

# Aspen Group

## Financial Results – First Half FY21

February 2021

Newcastle, NSW





# Contents

---

**1** Financial Results – 1H FY21

**2** Operations & Development

**3** Portfolio

**4** Managed Funds

**5** ESG

**6** Statutory Accounts Extract

**7** Appendices







Koala Shores, Port Stephens, NSW - recently refurbished cabin



# 1

## Financial Results 1H FY21



- Aspen is a leading provider of quality accommodation on competitive terms in the residential, retirement and short stay sectors
- Our customers range from single to large family households of all ages. Our addressable market is worth over \$1 trillion - about 6.5 million households (70% of total) are either renting or servicing a mortgage of which 1.5 million are considered “stressed”, paying more than 30% of income on housing costs
- Aspen’s fully integrated platform encompassing operations, asset management, development and capital management enables us to provide a broad spectrum of products and services to our customers under different regulatory regimes and ownership schemes - examples:

- **Rentals** of dwellings

- **Shared Equity** where Aspen and the customer own different components of the property - eg. Aspen leases land sites to customers who own their dwellings in land lease communities and mixed-use parks

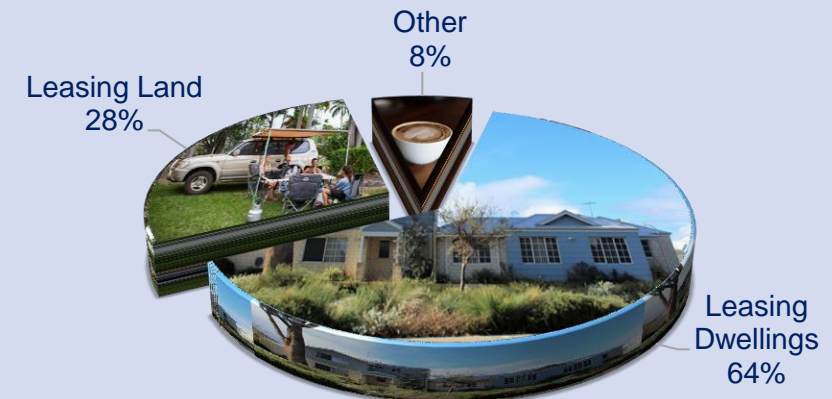
- **Sales** of dwellings and land

- We provide one, some or the entire range of our accommodation products and services at each of our properties. Our offering is flexible and can be pivoted between products. This enables Aspen to maximise the profitability and value of properties and reduce risk by optimising the customer mix based on demand, length of stay, service offering, relative pricing and expenses, regulation, capital costs and other factors

## Current Lease Offering (by number of dwellings and land sites)



## Operating Revenue Sources (FY20)





# Aspen's Competitive Prices and Rents

1.2



**As at 31 December 2020**

Portfolio Value	<b>\$186m</b>
Number of Dwellings/Sites	<b>2,361</b>
Average Value per Dwelling/Site	<b>\$79k</b>
WACR	<b>8.3%</b>



**Houses**



**Apartments**



**Mixed Use Parks**



**Land Lease Communities**



**Co-Living**



**Average Book Value per Dwelling/Site**

**\$254k**

**\$284k**

**\$68k**

**\$78k**

**\$69k**

**Average Weekly Rent (Medium/Long Term)**

**\$346**

**\$229<sup>1</sup>**

**\$268<sup>2</sup>**

**\$172**

**\$158**

1. Includes residents under Retirement Village leases at below-market rent

2. Based on short stay cabin conversions into medium-long term rentals across Mixed Use / Tourist Parks

*Aspen's affordable accommodation strategy is continuing to deliver strong growth in earnings and distributions...*

## STRATEGY



- Key strategic priority is positioning for leadership and scale in the provision of truly affordable accommodation
- We are mitigating risks through diversification by property type, customer type, location and regulatory regime, and having a measured exposure to development
- Balance sheet capacity for growth – many profitable opportunities within the portfolio and potential for acquisitions at attractive prices in Australia's \$7 trillion residential markets

## FINANCIAL (change from pcip)



- **Operating EPS 4.55 cents – up 20%**
- **DPS 3.10 cents – up 13%**
- **NAV \$1.20 – up 5%**
- Portfolio value \$186 million – up 16%
- Gearing 23% – reduced from 29%
- Revenue \$17.8 million – up 8%
- Operating EBITDA \$6.0 million – up 37%
- Operating Profit \$5.3 million – up 45%

## OPERATIONS



- Dwelling and land sites 2,361
- Longer-term leases generating stable cash flows
- Rental revenue down 2% to \$14.9 million, with short stay business impacted by COVID-19
- Material cost reduction (including JobKeeper for 3 months)
- Net operating income \$7.05m – up 11%
- Margin expansion – from 42% to 47%

## DEVELOPMENT (owned and within funds)



- Aspen's affordable offering – average prices:
  - House & Land \$337k
  - House only \$296k
  - Land \$145k
- 100 home and land sales in the half – up 89% on record FY20 full year result
  - 11 at Aspen's Four Lanterns and Sweetwater Grove
  - 86 at CQ and CREST, from which Aspen earns project management fees
- Strong development pipeline of over 618 sites across the platform

# Financial Performance – 1H FY21

1.4

Key Metrics	1H FY21 \$m	1H FY20 \$m	Change	FY20
<b>Statutory Profit</b>	<b>9.54</b>	<b>3.18</b>	200%	<b>11.87</b>
<b>Total Revenue</b>	<b>17.77</b>	<b>16.43</b>	8%	<b>30.38</b>
<b>Operating &amp; Development Net Income</b>	<b>8.02</b>	<b>6.78</b>	18%	<b>12.46</b>
<b>Margin</b>	45%	41%		41%
- Rental & ancillary services revenue	14.88	15.13	(2%)	28.13
- Direct property expenses	(7.83)	(8.77)		(16.35)
<b>Net Operating Income</b>	<b>7.05</b>	<b>6.36</b>	11%	<b>11.78</b>
<b>Operating Margin</b>	<b>47%</b>	<b>42%</b>		<b>42%</b>
- Development & trading revenue	2.89	1.30	122%	2.25
- Cost of sales	(1.92)	(0.89)		(1.57)
<b>Net Development Income</b>	<b>0.97</b>	<b>0.41</b>	135%	<b>0.68</b>
<b>Development Margin</b>	<b>34%</b>	<b>32%</b>		<b>30%</b>
Net Corporate overheads	(2.05)	(2.42)	(15%)	(4.43)
<b>Operating EBITDA</b>	<b>5.96</b>	<b>4.36</b>	37%	<b>8.03</b>
Net finance expense	(0.67)	(0.71)	(5%)	(1.39)
Tax	-	-	-	-
<b>Operating Profit<sup>1</sup></b>	<b>5.29</b>	<b>3.66</b>	45%	<b>6.64</b>
<b>Securities (weighted)</b>	<b>116.36</b>	<b>96.32</b>	21%	<b>97.59</b>
<b>Operating EPS (cents)</b>	<b>4.55</b>	<b>3.80</b>	20%	<b>6.80</b>
<b>DPS (cents)</b>	<b>3.10</b>	<b>2.75</b>	13%	<b>6.00</b>

- **Rental and ancillary services revenue** – decline of 2% mainly attributable to the COVID-19 event, in particular border restrictions impacting tourism trade at Adelaide Caravan Park, Tween Waters, Highway 1 and Darwin FSR. This was largely offset by the strong performance at Koala Shores, revenue from Darwin FSR's new entertainment facilities, and acquisitions including the Perth portfolio, Cooks Hill, and Lindfield apartments
- **Net Operating Income** – increase of 11% with margin improving to 47%, driven by good cost controls across the business (including JobKeeper for 3 months) and higher margins from recently acquired residential properties
- **Net Development income** is from the sale of 11 houses at Four Lanterns and Sweetwater Grove at an average margin of \$88k (vs. 4 in 1H FY20 at average margin of \$103k)
- **Net corporate overheads** decreased 15% reflecting lower travel and external consultant costs. Aspen earned \$0.20m in project management fees from the Mill Hill Capital funds
- **Net interest expense** decreased 5% due to lower interest rates

1. Non-IFRS measure used by management to assess the underlying performance of Aspen which excludes depreciation and amortisation, revaluations, and one-off and non-operating items. Refer to definition in financial statements.

