Aspen Group

Financial Results Presentation - 1H FY23

February 2023

UniResort, Upper Mount Gravatt, QLD

Contents


New homes at Wodonga Gardens Retirement Village, VIC

1

Results Summary
1H FY23

1H FY23 – Operating Earnings Summary

Extreme shortages of affordable accommodation driving rents and profits up materially across all parts of the business...

Rent & Ancillary Revenue
$24.8m +55%

Property NOI
$12.1m +87%
Margin 49%

Development Revenue
$12.1m +204%

Development Profit
$4.1m +193%
Margin 34%

Corporate Overheads
$2.95m +1%
MER[2] 1.1%

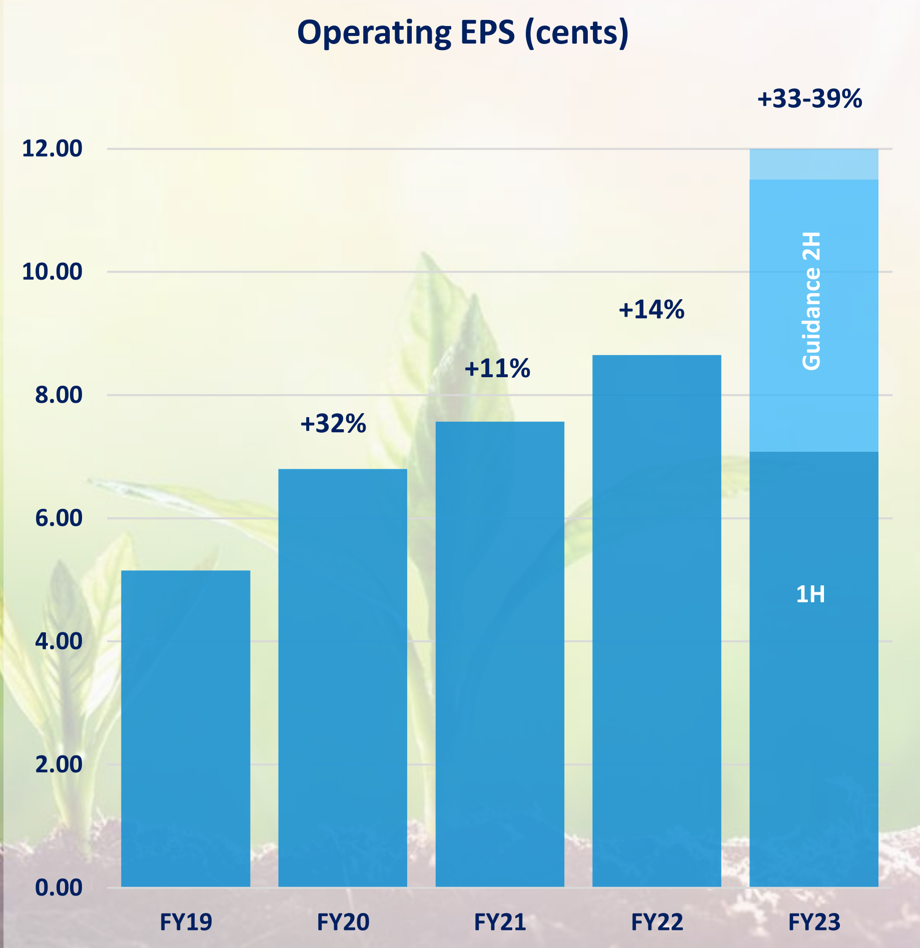
Operating Earnings[1]
$12.0m
+159%

Operating EPS
7.08 cents
+102%

DPS
3.50 cents
+13%

FY23 EPS
Guidance Upgrade
11.5-12.0 cents

+1.75 cents (+17%) on previous guidance



(compared to 1H FY22)

1. Operating Earnings is a non-IFRS measure that is determined to present, in the opinion of the directors, the operating activities of Aspen in a way that appropriately reflects Aspen's operating performance – refer to financial report for full definition. Result excludes Trading Profits from the sale of Perth Houses which are treated as Investment Property. 2. Management Expense Ratio = Net Corporate Overheads / Total Assets

Key Earnings Growth Drivers for 1H FY23

Contributions

- ✓ Extreme shortage of accommodation nationwide, especially at the more affordable end of the spectrum – residential vacancy rate c.1% nationwide
- ✓ Post Covid – population growth has increased and people are on the move again needing long and short stay accommodation
- ✓ Dwelling and land rents increasing – dwellings outperforming
- ✓ Pivoted back to short stay for our Park dwellings – materially higher rent and profitability than the long stay offered during Covid
- ✓ Net effective rents only – no leasing incentives to fund or amortise
- ✓ More dwellings and land sites added to the available rental pool through acquisition, development and refurbishment
- ✓ Operating costs have been well-controlled and margins have expanded
- ✓ Development activity continues to ramp up – attractive margin of 34% maintained (despite spike in building costs and timeframes)
- ✓ Tight control of corporate overheads – up only 1% on pcp
- ✓ $70m of interest rate exposure hedged against rising interest rates

Drags (mainly positioning for future growth)

- Retirement land rents grew less than CPI and remain below the Commonwealth Rent Assistance (CRA) cap - supporting our customer base and development sales
- Sold another two Perth Houses - capital will ultimately be redeployed into other parts of the business to achieve higher returns
- Removed some of our dilapidated income-generating dwellings to make way for future development (eg. Highway 1 and Sweetwater Grove)
- No Project Management Fees from MHC Marina Hindmarsh Island Fund (Coorong Quays) post acquisition in June 2022
- New equity raised in September 2022 for debt reduction – to reduce risk and position for acquisitions while interest rates are normalising
- Increased interest cost on floating rate debt

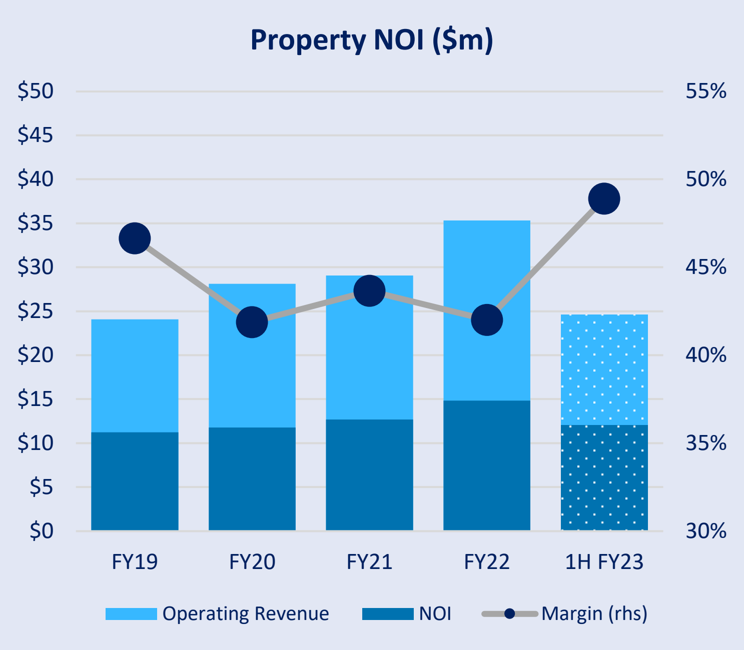
Earnings

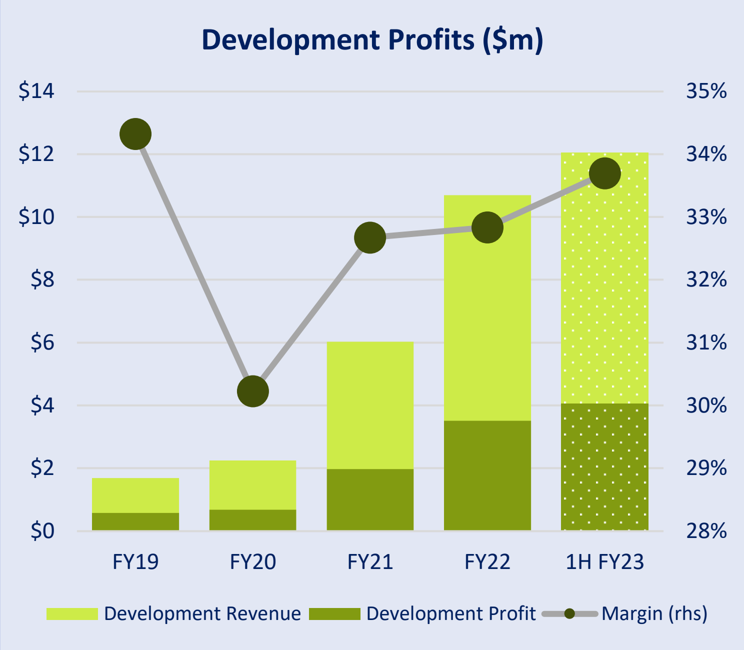
Summary	1H FY23 $m	1H FY22 $m	Change	FY22 $m
Statutory Profit	25.87	29.27	(12%)	75.38
Statutory Profit per Security (cents)	15.29	22.20	(31%)	55.05
Operating & Development Revenue	**36.71**	**19.92**	**87%**	**46.02**
Operating & Development Net Income	**16.19**	**7.88**	**106%**	**18.34**
Margin	*44%*	*36%*		*40%*
Corporate Overheads	2.95	2.92	1%	5.40
Project Management Fees	(0.03)	(0.49)	(94%)	(0.65)
Net Corporate Overheads	**(2.92)**	**(2.43)**	**20%**	**(4.75)**
MER (annualised)[2]	*1.1%*	*1.4%*		*1.0%*
EBITDA	**13.27**	**5.44**	**144%**	**13.60**
Net finance expense	(1.29)	(0.81)	59%	(1.76)
Operating Earnings[1]	**11.98**	**4.63**	**159%**	**11.84**
Securities (weighted)	169.16	131.82	28%	136.93
Operating EPS (cents)	**7.08**	**3.51**	**102%**	**8.65**
Distribution Per Security (cents)	**3.50**	**3.10**	**13%**	**6.60**
Payout Ratio - DPS/EPS	49%	88%		76%

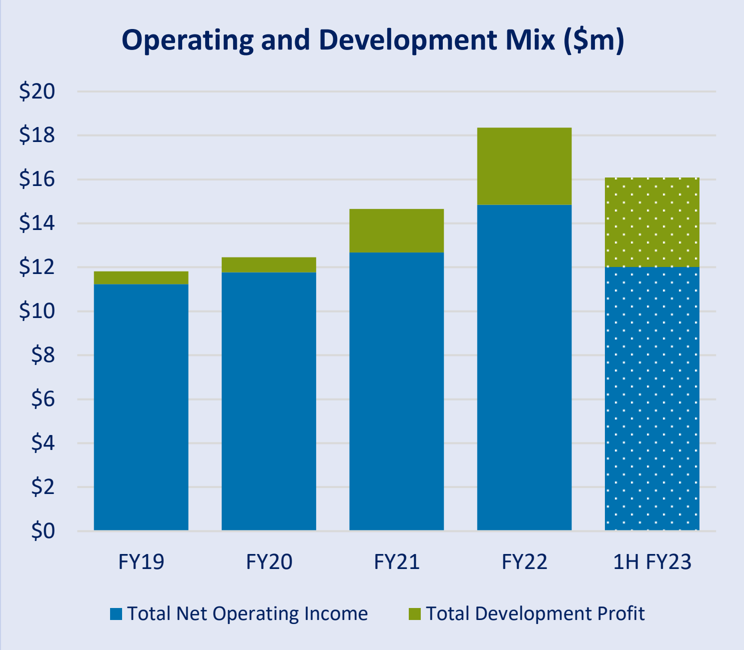
Operations & Development	1H FY23 $m	1H FY22 $m	Change	FY22 $m
Operations				
Rental & ancillary services revenue	24.81	15.95	55%	35.33
Direct property expenses	(12.68)	(9.46)	33%	(20.50)
Net Operating Income (NOI)	**12.13**	**6.49**	**86%**	**14.84**
Operating Margin	*49%*	*41%*		*42%*
Contributions to NOI:				
Residential	***3.39***	***1.06***	***219%***	***2.69***
Retirement Communities	***1.67***	***1.31***	***27%***	***2.81***
Park Communities	***7.07***	***4.12***	***72%***	***9.33***
Development				
Development revenue	12.05	3.97	204%	10.69
Cost of sales	(7.99)	(2.59)	208%	(7.18)
Net Development Profit	**4.06**	**1.39**	**192%**	**3.51**
Development Margin	*34%*	*35%*		*33%*
Contributions to Development Profit				
Residential	***2.39***	***0.00***	***NA***	***0.97***
Retirement Communities	***1.67***	***1.39***	***21%***	***2.54***
Park Communities	***0.00***	***0.00***	***NA***	***0.00***

