



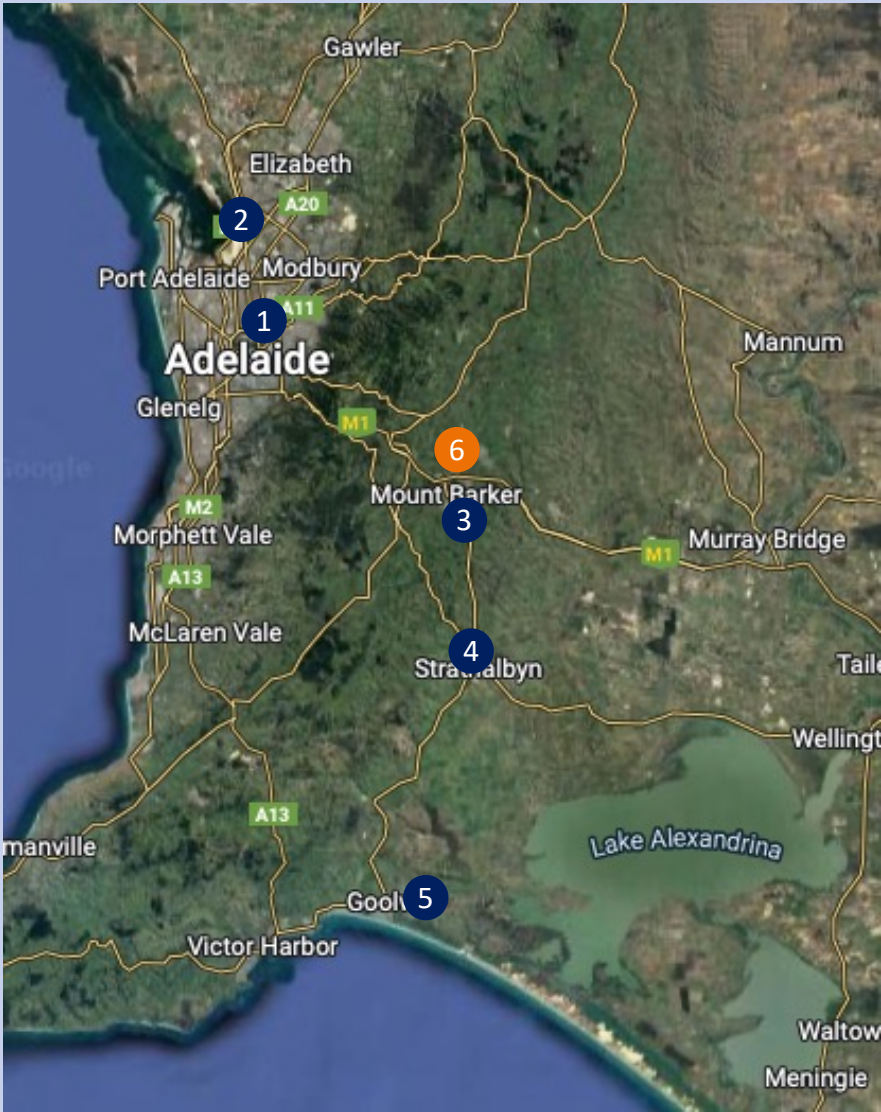
Aspen Group South Australia Property Tour

6-7 September 2022

Adelaide

Photo credit: Tourism SA

South Australia Asset Summary



About 20% of Aspen’s property assets are based in SA¹

SA		Land Area (Hectares)	Dwellings /Sites	Book Value (\$m)	Value per Dwelling/Site	Cap Rate
1	Adelaide CP	1.4	97	13.8	\$142k	8.00%
2	Highway 1	9.9	310	31.6	\$102k	8.25%
3	The Ridge, MB	10.3	94	5.4	\$57k	
4	Lewis Fields	3.7	80	2.4	\$30k	
5	Coorong Quays	79.0	1,150	24.5	\$21k	
	- CQ Residential	29.0	264	10.4	\$40k	
	- CQ Retirement	7.5	158	4.2	\$27k	6.50%
	- CQ Park	42.5	728	9.9	\$14k	8.44%
Total SA		104.3	1,731	77.6	\$48k	
6	CREST at Woodside (managed)	3.5	43			

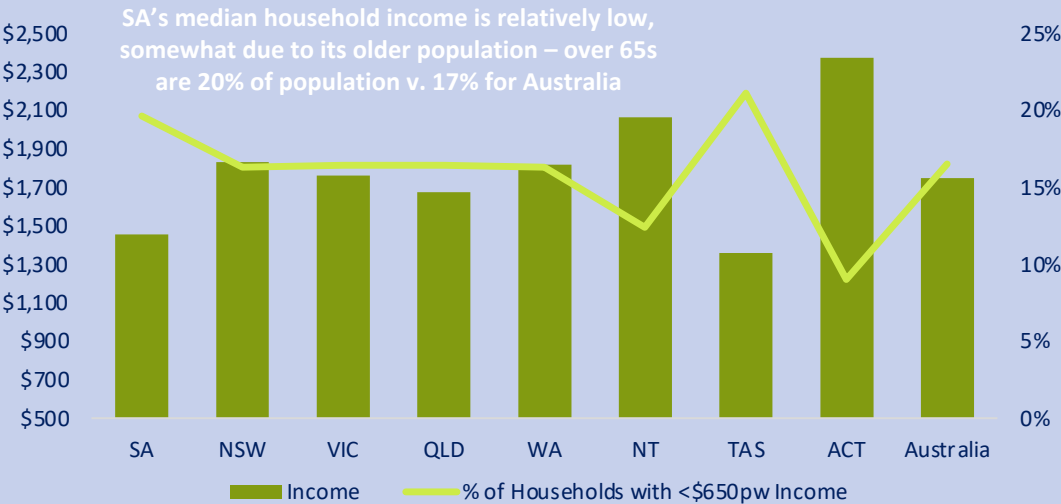
1. Based on book value

Aspen's SA Portfolio Aligns with its Population Dynamics

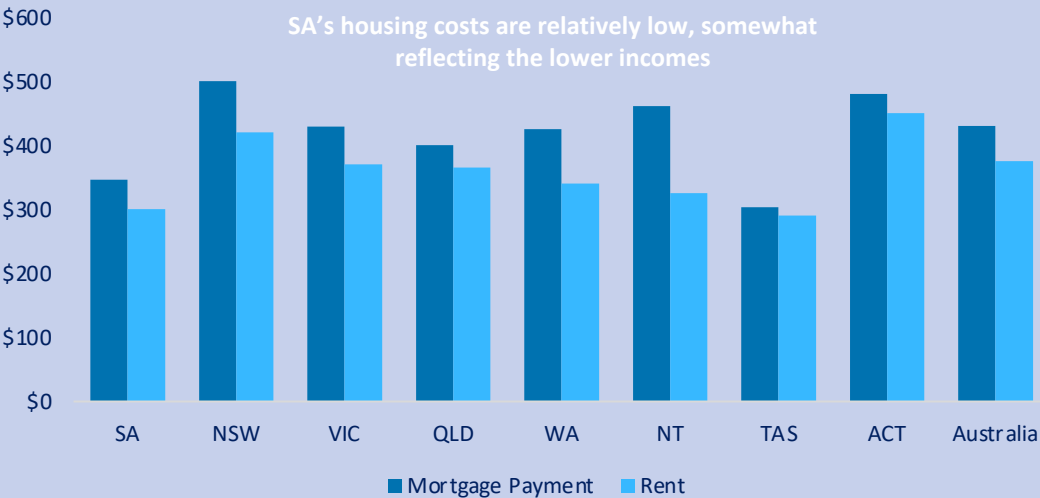


SA Snapshot – 2021 Census

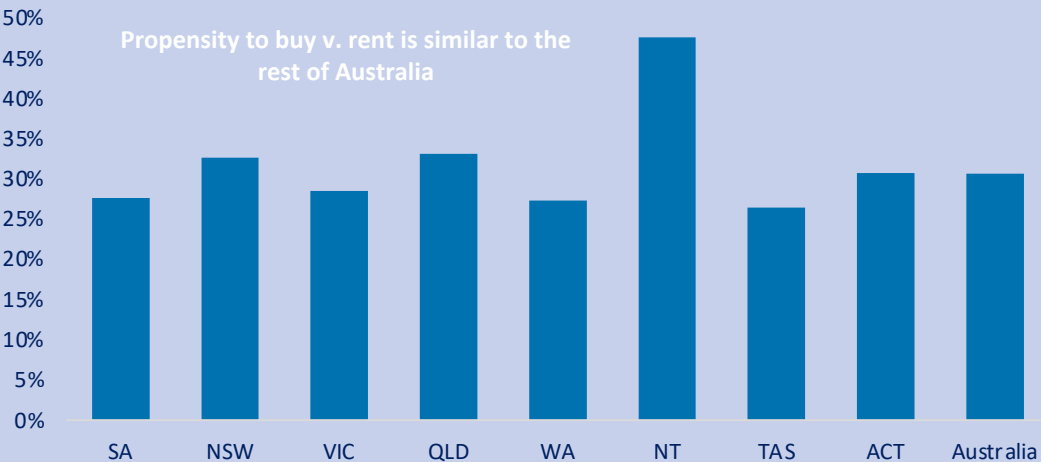
Household Income and Housing Costs - Weekly Medians