# Reconciliation of Statutory Profit to Operating Profit

1.5

	1H FY21	1H FY20
	\$m	\$m
<b>Statutory Net Profit after Tax</b>	<b>9.54</b>	<b>3.18</b>
<b>Adjustments:</b>		
Depreciation of PPE	0.35	0.25
Asset revaluations	(4.83)	0.07
Transaction costs and other	0.24	0.16
<b>Operating Profit</b>	<b>5.29</b>	<b>3.66</b>
Net finance expense	0.67	0.71
<b>Operating EBITDA</b>	<b>5.96</b>	<b>4.36</b>
Net corporate overheads and other	2.05	2.42
<b>Operating and Development Net Income</b>	<b>8.02</b>	<b>6.78</b>

## Asset revaluations

- Aspen Karratha Village (AKV) was externally revalued during the period and all other properties were subject to Director reviews
- A revaluation gain of \$5m was recorded at AKV. AKV's net operating income (NOI) was \$3.9 million in FY20 while the Woodside agreement was in place. The property is now being operated under a short stay model and the external valuation assumes 17% cap rate and stabilised NOI of \$2.9m based on 52% occupancy and \$134 average room rate after a period of building new short stay patronage over the first 12 months
- No material revaluation adjustment was recorded in relation to the other properties

## Depreciation / R&M / SIBC

- Aspen spent \$0.71m during the half maintaining its properties:
  - R&M totalled \$0.35m - expensed at the property level, therefore already deducted from NOI
  - SIBC totalled \$0.36m - initially capitalised to the balance sheet



# Balance Sheet and Capital Management

1.6

Key Metrics	Dec 2020 \$m	Dec 2019 \$m	Change	Jun 2020 \$m
Property Assets	185.7	159.7	16%	167.0
Total Assets	205.4	173.3	19%	190.7
- Cash	7.9	4.0		8.2
- Gross Debt	53.6	52.5		42.5
Net Debt	45.7	48.5	(6%)	34.3
Gearing <sup>1</sup>	23.1%	28.7%		18.8%
Loan to Value Ratio <sup>2</sup>	25.0%	31.0%		20.8%
Interest Cover Ratio <sup>3</sup>	6.9x	6.2x		5.5x
Net Asset Value (NAV)	140.2	109.7		134.0
Securities at period end	116.4m	96.3m		116.3m
NAV per Security	\$1.20	\$1.14	5%	\$1.15

- Property Assets increased 16% over the year - driven mainly by the acquisition of Cooks Hill co-living community, Mount Barker land, and the Burleigh Heads build to rent community, and revaluation gains
- Drawn debt of \$53.6m, gearing of 23% and LTV of 25% - comfortably below covenant limit of 50%
- Debt facility limit is \$71m of which \$17.4m was undrawn at balance date
- Interest Cover Ratio (ICR) of 6.9x – comfortably above facility covenant limit of 2.0x
- NAV up 5% over the year

## NAV (\$) per security



1. Net Debt divided by Total Assets less Cash. 2. Net Debt divided by Property Assets as defined in the debt facility - covenant is 50%. 3. ICR as defined in the debt facility - covenant is 2.0x

**Aspen is well positioned to continue to grow profits and the book value of equity over the medium term and we are aiming for growth of at least 10% per annum. However, business conditions and profitability may remain volatile over the short term:**

- Rents are expected to continue to increase steadily across our residential and land lease properties, particularly for our Perth portfolio once WA's COVID-19 related moratorium on rent increases ends on 28 March 2021
- The outlook for our short stay business is clouded by the COVID-19 event. International travel is likely to remain off limits for at least the next 12 months which should benefit domestic holiday parks, but only if travel and gathering restrictions become less chaotic
- We have pivoted to a short stay operating model at AKV after the expiry of Woodside's long-term agreement in late January 2021 which has increased volatility and will result in reduced income in the short term as we build our customer base – we expect to ultimately make higher profits
- The development and trading component of our business is positioned for strong growth in the years ahead - sales of new houses at our land lease communities have increased materially and our pipeline is larger than ever. Good momentum has continued into 2H – we have already secured 12 sales contracts/deposits at our land lease communities which is above total settlements in 1H
- If Perth residential rents and prices continue to increase, opportunities may arise to sell individual houses and recycle the capital into other areas of our portfolio where we can offer cheaper rents to our customer base and earn higher returns





## **Demand for Aspen's accommodation is increasing**

- Population is growing in our markets
- Our properties are typically in “lifestyle” locations close to jobs
- New technology and shifts in consumer preferences are enhancing, not disrupting, demand:
  - Our new dwellings are efficiently designed and well insulated which reduces their environmental footprint, energy use and operating costs
  - Rapidly improving communication networks and internet services have enabled our customers to spend more time at home, working and living
- Our relatively low rents have become more attractive in the weaker economic environment and they are well supported by government subsidies:
  - We do not provide leasing incentives to our customers, which makes rents more affordable (not artificially inflated), reduces credit risk and improves income growth potential
- Our relatively low prices have also become more attractive:
  - Very low interest rates and rising house prices are increasing the need and incentive for retirees to free up capital in their houses and move into our communities

## **We continue to seek new opportunities to grow the business and portfolio on a profitable basis in the residential, retirement and short stay sectors through acquisitions and development:**

- We have plenty of opportunities to recycle capital within the portfolio to grow NAV and EPS
- Some segments of Australia's accommodation industry are stressed, and this is presenting acquisition opportunities for Aspen

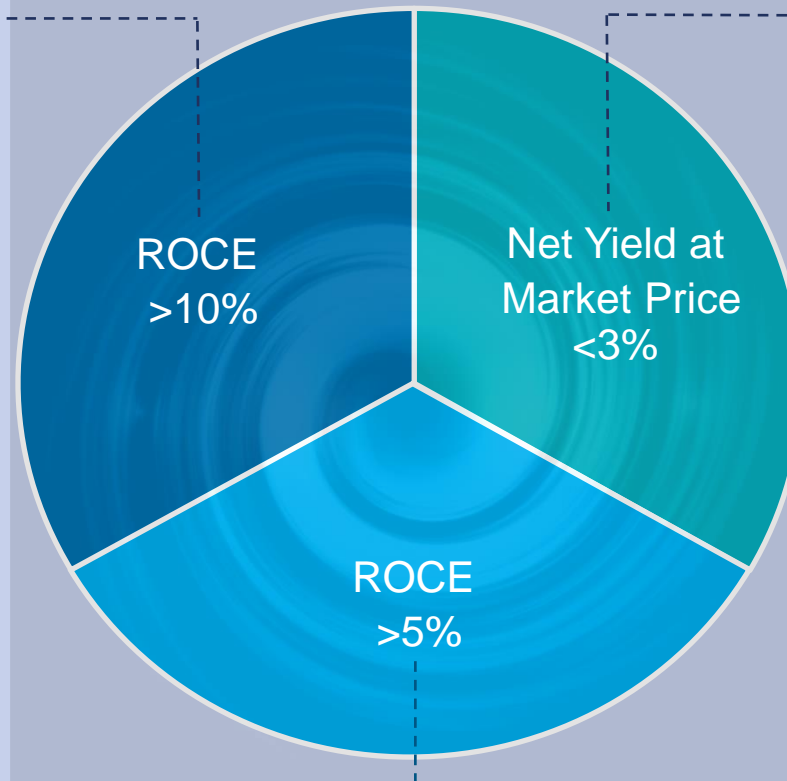
# Capital Recycling to Grow NAV and EPS

1.9

From low yielding properties into other areas of the portfolio where we can offer lower rents to our customer base while making higher investment returns...

## New Development

- Net income yield on cost >10% from installing new dwellings at existing properties and leasing
- Development profits: >30% margin when selling new dwellings under a land lease model



## Fully Developed Residential

- Net income yield c.3% - price typically set by owner-occupiers who don't pay land tax and are usually highly geared at low interest rates
- Capital growth: above CPI over the long run and also cyclical



## Redevelopment / refurbishment

- Net income yield on total cost >5% from refurbishing / repurposing buildings and leasing
- Capital growth: >30% valuation uplift on completion, above CPI over the long run and also cyclical







