investment in unlisted entity	651	630
Investment in listed entity (Eureka Group Holdings Limited)	-	58,320
	651	58,950
	34,550	58,950

During the period, Aspen sold 55.1 million of its shares in Eureka Group Holdings (ASX ticker: EGH) at \$0.61 per share. The shares were originally acquired at a weighted average cost of \$0.45 per share and this resulted in realised gain of \$8.591m of which \$3.917 million is included in the current year Profit or loss. Aspen owns approximately 55.1 million ordinary shares (representing 13% interest) in EGH. The investment is classified as level 1 in the fair value hierarchy, and has been accounted for as a financial asset through profit or loss with the carrying value of the investment determined using the closing price of EGH at the reporting date.

Other investment in unlisted entity is classified as Level 3 in the fair value hierarchy. The fair value of other investment in an unlisted entity has been determined by reference to the net tangible asset value per share as published in the latest audited financial statements of the investee.

Aspen Group Limited
Notes to the condensed consolidated interim financial statements
31 December 2024



Note 8. Property, plant and equipment

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Land (Fair value) \$'000	Buildings (Fair value) \$'000	Plant and equipment (Fair value) \$'000	Corporate assets (Cost) \$'000	Total \$'000
Balance at 1 July 2024	27,275	5,024	7,701	172	40,172
Additions	-	-	417	51	468
Depreciation expense	-	(86)	(482)	(30)	(598)
Revaluation gain	151	-	-	-	151
Balance at 31 December 2024	27,426	4,938	7,636	193	40,193

Property, plant and equipment (PPE) represent assets held principally for use in the supply of services - provision of accommodation and ancillary services – Darwin Freespirit Resort or for administration purposes – Corporate assets.

Recognition and measurement

PPE is initially measured at the historical cost of the asset, less depreciation and impairment. The cost of PPE includes the cost of replacing parts that are eligible for capitalisation.

PPE is subsequently measured at fair value at each balance sheet date. Fair value is determined on the basis of either an independent valuation prepared by external valuers as at the balance sheet date or directors' valuation. Corporate office assets are not subsequently revalued and are carried at historical cost, less depreciation and impairment. Independent valuations of PPE are obtained at intervals of not more than 3 years and are performed by external, independent property valuers with appropriate professional qualifications and experience in the category of the property being valued.

The fair value of PPE can be measured via either the capitalisation method, the discounted cash flow approach, or by comparison to comparable sales. Aspen may consider any one or all three techniques dependent on the asset type and the judgement that market participants would apply. A revaluation increase is recognised directly against an asset revaluation reserve in equity unless it reverses a previous decrease recognised in profit or loss in which case it is recognised in profit or loss, while a decrease is recognised in profit or loss unless it reverses a previous increase recognised against reserves in which case it is recognised against reserves.

Refer further details regarding fair value assessment in note 9.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over their useful lives. The estimated useful life of buildings is between 10 and 40 years; plant and equipment is between 5 and 10 years and corporate office assets is between 3 and 10 years. Land is not depreciated.

De-recognition

An item of PPE is de-recognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefit. Any gain or loss from derecognising the asset (the difference between the proceeds of disposal and the carrying amount of the PPE) is included in the income statement in the period the item is derecognised.

Level 3 fair value

The fair value measurement of Darwin Freespirit Resort PPE of \$40.000 million (30 June 2024: \$40.000 million) has been categorised as a Level 3 fair value based on the unobservable inputs to the valuation technique used. The carrying amount table above shows the reconciliation from the opening balance to the closing balance for Level 3 fair values. Details of the valuation is included in note 9.

