



# ASX Preliminary Financial Report

For the year ended 30 June 2021

Lodged with the ASX under Listing Rule 4.3A

## **Elanor Retail Property Fund**

Comprising the stapling of units in Elanor Retail Property Fund I (ARSN 615 291 220) and units in Elanor Retail Property Fund II (ARSN 615 291 284)

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# ELANOR RETAIL PROPERTY FUND

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# ELANOR RETAIL PROPERTY FUND

## Results For Announcement To The Market

Elanor Retail Property Fund (the Fund, Group or Consolidated Group) is a 'stapled' entity comprising of Elanor Retail Property Fund I (ERPF I) and its controlled entities, and Elanor Retail Property Fund II (ERPF II).

This Preliminary Final Report for the year ended 30 June 2021 is given to the ASX in accordance with Listing Rule 4.3A.

The previous corresponding period is the year ended 30 June 2020.

## Financial Performance

		A \$'000
Revenue from ordinary activities	Down 18.3% to	24,441
Profit/(loss) from ordinary activities after tax attributable to security holders	Up 19,121 from (11,964) to	7,157
Net profit/(loss) for the period attributable to security holders	Up 19,121 from (11,964) to	7,157
Core Earnings	Up 5.1% to	11,672

Note: The variances have been calculated by comparing current year financial results to the reported results in the Appendix 4E as at 30 June 2020. Core Earnings represents the Directors view of underlying earnings from ongoing operating activities for the period, being net profit/(loss), adjusting for one-off realised items (being formation or other transaction costs that occur infrequently or are outside the course of ongoing business activities), non-cash items (being fair value movements, lease straight-lining and amortisation), determined in accordance with ASIC RG230.

## Distributions

<i>Current Period</i>	<i>Amount per security</i>
Interim Distribution	4.84 cents
Special Distribution	12.00 cents
Final Distribution	3.83 cents
<b><i>Previous Corresponding Period:</i></b>	
Interim Distribution	5.24 cents
Final Distribution	-

Note: Distributions are based on a payout ratio of 95% of Core Earnings. Further information on tax components of the distribution will be provided to security holders in their annual tax statement for the year ending 30 June 2021.

The Record Date for determining entitlements to the Final Distribution was 30 June 2021. The Final Distribution is payable on 3 September 2021.

## Net Tangible Assets

<i>Current Period</i>	<i>Current Period</i>
Net tangible asset backing per security	\$1.22
<b><i>Previous Corresponding Period</i></b>	
Net tangible asset backing per security	\$1.34

## ELANOR RETAIL PROPERTY FUND

### Results For Announcement To The Market (Continued)

Revenue from ordinary activities for the year ended 30 June 2021 was \$24.4 million, a reduction of 18.3% compared to the prior period, reflecting a reduction in rental income following the sale of the Auburn Central property in December 2020.

The Group recorded statutory income of \$7.2 million for the year ended 30 June 2021, increasing by \$19.1 million compared to the prior period, primarily reflecting positive movements in the valuation of the Fund's investment portfolio.

Core Earnings for the year was \$11.7 million or 9.14 cents per stapled security. Core Earnings is a non-IFRS measure and the key financial measurement of the Fund. This financial measurement is also called Funds from Operations (FFO) and is used by the Directors to make strategic decisions and as a guide to assessing appropriate distribution declarations.

A summary of the Group's results for the year ended 30 June 2021 is set out below:

	Consolidated Group	ERPF I Group
	30 June	30 June
	2021	2021
<b>Key financial results</b>		
Net income (\$'000)	7,157	3,439
Core Earnings/ FFO (\$'000)	11,672	5,472
Distributions paid/payable to securityholders (\$'000)	11,089	5,198
Core Earnings/ FFO per stapled security (cents)	9.14	4.28
Core Earnings/ FFO per weighted average stapled security (cents)	9.10	4.27
Distributions (cents per stapled security)	8.67	4.07
Special distribution (cents per stapled security) <sup>1</sup>	12.00	0.78
Net tangible assets (\$ per stapled security)	1.22	0.33
Gearing (net debt / total assets less cash) (%)	21.1%	0.3%

<sup>1</sup> The special distribution for the capital gains realised on the sale of Auburn Central has been recognised as a distribution payable at year end. The distribution was declared on 24 June 2021 and will be paid 3 September 2021.

