

ASX Announcement

23 June 2021

STRONG PORTFOLIO VALUATION GAINS, FY21 EARNINGS UPGRADE AND JUNE DISTRIBUTION

- Preliminary unaudited June 2021 net valuation gain of \$254 million or 12% compared to 31 December 2020.
- Portfolio capitalisation rate of 6.01%, equivalent to compression of 64 basis points based on recent transactional evidence.
- Total portfolio valuation gains over past four years of approximately \$550 million or a 30% increase.
- Approximate unaudited earnings for FY21 Funds from Operations (FFO) of 19.4 cents per security representing 7% growth on FY20 (compared to prior guidance of 4% growth).
- Declared June 21 quarterly distribution of 4.37 cents per security.

June 2021 Preliminary Unaudited Portfolio Valuation

The preliminary unaudited independent revaluation of the Aventus Group (ASX:AVN) portfolio as at 30 June 2021 indicates a net valuation increase of \$254 million to \$2.3 billion as at June 2021.

This valuation uplift will reduce Aventus' gearing to the bottom of the range and will result in a substantial increase in Net Tangible Assets per security as at 30 June 2021.

Portfolio Valuation ¹	(\$Am)
31 December 2020 Portfolio Valuation	2,049
Capital Expenditure	19
Net Valuation Increase	254
30 June 2021 Portfolio Valuation	2,322
Valuation Weighted Average Capitalisation Rates	
31 December 2020 Weighted Average Capitalisation Rate	6.65%
30 June 2021 Weighted Average Capitalisation Rate	6.01%

¹ Numbers are subject to change upon finalisation of AVN's financial statements for the year ending 30 June 2021 and includes McGraths Hill Dec-20 valuation of \$43m vs Jun-21 valuation of \$50m. Valuation increase exclude straight-lining adjustments and amortisation of rental guarantees.

Distribution Announcement - June 21 Quarter

The Board has approved a distribution for the June 2021 quarter of 4.37 cents per security. This brings the total distributions for FY21 to 17.47 cents per security.

The Distribution Reinvestment Plan (DRP) remains activated for this quarter, with no discount.

The details of the distribution for the quarter ended 30 June 2021 are as follows:

ASX Code	AVN
Distribution amount	4.37 cents per security
Ex-distribution date	29 June 2021
Record date	30 June 2021
Last date to elect to participate in DRP	1 July 2021
Payment date and despatch of statements	On or about Thursday, 26 August 2021
VWAP Period	2 July 2021 to 15 July 2021
Discount	Nil

Upgraded FY21 Earnings

Aventus Group advises preliminary unaudited FY21 FFO of 19.4 cents per security, which represents 7% growth compared to FY20 (compared to prior guidance of 4% growth). The main driver of this upgrade is the continued strong performance of the portfolio and a lower cost of debt and includes the one-off true up amount referred to at the half-year results released in February 2021.

Aventus Group CEO Darren Holland commented:

“Strong investment demand for LFR centres, together with continued positive trading in our centres and a focus on driving sustainable income growth across the portfolio, have all contributed to this significant valuation increase. Pleasingly, this valuation increase will see the Group’s gearing reduce to the bottom of our target gearing range, enhancing our flexibility to achieve Aventus’ strategic objectives in the year ahead.

Specifically, the weighted average capitalisation rate for the portfolio has compressed by 64 basis points to 6.01%, bringing the total valuation gains for the portfolio over the last four years to approximately \$550 million. In addition to capitalisation rate compression, robust income growth, strategic development initiatives and expense management have contributed to delivering value for our investors.

The hard work of our team in driving the portfolio and diligently managing our capital has also resulted in an upgraded preliminary unaudited FY21 FFO of 19.4 cents per security, which represents growth of 7% from FY20.” said Mr Holland.

This announcement has been authorised by the Board for release.

Mary Weaver
Company Secretary
(02) 9285 6711