Sweetwater Grove Estate, Tomago, NSW



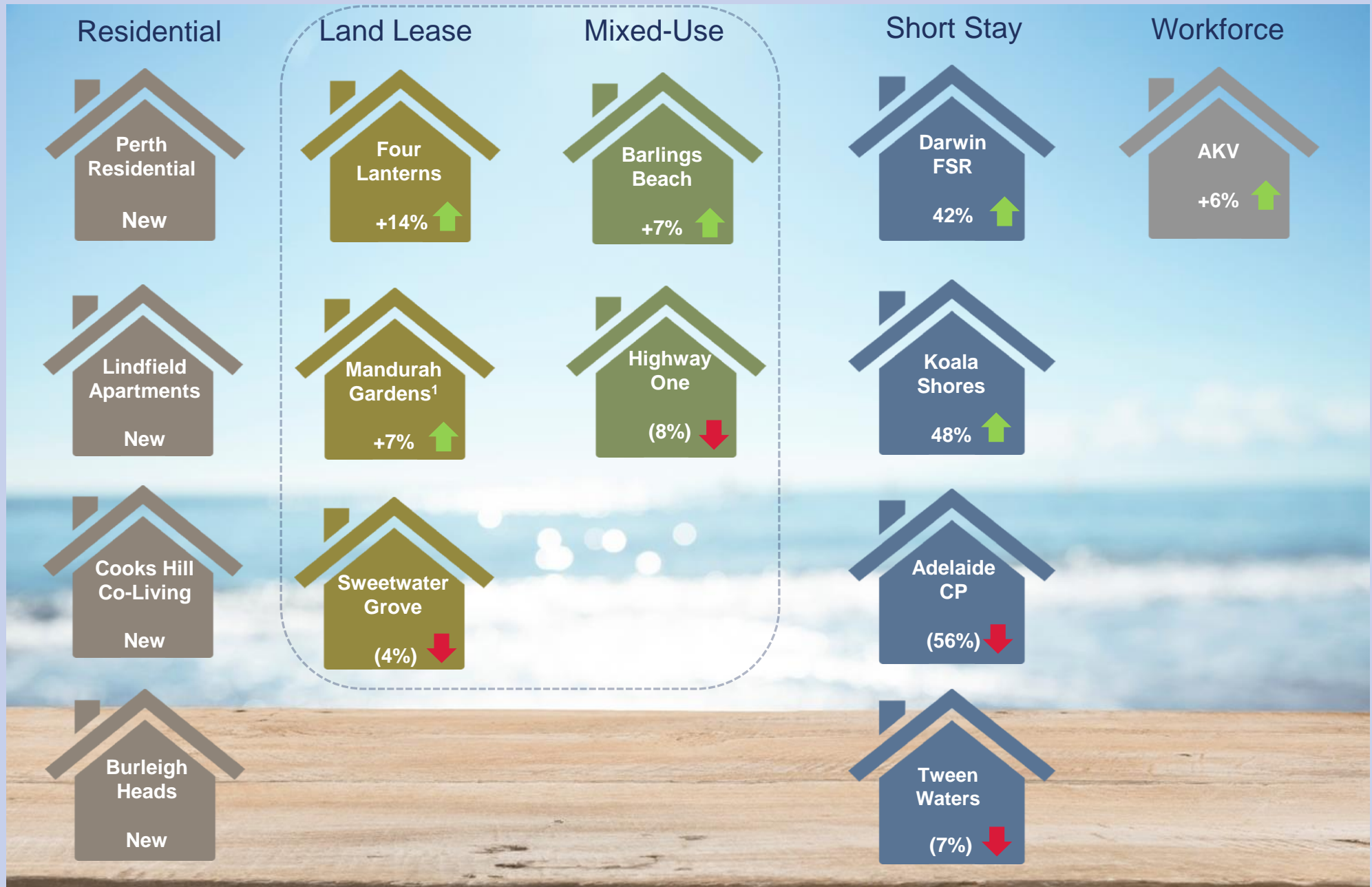
# 2

## Operations and Development & Trading



# Property NOI – 1H FY21 vs. 1H FY20

2.1







1. Excludes the impact of historic land tax refunds recorded in 1H FY20



# Operational Performance and Opportunities

2.2

	Residential			
	Perth Portfolio	Lindfield Apartments	Cooks Hill Co-Living	Burleigh Heads
Highlights	<ul style="list-style-type: none"> <li>Settled in November 2019</li> <li>Modern family dwellings acquired at an average price \$238k<sup>1</sup></li> <li>Portfolio is fully leased<sup>2</sup>, quality of tenancies has improved and arrears have declined</li> <li>Perth metro vacancy rate &lt;1%</li> <li>Average rents remain around \$350 per week despite rapidly increasing market rents, due to a COVID-related moratorium on rent increases for sitting tenants until 28 March 2021</li> <li>Perth house prices are increasing</li> </ul>	<ul style="list-style-type: none"> <li>Settled in August 2019</li> <li>Treatts Road refurbishment program almost complete with only 3 units with RV tenants remaining</li> <li>Both Treatts Road and Pacific Highway properties are fully leased<sup>2</sup> and market rents have been recovering from cyclical lows during the depths of COVID</li> </ul>	<ul style="list-style-type: none"> <li>Settled in July 2020 for average price of \$68k<sup>1</sup> per room</li> <li>Plans submitted to Council for redevelopment into a co-living community with 50 self-contained studio apartments</li> <li>Median price of 1 bedroom units in Newcastle up 8% over past 12 months to \$510k (Domain.com.au)</li> </ul>	<ul style="list-style-type: none"> <li>Settled in December 2020 for average price of \$175k<sup>1</sup> per house</li> <li>Median price of 3 bedroom houses in Burleigh Heads up 4% over past 12 months to \$850k (Domain.com.au)</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>We may sell individual houses as there are attractive opportunities to recycle the capital into other parts of our portfolio at higher returns, whilst offering lower rents to our customer base</li> </ul> 	<ul style="list-style-type: none"> <li>Review of Retirement Village scheme status at Treatts Road</li> <li>Pacific Highway property is zoned higher density residential</li> </ul> 	<ul style="list-style-type: none"> <li>Gain DA, complete redevelopment works for total cost of c.\$4-5m (\$80-100k per unit)</li> <li>Lease units post refurbishment to achieve ROCE &gt;5%</li> </ul> 	<ul style="list-style-type: none"> <li>Fix outstanding issues with infrastructure and refurbish houses at total cost of c.\$4m (\$222k per house)</li> <li>Lease houses post refurbishment to achieve ROCE &gt;5%</li> </ul> 

1. Pre-transaction costs

2. Excluding dwellings which are under refurbishment

# Operational Performance and Opportunities

2.3

	Land Lease			Mixed-Use	
	Four Lanterns	Mandurah Gardens	Sweetwater Grove	Barlings Beach	Highway One
Highlights	<ul style="list-style-type: none"> <li>NOI up 14% on 1H FY20 with increased rate, increased number of sites leased and good cost control</li> <li>7 new house sales were settled in 1H at an average price of \$321k (inc. GST)</li> </ul>	<ul style="list-style-type: none"> <li>NOI up 7% on 1H FY20 (adjusted for land tax reversal in pcp) with good cost control, but rents have not increased due to moratorium on rent increases</li> <li>Enquiries and sales of existing houses were slow in 1H, but momentum has picked up in 2H as Perth residential vacancies have declined and residential rents and prices have increased</li> </ul>	<ul style="list-style-type: none"> <li>NOI down 4% on 1H FY20 due to development works which has reduced the number of leased dwellings/sites</li> <li>Stage 1 of community upgrade and addition of 29 new houses underway - main civil works and 13 houses completed, further 16 houses to commence shortly</li> <li>4 new house sales were settled in 1H at an average price of \$237k (inc. GST) and land rent of \$160 per week</li> </ul>	<ul style="list-style-type: none"> <li>NOI up 7% on 1H FY20 due to increase in rates and good cost control</li> </ul>	<ul style="list-style-type: none"> <li>NOI down 8% on 1H FY20 with short stay tourism and corporate custom being impacted by COVID and chaotic travel and gathering restrictions</li> <li>Trial of 4 new Xodboxes has been very successful – quickly leased for residential use at rents of \$275-\$325 per week, achieving marginal ROCE &gt;15%</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>3 houses contracted/deposited so far in 2H, of which 1 has settled – first stage sold out</li> <li>There are 13 developed land sites available for the final stage and we have commenced selling new houses off the plan</li> <li>Property approved for higher density residential and local vacant land prices are higher than book value</li> <li>Improvement / churn of existing dwellings over time</li> </ul>	<ul style="list-style-type: none"> <li>Rent will increase from 28 March 2021 post end of moratorium</li> <li>Increase rate of sales – already 5 settlements/contracts in 2H</li> </ul>	<ul style="list-style-type: none"> <li>9 houses contracted/deposited so far in 2H, of which 5 have settled</li> <li>New house pipeline increased by 21 to 100 by freeing up land</li> <li>Increased pricing on new houses</li> <li>Improvement / churn of existing dwellings over time</li> <li>Expect cap rate compression from 8.50% as property is converted into LL / rental community</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade of park facilities and infrastructure to commence shortly post completion of heritage study</li> <li>Potential to further differentiate site fees in accordance with location (beachside v. landside)</li> <li>Potential to sell our beachfront tourist cabins and lease the land sites to increase ROCE</li> </ul>	<ul style="list-style-type: none"> <li>Expanding affordable long term cabin rental and land lease product on under utilised land</li> <li>Opportunities to acquire adjoining land</li> <li>Infrastructure upgrades to improve efficiency and amenity</li> </ul>



# Operational Performance and Opportunities

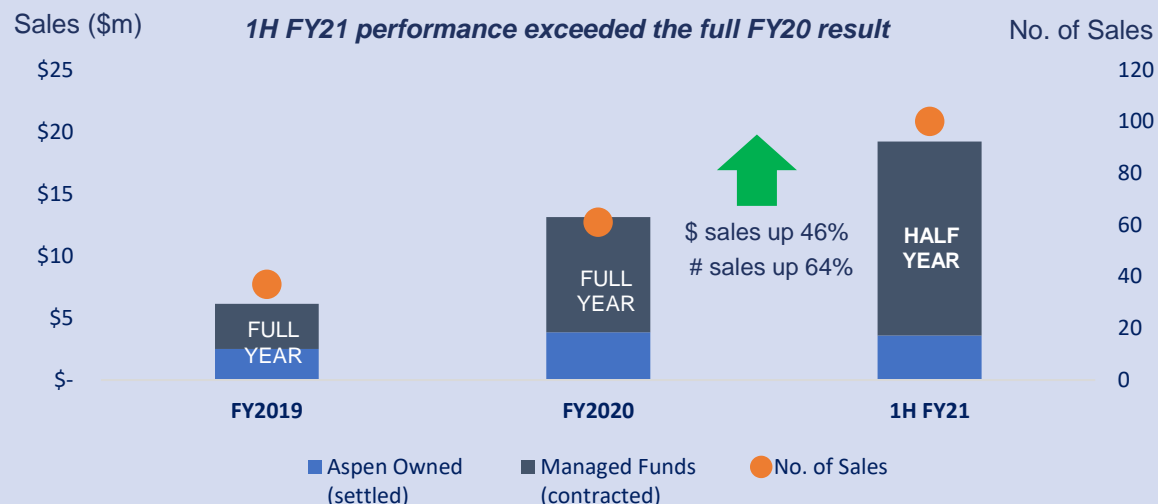
2.4

	Short Stay				Workforce
	Adelaide CP	Koala Shores	Tween Waters	Darwin Freespirit	AKV
Highlights	<ul style="list-style-type: none"> <li>NOI down 56% on 1H FY20 largely due to the impacts of COVID and chaotic travel and gathering restrictions</li> <li>Heritage church leased to commercial tenant and heritage house refurbished and leased</li> </ul>	<ul style="list-style-type: none"> <li>NOI up 48% on 1H FY20 due to increased occupancy, improved room and site inventory, higher rates and good cost controls</li> <li>10 cabins refurbished</li> </ul>	<ul style="list-style-type: none"> <li>NOI down 7% on 1H FY20 with COVID and chaotic travel and gathering restrictions materially impacting revenue, offset largely by tight cost controls and longer stay leasing (peak January business was also materially impacted by the VIC border closure)</li> </ul>	<ul style="list-style-type: none"> <li>NOI up 42% on 1H FY20 with COVID materially impacting accommodation revenue, but more than offset by the introduction of new entertainment facilities, tight cost controls and longer stay leasing</li> <li>New energy efficient hot water systems installed</li> <li>New electricity meters installed on cabins to pass through the cost to residential customers</li> </ul>	<ul style="list-style-type: none"> <li>NOI up 6% on 1H FY20</li> <li>Aspen has assumed management of the property and will operate a short stay model post expiry of Woodside agreement in January 2021</li> <li>Activity in Karratha Region has been robust (airline passenger arrivals have largely recovered from the COVID-lows)</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>Recovery in profits once COVID passes</li> <li>Zoned for higher density residential – currently assessing masterplan options for new apartments and townhouses, co-living and caravan park complex</li> </ul>	<ul style="list-style-type: none"> <li>Planning in place for upgrade of common facilities including pool and conference room</li> </ul>	<ul style="list-style-type: none"> <li>Recovery in profits once COVID passes</li> <li>Property is well located and approved for higher density with 10m height limit – potential apartment development in future</li> </ul>	<ul style="list-style-type: none"> <li>Recovery in short term accommodation revenues once COVID passes</li> <li>More infrastructure upgrades to improve efficiency and amenity</li> </ul>	<ul style="list-style-type: none"> <li>Potential for strong growth in business activity in Karratha, particularly if Woodside's various gas projects and Perdaman's Urea Plant are greenlighted</li> <li>Can switch back to long term lease agreement at any time if in demand</li> <li>Current book value is c.50% of replacement cost</li> </ul>