### FINANCIAL RESULTS

The table below provides a reconciliation from statutory net profit / (loss) to distributable Core Earnings / Funds from Operations:

	Consolidated Group	ERPF I Group
	30 June	30 June
	2021	2021
	\$'000	\$'000
<b>Statutory net income</b>	<b>7,157</b>	<b>3,439</b>
Adjustments for items included in statutory income		
Net fair value increment on investment property	(1,596)	(2,621)
Straight-lining of rental income <sup>2</sup>	234	234
Amortisation expense <sup>3</sup>	885	807
Sale of Auburn Ambulance Station <sup>4</sup>	1,379	—
Transaction costs <sup>5</sup>	3,613	3,613
<b>Core Earnings/ FFO<sup>1</sup></b>	<b>11,672</b>	<b>5,472</b>

<sup>1</sup> Core Earnings / Funds from Operations (FFO) has been determined in accordance with the Property Council of Australia Guidelines and represents the Directors' view of underlying earnings from ongoing operating activities being statutory profit / (loss) (under IFRS), adjusted for non-cash and other items such as property revaluations, derivative mark-to-market impacts, amortisation of tenant incentives, gains/loss on sale of investment properties, straight-line rental adjustments, non-FFO tax expenses/benefits and other unrealised one-off items.

<sup>2</sup> Straight-lining of rental income is a non-cash accounting adjustment recognised in rental income in the Consolidated Statement of Profit or Loss.

<sup>3</sup> Amortisation expense includes the amortisation of capitalised leasing costs and debt establishment costs, recognised in rates, taxes and other outgoings, other expenses and borrowing costs in the Consolidated Statement of Profit or Loss.

<sup>4</sup> The profit on divestment of Auburn Ambulance Station has been included in Core Earnings/FFO for the year. Settlement occurred on 7 August 2020.

<sup>5</sup> Transaction costs incurred by the Group through profit and loss related to the divestment of Auburn Central which settled on 23 December 2020. This includes swap break costs of \$3.6 million included in Borrowing costs in the Consolidated Statements of Profit or Loss.

# ELANOR RETAIL PROPERTY FUND

## PRELIMINARY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
	Note				
<b>Income</b>					
Rental income	2	21,885	27,198	18,673	19,050
Outgoings reimbursement		2,556	2,723	2,402	2,470
Interest income		–	3	–	2
Net fair value increment on investment properties	6	1,596	–	2,621	–
<b>Total income</b>		<b>26,037</b>	<b>29,924</b>	<b>23,696</b>	<b>21,522</b>
<b>Expenses</b>					
Rates, taxes and other outgoings		8,271	9,749	7,042	7,249
Borrowing costs		6,194	5,605	9,864	6,559
Investment management fees		2,165	3,279	1,595	2,205
Other expenses		2,250	1,653	1,756	1,048
Net fair value decrement on investment properties		–	21,602	–	24,722
<b>Total expenses</b>		<b>18,880</b>	<b>41,888</b>	<b>20,257</b>	<b>41,783</b>
<b>Net profit / (loss) for the period</b>		<b>7,157</b>	<b>(11,964)</b>	<b>3,439</b>	<b>(20,261)</b>
<b>Attributable to securityholders of:</b>					
- Elanor Retail Property Fund II		3,718	8,297	–	–
- Elanor Retail Property Fund I (Non-controlling interest)		3,439	(20,261)	3,439	(20,261)
<b>Net profit / (loss) for the period</b>		<b>7,157</b>	<b>(11,964)</b>	<b>3,439</b>	<b>(20,261)</b>
Basic earnings per stapled security (cents)	4	5.58	(9.29)	2.68	(15.74)
Diluted earnings per stapled security (cents)	4	5.58	(9.29)	2.68	(15.74)

