11 February 2020

AVENTUS ACHIEVES STRONG RESULTS FOR 2020 HALF YEAR

Aventus Group (ASX: AVN) (Aventus) today announced its results for the half year ended 31 December 2019.

Portfolio Highlights

- Like-for-like Net Operating Income (NOI) growth of 3.1%
- All leases in the portfolio include annual rent escalations with over 76% of leases with fixed increases (predominantly 3%-5%) and the balance CPI reviews
- High occupancy of 98.6% achieved
- Diversified, robust tenancy mix based on income:
  - 38% of the portfolio from the everyday-needs category
  - no exposure to department stores, discount department stores
  - less than 2% exposure to fashion and apparel
- Active leasing management with 59 leases negotiated across 57,000 sqm of GLA achieving positive leasing spreads and low incentives
- High exposure to national tenants, comprising 87% of the portfolio by GLA

Financial Highlights

- Funds from Operations (FFO) of $53 million or 9.6 cents per security
- Distributions of 8.5 cents per security
- Total Shareholder Return of 44.1% for the 12 months ended 31 December 2019
- Net revaluation gains of $20 million
- Statutory Profit of $72 million
- Gearing reduced by 3% to 35.7%, within target range of 30% - 40%
- Weighted average debt maturity of 3.6 years and weighted average cost of debt reduced to 3.1%

Valuation Increases Achieved Through Income Growth

Net property valuation gains of $20 million were achieved over the half year, bringing the value of assets under management to $2.2 billion[1]. The Weighted Average Capitalisation Rate (WACR) for the portfolio remained steady at 6.7%.

This brings the total of net valuation gains over the last 2.5 years to $240 million, driven predominantly by solid NOI growth and well-executed development projects.

Driving Solid Asset Performance

Opportunities for tenant remixing resulted in an improved range of offerings for shoppers and contributed to the portfolio's NOI growth of 3.1%. Over the period, Aventus negotiated 59 leases covering 57,000 sqm and managed to achieve an occupancy rate of 98.6% across the portfolio. Further, these leases were achieved with positive leasing spreads and low incentives and the weighted average lease expiry (WALE) was maintained at 4 years.

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[1] Including Kotara North and Marsden Park.

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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.

Growth Through Development

Aventus continues to deliver development projects that enhance the customer experience and achieve attractive returns for investors. Land holdings of over 1.2m sqm with a low site cover ratio of 45% offer significant long-term development potential.

In keeping with its strategy, Aventus spent $15 million across five projects in 1H FY20 and the development spend for FY20 is forecast to be more than $38 million, with the major component of this spend to occur at Caringbah in Sydney. This project has now commenced, following significant planning to ensure minimal disruption to shoppers and tenants.

Outlook

Mr Darren Holland, Aventus CEO said "Aventus Group continues to implement its strategy to drive sustainable earnings growth and to create long term value.

"Our strategy of intensive asset management and operational excellence remains clear and has driven organic growth and real returns for investors, evident in the 4.4%[2] per annum FFO growth since listing in October 2015.

We are also pleased to have established a third-party funds management platform this half with the launch of the Aventus Property Syndicate 1 (APS1), the first dedicated large format retail syndicate since listing. The creation of APS1 is an effective way to diversify our income and to recycle capital."

"Aventus' strategy is unchanged and our near-term focus remains on:

- actively diversifying our tenant base with a priority to increase everyday-needs tenants that drive weekday traffic and energise our centres;
- investing in the expansion and development of the portfolio to enhance the shopper experience and to capitalise on attractive development returns; and
- undertaking disciplined capital management to support the execution of the group's strategy", continued Mr Holland.

"The Aventus portfolio is well-positioned in today's market to offer retailers quality centres at affordable rents. All leases in our portfolio include annual rent escalations and, of those leases, over 76% mandate fixed increases of predominantly between 3% - 5%. Our work in achieving these annual rent increases secures future income growth for Aventus.

"Confidence in the portfolio's growth potential, together with a lower cost of debt, allows us to guide towards the top of our guidance range of 3 – 4% FY20 FFO growth per security, equivalent to 19.0 – 19.2 cents.[3]", concluded Mr Holland.

[2] CAGR calculation based on actual figure for the half year period ending June 2016 due to listing in October 2015

[3] Based on current operating environment and excludes abnormal items

Further details on the financial performance of AVN for the first half of the 2020 financial year (1H FY20) are provided in the Appendix 4D accompanying this release and in the 1H FY20 investor presentation.

An investor and analyst briefing teleconference call, followed by a question and answer session, will be held on **11 February 2019** at **10:30am AEDT**.

Investors and analysts wishing to participate should dial **1800 123 296** and ask to join the **Aventus Group December 2019 Half-Year Results Investor Presentation** (conference ID number **3748027**).

For further information:

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