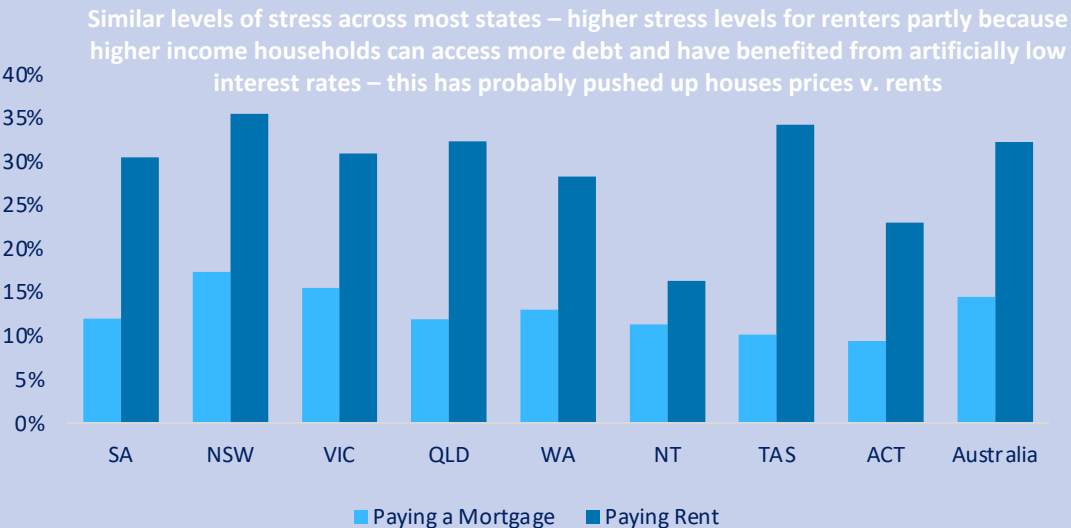
Housing Costs - Weekly Medians



% of Households Renting



% of Households Paying >30% of Income on Housing

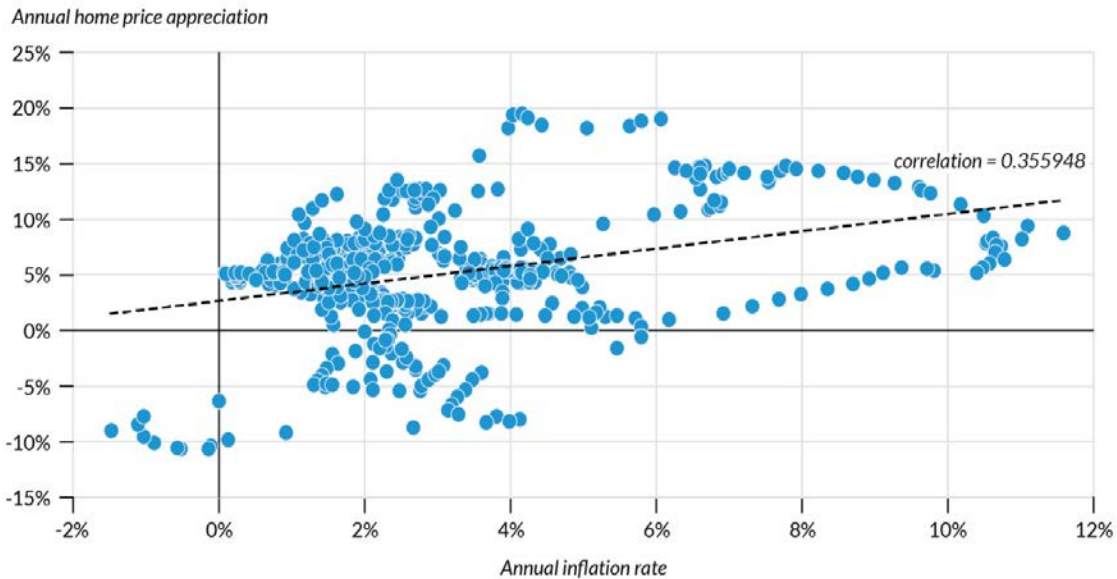


Aspen's Portfolio is Positioned for Growth

We expect rents and values to continue to increase across Aspen's portfolio over the medium term despite the increase in interest rates:

- Historically low vacancy rates, population growth, and significant building supply bottlenecks and cost spikes are overwhelming the impacts of higher interest rates to date
- Aspen's portfolio has been accumulated at well below replacement cost – our rents are at the lower end of the spectrum and local competition
- Our properties are typically well located in metropolitan areas and attractive lifestyle locations with easy access to jobs and facilities - employment conditions are strong
- Rental growth may outpace price growth over the medium term as more households shift to renting due to higher interest rates / mortgage repayments and long delays in new house builds

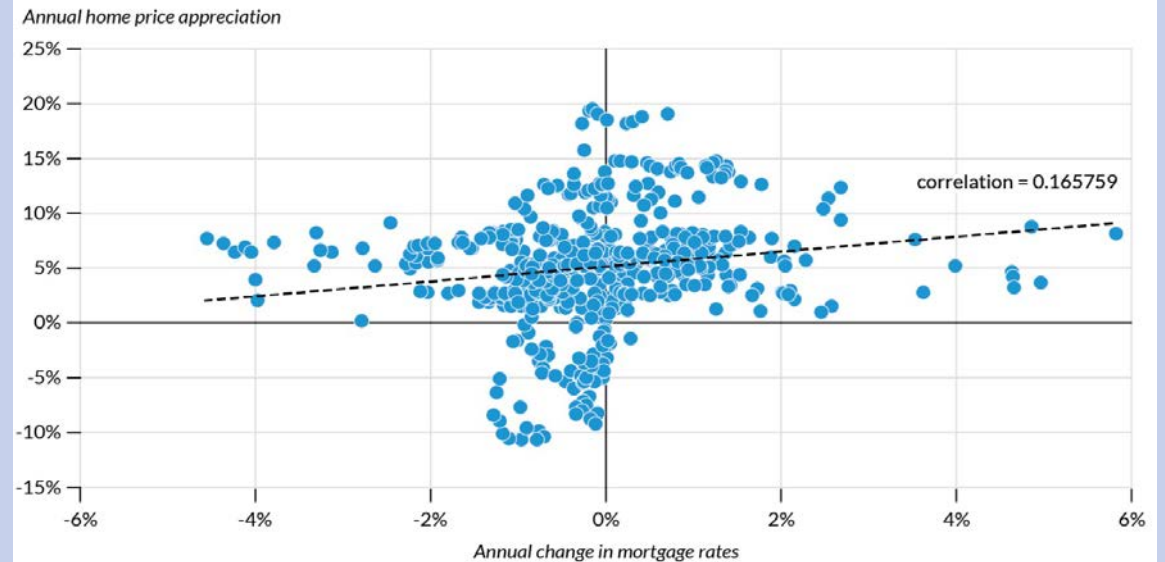
Inflation Has a Strong, Positive Relationship with Home Price Appreciation



Sources: Black Knight Home Price Index and US Bureau of Economic Analysis data.

Note: Each dot represents the year-over-year change in the inflation rate (as measured by personal consumption expenditures) and the annual home price appreciation each month since 1976.

Changes in Mortgage Interest Rates and Changes in Home Prices Are Weakly Related



Sources: Freddie Mac Primary Mortgage Market Survey and Black Knight Home Price Index.

Note: Each dot represents the year-over-year change in the mortgage rate (as measured by Freddie Mac's Primary Mortgage Market Survey) and the annual home price appreciation for each month since 1976.