1. Operating Earnings is a non-IFRS measure that is determined to present, in the opinion of the directors, the operating activities of Aspen in a way that appropriately reflects Aspen's operating performance – refer to financial report for full definition. Result excludes Trading Profits from the sale of Perth Houses.. The previously reported Trading Profits on the Perth Houses are captured in the revaluations of these properties which have increased Net Asset Value. 2. MER – Management Expense Ratio: Net Corporate Overheads / Total Assets

Maintaining Balance of Operating and Development Income – Margins Normalising







- ✓ Business now generating around $50m of rental revenue on an annualised basis
- ✓ Increasing proportion of NOI generated from more stable sources with potentially higher growth prospects over the long run – eg. relatively high margin residential in metropolitan locations
- ✓ Operating Margin normalising – aiming for higher:
  - Residential and Retirement 60-65%
  - Parks 50%+

- ✓ Development revenue and profits continue to grow because we offer attractive product at highly competitive prices – 1H average sales price for houses only $395k / residential land only $172k
- ✓ Margins maintained around targeted levels despite spike in building costs
- ✓ 1H result was skewed towards Residential land sales (ahead of a nationwide slowdown) – some Retirement house completions and sales delayed into 2H
- ✓ Creation of annuity income streams at Retirement Communities – drives NOI growth and NAV uplift

Loosely targeting 80% NOI / 20% Development Profit over the long run to optimise risk adjusted returns

Mix will vary year to year depending on the shorter term business environment and opportunities

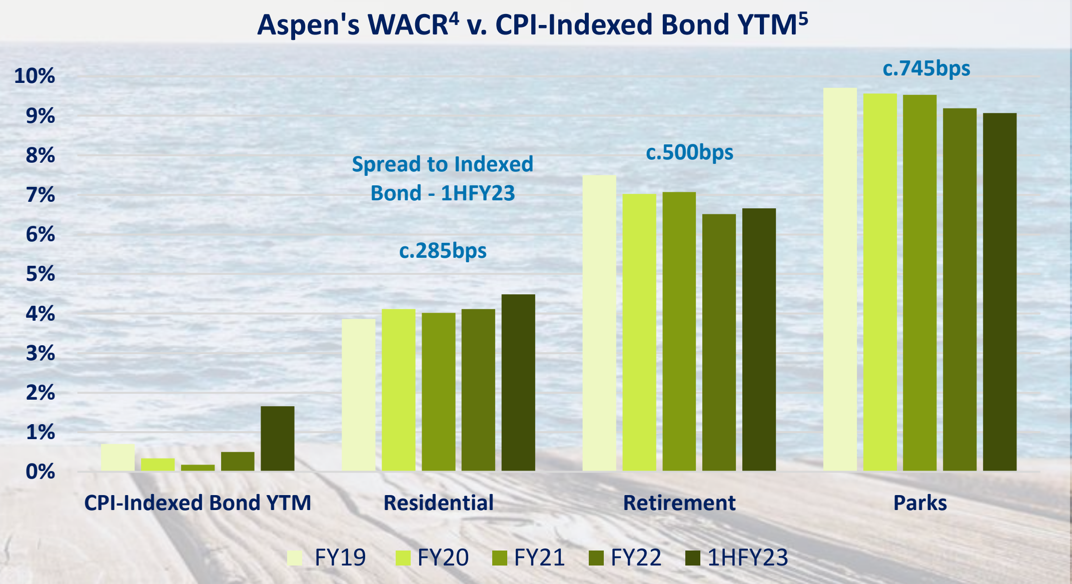
Capital

Balance sheet strengthened to reduce risk and take advantage of new opportunities while interest rates are normalising...

Total Asset Value	Approved Dwellings/Sites	Portfolio WACR[1]	Net Debt	Net Asset Value per Security
$508m +12%	**4,809** +4%	**6.51%**	**$113m**	**$1.88** +5%
	Average Value per Dwelling/Site **$89k** +5%	Development ROIC[2] **25%** +NAV uplift	Gearing[3] **24%**	

(compared to 30 June 2022)

- Property value and NAV increased – higher property NOI and value-add in our projects more than offset c.25-35bps higher cap rates generally applied in valuations in the half
- Aspen's investment property WACR of 6.51% is about 500bps above the current CPI-indexed bond yield
- Aspen owns properties that can grow in real terms (above CPI) over the long term in our opinion:
  - Rents at lower end of market and not artificially inflated by leasing incentives – more affordable for the tenants, and less capital intensive and sustainable for Aspen
  - Properties with high land component, in attractive locations with increasing population density, and potential to be redeveloped into more valuable use over time
- Highly profitable development business – 25% ROIC plus NAV uplift
- Late in the half we acquired a 13.7% stake in Eureka Group Holdings for $16m (39 cents per share) and contracted to acquire Black Dolphin Motel for $5.2m to integrate with Tween Waters Merimbula (expected to achieve revenue and cost synergies)
- Gearing of 24% - below long term target of 30-40%



1. WACR – weighted average capitalisation rate, by value. 2. ROIC = Development Profit (annualised) / Total Development House & Land Inventory 3. Gearing = (Financial Debt minus Cash) / (Total Assets minus Cash minus Retirement Village Resident Loan Obligations & Deferred Revenue). 4. WACR by segment. 5. Australian Treasury Indexed Bond (2050) Yield to Maturity – average for period.

Residential Portfolio (48% of portfolio value)

$m unless stated	Residential Portfolio			
	1H FY23	1H FY22	Change	FY22
# Dwellings/Sites (closing)	1,313	1,103	19%	1,353
# Operational (closing)	820	649	26%	733
Residential Operations:				
Revenue	$5.77	$2.79	107%	$6.56
NOI	**$3.39**	**$1.06**	**219%**	**$2.69**
Margin	59%	38%		41%
Residential Land Development:				
# Site Sales	40	0	NA	11
Average Sales Price (inc. GST)	$172k	$0k	NA	$254k
Revenue (ex. GST)	$6.24	$0.00	NA	$2.54
Development Profit	**$2.39**	**$0.00**	**NA**	**$0.97**
Margin - %	38%	0%	NA	38%
Margin per Site	$60k	$0k	NA	$89k
Contracts on Hand (ex. GST)[1]	$1.74	$2.18	(20%)	$5.39
Combined NOI & Development Profit	**$5.78**	**$1.06**	**444%**	**$3.66**

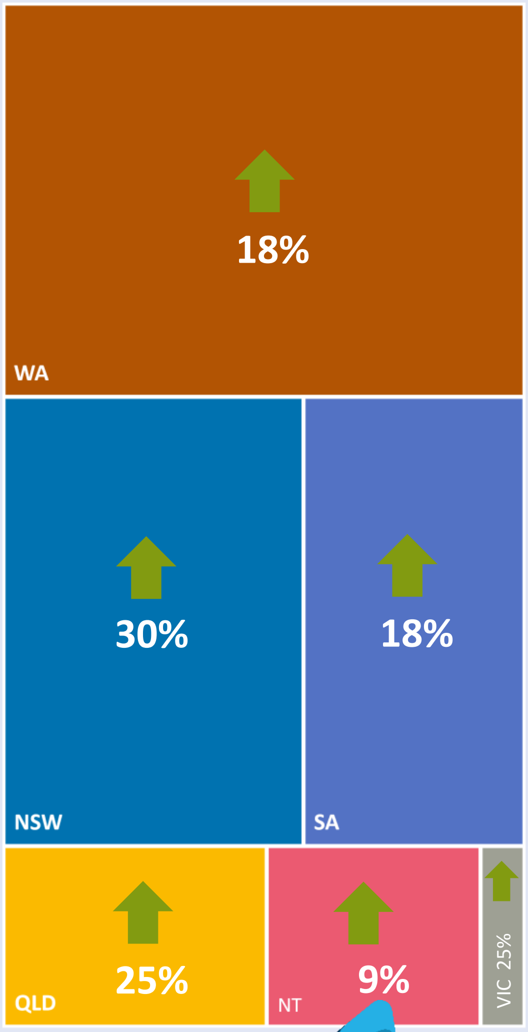
Residential Net Operating Income (NOI) in 1H was 3x pcp:

- Increasing rents across the portfolio
- Only frictional vacancy and very low arrears
- More Perth Apartments and Burleigh Heads added to the rental pool post refurbishment
- UniResort now essentially full after return of foreign students – rental growth was held back while we rebuilt occupancy
- Total Margin expanded from 38% to 59% (residential has relatively high fixed operating costs such as council rates and land tax) – stabilised residential properties at c.65%
- In-place rents now typically below rapidly escalating market rents – examples:

	Property	Maylands WA Kathleen Aggregation	Claremont WA Stirling Hwy	Upper Mount Gravatt QLD UniResort
Typical Weekly Rents	Type	2 bedroom unit	1 bedroom unit	room
	Initially	$310	$295	$200
	Avg. Passing	$322	$299	$213
	New Leases	$355	$355	$235
	Rent Bumps	+5% in 6 months	+5% in 6 months	N/A

Residential portfolio expected to generate NOI of over $10m per annum once all current refurbishment projects are completed and leased

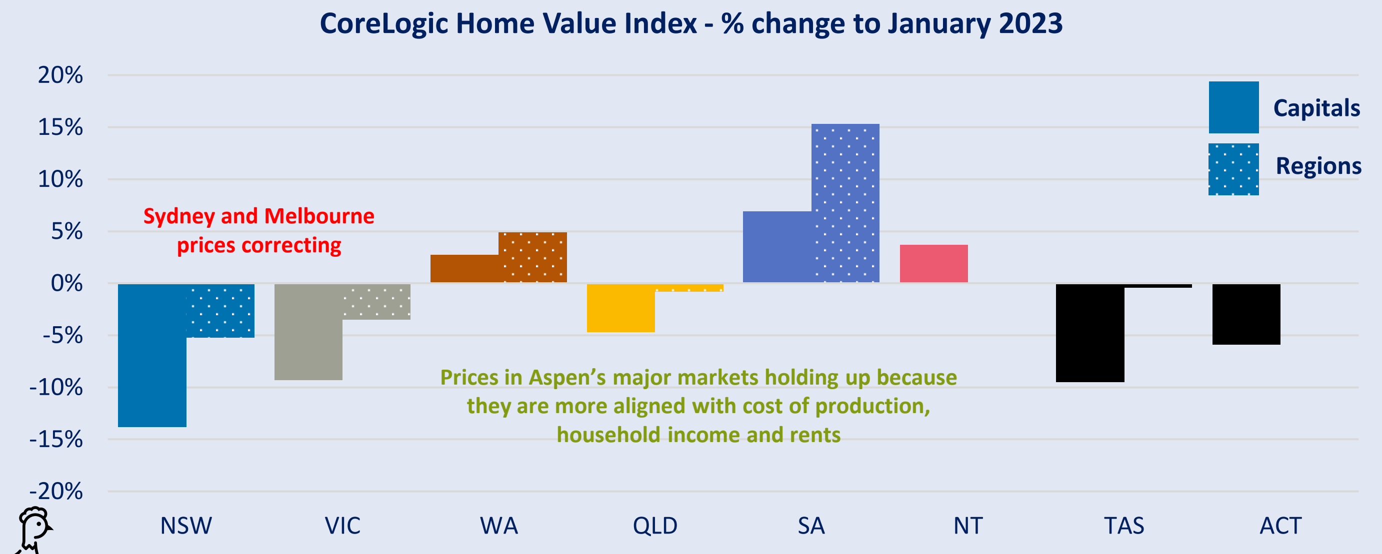
Aspen's Total Portfolio Weighting and Metro Residential Asking Rent Growth[2]

