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ASX Announcement **25 June 2020**

Elanor Investors Group - Market Update

- COVID-19 has seen challenging operating and financial conditions across the Australian economy. The Group has responded swiftly to these conditions to minimise the impact on our Managed Funds and assets
- We are currently experiencing improved trading activity. The Group and its Managed Funds are well positioned to perform strongly in the post COVID-19 environment
- The Group is pursuing significant growth opportunities across both our existing and new real estate sectors of focus
- Notwithstanding achieving positive Core Earnings for the six months ending 30 June 2020, the Board of ENN has determined to suspend the distribution for the June half. This conservative approach reflects ongoing economic uncertainty and the Group's pipeline of growth prospects

ENN Managed Funds

The COVID-19 pandemic has created challenging trading conditions for some of the Elanor Investors Group's ("ENN" or "Group") Managed Fund assets – specifically its retail real estate and hotels, tourism and leisure assets. The Government enforced closures of international and domestic borders has impacted the hotel and wildlife park assets, and the Government health-related initiatives and restrictions have impacted both hotel and wildlife park assets and retail shopping centres.

Commercial Office and Healthcare Real Estate

ENN's Commercial Office Managed Funds are performing above expectations. The underlying real estate assets in ENN's Commercial Office Managed Funds generate over 87% of their current income from Government, Multinational and ASX Listed tenants.

On 24 June 2020 the Elanor Commercial Property Fund (ASX: ECF) announced its Forecast Funds from Operations ("FFO") for the period ending 30 June 2020 of $13.4 million, 9.1% above the PDS forecast for the same period.

ENN's healthcare office real estate assets are currently performing to expectations with the COVID-19 pandemic expected to have a minimal impact on the fund's forecast earnings.

ENN is pleased with the growing pipeline of opportunities in the commercial office and healthcare real estate sectors.

Retail Real Estate

The level of trading activity across ENN's Retail Managed Funds continues to improve as Government imposed restrictions are relaxed.

Elanor Retail Property Fund (ASX: ERF) and other ENN Retail Managed Funds shopping centre assets have performed well during the COVID-19 pandemic. This reflects the Group's focus on shopping centre investments anchored by strongly performing supermarkets and non-discretionary focussed specialty retailers.

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Elanor Retail Property Fund

In its ASX announcement on 24 June 2020, ERF stated that its 'defensive' shopping centre portfolio has performed well during the COVID-19 pandemic.

The percentage of rent collected across ERF's portfolio for the months of April and May 2020 was 67% and 72% respectively. In respect of the Fund's Income Assets, the percentage of rent collected was 86% and 83% respectively. It is expected that June's rent collection will show further improvement. Rental abatements continue to be negotiated to support occupancy levels in conjunction with pursuing opportunities to improve the tenancy mix and extend lease tenure at each centre.

Auburn Central's repositioning to a Sydney metropolitan, triple supermarket anchored, neighbourhood shopping centre is well progressed. Construction commenced in March 2020 following the Big W lease surrender and is on schedule for completion in November 2020. Importantly, lease terms have been agreed with tenants reflecting 65% of the project's NLA. Binding Agreements for Lease have been executed with Aldi, Tong Li (an Asian supermarket) and a mini major discounter. A further market update on the repositioning of the Auburn Central shopping centre will be provided by ERF in the coming days.

ERF has recommenced the divestment programme for its Income Assets due to investor demand for strongly performing neighbourhood shopping centres. Discussions are currently in progress with several parties.

Unlisted ENN Retail Managed Funds

Rent collections across ENN's unlisted Retail Managed Funds have been at or above expectations, with June's rent collection expected to show further improvement in line with improving trading occupancy levels.

ENN is evaluating several retail shopping centre acquisitions that present significant value-add opportunities consistent with the Group's 'retail repositioning' strategy, focussed on repositioning discretionary retail to higher and better alternative uses.

Elanor Wildlife Park Fund

Featherdale Wildlife Park and Mogo Wildlife Park re-opened to the public on Monday 8 June 2020.

While Featherdale's international inbound visitation has been impacted by the closure of Australia's borders, domestic visitation following the reopening of the Park has been in line with expectations. Mogo Wildlife Park has performed particularly strongly since re-opening, reflecting the management team's success in integrating the wildlife park into the Fund and driving significant additional revenue and cost efficiencies.

Accommodation Hotel Funds

The COVID-19 pandemic has created difficult trading conditions across the accommodation hotels sector and the tourism industry.

- The ten regional NSW, ACT and SA hotels within the Elanor Metro and Prime Regional Hotel Fund continue to operate at levels reflecting their respective market demand. While occupancy levels

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and room rates have declined significantly over recent months, the cost bases of all properties have been restructured, ensuring that the hotels are well positioned to trade profitably in the short term as demand returns. Recent relaxation of certain Government health-related initiatives and restrictions has resulted in improved trading conditions. The Fund's hotels are well positioned to benefit from the anticipated increase in regional domestic tourism activity.

- Following the Tasmanian Government's relaxation of trading restrictions for hotels, Cradle Mountain Lodge re-opened to the public on 12 June 2020. Early indications of near term intrastate and medium-term interstate tourism demand from forward bookings have been strong. The Mayfair Hotel and Adabco Hotel in Adelaide, also within the Elanor Luxury Hotel Fund, are seeing improving levels of occupancy with the recent relaxation of social distancing rules in South Australia.

Following the restructuring of the accommodation hotels' cost bases, all hotel properties are well positioned to trade profitably in the short term as economic conditions improve. Furthermore, the Group anticipates that, post COVID-19, there will be opportunities to acquire further high investment quality hotels.

ENN CEO, Glenn Willis said "A number of the assets in the Group's Managed Funds have encountered challenging market conditions as a result of the COVID-19 pandemic. The management teams have successfully managed our Funds through this difficult time, positioning the assets for strong performance as market conditions improve.

Our core strategy remains focused on achieving strong returns for our investors and growing our funds management business. We are pleased with the significant funds management growth opportunities across our sectors of focus.

Furthermore, we are actively pursuing opportunities in new real estate sectors in addition to strategic opportunities to deliver our growth objectives."

ENDS.

Authority and Contact Details

This announcement has been authorised for release by the Elanor Investors Group Board of Directors. For further information regarding this announcement please contact:

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About Elanor Investors Group

Listed on the Australian Securities Exchange in 2014, Elanor Investors Group (ASX: ENN) is an investment and funds management business with over $1.9 billion in assets under management across Australia and New Zealand.

Elanor's key sectors of focus are commercial office, retail real estate and hotels, tourism and leisure. Elanor's investment management objective is to acquire and unlock value in real estate assets that provide strong income and capital growth potential.

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