Coorong Quays

Coorong Quays

	CQ Residential	Alexandrina Cove Lifestyle Village	CQ Park Community
Region	Fleurieu	Fleurieu	Fleurieu
Land Ownership	Freehold	Freehold	Freehold
Resident Tenure	N/A	RV / Land Lease	Mixed
Total Land Area (HA)	29.0	7.5	42.5
Operational Sites	2	28	528
Pipeline – Developed Sites	1	0	0
Pipeline - Undeveloped Sites	261	130	200
Total Approved Sites	264	158	728
- per Ha	9	21	15
Owned Dwelling Inventory	2	17	13
- per Approved Site	1%	11%	2%
Book Value (\$m)	\$10.44	\$4.20	\$9.85
Valuation Cap Rate	N/A	6.50%	8.44%
Value Per HA (\$m)	\$0.36	\$0.56	\$0.23
Value Per Approved Site	\$40k	\$27k	\$14k

Opportunities

- ✓ Developing and selling Residential land sites and Retirement land lease houses – generating development profits and creating new annuity income streams (retirement land rents and residential encumbrance fees)
- ✓ Development of the approved cabin / caravan park - 200 sites - potential mix of permanents, tourists, corporate customers
- ✓ Cross-selling Park facilities to the growing resident base – eg. marina berths, storage areas, tavern
- ✓ Increasing occupancy rates in underutilised areas
- ✓ Increasing rental rates from low levels – while remaining competitive
- ✓ Increasing NOI margin – high proportion of operating costs are fixed

Coorong Quays – Residential, Retirement and Park Community



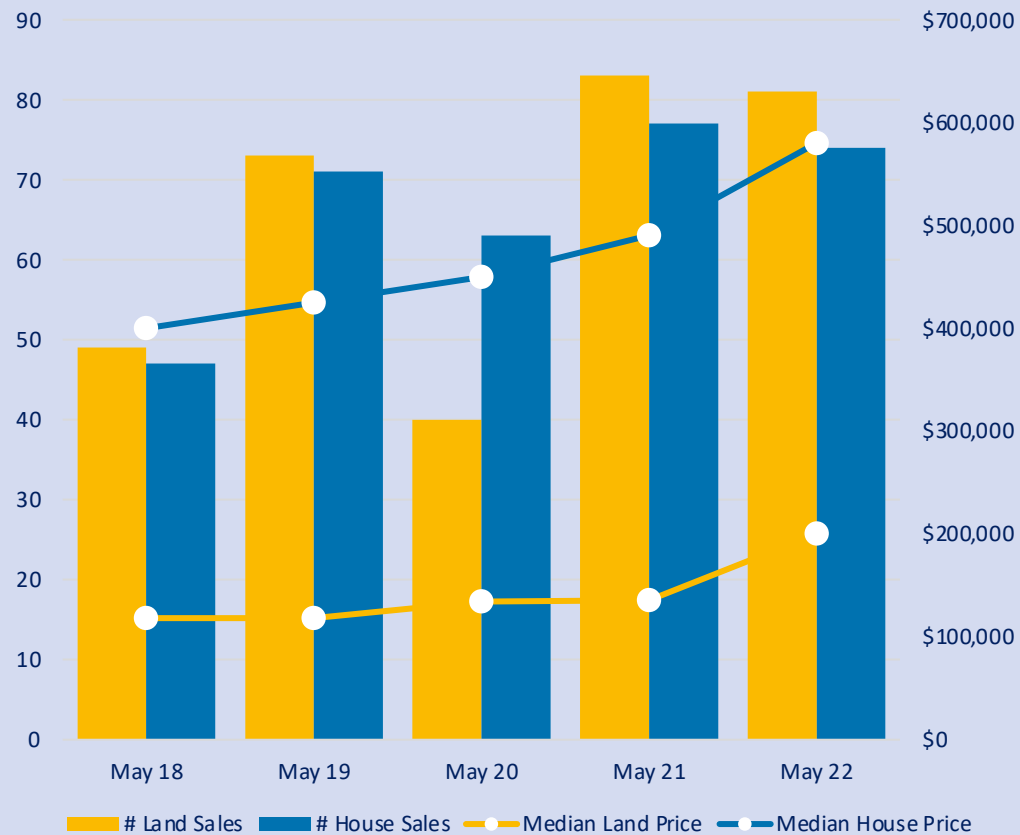
CQ Improvements post Receivership



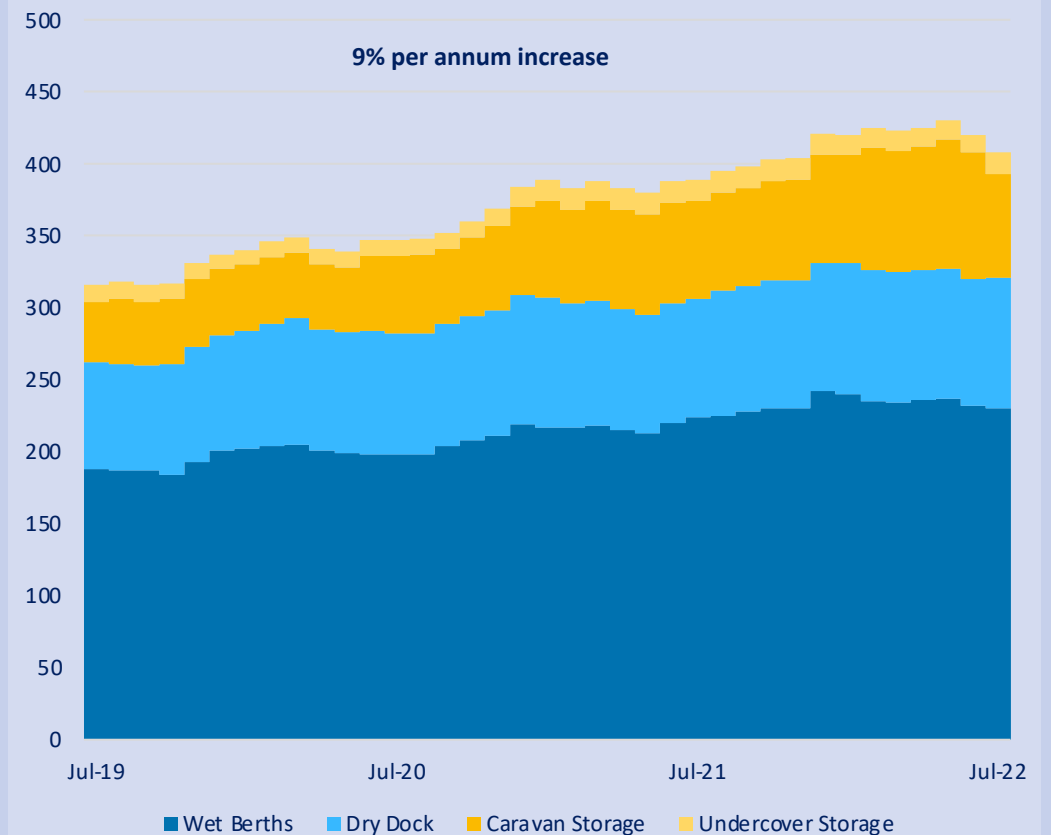
Residential Land Development

Vastly Improved CQ Community = Higher Sales Volumes and Prices for New Houses and Land = Increased Demand for CQ's Other Facilities...

Hindmarsh Island Residential Performance¹



CQ - # of Leases - Caravans and Boats



Development is Profitable, Cash Generative, and Creates Annuity Income Streams

Development Pipeline

	Minimum Dwellings / Sites	Book Value (\$m)	Value per Dwelling/Site
Land Lease Component - Alexandrina Cove Lifestyle Village (ACLV)	130	2.66	\$20k
Residential Land Component	261	10.44	\$40k
Park Component – Wet Berths (excludes dry storage expansion)	150	0.00	\$0
Park Component - Mixed Use Park	200	1.35	\$7k
Former WWTP	TBD	0.45	TBD
Farmhouse Lot	TBD	0.55	TBD
Total	741+	15.45	