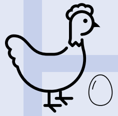


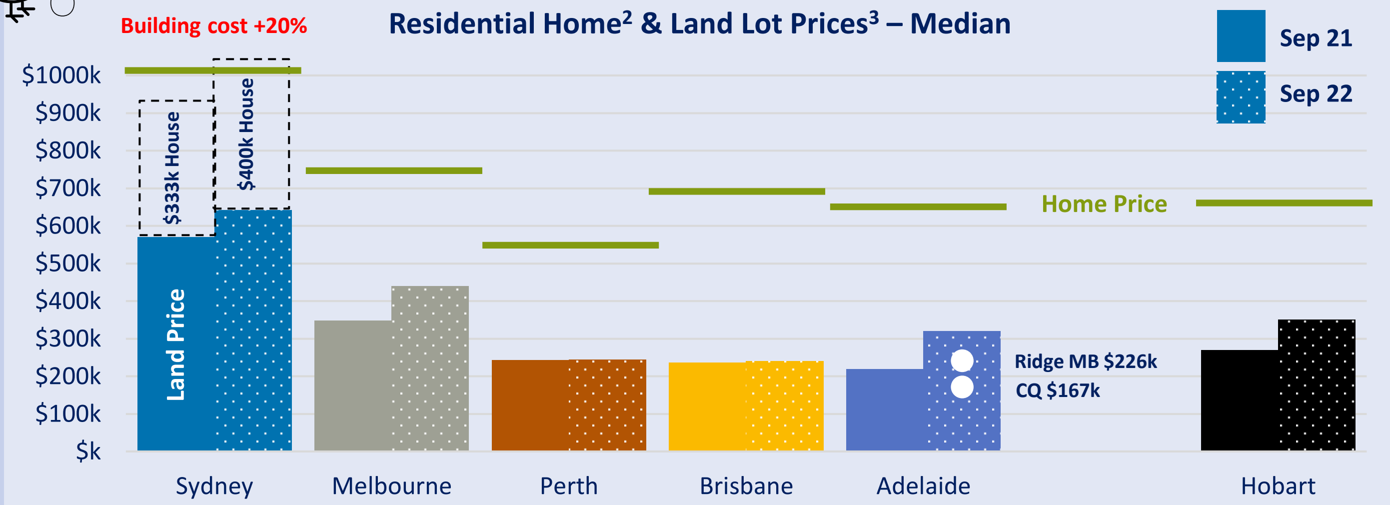
1. Includes contracts, deposits and EOIs at 31 December 2022. 2. Source: SQM Research – Change in Asking Rents for Houses and Units Combined - % change over 12 months to 12 February 2023

Aspen's Portfolio Well Positioned for Continued Rent and Value Growth

- **Residential market dynamics influence all our property types – Residential, Retirement and Parks**
- Residential vacancy rate is only c.1% nationally, a 20 year low[1] - shortages are most severe at lower rent points
- Borders have reopened post Covid, population growth has increased and people are now moving freely, seeking long and short stay accommodation
- Over the past couple of years supply was constrained by shortages in building labour and materials – now demand has reduced due to higher interest rates / tighter credit conditions
- Market rents are increasing rapidly nationwide – but prices are very mixed:
  - Sydney and Melbourne house prices spiked during Covid, in our opinion disconnecting from underlying fundamentals - eg. household income, rents, normal interest rates, normal cost of production – prices are now correcting
  - Aspen owns properties that lower-income households can afford, by definition our properties remain more connected to these fundamentals
- We generally don't foresee a decrease in prices or cost of production in Aspen's major markets because the relatively low raw land price is supported by alternative uses (eg. agriculture) – unlike in Sydney, for example, where high land prices have been more a function of artificially low interest rates and inflated house prices in our opinion







1. SQM Research 2. Corelogic Hedonic Home Value Index – January 2023 3. Source: Corelogic / HIA Economics – locations are "Greater" areas encompassing new residential subdivisions in the outskirts of metropolitan areas

Retirement Communities (16% of portfolio value)

$m unless stated	Retirement Communities			
	1H FY23	1H FY22	Change	FY22
# Dwellings / Sites (closing)	1,101	940	17%	1,101
# Operational (closing)	568	522	9%	553
Retirement Operations:				
Revenue	$2.57	$2.24	15%	$4.74
NOI	**$1.67**	**$1.31**	**27%**	**$2.81**
Margin	65%	58%		59%
Retirement Development:				
# House Sales / New Site Leases	15	14	7%	27
Average Sales Price (inc. GST)	$395k	$312k	27%	$332k
Revenue (ex. GST)	$5.81	$3.97	46%	$8.15
Development Profit	**$1.67**	**$1.39**	**21%**	**$2.54**
Margin - %	29%	35%		31%
Margin per House	$112k	$99k	13%	$94k
Contracts on Hand (ex. GST)[1]	$6.25	$7.26	(14%)	$8.16
Combined Profit - $m	**$3.34**	**$2.70**	**24%**	**$5.35**

Retirement Community Net Operating Income (NOI) up 27% to pcp:

- Land Lease Community land rental rates are typically increasing 3-5% per annum – we have chosen not to take advantage of higher headline inflation
- Average land rent of only $182pw – below the Commonwealth Rent Assistance cap of $205pw (per couple) which helps maintain rental growth and sustainability, and helps drive sales of new houses
- Margin normalised at 65% - we achieve a higher margin on new land lease revenue created through development as we are already expensing fixed costs of operating the village (eg. village manager, community building)

Retirement Community Development Profit up 21% to pcp:

- Excludes NAV uplift from creation of annuity rental and Deferred Management Fee income
- Resale prices have been increasing in our communities which is terrific for our customers and supports development activity and margins
- Managed to pass on the spike in building costs - % margin has declined slightly, but $ margin has increased by 13% to $112k per house
- Volumes were held back by building industry turmoil – capacity is freeing up and we now have more houses in production than ever
- Development pipeline of 533 sites equates to 18 year pipeline at current sales rate – strong growth potential

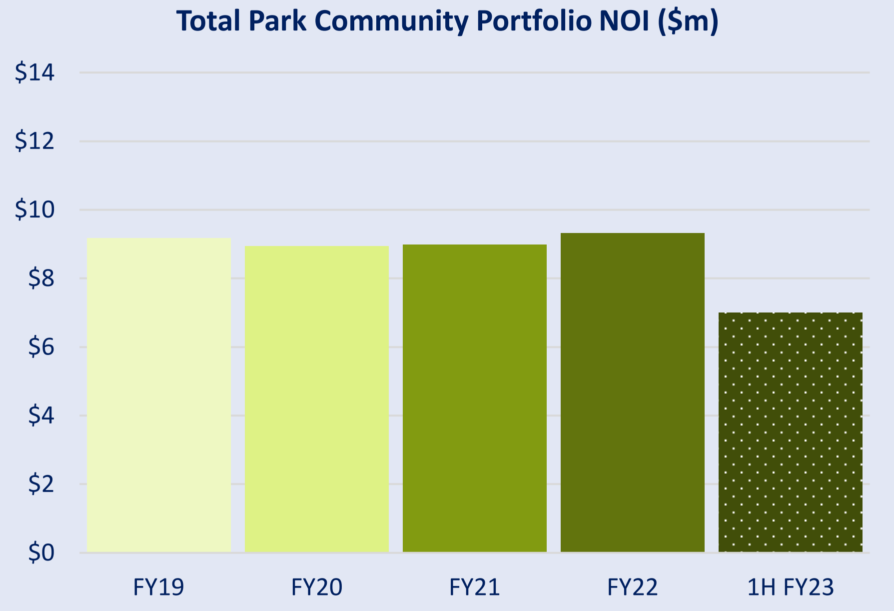
1. Includes contracts, deposits and EOIs at 31 December 2022

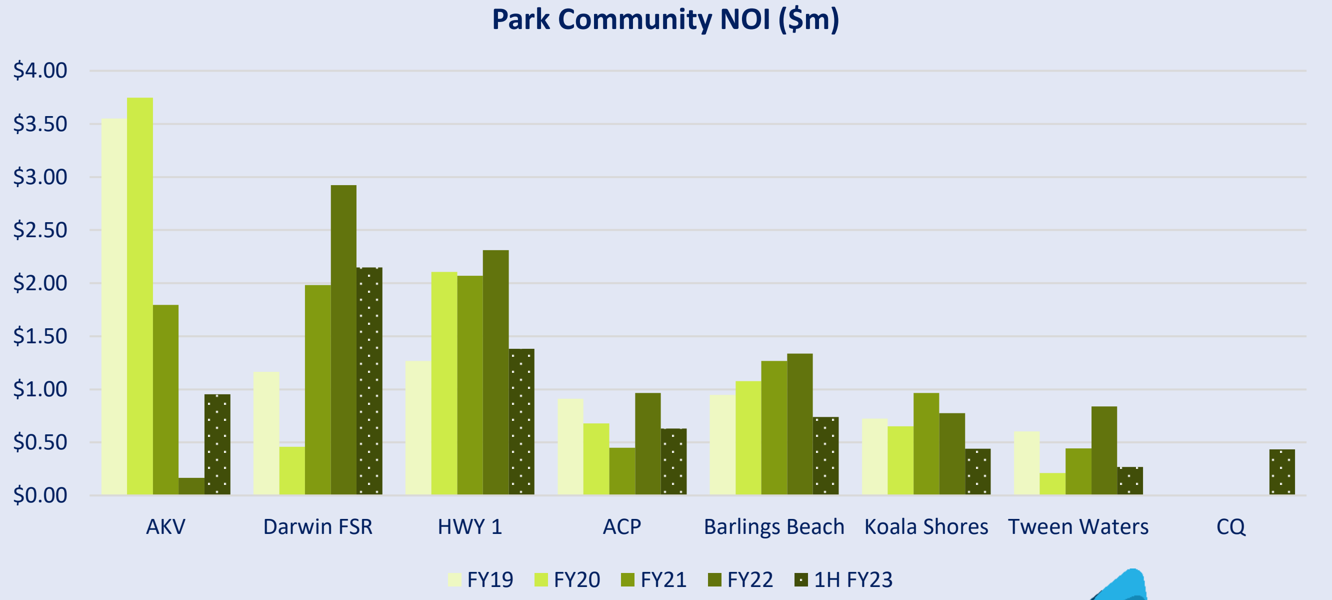
Park Communities (36% of portfolio value)

$m unless stated	Park Communities			
	1H FY23	1H FY22	Change	FY22
# Dwellings / Sites[1]	2,395	1,562	53%	2,192
# Operational (closing) [1]	2,149	1,562	38%	1,990
Revenue	$16.47	$10.99	50%	$24.03
NOI	**$7.07**	**$4.12**	**72%**	**$9.33**
Margin	43%	37%		39%

Revenue, NOI and margins have increased at the Park Communities - main growth drivers:

- Broad based rebound in short stay demand post-Covid – tourists and workers
- Significant upgrades / additions to accommodation and park facilities during Covid are helping drive both occupancy and rates
- Aspen Karratha Village (AKV) rebounding – we have cultivated a range of new corporate and other customers and weekly occupancy has typically been c.50-60% (except late Dec-Jan low season)
- Acquisition of Coorong Quays (CQ) in June 2022 – performing ahead of expectations with the arrival of many new boats fleeing the Murray River flooding upstream
- Better property management in most cases and very tight cost controls

