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20 August 2020

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Attached is the Elanor Investors Group (ASX:ENN) Supplementary Financial Information for the year ended 30 June 2020.

Yours sincerely,



Symon Simmons
Company Secretary
Elanor Funds Management Limited

Authority and Contact Details

This announcement has been authorised for release by the Board of Directors of Elanor Funds Management Limited

For further information regarding this announcement please contact:

Symon Simmons
Company Secretary
Elanor Funds Management Limited
Phone: (02) 9239 8400

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Supplementary Financial Information

For the year ended
30 June 2020

Elanor Investors Group
Comprising the stapling of units in Elanor Investment Fund (ARSN 169 450 926) and ordinary shares in Elanor Investors Limited (ABN 33 169 308 187)

Level 38, 259 George Street,
Sydney NSW 2000
GPO Box 1511,
Sydney NSW 2001
www.elanorinvestors.com

ELANOR INVESTORS GROUP

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Directors' Statement

The Directors of Elanor Investors Group (Group, Consolidated Group or Elanor) present this Supplementary Financial Information in accordance with the conditions set out in the Information Memoranda dated 13 October 2017 and 14 December 2017 for the issue of $40,000,000 and $20,000,000 7.10 per cent five year Unsecured Fixed Rate notes due 17 October 2022 (Notes).

The purpose of this Supplementary Financial Information is to present Supplementary Statements of Profit or Loss, Financial Position and Cash Flows to holders of the Notes, the Note Trustee, the Lead Manager and Initial Subscriber under the Note conditions, for the year ended 30 June 2020.

In the Elanor Investors Group's Annual Financial Report for the year ended 30 June 2020, where Elanor is deemed to have a controlling interest in any particular managed fund, the consolidation method is required in respect of Elanor's co-investment in that fund. This Supplementary Financial Information is presented on the basis that all of Elanor's managed fund co-investments are accounted for using the equity method.

In this Supplementary Financial Information, the Group's financial results including an equity accounted presentation of all managed fund co-investments is defined as the "ENN Group".

The Supplementary Statements of Profit or Loss, Financial Position and Cash Flows present both the Consolidated Group results and the ENN Group results, and "Adjustments" that reflect the required adjustments to the Consolidated Group results to remove the impact of the consolidation of the Group's deemed controlled managed fund co-investments and record their investments in accordance with the principles of equity accounting.

This Supplementary Financial Information should be read in conjunction with Elanor Investors Group's Annual Financial Report for the year ended 30 June 2020.

This report is made in accordance with a resolution of the Boards of Directors of Elanor Funds Management Limited and Elanor Investors Limited.

Signed in accordance with a resolution of the Directors.

Paul Bedbrook
Chairman

Glenn Willis
CEO and Managing Director

Sydney, 19 August 2020

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Independent Auditor's Report to holders of the Notes, the Note Trustee, the Lead Manager and the Initial Subscriber under the Note conditions of Elanor Investors Group

Opinion

We have audited the Supplementary Financial Information of Elanor Investors Group, being the consolidated stapled entity ("Elanor Investors Group"). The consolidated stapled entity comprises Elanor Investors Limited and the entities it controlled at the year end or from time to time during the year, including Elanor Investment Fund and the entities it controlled at the year end or from time to time during the year. Supplementary Financial Information has been prepared for the purposes of meeting the requirements of the Information Memoranda "Issue of A$40,000,000 7.10 per cent. Unsecured Fixed Rate Notes due 17 October 2022" and "Issue of A$20,000,000 7.10 per cent. Unsecured Fixed Rate Notes due 17 October 2022" (the Notes), and comprises the supplementary statement of financial position as at 30 June 2020, the supplementary statement of profit or loss and supplementary statement of cash flows for the year then ended, and notes to the supplementary financial information, including a summary of significant accounting policies, and the Directors statement.