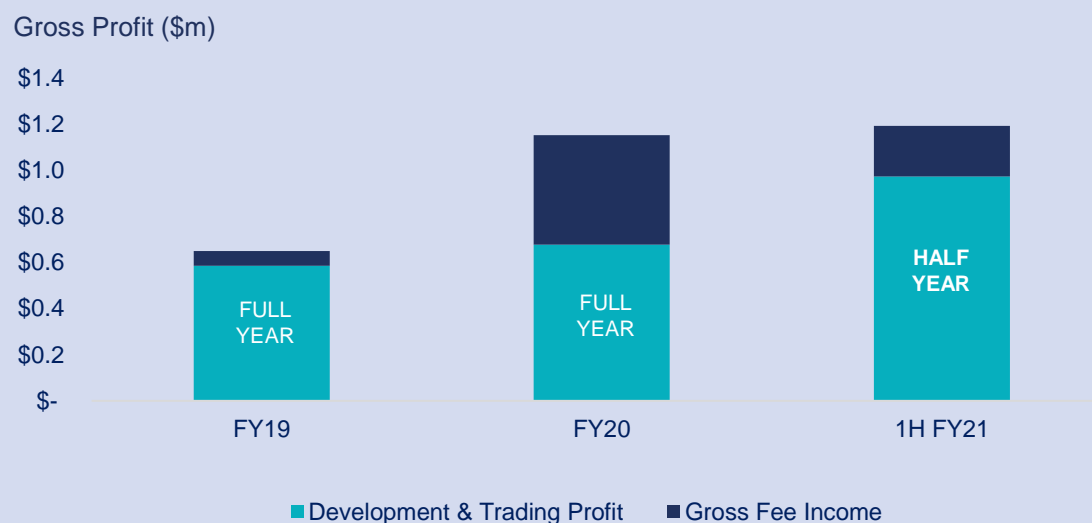
**Solid momentum in development and trading activity has continued in FY21:**

- **Development and sales of houses** under a land lease model:
  - 11 house settlements in 1H FY21 v. 7 for all of FY20
  - Four Lanterns: profit of \$719k from the sale of 7 houses (\$421k profit in 1H FY20)
  - Sweetwater Grove sales commenced in FY21 generating profit of \$254k from the sale of 4 houses
  - The average sales margin at Four Lanterns was \$103k and \$63k at Sweetwater Grove
  
- **Project management** of MHC Funds' residential and retirement developments:
  - Fee income of \$200k (in line with 1H FY20)
  
- **Resale of homes** in our communities where Aspen acts as agent:
  - Fee income of \$19k from the resale of 3 homes at Mandurah Gardens Estate (\$14k in 1H FY20)
  
- **Trading profits** from sale of properties:
  - None in the half

## Development & Trading Activity



## Development & Trading Gross Profit





# Development & Trading Activity

2.6

*Strong growth continues in the profitable development and trading of house and land inventory...*

	House and Land Sales Summary					House & Lot Inventory – 31 Dec 2020		
	No. of Sales <sup>4</sup>			Average Sales Price		Built Houses	Developed Land Lots	Future Pipeline (Approved)
	1H FY21	1H FY20	Variance	1H FY21	1H FY20			
Development and Sale of Houses <sup>1</sup>								
Four Lanterns	7	4	75%	\$321k	\$359k	1	13	-
Sweetwater Grove	4	0	N/A	\$237k	N/A	9	16	71
Mount Barker	-	-	-	-	-	-	-	97
Total	11	4	175%	\$291k	\$359k	10	29	168
Project Management <sup>2</sup>								
Coorong Quays (CQ)	61	12	408%	\$148k	\$167k	1	32	450+
CREST	23	6	283%	\$277k <sup>5</sup>	\$311k	57	49	0
Rockleigh	2	5	(60%)	\$115k	\$156k	-	-	-
Total	86	23	274%	\$182k	\$202k	58	81	450+
Resale of Homes <sup>3</sup> : Mandurah Gardens		3	2	50%	\$130k	\$160k		
Total	100	29	245%	\$192k	\$221k	68	110	618+

1. At our Four Lanterns and Sweetwater Grove LLCs we develop and sell houses only (and lease the underlying land sites); at Mount Barker we are aiming to change the current development approval from 97 residential land lots to about 50 residential land lots and 140 LLC sites
2. Aspen earns Project Management fees equal to 7% of total project costs on the Mill Hill Capital Funds' projects
3. Aspen earns 10% commission for the sale of existing houses owned by customers (we usually share these fees with local real estate agents)
4. Sales represents settled sales for Aspen-owned properties, and both settled and contracted/deposited sales for the managed funds
5. Lower average price reflects the change in sales mix to more land lots vs house and land sales compared to the prior corresponding period



# Key Development Projects & Pipeline

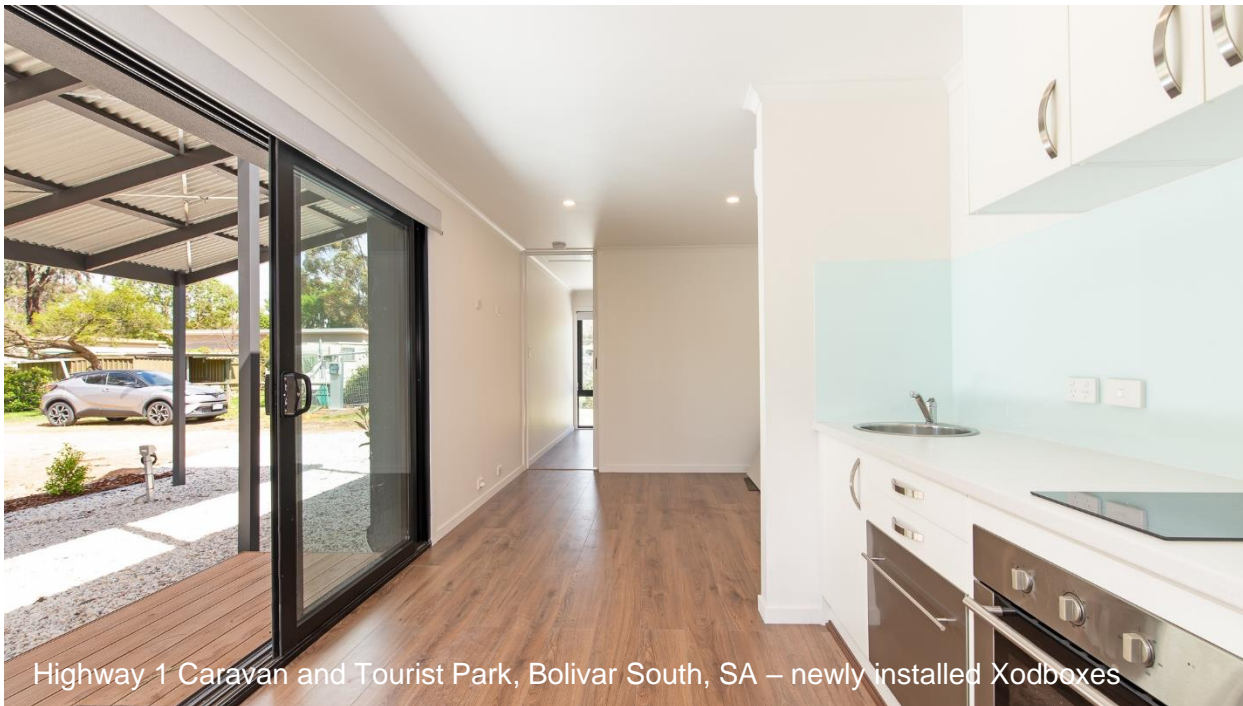
2.7

*Attractive investment opportunities exist within the current portfolio to increase profits and value...*

		Time Frame			
Key Projects	Project Dwellings / Sites <sup>1</sup>	FY21	FY22	FY23	FY24 and Beyond
Development – new income producing sites / enhance quality of broader asset and tenancies / capital return and trading profit opportunities...					
1. Four Lanterns	14	Develop and sell houses under land lease model			
2. Sweetwater Grove	96	Develop and sell houses under land lease model on spare land / upgrade remainder of park dwellings as rental or LL product			
Total	110				
Redevelopment/Refurbishment – achieve higher rents at existing sites / enhance quality of asset and tenancies / increase asset value...					
3. Lindfield Apartments	3	Refurbish remaining 3 RV units when available / review RV scheme			
4. Burleigh Heads Townhouses	18	Complete civil works / refurbish houses			
Total	21				
Future Projects – Planning Stage					
5. Cooks Hill Co-Living Community	50	Redevelop into 50 self-contained units			
6. Mount Barker	97+	Change current DA – develop combination of residential land lots and LLC			
7. Highway 1	50+	Expansion and reconfiguration - additional rental and land lease sites			
8. Adelaide Caravan Park	100+	Redevelop into higher density mixed-use			
Total	297+				
Grand Total	428+				

