

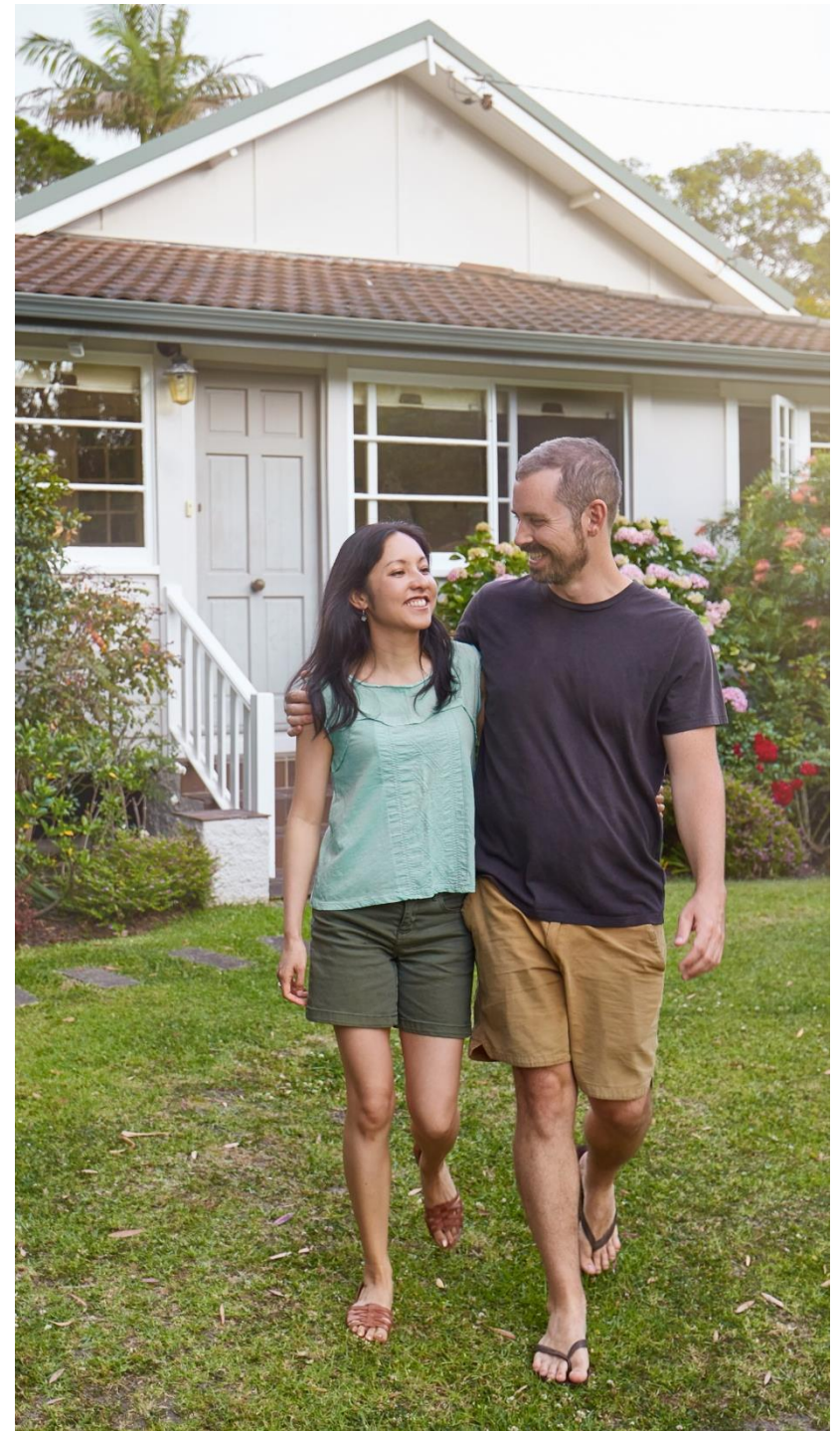
ASPEN GROUP

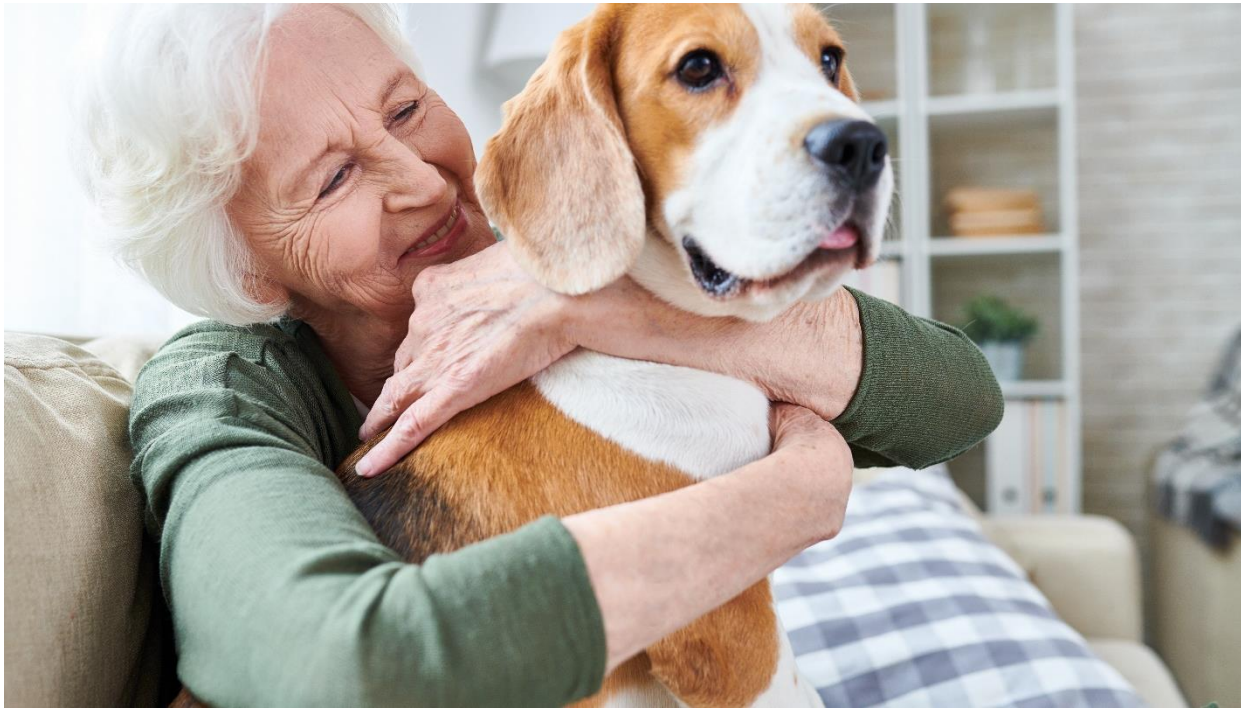
Investor Update
August 2019



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1

Business Overview



Aspen's Business Model

1.1

- Aspen is a provider of quality accommodation on competitive terms in the residential, retirement and short stay sectors
- Fully integrated platform with strong operating, asset management, development and capital management capabilities that enables us to provide the broad spectrum of products and services that our target customer base needs:
 - Provider of capital under different ownership schemes and regulatory regimes: Rentals – Shared Equity (eg. land lease) – Sales
 - Low to moderate level of ongoing services at an effective cost (not high care, aged care or social)
- Target market is enormous:
 - Australia's residential market is worth over \$6.5 trillion
 - 70% of households either have a mortgage (37%) or rent (33%)
 - Significant unsatisfied demand for suitable accommodation at below median price and rent

ASPEN'S TARGET MARKET

> \$1 trillion

ACCOMMODATION PRODUCTS

Sales – Rentals – Shared Equity

“Downsizing” Retirees

Owned Outright

Owned With a Mortgage

Rented

Rented with Commonwealth Rent Assistance

Social

Composition of Australia's 9.3 Million Households by Tenure (source: ABS)