In our opinion we have not become aware of any matter that makes us believe that the accompanying Supplementary Financial Information of Elanor Investors Group has not been prepared, in all material respect in accordance with the basis of preparation set out within the notes to the Supplementary Financial Information and with the reporting requirements of the Notes.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Supplementary Financial Information in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the Supplementary Financial Information, which describes the basis of accounting. The Supplementary Financial Information has been prepared for the purpose of assisting Elanor Investors Group to meet the financial reporting requirements of the Notes. As a result, the Supplementary Financial Information may not be suitable for another purpose. Our report is intended solely for the holders of the Notes, the Note Trustee, the Lead Manager and the Initial Subscriber under the Note conditions of Elanor Investors Group. Our opinion is not modified in respect of this matter.

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Responsibilities of the Directors for the Supplementary Financial Information

The directors of Elanor Investors Group are responsible for the preparation and fair presentation of the Supplementary Financial Information and have determined that the basis of preparation described in Note 1 to the Supplementary Financial Information is appropriate to meet the needs of the holders of the Notes, the Note Trustee, the Lead Manager and the Initial Subscriber under the Note conditions. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the Supplementary Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Supplementary Financial Information, the directors are responsible for assessing the Elanor Investors Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Elanor Investors Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Supplementary Financial Information

Our objectives are to obtain reasonable assurance about whether the Supplementary Financial Information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Supplementary Financial Information.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Supplementary Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Elanor Investors Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Elanor Investors Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Supplementary Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Elanor Investors Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Supplementary Financial Information, including the disclosures, and whether the Supplementary Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU



DELOITTE TOUCHE TOHMATSU

D Nell
Partner
Chartered Accountants
Sydney, 19 August 2020

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ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2020

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	Consolidated Group 30 June 2020 $'000	Adjustments 30 June 2020 $'000	ENN Group 30 June 2020 $'000
Income			
Revenue from operating activities	66,459	(38,211)	28,248
Interest income	1,812	113	1,925
Rental income	4,110	(4,110)	–
Share of profit / (loss) from equity accounted investments	(5,991)	(10,993)	(16,984)
Realised loss on disposal of investment	1,449	–	1,449
Fair value (loss) / gain on revaluation of assets / investment properties	(11,769)	9,938	(1,831)
Other income	864	(659)	205
Total income	**56,934**	**(43,922)**	**13,012**
Expenses			
Changes in inventories of finished goods	4,310	(3,561)	749
Salary and employee benefits	33,463	(16,594)	16,869
Property expenses	7,589	(6,932)	657
Operator management costs	2,738	(2,620)	118
Borrowing costs	12,072	(6,648)	5,424
Depreciation	12,111	(10,776)	1,335
Amortisation	1,204	(363)	841
Marketing and promotion	3,091	(1,417)	1,674
Repairs, maintenance and technology	1,784	(1,035)	749
Other expenses	4,991	(2,245)	2,746
Total expenses	**83,353**	**(52,191)**	**31,162**
Net profit / (loss) before income tax expense	**(26,419)**	**8,269**	**(18,150)**
Income tax (benefit) / expense	(3,029)	(2,867)	(162)
Net profit / (loss) for the period from continuing operations after tax	**(23,390)**	**5,402**	**(17,988)**
Discontinued operations			
Net profit / (loss) for the period from discontinued operations after tax	**–**	**–**	**–**
Net profit / (loss) for the period	**(23,390)**	**5,402**	**(17,988)**
Net profit / (loss) attributable to security holders of:			
- Parent Entity	(9,905)	420	(9,485)
- Non-controlling interest EIF	(8,424)	(79)	(8,503)
Net profit / (loss) attributable to ENN security holders	**(18,329)**	**341**	**(17,988)**
Attributable to security holders of:			
- External Non-controlling interest	(5,061)	5,061	–
Net profit / (loss) for the period	**(23,390)**	**5,402**	**(17,988)**
Net profit / (loss) attributable to equity holders of the parent entity relates to:			
Profit from continuing operations	(9,905)	420	(9,485)
Profit / (loss) from discontinued operations	–	–	–
Net profit / (loss) for the period	**(9,905)**	**420**	**(9,485)**
Basic earnings / (loss) of the ENN security holders from continuing operations per stapled security (cents)	(16.59)		(17.39)
Diluted earnings / (loss) of the ENN security holders from continuing operations per stapled security (cents)	(16.59)		(17.39)