The above Consolidated Statements of Profit or Loss should be read in conjunction with the accompanying notes

# ELANOR RETAIL PROPERTY FUND

## PRELIMINARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
<b>Net profit / (loss) for the period</b>	<b>7,157</b>	<b>(11,964)</b>	<b>3,439</b>	<b>(20,261)</b>
Other comprehensive income				
<i>Items that may be reclassified to profit and loss</i>				
Gain / (Loss) on revaluation of cash flow hedge	4,128	(453)	4,113	(756)
Other comprehensive income / (loss) for the period	4,128	(453)	4,113	(756)
<b>Total comprehensive income / (loss) for the period</b>	<b>11,285</b>	<b>(12,417)</b>	<b>7,552</b>	<b>(21,017)</b>
<b>Attributable to securityholders of:</b>				
- Elanor Retail Property Fund II	3,733	8,600	–	–
- Elanor Retail Property Fund I (Non-controlling interest)	7,552	(21,017)	7,552	(21,017)
<b>Total comprehensive income / (loss) for the period</b>	<b>11,285</b>	<b>(12,417)</b>	<b>7,552</b>	<b>(21,017)</b>

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes

# ELANOR RETAIL PROPERTY FUND

## PRELIMINARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
	Note				
<b>Current assets</b>					
Cash and cash equivalents		18,713	4,003	4,277	3,071
Trade and other receivables		7,578	1,830	594	1,186
Other current assets		821	169	821	112
Prepayments		456	624	453	447
Assets held for sale	7	28,000	4,000	28,000	–
<b>Total current assets</b>		<b>55,568</b>	<b>10,626</b>	<b>34,145</b>	<b>4,816</b>
<b>Non-current assets</b>					
Trade and other receivables		3,958	–	–	–
Investment properties	6	187,000	317,197	187,000	209,197
<b>Total non-current assets</b>		<b>190,958</b>	<b>317,197</b>	<b>187,000</b>	<b>209,197</b>
<b>Total assets</b>		<b>246,526</b>	<b>327,823</b>	<b>221,145</b>	<b>214,013</b>
<b>Current liabilities</b>					
Distribution payable	3	20,223	–	3,360	–
Trade and other payables		2,606	4,486	1,546	3,470
Rent received in advance		563	674	563	519
Derivative financial instruments		63	1,689	–	1,626
<b>Total current liabilities</b>		<b>23,455</b>	<b>6,849</b>	<b>5,469</b>	<b>5,615</b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	8	66,669	145,620	4,997	96,477
Interest bearing cross-staple loan	8	–	–	168,393	67,949
Derivative financial instruments		54	2,636	–	2,519
<b>Total non-current liabilities</b>		<b>66,723</b>	<b>148,256</b>	<b>173,390</b>	<b>166,945</b>
<b>Total liabilities</b>		<b>90,178</b>	<b>155,105</b>	<b>178,859</b>	<b>172,560</b>
<b>Net assets</b>		<b>156,348</b>	<b>172,718</b>	<b>42,286</b>	<b>41,453</b>
<b>Equity</b>					
<i>Equity Holders of Parent Entity</i>					
Contributed equity	9	89,691	90,421	65,581	66,116
Reserves		(120)	(135)	–	(4,113)
Retained profits / (accumulated losses)		24,491	40,979	(23,295)	(20,550)
<b>Parent entity interest</b>		<b>114,062</b>	<b>131,265</b>	<b>42,286</b>	<b>41,453</b>
<i>Equity Holders of Non-Controlling Interest</i>					
Contributed equity	9	65,581	66,116	–	–
Reserves		–	(4,113)	–	–
(Accumulated losses) / Retained profits		(23,295)	(20,550)	–	–
<b>Non-controlling interest</b>		<b>42,286</b>	<b>41,453</b>	<b>–</b>	<b>–</b>
<b>Total equity attributable to stapled securityholders:</b>					
- Elanor Retail Property Fund II		114,062	131,265	–	–
- Elanor Retail Property Fund I		42,286	41,453	42,286	41,453
<b>Total equity</b>		<b>156,348</b>	<b>172,718</b>	<b>42,286</b>	<b>41,453</b>

