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AEG Commences Capital-Light Property Funds Strategy with Substantial FY27 Revenues and Expected Profitability

31 July 2026

Aland Equity Group Limited (ASX:AEG) (**AEG** or **Company**) is pleased to announce that it has entered into a binding Heads of Agreement (**HOA**) to manage the marketing and sales of 56 lots at the Elm Grove Heights Land Release in Bungendore, representing the first transaction under the Company's capital-light property funds model.

The transaction establishes the operating model contemplated under the Company's recently announced Property Funding Deeds for the adjacent 3,200-lot Chinnerys master-planned community and broader property pipeline which will follow.

Highlights

- First transaction under AEG's capital-light property funds strategy expected to generate substantial revenues and profitability in FY27
- HOA for AEG to be granted exclusive rights to manage the marketing and sale of 56 residential lots at the Elm Grove Heights Land Release, Bungendore (**Land**)
- Capital-light investment model enables AEG to participate in 100% of the Fund's investment returns, including investment management and marketing fees and sales
- Estimated Fund income of approximately $75,000 per Lot after all costs*
- Model mitigates the need for dilutive fundraisings, positioning AEG to scale earnings across its pipeline without shareholder dilution
- Demonstrates the operating model to be replicated across the larger 3,200-lot Chinnerys development and future property pipeline
- No land acquisition required, with Fund to pay only council contributions, marketing and sales costs and Fund costs through a $3.5m non-recourse debt facility secured over Land
- Further revenues expected in FY27 from the proposed Cowra Property , which is subject to final approvals
- Land owned by an entity associated with Chairman, Mr. Alex Brinkmeyer, and subject to shareholder approvals

* Based on the current estimated average sale price, agreed price per Lot and assumed marketing, sales and settlement costs. Actual Fund income may differ. Refer to Schedule 1 for a summary of the transaction terms.

First Fund Income Expected from 100% owned AEG Elm Grove Heights Fund

Under the transaction, AEG will establish a wholly-owned investment fund (**Fund**) which will fund council contributions and marketing and sales costs to complete and sell the subdivision of the Land.

Fund income is currently estimated at approximately $75,000 per Lot after all costs*.

The transaction is expected to generate substantial revenues during FY27, comprising 100% of the investment returns and fees from the Fund after costs.

The Fund will utilise a $3.5m project debt facility from PLC Money, secured against the Land and non-recourse to AEG. Accordingly, no external equity investment is expected to be required.

Marketing and sales activities will be undertaken by experienced external consultants and contractors engaged by the Fund.

A Management Rights Agreement will be entered into within three months of the HOA to formally document the transaction.

Capital-Light Investment Model

Unlike a traditional developer, the Fund will not acquire the Land. Instead, the Land will remain owned by Elmslea Land Developments Pty Limited until settlement with each purchaser.

This capital-light investment model is capable of generating 100% returns while requiring significantly less capital.

Importantly, the Fund demonstrates the operating model contemplated under AEG's recently announced Property Funding Deed for the larger 3,200-lot Chinnerys master-planned community and the Company's future property pipeline.

Managing Director, Mr. David Nolan commented:

"This transaction marks the transition of AEG's property funds model from planning into execution, with substantial revenues expected to deliver profitability in FY27.

* Based on the current estimated average sale price, agreed price per Lot and assumed marketing, sales and settlement costs. Actual Fund income may differ. Refer to Schedule 1 for a summary of the transaction terms.

"One of the most compelling aspects of this transaction is that it demonstrates our capital-light investment model.

"Unlike a traditional developer, we don't need to acquire the land. We only fund the completion and sales and marketing costs required to unlock value, allowing us to generate attractive earnings while deploying significantly less capital.

"Importantly, this first fund requires no external equity investment, demonstrating how efficiently the model can operate.

"The AEG Elm Grove Heights Fund is the first execution of that model and the blueprint for substantially larger opportunities, including Chinnerys."

Chairman, Mr. Alex Brinkmeyer commented:

"Elm Grove Heights forms part of more than two decades of planning and development in Bungendore, including the Chinnerys master-planned community.

"I believe greater long-term value can be created by bringing these opportunities into AEG rather than retaining that value solely as the landowner. As AEG's largest shareholder, I benefit alongside all shareholders as that value is realised through the Company's earnings, growth and future dividends."

Elm Grove Heights Heads of Agreement

AEG subsidiary, Aland Equity Land Pty Limited (**AE Landco**), has executed a Heads of Agreement with Elmslea Land Developments Pty Limited (ACN 066 447 265) as trustee for the Elmslea Land Development Unit Trust No. 2 (**ELD**), an entity associated with Mr. Brinkmeyer, under which ELD agrees to grant AE Landco (through a new 100% owned Fund) the right to manage and market the sales of the 56 residential lots (**Lots**) at Elm Grove Estate Stages 2B-1 and 2B-2 (Elm Grove Heights Land Release).

ELD agrees to grant the Fund the Management Rights in consideration for paying the Council Contributions and Marketing Costs. As part of the Management Rights, AE Landco will be entitled to the Net Sales Income from the Sales of the Lots.