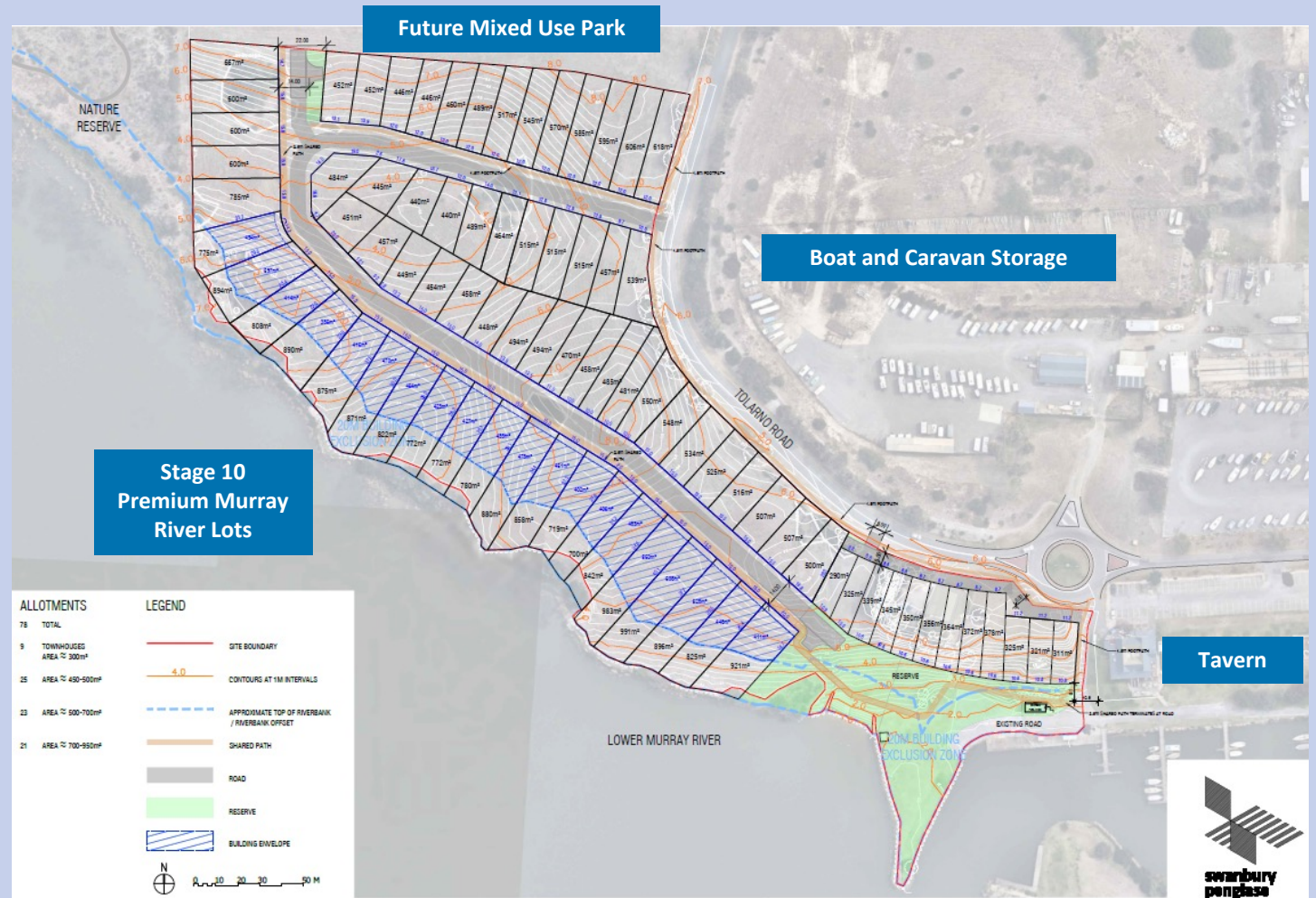
Future Residents and Customers Add to Annuity Income Streams

Operating

	Current Dwellings / Sites
Alexandrina Cove Lifestyle Village – Land Leases (11) and Retirement Village DMF leases (17)	28
Residential Land – Encumbrance Fees (secured by the land title – increases annually by CPI)	1,211
Park rents (commercial leases, wet & dry berths, boat and caravan storage on land – various lease durations)	415 occupied (113 wet berths vacant)
Farmhouse (residential lease)	1
Total Dwellings / Sites	1,655
Passing Gross Income	\$1.53m
Operating Expenses	(\$0.78m)
Passing Net Operating Income (e)	\$0.75m
Margin	49%

Residential Land Development

- Current development works along Maranoa Place and Vesta Drive are expected to complete in FY23 - 31 contracts currently on hand with total value of \$5.0m (ex. GST) with expected margin of over 35%
- Stage 10 expected to commence in FY24:
 - Premium part of CQ facing Murray River with views to Goolwa and the bridge, close to marina facilities
 - 81 lots (25 waterfront), likely to be developed in stages
 - Selling prices and margins expected to be higher than current stage
- We expect new residents in current and future residential stages to have a higher propensity to lease marina berths as they do not have frontage to the canals

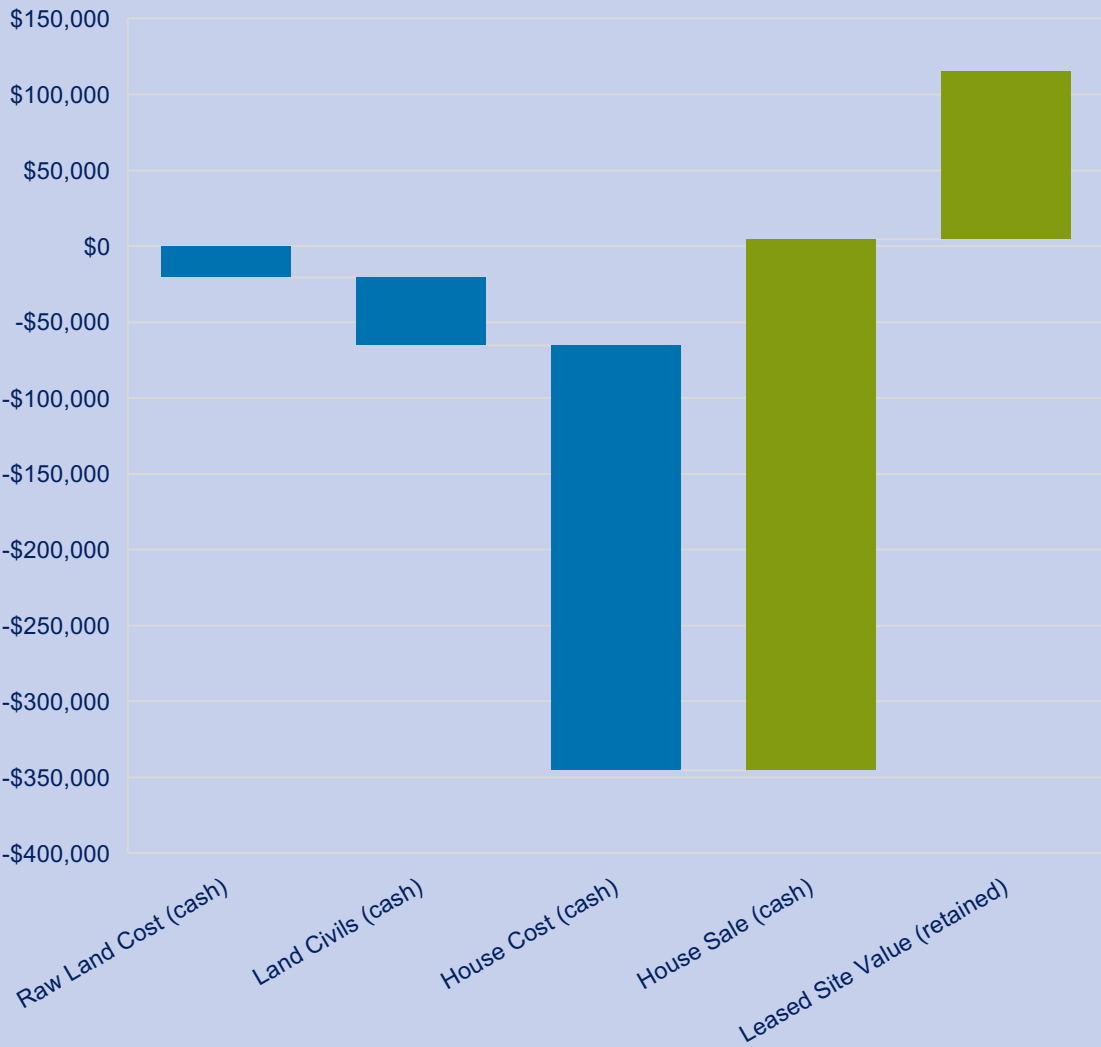


Alexandrina Cove Lifestyle Village (ACLV)

- Was a traditional Retirement Village (RV) with Deferred Management Fee (DMF)
- Substantial, high quality community building and only 17 DMF houses completed prior to falling into receivership – RV house re-leasing values fell to a low of \$249k, which was below production cost
- Spare land at the village was converted into Land Lease Community use with agreement from the existing RV residents – both resident types share all the community facilities
- RV exit fees were reduced from 35% to 20% for existing residents and to 10% for future residents - RV re-leasing values have recovered to around \$350k
- Production of new houses under the Land Lease model has commenced – 11 houses sold to date at average price of \$342k
- **For each new house developed and sold, we expect to generate c.\$115k of value add (profit on house sale plus uplift in land value), and have \$nil permanent capital employed¹**



ACLV - Development Value v. Cost¹



1. Illustrative only – estimate based on \$20k undeveloped land cost, \$45k civils cost, \$280k house cost, \$350k house sale price, \$173.59pw land rent and 80% NOI marginal margin, 6.5% cap rate (all ex. GST)

Alexandrina Cove Lifestyle Village (ACLV)