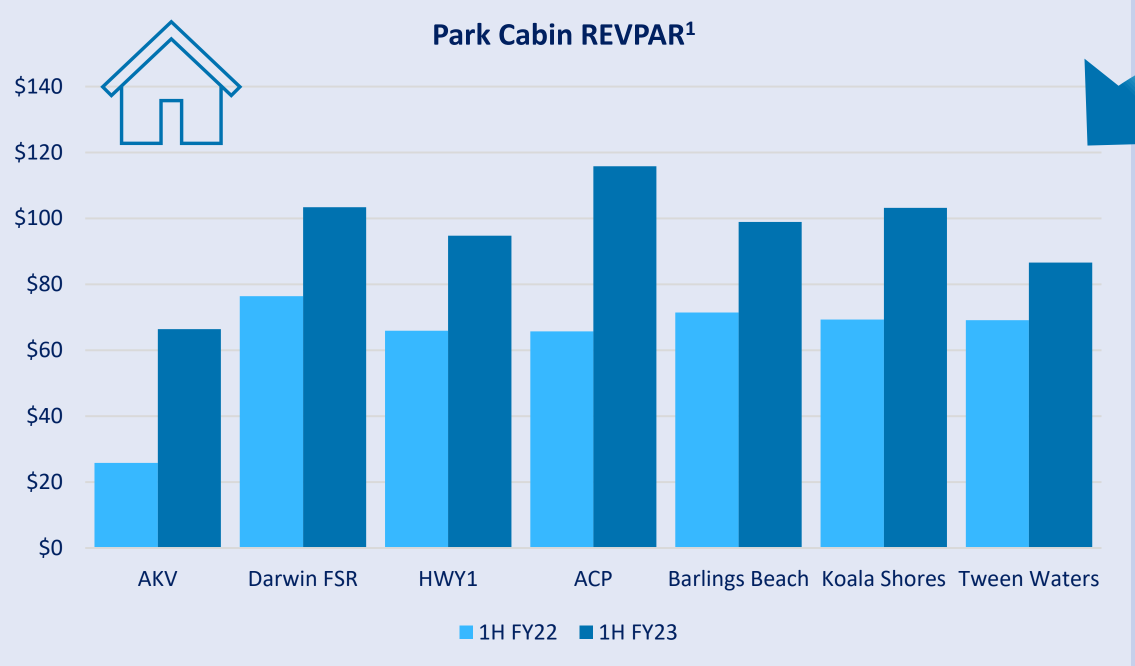


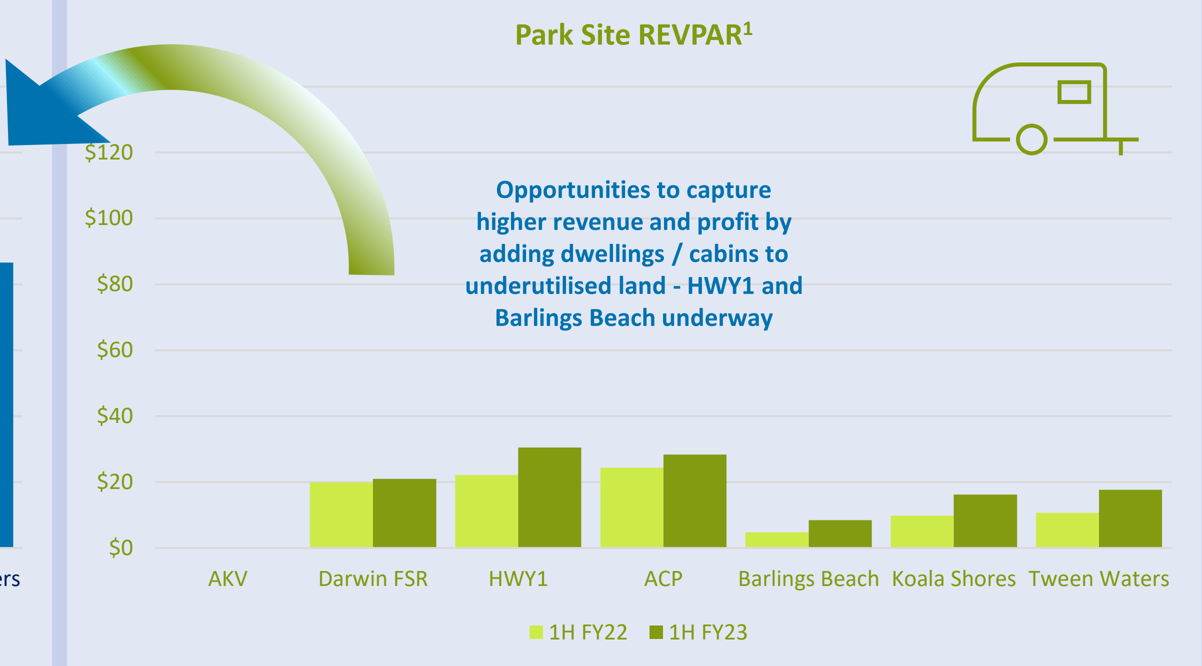


1. Includes Black Dolphin Motel, Merimbula expected to settle on 1 March 2023

Park Communities – Cabin Upgrades and Short Stay Pivot Lifted Profitability

- Increased profitability of Park Community portfolio in 1HFY23 v. pcp predominantly driven by increased rates (except AKV which was driven by increased occupancy)
- During the Covid pandemic and travel restrictions, we were offering our park cabins on a longer stay basis (typically 89 days) to increase occupancy and underpin profitability – by 1HFY23 as Covid dissipated we pivoted back to short stay
- Rate and revenue is materially higher under short stay – at most parks we were achieving roughly $350-400 per week under long stay versus roughly $700 per week under short stay despite lower average occupancy
- The cost of operating short stay is higher due mainly to extra labour (customer and room servicing), laundry and room supplies – but NOI was still higher
- Site REVPAR has increased because tourist (caravan) travel is no longer restricted – both rates and occupancy were generally up in the half



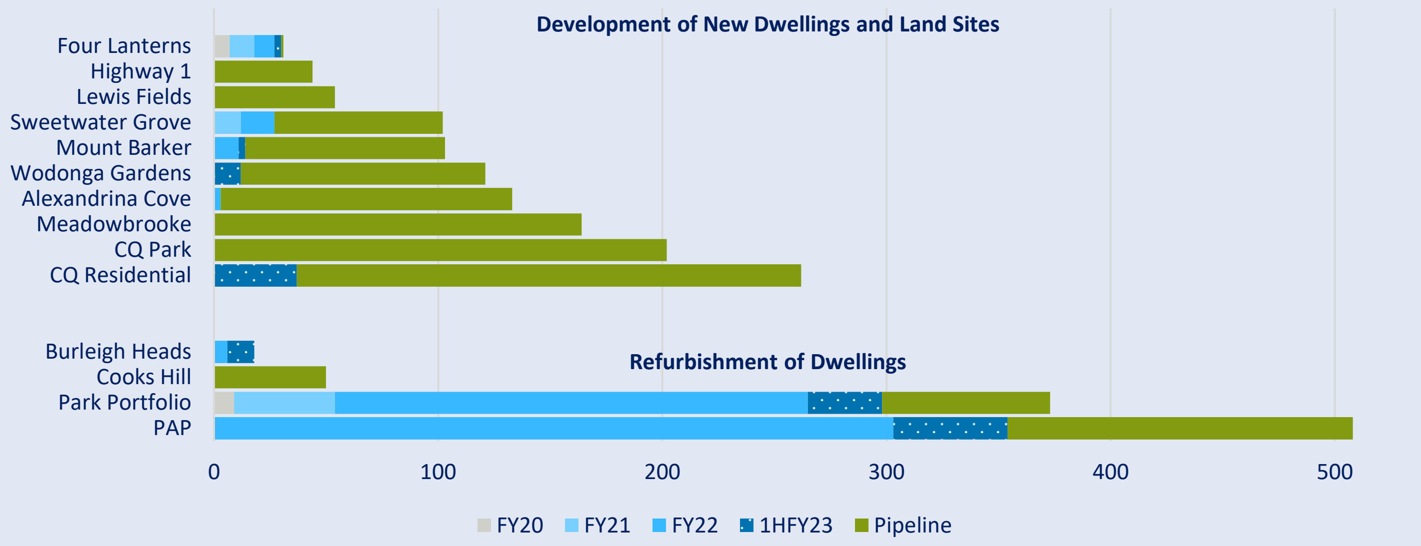


1. REVPAR = Revenue per Available Cabin/Site per Night for all Cabins/Sites offered on a short stay basis in 1HFY23

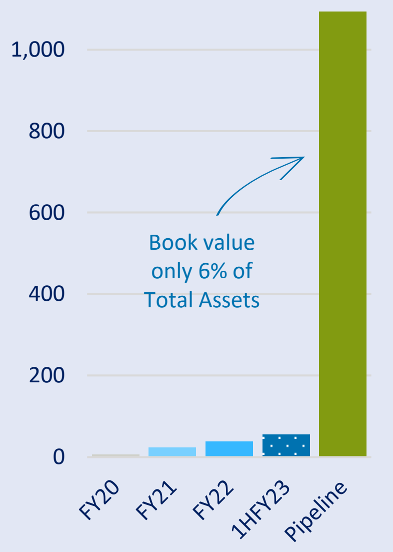
Aspen's Development Platform – Growth Engine for all Segments

Aspen owns and develops an attractive portfolio of Residential, Retirement and Parks communities that are well suited to our customer base...

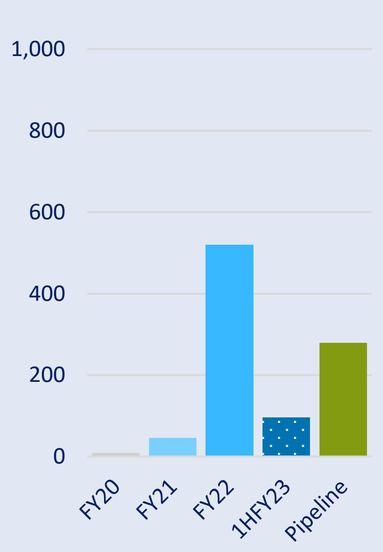
Development & Refurbishment - Completed and Pipeline (#)



Total Development (#)



Total Refurbishment (#)



Retirement & Park Land Lease

- Pipeline of 779 sites – average book value only $25k
- Development Profit of $112k per house sale - margin of 29%[1]
- Once site leased = annuity income and increase in NAV

Residential Land Development

- Pipeline of 314 sites – average book value only $49k / site
- Development Profit of $60k per site – margin of 38%[1]
- ROIC of 31%[1]
- Site sale = cash released to rest of the business

Residential & Park Refurbishment

- Pipeline of 279 dwellings
- Marginal ROIC 10-15% - driving earnings growth
- Typically generating c.$80-100k valuation uplift on completion - increases NAV

Development and Refurbishment

- Activity ramping up
- High profit margins and ROIC
- Only a portion of the total value creation in any year is recorded in Operating Earnings – rest is driving NAV uplift and longer term earnings growth
- Substantial pipeline for future growth

1. 1HFY23 result: Margin = Development Profit / Sales Price (ex. GST) – excludes uplift of NAV due to site being leased. ROIC (Return on Invested Capital) = Residential Development Profit (annualised) / Total Residential Land Inventory

Aspen's Retirement Land Lease Projects - Illustrative Value Creation

Indicative Example (per house / site)	Cashflow	Statutory Accounts Total Value Creation	Split	
			Development Profit	Balance Sheet
Development - Sale of New Houses and Creation of Land Leases				
House Sale Price (inc. GST)	$400,000			
House Sale Price (ex. GST)	**$363,636**	**$363,636**	**$363,636**	
Leased Site Value (assuming 6% cap rate)		**$101,400**		**$101,400**
Total House & Land Value		**$465,036**		
Land (includes clubhouses and facilities already in place)	($28,000)	($28,000)		($28,000)
Land Development Costs (roads, power, water etc)	($45,000)	($45,000)		($45,000)
House (construction + landscaping etc)	($244,545)	($244,545)	($244,545)	
Overheads (including sales commissions)	($10,000)	($10,000)	($10,000)	
Corporate Tax (Aspen's current tax is sheltered by historic tax losses)	$0	$0	$0	
Total Costs	**($327,545)**	**($327,545)**	**($254,545)**	**($73,000)**
Post Tax Surplus	**$36,091**	**$137,491**	**$109,091**	**$28,400**
Post Tax Surplus on Total House & Land Value		**29.6%**	**30.0%**	**28.0%**
Operations - Management of Villages and Collection of Land Rent				
Rental Income ($180pw)			$9,360	
Operating Expenses (35% of rent)			($3,276)	
Property NOI (65% margin)			**$6,084**	

Assumes no value for Deferred Management Fees – they are unattractive to many customers (in our opinion) and outlawed for LLCs in some states - competition / disruption / regulation / customer preferences will determine sustainability

We aim to increase the value of our land through rent increases and/or redeveloping into highest and best use over time (eg. Four Lanterns is already zoned for multi-storey apartments)

We don't include this part of value creation in Operating Earnings – it increases NAV

Capital typically released (not permanently employed) from our projects and we retain ownership of the leased land - we borrow against this new rental stream which provides additional cost effective capital for the business

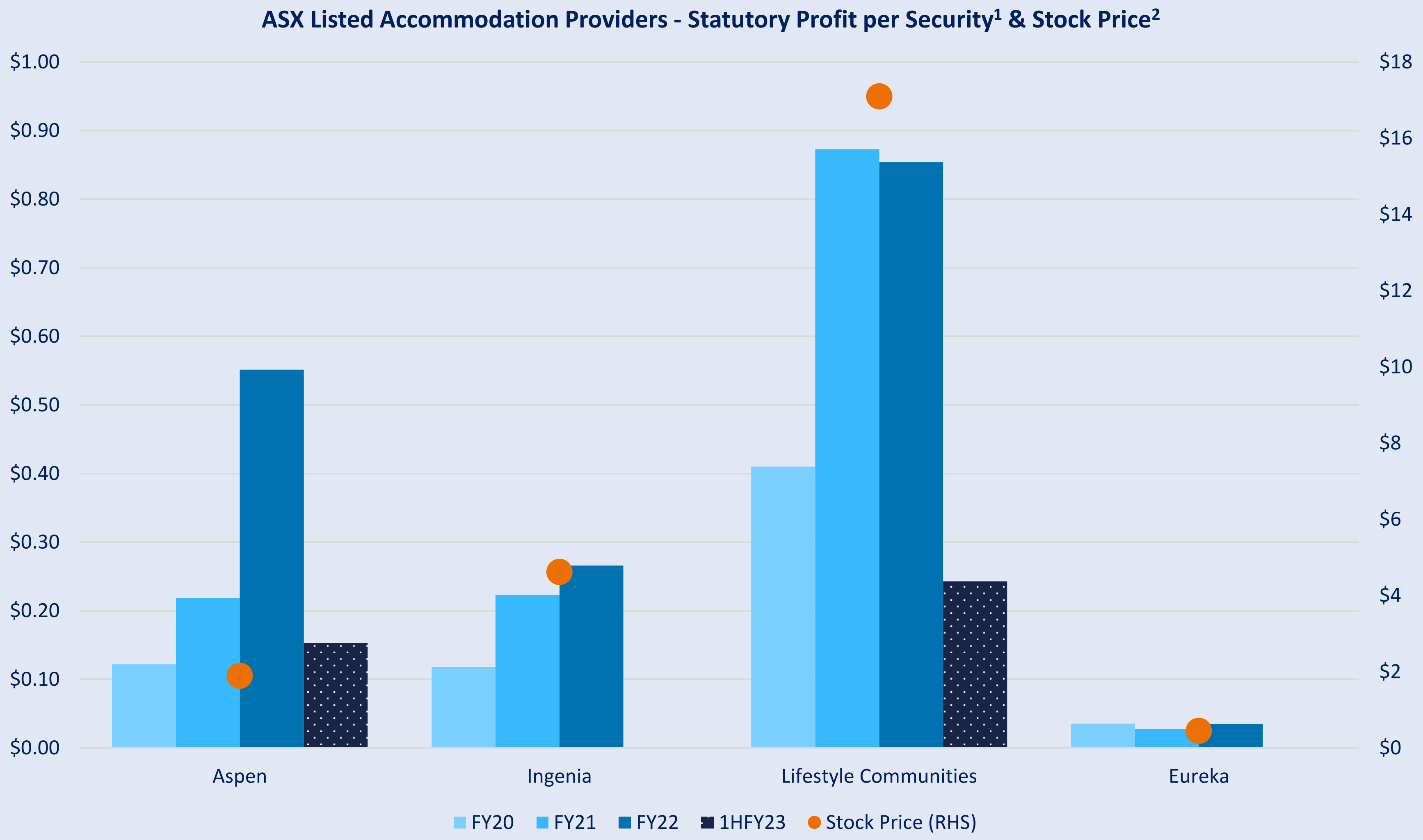
Our land rent is below the level at which Commonwealth Rent Assistance caps out, making it more affordable and sustainable and easier to grow

X 533 LLC sites in the pipeline

Aspen's Superior Business Model

Total value creation is reflected in audited Statutory Profits which includes Operating Earnings and Changes in Asset Values...

