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**ASX ANNOUNCEMENT**
**5 October 2026**

# Aspen Group 1Q FY27 Update

## Strong Start

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Aspen Group (ASX: APZ) provides good quality, value-for-money housing that is very attractive to customers in all economic environments, driving continued strong momentum across our business. Aspen offers a variety of lease types, with an increasing skew to Residential leases over time as we buy and build more Residential properties, convert more of our Retirement Village and Park agreements to Residential leases, and sell tourist-centric Park properties.

1Q FY27 financial results were above our expectations, particularly from the rental pool, and we are well on track to deliver another year of strong profitability and at least 20% growth in Underlying EPS[1].

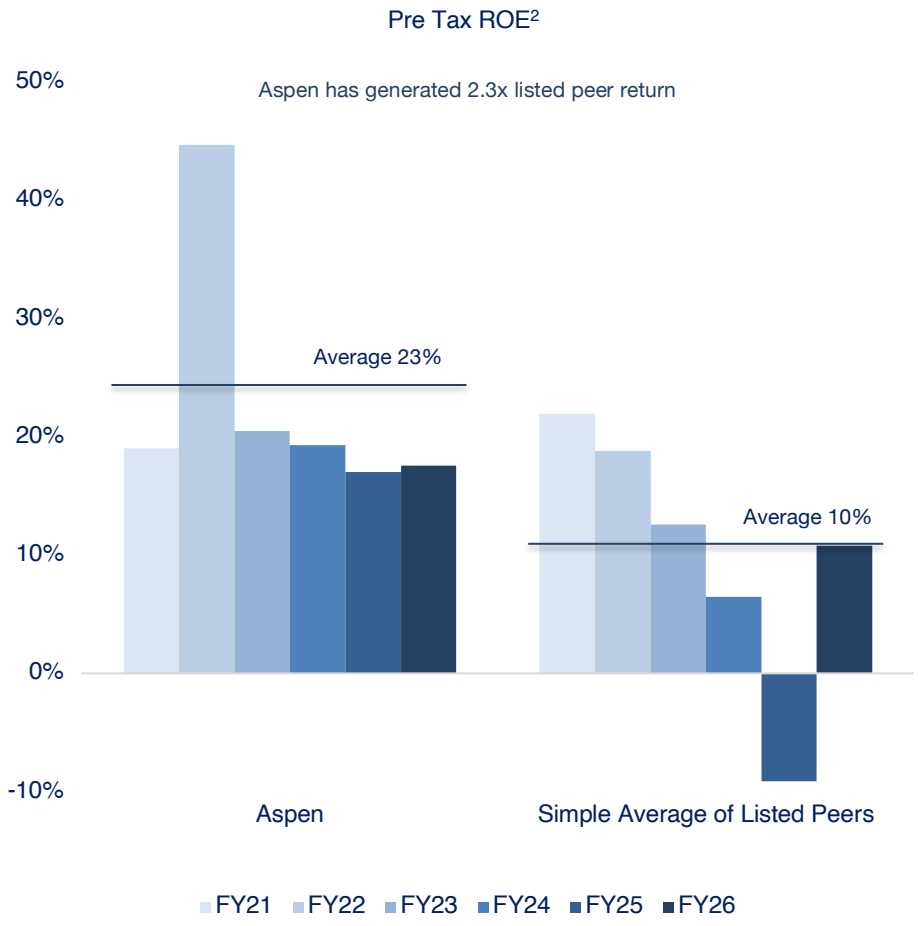
### Aspen's Profitable Rental Business Model

**Owner**
Proprietary mindset – Aspen owns 100% of its properties and projects with no joint venture, profit sharing or fund interests and conflicts to consider

**Operator**
Maximising profitability through intensive management of properties and offering various lease durations and services to customers – not a passive rent collector

**Developer**
Cost effective creation of quality accommodation through brownfield and greenfield development that is well suited to the market opportunity and Aspen's core customer base

**Capital Manager**
Disciplined acquisitions + offering various funding options to customers + recycling capital to optimise portfolio, maximise



## 1Q Underlying Earnings Summary[1]

| | 1Q FY26 | 1Q FY27 | Increase |
|---|---|---|---|
| Net Rental Income (NRI) | $10.9m | **$12.7m** | 16% |
| Realised Development Profit | $4.0m | **$7.9m** | 96% |
| EBITDA | $12.9m | **$17.8m** | 38% |
| Pre Tax EPS (cents) | 5.3 | **7.1** | 34% |

Unaudited management accounts.