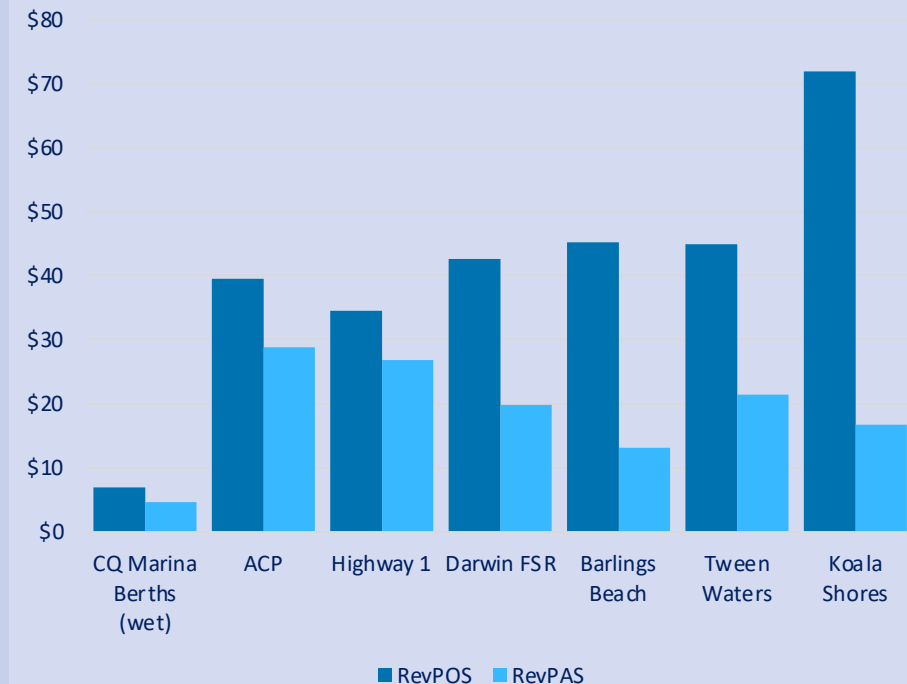


Park Community Facilities

- Over the past 3 years we have achieved 9% per annum growth in occupancy by improving the park facilities and maintaining low rents across all areas of the park (including the tavern and marine service sheds that are independently operated)
- Current wet berth occupancy is only 67% - if demand grows sufficiently, the number of wet berths and land storage spaces could be expanded at relatively low cost – the marina basin already exists and the spare land is sandy and relatively flat
- In future, as occupancy increases, we will have the opportunity to increase rates further – Aspen's tourist caravan site revenues are currently multiples of CQ's marina wet berth revenues



Aspen's Tourist Land Sites - Daily Revenue FY22





Lewis Fields



Lewis Fields

	Lewis Fields
Region	Fleurieu
Land Ownership	Freehold
Resident Tenure	RV / Land Lease
Total Land Area (HA)	3.7
Operational Sites	26
Pipeline – Under Development	4
Pipeline - Undeveloped Sites	50
Total Approved Sites	80
- per Ha	22
Owned Dwelling Inventory	26
- per Approved Site	33%
Book Value (\$m)	\$2.43
Valuation Cap Rate	N/A
Value Per HA (\$m)	\$0.66
Value Per Approved Site	\$30,375

Opportunities

- ✓ Good quality, established Retirement Village - best village producing new houses in Strathalbyn - offers quieter, rural lifestyle compared to Mount Barker for instance
- ✓ Spare land converted from RV (DMF) to Land Lease scheme - leveraging off existing brand, management and community facilities
- ✓ Reduced DMF exit fees from 37% to 25% - this should improve re-leasing values and selling times for existing houses
- ✓ First 4 new houses being developed under the land lease scheme were quickly sold at an average price of \$369k and high price of \$399k – land sites were already serviced
- ✓ Another 50 sites in the development pipeline

Lewis Fields Retirement Village - Strathalbyn

First 4 Houses Under Construction





The Ridge Mount Barker



The Ridge – Mount Barker

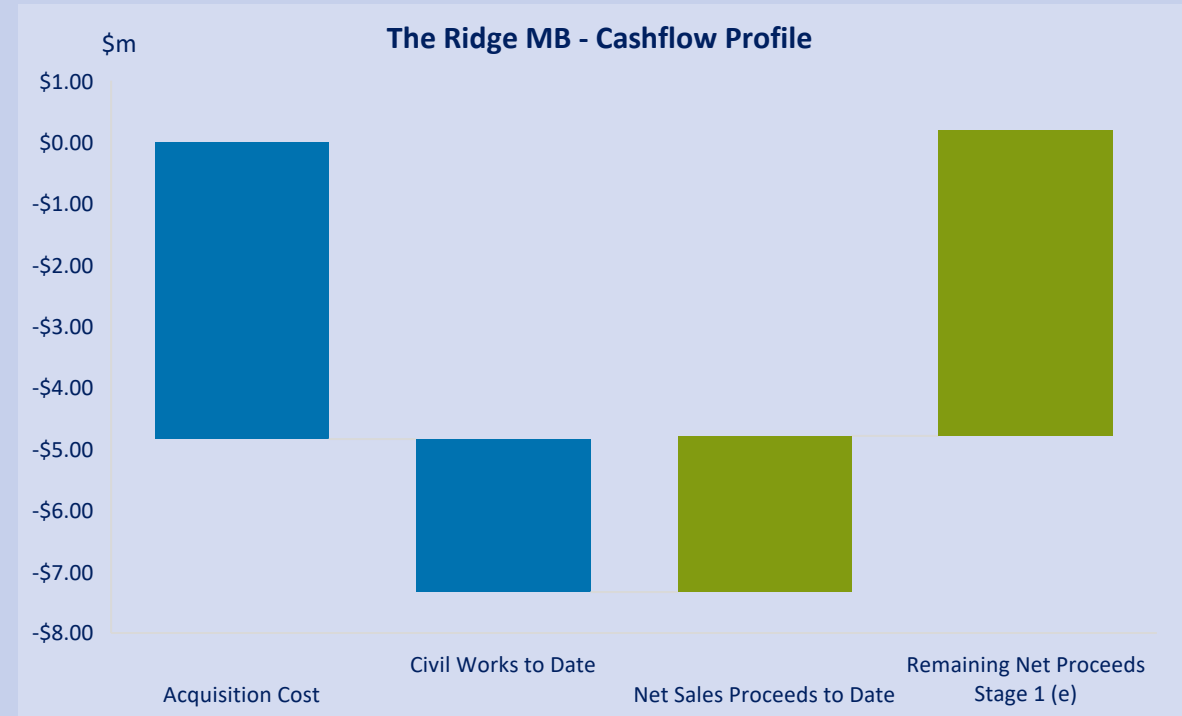
	Mount Barker
Region	Adelaide Hills
Land Ownership	Freehold
Resident Tenure	N/A
Total Land Area (HA)	10.3
Operational Sites	0
Pipeline – Developed Sites	25
Pipeline - Undeveloped Sites	69
Total Approved Sites	94
- per Ha	9
Owned Dwelling Inventory	N/A
- per Approved Site	N/A
Book Value (\$m)	\$5.37
Valuation Cap Rate	N/A
Value Per HA (\$m)	\$0.52
Value Per Approved Site	\$57k

Opportunities

- ✓ Mount Barker is a fast growing, major hub in the Adelaide Hills only 30-minutes drive to Adelaide CBD
- ✓ The Ridge offers attractive, elevated north and easterly views to the Mount Barker Summit
- ✓ Sold first 11 residential land lots at an average price of \$254k (inc. GST) at a profit margin of 38% - scope to reduce prices to encourage demand
- ✓ Increasing density by optimising lot layout and sizes
- ✓ Still contemplating potential LLC at lower part of the site – but Residential use has been far more profitable to date – may be better opportunities to create a new LLC elsewhere in the region

The Ridge - Mount Barker

- Property was acquired under a Receivership sale in December 2020
- Approved for 97 residential lots at time of acquisition – we have already increased this to 105 by optimising density (lot layout and size) in Stage 1
- Stage 1 – 36 lots developed and 11 settled in June 2022 – net sales proceeds covered 100% of the development cost for the entire stage
- Expect net sales proceeds from the remaining 25 developed lots to cover the entire initial land cost – could be \$nil capital employed at this point
- Will assess market conditions through FY23 to determine optimal use of the remaining undeveloped land which is approved for 69 residential lots