Aspen Group Limited
Notes to the condensed consolidated interim financial statements
31 December 2024



Note 8. Property, plant and equipment (continued)

Land and buildings stated under the historical cost convention

If land and buildings were stated under the historical cost convention, the amounts would be as follows:

Property	Land \$'000	Building \$'000	Plant and equipment \$'000	Total \$'000
Period ended 31 December 2024				
Cost	11,515	5,375	10,528	27,418
Accumulated depreciation and impairment	-	(1,229)	(3,928)	(5,157)
Net carrying amount	<u>11,515</u>	<u>4,146</u>	<u>6,600</u>	<u>22,261</u>

Note 9. Investment properties

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<i>Non-current assets</i>		
Investment Properties at fair value	<u>550,273</u>	<u>515,611</u>

Investment properties comprise those which are held for the principal purpose of earning rental income or for capital appreciation or both.

Recognition and measurement

Land and buildings have the function of an investment and are regarded as composite assets. In accordance with applicable accounting standards, the buildings, including plant and equipment, are not depreciated.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are stated at fair value, reflecting market conditions at reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the period they arise.

Fair value and cost

The total fair value of all property assets owned by the Group as follows:

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Property plant and equipment - Darwin Freespirit	40,000	40,000
Investment properties	550,273	515,611
Investment property assets held for sale (carrying value equates to fair value at balance date)	6,498	18,871
Total fair value of all property assets	<u>596,771</u>	<u>574,482</u>

Total property assets of the group, including the Mt Barker and Coorong Quays land holdings classified as inventories are as follows:

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Property plant and equipment, investment properties, and investment properties held for sale at fair value	596,771	574,482
Inventories – Mt Barker and Coorong Quays residential land at cost	14,295	13,486
Total fair value of all property assets and land inventories at cost	<u>611,066</u>	<u>587,968</u>

Aspen Group Limited
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Note 9. Investment properties (continued)

Property assets which have been subject to an independent valuation during the period are as follows:

Property types	Percentage of total independent valuations undertaken in the current financial period to total carrying value %	Total of independent valuations undertaken in the current financial period \$'000	Total carrying value \$'000
Residential	14%	38,600	267,981
Lifestyle ¹	18%	25,200	139,599
Park	12%	22,600	189,191
		86,400	596,771

¹ Excludes Wodonga Gardens VIC with latest valuation date of July 2024 and has been included in FY24 total independent valuations.

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Note 9. Investment properties (continued)

The following table presents individual properties (grouped by property types) owned by the Group:

Property	Original acquisition date	At cost ⁷ \$'000	Latest independent valuation date	Latest independent valuation \$'000	Fair value at 31 December 2024 \$'000	Fair value at 30 June 2024 \$'000
Residential Properties						
Lindfield Apartments NSW ⁶	Aug 2019 / Jul 2023	15,363	Jun 2023 / Nov 2024	18,998	20,704	17,860
Perth Portfolio WA ⁴	Nov 2019	6,635	May 2024	13,120	13,516	15,293
Perth Apartments WA ⁵	Sep 2021	91,757	Nov 2023 / Jun 2024 / Nov 2024	136,675	169,521	154,422
Cooks Hill NSW	Jul 2020	10,375	May 2023	12,250	13,197	13,133
Burleigh Heads QLD ⁴	Dec 2020	2,131	Nov 2022	3,270	3,783	16,428
Upper Mount Gravatt QLD	Apr 2021	20,781	Apr 2023	27,500	29,615	31,615
Normanville SA	Sep 2023	2,883	Nov 2023	2,560	2,714	2,652
Burwood VIC ⁸	Mar 2024	9,157	Feb 2024	8,110	10,881	9,214
Viveash WA ⁹	Aug 2024	4,137	-	-	4,050	-
		163,219		222,483	267,981	260,617
Lifestyle Properties						
Four Lanterns NSW	Jan 2015	12,223	Nov 2024	20,500	20,500	20,258
Mandurah WA	Jun 2015	10,919	May 2023	17,300	19,435	18,658
Sweetwater Grove NSW	Aug 2015	19,837	May 2024	22,500	24,055	22,546
Strathalbyn SA ³	Jun 2021	5,118	Nov 2023	12,830	13,765	12,985
Wodonga Gardens VIC ³	Aug 2021	11,454	Jul 2024	30,010	32,480	30,756
Meadowbrooke WA	Dec 2021	4,538	Nov 2024	4,700	4,700	3,743
Alexandrina Cove SA ¹³	Jun 2022 / Dec 2024	10,043	Nov 2023	12,800	16,589	13,071
Sierra WA	Jul 2023	7,910	Jun 2023	4,000	8,075	6,283
		82,042		124,640	139,599	128,300
Park Properties						
Adelaide SA	Oct 2015	11,927	May 2023	17,850	20,891	20,466
Tween Waters Merimbula NSW	Dec 2016 / Feb 2023	15,329	Jan 2023	15,700	14,945	15,705
Barlings Beach NSW	Jan 2017	18,397	Nov 2024	22,600	22,600	22,487
Koala Shores NSW	Sep 2017	12,321	May 2024	14,250	13,746	14,250
Darwin FreeSpirit NT	Dec 2017	27,418	Jun 2024	40,000	40,000	40,000
Highway 1 SA	Oct 2018 / Oct 2023	29,738	Nov 2023	37,650	41,338	39,490
Aspen Karratha Village WA	Jun 2005	33,452	May 2024	20,000	22,500	20,000
Coorong Quays SA	Jun 2022	10,641	Nov 2023	12,000	13,171	13,167
		159,223		180,050	189,191	185,565
Total fair value of all property assets		404,484		527,173	596,771	574,482
Land development – recognised as inventories						
	Original acquisition date	Original acquisition costs \$'000	Latest independent valuation date	Latest independent valuation \$'000	Carrying value at 31 December 2024 \$'000	Carrying value at 30 June 2024 \$'000
Mt Barker SA ²	Dec 2020	4,510	N/A	-	4,462	4,366
Coorong Quays SA ²	Jun 2022	10,000	N/A	-	9,833	9,120
Total land development – recognised as inventories		14,510		-	14,295	13,486

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Note 9. Investment properties (continued)

¹ In December 2024, Aspen acquired land that adjoins our existing Aspen Lifestyle Alexandrina Cove SA for \$1.280 million. This cost was combined with the existing Alexandrina Cove at acquisition cost.

² These residential lots are currently in development stages and held for sale and classified as inventories – not subject to external valuation and are recognised at cost.

³ Some leases at these properties are regulated under Retirement Village Acts and residents are obligated to pay Deferred Management Fees (DMF) under contracts. The directors' valuation reflects the fair value of the estimated DMF revenue stream plus the fair value of spare land. This value is grossed up for the market value of the freehold land and buildings that are owned by Aspen and leased to the residents. Corresponding resident loans and deferred revenue (DMF) are recorded as liabilities in the balance sheet.

⁴ Burleigh Heads and Perth portfolio's latest independent valuation and fair value has been adjusted for homes that were sold subsequent to external valuation. The valuation relates to the remaining homes in the portfolios.

⁵ 126 Peninsula Road, Maylands apartment within the Perth Apartments portfolio was independently valued at \$23.000 million during the period. The remaining complexes in the portfolio were internally valued at 31 December 2024.

⁶ During the period, 16 Treatts Road and 466 Pacific Hwy within the Lindfield Apartments portfolio were independently valued at \$9.000 million and \$6.600 million, respectively. The remaining property in the portfolio, 26 Treatts Road, was internally valued at 31 December 2024.

⁷ Value at cost includes original acquisition costs plus subsequent capital expenditures capitalised up to 31 December 2024.

⁸ Three apartment units have been acquired during the period in Burwood VIC for \$0.380 million. This cost was combined with the existing Burwood at acquisition cost.

⁹ Property acquired during the period.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at measurement date, in the principal market for the asset or liability, or the most advantageous market in its absence.

It is the Group's policy to have all properties independently valued at intervals of no longer than three years. It is the policy of the Group to review the fair value of each property at every six-month reporting period and to revalue properties to fair value when their carrying value materially differs to their fair values. In determining fair values, the Group considers relevant information, as applicable to the asset, including the capitalisation of rental streams using market assessed capitalisation rates, expected net cash flows discounted to their present value using market determined risk-adjusted discount rates, and other available market data such as recent comparable transactions.

