Aspen Group

Bell Potter Emerging Leaders Conference

27 MAY 2025

Aspen Group

Owner
Proprietary approach maximising sustainable returns for Aspen securityholders – we own 100% of all our properties and projects - no JV or Fund interests and conflicts to consider

Operator
Maximising profitability through intensive management of properties and offering a variety of lease terms and additional services to customers – not a passive rent collector

Developer
Cost effective creation of quality accommodation through brownfield and greenfield development that is well suited to our target customer base

Capital Manager
Disciplined acquisitions, offering rentals + shared equity + ownership options to customers, recycling capital to optimise portfolio, profits and equity value, and reduce risk

Specialist Provider of Quality Rental Accommodation on Competitive Terms

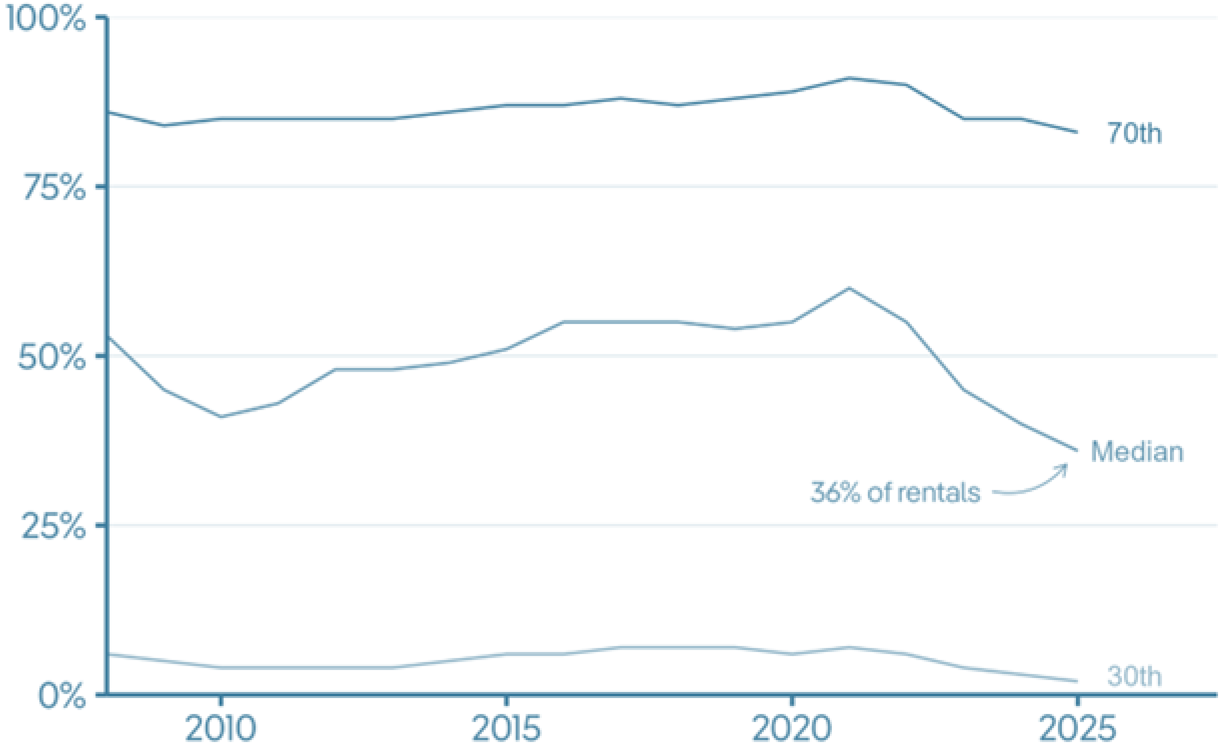
Dwellings and Land Sites

Target Market

The c.40% of Australian Households with Income <$100k per annum