1. The number of dwellings/sites that are being developed/redeveloped in each project – some sites are subject to council approvals





Highway 1 Caravan and Tourist Park, Bolivar South, SA – newly installed Xodboxes

# 3

## Portfolio



## Portfolio Aggregates<sup>1</sup>

Properties*	16
Land Area	74 hectares
Approved Sites	2,361
Dwellings Owned by Aspen	859

### Density:

- sites per hectare	32
- dwelling / sites ratio	36%

Portfolio Value:	\$186m
- per hectare	\$2.5m
- per approved dwelling/site	\$79k

Valuation WACR	8.3%
----------------	------

- Aspen currently has 16 properties valued at approximately \$186m:
  - Average value of approximately \$79k per approved dwelling/site
  - Only \$2.5m per hectare / \$250 per sqm of land
  - WACR of 8.3%
- Aspen also manages two major residential and retirement projects and earns project management fees for this service
- General traits that Aspen seeks in properties it acquires:
  - Desirable locations – particularly metropolitan
  - Large land parcels that are under-utilised
  - Existing dwellings priced at well below replacement cost that have 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

\* Perth Residential Portfolio of 84 dwellings is counted as 1

Increasing Property Value – providing our customers attractive lifestyles at competitive prices and rents

Camping / Sites



Cabins



Manufactured Homes



Residential Homes



Apartments / Co-Living



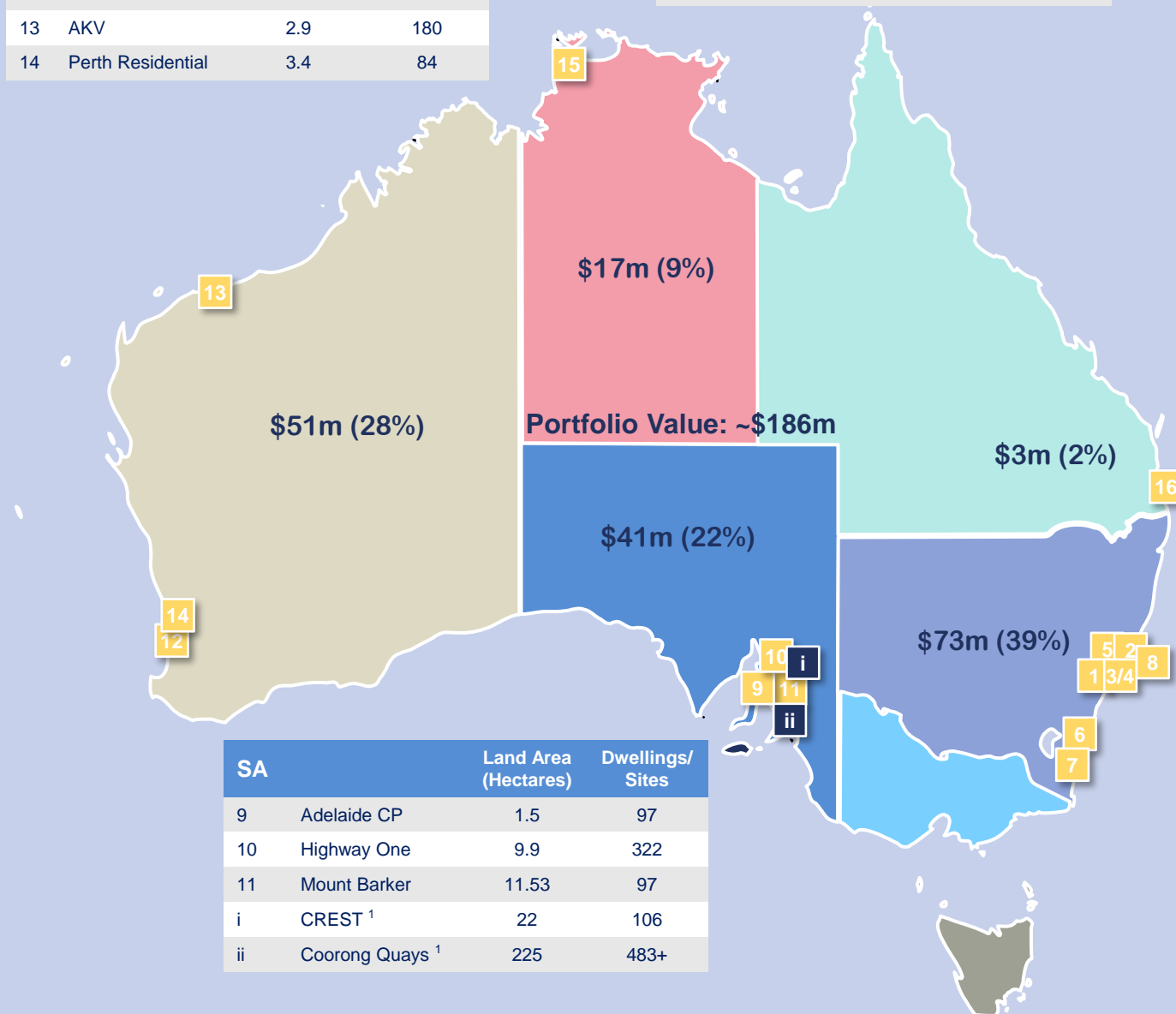


# Aspen's portfolio is geographically diversified...

3.2

WA		Land Area (Hectares)	Dwellings/ Sites
12	Mandurah	6.8	158
13	AKV	2.9	180
14	Perth Residential	3.4	84

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



## Property Type by Location (value weighted)

Total Dwellings/ Sites

2,361

Regional (40%)

Metropolitan (60%)

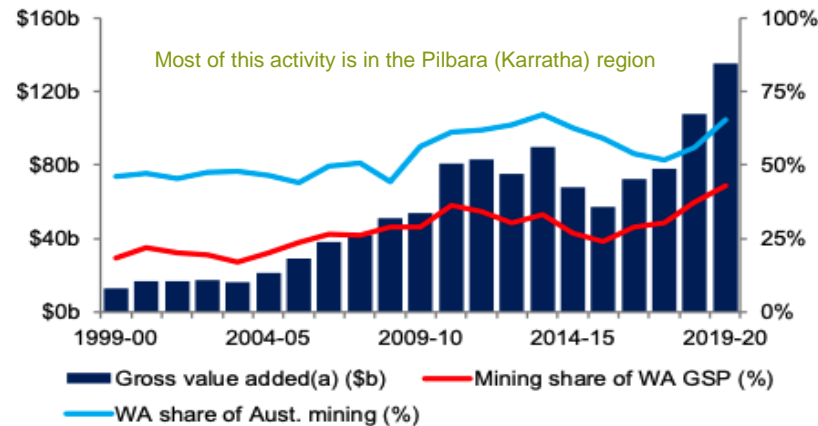
1. CREST and Coorong Quays are owned by Funds managed by Aspen Group

# Perth Portfolio: Acquisition timing and rationale supported

3.3

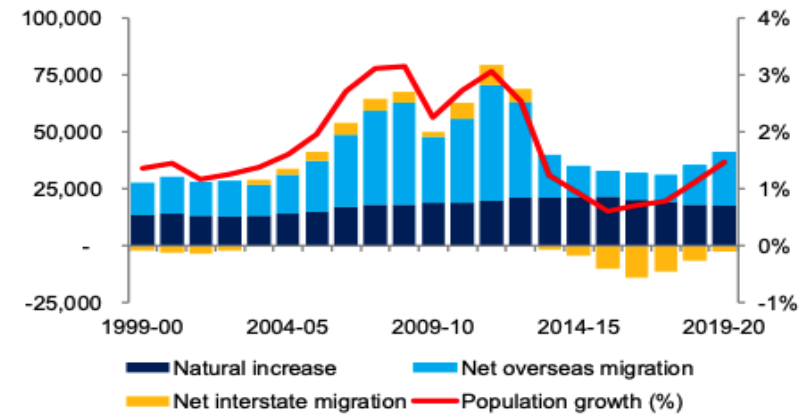
WA's mining industry is growing strongly...

**Western Australia's mining industry: Financial years**



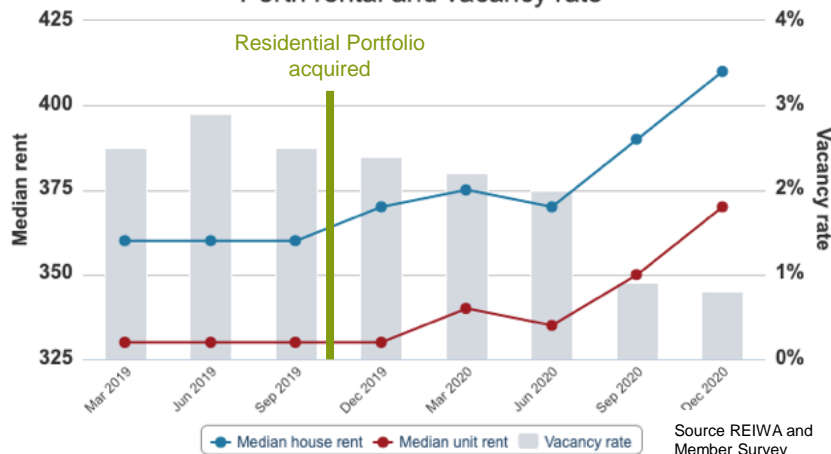
Fueling economic activity and population growth...

