

FY21 Half Year Results

25 FEBRUARY 2021



FEELS LIKE HOME

aveatus
GROUP

Our Purpose

Feels Like Home

Our Values

People first | Own it | Find a better way

Our Team



Agenda

- 03 FY21 Half Year Performance
- 04 Strategy
- 06 COVID
- 07 Financial Results
- 15 Leasing & Development
- 20 Asset Management
- 23 FY21 Outlook
- 24 Appendices

Darren Holland
Chief Executive Officer

Strong Half Year Performance

Key Highlights

98%

Strong cash collection¹

+8%

Centre traffic growth²

13%

IRR achieved on Caringbah development

1. Jul 2020 – Dec 2020

2. For the 6 months ended 31 Dec 20 (Excl. VIC) vs the 6 months ended 31 Dec 19 (Excl. VIC)

3. For the 6 months ended 31 Dec 20 vs the 6 months ended 31 Dec 19

4. 31 Dec 20 vs 30 Jun 20

5. By GLA as at 31 Dec 2020



Financial Management

\$56m

FFO ▲ 6.5%³

34%

Gearing ▼ 2.0%⁴

\$2.50

NAV per security ▲ 3.7%⁴



Portfolio Performance

98.5%

Occupancy⁵ ▲ 0.5%⁴

41,000sqm

GLA leased across 63 deals¹

\$46m

Net valuation uplift ▲ 2.4%⁴

Our Strategy

Delivering sustainable earnings growth and long-term shareholder returns

Optimise Portfolio Performance

Combine expertise, market insights and strong retailer relationships to drive resilient portfolio income and capital growth

Seize Consolidation Opportunities

Capitalise on opportunities to acquire assets that complement the existing portfolio and grow LFR market share in excess of current 22%¹

Build Development Pipeline

Enhance the near and long-term earnings potential of the portfolio, including the current land bank of 1.2 million sqm

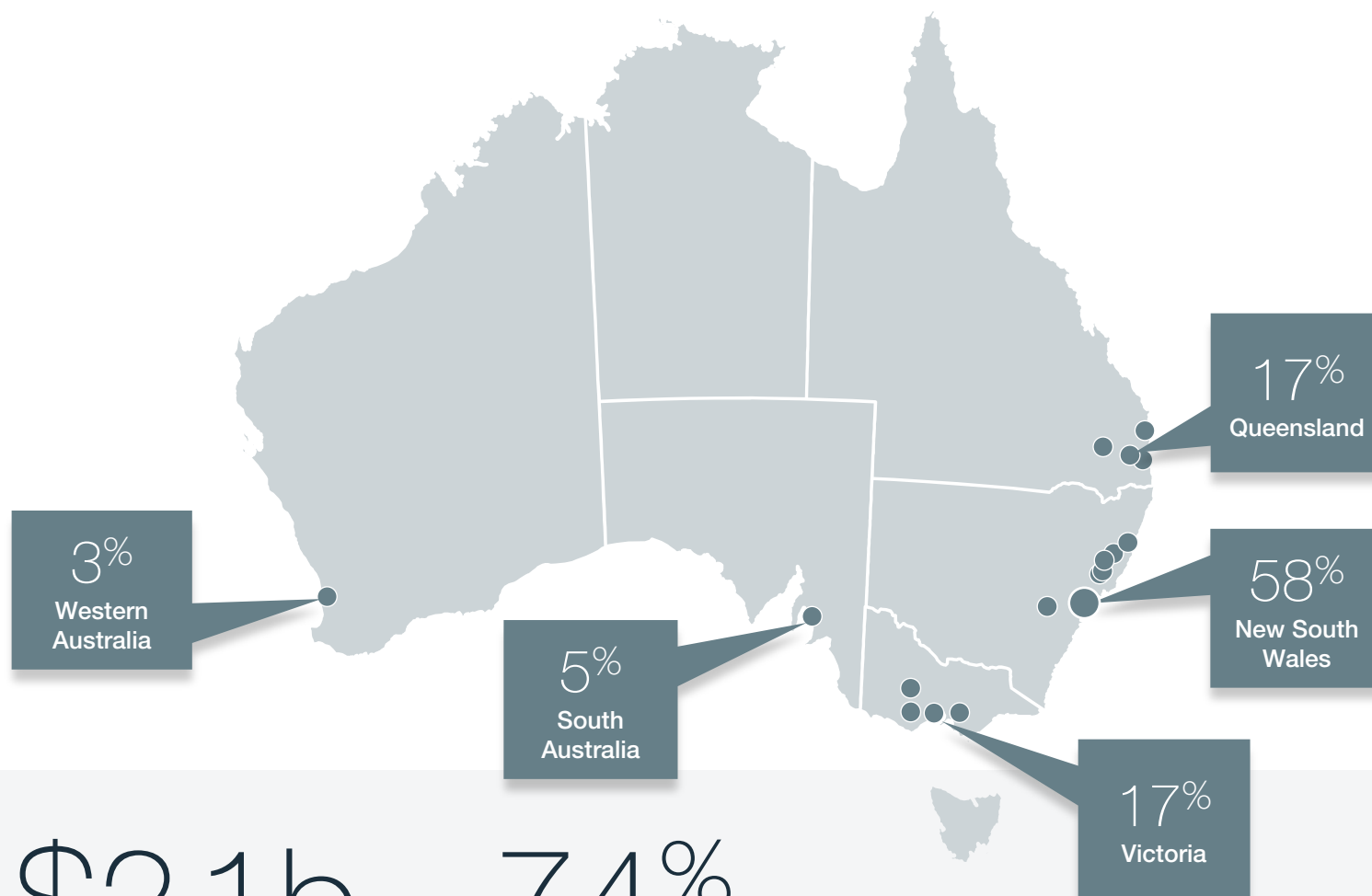
Prudent Capital Management

Ensure capital is used efficiently to maximise income, execute on opportunities and achieve investor returns