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes

# ELANOR RETAIL PROPERTY FUND

## PRELIMINARY CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Contributed Equity	Cash flow Hedge Reserve	Security Based Payment Reserve	Retained Profits/ (Accumulated Losses)	Parent Entity Total Equity	Non- Controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated Group</b>							
Total equity at 1 July 2020	90,421	(180)	45	40,979	131,265	41,453	172,718
Profit / (loss) for the period	–	–	–	3,718	3,718	3,439	7,157
Other comprehensive income / (expense) for the period	–	60	(45)	–	15	4,113	4,128
<b>Total comprehensive income / (expense) for the period</b>	<b>–</b>	<b>60</b>	<b>(45)</b>	<b>3,718</b>	<b>3,733</b>	<b>7,552</b>	<b>11,285</b>
<b>Transactions with owners in their capacity as owners:</b>							
Security buy-back	(730)	–	–	13	(717)	(523)	(1,240)
Distributions provided for / paid	–	–	–	(20,219)	(20,219)	(6,196)	(26,415)
<b>Total equity at 30 June 2021</b>	<b>89,691</b>	<b>(120)</b>	<b>–</b>	<b>24,491</b>	<b>114,062</b>	<b>42,286</b>	<b>156,348</b>
<b>Consolidated Group</b>							
Total equity at 1 July 2019	90,421	(483)	40	39,410	129,388	68,062	197,450
Profit / (loss) for the period	–	–	–	8,297	8,297	(20,261)	(11,964)
Other comprehensive income / (expense) for the period	–	303	–	–	303	(756)	(453)
<b>Total comprehensive income / (expense) for the period</b>	<b>–</b>	<b>303</b>	<b>–</b>	<b>8,297</b>	<b>8,600</b>	<b>(21,017)</b>	<b>(12,417)</b>
<b>Transactions with owners in their capacity as owners:</b>							
Security-based payments	–	–	5	–	5	4	9
Distributions paid	–	–	–	(6,728)	(6,728)	(5,596)	(12,324)
<b>Total equity at 30 June 2020</b>	<b>90,421</b>	<b>(180)</b>	<b>45</b>	<b>40,979</b>	<b>131,265</b>	<b>41,453</b>	<b>172,718</b>

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes



# ELANOR RETAIL PROPERTY FUND

## PRELIMINARY CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Contributed Equity	Cash flow Hedge Reserve	Security Based Payment Reserve	Retained Profits/ (Accumulated Losses)	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ERPF I Group</b>					
Total equity at 1 July 2020	66,116	(4,147)	34	(20,550)	41,453
Profit / (loss) for the period	—	—	—	3,439	3,439
Other comprehensive income / (expense) for the period	—	4,147	(34)	—	4,113
<b>Total comprehensive income / (expense) for the period</b>	<b>—</b>	<b>4,147</b>	<b>(34)</b>	<b>3,439</b>	<b>7,552</b>
<b>Transactions with owners in their capacity as owners:</b>					
Security buy-back	(535)	—	—	12	(523)
Distributions provided for / paid	—	—	—	(6,196)	(6,196)
<b>Total equity at 30 June 2021</b>	<b>65,581</b>	<b>—</b>	<b>—</b>	<b>(23,295)</b>	<b>42,286</b>
<b>ERPF I Group</b>					
Total equity at 1 July 2019	66,116	(3,391)	30	5,307	68,062
Profit / (loss) for the period	—	—	—	(20,261)	(20,261)
Other comprehensive income / (expense) for the period	—	(756)	—	—	(756)
<b>Total comprehensive income / (expense) for the period</b>	<b>—</b>	<b>(756)</b>	<b>—</b>	<b>(20,261)</b>	<b>(21,017)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Security-based payments	—	—	4	—	4
Distributions paid	—	—	—	(5,596)	(5,596)
<b>Total equity at 30 June 2020</b>	<b>66,116</b>	<b>(4,147)</b>	<b>34</b>	<b>(20,550)</b>	<b>41,453</b>

