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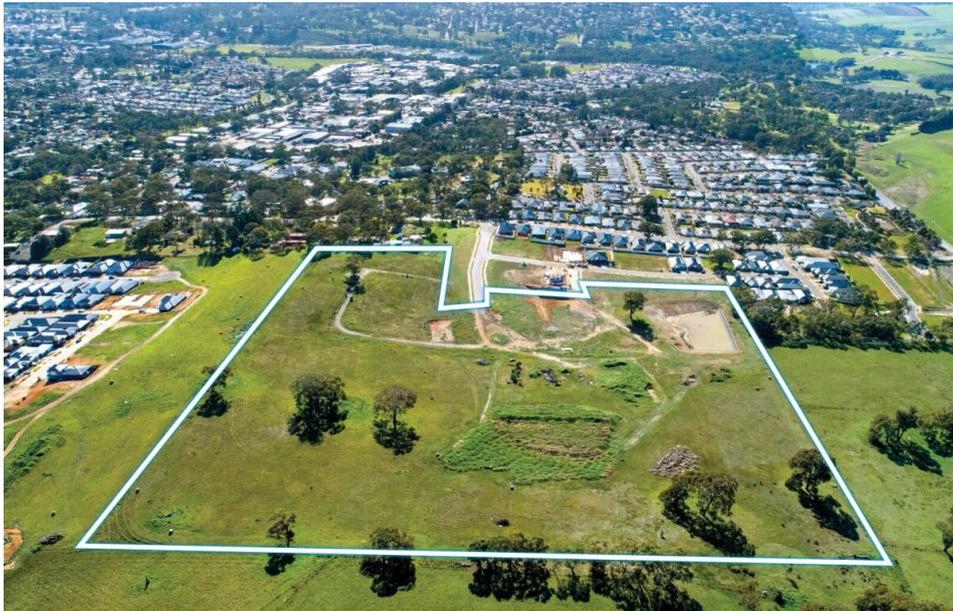
ASX ANNOUNCEMENT 26 October 2020

Acquisition – Mount Barker, South Australia

Aspen Group (ASX: APZ) (“**Aspen**”) is pleased to announce that it has entered into conditional contracts to acquire a residential land site of approximately 11.5 hectares at 32 Sims Road, Mount Barker, South Australia under a Mortgagee in Possession sale. Settlement is expected to occur by the end of calendar 2020 after the new title is created.

The property adds to the group’s substantial cluster in South Australia alongside Adelaide Caravan Park, Highway 1, Coorong Quays and CREST at Woodside, and we expect our quality local team of employees, consultants and contractors to add substantial value to the project.

Mount Barker Land – Approximately 11.5 Hectares



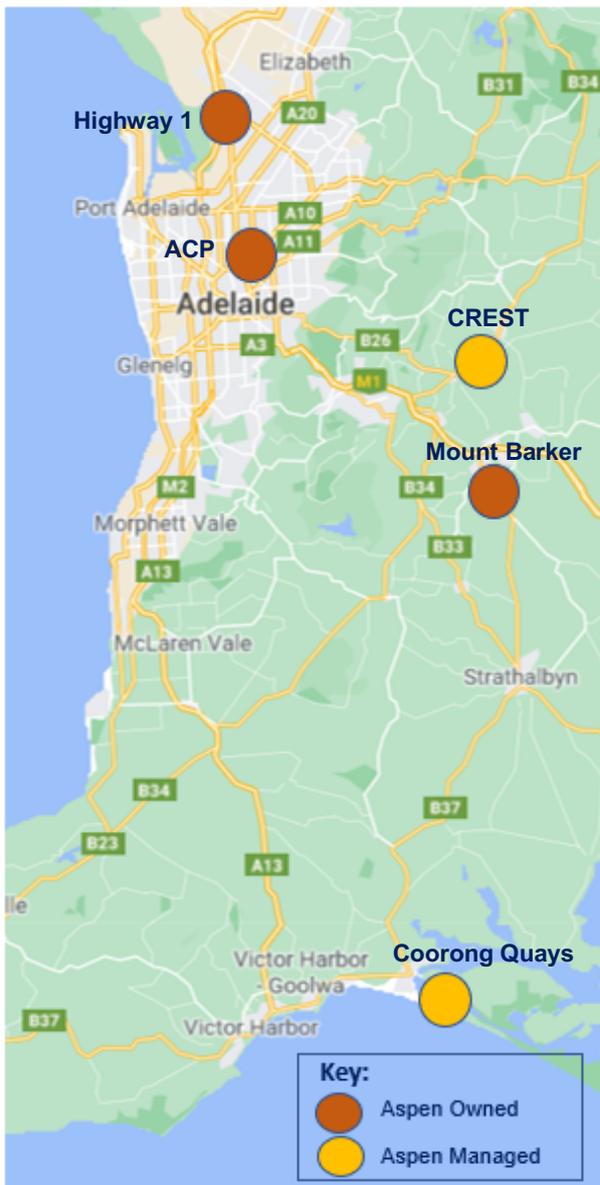
Mount Barker offers an attractive lifestyle in the Adelaide Hills only 33 kilometres and 35 minutes by car from the Adelaide city centre.