Manage third-party capital to diversify income and capital sources



1. For LFR centres >25,000 sqm. Source: Deep End Services as at 1 Aug 2019; by GLA (excl. the former Masters Home Improvement tenancy)



\$2.1b

Assets Under Management¹

74%

Metro by Value²

1. Carrying value derived from independent and internal valuations

2. All metrics exclude externally owned centres unless otherwise stated

Largest LFR Landlord in Sydney

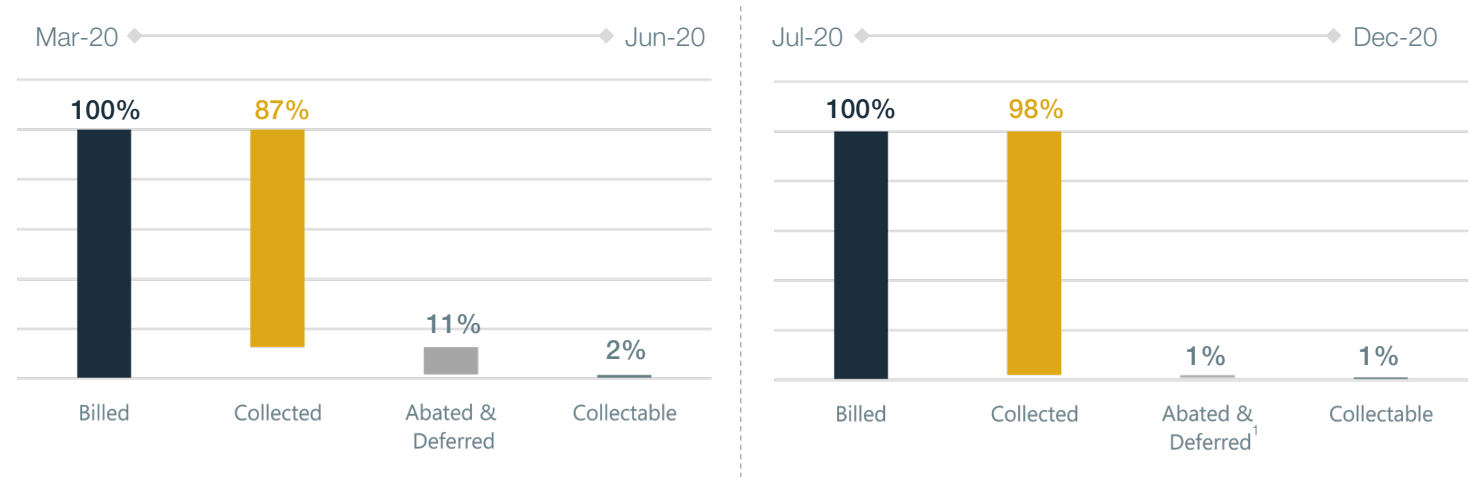


43%

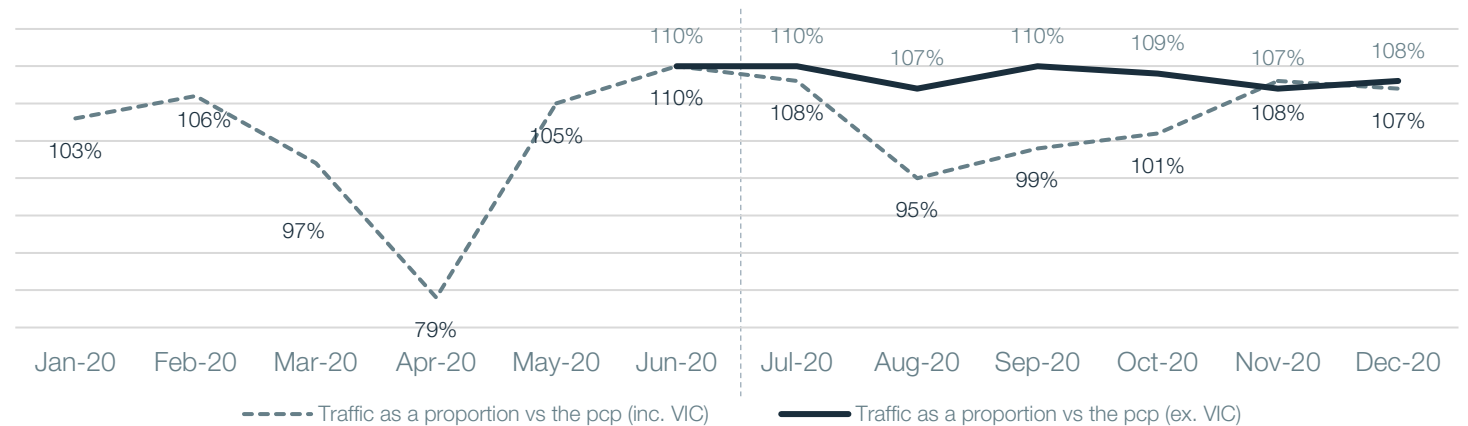
Catchment Coverage
of Sydney

Strong Recovery As Restrictions Eased

Evidenced by improved rent collection of 98%



And accelerating traffic



1. Net abatements and deferrals including True-up

Aligning COVID support with strong retailer performance

To ensure tenants could continue to operate through the initial lockdown, Aventus provided support rapidly to our retailers who requested assistance under the National Code of Conduct