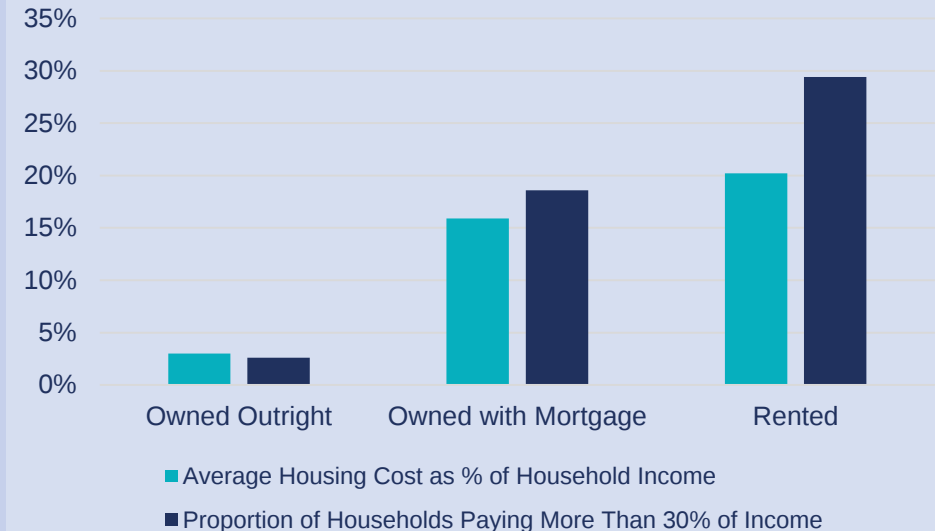


Significant Unsatisfied Demand for More Affordable Accommodation

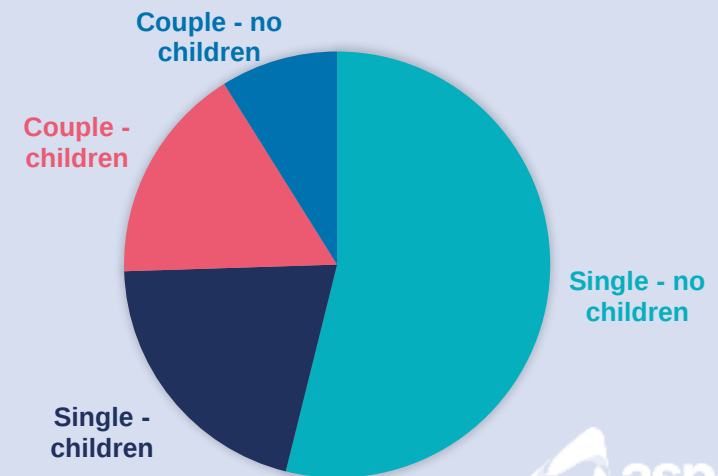
1.2

- About 1.5 million or 17% of households are considered “stressed” – ie. pay more than 30% of their gross income on housing costs:
 - 57% are renters (despite Commonwealth Rent Assistance)
 - 39% are owners with a mortgage (despite historically low interest rates)
- Commonwealth Rent Assistance (CRA) is the major policy tool to help make private (non-social) housing more accessible:
 - Total expenditure of \$4.4 billion per annum (growing at >5% pa)
 - About 45% of renters of private housing receive a subsidy
 - Not just for retirees:
 - 61% of recipients are under 50 years old
 - 37% have dependent children (average of 2 per household)
 - Subsidy is limited:
 - About \$65 per week average subsidy per household
 - Subsidy caps out at \$91 per week (for large families with 5+ members)
 - Rent above \$153 per week for a single person with no children and \$240 per week for large families is not subsidised

HOUSING COSTS AND STRESS

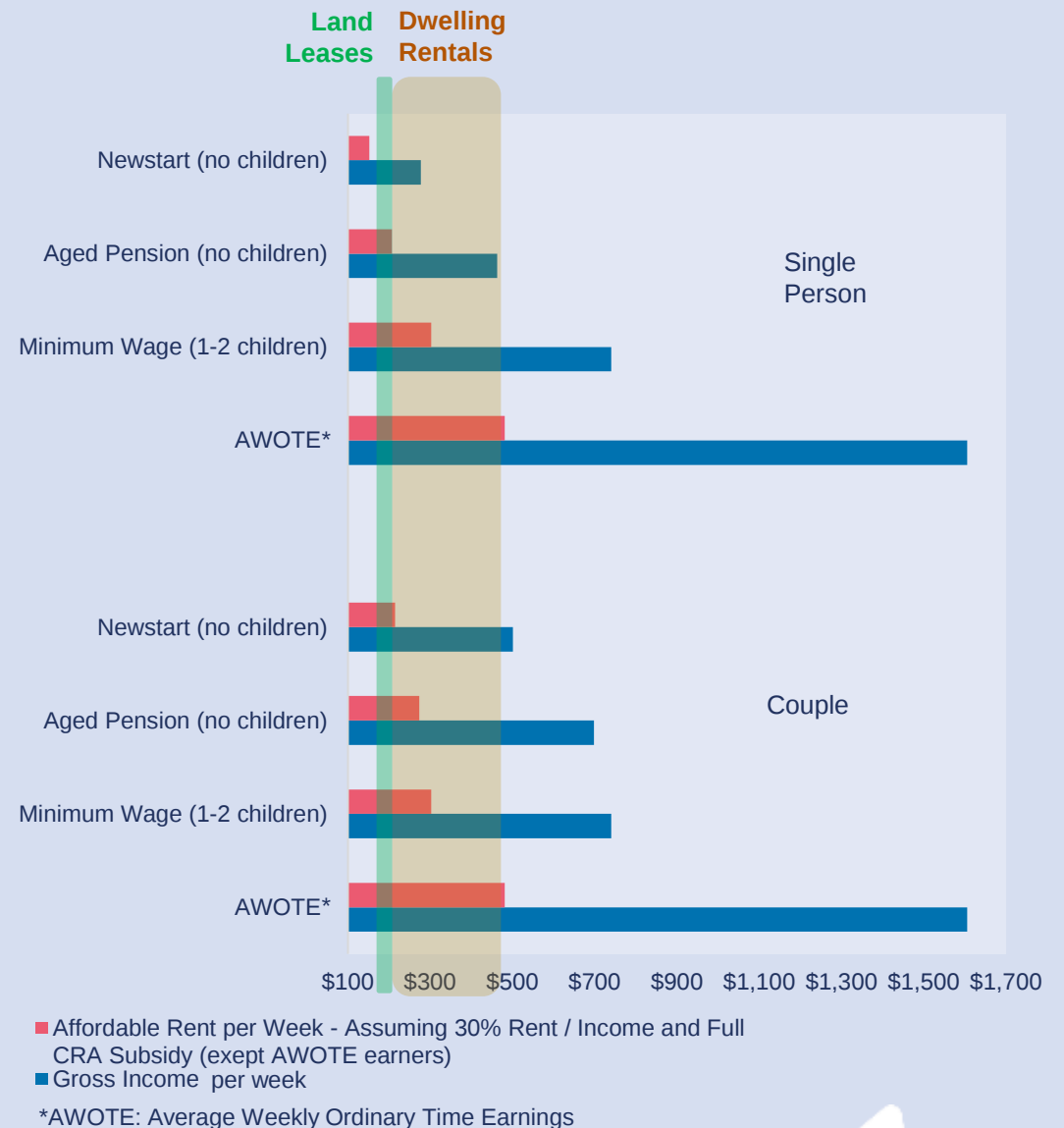


CRA RECIPIENTS BY HOUSEHOLD STRUCTURE



Aspen is highly selective and opportunistic when acquiring and developing properties to ensure they are suitable for the delivery of quality accommodation on competitive terms to our customer base

- Aspen's accommodation products consider our customers' needs and the availability of government subsidies (eg. CRA, first-homeowner grant, pension loan scheme, stamp duty exemptions, land tax exemptions)
- CRA incentivises the lower cost accommodation products such as:
 - Land leases at around \$150-225 per week – LLCs (eg. Four Lanterns, Mandurah Gardens) and park sites (eg. Highway 1)
 - Small, second-hand dwelling rentals (eg. Darwin FreeSpirit Resort)
- But there are significantly greater opportunities in supplying customers who access other or no government subsidies or are located where production costs and land values, and therefore rents, are higher than the CRA caps. They need:
 - Lower cost dwelling products with low land value at around \$300-500 per week – eg. high density apartment rentals for singles/couples (eg. Lindfield Apartments) and house rentals that are suitable for families



