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ASX ANNOUNCEMENT

22 February 2024

Aspen Group 1H FY24 Results

FY24 EPS¹ Guidance Upgraded to 13.00-13.50 cents: 8-13% increase on FY23

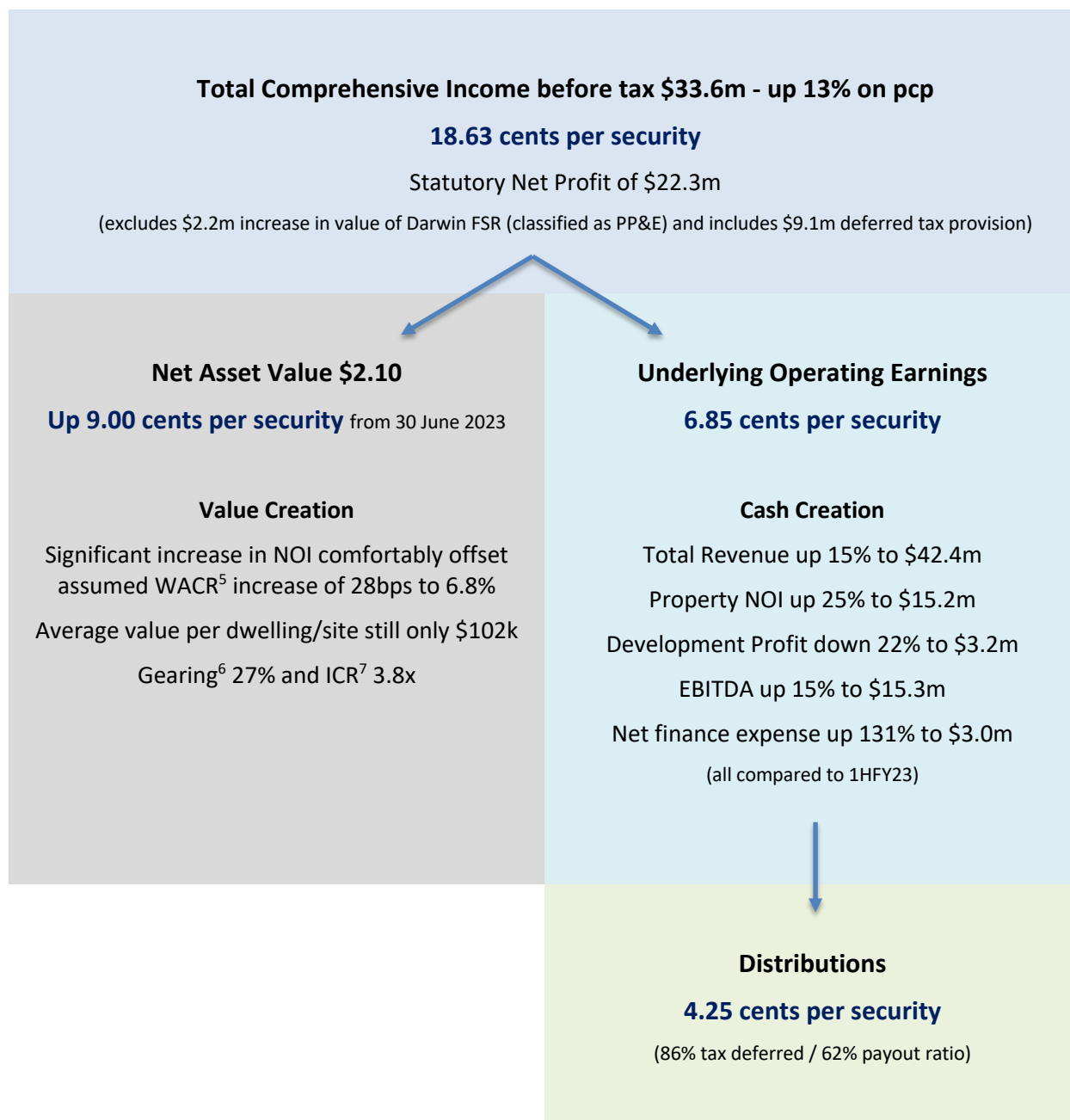
Aspen Group (ASX: APZ) (Aspen) is pleased to announce operating and financial results for 1H FY24 that were ahead of budget, and an upgrade to earnings guidance for FY24.

Continued Strong Demand for Aspen's Quality Accommodation

- Shortages of accommodation are becoming even more acute at the more affordable end of the spectrum with limited solutions in sight
- Aspen's rents and prices have increased yet remain highly competitive and attractive to customers
- 1H FY24 averages compared to FY23:
 - ✓ **Total portfolio rent² up 13%** to \$314pw per dwelling/site
 - ✓ **Residential rent² up 18%** to \$342pw per dwelling - current market rent³ is 16% higher
 - ✓ **Lifestyle rent² up 11%** - average in-place land rent of \$182pw per site is 22% below the rent at which CRA caps out⁴
 - ✓ **Lifestyle house sales price up 17%** to \$427k - still well below local median house prices
 - ✓ **Residential land sales price up 18%** to \$208k - still allows new homes to be developed cheaper than local existing house prices
- Operating profits and margins enhanced further through excellent operational and dynamic yield management - solid corporate demand more than offset flattish tourism demand across our short stay offering
- Aspen has a high quality tenant base taking good care of their accommodation and paying their rent - total arrears of only \$3k for the entire Residential portfolio
- Leasing commenced at CoVE Maylands in February – agreements with Uni WA for 40% of the units at >\$400pw
- Record production and sales contracts for new Lifestyle houses
- Continued recycling of capital from Residential dwellings with relatively high rents at c.3% yield into properties with lower rents more suited to Aspen's customer base with higher returns

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1H FY24 Performance Above Budget



Positive Outlook and FY24 Earnings Guidance Upgraded

- **Underlying Operating EBITDA \$30.50-31.50m:** 24-28% increase on FY23
- **Underlying EPS 13.00-13.50 cents:** 8-13% increase on FY23
- **Minimum DPS 8.50 cents:** 10% increase on FY23

Please refer to 1H FY24 Financial Report and Results Presentation released on ASX today for further information.

Announcement authorised by the Board of Aspen Group Limited.

END

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1. Underlying 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 underlying operating performance – refer to financial report for full definition
2. Rent includes a small amount of ancillary revenues at some of our properties
3. Market rent is estimated based on rents currently being achieved on new leases and lease renewals at Aspen's properties
4. CRA – Commonwealth Rent Assistance - the cap is the rent at which the maximum amount of CRA subsidy is paid to an eligible couple on the age pension
5. WACR – Weighted Average Capitalisation Rate
6. Gearing = financial debt less cash / total assets less cash less retirement village resident loans and deferred revenue
7. ICR – Interest Cover Ratio as defined in debt covenant

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