Easing of restrictions saw strong increases in traffic and retailer sales, reflecting pent-up demand, consumers shopping locally and travel restrictions

A true-up of sales figures has now been performed to finalise the support provided to retailers. Consequently a one-off amount of \$2m has been billed, including \$1m of abatement reversals and \$1m acceleration of deferrals



Marsden Park, NSW

Financial Results

Lawrence Wong
Chief Financial Officer

Key Financial Metrics

Financial Performance

\$56m

FFO ▲ 6.5%¹

10.0c

FFO per security²
▲ from 9.6 cents¹

8.2c

Distributions per security

Capital Structure

34%

Gearing⁴ ▼ 2.0%³

\$2.24

NTA per security ▲ 4.7%³

\$136m

Available cash and
undrawn debt liquidity

Debt Management

5.9x

Interest Cover Ratio⁶ ▲ 0.7x³

2.6 years

Weighted Average Debt Expiry

2.8%

Weighted Average Cost of Debt⁵
▼ 30 bps from 3.1%³

1. For the 6 months ended 31 Dec 2020 vs the 6 months ended 31 Dec 2019
2. Based on a weighted average number of securities of 561m over the 6 months ended 31 Dec 2020

3. 31 Dec 20 vs 30 Jun 20
4. The gearing ratio is calculated as total debt less cash and cash equivalents divided by total assets less cash and cash equivalents and intangible assets including proportional interests in investments in associates
5. Weighted average cost of debt is calculated based on historical finance costs, excluding amortisation of debt establishment costs and net fair value gains/losses on interest rate swaps, for the 6 months ended 31 Dec 2020

6. Interest Cover Ratio (ICR) is calculated as EBITDA divided by interest expense

Income Statement

Income Statement (\$m)		6 months to 31 Dec 2020	6 months to 31 Dec 2019
Net operating income	A	71	70
Net movement in fair value of investment properties	B	46	20
Other revenue	C	2	1
Finance costs	D	(7)	(12)
Other expenses	E	(8)	(8)
Net profit		103	72

Commentary

A \$1m increase in net operating income (NOI) is mainly due to: i) \$1m increase in rental income; ii) \$1m increase in net bad and doubtful debts (\$2m gross bad and doubtful debts less \$1m in COVID abatement reversals);
iii) \$1m in lower NOI from McGraths Hill Home which was sold in Nov 19

B Represents net fair value gains from independent and internal property valuations for 1H21

C Relates to fees received from APS1 and Kotara North

D Decrease in finance costs was mainly due to \$2m in lower interest expenses and \$2m in higher fair value gains on interest rate swaps

E Other expenses include \$5m of employee benefit expenses. Netted against the expense is \$0.6m in JobKeeper payments for the period Jul to Sep 2020

Funds from Operations (FFO) Reconciliation

FFO (\$m)	6 months to 31 Dec 2020	6 months to 31 Dec 2019
Net profit	103	72
Straight-lining of rental income	1	1
Amortisation of debt establishment costs	1	1
Net movement in fair value of investment properties	(46)	(20)
Net movement in fair value of derivative financial instruments	(4)	(1)
Other	1	-
FFO	56	53
Operating capex	(1)	(2)
Leasing costs	(2)	(1)
Adjusted Funds From Operations (AFFO)	53	49

Per Security (cents)	6 months to 31 Dec 2020	6 months to 31 Dec 2019
Distributions per security	8.2	8.5
FFO per security ¹	10.0	9.6
AFFO per security ¹	9.4	9.0
Payout ratio (% of FFO)	82%	89%
Payout ratio (% of AFFO)	87%	94%

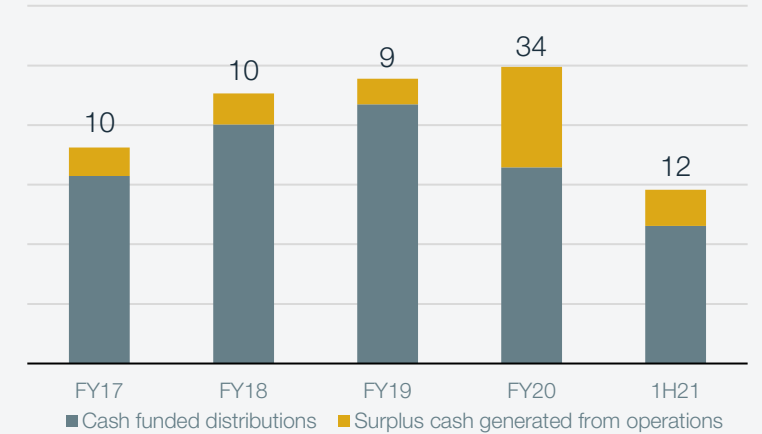
1. Based on a weighted average number of securities for 1H21 of 561m (1H20: 547m)