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020

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	Consolidated Group 30 June 2020 $'000	Adjustments 30 June 2020 $'000	ENN Group 30 June 2020 $'000
Current assets			
Cash and cash equivalents	23,548	(6,293)	17,255
Receivables	7,143	(629)	6,514
Finanical assets	11,668	7,433	19,101
Inventories	863	(844)	19
Other current assets	1,113	(819)	294
Current tax asset	8,857	(4,350)	4,507
Total current assets	**53,192**	**(5,502)**	**47,690**
Non-current assets			
Property, plant and equipment	320,959	(313,386)	7,573
Investment properties	50,864	(50,864)	–
Equity accounted investments	97,651	100,187	197,839
Goodwill and intangible assets	600	–	600
Deferred tax assets	3,964	(2,181)	1,783
Total non-current assets	**474,038**	**(266,244)**	**207,794**
Total assets	**527,230**	**(271,746)**	**255,484**
Current liabilities			
Payables	10,223	(4,917)	5,306
Derivative financial instruments	2,955	(1,486)	1,469
Interest bearing liabilities	62,339	(62,339)	–
Current provisions	2,068	(1,044)	1,024
Other current liabilities	177	4	181
Contract liabilities	1,274	(1,268)	6
Liabilities directly associated with discontinued operations	2,119	–	2,119
Total current liabilities	**81,155**	**(71,050)**	**10,107**
Non-current liabilities			
Derivative financial instruments	917	(917)	–
Interest bearing liabilities	229,006	(140,942)	88,064
Non-current provisions	288	(45)	243
Other non-current liabilities	5	–	5
Deferred tax liabilities	3,509	(1,498)	2,011
Total non-current liabilities	**233,725**	**(143,400)**	**90,323**
Total liabilities	**314,880**	**(214,450)**	**100,430**
Net assets	**212,350**	**(57,296)**	**155,054**

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Consolidated Group 30 June 2020 $'000	Adjustments 30 June 2020 $'000	ENN Group 30 June 2020 $'000
Equity			
Equity Holders of Parent Entity			
Contributed equity	71,891	–	71,891
Treasury shares	(1,005)	–	(1,005)
Reserves	14,354	(13,483)	871
Retained profits / (accumulated losses)	(46,713)	24,346	(22,367)
Parent entity interest	**38,527**	**10,863**	**49,390**
Equity Holders of Non Controlling Interest			
Contributed equity - Elanor Investment Fund	102,853	–	102,853
Treasury shares	(2,796)	–	(2,796)
Reserves	10,678	(9,601)	1,077
Retained profits / (accumulated losses)	5,502	(972)	4,530
Non-controlling interest	**116,237**	**(10,573)**	**105,664**
Equity Holders of Non Controlling Interest - External			
Contributed equity - External	37,465	(37,465)	–
Reserves	21,172	(21,172)	–
Retained profits / (accumulated losses)	(1,051)	1,051	–
External Non-controlling interest	**57,586**	**(57,586)**	**–**
Total equity attributable to stapled security holders:			
- Parent Entity	38,527	10,864	49,390
- Non-controlling Interest - EIF	116,237	(10,571)	105,664
Total equity attributable to ENN security holders	**154,764**	**293**	**155,054**
Total equity attributable to stapled security holders:			
- Non-controlling interest - External	57,586	(57,586)	–
Total equity	**212,350**	**(57,293)**	**155,054**

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ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated Group 30 June 2020 $'000	Adjustments 30 June 2020 $'000	ENN Group 30 June 2020 $'000
Cash flows from operating activities			
Receipts from customers	79,591	(48,528)	31,063
Payments to suppliers and employees	(63,534)	39,098	(24,437)
Interest received	2,731	115	2,846
Finance costs paid	(11,996)	6,496	(5,500)
Net cash flows from operating activities	**6,792**	**(2,820)**	**3,973**
Cash flows from investing activities			
Receipts for business and asset disposals	43,650	(4,650)	39,000
Financial assets repaid/ (acquired)	33,313	(7,123)	26,190
Payments for property, plant and equipment / investment properties	(139,523)	139,025	(498)
Loans to associates	6,988	524	7,512
Payments for equity accounted investments	(77,746)	(64,947)	(142,693)
Receipts for equity accounted investments	34,142	2,385	36,527
Distributions received from equity accounted investments	5,092	2,205	7,297
Return of capital received from equity accounted investments	–	8,080	8,080
Net cash flows from investing activities	**(94,084)**	**75,499**	**(18,585)**
Cash flows from financing activities			
Net proceeds from borrowings	92,093	(88,172)	3,920
Payments for lease liability	(945)	–	(945)
Proceeds from equity raisings	36,429	–	36,429
Costs associated with equity raisings	(1,078)	–	(1,078)
Distributions paid to unit holders	(34,943)	14,047	(20,896)
Net cash flows from financing activities	**91,556**	**(74,126)**	**17,431**
Net increase / (decrease) in cash and cash equivalents	4,265	(1,446)	2,819
Cash and cash equivalents at the beginning of the period	19,281	(4,844)	14,437
Cash at the end of the period	**23,547**	**(6,290)**	**17,255**