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes

# ELANOR RETAIL PROPERTY FUND

## PRELIMINARY CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPFI Group 30 June 2021 \$'000	ERPFI Group 30 June 2020 \$'000
	Note				
<b>Cash flows from operating activities</b>					
Rental and other property income received		27,369	31,099	23,876	22,457
Interest received		–	3	–	3
Finance costs paid		(2,398)	(5,269)	(6,089)	(3,790)
Payments to suppliers and the Responsible Entity		(16,254)	(15,913)	(14,812)	(11,693)
<b>Net cash flows from operating activities</b>	5(a)	<b>8,717</b>	<b>9,920</b>	<b>2,975</b>	<b>6,977</b>
<b>Cash flows from investing activities</b>					
Receipts from disposals of investment properties		115,174	–	–	–
Payments for additions to investment properties		(18,998)	(8,726)	(4,092)	(3,524)
<b>Net cash flows from investing activities</b>		<b>96,176</b>	<b>(8,726)</b>	<b>(4,092)</b>	<b>(3,524)</b>
<b>Cash flows from financing activities</b>					
Net proceeds from interest bearing liabilities	5(b)	20,506	10,962	4,835	2,080
Net proceeds from interest bearing-cross staple loan		–	–	100,938	–
Security buy-back		(1,244)	–	(525)	–
Swap break costs		(3,613)	–	(3,613)	–
Distributions paid		(6,192)	(12,324)	(2,835)	(5,596)
Repayment of interest bearing liabilities	5(b)	(99,640)	–	(96,477)	–
<b>Net cash flows from financing activities</b>		<b>(90,183)</b>	<b>(1,362)</b>	<b>2,323</b>	<b>(3,516)</b>
Net (decrease) / increase in cash and cash equivalents		14,710	(168)	1,206	(63)
Cash and cash equivalents at the beginning of the period		4,003	4,171	3,071	3,134
<b>Cash and cash equivalents at the end of the period</b>		<b>18,713</b>	<b>4,003</b>	<b>4,277</b>	<b>3,071</b>

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes

# ELANOR RETAIL PROPERTY FUND

## SUPPLEMENTARY APENDIX 4E INFORMATION

### FOR THE YEAR ENDED 30 JUNE 2021

#### About this Report

Elanor Retail Property Fund (the Fund, Group or Consolidated Group) is a 'stapled' entity comprising of Elanor Retail Property Fund I (formerly Elanor Retail Property Fund) (ERPF I) and its controlled entities, and Elanor Retail Property Fund II (formerly Auburn Central Syndicate) (ERPF II). The units in ERPF I are stapled to units in ERPF II. The stapled securities cannot be traded or dealt with separately. The stapled securities of the Fund were listed on the Australian Securities Exchange (ASX: ERF) on 9 November 2016.

For the purposes of the consolidated financial report, ERPF II has been deemed the parent entity of ERPF I in the stapled structure. The Directors applied judgement in the determination of the parent entity of the Fund and considered various factors including asset size and capital structure. The financial report of the Fund comprises the consolidated financial report of Elanor Retail Property Fund II, including Elanor Retail Property Fund I and its controlled entities (ERPF I Group). As permitted by ASIC Corporations (Stapled Group Reports) Instrument 2015/838, this report is a combined report that presents the consolidated financial statements and accompanying notes of both the Fund and ERPF I Group.