**Western Australia's population growth: Calendar years<sup>1</sup>**



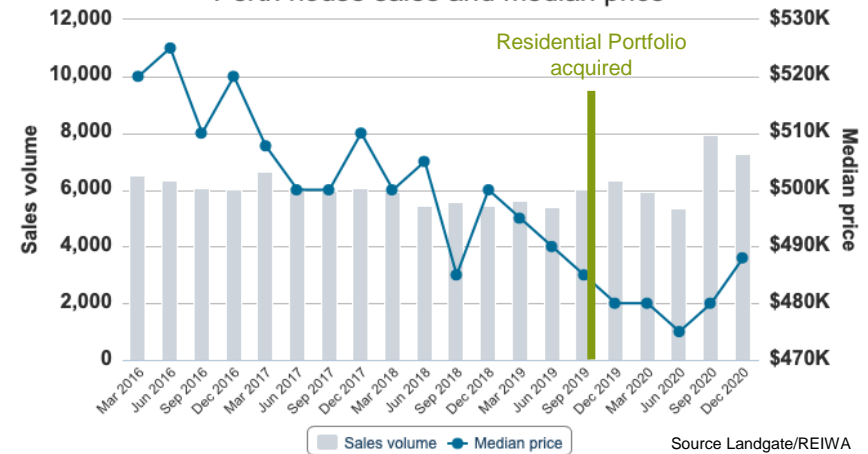
Leading to higher demand for housing, lower vacancy rates, increasing rents...

**Perth rental and vacancy rate**



...and increasing values

**Perth house sales and median price**





### We expect economic activity to increase in Karratha, underpinned by major projects...

- We are transitioning to a short stay operating model at AKV after the expiry of Woodside's long-term agreement in late January 2021
- AKV provides highly attractive workforce accommodation in the region – offering large rooms, excellent facilities, food packages, and a community atmosphere when working remotely
- We expect to earn higher profits over the long run under a short stay model given the additional operating intensity and volatility



#### New land and jobs in regional WA but still a housing crisis

ABC Pilbara / By Susan Standen - Posted Thursday 13 August 2020

Western Australia has seen around 5,000 workers migrate to the state for work since COVID-19 border restrictions have been in force.

New modelling by the Chamber of Minerals and Energy shows a need for more than 8,000 new workers for the resources sector over the next 12-18 months.

From Broome to Esperance, people are looking to buy land and settle in WA, according to Development WA (Landcorp), but the resources-rich northern WA city of Karratha is the hotspot.

But although there is an impending influx of workers for the new resources boom in Karratha, in the north-west of the state, there is still a housing shortage. And that's despite both state and local governments having put in money to bring down land costs to stimulate new builds.

Housing stock is short in Karratha with only 40 houses available to buy and sales have increased 72 per cent for the March to June quarter 2020

#### Project Examples:

##### Woodside: Scarborough & Pluto Train 2 Project<sup>1</sup>

- Final investment decision expected 2H 2021
- **\$15.8 billion capex in WA to 2051**
- **3,200 peak construction workforce**

##### Perdaman Industries: Urea project<sup>2</sup>

- Awaiting final investment decision
- **\$4 billion total investment**
- **2,000 peak construction workforce** including 200 permanent jobs at the plant

Woodside Karratha LNG Gas Plant

1. Source: <https://www.woodside.com.au/what-we-do/australian-growth-projects/scarborough>

2. Source: <https://perdaman.com.au/perdaman-industries-chemicals-fertilisers/>

# 1H FY21 Acquisitions – Attractively Priced

3.5

1

Mount Barker, SA  
Development Land



2

Build to Rent Townhouses  
Burleigh Heads, Qld



3

Cooks Hills, NSW Co-living



<b>Status:</b>	Settled December 2020	Settled December 2020	Settled July 2020
<b>Purchase Price:</b>	\$4.51m	\$3.15m	\$3.75m
<b>Dwellings/Sites:</b>	97 Sites	18 Houses	55 Rooms
<b>Land Area:</b>	11.53 hectares	9,388 sqm	1,948 sqm
<b>Value Metrics:</b>			
- Per Dwelling/Site	\$46k	\$175k	\$68k
- Per Sqm Land	\$39	\$336	\$1,925

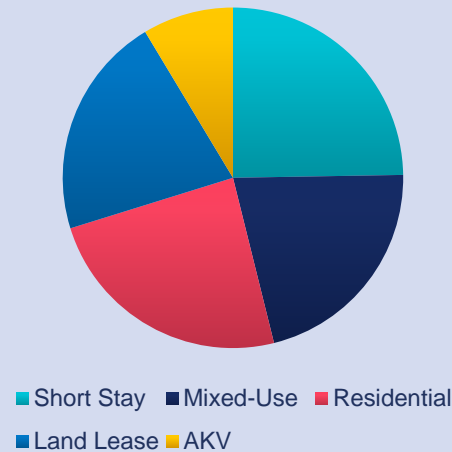


# Aspen's Portfolio Composition & Growth

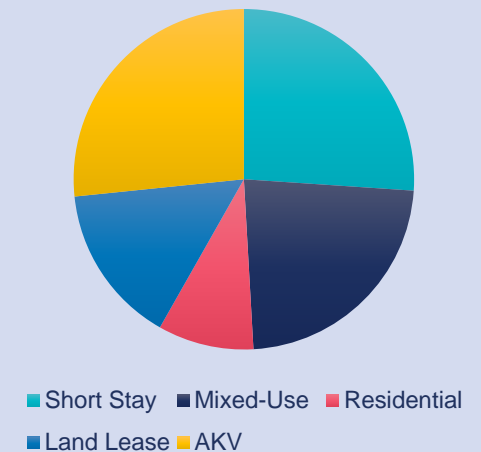
3.6

- Aspen's portfolio composition and income streams have improved materially over the past few years.
  - Increased weighting to:
    - Metropolitan locations
    - More stable, less seasonal rental income
    - Capital growth v. income profile
    - More liquid properties - individual houses and apartment buildings in metropolitan locations are easier and quicker to rent and sell
  - Continued pivoting between short stay and long stay offer when conditions change to maximise profits
  - AKV weighting has reduced – Aspen is in a stronger position to be able to optimise risks/rewards

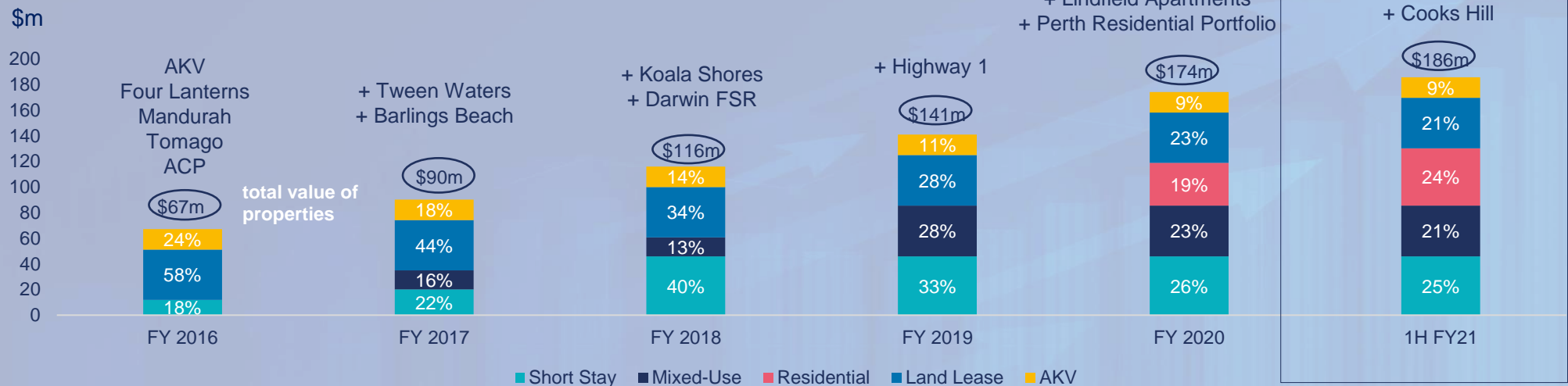
Property Type<sup>2</sup>  
(value weighted)



Property Type<sup>2</sup>  
(NOI weighted)



Portfolio Composition<sup>1,2</sup> and Acquisition History



1: Value weighted based on property values

2: Excludes value of CREST and Coorong Quays which are managed by Aspen Group and owned by Funds



# Aspen Group: Portfolio Summary

3.7

	New South Wales									Queensland
	Four Lanterns	Lindfield Kiah	Lindfield Kalinda	Sweetwater Grove	Koala Shores	Cooks Hill Co-Living Community	Barlings Beach	Tween Waters	NSW TOTAL	Burleigh Heads
Region	Sydney Metro	Sydney Metro	Sydney Metro	Greater Newcastle	Greater Newcastle	Greater Newcastle	South Coast	South Coast		Gold Coast
Land Ownership	Freehold	Freehold	Freehold	Freehold	Free/Leasehold	Freehold	Freehold	Freehold		Freehold
Customer Tenure	Land Lease	Rental	Rental	Land Lease / Rental	Short Stay	Rental	Land Lease / Short Stay	Short Stay		Rental
Total Land Area (HA) <sup>1</sup>	3.9	0.19	0.16	6.0	5.1	0.19	8.8	1.9	26.3	0.94
Approved Sites <sup>2</sup>	131	20	22	214	144	55	260	98	944	18
- per Ha	33	104	140	36	28	289	30	50	36	19
Owned Dwelling Inventory <sup>3</sup>	8	20	22	53	40	55	33	33	264	18
- per Approved Site	6%	100%	100%	25%	28%	100%	13%	34%	28%	100%
Property Value <sup>4</sup> (\$m)	12.4	6.9	5.0	13.1	8.7	3.8	14.8	8.2	72.9	3.2
Valuation Cap Rate <sup>5</sup>	6.50%	3.74%	3.97%	8.50%	8.85%	4.50% <sup>6</sup>	8.75%	9.00%	7.34%	N/A
Value Per HA (\$m)	3.2	35.8	31.9	2.2	1.7	20.1	1.7	4.2	2.8	3.4
Value Per Approved Site (\$k)	95	345	228	61	60	69	57	84	77	175