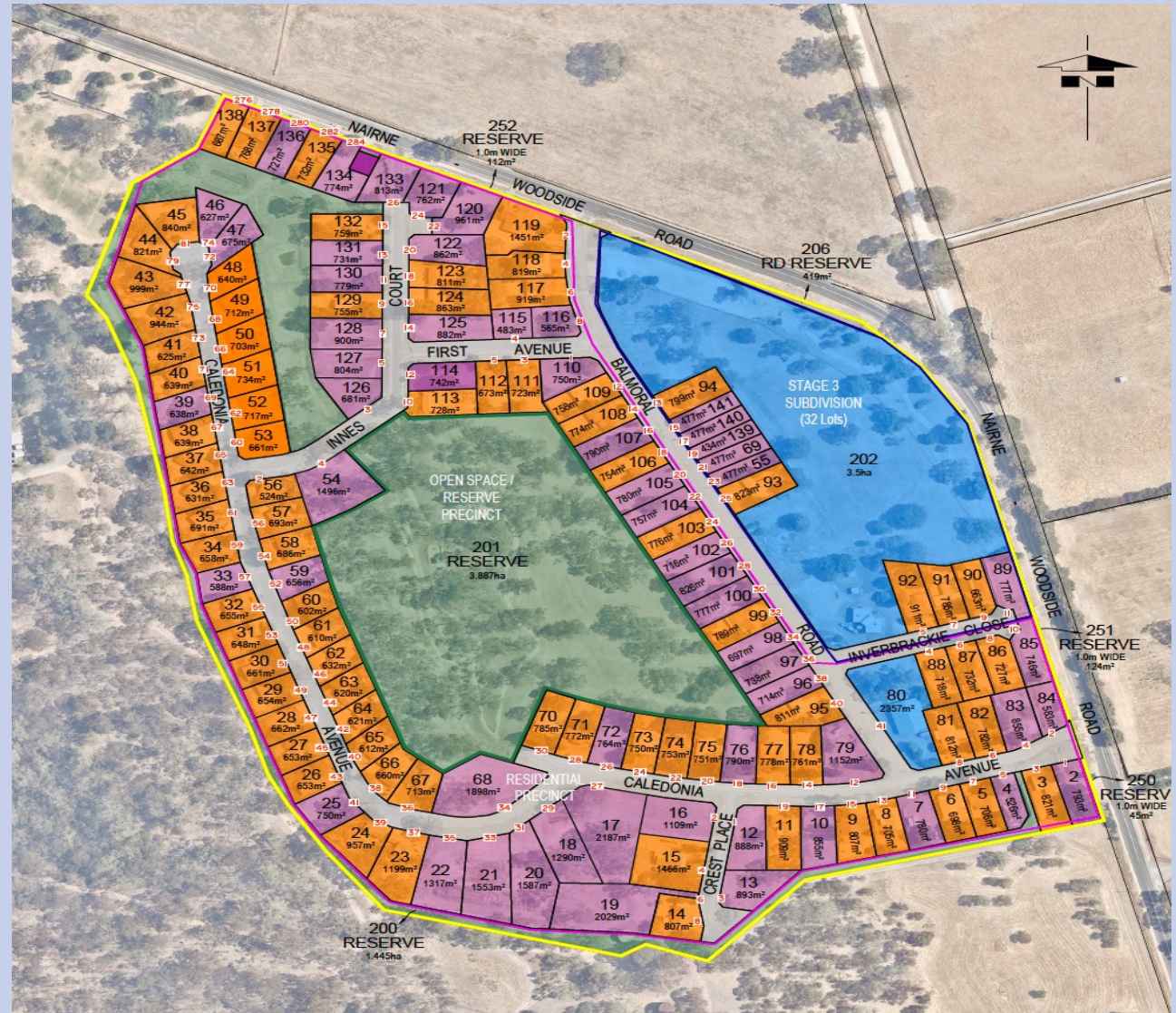


CREST @ Woodside



CREST @ Woodside – Aspen Managed

- Property was originally a Defence housing estate, then became the Inverbrackie Detention Centre for asylum seekers
- Acquired by Mill Hill Capital Affordable Accommodation & Land Fund (AALF) from the Department of Defence in December 2016
- At acquisition:
 - Single title spanning 22 HA
 - Zoned Watershed (Primary Production) – not residential
 - 81 houses built mainly in the 1970s in various states of disrepair (the lots coloured orange on site plan)
 - Included old community building and new industrial shed
 - Sewer was disconnected at the boundary for the sale – houses could not be occupied
- Subsequent improvements:
 - Reconnected sewer to SA Water's system with a new pump station and about 1.6kms of new pipe
 - Refurbished and leased the houses under existing use rights
 - Gained approvals for subdivision into 171 residential lots (the 81 existing house lots and 90 new land lots)
 - Rejuvenated the infrastructure - roads, footpaths, sewer, power, storm water inc. new natural swales and detention basin, parklands – handed to Council for it to maintain in future
- Individually titled houses and land lots have been sold over time
- AALF expected to wind up in 2023 post completion of Stage 3 - expected investment return of about 3.5x (pre performance fee and tax)





Adelaide Caravan Park



Adelaide Caravan Park - Hackney

	ACP
Region	Adelaide Metro
Land Ownership	Freehold
Resident Tenure	Short Stay
Total Land Area (HA)	1.42
Operational Sites	97
Pipeline - Refurbishment Dwellings	0
Pipeline - Undeveloped Sites	0
Total Approved Sites	97
- per Ha	68
Owned Dwelling Inventory	47
- per Approved Site	48%
Book Value (\$m)	\$13.79
Valuation Cap Rate	8.00%
Value Per HA (\$m)	\$9.72
Value Per Approved Site	\$142,165

Opportunities

- ✓ Park now has a good quality, dedicated manager (previously cluster-managed with Highway 1)
- ✓ Occupancy and rates have rebounded post Covid disruptions
- ✓ Cabin upgrade underway during the downtime – refurbished cabins now commanding higher rates
- ✓ Cabins can easily be moved to Highway 1 or other parks when ACP is redeveloped
- ✓ Conversion to highest-and-best use – probably multi-story co-living apartment complex (to rent) and townhouse sites (to sell)