- ✓ *Largest Total Addressable Market*
- ✓ *Risks diversified by Property Type, Customer Type, Lease Duration, Geography and Regulation*
- ✓ *Relatively high WACR and low Book Value per dwelling/site*
- ✓ *Attractive Operating margin of 49% - expected to increase once all properties are available for lease and stabilised*
- ✓ *Attractive Development margin of 34% and ROIC of 25% - 10 year pipeline based on current sales rates*
- ✓ *Highest distribution yield*
- ✗ *Lowest Stock Price relative to Statutory Profits and NAV per Security of peers*



1. Source: Audited accounts of Aspen, Ingenia, Lifestyle Communities and Eureka (Ingenia and Eureka have not released their 1HFY23 financial results as at the date of this report). 2. Stock prices are closing price on ASX on Friday 17 February 2023.

Tween Waters Holiday Park, Merimbula NSW

2

Outlook & FY23 Guidance

aspen

Outlook

Residential

- ✓ Continued shortages of affordable accommodation – occupancy to remain high
- ✓ Continued growth in market rents - already above in-place rents for most of our properties – income upside captured quickly with <1 year lease duration
- ✓ More redeveloped high-quality apartments entering the rental pool - Cooks Hill (May 2023) and 132 Guildford Road, Maylands (2H FY24)
- ✗ Slower residential land sales – but we are well positioned to hold the line on prices and margins

Retirement Communities

- ✓ Expect growth in land rents around 3-5% over the medium term – aiming for rents to remain below CRA cap
- ✓ Development volumes have increased now that building industry issues are improving - expect to increase sales rates from 2H onwards - more sites entering rental pool post development

Park Communities

- ? Short stay tourism might get patchy – this January compared to pcp, across our tourist-heavy parks, Tween Waters and Koala Shores generated c.$100k less revenue combined, and Adelaide Caravan Park generated c.$100k more - forward bookings for all parks are ahead of pcp
- ✓ Corporate demand expected to increase at some of our properties - AKV (resources related), Darwin FSR (defence related), Highway 1 (agriculture/construction related)
- ✓ More cabins and facilities being upgraded to drive occupancy and rate – expect to start developing new houses at Highway 1 and Barlings Beach to sell (with land lease) or rent
- ✓ Continued pivoting between short and long stay depending on economic conditions and seasonality to maximise profitability

Acquisitions

- ✓ Black Dolphin Motel Merimbula expected to settle 1 March – will be integrated with Tween Waters to drive revenue and cost synergies
- ? Eureka stake (13.7%) – considering opportunities that benefit both groups of shareholders
- ✓ We expect Aspen's opportunities to increase due to interest rates normalising and potential slower economic growth

Capital

- ✓ Balance sheet in strong position with gearing of only 24% and robust asset value, income and cashflows
- ✓ Opportunities to recycle capital out of properties with higher price / rent points to those more suited to our customer base with higher yields and total returns
- ✗ Higher borrowing costs could be a drag on future earnings growth

FY23 Guidance

FY23 Guidance

Operating EPS[1]: 11.50-12.00 cents

Up 1.75 cents (17%) on previous guidance

Up 33-39% on FY22

Implied minimum DPS of 7.50 cents (3.50 cents declared 1H)

Based on policy to payout 65-75% of EPS

Up minimum 14% on FY22

Considerations

- Guidance is subject to no material changes in market conditions and no other unforeseen circumstances adversely affecting financial performance
- Maintaining a measured balance of Development Profit v. Property NOI – Development Profits likely to be lower in 2H than 1H (we are aiming to increase profits in FY24 v. FY23)
- Total earnings are not typically seasonal by FY halves – Darwin FSR's NOI is skewed to 1H, usually offset by NSW tourism parks skew to 2H
  - Some buffer for economic activity to potentially slow, causing a reduction in short stay tourist demand in 2H
- Interest rates and cost of debt are increasing:
  - $70m of interest rate swaps restructured in February 2023 – was fixed at 50bps to April 2024, now fixed at 204bps to April 2025
  - Less interest capitalised on debt relating to development and refurbishment projects as they are completed (capitalising interest on $24.75m of debt relating to projects at 1 January 2023)
- More weighted average securities on issue in 2H due to equity raising in September 2022
- Acquisitions and disposals could be accretive or dilutive to short term earnings

1. Operating Earnings is a non-IFRS measure that is determined to present, in the opinion of the directors, the operating activities of Aspen in a way that appropriately reflects Aspen's operating performance – refer to financial report for full definition.

Appendix A

Aspen's Business and Property Portfolio

Aspen's Business Model

Aspen Provides Quality Accommodation on Competitive Terms to Australian Households

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

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

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

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

Average Dwelling Rent c.$300pw	Average Land Lease Rent c.$180pw	Average New Dwelling Sales Price of c.$400k

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

We recently established **Aspen Social** – collaborating with charities to help provide social housing

Sustainable Ecological Footprint

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

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

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

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

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

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

Governance

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

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

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

Our Joint CEOs own a combined stake of 9% in Aspen Group and 55% of their remuneration package is deferred for up to 3 years and subject to performance hurdles and vesting conditions

Further information on Aspen's ESG Program is contained in Appendix C

Current Portfolio Summary

Portfolio Aggregates[1]	Total	%
Dwellings that Aspen Leases	1,785	37%
Land Sites that Aspen Leases	1,752	36%
Total Operational Sites	**3,537**	**74%**
Dwellings Under Refurbishment	179	4%
Undeveloped Sites - Land Leasing	779	16%
Undeveloped Sites - Land Sales	314	7%
Total Approved Dwellings/Sites	**4,809**	**100%**
Land Area (Hectares)	**179.3**	
Density - Dwellings/Sites per Hectare	27	
Book Value ($m)	**$430**	
- per Hectare ($m)	$2.40	
- per Approved Site	c. $89k	
Valuation WACR	**6.51%**	

Aspen's portfolio valued at only $430m:

- $89k per approved dwelling/site
- $2.4m per hectare of land (including the value of dwellings)
- WACR of 6.51%

Aspen continues to pursue attractively priced acquisitions. The general traits that Aspen seeks in properties it acquires include:

- Desirable locations – particularly metropolitan
- Large land parcels that are under-utilised
- Existing dwellings priced at below replacement cost with alternative uses and can be refurbished / repurposed
- Land and development cost at the low end of (or below) local competition
- Competitive operating costs (e.g. tax incentives / subsidies)
- Flexibility / optionality
- Strong potential for higher value use over time

Providing our customers attractive lifestyle options at competitive prices and rents....while developing highest and best use over time

Camping / Sites

Cabins

Manufactured Homes

Residential Homes

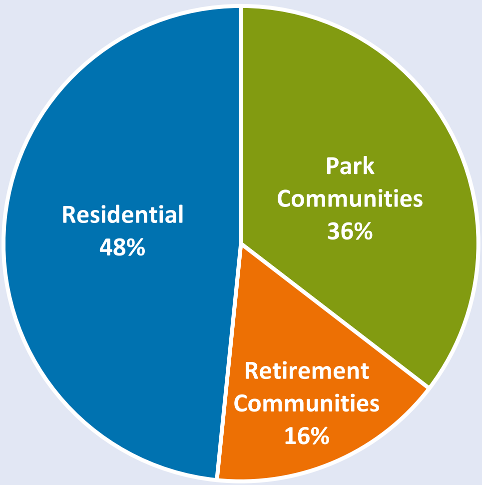
Apartments / Co-Living

1. Includes the Black Dolphin Motel, Merimbula – entered contract to acquire on 23 December 2022 for $5.2 million with settlement anticipated to occur on 1 March 2023

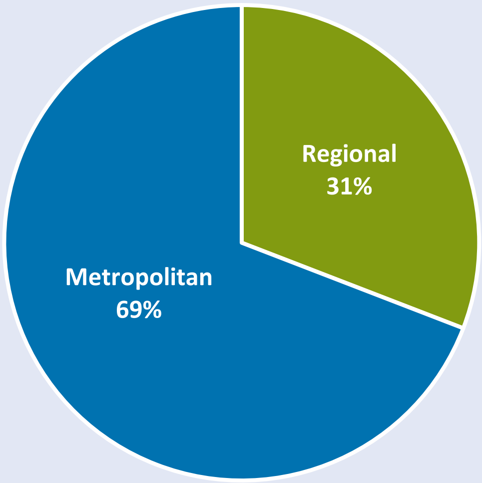
Portfolio Diversity

Aspen owns, operates and develops residential, retirement and park communities in metropolitan and lifestyle locations where our customers lease dwellings and land sites...

