

ASX RELEASE: Aventus Group (ASX: AVN)

17 December 2021

STRONG PORTFOLIO VALUATION GAINS AND DECEMBER 2021 DISTRIBUTION

- Preliminary unaudited December 2021 net valuation gain of \$225 million or +10% compared to 30 June 2021.
- Portfolio capitalisation rate of 5.70%, equivalent to 31 basis points of compression based on continued strength in the LFR transactional market.
- Income growth contributed to ~\$90m of the net valuation uplift or ~40%
- Total portfolio valuation gains over the past four and a half years to over ~\$785 million or a ~45% increase.
- Declared December 21 quarterly distribution of 5.00 cents per security.
- Reaffirmed FY22 security guidance of 20.5 cents per security or 20.3 cents per security on a recurring basis.

Portfolio Revaluation

The preliminary unaudited independent revaluation of the portfolio (Portfolio Revaluation) indicates a net valuation increase of \$225 million to \$2.5 billion as at 31 December 2021. This valuation uplift will further reduce Aventus' gearing and will result in a substantial increase in Net Tangible Assets per security as at 31 December 2021.

Portfolio Valuation ¹	
30 June 2021 Portfolio Valuation	\$2,320m
Net Valuation Increase	\$225m
MacGregor Home Sale	(\$42m)
Capital Expenditure	\$16m
31 December 2021 Portfolio Valuation	\$2,519m

Portfolio Weighted Average Capitalisation Rates ¹	
31 December 2020	6.65%
30 June 2021	6.01%
31 December 2021	5.70%

¹ Numbers are subject to change upon finalisation of AVN's financial statement for the half year ending 31 December 2021 inclusive of Aventus Property Syndicate 1. McGraths Hill 31 Dec 21 valuation of \$57m. Valuation increases exclude straight-lining and amortization of rental guarantees.

Distribution Announcement

The Board has approved a distribution for the December 2021 quarter of 5.00 cents per security. The Distribution Reinvestment Plan (DRP) will not be activated for this quarter. The details of the distribution for the quarter ended 31 December 2021 are as follows:

ASX Code	AVN
Distribution amount	5.00 cents per security
Ex-distribution date	30 December 2021
Record date	31 December 2021
Payment date	On or about Friday, 4 February 2022

MD & CEO Comment

Mr Darren Holland, MD & CEO of Aventus said:

"We have continued to see strong investor demand for large format retail in FY22 with investors attracted to the resilient and convenient nature of the sector which has outperformed during the pandemic. This continued demand has seen capitalisation rates in the sector compress further, which has been the catalyst to revalue our portfolio for December 2021.

"The weighted average capitalisation rate of the portfolio has compressed a further 31 basis points to 5.70%. In addition to the capitalisation rate compression, pleasingly 40% of the net valuation uplift has been derived from strong sustainable income growth which has been driven by positive leasing spreads and strong fixed lease escalations of 3.8%. This brings the total portfolio gains over the past 12 months to over \$510 million, and over \$785 million or 45% over the past four and a half years."

This announcement was approved by the Board for release.

Mary Weaver
Company Secretary
(02) 9285 6711