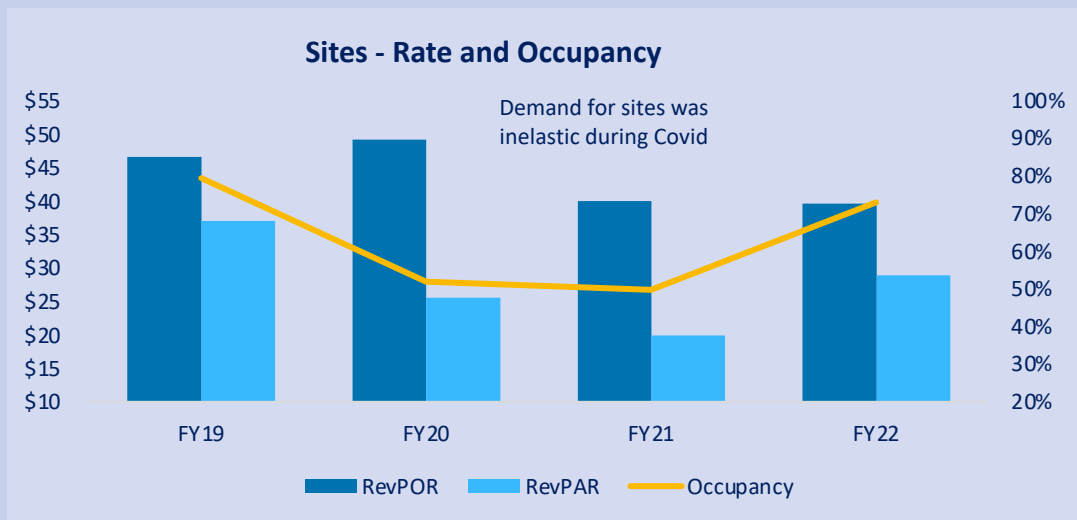
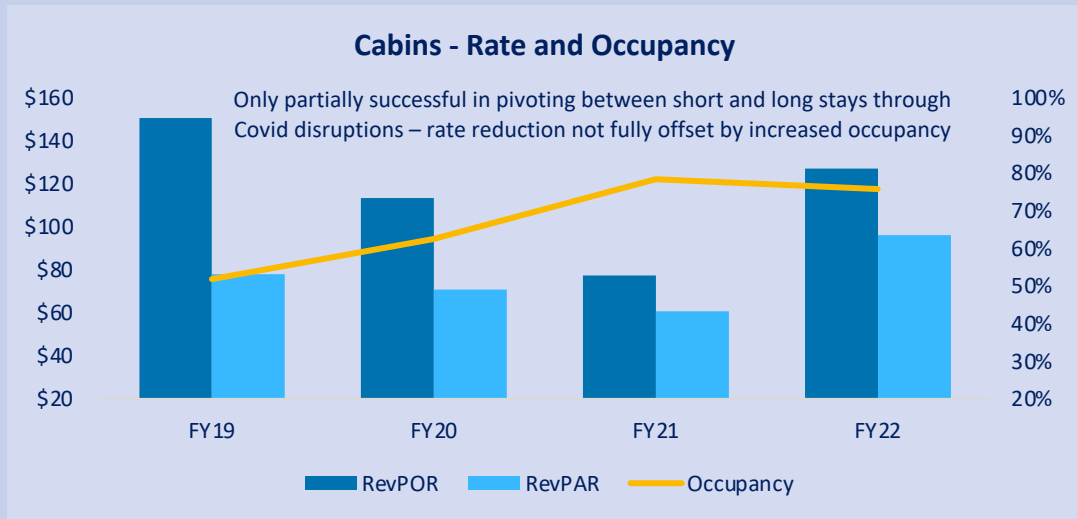
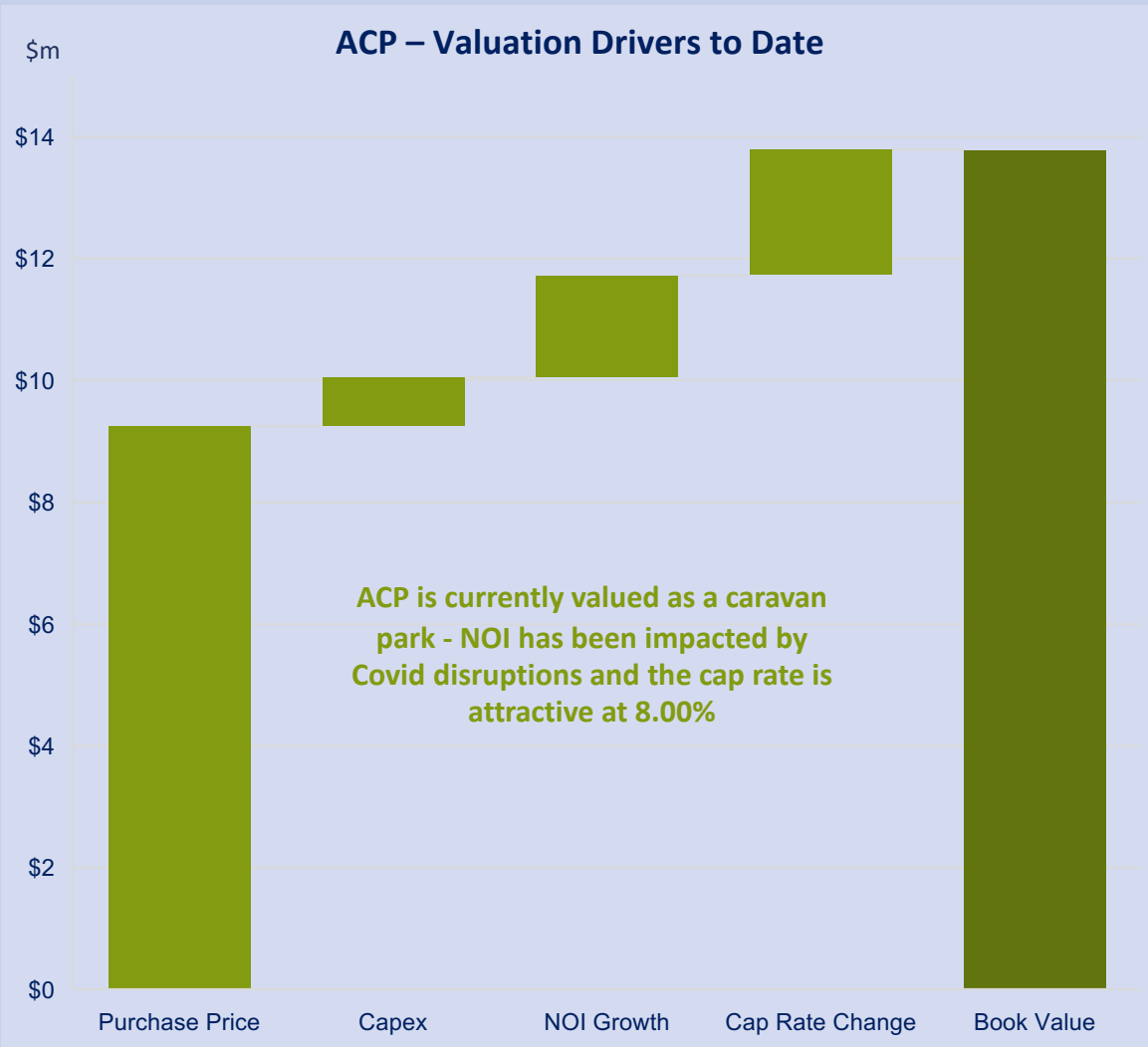
Cabins are Highly Flexible – Refurbish Well and Easy to Transport

ACP cabins have been upgraded during Covid disruptions – expect cabin rates to be higher than pre-Covid....



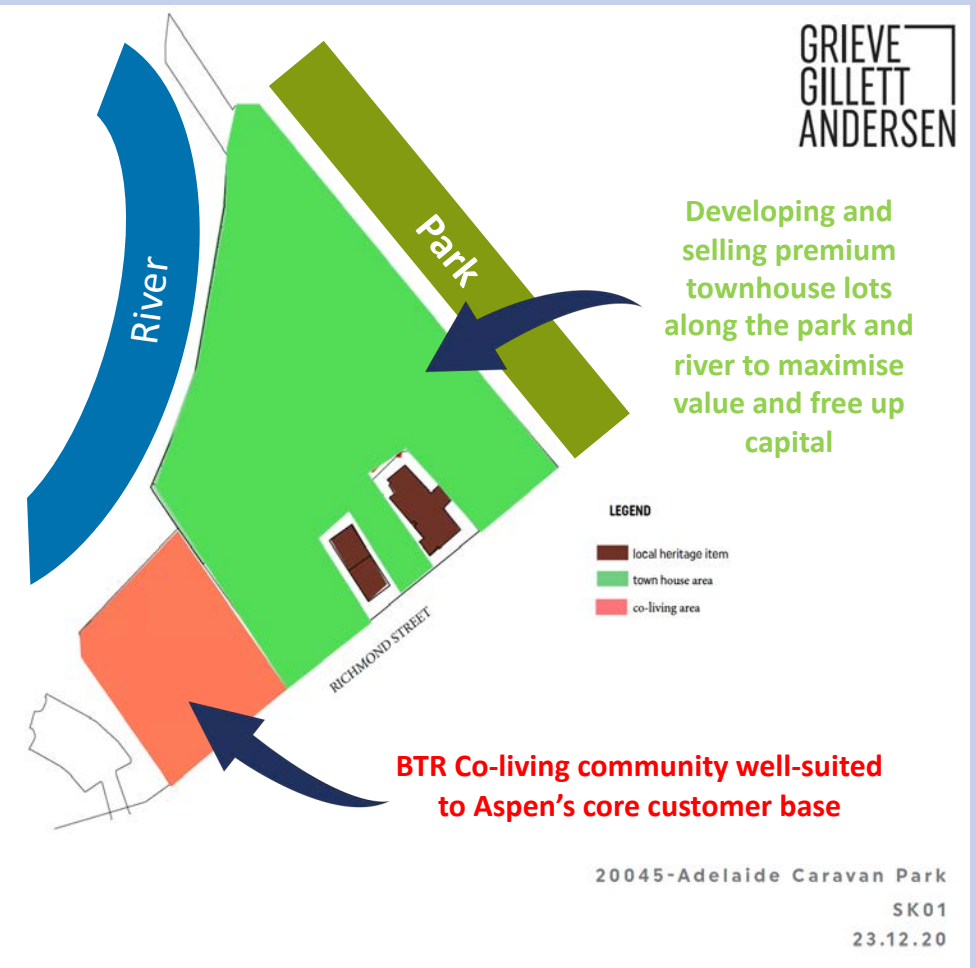
Adelaide Caravan Park

ACP has achieved an attractive IRR of ~12% since acquisition... with plenty of opportunity ahead



Adelaide Caravan Park – Land Could be Worth >2x as Residential Use

ACP land is already zoned for Residential use for up to 4 stories... we are planning on producing townhouse land sites to sell and a Co-living apartment building to rent¹...





