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Aspen Group HY26 Results Stepping Up a Gear – Guidance Upgraded

Aspen Group (ASX: APZ) is pleased to report strong operational and financial results for HY26 and an upgrade to forward guidance.

Affordable Housing

Australia's acute shortage of affordable housing is getting worse. The national residential vacancy rate is stuck around historic lows at only 1.2%¹, supply constraints remain largely unresolved, population continues to grow, and demand is being stoked by additional government subsidies. The recent increase in interest rates has added to supply cost and forces more households to compete at the more affordable end of the market when purchasing, and more of them to rent. Consequently, residential prices and rents have accelerated over the past 6 months, more so in affordable, better value-for-money locations and products.

A large contributor to the affordability problem is excessive tax on housing which is ultimately paid by households through higher price and rent. It is estimated that taxes, regulatory costs and infrastructure charges added \$576k to the cost of a new house and land package in Sydney in 2024². This was 49% of total production cost. Residential housing, an essential good, also bears very high ongoing taxes compared to other industries, such as stamp duty and land tax. Targeting residential landlords with additional CGT, as recently speculated, would be yet another handbrake on new supply, would make affordable rentals even scarcer, and would drive rents up further. Governments should focus on reducing the regulatory and tax burdens to help solve the affordability problem.

Aspen's Financial Results for HY26 (changes compared to HY25 unless stated)

Total Comprehensive Income before tax³ was \$50m equating to 22.0 cents per security:

- ✓ Underlying EPS⁴ increased 33% to 10.7 cents
- ✓ DPS⁵ increased 10% to 5.5 cents
- ✓ NAV (pre DTL)⁶ increased by 6% or 16.0 cents per security from 30 June 2025 – WACR⁷ was unchanged at 6.9%, more than double the average of residential housing in Australia⁸, and our portfolio is land rich with significant development opportunities

Rental Pool

- ✓ Average weekly gross rent⁹ per dwelling/site increased 8% to \$353 and remains affordable and competitive: Residential \$390pw (up 5%), Lifestyle \$221pw (up 4%), Parks \$386pw (up 13%)
- ✓ Average net rent per dwelling/site grew twice as fast at 16% - NRI¹⁰ margin expanded from 51% to 55% through excellent operational management, refurbishment that has improved our properties and reduced operating costs, better marketing, and portfolio mix
- ✓ **Total NRI increased 22% to \$20.9m**

Development

- ✓ Average sale price of new Lifestyle houses decreased 1% to \$465k, helped by project and product mix (prices increased on a like-for-like basis), a significant \$580k or 56% discount to Australia's average residential dwelling price of \$1.05m¹¹
- ✓ Lifestyle house settlements increased 143% to 73
- ✓ Only 4 Residential land lots settled in the half - we gave customers the option of settling post the festive season
- ✓ Realised development profit margin¹² of 32% was above 30% target - we are not necessarily seeking the highest possible sale price, preferring a steady uptick in prices through project stages
- ✓ 20% ROIC¹³ was in line with target while investing heavily in our development pipeline - approved and planned development sites increased by 19% to 2,612
- ✓ **Realised Development Profit increased 87% to \$10.2m** while realising only 3% of our current development pipeline

Balance Sheet

- ✓ Aspen's balance sheet remains strong with gearing¹⁴ of 18% and ICR¹⁵ of 5.7x
- ✓ Aspen's debt is supported by solid and diversified rental streams and low corporate overheads. Aspen does not need to realise development profits to remain in compliance with debt covenants – we have the option of renting or selling newly developed dwellings and land to maximise returns for securityholders
- ✓ Aspen has ample balance sheet capacity to fund its organic growth ambitions and take advantage of new acquisition opportunities as they arise

Total Comprehensive Income before tax \$50m 22.0 cents per security	
Net Asset Value (excluding DTL) Up 6% to \$2.70 per security (on 30 June 2025)	Underlying Operating Earnings Up 33% to 10.7 cents per security
Rental Pool 4,359 dwellings/sites \$151k per dwelling/site WACR 6.9% - unchanged	Rental Pool Average gross rent up 8% to \$353pw NRI margin up 4pp to 55% NRI up 22% to \$20.9m
Development 2,612 approved and planned ¹⁶ sites Land value \$34k per site ROIC 20%	Development Settled sales up 60% – skewed to Lifestyle Lifestyle house average sale price \$465k Residential land average sale price \$279k Realised Development Profit up 87% to \$10.2m
Strong Balance Sheet 18% gearing / 5.7x ICR	EBITDA up 29% to \$26.3m
Distribution Up 10% to 5.50 cents per security (57% tax deferred)	