The fair value measurement of the investment property assets totalling \$550.273 million (30 June 2024: \$515.611 million) and PPE assets totalling \$40.000 million (30 June 2024: \$40.000 million) have been categorised as a Level 3 fair value based on the unobservable inputs to the valuation technique used. The carrying amount tables above shows the reconciliation from the opening balance to the closing balance for Level 3 fair values for investment property and PPE assets. There were no transfers between the hierarchy levels during HY25.

The Board has reviewed the carrying value of all properties as at 31 December 2024 and adopted directors' and independent valuations for all properties as at this date, taking into account historical, current and forecast trading performance, the most recent valuations, and market evidence. Independent valuations were commissioned for six properties/portfolios during the six month period to 31 December 2024, with director valuations being undertaken for the remaining balance of properties. As a result of the independent valuations received, as well as the use of directors' valuations as at 31 December 2024, there was a net upwards movement of \$20.251 million (adjusted for capital expenditure since the previous valuation) in the portfolio carrying value during the period ended 31 December 2024. This has been reflected as fair value gain in the profit or loss (\$20.100 million) and in the asset revaluation reserve (\$0.151 million).

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Note 9. Investment properties (continued)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of PPE and investment property assets as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Capitalisation method, discounted cashflow approach, direct comparison approach and residual method: The Group considers one or more of the techniques as deemed appropriate for the asset type. Where more than one technique is considered, the Group reconciles and weighs the estimates under each technique based on its assessment of the judgement that market participants would apply.</p> <p>The capitalisation method estimates the sustainable net income (where applicable) of the property, and then applies a capitalisation rate to this sustainable net income to derive the value of the asset.</p> <p>The discounted cashflow approach considers the present value of net cash flows expected to be generated from the property, taking into account the receipt of contractual rentals, future market rentals, letting up periods, escalation (of sales and costs), occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.</p> <p>The direct comparison approach considers the price at which comparable properties are transacting in the open marketplace.</p> <p>The residual approach which is used for vacant properties subject to refurbishment / development estimates the value of the completed project, less the remaining refurbishment / development costs which includes construction costs and an allowance for developer's risk and profit. This valuation is then discounted back to the present value.</p>	<p>For the financial period ended 31 December 2024, the properties were primarily valued using the capitalisation approach.</p> <p>Residential Key valuation inputs include: - Net sustainable operating income ranging from \$0.11 million to \$8.10 million (30 June 2024: \$0.47 million to \$8.19 million) - Capitalisation rates ranging from 2.89% to 7.75% (30 June 2024: 2.75% to 7.75%) - Direct comparison of comparable properties</p> <p>Lifestyle Key valuation inputs include: - Net sustainable operating income ranging from \$0.09 million to \$1.20 million (30 June 2024: \$0.08 million to \$1.17 million) - Capitalisation rates ranging from 5.13% to 7.75% (30 June 2024: 4.75% to 8.75%) - For leases with DMF: discount rate of 14.50% to 16.00% (30 June 2024: 14.50% to 16.00%), price growth of 1.15% to 1.50% (30 June 2024: 2.38% to 3.50%), average length of stay (ALOS) 12 years (30 June 2024: 12 years) and average house market value of \$398,000 (30 June 2024: \$396,000)</p> <p>Park Key valuation inputs include: - Net sustainable operating income ranging from \$0.92 million to \$4.50 million (30 June 2024: \$0.92 million to \$3.70 million) - Capitalisation rates ranging from 7.00% to 20.00% (30 June 2024: 7.00% to 18.50%)</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - Net sustainable income increases (decreases) - Capitalisation rates and or discount rates decrease (increase) which could result from: <ul style="list-style-type: none"> - Interest rates decreasing (increasing) - Expected growth in sustainable net income increasing (decreasing) - The required risk premium decreasing (increasing) - Comparable property values on a per unit basis increase (decrease)