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
5. Valuation cap rate that has been applied by external valuers in the most recent external valuations
6. The valuation utilised a capitalisation rate range of 7 – 7.5% based on their adopted gross annual rent. We have adjusted this a net rate assuming 60% margin

# Aspen Group: Portfolio Summary

3.8

	WA				South Australia				NT	GROUP
	Mandurah Gardens	AKV	Perth Residential	WA TOTAL	Adelaide CP	Highway One	Mount Barker	SA TOTAL	Darwin FSR	TOTAL
Region	South Coast	Pilbara	Perth Metro		Adelaide Metro	Adelaide Metro	Adelaide Metro		Darwin Metro	
Land Ownership	Freehold	Freehold	Freehold		Freehold	Freehold	Freehold		Freehold	
Customer Tenure	Land Lease	Short Stay	Rental		Short Stay	Short Stay / Rental / Land Lease	Under Review		Short Stay / Rental	
Total Land Area (HA) <sup>1</sup>	6.8	2.9	3.4	13.1	1.5	9.9	11.5	22.9	10.8	74.0
Approved Sites <sup>2</sup>	158	180	84	422	97	322	97	516	461	2,361
- per Ha	23	62	24	32	65	33	8	23	43	32
Owned Dwelling Inventory <sup>3</sup>	1	180	84	265	47	115	N/A	162	150	859
- per Approved Site	1%	100%	100%	63%	48%	36%	N/A	31%	33%	36%
Property Value <sup>4</sup> (\$m)	13.7	16.0	21.3	51.1	11.9	24.9	4.5	41.4	17.1	185.7
Valuation Cap Rate <sup>5</sup>	7.50%	17.00%	4.25%	9.12%	8.25%	9.25%	N/A	7.95%	9.00%	8.34%
Value Per HA (\$m)	2.0	5.5	6.2	3.9	7.9	2.5	0.4	1.8	1.6	2.51
Value Per Approved Site (\$k)	87	89	254	121	123	77	46	80	37	79

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. Book values are a mixture of Directors' and external valuations
5. Valuation cap rate that has been applied by external valuers in the most recent external valuations



Coorong Quays Marina and Tavern, SA

# 4

## Managed Funds





### Coorong Quays

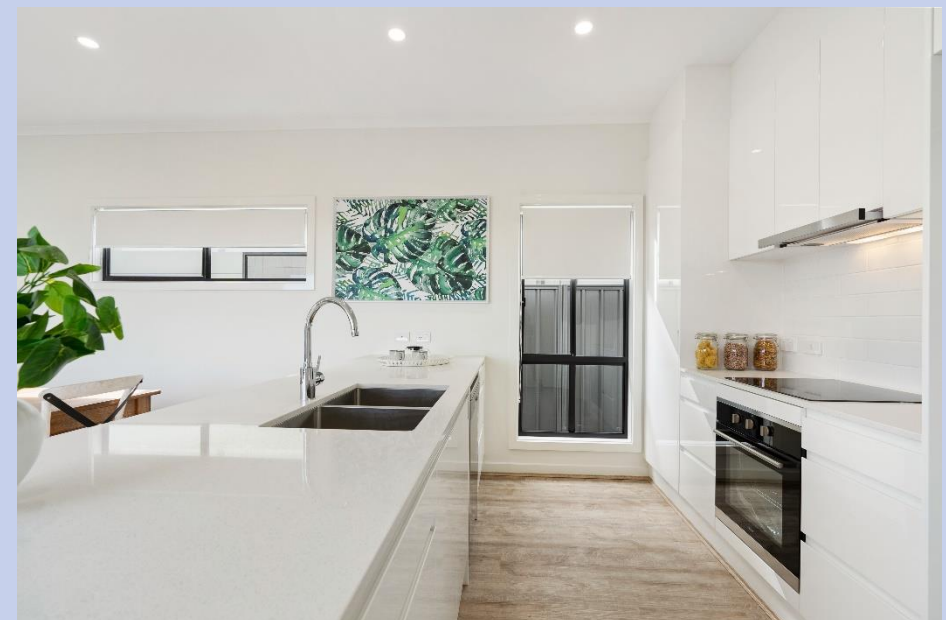
- Operating profit 5% above forecast
- Marina berth occupancy up 11%
- Excellent land sales with 61 contracts in 1H FY21 compared to 23 for all of FY20
- Completed civil works on 32 residential land lots in 1H FY21 and commenced works on a further 40 lots for completion in 2H FY21. Preparing for construction of a further 69 lots in 1H FY22
- Commenced 2<sup>nd</sup> stage of new house construction in the Alexandrina Cove Lifestyle Village after selling 3 of the 4 houses in stage 1
- Project on track to generate 2-3x equity multiple

### CREST @ Woodside

- Stage 1 and 2A civil works are complete allowing for the titling and sale of the first 49 lots and 15 more houses to be leased or sold with a licence to occupy
- 11 houses and 10 land lots (21 in total) settled in 1H FY21 compared to 15 for all of FY20.
- The balance of civil works and house refurbishments for the site are now contracted and underway with civil works expected to complete in FY21 and further 24 house refurbishments in 1H FY22
- Project on track to generate 2-3x equity multiple

### Rockleigh

- All lots have now been sold and settled





# 5

## Ethical, Social, and Corporate Governance





### Social

- Aspen improves society and reduces inequality by providing quality accommodation on affordable terms to a wide variety of Australian households in the residential, retirement and short stay sectors. Many of our customers are disadvantaged with below-average wealth and income, and therefore find it difficult to secure suitable accommodation
- Our properties are located in past and present Indigenous communities and we actively seek to help these communities and conserve heritage items. For instance, to help protect the Barlings Beach Aboriginal Place, we recently completed an archaeological dig within our Barlings Beach park with the assistance of the Mogo Local Aboriginal Land Council. Another example is the protection and proposed public display of an Aboriginal Scar Tree within our Mount Barker property

### Environmental

- Looking after the environment today and for future generations is essential. We recognise the need to continually reduce environmental impacts, work towards sustainable resource use and ensure emissions are at or below levels that can be reabsorbed without harm
- We continually embrace new technologies to deliver innovative products and services to our customers whilst minimising costs and our ecological footprint. For instance, where feasible, our communities include:
  - New homes and community facilities with improved building techniques, designs and materials that must meet current regulated building codes that are usually equivalent to the top 6 Star NABERS rating (eg. replacing obsolete caravans with highly insulated Xodboxes that require significantly less energy for heating and cooling)
  - Energy and water monitoring systems that enable us and our customers to better regulate and reduce energy and water use
  - Solar installations (eg. rooftop solar panels, solar-boosted hot water heaters, solar lights for pathways and gardens)
  - Appliances and devices that consume less energy and water (eg. LED lighting, low-flow shower heads, automated shut down of air conditioners)
  - Recycled water systems (eg. recycling wastewater for grounds watering)
  - Recycled waste collection facilities
  - Shared community facilities including pools, gym facilities, tennis courts and garden/vegetable/fruit pods
  - Shared vehicles for group transport (eg. community bus) and bike storage areas



### Governance

- Aspen Group comprises the stapled head entities Aspen Group Limited and Aspen Property Trust. Aspen Group Limited is a company with a Board of Directors and Aspen Property Trust is a trust governed by a Responsible Entity, Evolution Trustees Limited which is independent from Aspen Group Limited and has its own Board. Between the two entities' Boards, there are currently 6 members of which 5 are considered independent. The only member who is considered non-independent is the Joint Chief Executive Officer by virtue of his executive role and substantial shareholding in Aspen Group
- The Boards have ultimate responsibility for ensuring that Aspen's sustainability strategies are robust and that systems are in place for managing Aspen's key areas of sustainability risk and opportunity
- Our senior executives ensure that the organisation continues to perform in a way that demonstrates integrity on our environmental position, our commitment to the communities in which we operate and the opportunities we provide for our people and business partners to contribute to current and future generations
- Our current key management personnel are the Joint Chief Executive Officers. They are aligned to the long-term performance of Aspen Group through their substantial personal shareholdings and the structure of their remuneration packages where 50% of total remuneration is deferred for up to 3 years, subject to vesting conditions including qualitative and quantitative performance measures



