

ASX Announcement**23 August 2021****Divestment of Moranbah Fair**

- Moranbah Fair sold for \$28.0 million, at book value
- Successful divestment of Income Asset in accordance with ERF strategy
- Pro-forma gearing post-transaction reduced to 10.5% (from 21.1% at June 2021)
- Capacity for further acquisitions of Value-Add assets and capital management initiatives

Divestment of Moranbah Fair

Elanor Funds Management Limited ("EFML"), as the responsible entity for Elanor Retail Property Fund ("ERF" or "Fund"), is pleased to announce that it has exchanged unconditional contracts for the sale of Moranbah Fair for \$28.0 million.

The transaction is part of ERF's 'Income Asset' divestment program, with the sale price at ERF's book value. Settlement is scheduled to complete in August 2021.

Fund Manager, Michael Baliva, said "Since its acquisition in 2017, Moranbah Fair has contributed strong income to the Fund and has increased in value by 12%. The sale of Moranbah Fair highlights our capability in unlocking the value of ERF's assets through the execution of active tenant re-mixing initiatives. The sale reflects the strong demand for supermarket and non-discretionary based retail assets, similar to the Fund's other Income Assets, and supports the strategic repositioning of ERF's Value-Add Assets."

Capital management initiatives

Proceeds from the sale of Moranbah Fair will be used to further strengthen the Fund's balance sheet and provide capacity to acquire further Value-Add retail investments and undertake capital management initiatives. ERF intends to initially repay \$25 million of debt, reducing the Fund's pro-forma gearing to 10.5%¹.

Elanor Investors Group CEO, Glenn Willis, said "ERF is a 'Value-Add' Retail Real Estate Fund with a focus on retail assets that provide significant potential for high risk-adjusted returns. We are pleased with the sale of Moranbah Fair, which was identified for divestment given the limited additional value-add upside at the property. Furthermore, this transaction provides ERF with increased capacity to execute the value-add initiatives within the portfolio and undertake new investments in value-add retail assets."

ENDS.

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

¹ Prior to payment of the special distribution of 12 cents per security declared prior to 30 June 2021. Post payment of the special distribution, the Fund's pro-forma gearing is 18.1%.

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About Elanor Retail Property Fund

Elanor Retail Property Fund (ASX: ERF) is an externally managed real estate investment trust that invests in Australian retail shopping centre assets with a focus on retail assets that provide opportunities for high risk-adjusted return total returns from repositioning the retail real estate and tenancy mix. ERF was listed on the ASX in 2016 and currently owns 5 non-discretionary focussed retail shopping centre assets with a combined valuation of \$209.2 million.

www.elanorinvestors.com/ERF