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ASX ANNOUNCEMENT

24 February 2022

Aspen Group Financial Results – 1H FY22

Continued Growth in Scale, Net Asset Value and Earnings

Proposed Acquisition of Coorong Quays, SA

Aspen Group (which comprises Aspen Group Limited and the Aspen Property Trust) (ASX: APZ) (“**Aspen**”) is pleased to provide its financial results for the half-year ending 31 December 2021 and announce the proposed acquisition of Marina Hindmarsh Island Fund, owner of Coorong Quays SA.

Highlights:

Continued strong demand for Aspen’s quality accommodation at truly affordable prices and rents

- Household budgets under pressure with increasing inflation and interest rates
- Aspen’s average weekly rent for dwellings is c.\$260 and for land is c.\$170

3,605 total dwellings/sites – up 31% over the half

Net Asset Value \$1.51 – up 15% over the half and 26% over the year

- Portfolio attractively valued on WACR of 6.8% and average of only \$87k per dwelling/site
- Recent transactions carried at cost excluding transaction costs – Perth Apartment Portfolio, Wodonga Gardens, Meadowbrooke

Underlying EPS 4.64 cents – up 2% over pcp

DPS 3.10 cents – 85% tax deferred

Aspen is well positioned to grow Underlying Earnings and/or Net Asset Value per security over the medium term by at least 10% per annum

- Portfolio accumulated at substantial discount to new production cost – land and building costs have inflated materially over the past 12-18 months
- 25% of portfolio dwellings/sites currently under refurbishment/development:
 - Current residential refurbishment projects expected to add \$5m to NOI post completion and leasing
 - Land development pipeline has increased 6-fold over the past 18 months at attractive entry prices – predominantly land lease communities generating development profits on house sales plus NAV uplift from leasing the land sites
- COVID pandemic will hopefully dissipate:
 - Has negatively impacted tourism, corporate and student demand at our communities over the past 2 years
 - Forward bookings to 30 June 2022 for our Parks are more than 35% higher than same time last year

Proposed scrip merger of the Aspen-managed Marina Hindmarsh Island Fund (MHIF), owner of Coorong Quays, SA announced today – expected pro forma calendar 2021 impacts:

- Property value of \$25m – operating component cap rate of 8.5% and c.\$41k per approved retirement (land lease) and residential development site
- Equity base up 11%
- Gearing reduced from 32% to 30%
- NAV neutral
- EPS accretion of 9%

These results assume the transaction is fully equity funded – MHIF shareholders can elect to receive some cash to a total cap of \$4m which would result in slightly higher gearing and EPS.

Please refer to 1H FY21 Results and Proposed Acquisition of Marina Hindmarsh Island Fund presentations released on ASX today.

Announcement authorised by the Board of Aspen Group Limited.

END

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