Stepping Up a Gear - Guidance Upgraded

We expect continued strong growth and are pleased to announce upgraded earnings guidance for FY26¹⁷ well above our FY25 results:

Underlying Earnings	New FY26 Guidance	Upgrade ¹⁸	Increase on FY25
Net Rental Income	\$41.0m	5%	17%
Realised Development Profit	\$21.5m	10%	69%
Underlying Operating EBITDA	\$53.3m	8%	29%
Underlying Pre Tax EPS	21.5 cents	7%	28%
DPS	11.0 cents	0%	10%

We expect Aspen Group to pay an effective tax rate of 3-5% of the group's total pre-tax Underlying Earnings in FY26 after exhausting historic tax losses.

Initial guidance for FY27 Underlying Pre Tax EPS is 25.0 cents¹⁷ – up 16% on FY26 guidance.

We expect Aspen Group to pay an effective tax rate of 5-10% of the group's total pre-tax Underlying Earnings over the medium to long term, consistent with other ASX listed real estate groups with stapled security structures. The effective tax rate in FY27 is expected to be higher at 10-15% as the group transitions to paying tax. We expect dividends to become partially or fully franked once Aspen Group Limited pays corporate tax.

Please refer to Aspen's HY26 Financial Report and Results Presentation released on ASX today for further information including assumptions underlying the guidance.

Aspen Group has massive opportunities for profitable growth due to its highly competitive cost of production and the structural shortages of quality accommodation for the majority of Australian households

Announcement authorised by the Board of Aspen Group Limited.

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1. Source: SQM Research January 2026
2. Source: The Centre for International Economics – Taxation of the Housing Sector published 3 March 2025
3. Comprehensive Income before tax per statutory accounts excludes provision for Deferred Tax Liability for potential capital gains tax which is not currently payable
4. Underlying EPS – Earnings Per Security - Underlying Operating Earnings is a non-IFRS measure that is determined to present, in the opinion of the directors, the operating activities of Aspen in a way that appropriately reflects Aspen's underlying operating performance – refer to financial report for full definition
5. DPS – Distribution per Security
6. NAV – Net Asset Value. DTL – Deferred Tax Liability - provision of \$43.4m (\$0.19 per security) at 31 December 2025 for tax that would be payable by Aspen Group Limited if it sold all its assets at book value (Trust accounts do not provision for tax liabilities)
7. WACR – Weighted Average Capitalisation Rate applied to value Aspen's investment properties for accounting purposes
8. Australian Residential cap rates – Cotality December 2025 gross rental yields multiplied by 65% net rental income margin
9. Rent includes ancillary and deferred management fee revenue at some of our properties. Average rent = total rent revenue divided by average number of available dwellings/sites in the rental pool for the period
10. NRI – Net Rental Income
11. Australian Bureau of Statistics – average price of all residential dwellings (houses and units) - Australia
12. Realised development profit margin equals realised development profit divided by revenue from development activities
13. ROIC - Return on Invested Capital = Realised Development Profit divided by the average of opening and closing book value of all development assets including civils inventory, new lifestyle house inventory, spare raw land in investment properties and residential land inventory. HY26 result is annualised
14. Gearing = financial debt less cash / total assets less cash less retirement village resident loans and deferred revenue
15. ICR – Interest Cover Ratio as defined in Aspen's debt facility covenant
16. Planned sites are not yet approved for development
17. Subject to no material change in Aspen's operating environment
18. Upgrade is compared to previous upgraded guidance provided on 16 October 2025

Disclaimer

Aspen Group (ASX: APZ) comprises the stapling of Aspen Group Limited and Aspen Property Trust ("Aspen"). The Responsible Entity ("RE") of the Aspen Property Trust is Evolution Trustees Limited (ABN 29 611 839 519, AFSL 486217).

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