Barlings Beach Holiday Park, NSW



Four Lanterns Estate, NSW



2

FY19 Highlights & Financial Results



- Successfully integrated the management teams of Aspen and Mill Hill Capital, and appointed David Dixon and John Carter as Joint Chief Executive Officers in March 2019
- Aspen's stock produced a total return of 15.7% including a 5.2% distribution yield and 10.5% increase in price
- Portfolio increased by 20% to \$128m, mainly through the acquisition of Highway 1 Tourist Park in Adelaide for \$23m on a cap rate of 9.25%, and the addition of new manufactured housing product at our Four Lanterns Estate in Sydney which to date has cost \$6m and achieved over 30% development margin
- Recently contracted to acquire two mixed use retirement and residential apartment buildings at Lindfield on the North Shore of Sydney for \$8.65m, equating to only \$206,000 per apartment. The low entry price enables us to provide affordable and highly competitive accommodation product to our customers, and also generate outsized investment returns through various value-enhancing initiatives over time
- In FY19 Aspen Group produced underlying earnings per security (EPS) of 5.15 cents which was up 8% on FY18
- Distributions per security (DPS) totaled 5.00 cents which was up 19% on the prior year
- Portfolio is currently attractively valued on a weighted average capitalisation rate (WACR) of 8.9% and an average of \$66,300 per site including land and dwellings (including Lindfield Apartments)



Financial Performance

2.2

Key Metrics	FY19 \$m	FY18 \$m	Change
Statutory (loss)/profit for the year	(7.92)	0.77	
Accommodation Revenue	22.29	17.53	27% ▲
Other gross operating profit ¹	1.79	1.42	
Gross Operating Income	24.08	18.95	27% ▲
Operating expenses	(12.85)	(9.69)	33% ▲
Net Operating Income	11.23	9.26	21% ▲
Operating Margin²	47%	49%	
Development revenue (incl. churn)	1.69	0.51	
Cost of sales	(1.11)	(0.29)	
Development Profit	0.58	0.22	164% ▲
Development Margin³	34%	43%	
Discontinued operations profit	-	0.86	
Operating & Development Net Income	11.81	10.34	14% ▲
Corporate overheads	(5.92)	(5.25)	13% ▲
EBITDA	5.89	5.09	16% ▲
Net Interest expense	(0.93)	(0.31)	200%
Tax	-	-	
Underlying Earnings⁴	4.96	4.78	4% ▲
Underlying Earnings per security (cents)	5.15	4.78	8% ▲
Ord. distribution per security (cents)	5.00	4.20	19% ▲

- Accommodation revenue increased mainly due to the acquisition of Highway 1 Tourist Park in Oct 2018, and full year contributions from Darwin FreeSpirit Resort (DFR) and Koala Shores, both acquired during FY18
- Other gross operating profit is the gross margin from selling food & beverage and other items
- Operating margin reduced slightly in FY19 due mainly to the acquisition of DFR which is our lowest margin property
- Development activity increased and the sale of houses at Four Lanterns Estate commenced with 5 settling in FY19 at over \$100k margin per house as expected
- The discontinued operations for FY18 relates to Spearwood South Industrial property which was sold
- Corporate overheads increased 13% - they have reduced post the changes in management
- Net interest expense increased due to an increase in debt. The change in Responsible Entity freed up \$9.85 million of low-yielding cash that was held for regulatory purposes and is now being used in the rest of the business
- Underlying earnings per security increased 8% and distributions increased 19%



1. Other gross operating profit includes other revenue of \$5.25m (FY18: \$3.70m) and cost of goods sold including direct labour of \$3.46m (FY18: \$2.28m)

2. Calculated as Net Operating Income divided by Gross Operating Income

3. Calculated as Development Profit divided by Development Revenue

4. Non-IFRS measure used by management to assess the underlying performance of the company which excludes depreciation and amortisation, and one-off and non-operating items

Reconciliation of Statutory Profit to Underlying Earnings

2.3

	FY19	FY18
	\$m	\$m
Statutory net (loss) / profit	(7.92)	0.77
Depreciation and amortisation	2.63	1.74
Asset revaluations	9.33	(0.90)
Transaction costs and other	0.92	3.17
Underlying Earnings	4.96	4.78
Net interest expense	0.93	0.31
EBITDA	5.89	5.09
Corporate overheads	5.92	5.25
Operating and Development Net Income	11.81	10.34

FY19 statutory net loss primarily impacted by:

Depreciation and amortisation

- Increase due to contribution from new acquisitions

Asset revaluations – recorded in the P&L

- Goodwill impairments of \$9.58m
- Partially offset by PPE revaluations of \$0.25m

Transaction costs and other

- Costs related to change in responsible entity, custodian and investment manager of \$0.79m
- Acquisition costs of \$0.24m

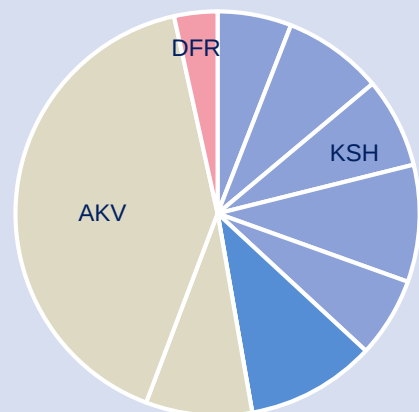


Financial Performance

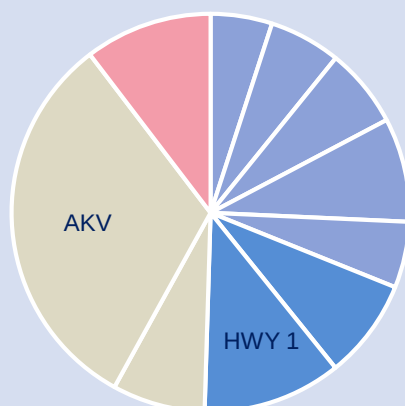
2.4

Net Operating Income (NOI) by Asset

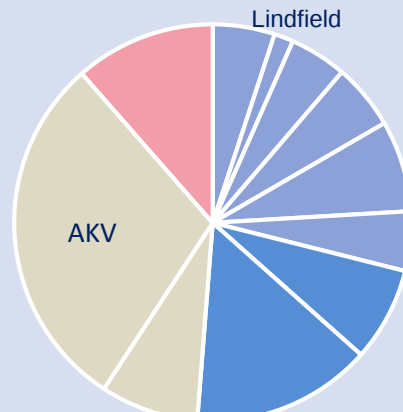
Increasingly diversified portfolio – reducing asset concentration risk



FY18 NOI: \$9.3m



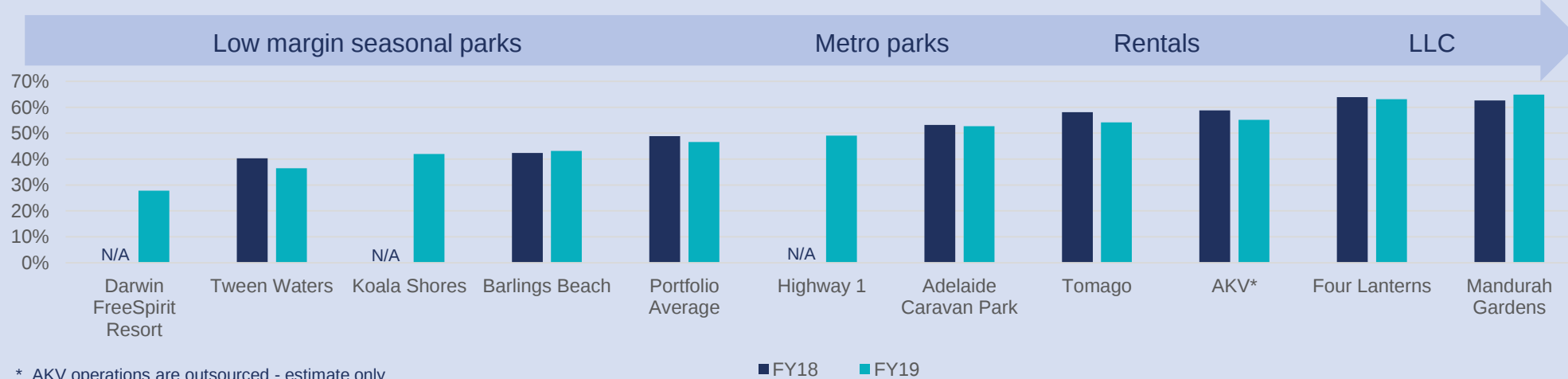
FY19 NOI: \$11.2m



FY20 Guidance NOI: \$12.4m

Acquisitions	Date	Price (\$m)
FY18		
BIG4 Koala Shores	Sep-17	10.2
Darwin FreeSpirit Resort	Dec-17	19.5
FY19		
Highway 1 Tourist Park	Oct-18	23.0
FY20 (YTD)		
Lindfield Apartments	Aug-19	8.65