Sensitivity analysis

The Group has conducted sensitivity analysis on the fair value of the property assets (excluding DMF assets) to changes in key assumptions used in the valuation as follows:

	Key assumptions			
	50 bps increase in cap rate	50 bps decrease in cap rate	5% decrease in NOI	5% increase in NOI
(Decrease) / Increase in total value (\$'000)	(39,763)	47,685	(26,016)	26,016

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Note 9. Investment properties (continued)

For DMF lease assets sensitivity has been analysed as follows:

	Key assumptions			
	Current market value	Current market value	Discount rate	Discount rate
	5% increase	5% decrease	1% increase	1% decrease
	\$'000	\$'000	\$'000	\$'000
Fair value changes – on gross basis to the book value of the investment properties	2,186	(2,189)	(390)	410
Fair value changes – on net asset basis ¹	340	(340)	(390)	410

¹ After netting off the residential loans and DMF revenue.

Note 10. Interest bearing loans and borrowings

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
<i>Non-current liabilities</i>		
Secured debt facilities	144,000	166,947
Less borrowing transaction costs	(753)	(932)
	143,247	166,015

Refer to note 16 for further information on financial instruments.

Aspen entered into a syndicated debt facility with Westpac and Bank of Queensland in December 2023. The facility limit is \$210 million, term is 3 years to December 2026, and the drawn margin is 200bps.

The facility is secured with first ranking registered real property mortgages over all of Aspen Group's directly owned properties, and a fixed and floating charge over Aspen Group Limited, Aspen Property Trust, Aspen Living Villages Pty Ltd, Aspen Property Developments Pty Ltd, Realise Residential WA Pty Ltd, Realise Residential WA 2 Pty Ltd, Realise Residential WA 3 Pty Ltd, Realise Residential WA 4 Pty Ltd, Realise Residential WA 5 Pty Ltd, Realise Residential WA 6 Pty Ltd, Realise Residential WA 7 Pty Ltd, Realise Residential WA 8 Pty Ltd, Realise Residential WA 9 Pty Ltd, Realise Residential WA 10 Pty Ltd, Realise Residential WA 11 Pty Ltd, Realise Residential WA 12 Pty Ltd, Realise Residential WA 13 Pty Ltd, Realise Residential WA 14 Pty Ltd, Realise Residential WA 15 Pty Ltd, Realise Residential WA 16 Pty Ltd, Realise Residential WA 17 Pty Ltd, Realise Retirement WA 1 Pty Ltd, Nest QLD Pty Ltd, Footprint MB Pty Ltd, Digs Accommodation Vic Pty Ltd, Marina Hindmarsh (SA) Pty Ltd, Coorong Quays Pty Ltd, Tavern HI Pty Ltd, and Cove HI Pty Ltd.

As part of the Group's liquidity risk management framework, the Group's expected compliance with the covenants is monitored on an ongoing basis and based on forecasts at reporting date, the Group expects to remain in compliance with the covenants in the next 12 months.

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Note 10. Interest bearing loans and borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
Total facilities		
Revolver	200,000	200,000
Multi-option facility	10,000	10,000
	210,000	210,000
Used at the reporting date		
Revolver	144,000	166,947
Multi-option facility	1,050	264
	145,050	167,211
Unused at the reporting date		
Revolver	56,000	33,053
Multi-option facility	8,950	9,736
	64,950	42,789

Note 11. Resident loans

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
<i>Current liabilities</i>		
Resident loans	33,328	33,146

Resident loans associated with leases under Retirement Village Act are classified as financial liabilities at fair value with resulting fair value adjustments recognised in the profit or loss. Fair value is the amount payable on demand if the resident vacated the premises at balance date and is measured at the original loan amount plus any changes in the market value of the house to reporting date less Aspen's contractual entitlement to deferred management and other fees.