Operating Cashflow Supports Distributions

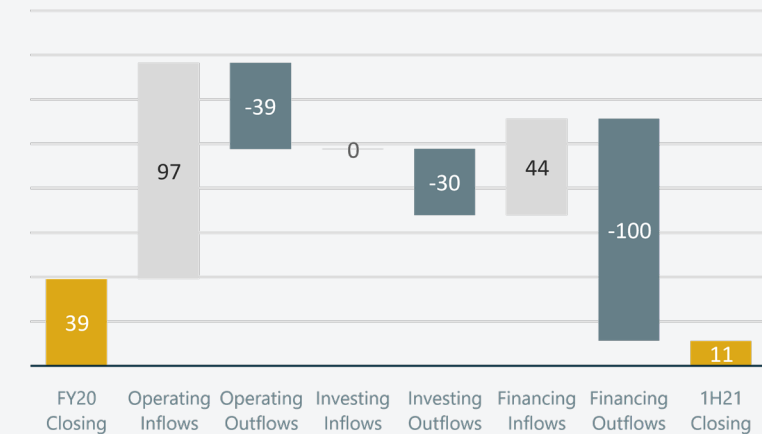
Cash Provided by Operations (\$m)	6 Months to 31 Dec 2020	6 Months to 30 Dec 2019
Receipts in the course of operations (inclusive of GST)	97	98
Payments in the course of operations (inclusive of GST)	(29)	(33)
Finance costs paid	(10)	(13)
Income tax paid	-	(1)
Cash provided by operations	58	52
Distributions declared	(46)	(47)
Payout ratio (% of Operating Cashflow)	79.2%	90.7%

1. Excludes one off performance fees and transaction costs paid

Surplus Cash Generated from Operations¹



Cashflow Movements



Balance Sheet

Balance Sheet (\$m)		Balance as at 31 Dec 2020	Balance as at 30 Jun 2020	Movement
Assets				
Cash and cash equivalents		11	39	(28)
Investment properties ¹		2,006	1,933	73
Investment in associates	A	6	6	-
Intangible assets	B	144	144	-
Other assets		12	14	(2)
Liabilities	C			
Borrowings		(692)	(735)	43
Distribution payable	D	(24)	(13)	(11)
Other liabilities		(42)	(48)	6
Net assets		1,421	1,340	81
Securities on issue (million)		568	557	11
NTA per security		\$2.24	\$2.14	\$0.10
NAV per security		\$2.50	\$2.41	\$0.09

Commentary

A \$73m increase in investment properties during 1H21 includes \$46m in net fair value gains, \$16m in capital expenditure and \$12m in acquisitions (Epping site acquisition)

B Investments in associates represents AVN's 25.3% interest in Aventus Property Syndicate 1 (APS 1)

1. Investment properties as at 31 Dec 2020 include \$3m of rental guarantees (30 Jun 2020: \$3m)

C Balance includes \$9m of rental debtors (Jun 2020: \$12m) offset by a \$3m provision for bad and doubtful debts (Jun 2020: \$7m)

D Gearing at 31 Dec 2020 was 34.0% (Jun 2020: 36.0%). 2% decrease was mainly due to debt repayments following \$22m in equity raised via the DRP for the quarter ended 30 Sep 2020 and \$46m of net valuations gains for 1H21

Portfolio Valuation Uplift

Valuations

Independent valuations performed comprised 29% of the portfolio by value, with internal valuations undertaken for the remaining 71%. Total net portfolio valuation up \$46m or 2.4%

Income Growth

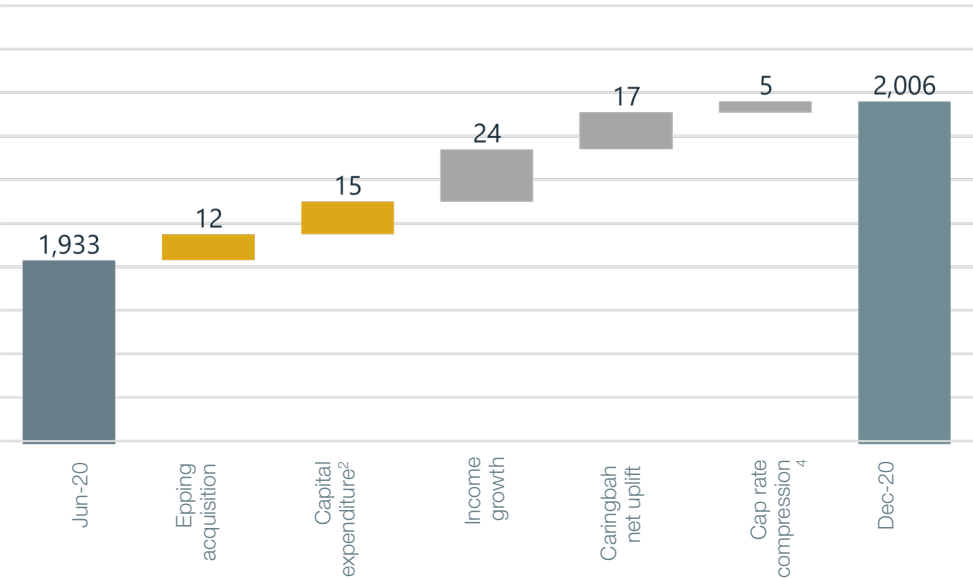
Income growth contributed \$24m of net valuation uplift. Driven by annual rent escalations and high occupancy

Cap Rate Compression

Cap rate compression of 9 basis points driven asset specific factors including development completion, site amalgamation and asset stabilisation



Portfolio Valuation¹ Bridge (\$m)



1. Portfolio valuation includes rental guarantees and excludes McGraths Hill

2. Capitalised expenditure represents development and maintenance capex, capitalised leasing costs, capitalised interest on developments and straight lining of \$1m.

