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2026 AGM – Chair Address

Good morning, ladies and gentlemen, and welcome to Aspen Group's 2026 Annual General Meeting.

It has been a very good year for Aspen. We delivered another year of strong growth in earnings and distributions to securityholders, and Aspen was among the best-performing real estate stocks listed on the ASX.

There are eight items on today's agenda. Before we get to those, I would like to discuss the year's results and how we're running the business as it grows. Hamish Perks, our newly appointed CFO, will then take you through our operations in more detail.

Our aim is to deliver excellent returns on equity for securityholders over the long term. This starts and ends with **profitability**.

We invest our capital carefully, run our properties well and keep a close eye on costs. We are prepared to take a different view from the market when we believe there's a sound commercial reason to do so.

Let me start with the results.

Underlying pre-tax earnings per security increased by 30 per cent, from 16.8 cents to 21.8 cents. Pre-tax comprehensive income represented an 18 per cent return on equity, and distributions increased by 10 per cent to 11 cents per security.

We are pleased with these results, particularly given how much the business has grown in recent years. The main contributors were better operating performance across our properties, increasing development activity, and the benefit of excellent acquisitions made in earlier years. Our management team deserves the credit for this.

For the year ending 30 June 2027, we forecast a further 20 per cent increase in underlying pre-tax earnings per security, to 26.1 cents, and an increase in distributions to 12 cents per security. This guidance remains subject to current economic and market conditions not deteriorating materially. It reflects the reliability of our rental income, the progress we've made with sales in our development projects, and our confidence in the business and the opportunities ahead.

I'd now like to say a little about what sits behind these results.

Aspen's mission is to solve Australia's housing shortfall as the leading value-for-money accommodation provider.

We often describe Aspen's culture as "having a proprietorial mindset". By that, we mean that we run the business as **owners**, with a personal interest in how it performs over time. Our leading core values are "act like you own it" and "deliver value in everything we do".

Every director and member of our management team has a personal investment in Aspen. For many, it's their largest single investment. The decisions we make affect our own pockets as well as yours.

That connection also carries through to remuneration. In addition to their substantial personal investments, our joint CEOs have 72% of their pay linked to long-term, share-based incentives.

I believe this matters because it keeps our attention firmly on what profit an investment will earn and the risks we're taking to earn that profit. Whether we're buying a property or developing one we already own, the return needs to justify the capital we invest. Adding to the size of the portfolio is pointless if it doesn't improve returns for securityholders.

The same thinking applies to day-to-day business. Our people stay close to the properties and are personally accountable for their performance. We keep the organisation relatively simple so they can get on with the work.

Much of that work comes down to doing the basics well, consistently. A small improvement at one property may not seem particularly significant. Across a large portfolio, those improvements can add up to a meaningful increase in earnings.

Keeping development and operating costs down helps us offer customers a good experience at a price they can afford, while creating attractive profits for Aspen.

We apply that discipline at head office too. We work from a city fringe building that we bought for less than half its replacement cost. And our executives are multi-functional which reduces headcount and wages. These are practical examples of how we spend your money.

Maintaining this approach becomes more important as Aspen grows. Our asset base has increased approximately tenfold under the existing management team. This is a substantial change, and we're conscious of the risk that a larger business can become more cumbersome, with people further removed from the properties and decisions taking longer.

We want to preserve the judgement, initiative and personal accountability that have served us well. Growth should follow from good investments and increasing profits. It will not become a reason to relax our standards.

Let me turn to the market we serve and why we remain optimistic about the next two years.

Housing affordability is a serious problem for Australia. For many households, buying a home is beyond reach, and finding decent rental accommodation at an affordable rent is difficult. Demand substantially exceeds supply, and we don't expect this imbalance to be resolved in the foreseeable future.

Over the past 5 years we grew our rental pool by 80% or 1,900 dwellings and land sites that we offer on more affordable terms. We are pleased to be making a positive contribution to a problem that affects so many Australians.

Sometimes people are surprised when I tell them that we are optimistic about the next two years, especially as the cost of construction makes the delivery of affordable accommodation challenging.

There are several reasons, but the main ones are Aspen is very good at understanding what customers want and what they can afford, sourcing appropriately priced land and buildings in attractive locations, and developing and improving housing cost-effectively.

Also, there is increasing economic uncertainty, which may cause disruption in property markets. This could help Aspen as it could bring opportunities to buy good properties at attractive prices. We have deliberately positioned our balance sheet to give us the capacity to act if these opportunities arise.

We particularly like complex properties and situations where the quality of our team allows us to assess and manage risk better than our competitors, and where there is often less competition.

Of course, we can't be sure that suitable opportunities will come along. We will apply the same investment hurdles and commercial discipline that we have to date. If the returns aren't sufficient, we're prepared to wait.

Before I finish, I'd like to thank my fellow directors, our joint CEOs and everyone at Aspen. The results I've outlined today reflect their hard work and the care they take in running the business.

Thank you also to our securityholders for your continued support.

We have good reasons to be confident about Aspen's prospects. Demand for affordable accommodation remains strong, and we have a substantial pipeline of opportunities. Our job is to turn those opportunities into growing profits, while maintaining the discipline and focus that has brought us this far.