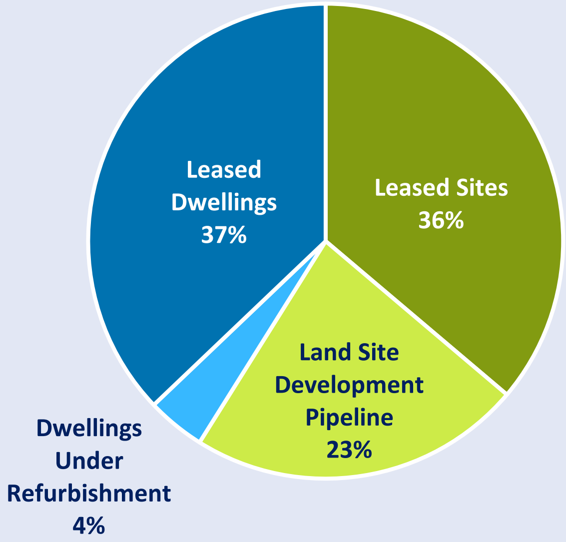
Portfolio Value by Property Type



Location by Value



Total Dwellings/Sites - Operating v. Development

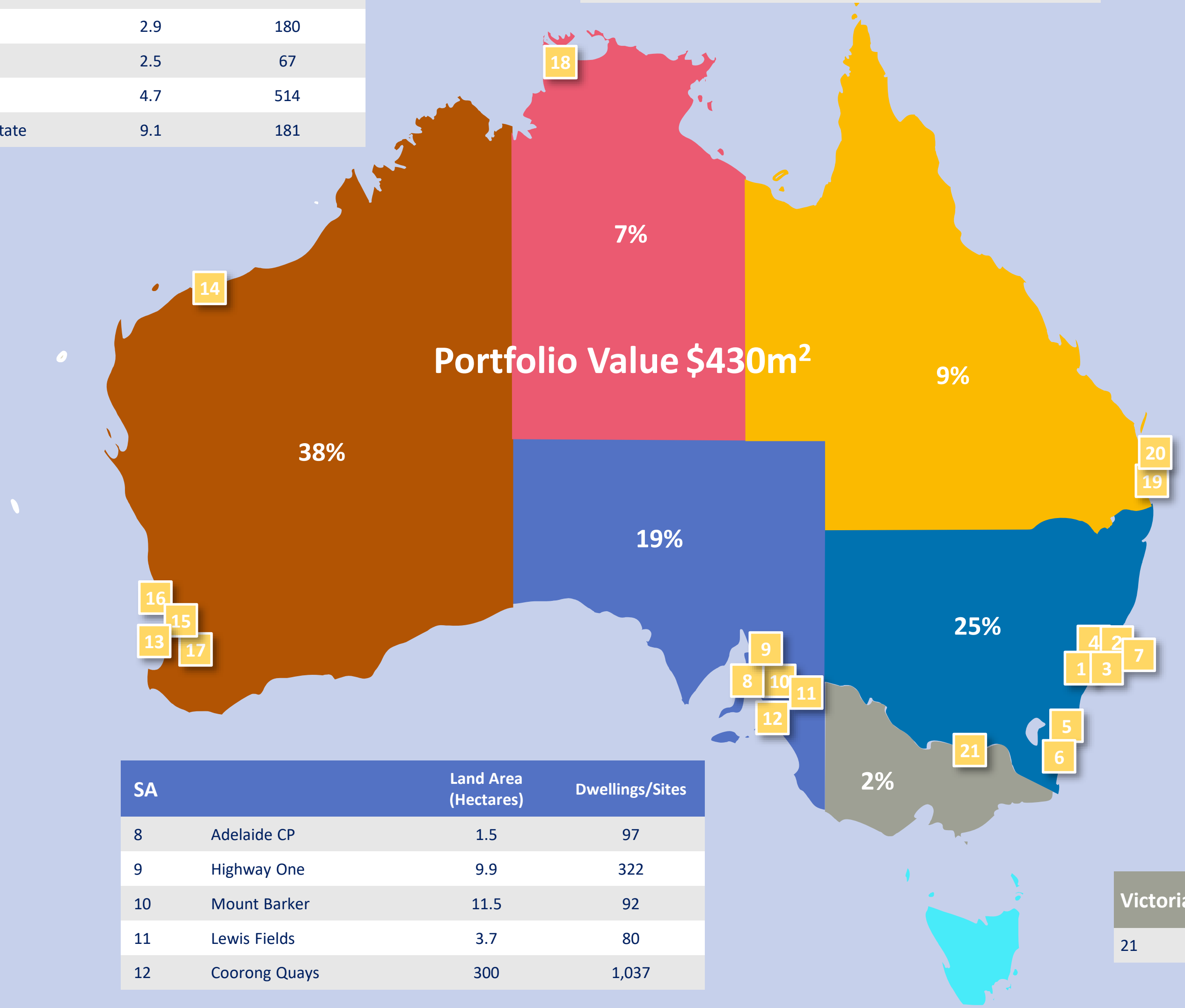


Geographic Diversity

WA		Land Area (Hectares)	Dwellings/Sites
13	Mandurah	6.8	158
14	AKV	2.9	180
15	Perth House Portfolio	2.5	67
16	Perth Apartment Portfolio	4.7	514
17	Meadowbrooke Lifestyle Estate	9.1	181

NT		Land Area (Hectares)	Dwellings/Sites
18	Darwin FreeSpirit	10.8	461

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



NSW		Land Area (Hectares)	Dwellings/Sites
1	Four Lanterns	3.9	131
2	Sweetwater Grove	6.0	215
3	Lindfield Apartments	0.35	42
4	Koala Shores	5.1	144
5	Barlings Beach	8.8	260
6	Tween Waters[1]	3.0	147
7	Cooks Hill	0.19	50

SA		Land Area (Hectares)	Dwellings/Sites
8	Adelaide CP	1.5	97
9	Highway One	9.9	322
10	Mount Barker	11.5	92
11	Lewis Fields	3.7	80
12	Coorong Quays	300	1,037

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

1. Tween Waters includes Black Dolphin Resort which is expected to settle on 1 March 2023. 2. % represents portion of portfolio in each State by Book Value

Residential Portfolio

	Residential[1]						
	WA		NSW		QLD		
	Perth Apartment Portfolio	Perth House Portfolio	Lindfield Apartments	Cooks Hill	Uniresort	Burleigh Heads	**Total Residential**
Region	Perth Metro	Perth Metro	Sydney Metro	Newcastle Metro	Brisbane Metro	Gold Coast Metro	
Land Ownership	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	
Resident Tenure	Rental	Rental	Rental	Rental	Rental	Rental	
Total Land Area (HA)	**4.7**	**2.5**	**0.35**	**0.19**	**1.2**	**0.94**	9.9
Operational Sites	387	65	42	0	308	18	**820**
Pipeline - Refurbishment Dwellings	129	0	0	50	0	0	**179**
Pipeline - Undeveloped Sites	0	0	0	0	0	0	**0**
Total Approved Sites [2]	**516**	**65**	**42**	**50**	**308**	**18**	999
- per Ha	109	26	120	263	256	19	**101**
Owned Dwelling Inventory [3]	516	65	42	50	308	18	**999**
- per Approved Site	100%	100%	100%	100%	100%	100%	**100%**
Valuation Capitalisation Rate	4.56%	3.25%[5]	3.63%	4.50%	6.50%	3.39%[5]	**4.48%**
Book Value [4] ($m)	**$105.6**	**$24.5**	**$13.0**	**$11.0**	**$23.9**	**$14.4**	**$192.4**
Estimated Costs to Complete	*$16.9*	*$0.0*	*$0.0*	*$1.7*	*$0.0*	*$0.0*	***$18.6***
As if Complete Value	*$129.4*	*$24.5*	*$13.0*	*$13.7*	*$23.9*	*$14.5*	***$219.0***
Book value Per HA ($m)	$22.28	$9.81	$37.13	$57.70	$19.84	$15.33	**$19.39**
Book value Per Approved Site	$204,676	$377,095	$309,184	$219,249	$77,633	$800,556	**$192,586**

1. The Ridge, Mount Barker and Coorong Quays residential land projects are classified as development inventory on the balance sheet (not investment property) and are therefore not included in this table
2. Approved Sites is the total number of underlying units or land sites currently permitted on the property under title, licence or other conditions
3. Owned Dwelling Inventory are houses, apartments, cabins, vans, commercial/retail space etc. that Aspen owns that can be sold or leased on short to long term basis to customers
4. Property values are a mixture of Directors' and external valuations - refer to the financial report for additional information on valuations. Capitalisation rates for Residential projects (Guildford Road Perth apartment building and Cooks Hill) are applied to expected stabilised net income post completion and leasing (costs to complete and a discount for risk where applicable are applied to completed values to derive current book values)
5. Valued on a direct comparison approach - the valuation capitalisation rate is implied based on net operating income and value

aspen Residential

Residential Portfolio - WA

Perth Apartment Portfolio (PAP)

- 516 apartments (17 buildings) being refurbished-to-rent
- Expected total cost including refurbishment of $89m / $172k per apartment
- Nearing completion of refurbishment of all apartments except 132 Guildford Road Maylands – this is a 10 storey building with 121 apartments – expected refurbishment cost of $12m and stabilised NOI of $1.3m per annum
- 387 currently leased at average rent of $321pw - current NOI over $4.0m annualised
- Total portfolio expected to generate stabilised NOI of $5.75m on completion – 6.5% net yield on expected total cost
- Completed valuation of $130m (based on current cap rates) – $41m / 46% uplift on expected cost
    - $7m of the uplift expected to be taken up in future accounts as projects are completed and stabilised, mainly relating 132 Guildford Rd, Maylands

126 Peninsula Road, Maylands

Perth House Portfolio

- Originally 84 houses – purchase cost of $21.1m / $251k per dwelling
- Sold 19 houses to date - total proceeds $8.5m / $447k per dwelling, net yield c.3% - profit on sale not included in Operating Earnings
- Current NOI around over $0.8m – similar to level at acquisition
- Average rent has increased 21% since acquisition to $406pw


Cambernon Green, Port Kennedy

Residential Portfolio - NSW

Lindfield Apartments

- Average rent of only $283pw v. market rent of around $350pw as some tenants are on subsidised leases
- Valuation (Directors appraisal) marked down by $1.1m / 8% to $13.0m at 31 December 2022 due to assumed c.40bps increase in cap rate to 3.63% considering decline in Sydney residential prices
- Pacific Highway property valuation is underpinned by high underlying land value given high density zoning

Treatts Road, Lindfield

Cooks Hill Co-Living Community

- Boarding house being converted into co-living community of 50 self-contained, furnished studios
- Completion expected in May 2023 – delayed about 12 months due to building labour and materials shortages
- Expected total cost including refurbishment of c.$10m / $200k per apartment
- Expected stabilised NOI of $0.6m – 6.0% net yield on total cost
- Opportunities to boost yield by offering shorter stays – furniture included and located close to city centre, major facilities and beach
- Completed valuation (Directors appraisal) marked down by $1.3m / 9% to $13.7m due to assumed c.40bps increase in cap rate to 4.50% - still valued at 37% above total expected cost

Cooks Hill Co-living Community

Residential Portfolio - QLD

UMG Co-Living Community (UniResort)

- 64 apartments / 304 ensuited rooms (plus caretakers unit) on 1.2HA of land
- Acquired in April 2021 during Covid restrictions for $18.5m / $61k per room
- Occupancy has increased from 72% in FY22 to essentially full (except semester breaks)
- Average room rate is only $212pw for in-place leases - c.$235pw for new leases
- Current passing NOI (annualised) is over $1.7m – over 9% yield on purchase price
- Valuation (Directors appraisal) marked up by $5.4m / 29% to $23.9m at 31 December 2022 compared to purchase price - assumed c.75bps increase in cap rate to 6.50%

UniResort

Burleigh Heads Community

- 18 townhouses – refurbishment completed in 1H
- Total cost of $9.0m / $500k per house
- Fully leased at average rent of $808pw
- Current passing NOI (annualised) of $0.5m – 5.3% net yield on total cost
- Externally valued upon completion at $14.5m / $806k per house – 62% uplift on cost

Burleigh Heads Townhouse Community

Residential Portfolio – Land Development Projects

The Ridge, Mount Barker

- Stage 1 of 36 lots developed in FY22
- Only 3 sales settled in 1H (v. 11 in FY22) – buyer enquiry slowed markedly under the weight of a spike in building costs, longer building timeframes and higher interest rates – some pickup in enquiry recently
- Average sales price of only $226k
- Development Profit of $0.22m ($73k per site) - margin of 36%
- The Ridge offers amongst the best new lots currently available in Mount Barker given its proximity to town and north-east aspect with views to the Summit - we believe demand will rebound
- 22 developed and 67 undeveloped lots remaining

The Ridge, Mount Barker

Coorong Quays

- 37 sales settled in 1H – ahead of expectations – but buyer enquiry has slowed
- Average sales price of only $167k
- Development Profit of $2.17m ($56k per site) - margin of 38%
- The next stage (Stage 10) is expected to be 81 lots at the western edge of CQ along the Murray River waterfront with views to Goolwa and the bridge – these are premium lots that are differentiated from previous stages which will lessen competition against resales in other parts of CQ – expect slower sales rate but higher margins
- 21 developed and 204 undeveloped lots remaining

Coorong Quays

Retirement Community Portfolio

	Retirement							
	NSW		WA		VIC	SA		
	Four Lanterns	Sweetwater Grove	Mandurah Gardens	Meadowbrooke	Wodonga Gardens	Lewis Fields	Alexandrina Cove	Total Retirement
Region	Sydney Metro	Newcastle Region	South Coast	South Coast	Albury-Wodonga	Fleurieu	Fleurieu	
Land Ownership	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	
Resident Tenure	Land Lease	Land Lease / Rental	Land Lease	Land Lease	Retirement Village	RV / Land Lease	RV / Land Lease	
Total Land Area (HA) [1]	**3.9**	**6.0**	**6.8**	**9.1**	**8.8**	**3.7**	**7.5**	**45.7**
Operational Sites	133	140	158	20	63	26	28	**568**
Pipeline - Refurbishment Dwellings	0	0	0	0	0	0	0	**0**
Pipeline - Undeveloped Sites	1	75	0	164	109	54	130	**533**
Total Approved Sites [2]	**134**	**215**	**158**	**184**	**172**	**80**	**158**	**1,101**
- per Ha	34	36	23	20	20	22	21	**24**
Owned Dwelling Inventory [3]	1	28	0	3	51	26	17	**126**
- per Approved Site	1%	13%	0%	2%	30%	33%	11%	**11%**
Valuation Capitalisation Rate	5.00%	6.75%	6.50%	N/A	10.00% [5]	10.00% [5]	6.96% [5]	**6.64%**
Book Value [4] ($m)	**$19.4**	**$17.3**	**$16.2**	**$3.3**	**$6.7**	**$2.5**	**$4.6**	**$70.0**
Book value Per HA ($m)	$4.94	$2.88	$2.40	$0.36	$0.76	$0.68	$0.61	**$1.53**
Book value Per Approved Site	$144,851	$80,378	$102,579	$17,707	$38,927	$31,581	$29,152	**$63,565**