3. As at 31 Dec 2020

4. Cap rate compression excluding Caringbah

5. Like for like FY20 valuation figure of \$200

6. Excludes McGraths Hill

6.64%

Weighted Average Cap Rate^{3,6}
▼ 9 bps

+2.4%

Net valuation change⁶

+\$270m+

Valuation uplift⁵ over last 3.5 years

Prudent Capital Management and Liquidity

Capital Management Key Metrics	Balance as at 31 Dec 2020	Balance as at 30 Jun 2020
Drawn debt (\$m)	695	738
Facility limit (\$m)	820	820
Cash and undrawn debt capacity (\$m)	136	121
Gearing ¹ (%)	34.0%	36.0%
Loan to value ratio ² (LVR) (%)	34.8%	38.5%
Interest coverage ratio ³ (ICR) (x)	5.9x	5.2x
Weighted average cost of debt ⁴ (%)	2.8%	3.1%
Weighted average debt maturity (years)	2.6	3.1
Proportion of drawn debt hedged (%)	60.4%	62.3%
Weighted average hedge expiry (years)	1.3	1.7

1. The gearing ratio is calculated as total debt less cash and cash equivalents divided by total assets less cash and cash equivalents and intangible assets including proportional interests in investments in associates

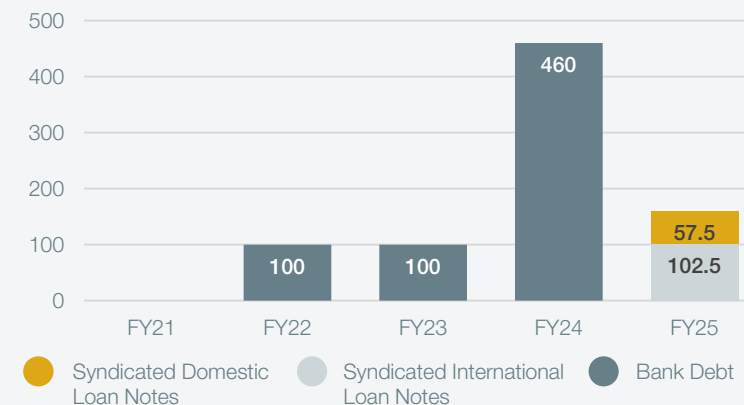
2. The LVR ratio is calculated as total debt divided by the total fair value of investment properties. Fair value is calculated by reference to the most recent independent valuation for each property

3. ICR is calculated as EBITDA divided by interest expense

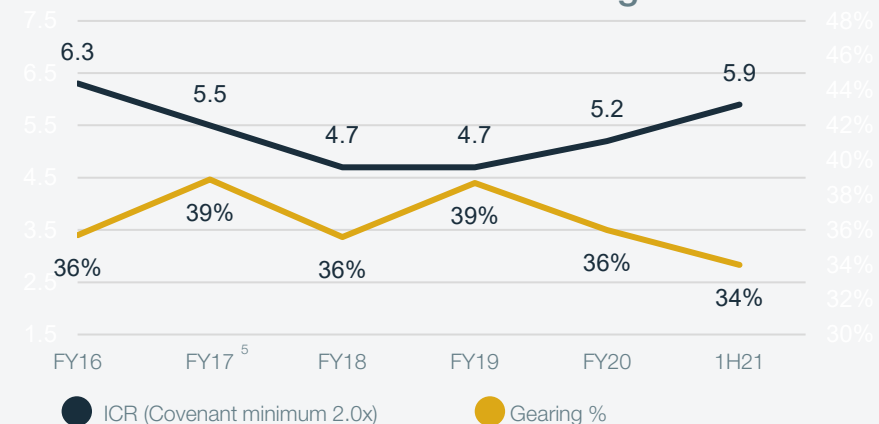
4. Weighted average cost of debt is calculated based on historical finance costs excluding amortisation of debt establishment costs and net fair value gains / losses on interest rate swaps

