14 February 2019

AVENTUS DELIVERS STRONG HALF YEAR RESULTS

Aventus Group (ASX: AVN) today announced its results for the half year ended 31 December 2018.

Key Achievements

- Internalisation successfully completed
- Funds from Operations (FFO) of $47 million or 9.2 cents per security
- Distributions of 8.2 cents per security
- Revaluation gains of $26 million driven by income growth
- The Weighted Average Capitalisation Rate (WACR) unchanged at 6.7%

Portfolio Highlights

- Consistently high occupancy of 98.5% including 16 of 20 centres at 100% occupancy
- Like-for-like net property income (NPI) growth of 3.3%
- Strong leasing demand with 81 leases negotiated across 74,000 sqm of GLA achieving positive leasing spreads and with low incentives
- High exposure to national tenants, comprising 86% of the portfolio by GLA
- Diversifying tenancy mix with 37% of the portfolio by income in the Everyday-Needs category

Financial Highlights

- Profit of $64 million
- Gearing of 39.4% and weighted average debt expiry (WADE) of 3.9 years
- Hedging increased by $100 million to protect against interest rate volatility
- Following internalisation and valuation gains, NTA per security is $2.15 and NAV is $2.42 per security

Valuation Increases through Income Growth

Property valuation gains of $26 million were achieved in the portfolio, bringing the value of assets under management to $2.1 billion[1]. The WACR of the portfolio has remained stable at 6.7% since December 2017.

The valuation increases takes into account annual rent increases, market rent reviews, positive leasing spreads, and completion of a number of asset management and development initiatives.

Active Portfolio Management

Aventus continues to enhance the customer experience in its centres. Opportunities to improve and increase the range of offerings for customers through tenant remixing resulted in the negotiation of 81 leases covering 74,000 sqm and these leases were achieved with positive leasing spreads and low incentives. Strong like-for-like NPI growth of 3.3% continued for the 2018 calendar year and the portfolio has an occupancy rate of 98.5%.

In introducing new tenants, the focus has been on the Everyday-Needs category which includes products and services, such as food, health and wellbeing, services and childcare. These tenants contribute to increased

[1] Includes third party management of the retail centre known as Kotara North

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Aventus Holdings Limited (40 627 640 180)
Aventus Capital Limited (34 606 555 480)
as a reponsible entity of the Aventus Retail Property Fund.

weekday traffic and improved customer linger time, and accounted for more than 50% of our new leasing deals in the last 12 months.

Growth Through Development

Aventus continues to deliver its development projects and achieve attractive returns, spending $14 million in line with its strategy to add value, increase the GLA of centres, enhance the shopping experience and investor returns. Development spend for FY19 is forecast to be more than $35 million.

Since listing in October 2015, our developments have added 16,000 sqm of additional GLA to the portfolio and repurposed 35,000 sqm of GLA in the portfolio.

Outlook

The portfolio performed solidly during the period with organic income growth supplemented by the completion of development projects.

The strategy remains to drive sustainable earnings from the portfolio through:

- Active diversification of the tenant base with a focus on increasing Everyday-Needs uses
- High occupancy and annual contracted rent increases to underpin future income growth
- Continued re-investment into the portfolio to enhance shopper experience and capitalise on attractive development returns

Mr Darren Holland, Aventus CEO said "the 3.3% like-for-like net property income growth from the Aventus portfolio continues a trend that confirms Aventus as the leading pure-play manager of large format retail centres. Since listing in late 2015, we have progressively enhanced, developed and managed a portfolio of strategically located large format centres. The result of this process has been consistent returns and capital growth for investors, appealing venues for shoppers and a network of strong performing centres for tenants. The proof of our work is evident in the improved value of the portfolio which in the past 18 months has increased by $164 million to $2.1 billion[2], all while cap rates have remained stable."

"The internalisation and results this half are another stage in the growth of Aventus and I am pleased at the way in which the team has seamlessly completed the change in structure and continued to drive the business. Further, the Board confirms the FY19 guidance for FFO per security of 18.4 cents."

Further details on the performance of AVN are provided in the interim financial reports accompanying this release and in the half year investor presentation.

An investor and analyst briefing teleconference call, followed by a question and answer session, will be held today at **10:30am AEDT**.

Investors and analysts wishing to participate should dial **1800 123 296** (from within Australia) or +61 2 8038 5221 (from outside of Australia) and ask to join the **Aventus Group December 2018 Half Year Results Investor Presentation** (conference ID number **3858469**).

For further information:

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