This report has been prepared in accordance with the Corporations Act 2001, the Scheme Constitutions and Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards ('IFRS').

The accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year, and the adoption of new and amended standards as set out below.

#### New accounting standards and interpretations

##### (a) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

##### (b) New standards, amendments and interpretations effective after 1 July 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2021 and have not been adopted early in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

#### Basis of consolidation

The consolidated financial report of the Fund incorporates the assets and liabilities of ERPF II (the Parent) and all of its subsidiaries, including ERPF I and its subsidiaries as at 30 June 2021. ERPF II is the parent entity in relation to the stapling. The results and equity of ERPF I (which is not directly owned by ERPF II) have been treated and disclosed as a non-controlling interest. Whilst the results and equity of ERPF I are disclosed as a non-controlling interest, the stapled security holders of ERPF I are the same as the stapled security holders of ERPF II.

This consolidated financial report also includes a separate column representing the financial report of ERPF I, incorporating the assets and liabilities of ERPF I and all of its subsidiaries, as at 30 June 2021.

For the purpose of preparing the financial statements, the Fund is a for-profit entity. The financial report is presented in Australian Dollars. These consolidated financial statements have been prepared on a going concern basis.

**ELANOR RETAIL PROPERTY FUND**  
**SUPPLEMENTARY APENDIX 4E INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Rounding of amounts to the nearest thousand dollars**

In accordance with *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, issued by the Australian Securities and Investments Commission, amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

**Critical accounting judgments and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

In preparing the consolidated financial statements for the year ended 30 June 2021, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are consistent with those disclosed in the financial report of the previous financial year.

Where the impact of the COVID-19 pandemic has heightened uncertainty in applying these accounting estimates and critical judgments for the year ended 30 June 2021, enhanced disclosures have been incorporated throughout the consolidated financial statements to enable users to understand the basis for the estimates and judgments utilised.

**COVID-19 Pandemic**

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of the financial statements. This uncertainty is associated with the extent and duration of the economic disruption to business arising from the response of government, businesses and consumers in response to the COVID-19 pandemic.

Enhanced disclosures have been incorporated throughout the consolidated financial statements to enable users to understand the basis for the estimates and judgments utilised. The estimates or assumptions which are material to the financial statements are discussed in Note 6: Investment Properties - assumptions underlying fair value.

## ELANOR RETAIL PROPERTY FUND

### SUPPLEMENTARY APENDIX 4E INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

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# ELANOR RETAIL PROPERTY FUND

## SUPPLEMENTARY APENDIX 4E INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

### 1. Segment information

#### OVERVIEW

The Fund only operates in one business segment, being the investment in retail shopping centres in Australia.

The table below provides a reconciliation from statutory net profit / (loss) to distributable Core Earnings:

	Consolidated Group 30 June 2021 \$'000	ERPFI Group 30 June 2021 \$'000
<b>Statutory net income</b>	<b>7,157</b>	<b>3,439</b>
Adjustments for items included in statutory income		
Net fair value increment on investment property	(1,596)	(2,621)
Straight-lining of rental income <sup>2</sup>	234	234
Amortisation expense <sup>3</sup>	885	807
Sale of Auburn Ambulance Station <sup>4</sup>	1,379	–
Transaction costs <sup>5</sup>	3,613	3,613
<b>Core Earnings/ FFO<sup>1</sup></b>	<b>11,672</b>	<b>5,472</b>

	Consolidated Group 30 June 2020 \$'000	ERPFI Group 30 June 2020 \$'000
<b>Statutory net loss</b>	<b>(11,964)</b>	<b>(20,261)</b>
Adjustments for items included in statutory loss		
Net fair value decrement on investment property	21,602	24,722
Straight-lining of rental income <sup>2</sup>	194	59
Amortisation expense <sup>3</sup>	1,275	818
<b>Core Earnings/ FFO<sup>1</sup></b>	<b>11,107</b>	<b>5,338</b>