Operating Margins



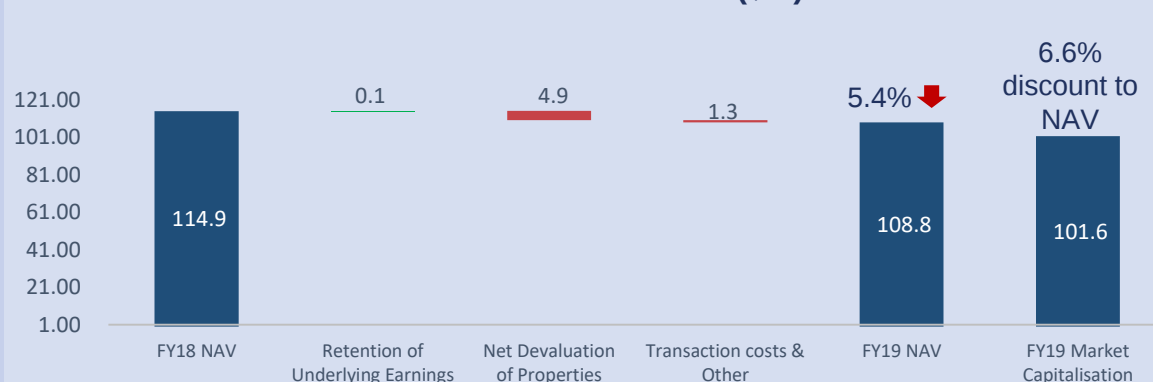
* AKV operations are outsourced - estimate only

Balance Sheet and Capital Management

2.5

Key Metrics		FY19	FY18
Property Assets	\$m	128.0	106.4
Total Assets	\$m	141.7	127.9
- Cash	\$m	6.5	13.4
- Gross Debt	\$m	24.5	4.7
Net Debt / (Cash)	\$m	18.0	(8.7)
Gearing ¹	%	13.3	n/a
Loan to Value Ratio ²	%	16.4	3.9
Interest Cover Ratio ³	x	5.8	9.7
Net Asset Value (NAV)	\$m	108.8	114.9
Securities at year end	m	96.3	96.3
Net Asset Value per security	\$	1.13	1.19

Movement in NAV (\$m)



Strong Financial Capacity for Growth

- Balance sheet gearing of 13.3%
- The Group has a \$55.0m finance facility that expires in August 2020. At 30 June 2019, undrawn capacity under the facility was \$30.2m (after allowing for bank guarantees of ~\$0.3m)
- Aspen expects to be able to increase its finance facility as future opportunities arise
- Additionally, Aspen can seek access to 3rd party equity if it makes sense for both parties and can access customer equity under Shared Equity schemes

Movement in NAV

- Reduction in NAV to \$108.8m largely attributable to the net devaluation of properties of \$4.9m:
 - \$2m devaluation of Darwin FreeSpirit Resort (directors valuation) due to net operating income being below expectation since acquisition
 - \$2.25m devaluation of Tomago Village (external valuation), reflecting the decline in operating income while the property is being repositioned from short-stay workers / tourist accommodation into longer term retirement / residential accommodation

1. Net Debt divided by Total Assets less Cash

2. Facility covenant is 50%

3. Facility covenant is 2.0x

Earnings & Distribution Guidance – FY20

2.6

○ FY20 Guidance remains unchanged:

- Underlying Earnings per security expected to be in the range of 6.75-7.00 cents - an increase of 31% on FY19
 - Darwin Freespirit Resort performing under expectations for first 7 weeks of FY20
 - Offset by better performance of rest of portfolio and business
- Distribution guidance of 6.00 cents per security – an increase of 20% on FY19

○ Major assumptions for FY20 guidance:

- Continuation of current general trading and market conditions
- Current portfolio only – no acquisitions or dispositions, except Lindfield
- Development margin from existing inventory of 12 dwellings at Four Lanterns only – no other development activity in forecasts

Underlying Earnings	FY20 Guidance \$m	
Property net operating income	12.4	
Development profit	1.0	
Operating and Development Income	13.4	
Corporate overheads	(5.2)	
EBITDA	8.2	
Net interest expense	(1.6)	
Tax	0.0	
Underlying Earnings	6.7	
Underlying EPS guidance (cps)	6.75 - 7.00	up 31-36%
DPS guidance (cps)	6.00	up 20%



BIG4 Merimbula Tween Waters Holiday Park, NSW



Aspen Karratha Village, WA

3

Operational Performance



Operational Performance and Opportunities

3.1

	Four Lanterns	Tomago Village	Koala Shores	Barlings Beach	Tween Waters
Trading	- Land rents continue to grow in real terms and good expense control - New home sales slowed into the election, but enquiries are picking up slightly as conditions (liquidity) improve in the residential markets - Development: 28 new land sites and 2 churn sites developed, 17 houses installed, 5 sales settled in FY19, 12 houses in inventory at 30 June 2 sales settled since 1 July	- NOI down 12% due to a deliberate shift to long term residents in preparation for redevelopment. Occupancy was up 3%, but average rate was down 5% - Reduced costs aligned to extended stay occupancy - Some recent pickup in demand from workers for short stay - Achieved DA to increase long term sites to 212 (previously 204) - Relocation arrangements in place for existing residents to allow new development	- Subdued in FY19 after disappointing FY18. Occupancy was flat, average rate was down - Regional marketing focus on Port Stephens for international visitation providing no growth to the ongoing weak business levels outside peak seasons 2 water view cabin upgrades completed	- Performed well in FY19 with total occupancy up 2%, average rate up 5% and NOI up 9% - Refurbished cabins have helped rate growth - Continued strong demand for long term sites with churn of 2 sites and re-sale of another	- Performed reasonably in FY19 with total occupancy up 16%, but average rate was down 4% and NOI was up only 2% - Expense management has improved over the current low season
Opportunities	- Reclaim a further 2 sites for churn - Construction of van storage area - Site is approved for higher density residential and local vacant land prices are materially higher than current book value	- We have the flexibility to provide our entire product range (short stay through to land lease) - Expect to be able to produce new housing product for less than \$225k (including land and all other costs) which is highly competitive in the Newcastle region	- Planning in place for upgrade of facilities - Reconfiguration of 12 short term camp sites to long term casual expected to double revenue on these sites - On site caretaker residence conversion to tourism cabin	- Potential to tier long term site fees in accordance with location - Review of utilities re-charges prior to water reticulation upgrade requires installation of water meters for all long term and annual sites for recoupment of usage - Infrastructure upgrade to reduce water leakage	- Attract more customers in low season and reduce operating costs - Property is well located and approved for higher density with 10m height limit – potential apartment development in future



Operational Performance and Opportunities

3.2

	Adelaide CP	Highway One	Mandurah Gardens	AKV	Darwin FSR
Trading	- Performed reasonably in FY19 with total occupancy up 1%, but average rate was down 4%. There was a shift in demand from higher priced cabins to lower priced sites. NOI was down 5% at a reasonable margin of 53% with good cost control - Upgrade of entrance completed and heritage church completed - BIG4 reservations agreement providing marginal growth in off season	- Patchy performance since acquisition in October 2018 – NOI about 10% below expectations - Improved since change in management several months ago - Reallocated 5 short stay cabins with low occupancy to rental pool – now leased	- Land rents continue to grow in real terms and good cost control lead to 8% NOI growth - Home resale enquiries low due to poor sales volumes and prices in the region	- Continues to perform very well as it offers attractive product and service - Activity in the Karratha region picking up - Another 1 year extension of the lease agreed with Woodside to January 2021 - Strong demand for rooms not occupied by Woodside at materially higher rates	- Performing poorly since acquisition in December 2017 - NOI about 25% below expectations - Past 6 month occupancy about 30% down on pcg and average rate was flat. We have had to reduce rate over the past 2 months to recapture market share - Expenses only brought into line with lower revenue over the past few months - Commenced renting cabins to offset poor peak season - Solar installed
Opportunities	- Lease church for the first time - Improve labour processes in housekeeping to reduce labour cost - Site is zoned for higher density residential	- Expanding affordable long term cabin rental and land lease product - Reallocate more low occupancy cabins to rental pool - Aspen has option to acquire adjoining land (4.6Ha)	- Could be opportunities to acquire dwellings and offer rental product if resale prices decline sufficiently - Increase re-sales in FY20	- Extension of lease for a longer term with 100% Woodside occupancy - Current book value is around 1/3rd replacement cost	- Introducing affordable long term rental and land lease product - Introducing gaming machines - Being more dynamic with rates in the short shoulder periods - Operating cost reductions - have so far stripped out over \$250k in labour and introducing self-collect in F&B in August