Resident loans are classified as current liabilities due to the absence of an unconditional right to defer settlement for more than 12 months. Despite this classification, the rate at which the Group's retirement residents vacate their units, and hence the rate at which the resident loans will fall due for repayment, can be estimated based on statistical tables. In the vast majority of cases, the resident obligations are expected to be able to be repaid from receipts from incoming residents.

The resulting estimates of amounts expected to be settled less than and more than 12 months after reporting date are:

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
<i>Expected to be settled:</i>		
No more than 12 months after reporting date	3,454	2,152
More than 12 months after reporting date	29,874	30,994
	33,328	33,146
Closing balance	33,328	33,146

The following table presents the movement of resident loans for the financial year.

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Note 11. Resident loans (continued)

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Opening balance	33,146	32,223
Items recognised in the profit or loss		
- Changes to the fair value of the resident loans	503	1,350
Accrued deferred management fee income movement	(321)	(654)
Net cash received from resident departures / arrivals in existing homes	-	227
Closing balance	33,328	33,146

Resident loans are classified as Level 3 in the fair value hierarchy. This means that a key assumption used in their valuation is not directly observable. The key assumption is the aggregated current market value of the occupied retirement units of \$42.176 million. This was determined on the same basis as the market value of both occupied and unoccupied units used as an input to the fair value of the lifestyle properties – see note 9.

If the market value used for this input was 5% higher, the fair value of these loans would be \$1.64 million higher, and if the input was 5% lower, the fair value of these loans would be \$1.66 million lower. There would be an equal and opposite impact on the fair value of investment property assets.

Note 12. Deferred management revenue (DMF)

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<i>Current liabilities</i>		
Deferred management revenue - DMF	722	661
<i>Non-current liabilities</i>		
Deferred management revenue - DMF	2,855	2,956
	3,577	3,617

DMF revenue to which the Group is contractually entitled at reporting date is presented in the statement of financial position as a deduction from resident loans. The excess of DMF revenue to which the Group is contractually entitled at reporting date, over DMF revenue earned to date by amortisation over the expected period of tenure, is recognised as a deferred revenue (DMF) in the statement of financial position. The current portion of the DMF represents the revenue that is expected to crystallise over the next 12 months.

Note 13. Issued capital

	Consolidated			
	31 December 2024 No. '000	30 June 2024 No. '000	31 December 2024 \$'000	30 June 2024 \$'000
Stapled securities	200,805	199,228	635,318	632,616

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Note 13. Issued capital (continued)

Movements in stapled securities

Details	Date	Stapled securities	
		No. '000	\$'000
Balance	1 July 2024	199,228	632,616
Issue of stapled securities, net of transaction costs		594	1,394
Share based payments		983	1,308
Balance	31 December 2024	200,805	635,318

Ordinary stapled securities

Ordinary stapled securities entitle the holder to participate in distributions and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the stapled securities held. The fully paid ordinary stapled securities have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each stapled security shall have one vote.

Stapled security buy-back

There is no current on-market stapled security buy-back.

Note 14. Reserves

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Asset revaluation reserve	17,738	17,587
Security-based payment reserve	2,951	3,198
	20,689	20,785

Asset revaluation reserves

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Security-based payment reserve

The security-based payment represents the Long-Term Incentives (LTI) granted to the management team of Aspen during the period. The LTI vests upon certain performance hurdles being met, as well as remaining in employment when the performance rights vest.

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

Consolidated	Security-based payment Reserve \$'000	Asset revaluation Reserve \$'000	Total \$'000
Balance at 1 July 2024	3,198	17,587	20,785
Security-based payment	1,061	-	1,061
Security-based payment – issued / vested during the period	(1,308)	-	(1,308)
Property, plant and equipment revalued during the period	-	151	151
Balance at 31 December 2024	2,951	17,738	20,689

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Note 15. Distributions

Distributions paid and proposed during the financial period were as follows:

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
Final distribution for the year ended 30 June 2024 of 4.25 cents (30 June 2023: 4.25 cents) per ordinary stapled security	8,467	7,625
Interim distribution for the period ended 31 December 2024 of 5.00 cents (31 December 2023: 4.25 cents) per ordinary stapled security	10,040	7,660
	18,507	15,285

Aspen announced a distribution of 5.00 cents per security on 19 December 2024 in respect of the half-year ended 31 December 2024. This distribution will be paid to securityholders on or around 28 February 2025.