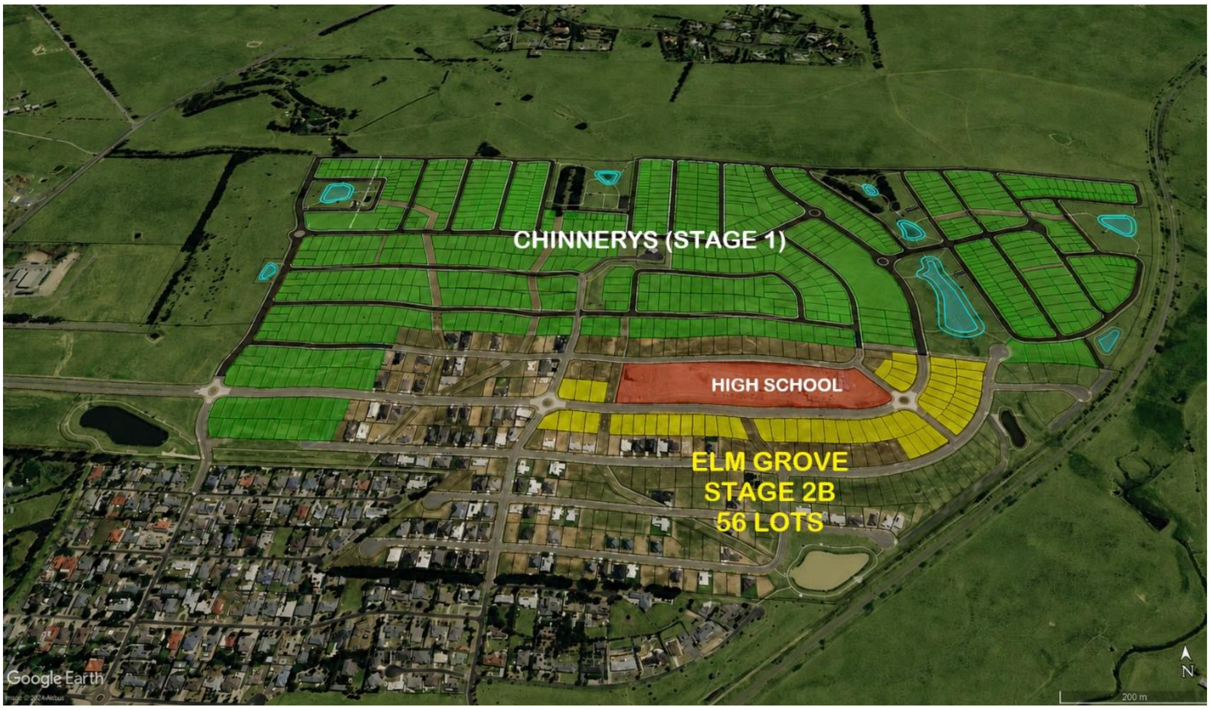
ELD will own the Lots until completion of the Sales. On completion of the Sale of a Lot, ELD must pay the Fund the Net Sales Income.

Aland Equity Funding Pty Limited has received a letter of offer from PLC Money to provide a $3.5 million debt facility to the for the Fund to fund the Council Contributions, marketing costs and fees, investment management fees and transaction costs. The Management Rights Agreement will be subject to completion of the Debt Financing.

The Marketing Rights Agreement is subject to any required regulatory or shareholder approvals. The Company notes it will seek shareholder approval under ASX Listing Rule 10.1 at a general meeting to be held at a later date.

Defined terms are set out in the summary of the HOA in Schedule 1.

Elm Grove Heights Land Release



This announcement has been authorised for release by the Board of Aland Equity Group Limited.

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Schedule 1

Elm Grove Heights Heads of Agreement

Parties

- Aland Equity Land Pty Limited, a subsidiary of AEG (**AE Landco**)
- Elmslea Land Developments Pty Limited (ACN 066 447 265) as trustee for under which Elmslea Land Development Unit Trust No. 2 (**ELD**)

Subdivision and Council Contributions

- The Land is fully serviced and ready for subdivision.
- To complete the subdivision of the Land into the Lots, Council Contributions will need to be made.

Management Rights

- ELD agrees to grant the Fund the Management Rights in consideration for paying the Council Contributions and Marketing Costs.
- As part of the Management Rights, AE Landco will be entitled to the Net Sales Income from the Sales of the Lots.

Management Rights Agreement

- The Parties will use best endeavours to finalise the Management Rights Agreement within one month of the date of the Commencement Date and in any event no later than expiry of the Term of the HOA.

Fund Income

- ELD will own the Lots until completion of the Sales.
- On completion of the Sale of a Lot, ELD must pay the Fund the Net Sales Income.

Funding

- AE Lando has received a letter of offer from PCL Money for the Debt Financing.
- The Parties acknowledge that the Management Rights Agreement will be subject to completion of the Debt Financing.

Definitions

- **Assumed Acquisition Price** means $400,000 per Lot.
- **Commencement Date** means the date that this HOA is fully executed by the Parties.

- **Council Contributions** means council contributions under section 64 of Local Government Act 1993 and section 7.11 of Environmental Planning and Assessment Act 1979, which are estimated to be $1.38m and $1.11m respectively.
- **Debt Financing** means a loan of $3.5m from PCL Money to the Fund for the purposes of paying the Council Contributions, Marketing Costs and associated transaction costs, which is non-recourse to AEG and secured against the Land.
- **Lots** means the 56 residential lots comprising the Land and Lot means each individual Lot.
- **Management Rights** means the exclusive rights to manage the marketing and sales of the Lots and receive the Net Sales Income.
- **Marketing Costs** means the costs of marketing the Lots for Sale, budgeted to be $250,000.
- **Net Sales Income** means the proceeds from the Sale of the Lots, comprising the difference between the Sale Price, less GST, less the Assumed Acquisition Price and less settlement costs, including legal fees and sales commission paid on settlement.
- **Sale Price** means the sale price of each Lot.
- **Sale** means completion of the sale of a Lot following the payment of the Sale Price to ELD and transfer of the Lot to the Buyer.
- **Term** means three months from the Commencement Date, unless terminated earlier in accordance with this HOA.