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1. Basis of Preparation

This Supplementary Financial Information does not include all of the information required in financial statements in accordance with Australian Accounting Standards and should be read in conjunction with Elanor Investors Group's Annual Financial Report for the year ended 30 June 2020 and any public announcements made by the Group during the period in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The Supplementary Financial Information incorporates the Consolidated Group's audited Statements of Profit or Loss, Financial Position and Cash Flow for the year ended 30 June 2020 that have been prepared in accordance with Corporations Act 2001.

Unless disclosed otherwise, this Supplementary Financial Information has been prepared in accordance with the same accounting policies adopted in the Group's Annual Financial Report for the period ended 30 June 2020.

In the Elanor Investors Group's Annual Financial Report for the year ended 30 June 2020, where Elanor is deemed to have a controlling interest in any particular managed fund, the consolidation method is required in respect of Elanor's co-investment in that fund. This Supplementary Financial Information is presented on the basis that all of Elanor's managed fund co-investments are accounted for using the equity method.

In this Supplementary Financial Information, the Group's financial results including an equity accounted presentation of all managed fund co-investments is defined as the "ENN Group". The ENN Group incorporates the assets and liabilities of Elanor Investors Limited and all its subsidiaries, Elanor Investment Fund and its controlled entities and EMPR, Bluewater, Elanor Health Care Fund and Elanor Luxury Hotel Fund on an equity accounted basis as at 30 June 2020.

The Supplementary Statements of Profit or Loss, Financial Position and Cash Flows present both the Consolidated Group results and the ENN Group results, and "Adjustments" that reflect the required adjustments to the Consolidated Group results to remove the impact of the consolidation of the Group's deemed controlled managed fund co-investments.

Background Information on Elanor's Control of the Funds

The Consolidated Group incorporates the assets and liabilities of Elanor Investors Limited and all of its subsidiaries, Elanor Investment Fund and its controlled entities, Elanor Metro and Prime Regional Hotel Fund (EMPR), Bluewater Square Syndicate (Bluewater) and Elanor Luxury Hotel Fund (ELHF) as at 30 June 2020. Together, EMPR, Bluewater and ELHF are the Funds.

EMPR comprises stapled securities in Elanor Metro and Prime Regional Hotel Fund, EMPR Management Pty Limited, Elanor Metro and Prime Regional Hotel Fund II (formerly known as Elanor Hospitality and Accommodation Fund) and EMPR II Management Pty Limited (formerly known as EHAF Management Pty Limited). ELHF comprises stapled securities in Elanor Luxury Hotel Fund and ELHF Management Pty Limited. The Group holds 42.63% of the equity in EMPR, 100% of the equity in ELHF and 42.27% of the equity in Bluewater.

Elanor Funds Management Limited acts as the Manager and Trustee of the Funds. The Trustee is owned wholly by the Group and governed by the licensing and legal obligations of a professional asset manager. The powers of the Trustee are governed by the Funds' constitution, which sets out the basis of fees that the Trustee can receive. These fees include management fees, performance fees, and acquisition fees.

Therefore, as set out in the Elanor Investors Group's Annual Financial Report for the year ended 30 June 2020, because Elanor is deemed to have a controlling interest in the Funds given its level of ownership and role as Trustee and Manager, the AASB 10 definition of control for Elanor's equity investment in the Funds is met, and the Funds are included on consolidated basis in the Consolidated Group.