Note 16. Financial instruments

Financial risk management objectives

Aspen Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2024.

Price risk

Aspen Group is not exposed to any significant price risk.

Market risk

Aspen Group exposure to market risk is primarily from interest rates that can affect Aspen's interest expense and the value of its holdings of financial instruments.

Interest risk management

As part of managing interest rate risk, Aspen fixed its interest rates on borrowings by entering into interest rate swaps to minimise potential adverse interest rate movements. At 31 December 2024, \$70.00 million of its floating interest rate exposure was fixed at a BBSW rate of between 2.037% to 2.039% to April 2025, and another \$80.00 million was fixed at a BBSW rate of 3.67% until September 2027 (30 June 2024: \$70.00 million fixed at between 2.037% to 2.039% to April 2025).

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument or customer contract that results in a financial loss to Aspen. Aspen is exposed to credit risk from its operating activities (primarily from trade and other receivables) and from its financing activities, including deposits with financial institutions and holdings of other financial instruments.

Aspen's policy is to, wherever possible, trade with recognised, creditworthy third parties and to obtain sufficient collateral or other security where appropriate as a means of mitigating the risk of financial loss from defaults. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. Management performs ongoing monitoring of settlements based on contract terms.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year. Aspen has a diverse range of customers and tenants, and therefore there are no significant concentrations of credit risk either by nature of industry or geographically.

Liquidity risk

Nature of the risk

Liquidity risk is the risk that Aspen will not be able to meet its financial obligations as they fall due. Aspen is exposed to liquidity risk primarily due to its capital management policies, which has debt as a component of Aspen's capital structure (see note 10).

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Note 16. Financial instruments (continued)

Liquidity risk management

Liquidity risk is managed by monitoring cash flow requirements on a continuous basis to ensure that Aspen will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses. Aspen endeavours to maintain funding flexibility by keeping committed credit lines available. Surplus funds are, where possible, paid against debt, or invested in instruments that are tradeable in highly liquid markets with highly rated counterparties.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	31 December 2024	30 June 2024
	\$'000	\$'000
Revolver	56,000	33,053
Multi-option facility	8,950	9,736
	64,950	42,789

Remaining contractual maturities

Details about the financial guarantee contracts are provided in note 10. The amounts disclosed in the above tables are the maximum amounts allocated to the earliest period in which the guarantee could be called upon. The Aspen Group does not expect these payments to eventuate.

Fair value of financial instruments

The carrying amounts and estimated fair values of all of Aspen's financial instruments recognised in the financial statements are materially the same. The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Cash

The face value of cash is considered as the fair value due to the liquid nature of these assets.

Receivables/payables

Due to the short-term nature of these financial rights and obligations, the face value of receivables/payables are estimated to approximate their fair values, less allowance for doubtful debts, if applicable.

Interest-bearing liabilities

All of Aspen's interest-bearing liabilities have floating interest rates.

Other financial assets / liabilities

The fair values of derivatives, corporate bonds, term deposits and borrowings are calculated by discounting the expected future cash flows at prevailing interest rates using market observable inputs. The fair values of loan notes and other financial assets are calculated using market interest rates. The fair value of the net investment in sublease and lease liabilities are discounted using Aspen's incremental borrowing rate.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Subsequent changes in the fair value are recognised in profit or loss.

Regular way purchases and sales of financial assets are accounted for at trade date, ie. the date that Aspen commits itself to purchase or sell the asset.

The fair value of Resident loans is recognised based on estimation of settlement obligation when resident occupation expires.