5. Proforma numbers including the acquisition of Castle Hill Super Centre and Marsden Park Home

No Near-Term Debt Expiries



Interest Cover Ratio³ and Gearing



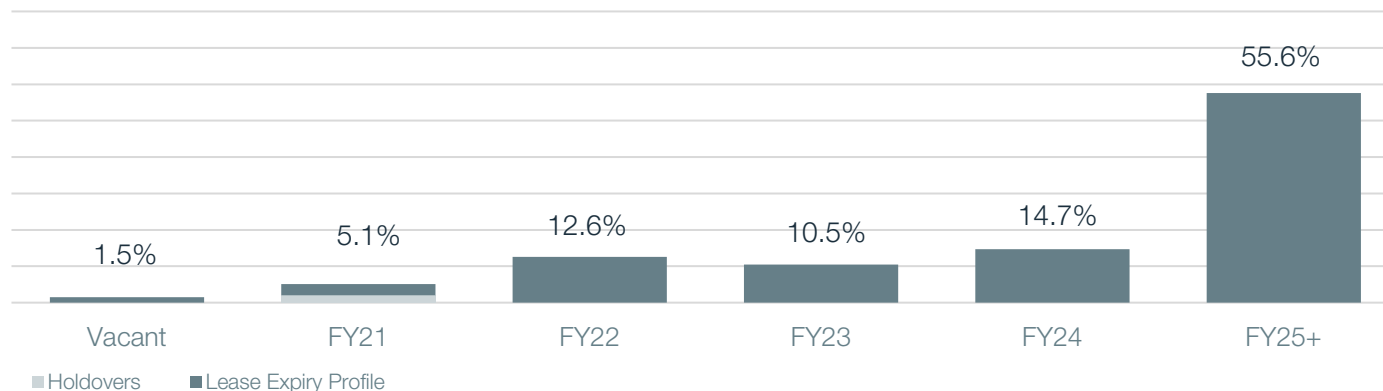


Leasing & Development

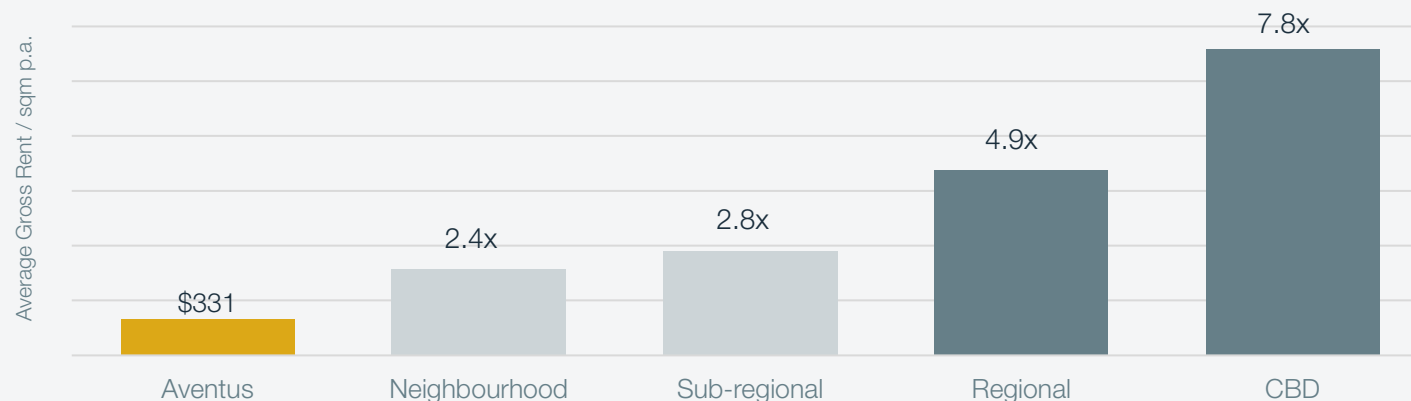
Jason James
Head of Leasing

Strong Portfolio Outcomes

Staggered Lease Expiry Profile¹ (%)



Affordable Rent Compared to Other Retail Subsectors²



1. By GLA as at 31 Dec 2020

2. Source: JLL Research. Reflects specialty rents for all sub-sectors except Large Format Retail. Rents as at 4Q20

3. By gross income as at 31 Dec 2020

4. 31 Dec 20 vs 30 Jun 20

5. Fixed weighted average rent review by income excludes CPI.

6. For the 6 months ended 31 Dec 20 vs the 6 months ended 31 Dec 19

7. By GLA as at 31 Dec 2020

Leasing strategy and expertise continues to drive income growth

Affordable rent relative to other retail subsectors combined with strong sales growth and traffic performance, provide support for continued rent growth and tenant demand.

98.5%

Occupancy¹ ▲ 0.5%⁴

\$331

Avg. Gross Rent per sqm ▲ 1.8%⁴

3.8yrs

WALE³ ▼ 0.1yrs⁴

41k

Sqm of GLA across 63 Deals⁶

3.8%

Fixed Weighted Average Rent Review⁵ %

77%

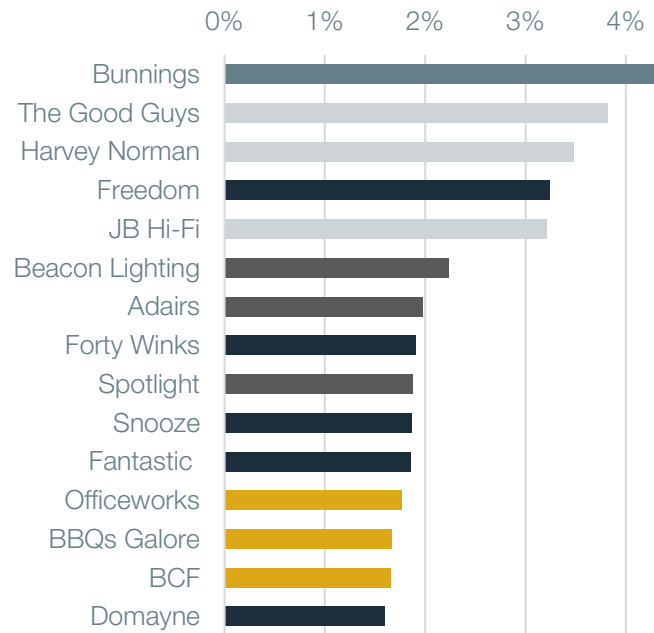
Fixed Annual Reviews³ ▲ 1%⁴

Diversified National Tenant Base

Diversified tenant base with 88%¹ national retailers and no tenant accounting for greater than 5% of income

No department stores or discount department stores and less than 2% by income exposure to fashion and apparel

Top 15 Tenants by Income

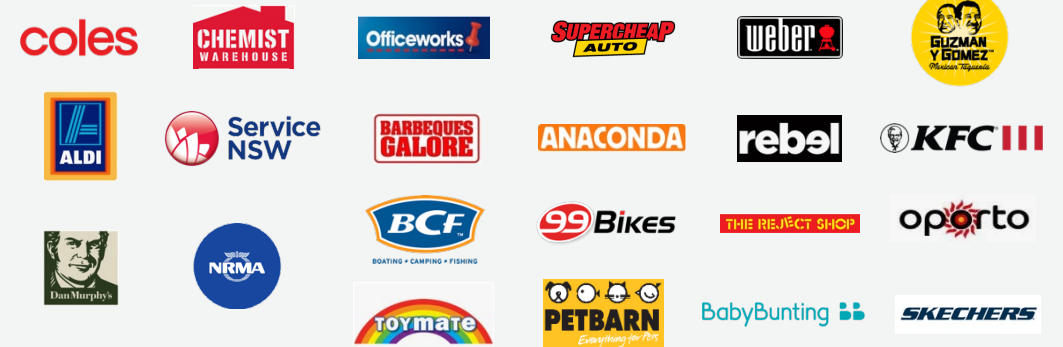


1. National retailers percentages based on GLA

2. Everyday-needs tenants include food and beverage, supermarkets, liquor and convenience, services, health and well-being, automotive, office supplies, discount variety and pets