1. Sweetwater Grove land area excludes "Environmental Conservation" land that is not currently approved for development
2. Approved Sites is the total number of underlying units or land sites currently permitted on the property under title, licence or other conditions
3. Owned Dwelling Inventory are houses, apartments, cabins, vans, commercial/retail space etc. that Aspen owns that can be sold or leased on short to long term basis to customers
4. Property values are a mixture of Directors' and external valuations – please refer to the financial report for additional information on valuations. Note for Wodonga Gardens and Lewis Fields - some leases at these properties are regulated under Retirement Village Acts and residents are obligated to pay Deferred Management Fees (DMF) under contracts. The book values in this table reflect the fair value of the estimated DMF revenue stream plus the fair value of spare land (ie. excludes gross up for resident loans included in the financial statements)
5. Capitalisation rates for Wodonga Gardens and Lewis Fields relate to Retirement Village DMF contracts and are implied from discounted cashflow models. Alexandrina Cove's cap rate incorporates both DMF contracts and a Land Lease community weighted by value.

aspen Retirement

Retirement Communities Portfolio - NSW

Four Lanterns, Leppington

- 3 new houses settled in 1H at an average price of $411k and margin of $117k / 31%
- Last new house sale settled in 2H on similar metrics
- Future long term growth expected to come from redeveloping the land into higher density residential / retirement use – current book value is around local undeveloped land price

Four Lanterns

Sweetwater Grove, Tomago (Newcastle)

- Adding a new community building and upgrading facilities and infrastructure
- 3 bedroom house recently resold for $455k v. $310k initial purchase price 12 months ago
- No new house sales settled in 1H
- 15 new houses in production and all are under contract[1] except 1 house intended to be used for display – expected to settle 2H at average price of c.$330k and margin of c.$100k
- Another 14 new houses recently ordered
- 75 undeveloped sites remaining (including the 29 with houses in production)

Sweetwater Grove

1. Includes contracts, deposits and EOIs at 31 December 2022

Retirement Communities Portfolio - WA

Mandurah Gardens, Mandurah

- Mature village
- Resale prices recovering over past 24 months – typical resale price of $200-240k which is reasonable compared to new product
- Land rent increase was only 3.5% last year – have recently implemented 5.0% increase this year

Mandurah Gardens clubhouse and bowling green

Meadowbrooke, Boyanup

- Council has approved new house designs
- Village facilities are being improved (post receivership) and 7 new houses in production
- Expect selling prices to start at $250-275k to encourage demand post receivership – we expect the value of a newly leased site to be worth c.$70k more than cost, so total value-creation expected to be about $100k per site
- 164 undeveloped sites remaining (including the 7 with houses in production)

Meadowbrooke - render of Proposed New Land Lease House

Retirement Communities Portfolio - VIC

Wodonga Gardens

- Residents approved conversion of spare land at Retirement Village to a Land Lease scheme
- First 12 house sales settled in 1H at an average price of $391k and margin of $110k / 28% - these were sold under Retirement Village contracts with 25% deferred management fee, the value of which has not been included in Operating Profit
- Next 12 new houses are in production and will be sold under a Land Lease model – not expected to be completed until 1H FY24
- 109 undeveloped land lease sites remaining (including the 12 with houses in production)

Exiting Retirement Village Houses

Render of Proposed New Land Lease House

Retirement Communities Portfolio - SA

Lewis Fields, Strathalbyn

- No new house sales settled in 1H
- 10 new houses in production and 5 are under contract[1] – expect 4 settlements in 2H at average price of c.$360k and margin of c.$90k
- 54 undeveloped land lease sites remaining (including the 10 with houses in production)

Alexandrina Cove Lifestyle Community, CQ

- 3 bedroom house recently resold for $417k v. $330k initial purchase price about 12 months ago
- No new house sales settled in 1H
- 9 new houses in production (including 3 in the new waterfront stage) and 1 is under contract[1] – this is slower than expected, but may be due to lack of finished product to display
- 130 undeveloped land lease sites remaining (including the 9 with houses in production)

1. Includes contracts, deposits and EOIs at 31 December 2022

Park Community Portfolio

	Park Communities									
	NSW			SA			NT	WA		
	Barlings Beach	Koala Shores	Tween Waters	Highway One	Adelaide CP	Coorong Quays	Darwin FSR	AKV	Total Parks	Portfolio[5]
Region	South Coast	Central Coast	South Coast	Adelaide Metro	Adelaide Metro	Fleurieu	Darwin Metro	Pilbara		
Land Ownership	Freehold	Free/Leasehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold		
Resident Tenure	Land Lease / Short Stay	Short Stay	Short Stay	Land Lease / Short Stay	Short Stay	Mixed	Short Stay	Short Stay		
Total Land Area (HA)	**8.8**	**5.1**	**3.0**	**9.9**	**1.4**	**42.5**	**10.8**	**2.9**	84.4	140
Operational Sites	260	144	147	310	97	556	**455**	180	**2,149**	**3,537**
Pipeline - Refurbishment Dwellings	0	0	0	0	0	0	0	0	**0**	**179**
Pipeline - Undeveloped Sites	0	0	0	44	0	202	0	0	**246**	**779**
Total Approved Sites[1]	**260**	**144**	**147[4]**	**354**	**97**	**758**	**455**	**180**	**2,395**	**4,495**
- per Ha	30	28	49	36	68	18	42	62	**28**	**32**
Owned Dwelling Inventory[2]	33	40	82	115	47	13	150	180	**660**	**1,785**
- per Approved Site	13%	28%	56%	32%	48%	2%	33%	100%	**28%**	**40%**
Valuation Capitalisation Rate	7.26%	8.25%	7.99%	8.50%	8.25%	8.75%	8.75%	16.00%	**9.11%**	**6.51%**
Book Value[3] ($m)	**$20.5**	**$12.3**	**$10.0**	**$32.4**	**$15.2**	**$9.9**	**$31.2**	**$15.5**	**$146.9**	**$409.3**
Provisions	*$0.5*	*$0.5*	*$5.0[4]*	*$0.0*	*$0.0*	*$0.0*	*$0.9*	*$0.0*	***$6.8***	***$25.4***
Valuation	*$21.0*	*$12.8*	*$15.2*	*$32.4*	*$15.2*	*$9.9*	*$32.0*	*$15.5*	***$153.9***	***$443.0***
Book value Per HA ($m)	$2.34	$2.41	$5.09	$3.28	$10.69	$0.23	$2.88	$5.30	**$1.74**	**$2.92**
Book value Per Approved Site	$78,846	$85,121	$68,027	$91,521	$156,534	$13,103	$68,462	$86,111	**$61,345**	**$91,057**

1. Approved Sites is the total number of underlying units or land sites currently permitted on the property under title, licence or other conditions
2. Owned Dwelling Inventory are houses, apartments, cabins, vans, commercial/retail space etc. that Aspen owns that can be sold or leased on short to long term basis to customers
3. Property values are a mixture of Directors' and external valuations - please refer to the financial report for additional information on valuations
4. Includes the Black Dolphin Motel, Merimbula – entered contract to acquire on 23 December 2022 for $5.2 million with settlement anticipated to occur on 1 March 2023
5. The Ridge, Mount Barker and Coorong Quays residential land projects are classified as development inventory on the balance sheet (not investment property) and are therefore not included in this table

Park Communities – WA & NT

Aspen Karratha Village

- Short stay customer base is being built after expiry of Woodside's long term lease in January 2021
- Cabins upgraded, facilities improved and new licenced bar opened in late December 2022 – amongst the best accommodation in Karratha in our opinion
- Occupancy has rebounded to around 50-60% on a weekly basis (except low season at the peak of summer) post WA border reopening in March 2022
- Average daily rate is around $130 (room only)
- NOI increased to almost $1m in 1H v. only $5k pcp
- Plenty of scope for improvement – current REVPAR[1] is about 30% below Aspen's other parks and new bar will help drive F&B business and profitability


Aspen Karratha Village

Darwin Freespirit Resort

- Occupancy and average daily rate have continued to increase for a third year running driven by a stronger market and cabin/facility upgrades and additions – NOI increased 36% in 1H v. pcp
- Continuing to upgrade more cabins, facilities and infrastructure
- Corporate enquiry has picked up – many related to the defence industry
- Forward bookings for peak season are well ahead of the same time last year


Darwin Freespirit Resort

1. REVPAR – Revenue per Available Room

Park Communities Portfolio - SA

Highway 1, Bolivar

- Occupancy and average daily rate has increased for the short stay cabins – helped by the return of agriculture industry workers
- Expect to shortly commence addition of up to 44 new dwellings on spare land – can be rented or sold under a land lease model (essentially no value on this land and development opportunity in the current book valuation)
- Masterplanning for reorganising park into more discrete precincts (permanents, workers, tourists) and upgrade of infrastructure


Highway 1

Adelaide Caravan Park, Hackney

- Occupancy and average daily rate has rebounded – the park was deeply impacted by Covid related restrictions due to close proximity to CBD
- Ongoing refurbishment of cabins (these can be relocated if the property is redeveloped)
- Planning for redevelopment into townhouse sites and apartments


ACP – Refurbished Cabin

Park Communities Portfolio - SA

Coorong Quays, Hindmarsh Island

- Occupancy continues to trend higher across all aspects of the park including residential lots, retirement houses, marina berths (wet and dry) and caravan storage
- Murray River flooding has not negatively impacted CQ – many boats have relocated from upper Murray to CQ to avoid flood damage (we expect some to remain long term) – # wet berth leases up 15% since 30 June 2022
- Increased occupancy is lifting business activity for our commercial tenants – tavern, marine services, retail - underpinning their profitability and enhancing long term rental growth prospects
- NOI running comfortably ahead of budget at acquisition

CQ - Park Section

Park Communities Portfolio - NSW

Barlings Beach, Tomakin

- Occupancy was down in 1H compared to pcp, but REVPAR was up courtesy of higher average rates post pivoting to short stay from long stay – NOI increased 28%
- A large proportion of income is derived from leasing land sites on an annual basis to customers who own a holiday cabin – this materially reduces income volatility
- We are planning to add about 20 new holiday cabins on spare land to be sold with a land lease
- Performance in the recent peak tourist period of late December-January was around the same as last year

Barlings Beach

Tween Waters, Merimbula

- Occupancy was down in 1H compared to pcp, but REVPAR was up courtesy of higher average rates post pivoting to short stay from long stay – NOI increased 33%
- The park is very seasonal generating a majority of profit in its peak tourist period of late December-January – this season's revenue was down slightly compared to last year's strong performance
- Contracted to acquire Black Dolphin Motel which is located across a minor side street – operations will be combined with the aim of generating revenue and cost synergies, and mildly reducing seasonality
- Dwellings and facilities will be upgraded at both properties and there are opportunities to add more dwellings on underutilised buildings/land


Tween Waters

1. REVPAR – Revenue per Available Room

Park Communities Portfolio - NSW

Koala Shores, Lemon Tree Passage

- Occupancy was down in 1H compared to pcp, but REVPAR was up courtesy of higher average rates post pivoting to short stay from long stay – NOI increased 129%
- The park is quite seasonal, but enjoys more consistent weekend trade than Tween Waters due to its proximity to Sydney – this summer season's revenue was down slightly compared to last year
- Introducing longer term tenants to the park under a land lease to help reduce volatility / seasonality
- Upgraded some of the park infrastructure and cabins – considering whether to upgrade more cabins and the guest facilities

1. REVPAR – Revenue per Available Room

Adelaide Caravan Park, SA – refurbished cabin interior

Appendix B

Statutory Accounts

Reconciliation of Statutory Profit to Operating Profit

	1H FY23 $m	1H FY22 $m	% Change
Statutory Net Profit after Tax	**25.87**	**29.27**	**(12%)**
Adjustments:			
Depreciation of PPE	0.56	0.47	
Property revaluation (gain)	(11.33)	(22.07)	
Reversal of previous impairment on PPE	-	(2.88)	
Fair value (gain) on retirement village resident loans	-	0.13	
Fair value (gain) / loss on revaluation of investment in securities	(3.46)	0.08	
Deferred tax benefit recognised	(0.37)	(0.75)	
Asset transaction costs & other	0.71	0.37	
Operating Earnings	**11.98**	**4.63**	**159%**
Net finance expense	1.29	0.81	59%
EBITDA	**13.27**	**5.44**	**144%**
Net corporate overheads	2.92	2.43	20%
Operating and Development Net Income	**16.19**	**7.88**	**106%**

Depreciation / R&M / SIBC

- PPE Depreciation in 1H of $0.56m under IFRS does not reflect the actual expense
- A total of $1.2m was spent in 1H FY23 maintaining the properties:
  - R&M totalled $0.68m - expensed at the property level, therefore deducted from Property NOI
  - SIBC totalled $0.51m - initially capitalised to the balance sheet and written off or captured in asset revaluations at period end

Deferred tax asset valuation increased in the period due to Aspen Group entering a higher corporate tax bracket due to increased revenue