## Rentals

| | 1Q FY26 | 1Q FY27 | Increase |
|---|---|---|---|
| Revenue | $19.7m | **$21.7m** | 10% |
| Net Rental Income (NRI) | $10.9m | **$12.7m** | 16% |
| NRI Margin | 55% | **58%** | 3ppt |

- Residential rents are increasing across Australia due to a scarcity of rentals and increasing production costs, including higher interest rates and the Federal Government's recent increase in taxes on existing rental housing. New supply remains highly constrained and expensive, and building industry bankruptcies are at all-time highs. Cotality estimates average rental growth was 5.5% for the 12 months to September 2026
- Aspen's Rental Revenue increased 10% and NRI increased 16% - NRI margin expanded from 55% to 58% through excellent operational management, refurbishment that has improved our properties and reduced costs, better marketing and portfolio mix
- Our long stay accommodation is essentially full, with our rents generally increasing 3-5% per annum, and ~10% below market on our estimates. Attendance at our open homes and rental applications remain high and rental arrears are negligible
- In our Adelaide Villa Portfolio we are quickly refurbishing and re-leasing villas under Residential leases as tenants under Retirement Village leases vacate. This is improving the quality of the portfolio and income streams
- The major upgrade of common facilities at CoVE Upper Mount Gravatt has been completed. During the heavy construction period we granted a 20% rent rebate which ended 1 September and occupancy has rebounded to over 90%
- The Residential BTR component of the Australind project is on track for completion this half. Demand is very strong and rents are materially higher than the $400-450pw assumed in the initial feasibility. Some of the 2-bedroom houses have been leased to corporate customers for $1,000pw (double-occupancy, furnished and serviced), which is attractive compared to alternative motel room accommodation in the region. We expect to commence the Lifestyle component of the project in FY27
- Short stay was mixed: Aspen Karratha Village remains highly occupied with solid forward bookings, Darwin Freespirit Resort was essentially in line with last year in its high season which is drawing to a close, Koala Shores and Black Dolphin improved post refurbishment in their low season. Revenue was soft at our two Adelaide parks, however we managed to generate NRI in line with last year
- The acquisition of ECH portfolio settled in early September, the sale of Trigg apartments settled on 1 October, and the sale of Barlings Beach and Black Dolphin parks is expected to settle mid-October
- Aspen's acquisition opportunities are increasing, and we will remain highly selective when growing our portfolio of properties that are highly suited to our strategy

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## Development

| | 1Q FY26 | 1Q FY27 | Increase |
|---|---|---|---|
| Settlements - # | 30 | **46** | 53% |
| Average Price – Lifestyle House (inc. GST) | $476k | $520k | 9% |
| Revenue | $13.0m | **$22.1m** | 70% |
| Realised Development Profit (DP) | $4.0m | **$7.9m** | 98% |
| DP Margin - % | 31% | **36%** | 5ppt |
| DP Margin – $ per House/Lot | $135k | **$168k** | 24% |

Settlements # – 1QFY26 comprised all Lifestyle houses and 1QFY27 comprised 45 Lifestyle houses and 1 Residential land lot

- Average sale price of Lifestyle houses was $520k which is $580k or 53% below Australia's average residential dwelling price of $1.1m[3]
- Development Profit Margin expanded 5ppt to 36% and profit per sale increased materially by 24% to $168k – production costs are mostly under control and our strategy, where possible, is to gradually increase sale price with each new release rather than necessarily seeking the maximum price
- There were 46 settlements in 1Q and 123 contracts on hand at the end of the quarter. The combined total of 169 comprise 91 Lifestyle houses (FY27 guidance of 150) and 78 Residential land lots (FY27 guidance of 90) and represents ~78% of FY27 Development Profit guidance (compared to 145 and ~68% at the time of Aspen's FY26 results announcement)
- Contract cancellations at our Lifestyle projects remain very low and there have been no settlement delays to date
- There have been 7 (9%) contract cancellations at our Residential land projects to date, however 6 of the lots have already been re-contracted, 5 at 5% higher price on average and 1 at the same price. Titles have recently been issued for the new land lots at Mount Barker and settlements have commenced. Titles for the new land lots at Ravenswood are expected to be issued in November, allowing settlements in 1H which is an important milestone for mitigating development risk in FY27
- We currently have only 3 completed Lifestyle houses and 11 completed Residential land lots available for sale across our 9 active projects, and all of these were only recently completed
- We are seeing early signs of capacity freeing up in some parts of the building industry which is helping keep a lid on costs and speed up production

## FY27 Guidance Reiterated[4]

Aspen remains on track for continued strong growth in earnings and net asset value in FY27 and beyond. Guidance is reiterated at this early stage despite the 1Q result being ahead of our expectations, as we remain cautious given weakening economic conditions which increases risks, particularly with timing of development settlements.

| Underlying Earnings | FY26 | FY27 Guidance Reiterated | Increase |
|---|---|---|---|
| Net Rental Income | $42m | **$44m** | 4% |
| Realised Development Profit | $22m | **$33m** | 52% |
| EBITDA | $54m | **$66m** | 22% |
| Pre Tax EPS | 21.8 cents | **26.1 cents** | 20% |
| DPS | 11.0 cents | **12.0 cents** | 9% |

We expect Aspen Group to pay an effective tax rate of 10-15% of the group's total pre-tax Underlying Earnings in FY27 after exhausting historic tax losses in FY26, and a higher proportion of distributions to be franked in future.

**Aspen Group has massive opportunities for profitable growth due to its highly competitive cost of production and the structural shortages of quality accommodation for the majority of Australian households**

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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. Pre Tax ROE = reported audited Pre Tax Comprehensive Income Divided by Starting NAV (pre DTL) each Financial Year. Listed Peer Group includes Ingenia Communities, Lifestyle Communities, and Gemlife Communities (from its 1HFY26 result , annualised)
3. ABS – average price of all residential dwellings (houses and units) – Australia June 2026
4. Subject to no material change in Aspen's operating environment

**Disclaimer**

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