3. Includes garden

37%
Everyday Needs²



33%
Furniture and Bedding



11% Homewares



10% Hardware and Coverings³



9% Electrical



Enhancing Value Through Development

\$9.5m

FY21 Remaining Development Spend

**Track Record
Since Listing in FY16**

\$120m+

Development Spend

9%

Average Cash Yield¹

18k+

Sqm of GLA Added



**Opportunity to
Unlock Land Bank**

1.2m sqm

Land Area

44%

Site Coverage Ratio

**Opportunity to
Intensify Land Use**

82%

of Portfolio with Development Opportunity²

39%

of Portfolio with Zoning for Other Uses³

11km

of Street Frontage

1. Based on income producing development projects since Oct 2015

2. By site area

3. By GLA attributable to zoning alternative to Large Format Retail

Successful Caringbah Completion During COVID



Key Development Highlights

13%

IRR, delivered during COVID

\$42m

Valuation uplift ▲ 43% post development

6.25%

Centre Capitalisation Rate ▼ 125 bps¹

\$34m+

Total development spend over 12 months

4.0 yrs

Centre WALE ▲ 3.2 years¹

100%

Centre Occupancy

1. 31 Dec 2020 vs 30 Jun 2020



Asset Management

Ruth Jothy
Head of Asset Management

Customer First Driving Performance



Enabling data-led decision making

Large format retail is benefiting from changing consumer behaviour:

- A shift to working, learning and entertaining in the home and investment by consumers to improve and enhance home life
- Preference for large, open and accessible retail centres that allow for social distancing
- Convenient Click & Collect centres that enable “browse online – shop instore”

In response, Aventus is active in leveraging this demand with initiatives that include:

- Utilising spending data to enable location-based shopper and retailer insights
- Leverage online and social media data to increase engagement
- Interactive customer listening tools to provide real-time feedback

44m

Shopper visits p.a.
▲ 2% from last year

672k

Unique website visits
p.a. ▲ 38% from last year



Diversified Income Opportunities

Opportunities

Leveraging portfolio opportunities to grow additional income streams through:

- Solar and Embedded Networks
- Storage
- Digital signage on major roadways
- Ticketless Parking



Solar Projects

Following the successful rollout of our foundational solar project at Midland, the next stage is the rollout of solar across the portfolio with Marsden Park our next project.

Additional income opportunities will also be realised as we expand our embedded networks.

94%
of roof area
unutilised



Ticketless Parking

Regulatory approval has been granted for the rollout of our first ticketless parking project at Kotara.

This acts as the foundation for future rollouts across relevant centres, improves customer experience and grows additional revenue streams.

13k+
free parking
spaces

Upgrade to FY21 Guidance

FY21 Upgraded Guidance

Aventus is upgrading its FY21 FFO per security guidance to at least 19.0 cps or 4%+ on FY20.

This guidance includes the one-off benefit from the true-up, and is subject to no further major outbreaks of COVID and no new significant government restrictions.



FY21 Upgraded Guidance

4%+

FFO growth per security
(at least 19.0 cps)



Warners Bay, NSW

Appendices

Portfolio Metrics

Centres	State	Ownership Share	Valuation Type ²	Carrying Value (\$m)	Capitalisation Rate	Occupancy ³	WALE (years) ⁴	Number of Tenancies	GLA ('000 sqm)	Site Area ('000 sqm)	National Retailers ¹	Zoning	Dev. Potential ⁵
Bankstown	NSW	100%	Internal	67	6.75%	100%	4.3	23	18	40	93%	LFR	NO
Belrose	NSW	100%	Independent	183	6.25%	100%	3.0	47	37	44	89%	LFR/Retail	YES
Caringbah	NSW	100%	Independent	139	6.25%	100%	4.0	27	21	23	85%	LFR	YES
Castle Hill	NSW	100%	Internal	347	5.75%	99%	3.8	77	51	60	81%	LFR/Retail	YES
Highlands	NSW	100%	Independent	37	7.00%	100%	4.4	14	11	32	86%	LFR/Retail	YES
Kotara South	NSW	100%	Internal	124	6.50%	99%	4.2	24	29	53	97%	LFR/Retail	YES
Marsden Park	NSW	100%	Internal	102	6.00%	100%	4.2	31	20	40	96%	LFR	NO
McGraths Hill	NSW	25%	Internal	43	7.00%	100%	3.6	9	16	38	98%	LFR	NO
Tuggerah	NSW	100%	Internal	96	7.00%	96%	4.5	35	39	127	82%	LFR/Outlet	YES
Warners Bay	NSW	100%	Independent	46	7.00%	100%	4.7	12	12	35	98%	LFR	NO
TOTAL NSW				1,183	6.28%	99%	3.9	299	254	493	88%		
Ballarat	VIC	100%	Internal	43	7.50%	100%	2.8	15	20	52	93%	LFR	YES
Cranbourne	VIC	100%	Internal	143	7.25%	99%	4.8	38	57	194	91%	LFR/Retail	YES
Epping	VIC	100%	Independent	60	7.25%	99%	2.1	30	22	91	64%	Mixed Use	YES
Peninsula	VIC	100%	Independent	95	7.25%	100%	3.4	33	33	85	92%	LFR/Retail	YES
TOTAL VIC				341	7.28%	99%	3.7	116	132	422	86%		
Jindalee	QLD	100%	Internal	136	7.00%	97%	2.7	52	27	72	74%	Mixed Use	YES
Logan	QLD	100%	Internal	92	7.00%	98%	3.7	30	27	27	90%	LFR	YES
Macgregor	QLD	100%	Independent	27	7.00%	82%	6.5	8	12	29	67%	LFR	NO
Sunshine Coast	QLD	100%	Internal	102	7.00%	97%	3.7	35	27	69	90%	LFR/Retail	YES
TOTAL QLD				356	7.00%	95%	3.5	125	93	197	82%		
Mile End	SA	100%	Internal	105	7.25%	100%	3.1	34	34	71	91%	LFR	YES
TOTAL SA				105	7.25%	100%	3.1	34	34	71	91%		
Midland	WA	100%	Internal	64	7.25%	100%	3.7	18	23	43	96%	LFR	NO
TOTAL WA				64	7.25%	100%	3.7	18	23	43	96%		
TOTAL⁶				2,049	6.65%	98.5%	3.8	592	537	1,225	88%		