Mount Barker local government area has a population of over 37,000 growing at about 3% per annum. The property is situated within the Mount Barker Growth Area (MBGA) which is a policy defined area created by the SA Government to foster supply of new residential accommodation. Over the next 10 years, forecast population growth in the MBGA is about 8,800 people including the over-50s cohort which is expected to increase by 1,800 people (source: .id community). This growth is being well supported by federal, state and local governments including, for instance, \$50 million of funding for new aquatic and sports centres.

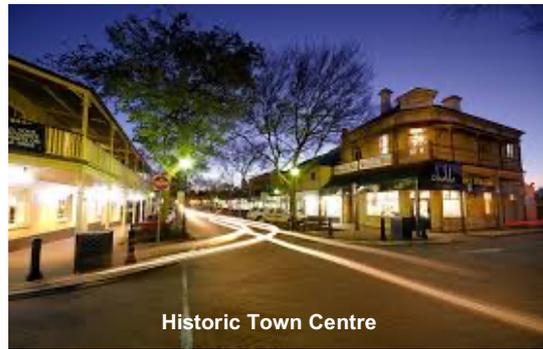
Mount Barker has similar socio demographics to the rest of Australia (2016 census):

	Mount Barker	Australia
Median age	39	38
% Population >50 years	35%	34%
Population growth 2011-2016	12.2%	8.8%
Average number of people per household	2.6	2.6
Degree/diploma educated	28%	31%
Median household income	\$1,425	\$1,438
Unemployed	5.2%	6.9%

Aspen's South Australia Cluster



Mount Barker Facilities



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Aspen's Development Plan

Currently, 97 residential lots have been approved for development on the site that Aspen is acquiring. The lots are 650sqms on average and developed lots in the estate have sold for an average price of approximately \$180,000 to date.

We are planning to instead develop a land lease community and residential lots, subject to Council approving the change. Based on a minimum lot size of 200sqm under current planning rules, about 200 lots can be developed on the site while still allowing for substantial public reserves and parks. Density would be about 17 lots per hectare which is half the density of our Four Lanterns and Sweetwater Grove communities. We believe our plan is consistent with the site's Residential Neighbourhood Zoning and caters to the region's need for housing that is more affordable and suitable for its rapidly growing over-50s cohort.

The acquisition increases Aspen's on-balance sheet development pipeline 2-3 times by number of lots depending on the final scheme approved.

Pricing

The purchase price is \$4.51 million (excluding refundable GST and transaction costs), equating to approximately \$400,000 per hectare, \$46,000 per currently approved residential lot and \$23,000 per planned lot.

Our plan is to offer more competitively priced product whilst still generating attractive investment returns. We are aiming to sell quality land lease houses from under \$300,000 and residential land lots from under \$100,000 to allow for house and land packages under \$300,000. This price point is a meaningful discount to the local median house price of \$425,000 (realestate.com.au) and to new retirement village houses in the area that are being sold under a deferred management fee model.

Announcement authorised by the Board of Aspen Group Limited.

END

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