Acute Undersupply of Affordable Housing is Getting Worse

Affordable Share of Rentals by Household Income



Balanced Market for the Top 60% of Households by Income

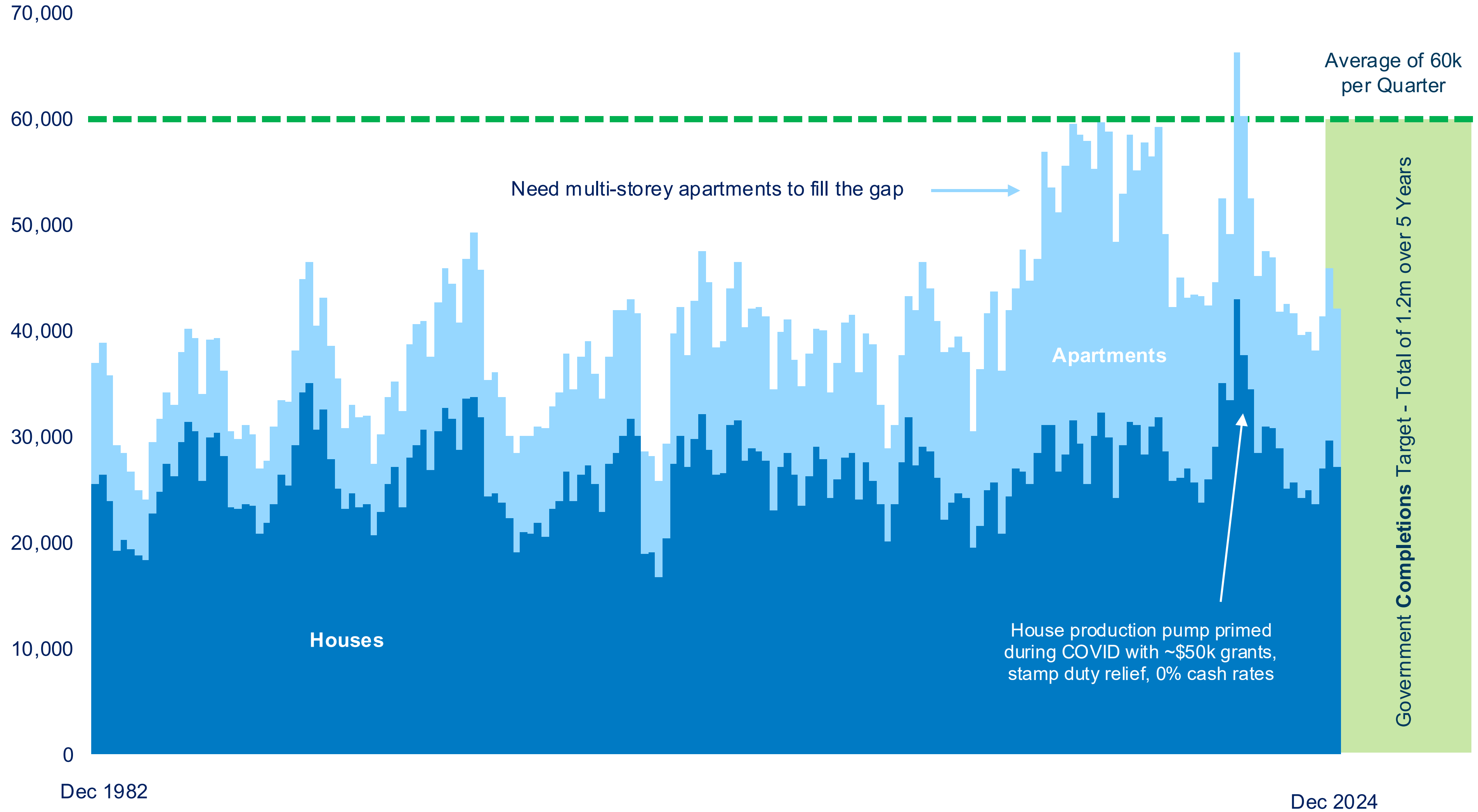
Aspen's Target Market

Less than 10% of Advertised Rentals are Affordable for the Bottom 40% of Households by Income

Chart source: PropTrack, ABS – assumes households can afford to pay 25% of gross household income on rent

New Supply around Decade Low with Limited Solutions in Sight

National New Dwelling Commencements – Quarterly[1]



1. Source: ABS – Apartments includes all dwelling types except Houses

Mass Production Cost is Unaffordable for Below-Median Income Households

Mass Apartment Production in Metro Locations

Building Cost (ex. land) ~$8,000psm
Timeframe 3-4 years


LIV Indigo

Aspen Production in Attractive Locations

Building Cost (ex. land) ~$3,000-4,000psm
Timeframe 9-15 months


Proposed New Units at Viveash


New Lifestyle Houses at ACLV

What is Land Worth in these Markets?