Valuation of financial instruments

For financial instruments measured and carried at fair value, Aspen uses the following to categorise the method used:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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Note 16. Financial instruments (continued)

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Aspen has an established control framework with respect to the measurement of fair values. This includes finance staff that have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and who report directly to the Joint Chief Executive Officers.

These finance staff regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or external valuations is used to measure fair values, the finance staff assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of accounting standards, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation matters are reported to Aspen's Audit, Risk and Compliance Committee.

Aspen's financial instruments are valued using market observable inputs (Level 1 and Level 2) with the exception of the Other investment in unlisted entity discussed in and Resident loans discussed in note 11 (both are classified as Level 3).

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the period ended 31 December 2024 (HY24: \$Nil).

The following table shows a reconciliation of movements in Aspen's financial assets at fair value through profit or loss (Level 3) for the period ended 31 December 2024 and year ended 30 June 2024:

	31 December 2024 \$'000	30 June 2024 \$'000
Opening Balance at 1 July	630	513
Revaluation gain in profit or loss	21	117
Closing balance	651	630

The fair value of other investment in an unlisted entity has been determined by reference to the net tangible asset value per share as published in the latest audited financial statements.

Note 17. Commitments and contingencies

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Capital commitments (i)		
<i>Contracted but not provided for and payable:</i>		
Within 1 year	24,750	32,226
Greater than 1 year but not more than 5 years	-	-
	24,750	32,226
Other expenditure commitments		
Bank guarantees issued to third parties	1,050	264

(i) Capital commitments include refurbishment works at Viveash, Lifestyle and Residential land development works, and various property upgrades.

Other than the above, Aspen Group is not aware of any material contingent liabilities existing at 31 December 2024 or at the date of completion of these condensed consolidated interim financial statements.

Note 18. Related party transactions

Related party arrangements during the period are consistent with those at 30 June 2024. Refer to the consolidated financial statements for the year ended 30 June 2024 for details of related party arrangements.

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Note 19. Events after the reporting period

On 24 January 2025, the Group entered into a contract to acquire land at Ravenswood WA for \$12.0 million. The acquisition is expected to be settled before end of April 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect Aspen Group's operations, the results of those operations, or Aspen Group's state of affairs in future financial years.

Note 20. Earnings per stapled security

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Profit after income tax	31,173	22,281
	Number	Number
	'000	'000
Weighted average number of ordinary stapled securities used in calculating basic earnings per stapled security	199,924	179,967
Adjustments for calculation of diluted earnings per stapled security:		
Performance rights	2,923	2,000
Weighted average number of ordinary stapled securities used in calculating diluted earnings per stapled security	202,847	181,967
	Cents	Cents
Basic earnings per security	15.59	12.38
Diluted earnings per security	15.37	12.24

Calculation of earnings per stapled security

Basic earnings per stapled security

Basic earnings per stapled security is calculated by dividing the profit/(loss) attributable to securityholders of Aspen by the weighted average number of ordinary stapled securities outstanding during the period.

Diluted earnings per stapled security

Diluted earnings per stapled security is calculated by dividing the profit/(loss) attributable to securityholders of Aspen by the weighted average number of ordinary stapled securities outstanding during the period after adjusting for the effective dilutive securities granted under security plans accounted for as options and rights granted under employee security plans.

Aspen Group Limited
Directors' declaration
31 December 2024



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Aspen Group's financial position as at 31 December 2024 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "Guy Farrands", is written over a horizontal line.

Guy Farrands
Chairman

20 February 2025

Independent Auditor's Review Report to the Members of Aspen Group Limited

Conclusion

We have reviewed the half-year financial report of Aspen Group Limited (the "Company") and its controlled entities (together referred to as the "Group"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2024, and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

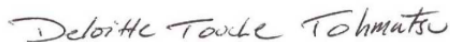
The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Auditor's Responsibilities for the Review of the Half-year Financial Report (continued)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



David Sartorio
Partner
Chartered Accountants
Parramatta, 20 February 2025