Highway 1



Highway 1

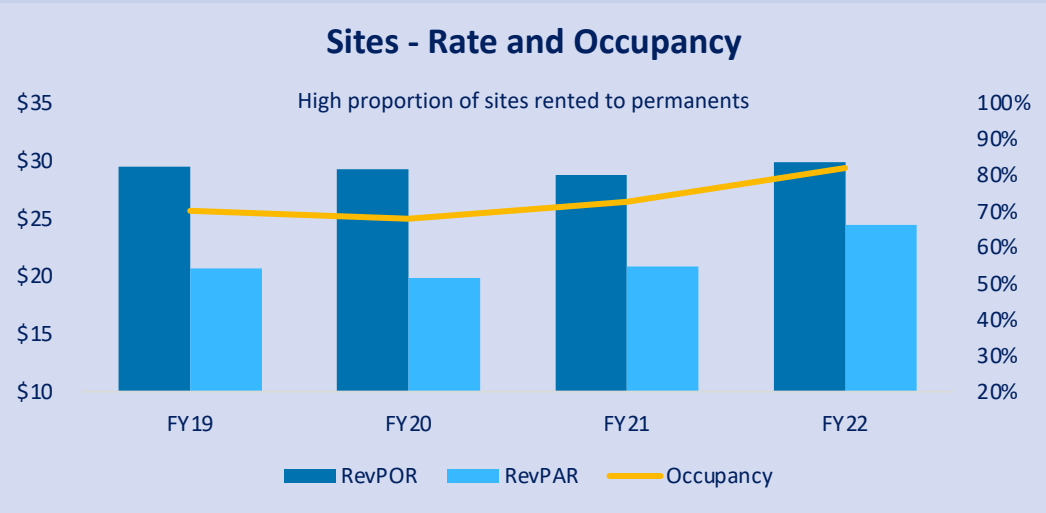
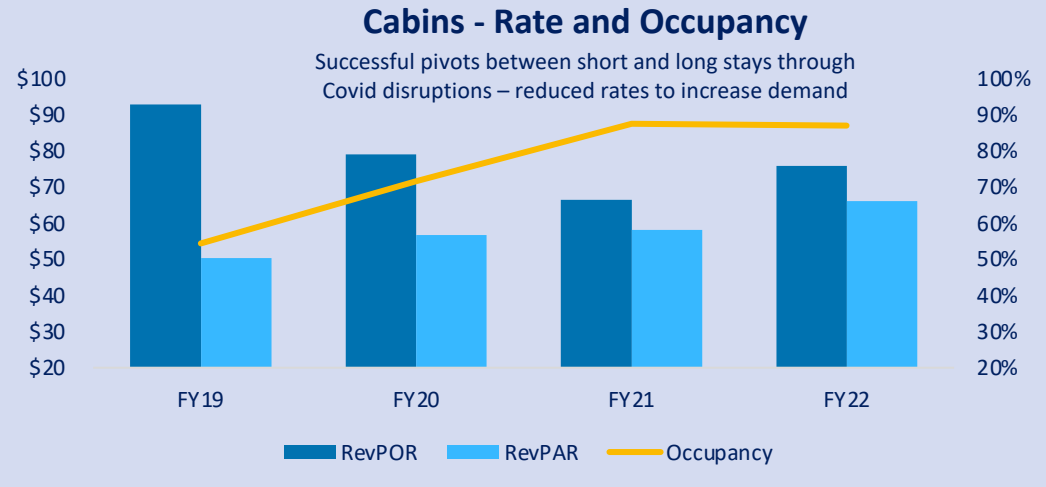
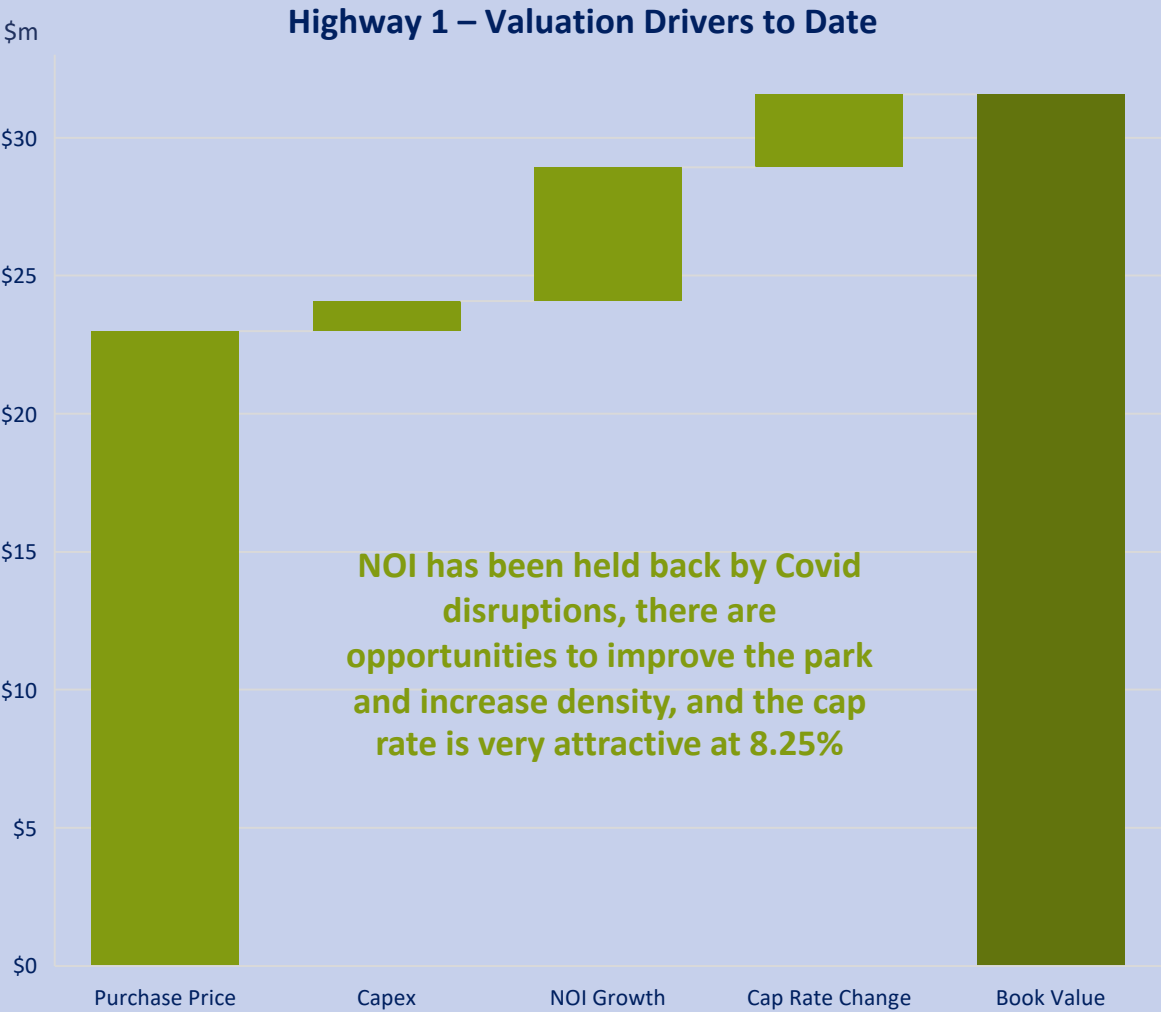
	Highway 1
Region	Adelaide Metro
Land Ownership	Freehold
Resident Tenure	Short Stay / Land Lease
Total Land Area (HA)	9.9
Operational Sites	310
Pipeline - Refurbishment Dwellings	0
Pipeline - Undeveloped Sites	0
Total Approved Sites	310
- per Ha	31
Owned Dwelling Inventory	115
- per Approved Site	37%
Book Value (\$m)	\$31.56
Valuation Cap Rate	8.25%
Value Per HA (\$m)	\$3.20
Value Per Approved Site	\$101,806

Opportunities

- ✓ Park now has a good quality, dedicated manager (previously cluster-managed with ACP)
- ✓ Park is now an easy 30-minutes drive into Adelaide CBD post opening of the northern expressway
- ✓ Metropolitan area is expanding to the north - eg. Walker Corporation's new Riverlea estate 13kms away (up to 30,000 residents over time)
- ✓ Potential for higher average rates post Covid disruptions and to increase NOI margin with tighter cost controls
- ✓ Park upgrade and creating more discrete precincts - Residential, Corporate, Tourist
- ✓ Optimising the mix of cabins and land sites
- ✓ Can rent new cabins or sell them with a land lease

Highway 1

Highway 1 has achieved an attractive IRR of ~14% since acquisition... with plenty of opportunity ahead



Highway 1 Master Planning

Existing layout:

- Modern section to the north that accommodates mainly short stay tourists in cabins and van sites
- Old section to the south with mainly permanent residents and some short stay customers, poorly designed and depreciated infrastructure
- Conflicting resident / customer interests

Planned improvements¹:

- More defined Residential, Tourism and Corporate precincts
- More efficient internal road network and upgraded infrastructure & facilities
- Maximising revenue potential by optimising density (site layout and sizing), and mix of dwellings & land sites
- Dwellings can be sold (with land lease) or leased



Tourist

Corporate

Residential



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