Thank you. I will now invite Hamish to speak about our business.

Guy Farrands
Chairman

2026 AGM – Management Address

Thanks Guy. Good morning, I'm Hamish Perks, Chief Financial Officer.

Aspen Continues to Help Solve Australia's Affordable Housing Crisis

Australia's shortage of quality, affordable accommodation remains acute.

Population growth has doubled since the 1980-90s from around 200k to 400k per annum. Meanwhile, housing production has stagnated with new dwelling completions increasing from roughly 140k to only 175k per annum.

When there's a shortage of housing, wealthier households crowd out lower income households who can't compete financially. This dynamic helps maintain supply / demand balance at or above median prices and rents, currently $885k and $713 per week nationally[1] which are underpinned by average cost of production. However, it results in acute shortages at the lower end of the market, particularly below the minimum cost of production of around $600k and $600 per week on our estimates. This is not affordable for the ~40% of Australian households with incomes below $100k per annum.

To solve the problem Australia needs more housing at a lower cost, not more expensive housing.

Despite the need for more affordable housing, the cost of delivering housing is increasing faster than household incomes, worsening the affordability crisis. There are a magnitude of drivers including the normalisation of interest rates from artificially low levels, more infrastructure costs being passed onto developers, councils increasing rates well above inflation, State Governments increasing land taxes and favouring higher density housing in locations where land is more expensive, the Federal Government's increased tax on existing rentals through negative gearing and CGT changes, and banning SMSF's from borrowing to invest in residential property, all while the proportion of housing provided by Governments and NFPs on a subsidised basis continues to decline.

The cost increases have made housing unaffordable for a large proportion of households. They have also made housing investment less attractive as evidenced in the recent collapse in new investment loans. Consequently, new housing production and rental supply are likely to be further constrained over the medium term, driving prices and rents even higher, particularly at the more affordable end of the market.

Aspen is doing its bit to help solve the problem by producing lower cost housing where people want to live. There are many things governments and others can do, and not do, to contribute.

Aspen Operates in the Highest Growth Segment of Australia's Housing Market – Rentals

Australia's Residential market is by far the largest asset class in Australia worth about $12 trillion.

As a proportion of total dwellings, the rental segment has grown from about 25% in the 1980s to about 35% today. Residential dwellings are the bulk of rentals and Lifestyle land rentals are a niche product at about 2%. Both are growing much faster than the owner-occupier segment.

Aspen continues to skew its portfolio towards Residential rentals due to superior growth and risk dynamics through:

- Buying, redeveloping and building more Residential properties
- Converting lifetime Retirement Village agreements into more flexible Residential leases
- Converting short-term Park agreements to Residential and Lifestyle leases, and
- Selling tourist-centric Park properties.

For example, Aspen recently acquired a portfolio of 198 villas in metropolitan Adelaide for $40.5 million and will re-lease the villas under Residential leases when the existing Retirement Village residents depart over time. The purchase was essentially funded with the sale of two NSW South Coast seasonal holiday parks for $42.0 million.

Since FY19, Aspen has increased Residential exposure from 0% to 52% of its portfolio by value and Lifestyle from 19% to 25%, while reducing the more volatile Parks exposure from 81% to 23%[2].

Aspen's Rental Business

We strive to keep rents affordable and offer rents below comparable competing product in the local market. We also limit the growth in our portfolio's average gross rent by recycling from high to low rent properties more suited to our core customer base. This helps to procure better quality tenants that pay the rent on time and look after the property, reduces tenant turnover, increases growth prospects, and reduces risk. During FY26, Aspen's average gross rent was just $346 per week.

Aspen's net rental income margin increased by 10 percentage points to 56% over the past 6 years. This was achieved through improved operational management, targeted cost-saving capex, and skewing the portfolio towards higher margin Residential and Lifestyle properties. By expanding margins, we grew average net rent per dwelling/site by 10% per annum while increasing the average gross rent paid by customers by only 5% per annum which is more sustainable.

Aspen's current book values and rents are typically well below the cost and economic rent of new development, leaving plenty of scope for real growth in future.

Aspen's Development Business

Aspen develops affordable accommodation for the primary purpose of growing its pool of recurring rental income streams. We are targeting net rental income yield of 5-6% on the cost of the dwellings and land that Aspen retains, roughly double the Residential market yield, and a Development Profit margin of 30% on the dwellings and land that Aspen sells.

In FY27 our development business is expected to realise Development Profit of $33 million equating to a return on invested capital[3] (ROIC) of well over 20%. This cash profit is included in our cash-based definition of Underlying Earnings[4]. Additional unrealised profit is being created on the dwellings and land retained by Aspen which adds to Net Asset Value. It is important to understand the combined total value creation which is recognised in audited statutory profits. In FY26, Aspen's pre-tax comprehensive income per security was 45 cents, more than double its reported Underlying Earnings of 21.8 cents.

We expect realised Development Profits and Net Asset Value to increase materially over the medium term as we take full advantage of our low-cost development pipeline of over 2,900 potential sites.

