

ASX RELEASE

24 August 2020

AVENTUS DELIVERS SOLID RESULTS DESPITE CHALLENGING TIMES

Aventus Group (ASX: AVN) (Aventus) today announced its results for the full year ended 30 June 2020.

Resilient FY20 Performance

- Solid rent collection of 87% through the COVID-19 Period¹
- Support of \$6 million provided by way of rent relief to impacted tenants
- High occupancy of 98% maintained, with minimal holdovers of approximately 2%
- 100% of all retailers at Aventus centres, excluding Victoria, are open and trading
- Diversified and robust tenancy mix, well placed to benefit from the recent household shift to working, learning and entertaining from home
- Active leasing management with 90 leases negotiated across 80,600 sqm of GLA with positive leasing spreads and low incentives²
- High exposure to established national tenants, which comprise 87% of the portfolio by GLA
- All leases in the portfolio include annual rent reviews, over 76% of leases contain fixed annual increases
- Acquisition of the adjoining development site in Epping, Victoria for \$11.5 million which provides opportunity for master planning of a mixed use asset

Financial Highlights

- Funds from Operations (FFO) of \$100 million, an increase of 4.2% on FY19, or 18.2 cents per security
- Statutory Profit of \$57 million
- Net Tangible Asset per security of \$2.14 and Net Asset Value per security of \$2.41
- Distributions of 11.9 cents per security
- Establishment of third party funds management platform with the successful launch of the Aventus Property Syndicate 1 (APS1)
- Gearing reduced 2.7% to 36%, within self-imposed target range of 30% - 40%
- Weighted average debt maturity of 3.1 years and weighted average cost of debt reduced to 3.1%
- Interest Cover Ratio increased to 5.2x, an increase from 4.7x in FY19 and well above covenant requirement of 2.0x
- Preserved \$121 million in liquidity and no debt expiries until 2022

Portfolio Valuation

The Weighted Average Capitalisation Rate (WACR) of 6.7% has remained stable for the past three years. For the FY20 period, independent valuations encompassed 38% of the portfolio by value. The resulting net devaluation of \$37.3 million primarily reflects the impact of COVID-19, which accounts for 66% of the valuation change. This devaluation represents a net valuation change of -1.9% from 30 June 2019, which, in the context of total valuation uplifts over the last three years of \$181 million, driven predominantly by income growth and development, highlights the resilience of the Aventus portfolio value now valued at approximately \$2.1 billion³.

¹ COVID-19 Period is from 1 March 2020 to 30 June 2020

² Excluding licences less than 12 months. In FY19, 5 of the total 141 deals were short term licences

³ Total funds under management, including Kotara North and McGraths Hill

Asset Performance

Over the period, Aventus negotiated 90 leases covering 80,600 sqm and managed to achieve a high occupancy rate of 98% across the portfolio⁴. Further, these leases were achieved with positive leasing spreads and low incentives, and 36 were executed throughout the COVID-19 period.

Aventus has been proactive in supporting our tenants and implementing the Mandatory Leasing Code of Conduct. The total value of abatements and deferments provided to impacted tenants (46% by income and 51% by count) is approximately \$6 million and these arrangements are a combination of abatements, deferrals and 38 lease extensions.

Traffic, excluding Victoria, has increased to above pre-COVID levels of +9% across the portfolio over the past three months from June, showing the sustained attraction of shopping in an Aventus centre. Pleasingly, 100% of all retailers at Aventus centres, excluding Victoria, are open and trading.

Development

The FY20 development spend was \$27 million, with the major project being the transformation of the Caringbah Super Centre in metropolitan Sydney which commenced in late calendar 2019. The upper ground was completed on time and opened, despite the COVID-19 related restrictions. The development is expected to be fully completed in November 2020.

Also this year, Aventus acquired the adjoining 32,000 sqm development site in Epping, Victoria, for \$11.5 million. The acquisition expands Aventus' existing holding by 53% and the amalgamated site provides significant opportunity for master planning of a mixed-use development.

Outlook

Mr Darren Holland, Aventus CEO said, "Aventus has built a reputation for strong performance delivered by a trusted team of industry experts. This year has been extremely challenging with COVID-19, and the health and economic difficulties are not over. However, the Aventus team has worked extremely hard with all of our stakeholders, exhibiting resolve and understanding, but always focused on preserving investor value. We have prudently managed our costs, delayed non-essential capital expenditure and maintained our focus on rent collection. I am very proud of the work that has gone into producing the result presented today."

"The challenge presented this year has re-affirmed our strategy to focus on sustainable earnings growth and on creating long term value. The features of Aventus centres, on-grade, convenient carparking; easy access from main roads; large, flexible tenancies; low rents and sustainable occupancy costs, appeal to tenants and shoppers alike, now more than ever."

"We are also well positioned to benefit from the recent changes from the household spending patterns as we spend more time working, learning and entertaining from home. Together with a track record of astute capital management, we are also able to continue working toward our long-term strategic goals. The ability to proceed with the redevelopment of Caringbah and to acquire the Epping site are evidence of our capabilities and focus on strategy."

"While the uncertainty stemming from the impact of COVID-19 persists, we do not believe it advisable to provide FY21 guidance.", concluded Mr Holland.

Further details on the financial performance of AVN for the 2020 financial year (FY20) are provided in the Appendix 4E accompanying this release and in the FY20 investor presentation.

⁴ Excluding licences less than 12 months. In FY19, 5 of the total 141 deals were short term licences

An investor and analyst briefing teleconference call, followed by a question and answer session, will be held as follows:

Aventus Group June 2020 Full-Year Results Investor Presentation	
Date	Monday, 24 August 2020
Time	10:30am AEST
Phone Numbers	1800 123 296 (from within Australia) +61 2 8038 5221 (from outside of Australia)
Conference ID	7839669

Approved for release by the Board of AVN.

For further information:

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