We believe there are ample opportunities to increase returns from Aspen's existing portfolio:

- More intensive management
- Deployment of capital across:
 - Cost saving initiatives (eg. labour, power, water)
 - Refurbishment (eg. landscaping, facilities, cabins)
 - Development (eg. new dwellings)

Furthermore, the portfolio has the potential to be profitably repositioned and developed into higher value uses over time



Recently refurbished Seabreeze Villas at Barlings Beach, NSW



Recently installed solar panels: Darwin FreeSpirit Resort, NT



Darwin FreeSpirit Resort, NT



Mandurah Gardens Estate, WA

4

Portfolio



Portfolio Summary

4.1

Portfolio Aggregates	Aspen Group	Funds / Projects	Combined
Properties (#)	12	3	15
Value (\$m)	\$139 ¹		
Land Area (Hectares)	58	577	635
Approved Sites (#)	2,099	983	3,082
Dwelling Stock Owned (#)	688	91	779
Sites per Hectare	36	2	5
Dwelling / Sites Ratio	33%	9%	25%
Value per Hectare	\$2.40m		
Value per Approved Site	\$66,300		

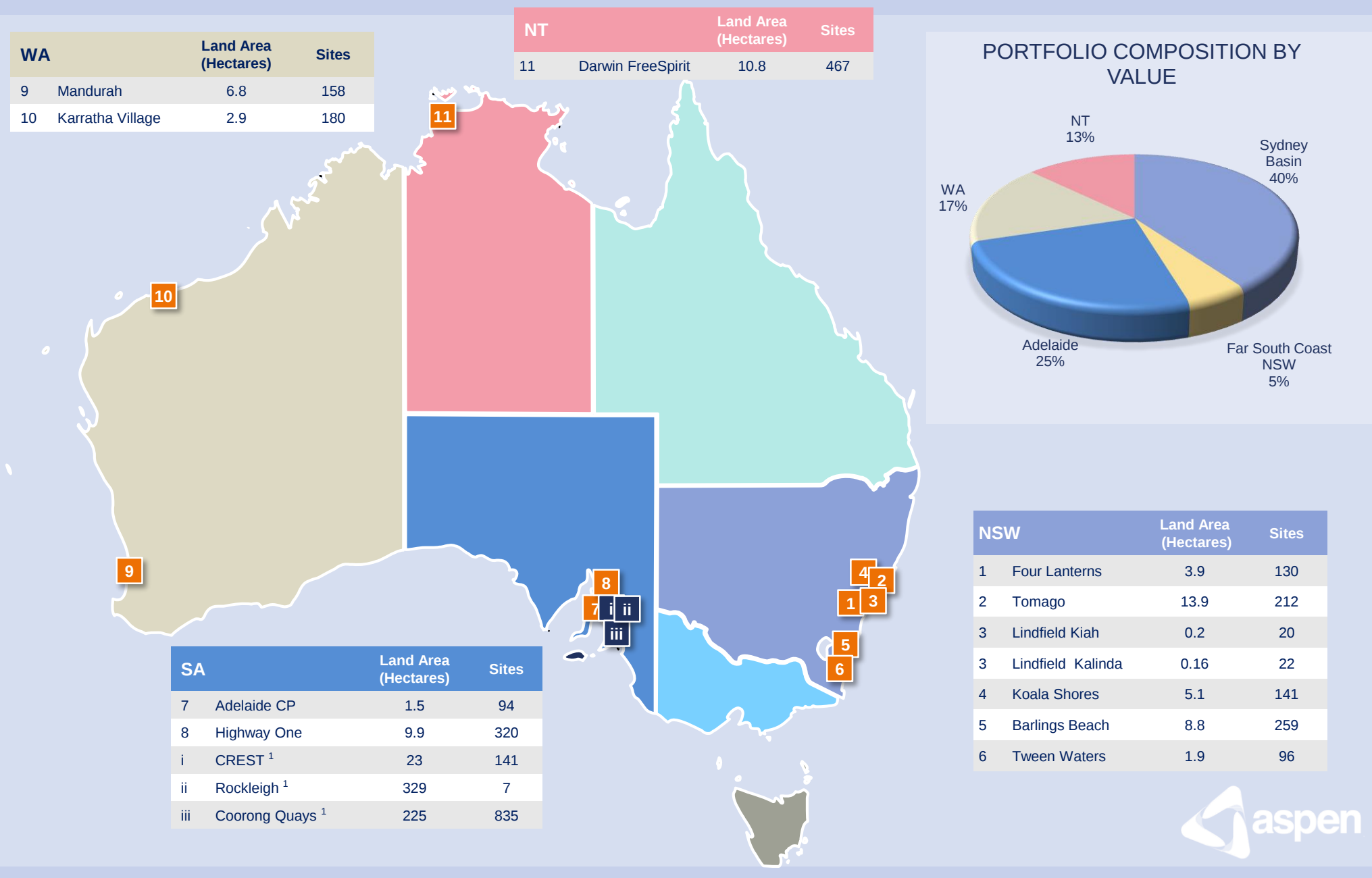
- Aspen currently has a portfolio of 12 properties valued at \$139m¹
- Aspen manages 3 major projects and earns project management fees
- General traits that Aspen seeks in properties it acquires:
 - Desirable locations
 - Large land parcels that are under-utilised
 - Existing dwellings priced at well below replacement cost that 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



1. Includes Lindfield Apartments (\$8.65m) and Four Lanterns manufactured house inventory (\$2.47m)

Portfolio Summary

4.2



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

Portfolio Summary

4.3

	New South Wales							South Australia					WA		NT
	Four Lanterns	Lindfield Kiah	Lindfield Kalinda	Tomago Village	Koala Shores	Barlings Beach	Tween Waters	Adelaide CP	Highway One	CREST @ Woodside ¹	Rockleigh ¹	Coorong Quays ¹	Mandurah Gardens	AKV	Darwin FSR
Region	Sydney Metro	Sydney Metro	Sydney Metro	Newcastle	Newcastle	South Coast	South Coast	Adelaide Metro	Adelaide Metro	Adelaide Hills	Rural	South Coast	South Coast	Pilbara	Darwin Metro
Land Tenure	Freehold	Freehold	Freehold	Freehold	Free/Lease hold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Total Land Area (HA) ²	3.9	0.20	0.16	6.0	5.1	8.8	1.9	1.5	9.9	22.6	329.4	225.0	6.8	2.9	10.8
Approved Sites ³	130	20	22	212	141	259	96	94	320	141	7	835	158	180	467
- per Ha	33	100	140	35	28	30	49	63	32	6	0.02	4	23	62	43
Owned Inventory ⁴	12	20	22	69	38	32	32	47	85	82	2	5	1	180	150
- per Approved Site	9%	100%	100%	33%	27%	12%	33%	50%	27%	58%	29%	1%	1%	100%	32%
Book Value ⁵ (\$m)	14.71	4.12	4.53	10.50	9.75	13.50	7.30	11.00	23.00				12.25	11.00	17.50
Valuation Cap Rate ⁶	6.50%	3.74%	3.97%	8.50%	8.85%	8.75%	9.00%	8.50%	9.25%				8.50%	15.00%	10.00%
Value Per HA (\$m)	3.7	20.7	28.9	1.8	1.9	1.5	3.7	7.3	2.3				1.8	3.8	1.6
Value per approved Site (\$k)	113	206	206	50	69	52	76	117	72				78	61	37

Notes:

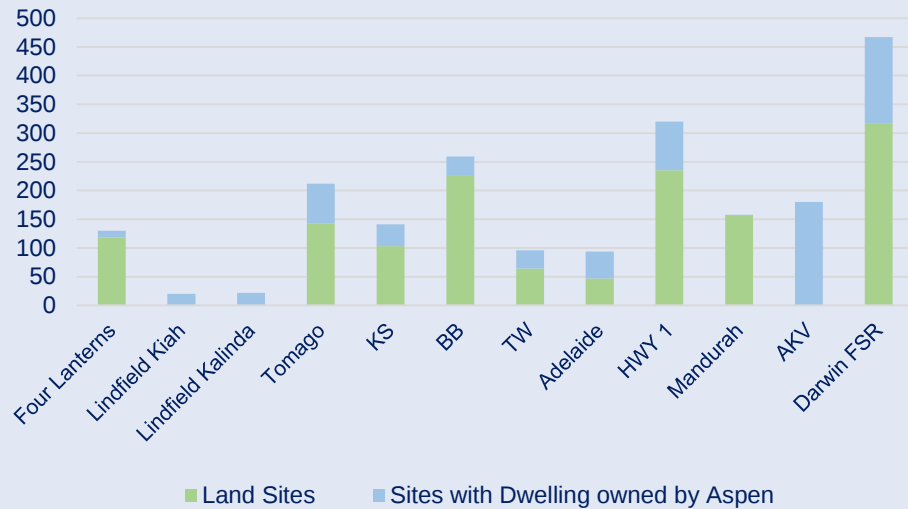
1. CREST @ Woodside, Rockleigh and Coorong Quays properties are owned by Funds managed by Aspen Group
2. Tomago Village land area excludes "Environmental Conservation" land, and Koala Shores land area excludes leasehold and licensed land, that can not currently be developed
3. Approved Sites is the total number of underlying units or land sites currently permitted on the property under planning, licence or other conditions
4. Owned inventory are houses, apartments, cabins, vans etc. that Aspen or the Fund own that can be sold or leased on short to long term basis to customers
5. Book value are a mixture of Directors' and external valuations. Four Lanterns includes manufactured house inventory of \$2.47m.
6. Valuation cap rate that has been applied to assumed net operating income by external valuers



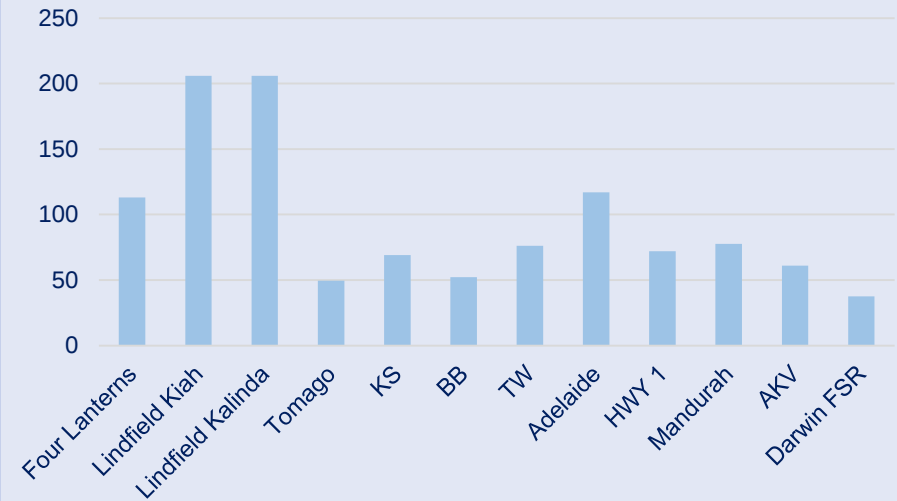
Portfolio Summary

4.4

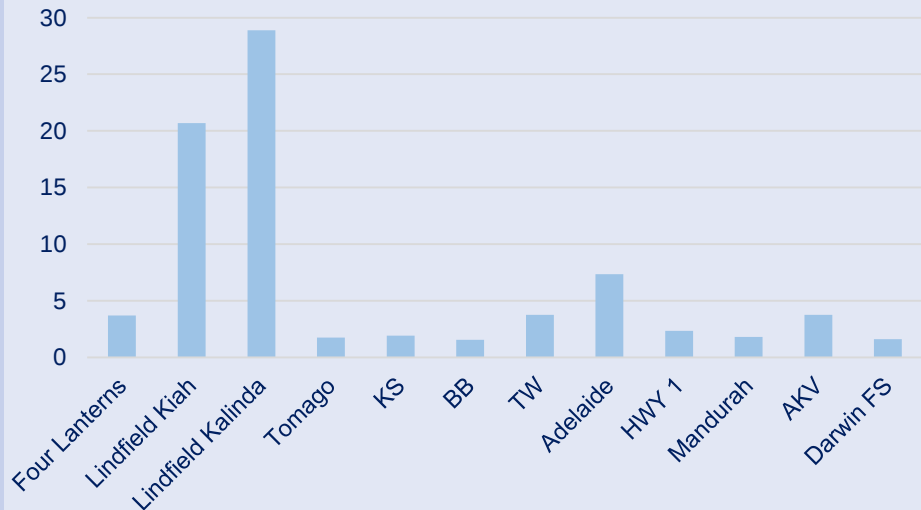
Approved Sites



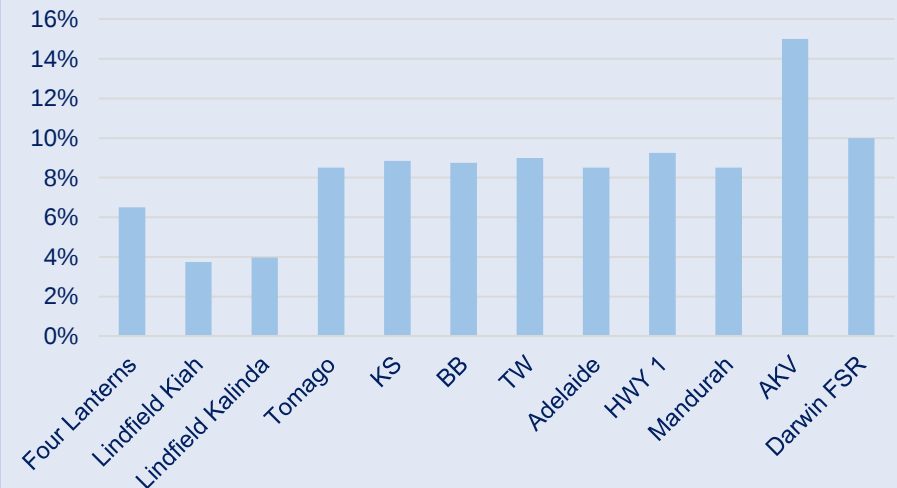
Value per Approved Site (\$k)



Value per Hectare (\$m)



Valuation Cap Rate





5

Managed Funds



Coorong Quays

- Upgrades to the facilities continue including a new Coorong Quays Club for residents and visitors
- Long term viability of the site has been secured with an agreement to transfer waste water services to Alexandrina Council who will upgrade the facilities, ensuring the masterplan can be fully developed out
- Future land development stages and lifestyle village are planned for this financial year
- In FY19, across the estate:
 - median house prices increased 15%
 - house sales volumes increased 21%
 - land sales volumes increased 60%
- Capital expenditure expected to be in the range of \$1.5m - \$2.0m in FY20

CREST @ Woodside

- Civil works at Woodside are progressing towards an expected completion in November 2019
- Sales are steady with 6 lots already contracted. Continued sales should enable the next stage of civils to commence in the second half of FY20 or first half of FY21
- Capital expenditure expected to be approximately \$2.0m in first half of FY20

Rockleigh

- Almost Sold Out



Residence Design Image: Tomago Village Redevelopment, NSW

6

Aspen Group Limited: FY19 Statutory Accounts Extract



Statutory Accounts Extract: Statement of Profit and Loss

6.1

	2019	2018
	\$'000	\$'000
Continuing Operations		
Revenue	29,228	21,745
Cost of sales	(17,449)	(12,418)
Gross profit	11,779	9,327
Expenses and other items		
Corporate overheads	(5,821)	(5,503)
Property depreciation, fair value adjustments and other	(12,736)	(3,224)
	(18,557)	(8,727)
Earnings/(loss) before interest and income tax expense (EBIT)	(6,778)	600
Finance income	207	369
Finance costs	(1,284)	(868)
(Loss)/profit before income tax	(7,855)	101
Income tax expense	-	-
(Loss)/profit from continuing operations	(7,855)	101
Discontinuing Operations		
(Loss)/profit for the year from discontinued operations	(67)	671
(Loss)/profit for the year	(7,922)	772
(Loss)/profit attributable to ordinary equity holders of the parent entity	(7,811)	825
Loss attributable to non-controlling interest	(111)	(53)
(Loss)/profit for the year	(7,922)	772