Net finance expense - $0.69m of interest was capitalised to projects in the half

Summary Balance Sheet and Capital Management

Key Metrics	31 Dec 22 $m	30 June 22 $m	Change
Total Assets	**508.2**	**452.5**	**12%**
- Property Assets	*443.1*	*412.6*	*7%*
Net Debt	**113.2**	**117.0**	**(3%)**
- Cash	*8.6*	*10.7*	
- Gross Debt	*121.8*	*127.7*	
Net Asset Value (NAV)	**337.4**	**277.0**	**22%**
Securities (period end)	179.4m	155.0m	
NAV per Security	**$1.88**	**$1.79**	**5%**
Gearing[1]	24%	28%	
Loan to Value Ratio (LTV)[2]	32%	40%	
Interest Cover Ratio (ICR)[2]	5.4x	4.9x	

$m	Expiry	Limit	Utilised 31 Dec 2022	Available
Debt Facilities (ex. Guarantees)	April 2024	$155.00	$121.9	$33.1
Total Margin (above BBSW)	2.000%			
Swaps - Floating to Fixed	April 2025	$70.00		
Fixed Rate	2.04%			

NAV per security $1.88 - up 5% over the half

Property Assets up 7% - higher NOI more than offsetting general increase in cap rates - no acquisitions settled in the half

Gross debt of $121.8m and net debt of $113.2m:

Gearing 24% - below long term target range of 30-40%

LTV decreased to 32% - some of Aspen's property value was not included in the debt facility security pool at 31 December 2022 (covenant 50%)

ICR increased to 5.4x (covenant 2.0x)

Interest Rate Hedging - $70m of BBSW exposure fixed at 204bps until April 2025

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

Statutory Accounts Extract: Statement of Profit and Loss

	Note	Consolidated 31 December 2022 $'000	31 December 2021 $'000
Continuing operations			
Rental income		**22,653**	14,499
Home and land sales [1]		**7,360**	3,970
Food and Beverage, other ancillary sales, and net gaming revenue		**2,158**	1,520
Other revenue	1	**32**	490
Total revenue		**32,203**	20,479
Net fair value gain on Investment properties [2]		**12,748**	22,068
Reversal of previous impairment on property, plant and equipment		**-**	2,876
(Loss) / Gain from sale of investment properties		**(51)**	157
Fair value gain / (loss) on retirement village resident loans	13	**-**	(131)
Fair value gain / (loss) on revaluation of investment in securities	15	**3,464**	(80)
Expenses and other items			
Operational expenses	2	**(3,434)**	(2,162)
Property expenses	2	**(5,052)**	(4,281)
Cost of Homes sold [1]		**(4,716)**	(2,584)
Employee expenses	2	**(6,762)**	(5,454)
Administration expenses	2	**(908)**	(827)
Depreciation and amortisation expenses		**(564)**	(471)
Other expenses		**-**	(1,132)
Total expenses		**(21,436)**	(16,911)
Earnings before interest and income tax expense (EBIT)		**26,928**	28,458
Finance income	2	**151**	75
Finance costs	2	**(1,394)**	(865)
Fair value (loss) / gain on interest rate swaps		**(190)**	851
Profit before income tax		**25,495**	28,519
Income tax benefit		**373**	750
Profit from continuing operations		**25,868**	29,269
Profit for the period		**25,868**	29,269
Profit attributable to ordinary equity holders of the parent entity		**25,868**	29,269
Profit/(Loss) attributable to non-controlling interest	12	**-**	-
Profit for the period		**25,868**	29,269

The above should be read in conjunction with the accompanying notes contained in the financial statements

Statutory Accounts Extract: Balance Sheet - Assets

	Note	Consolidated 31 December 2022 $'000	30 June 2022 $'000
Assets			
Current assets			
Cash and cash equivalents		**8,598**	10,730
Trade and other receivables		**2,894**	1,183
Prepaid expenses		**2,323**	511
Inventories	5	**6,393**	2,542
Net Investment in sublease		**-**	158
Total current assets		**20,208**	15,124
Non-current assets			
Investment properties	4	**411,898**	386,062
Property, plant and equipment	3	**31,227**	26,523
Inventories	5	**13,289**	13,300
Intangible asset		**106**	140
Right of use assets	14	**989**	612
Deferred tax assets		**6,949**	6,576
Derivative asset	11	**3,415**	3,605
Investments at fair value through profit and loss	15	**20,082**	516
Total non-current assets		**487,955**	437,334
Total assets		**508,163**	452,458

The above should be read in conjunction with the accompanying notes contained in the financial statements

Statutory Accounts Extract: Balance Sheet – Liabilities and Equity

Liabilities			
Current liabilities			
Trade and other payables		**13,057**	16,256
Resident loans	13	**30,038**	25,817
Provisions		**1,443**	1,607
Lease liability	16	**241**	348
Deferred management revenue (DMF)	17	**693**	647
Total current liabilities		**45,472**	44,675
Non-current liabilities			
Interest bearing loans and borrowings	9	**121,771**	127,670
Deferred management revenue (DMF)	17	**2,661**	2,503
Lease liability	16	**855**	589
Total non-current liabilities		**125,287**	130,762
Total liabilities		**170,759**	175,437
Net assets		**337,404**	277,021
Equity			
Equity attributable to equity holders of the parent			
Issued capital	7	**599,104**	562,602
Reserves	7	**11,259**	6,966
Accumulated losses		**(269,122)**	(288,710)
Total equity attributable to equity holders		**341,241**	280,858
Non-controlling interest	12	**(3,837)**	(3,837)
Total equity		**337,404**	277,021

The above should be read in conjunction with the accompanying notes contained in the financial statements

Statutory Accounts Extract: Cash Flow Statement

	Notes	Consolidated 31 December 2022 $'000	31 December 2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**35,711**	21,804
Payments to suppliers and employees (inclusive of GST)		**(27,927)**	(17,023)
Net cash flows from operating activities		**7,784**	4,781
Cash flows used in investing activities			
Proceeds from sale of investment property assets, net of selling costs		**897**	5,876
Acquisition of property, plant and equipment		**(868)**	(429)
Acquisition of investment properties, including transaction costs [1]		**(15,906)**	(37,708)
Purchase of investment in listed securities		**(16,104)**	-
Interest received		**151**	75
Net cash flows used in investing activities		**(31,830)**	(32,186)
Cash flows from financing activities			
Proceeds from borrowings		**20,000**	3,558
Repayment of borrowings		**(26,292)**	-
Proceeds from net investment in sublease		**158**	615
Payment of financing and borrowing costs		**(1,995)**	(1,737)
Payment of lease liability		**(311)**	(802)
Distributions paid		**(5,426)**	(4,075)
Issue of shares, net of issue costs		**35,780**	29,362
Net cash flows from financing activities		**21,914**	26,921
Cash and cash equivalents at beginning of the period		**10,730**	8,277
Net decrease in cash and cash equivalents		**(2,132)**	(484)
Cash and cash equivalents at end of period		**8,598**	7,793

[1] 1H FY22 excludes the non-cash impact of Funding from borrowings for acquisition of Meadowbrooke Lifestyle Estate ($3.09 million) and Perth Apartments ($31.44 million) which were arranged to be paid directly to the vendor on settlement date

The above should be read in conjunction with the accompanying notes contained in the financial statements

Statutory Accounts Extract: Segment Information

	Residential		Retirement Communities		Park Communities		Other		Consolidated	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Rental income	5,768	2,788	2,572	2,237	14,313	9,474	-	-	22,653	14,499
Food and Beverage, other ancillary sales, and net gaming revenue	-	-	-	-	2,158	1,520	-	-	2,158	1,520
Total Rental and ancillary services revenue	5,768	2,788	2,572	2,237	16,471	10,994	-	-	24,811	16,019
Development sales (houses and land) [5]	6,240	-	5,810 [7]	3,970	-	-	-	-	12,050	3,970
Total segment revenue [1]	12,008	2,788	8,382	6,207	16,471	10,994	-	-	36,861	19,989
Property net operating income	3,387	1,063	1,670	1,314	7,072	4,115	-	-	12,129	6,492
Development profit	2,394	-	1,669	1,385	-	-	-	-	4,063	1,385
Net corporate overheads	-	-	-	-	-	-	(2,921)	(2,434)	(2,921)	(2,434)
Total operating EBITDA [2]	5,781	1,063	3,339	2,699	7,072	4,115	(2,921)	(2,434)	13,271	5,443
Finance income [9]	-	-	-	-	-	-	96	3	96	3
Finance costs [9]	-	-	-	-	-	-	(1,389)	(817)	(1,389)	(817)
Operating profit / (loss) before depreciation and income tax	5,781	1,063	3,339	2,699	7,072	4,115	(4,214)	(3,248)	11,978	4,629
Depreciation and amortisation	-	-	-	-	(423)	(332)	(141)	(139)	(564)	(471)
Net Fair value gain/(loss) on Investment properties	9,532	7,345	789 [8]	9,357	1,008	5,235	-	-	11,329	21,937
Reversal of previous impairment on property, plant and equipment	-	-	-	-	-	2,876	-	-	-	2,876
Other income / (expenses) [3]	(51)	(436)	-	(400)	-	66	2,803	318	2,752	(452)
Income tax benefit	-	-	-	-	-	-	373	750	373	750
Profit / (loss) after tax attributable to parent entity	15,262	7,972	4,128	11,656	7,657	11,960	(1,179)	(2,319)	25,868	29,269
Segment assets and liabilities reviewed by CODM can be analysed as follows:										
Segment assets	207,772	130,620	103,669	84,963	146,983	123,067	49,739 [4]	20,076 [4]	508,163	358,726
Segment liabilities	-	-	-	-	-	-	(170,759) [6]	(148,388) [6]	(170,759)	(148,388)
Additions to non-current assets during the year	13,614	58,395	1,953	26,993	2,920	3,002	16,117	9	34,604	88,399

1 *All segment revenues are derived from external customers.*
2 *Operating EBITDA represents earnings before interest, tax, depreciation and amortisation and excludes non-underlying items which are included in other income / expenses.*
3 *Other income / expenses are those excluded from CODM's review of operating profits. This includes expenses such as share-based payments, fair value adjustment on interest rate swaps, fair value adjustment on equity investments, gain / loss from sale of investment properties, and asset acquisition transaction costs.*
4 *Includes all assets of the Group excluding the property assets (investment properties and property, plant and equipment).*
5 *1HFY23 includes development and licensing of DMF homes in development sales ($4.69 million revenue and $1.42 million EBITDA) in the Retirement Communities segment. 1HFY22 comparative information has been restated to align with current year reporting format to CODM which excludes proceeds from the sale of Perth residential investment properties from development sales. Current year reporting format now aligns with statutory reporting for this line item*
6 *Includes all liabilities of the Group including the property liabilities.*
7 *Includes licensing of DMF homes ($4.69 million reveue).*
8 *Excludes the net revaluation gain on the licensing of DMF homes at Wodonga Gardens ($1.42 million) which is included in development profit. This gain represents the $4.69 million cash proceeds received upon licensing the homes less $3.27 million total cost of producing the homes*
9 *Excludes interest income and expenses arising from investment in sublease and lease liabilities arising from rights-of-use assets.*

Alexandrina Cove Lifestyle Village, Hindmarsh Island SA

Appendix C

Distribution & Tax History

Distribution & Tax History

Period / Quarter Ended	Payment Date	Distribution Type	Aspen Group Ltd	Aspen Property Trust[1]		Total Amount Paid CPS
			CPS	CPS	Tax Deferred / Non Assessable Income	
Dec-17	28/02/2017	Ordinary	-	2.10	-	2.10
Jun-17	29/08/2017	Ordinary	-	2.50	-	2.50
Oct-17	20/10/2017	Special Capital	-	5.00	100.0%	5.00
Dec-17	27/02/2018	Ordinary	-	2.10	31.4%	2.10
Jun-18	30/08/2018	Ordinary	-	2.10	30.5%	2.10
Dec-18	26/02/2019	Ordinary	-	2.30	45.7%	2.30
Jun-19	30/08/2019	Ordinary	-	2.70	43.3%	2.70
Dec-19	28/02/2020	Ordinary	-	2.75	56.5%	2.75
Jun-20	28/08/2020	Ordinary	-	3.25	69.8%	3.25
Dec-20	25/02/2021	Ordinary	-	3.10	70.7%	3.10
Jun-21	20/08/2021	Ordinary	-	3.50	82.0%	3.50
Dec-21	25/02/2022	Ordinary	-	3.10	85.0%	3.10
Jun-22	25/08/2022	Ordinary	-	3.50	88.9%	3.50
Dec-22	24/02/2023	Ordinary	-	3.50	81.4%	3.50

1. APT has elected to adopt the Attribution Managed Investment Trust regime from 1 July 2016

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