Aspen has accumulated a large land bank in attractive locations at <$40k per site

Aspen's Low-Cost Development Business – Scaling Up and Diversifying

- ✓ Increasing diversity of projects
  - Currently 10 active projects
  - Aiming to commence sales at Normanville SA, Ravenswood WA and Australind WA from FY27 (STCA)
- ✓ Generally aiming for ~12 sales per annum in initial stages of a project, then ~24 sales per annum
  - Optimal order sizes for our house and civils contractors
  - Manageable sales program which supports pricing and minimises selling costs (~2% of sales proceeds)
  - Limits disruption for existing residents
  - Risk mitigation
- ✓ Book value of approved raw sites for Lifestyle development is ~$40k each which enables total developed land cost of ~$100k
  - Value of newly leased sites is above developed land cost = NAV uplift
  - Development Profit on the house sale is also above developed land cost = capital release
- ✓ Aiming to grow sales toward 200 per annum over the medium term while maintaining an approved development pipeline of at least 10x sales rate and ROIC of 20%

Aspen's Portfolio Positioned for Growth

$m (unless stated)	31 Dec 2024	Current[1]	Change
Total Dwellings & Sites #	**5,099**	**6,434**	**26%**
Rentals			
Dwellings & Sites #	3,995	4,120	3%
Book Value (ex. spare land)	**$530**	**$552**	**3%**
Per Approved Dwelling/Site	*$133k*	*$134k*	*1%*
WACR[2]	*6.8%*		
Development Assets[3]			
Total Sites[4] #	1,628	2,314	42%
Book Value of Land (inc. civils)	$44	$66	50%
Per Site	*$27k*	*$29k*	*6%*
Manufactured House Inventory	$19	$25	32%
Total Book Value	**$63**	**$91**	**44%**
ROIC[5]	*20%*		
Total Property and Inventory	**$593**	**$643**	**8%**
Per Approved Dwelling/Site	*$116k*	*$100k*	*(14%)*

Scale, quality, suitability and growth prospects of portfolio continues to improve without commensurate increase in cost

Acquired:

- Australind transportables – aiming to convert 386 rooms into self-contained units (STCA)
- Australind land – aiming for Lifestyle development with 250 houses (STCA)
- Ravenswood land – aiming for Lifestyle development with 250 houses and Residential land development with 190 lots (STCA)

Deliberate increase manufactured house inventory as a springboard for growth - developed over 200 houses/sites in FY25 v. expected settlements of 110 in FY25 – can now increase settlements to ~200 per annum without increasing inventory level

Sold some existing houses with relatively high rents

Average book value of only $100k per dwelling/site

1. Management accounts – not audited. 2. Weighted Average Capitalisation Rate 3. Development Assets is all development assets including civils inventory, new lifestyle house inventory, spare land in Lifestyle and Park properties and residential land inventory 4. Sites includes approved and planned (not yet approved). 5. ROIC = Development Profit divided by average of opening and closing Total Development Assets

Aspen's Balance Sheet Supports Significant Growth Prospects

$m (unless stated)	31 Dec 2024	Current[1]	Change
Total Property and Inventory	**$593**	**$643**	**8%**
Eureka Group (EGH) Stake	$34	$0	(100%)
Net Financial Debt	($134)	($92)	(31%)
Net Other Assets (Liabilities)	($36)	($22)	(39%)
Net Assets	**$457**	**$529**	**16%**
Securities	200.8	225.0	12%
NAV per Security (pre DTL provision)[2]	**$2.39**	**$2.44**	**2%**
Gearing[3]	**21%**	**14%**	**(7ppt)**
Undrawn / Unused Debt Capacity	**$65**	**$155**	**138%**

Aspen's balance sheet has strengthened materially:

- Raised $68m in new equity - broadened the register and improved stock liquidity
- Sold residual minority stake in EGH – entire stake sold at 56cps v. cost of 45cps (profit on sale not included in Underlying EPS)
- Renegotiated syndicated debt facility – extended duration to September 2028, increased limit to $260m, reduced drawn margin to 185bps
- Current gearing ~14% (55% covenant) and pro forma ICR >5.0x (covenant 2.0x)
- Balance sheet can support >$200m of additional assets through acquisition and development

1. Management accounts – not audited. 2. Net Asset Value per Security excludes deferred tax liability (DTL) provision relating to capital gains tax that would be payable by Aspen Group Limited if it were to sell all its assets at book value 3. Gearing = financial debt less cash / total assets less cash less retirement village resident loans and deferred revenue.

Disclaimer

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