Statutory Accounts Extract: Balance Sheet

6.2

	2019	2018
	\$'000	\$'000
Assets		
<i>Current assets</i>		
Cash and cash equivalents	6,466	13,370
Trade and other receivables	3,913	1,950
Assets classified as held for sale	-	4,157
Inventories	2,760	1,566
Total current assets	13,139	21,043
<i>Non-current assets</i>		
Property, plant and equipment	112,934	81,996
Intangible assets	15,212	24,250
Other	450	373
Total non-current assets	128,596	106,619
Total assets	141,735	127,662
Liabilities		
<i>Current liabilities</i>		
Trade and other payables	6,485	5,841
Liabilities classified as held for sale	-	43
Provisions	1,984	2,402
Total current liabilities	8,469	8,286
<i>Non-current liabilities</i>		
Interest bearing loans and borrowings	24,500	4,700
Total non-current liabilities	24,500	4,700
Total liabilities	32,969	12,986
Net assets	108,766	114,676
Equity		
<i>Equity attributable to equity holders of the parent</i>		
Issued capital	490,348	490,361
Reserves	14,092	7,129
Accumulated losses	(375,531)	(362,782)
Total equity attributable to equity holders	128,909	134,708
Non-controlling interest	(20,143)	(20,032)
Total equity	108,766	114,676



Statutory Accounts Extract: Cash Flow Statement

6.3

	2019 \$'000	2018 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	30,098	26,140
Payments to suppliers and employees (inclusive of GST)	(26,249)	(20,816)
Interest received	225	377
Net cash flows from operating activities	4,074	5,701
Cash flows (used in)/from investing activities		
Proceeds from sale of assets held for sale, net of selling costs	2,542	31,082
Deposit paid for business acquisition	(865)	-
Acquisition of property, plant and equipment and goodwill	(27,047)	(35,030)
Net cash flows used in investing activities	(25,370)	(3,948)
Cash flows (used in)/from financing activities		
Proceeds from borrowings	28,800	4,700
Repayment of borrowings	(9,000)	-
Payments for securities buy-back and transaction costs	-	(5,568)
Distributions paid	(4,232)	(4,669)
Payment of financing costs	(336)	(556)
Borrowing costs	(840)	(20)
Capital return	-	(5,094)
Net cash flows used in financing activities	14,392	(11,207)
Net decrease in cash and cash equivalents	(6,904)	(9,454)
Cash and cash equivalents at beginning of year (including cash assets classified as held for sale)	13,370	24,451
less: cash included in assets of disposal group held for sale	-	(1,627)
Cash and cash equivalents at end of year	6,466	13,370

Statutory Accounts Extract: Segment Information

6.4

	Residential / Retirement / Tourism		Corporate		Non-core		Other		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Segment revenue ¹	20,734	13,665	8,494	8,080	-	1,013	-	-	29,228	22,758
Operating EBITDA ²	8,264	5,709	3,550	3,775	-	862	(5,920)	(5,252)	5,894	5,094
Finance income	-	-	-	-	-	-	207	369	207	369
Finance costs	-	-	-	-	-	-	(1,140)	(678)	(1,140)	(678)
Operating profit/(loss) before income tax	8,264	5,709	3,550	3,775	-	862	(6,853)	(5,561)	4,961	4,785
Depreciation and amortisation	(2,270)	(1,265)	(322)	(355)	-	-	(40)	(117)	(2,632)	(1,737)
Non-underlying items ³	(9,979)	(2,083)	253	866	-	(191)	(525)	(868)	(10,251)	(2,276)
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	-
Profit/(loss) after tax	(3,985)	2,361	3,481	4,286	-	671	(7,418)	(6,546)	(7,922)	772
Other segment information										
Segment assets	121,628	97,254	12,554	11,808	407	4,522	680	708	135,269	114,292
Cash and cash equivalents	-	-	-	-	-	-	6,466	13,370	6,466	13,370
Total assets	121,628	97,254	12,554	11,808	407	4,522	7,146	14,078	141,735	127,662
Segment liabilities	2,737	2,885	207	387	31	436	5,494	4,578	8,469	8,286
Interest bearing loans and borrowings	-	-	-	-	-	-	24,500	4,700	24,500	4,700
Total liabilities	2,737	2,885	207	387	31	436	29,994	9,278	32,969	12,986
Net assets	118,891	94,369	12,347	11,421	376	4,086	(22,848)	4,800	108,766	114,676
Share of net profit or loss of associates included in profit	-	-	-	-	-	-	-	-	-	-



1. All segment revenues are derived from external customers

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

3. Non-underlying items include gains and losses on fair value movements and disposals, and non-reoccurring items which are not part of ordinary operating performance



BIG4 Koala Shores Holiday Park, NSW

7

Appendices

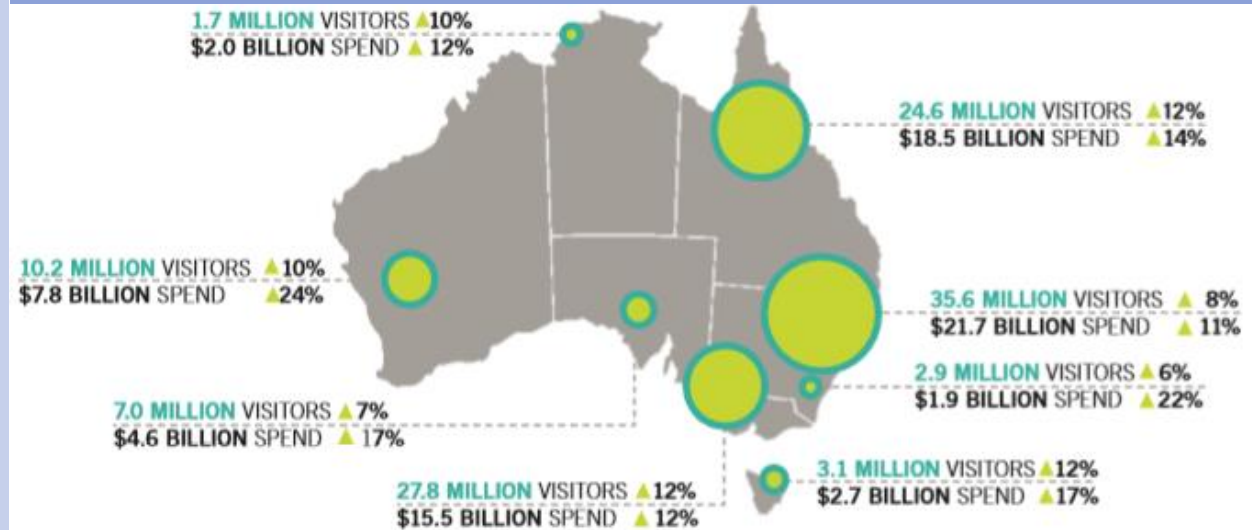


Tourism Sector

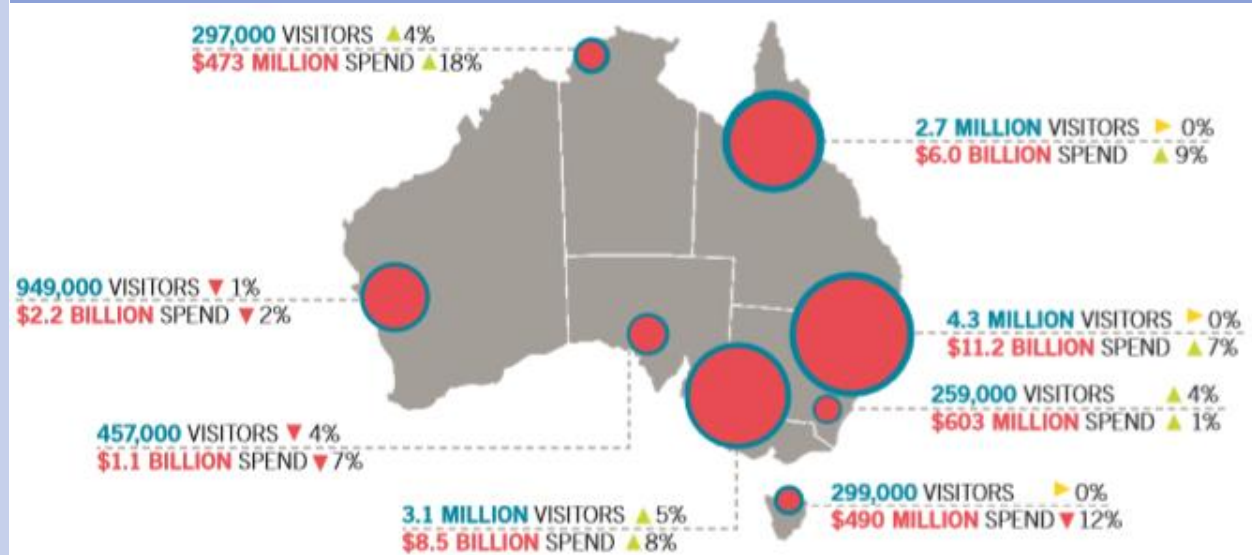
Overall conditions generally weakened in the markets in which Aspen operates over the past year, despite continued growth in tourism demand.