# 6

## Aspen Group Statutory Accounts Extracts



# Statutory Accounts Extract: Statement of Profit and Loss

6.1

for the period ended 31 December 2020

	Note <sup>^</sup>	CONSOLIDATED	
		31 December 2020 \$'000	Restated 31 December 2019* \$'000
<b>Continuing operations</b>			
Rental income		13,712	14,130
Home sales		2,894	1,301
Food and Beverage, other ancillary sales, and net gaming revenue		1,164	1,001
Other revenue	1	250	208
<b>Total revenue</b>		<b>18,020</b>	<b>16,640</b>
<b>Other income – insurance claim</b>	2	<b>577</b>	<b>-</b>
<b>Expenses and other items</b>			
Operational expenses	2	(2,759)	(3,186)
Property expenses	2	(3,143)	(2,864)
Cost of Homes sold		(1,922)	(887)
Employee expenses	2	(3,679)	(4,505)
Administration expenses	2	(786)	(939)
Depreciation and amortisation expenses		(354)	(247)
Other expenses		(605)	(32)
<b>Total expenses</b>		<b>(13,248)</b>	<b>(12,660)</b>
<b>Net Fair value gain/(loss) on Investment properties</b>		<b>4,832</b>	<b>(69)</b>
<b>Earnings before interest and income tax expense (EBIT)</b>		<b>10,181</b>	<b>3,911</b>
Finance income	2	99	108
Finance costs	2	(745)	(836)
<b>Profit before income tax</b>		<b>9,535</b>	<b>3,183</b>
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>9,535</b>	<b>3,183</b>
<b>Profit for the year</b>		<b>9,535</b>	<b>3,183</b>
<b>Profit attributable to ordinary equity holders of the parent entity</b>		<b>9,535</b>	<b>3,183</b>
Profit/(Loss) attributable to non-controlling interest	11	-	-
<b>Profit for the year</b>		<b>9,535</b>	<b>3,183</b>

<sup>^</sup> Notes can be viewed in the financial statements



# Statutory Accounts Extract: Balance Sheet

6.2

	Note <sup>^</sup>	Consolidated	
		31 December 2020	30 June 2020
		\$'000	\$'000
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents		7,854	8,161
Trade and other receivables		4,132	6,910
Inventories		1,505	1,958
Net Investment in sublease	13	1,201	1,108
<b>Total current assets</b>		<b>14,692</b>	<b>18,137</b>
<i>Non-current assets</i>			
Investment properties	4	168,498	150,085
Property, plant and equipment	3	17,157	16,919
Intangible asset		70	82
Right of use assets	12	527	538
Deferred tax assets		3,125	3,125
Net Investment in sublease	13	799	1,384
Other		574	444
<b>Total non-current assets</b>		<b>190,750</b>	<b>172,577</b>
<b>Total assets</b>		<b>205,442</b>	<b>190,714</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables		7,135	9,046
Provisions		1,198	1,213
Lease liability	14	1,398	1,291
<b>Total current liabilities</b>		<b>9,731</b>	<b>11,550</b>
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings	8	53,552	42,498
Lease liability	14	1,563	2,255
Derivative liability	10	390	381
<b>Total non-current liabilities</b>		<b>55,505</b>	<b>45,134</b>
<b>Total liabilities</b>		<b>65,236</b>	<b>56,684</b>
<b>Net assets</b>		<b>140,206</b>	<b>134,030</b>
<b>Equity</b>			
<i>Equity attributable to equity holders of the parent</i>			
Issued capital	6	509,746	509,715
Reserves	6	418	201
Accumulated losses		(366,121)	(372,049)
<b>Total equity attributable to equity holders</b>		<b>144,043</b>	<b>137,867</b>
Non-controlling interest	11	(3,837)	(3,837)
<b>Total equity</b>		<b>140,206</b>	<b>134,030</b>

<sup>^</sup>Notes can be viewed in the financial statements

# Statutory Accounts Extract: Cash Flow Statement

6.3

	Consolidated	
	31 December 2020	31 December 2019
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	18,312	18,951
Payments to suppliers and employees (Inclusive of GST)	(13,574)	(14,527)
<b>Net cash flows from operating activities</b>	<b>4,738</b>	<b>4,424</b>
<b>Cash flows (used in)/from investing activities</b>		
Acquisition of property, plant and equipment	(373)	(214)
Acquisition of investment properties, including transaction costs	(8,405)	(30,435)
Improvements in investment properties	(2,819)	(847)
<b>Net cash flows used in investing activities</b>	<b>(11,597)</b>	<b>(31,496)</b>
<b>Cash flows (used in)/ from financing activities</b>		
Proceeds from borrowings	11,054	27,998
Proceeds from net investment in sublease	492	487
Interest received	99	108
Payment of financing and borrowing costs	(733)	(827)
Payment of lease liability	(584)	(570)
Distributions paid	(3,776)	(2,601)
<b>Net cash flows used in financing activities</b>	<b>6,552</b>	<b>24,595</b>
Cash and cash equivalents at beginning of the period	8,161	6,466
Net (decrease)/increase in cash and cash equivalents	(307)	(2,477)
<b>Cash and cash equivalents at end of period</b>	<b>7,854</b>	<b>3,989</b>

# Statutory Accounts Extract: Segment Information

6.4

	Retirement		Tourism		Residential		Corporate		Other		Consolidated	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rental income	1,738	1,743	6,834	7,833	1,046	201	4,094	4,353	-	-	13,712	14,130
Home sales	2,894	1,301	-	-	-	-	-	-	-	-	2,894	1,301
Food and Beverage and other ancillary sales	-	-	1,164	960	-	-	-	41	-	-	1,164	1,001
Other revenue	-	-	-	-	-	-	-	-	250	208	250	208
<b>Total segment revenue <sup>1</sup></b>	<b>4,632</b>	<b>3,044</b>	<b>7,998</b>	<b>8,793</b>	<b>1,046</b>	<b>201</b>	<b>4,094</b>	<b>4,394</b>	<b>250</b>	<b>208</b>	<b>18,020</b>	<b>16,640</b>
<b>Operating EBITDA <sup>2</sup></b>	<b>1,994</b>	<b>1,589</b>	<b>3,487</b>	<b>3,325</b>	<b>647</b>	<b>97</b>	<b>1,892</b>	<b>1,774</b>	<b>(2,055)</b>	<b>(2,370)</b>	<b>5,965</b>	<b>4,415</b>
Finance income	-	-	-	-	-	-	-	-	3	19	3	19
Finance costs	-	-	-	-	-	-	-	-	(674)	(666)	(674)	(666)
<b>Operating profit / (loss) before depreciation and income tax</b>	<b>1,994</b>	<b>1,589</b>	<b>3,487</b>	<b>3,325</b>	<b>647</b>	<b>97</b>	<b>1,892</b>	<b>1,774</b>	<b>(2,726)</b>	<b>(3,017)</b>	<b>5,294</b>	<b>3,768</b>
Depreciation and amortisation	-	-	(326)	(224)	-	-	-	-	(28)	(23)	(354)	(247)
Net Fair value gain/(loss) on Investment properties	(53)	18	33	(73)	-	-	4,852	(14)	-	-	4,832	(69)
Other expenses <sup>3</sup>	-	-	-	(27)	(745)	-	-	-	(69)	(243)	(814)	(269)
Other income <sup>4</sup>	-	-	-	-	-	-	-	-	577	-	577	-
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit / (loss) after tax attributable to parent entity</b>	<b>1,941</b>	<b>1,607</b>	<b>3,194</b>	<b>3,001</b>	<b>(98)</b>	<b>97</b>	<b>6,744</b>	<b>1,760</b>	<b>(2,246)</b>	<b>(3,283)</b>	<b>9,535</b>	<b>3,183</b>
Segment assets and liabilities reviewed by CODM can be analysed as follows												
Segment assets	39,284	35,383	85,606	82,525	44,717	30,435	16,000	11,000	19,835	14,051	205,442	173,394
Segment liabilities	-	-	-	-	-	-	-	-	(65,236)	(63,735)	(65,236)	(63,735)
<b>Net assets</b>	<b>39,284</b>	<b>35,383</b>	<b>85,606</b>	<b>82,525</b>	<b>44,717</b>	<b>30,435</b>	<b>16,000</b>	<b>11,000</b>	<b>(45,401)</b>	<b>(49,684)</b>	<b>140,206</b>	<b>109,659</b>

<sup>1</sup> All segment revenues are derived from external customers.

<sup>2</sup> Operating EBITDA represents earnings before interest, tax, depreciation and amortisation and excluding non-underlying items.

<sup>3</sup> Other expenses are expenses which are excluded from CODM's review of operating profits. This includes expenses such as share-based payments, fair value adjustment on interest rate swaps, and all transaction costs related to acquisitions.

<sup>4</sup> Other income includes insurance claims for material damages and business disruption arising from the bush fire in FY2020 across two parks (Barling Beach Holiday Park and Tween Waters Holiday Park).





# 7

## Appendices



# Distribution & Tax History

7.1

Period / Quarter Ended	Date Paid	Distribution Type	Aspen Group Ltd	Aspen Property Trust <sup>1</sup>		Total Amount Paid cents
			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

30 June 2020	Aspen Group Ltd	Aspen Property Trust
	Gross (\$m)	Gross (\$m)
Revenue tax losses	70.3	-
Capital tax losses	39.5	-



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



Disclaimer

This presentation has been prepared by Aspen Group Limited on behalf of Aspen Group Limited and Aspen Property Trust (“Aspen”) and should not be considered in any way to be an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, and neither this document nor anything in it shall form the basis of any contract or commitment. Prospective investors should make their own independent evaluation of an investment in Aspen. Nothing in this presentation constitutes investment, legal, tax or other advice. The information in this presentation does not take into account your investment objectives, financial situation or particular needs. The information does not purport to constitute all of the information that a potential investor may require in making an investment decision.

Aspen has prepared this presentation based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Aspen, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

This presentation contains forward looking information. Indications of, and guidance on, future earnings, distributions and financial position and performance are forward looking statements. Forward looking statements are based on Aspen’s current intentions, plans, expectations, assumptions, and beliefs about future events and are subject to risks, uncertainties and other factors which could cause actual results to differ materially. Aspen and its related bodies corporate and their respective directors, officers, employees, agents, and advisers do not give any assurance or guarantee that the occurrence of any forward-looking information, view or intention referred to in this presentation will actually occur as contemplated. All references to dollar amounts are in Australian currency.