1. Metrics as at 31 Dec 2020

2. As at 31 Dec 2020

3. By GLA as at 31 Dec 2020

4. By gross income as at 31 Dec 2020

5. Further development of certain centres may be subject to contractual and regulatory approvals including planning approvals from relevant local government authorities

6. Includes McGraths Hill at 100%

Aventus Portfolio

1.2m

Square metres of total land area
across the Portfolio

44%

Portfolio Site Coverage %



Ballarat VIC 39% Site Coverage



Cranbourne VIC 29% Site Coverage



Epping VIC 24% Site Coverage



Mornington VIC 39% Site Coverage



Jindalee QLD 37% Site Coverage



Logan QLD 100% Site Coverage



Macgregor QLD 42% Site Coverage



Sunshine Coast QLD 39% Site Coverage



Mile End SA 48% Site Coverage



Midland WA 55% Site Coverage



Bankstown NSW 44% Site Coverage



Belrose NSW 83% Site Coverage



Caringbah NSW 91% Site Coverage



Castle Hill NSW 85% Site Coverage



Kotara NSW 55% Site Coverage



Mittagong NSW 36% Site Coverage



Marsden Park NSW 50% Site Coverage



McGraths Hill NSW 44% Site Coverage



Tuggerah NSW 30% Site Coverage



Warners Bay NSW 35% Site Coverage

Aventus Portfolio

20

LFR centres in the portfolio

11km

of Street Frontage

Thank you



Castle Hill, Sydney

With thanks from
today's speakers



Darren Holland
Chief Executive Officer

Email: darren@aventusgroup.com.au
Phone: (02) 9285 6700



Lawrence Wong
Chief Financial Officer

Email: lawrence@aventusgroup.com.au
Phone: (02) 9285 6700



Ruth Jothy
Head of Asset Management

Email: ruth@aventusgroup.com.au
Phone: (02) 9285 6700



Jason James
Head of Leasing

Email: jason@aventusgroup.com.au
Phone: (02) 9285 6700

aventusgroup.com.au

aveatus
GROUP

Disclaimer

This presentation has been prepared on behalf of the Aventus Group (comprising Aventus Holdings Limited ACN 627 640 180 (AHL) and Aventus Capital Limited ABN 34 606 555 480 AFSL 478061 (ACL) as responsible entity of the Aventus Retail Property Fund ARSN 608 000 764) (together, the AVN Group, Group or AVN). The information contained in this document is current only as at 31 Dec 2020 or as otherwise stated herein. This document is for information purposes only and only intended for the audience to whom it is presented. This document contains selected information and should be read in conjunction with the financial statements for the period and other ASX announcements released from time to time. This document may not be reproduced or distributed without AVN's prior written consent. The information contained in this document is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. AVN has not considered the investment objectives, financial circumstances or particular needs of any particular recipient. You should consider your own financial situation, objectives and needs, conduct an independent investigation of, and if necessary obtain professional advice in relation to, this document.

Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions, or as to the reasonableness of any assumption, contained in this document. By receiving this document and to the extent permitted by law, you release AVN, AHL, ACL and its directors, officers, employees, agents, advisers and associates from any liability (including, without limitation, in respect of direct, indirect or consequential loss or damage or any loss or damage arising from negligence) arising as a result of the reliance by you or any other person on anything contained in or omitted from this document.

This document contains certain forward-looking statements along with certain forecast financial information. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “guidance”, “estimate”, “outlook”, “upside”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan”, and other similar expressions are intended to identify forward-looking statements. The forward-looking statements are made only as at the date of this document and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of AVN. Such statements reflect the current expectations of AVN concerning future results and events, and are not guarantees of future performance. Actual results or outcomes for AVN may differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements or forecasts. Other than as required by law, although they believe that there is a reasonable basis for the forward-looking statements, neither AVN nor any other person gives any representation, assurance or guarantee (express or implied) that the occurrence of these events, or the results, performance or achievements expressed in or implied by any forward-looking statements contained herein will actually occur and you are cautioned not to place undue reliance on such forward-looking statements. Risk factors (which could be unknown or unpredictable or result from a variation in the assumptions underlying the forecasts) could cause actual results to differ materially from those expressed, implied or projected in any forward-looking statements or forecast. Past performance is not an indicator or guarantee of future performance or results.