

ASX RELEASE

25 February 2021

AVENTUS UPGRADES GUIDANCE FOLLOWING STRONG HALF YEAR PERFORMANCE

Aventus Group (ASX: AVN) (Aventus) today announced its results for the half year ended 31 December 2020.

Portfolio Highlights

- Traffic increased +8% above pre-COVID levels across the portfolio;¹
- Cash collection strong at 98%²;
- Increased occupancy of 98.5%, with minimal holdovers of approximately 2%;
- Diversified tenant base well-placed to benefit from the recent household shift to working, learning and entertaining from home;
- Active leasing management with 63 leases negotiated across 41,000 sqm of GLA;
- Exposure to established national retailers comprising 88% of the portfolio by GLA, including Bunnings, JB Hi Fi, Officeworks, Harvey Norman and Adairs; and
- Over 77% of leases in the portfolio include annual fixed rent reviews³, with the weighted average at 3.8%⁴.

Financial Highlights

- Net Tangible Asset (NTA) per security of \$2.24, an increase of 4.7% and Net Asset Value (NAV) per security of \$2.50, an increase of 3.7% from \$2.41⁵;
- Funds from Operations (FFO) of \$56 million, an increase of 6.5%⁶ or 10.0 cents per security, up from 9.6 cents⁷;
- Distributions of 8.2 cents per security;
- Gearing reduced 2.0% to 34%⁸, within target range of 30% - 40%;
- Weighted average debt maturity of 2.6 years and weighted average cost of debt reduced to 2.8%;
- Interest Cover Ratio increased to 5.9 times, an increase of 0.7 times⁹; and
- Cash and undrawn debt liquidity of \$136 million.

Portfolio Valuation Increases

Independent valuations were completed for 29% of the portfolio by value during the period resulting in total net valuation gains of \$46 million, or 2.4%¹⁰. The Weighted Average Capitalisation Rate (WACR) across the portfolio compressed 9 basis points to 6.64%.

¹ For the 6 months ended 31 December 2020 (excl.Vic) vs the 6 months ended 31 December 2019 (excl.Vic)

² July 2020 to December 2020

³ Fixed weighted average rent review by income excludes CPI

⁴ By gross income as at 31 December 2020

⁵ 31 December 2020 vs 30 June 2020

⁶ For the 6 months ended 31 December 2020 vs the 6 months ended 31 December 2019

⁷ Based on a weighted average number of securities of \$561m over the 6 months ended 31 December 2019

⁸ 31 December 2020 vs 30 June 2020

⁹ For the 6 months ended 31 December 2020 vs the 6 months ended 31 December 2019

¹⁰ 31 Dec 2020 vs 30 June 2020



Strong Portfolio Performance

Our leasing strategy continues to drive income growth. Retailer demand across our centres remains strong with occupancy rising to 98.5%¹¹. Affordable rent compared to other retail sub sectors, combined with strong sales growth and traffic performance, provide support for continued rent growth and retailer demand. Leasing activity was strong over the period, with Aventus negotiating 63 leases covering 41,000 sqm.

The development of Caringbah in Sydney was opened and fully leased in November 2020, achieving an IRR of 13% and a valuation increase of \$42 million. The valuation improvement represented an increase of 43% on the centre's pre-development value.¹² Caringbah has been the major development focus for this half.

Aventus provided support to its retailers throughout the half-year, as in the prior year. Support was negotiated in accordance with the National Code of Conduct. Aventus negotiated agreements to provide a range of support measures reflecting the needs of retailers and based on long-term working relationships.

As mutually agreed with our retailers, our assistance agreements provided immediate relief to affected retailers and contained a true-up mechanism based on sales performance. This meant that the support we provided from April to September 2020, in line with the Code, recovered abatements and deferrals from those retailers who traded more favourably than expected. In light of this, our result includes \$2 million of billings, which reflects the reversal of abatements and acceleration of deferrals.

Outlook and FY21 Earnings Upgrade

Mr Darren Holland, Aventus CEO said, "I am incredibly proud of how the team adapted and accelerated during the period and this is evident in the strong results presented today.

"Traffic and retail activity have increased significantly, the performance of our retailers have exceeded expectations and the team have capitalised on the favourable environment for our centres. Strong consumer spending trends appear likely to continue aided by ongoing travel restrictions and an improved housing outlook.

"On capital management, we preserved value for investors by not raising capital through a dilutive equity raising. Additionally, the prudent management of our relief agreements resulted in an additional \$2 million of rent being billed and our focus on cash collection resulting in 98% of rent for the period collected. Pleasingly, we increased occupancy to 98.5% and reported a \$46 million net valuation gain mainly driven from income growth and the completion of our Caringbah development", said Mr Holland.

"Aventus remains focused on our strategy of optimising portfolio performance, seizing consolidation opportunities, building our development pipeline and diligent capital management. It has proven to be a successful formula from year to year and we remain confident in its value.

I am proud to upgrade FY21 guidance to FFO of at least 19 cents per security, which represents growth of at least 4% from FY20, and includes the one-off true up amounts and assumes no further major outbreaks of COVID and no new significant government restrictions.", said Mr Holland.

¹¹ For the 6 months ended 31 December 2020 vs the 6 months ended 31 December 2019

¹² 31 December 2020 vs 30 June 2020

Aventus Group Half-Year 2021 Results Investor Briefing

Further details on the financial performance of AVN for the half year are provided in the Appendix 4D. An investor and analyst briefing teleconference call, followed by a question and answer session, will be held as follows:

Results Investor Briefing Details	
Date	Thursday, 25 February 2021
Time	10:00am AEDT
Participants: dial either number to join the call and quote the Conference ID number	Participant toll: +61 2 8038 5221 Participant toll-free: 1800 123 296
Conference ID	4258688

Approved for release by the Board.

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