- Austrade estimates that in the year to March 2019, overnight stays by domestic visitors grew at an impressive 10%, however growth in international visitor numbers has slowed to around 3% and their nights stayed has slowed even further to around 1%.
- Total demand (by nights stayed) is estimated to have increased by 4% at commercial caravan parks, 10% at hotels, 12% at rented apartments/houses (eg. Airbnb), and 18% in privately owned holiday properties.
- However, in most major locations, total accommodation supply has increased materially, occupancy rates have declined, and operators have been reducing room rates in response.
- CBRE estimates that in the hotel segment Australia-wide occupancy declined 1.7%, average room rate declined 0.3% and REVPAR declined 2% over the year.

Overnight Trips and Spend by State – YE Mar 2019¹

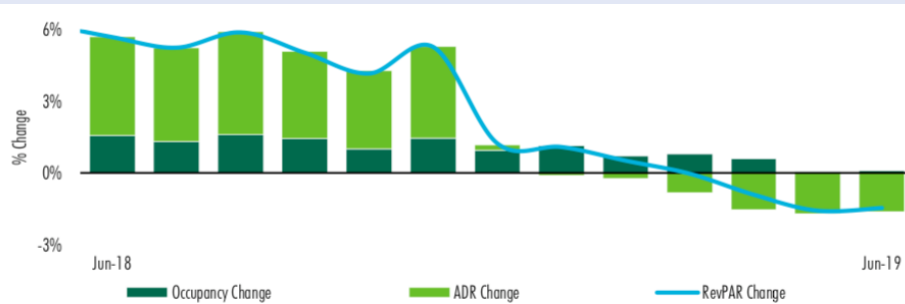


International Visitors and Spend by State – YE Mar 2019¹



FY19 Hotel Industry Performance (By City)

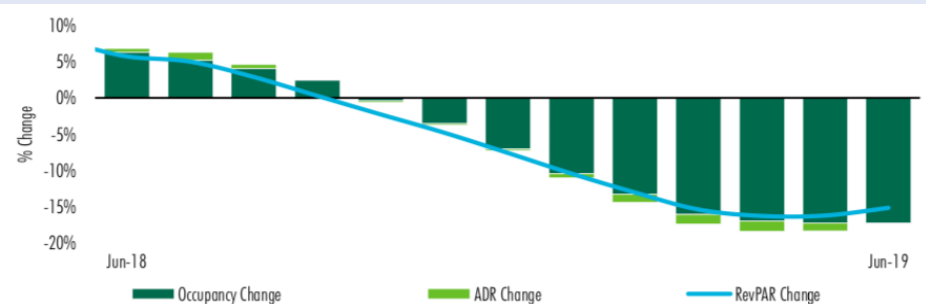
Adelaide¹



- Rooms Sold: -1% (25% decline in international offset by 7% increase in domestic)
- Occupancy: -0.2%
- ADR: -1.8%
- REVPAR: -1.9%



Darwin¹



- Rooms Sold: +5%
- Occupancy: -18.3%
- ADR: +0.9%
- REVPAR: -17.6%

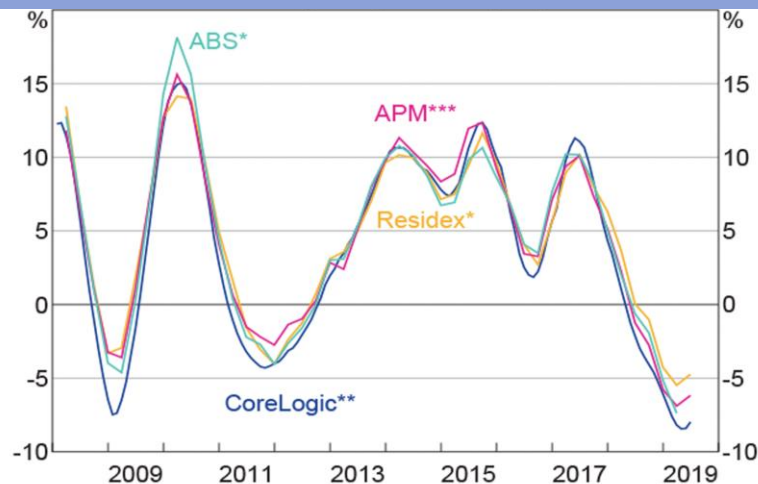


Australia's Residential Property Market

- Prices declined about 5-10% on average and sales volumes fell due to pockets of oversupply, tightening credit conditions, Labor's proposals to tax the industry more, and other issues.
- Sentiment and activity have improved mildly post the election and the recent reduction in interest rates.

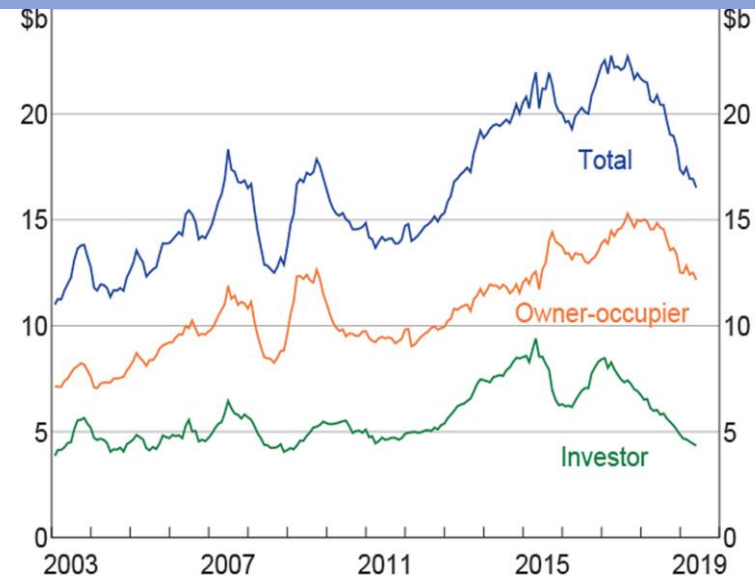


Housing Prices
Year-ended growth, seasonally adjusted



* ABS is a quarterly stratified median price index; Residex is a quarterly repeat sales price index
 ** Monthly hedonic price index; non-seasonally adjusted
 *** Quarterly stratified median price index
 Sources: ABS; APM; CoreLogic; RBA; Residex

Housing Loan Approvals
Excluding refinancing



Sources: ABS; RBA

Distribution & Tax History

7.4

Period / Quarter Ended	Date Paid	Distribution Type	Aspen Group Ltd	Aspen Property Trust ¹		Total Amount Paid cents
			Cps	Cps	Tax Deferred / Non assessable income	
Dec-17	28/02/2017	Ordinary	-	2.1	-	2.1
Jun-17	29/08/2017	Ordinary	-	2.5	-	2.5
Oct-17	20/10/2017	Special Capital	-	5.0	100.0%	5.0
Dec-17	27/02/2018	Ordinary	-	2.1	31.4%	2.1
Jun-18	30/08/2018	Ordinary	-	2.1	30.5%	2.1
Dec-18	26/02/2019	Ordinary	-	2.3	TBA	2.3
Jun-19	30/08/2019	Ordinary	-	2.7	TBA	2.7

Year Ended 30 June 2019	Aspen Group Ltd	Aspen Property Trust
	Gross (\$m)	Gross (\$m)
Revenue tax losses	71.1	-
Capital tax losses	39.5	-
Franking credits	2.2	-

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





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