Our projects are in attractive locations, typically around an hour's drive of a city with easy access to family, major facilities and jobs. Examples include Alexandrina Cove at the marina adjoining the Coorong National Park SA, Ravenswood along the Murray River WA, Wallaroo fronting the foreshore reserve at SA's pristine Copper Coast, and Australind and Meadowbrooke near Bunbury, WA's second largest city and one of Australia's fastest growing regions.

Acquiring appropriately priced land in attractive locations is the foundation of delivering quality, value-for-money housing for customers and superior investment returns for securityholders. Aspen's landbank has an average book value of just $35k per site. This low cost base allows us to keep our sale prices and rents competitive. In FY26 we sold our Lifestyle houses for only $469k on average and our Residential land lots for only $341k on average. At our low price points, Lifestyle customers typically free up more than $200k from selling their existing house. Despite the low sale prices, profit margins expanded 3ppt to 34% and realised Development Profit increased 71% to $21.7m in FY26, with a further 52% growth to $33m expected in FY27.

Aspen has made strong progress gaining development approvals, materially improving expected outcomes for the local communities and Aspen. In the past few weeks alone, we have received approvals for a total of 405 Lifestyle sites at Normanville SA and Ravenswood WA. At Normanville we can now develop the Tourism Development zoned land for a mixture of Lifestyle and tourism use. This allows a more permanent base of residents that can sustainably support local economic activity in this seasonal location. At Ravenswood we can now develop a Lifestyle community on land that was earmarked for standard Residential land lots under the Outline Development Plan. This allows a more vibrant, diverse mix of residents, including more retirees. The approvals materially increase Aspen's addressable market and potential development profits, and optimise capital usage.

Aspen's approved development pipeline has almost doubled calendar year-to-date from ~1,100 approved lots to ~2,100, which is 8 years of supply at Aspen's current development sales rate. There has been a step change in Aspen's approved projects from 9 to 17, materially increasing growth options and diversity which should help reduce risk and earnings volatility in our development business.

We are also making good progress on gaining approvals for some of our other major development projects including at Coorong Quays, Paralowie and Wallaroo in South Australia.

Aspen's Strong Income Streams and Balance Sheet Supports Growth and Distributions

Aspen's property portfolio is strong and resilient with approximately 86% of the value in rental properties and only 14% in development assets. The vast majority of the portfolio is in stable, non-seasonal, high margin Residential and Lifestyle properties located in or close to Australia's major metropolitan areas. Our development assets are highly diversified by projects, product type and location, and the land has alternative profitable uses.

Aspen has amongst the strongest balance sheets in the ASX listed real estate sector with gearing[5] of 18% and ICR[6] of 6.2x at 30 June 2026. Aspen's debt servicing, capex funding requirements, and distributions to securityholders are strongly underpinned by diverse net rental income streams and low corporate overheads. Aspen is in control of its business – it does not need to sell properties to realise Development Profits to remain in compliance with debt covenants.

Aspen's Performance and Outlook

Aspen is well on track to deliver at least 20% growth in Underlying EBITDA and pre-tax EPS in FY27 and reiterates its FY27 guidance[7].

Our longer-stay rentals are essentially full, with negligible arrears and open-home attendance remains strong. Average rents are roughly 10% below market on our estimates and increasing around 4-5% per annum.

For our short stay rental offerings, corporate demand remains solid but discretionary tourism is flat to soft. Pleasingly, our Park portfolio's net rental income is still up YTD due to tight cost controls and a better mix of rate versus occupancy.

In our development business FY27 YTD settlements and contracts on hand[8] have increased to 180, representing 83% of our FY27 Development Profit guidance. The cancellation rate remains low for Lifestyle and has been high at 19% for Residential land lots, but most have been re-contracted to date, all at or above the initial contracted price.

New customer enquiry and sales contracts have declined as the economic environment has deteriorated. However, this is somewhat due to lack of available Lifestyle product for sale. There has been no new production at Coorong Quays and Alexandrina Cove this year while we agreed sewer upgrades with Council and Strathalbyn is about to sell out.

We expect to gain more development approvals over the next several months that will add significant value and we are ramping up production with a view to increasing sales materially in FY28 and beyond.

We are seeing more attractive opportunities to acquire suitable properties and we will remain judicious.

Aspen's opportunities to provide more affordable housing are massive and growing by the day, and we are very well positioned to create substantial value for customers and securityholders well into the future.

On behalf of Aspen, I thank all stakeholders for your support.

Hamish Perks
Chief Financial Officer

1. Source: Cotality - October 2026
2. FY26 pro forma adjusted for the acquisition of ECH Villa Portfolio and sale of Barlings Beach and Black Dolphin parks post 30 June 2026
3. ROIC = realised Development Profit divided by average book value of assets deployed in the development business
4. Underlying Earnings - a non-statutory accounting 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
5. Gearing = Net financial debt divided by Total Assets less cash and Retirement Village resident loan obligations
6. ICR - interest cover ratio as defined in Aspen's debt covenant - limit is 2x minimum
7. Subject to no material change in Aspen's operating environment
8. Contracts include expressions of interest (EOI) and are net of cancellations

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