<sup>1</sup> Core Earnings / Funds from Operations (FFO) has been determined in accordance with the Property Council of Australia Guidelines and represents the Directors' view of underlying earnings from ongoing operating activities since listing being statutory profit / (loss) (under IFRS), adjusted for non-cash and other items such as property revaluations, derivative mark-to-market impacts, amortisation of tenant incentives, gains/loss on sale of investment properties, straight-line rental adjustments, non-FFO tax expenses/benefits and other unrealised one-off items.

<sup>2</sup> Straight-lining of rental income is a non-cash accounting adjustment recognised in rental income in the Consolidated Statement of Profit or Loss.

<sup>3</sup> Amortisation expense includes the amortisation of capitalised leasing costs and debt establishment costs, recognised in rates, taxes and other outgoings, other expenses and borrowing costs in the Consolidated Statement of Profit or Loss.

<sup>4</sup> The profit on divestment of Auburn Ambulance Station has been included in Core Earnings/FFO for the year. Settlement occurred on 7 August 2020.

<sup>5</sup> Transaction costs incurred by the Group through profit and loss related to the divestment of Auburn Central which settled on 23 December 2020. This includes swap break costs of \$3.6 million included in Borrowing costs in the Consolidated Statements of Profit or Loss.

## ELANOR RETAIL PROPERTY FUND

### SUPPLEMENTARY APENDIX 4E INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

## 2. Revenue

### OVERVIEW

The Fund's main source of revenue is rental income from its investment in retail shopping centres.

#### (a) Rental income

	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
Tweed Mall	6,927	6,889	6,927	6,889
Manning Mall	3,243	3,148	3,243	3,148
Auburn Central	3,212	8,148	–	–
Gladstone Square	2,622	2,721	2,622	2,721
Moranbah Fair	2,575	2,960	2,575	2,960
Glenorchy Plaza	1,833	1,781	1,833	1,781
Northway Plaza	1,473	1,551	1,473	1,551
<b>Total revenue from operating activities</b>	<b>21,885</b>	<b>27,198</b>	<b>18,673</b>	<b>19,050</b>

The expected credit loss provision as at 30 June 2021 of \$0.9 million reflects the rent receivable that is likely to be waived and any additional amount relating to credit risk associated with the financial condition of the tenant.

## 3. Distributions

### OVERVIEW

In accordance with the Fund's Constitutions, the Responsible Entity determines Core Earnings attributable to security holders as the net profit for the year, excluding certain non-recurring and non-cash items.

#### Distributions during the year

##### Consolidated Group

The following distributions were declared by the Consolidated Group in respect of the years ended 30 June 2020 and 30 June 2021 or related to the year ended:

	Distribution FY21 cents per stapled security	Distribution FY20 cents per stapled security	Total amount FY21 \$'000	Total amount FY20 \$'000
Interim distribution (declared before year end)	4.84	5.24	6,192	6,748
Special Distribution (declared before year end) <sup>1</sup>	12.00	–	15,326	–
Final Distribution (declared after year end)	3.83	–	4,897	–
<b>Total</b>	<b>20.67</b>	<b>5.24</b>	<b>26,415</b>	<b>6,748</b>

<sup>1</sup>The special distribution for the capital gains realised on the sale of Auburn Central has been recognised as a distribution payable at year end. The distribution was declared on 24 June 2021 and will be paid 3 September 2021.

**ELANOR RETAIL PROPERTY FUND**

**SUPPLEMENTARY APENDIX 4E INFORMATION**

**FOR THE YEAR ENDED 30 JUNE 2021**

### 3. Distributions (continued)

#### ERPF I Group

The following distributions were declared by the ERPF I Group in respect of the years ended 30 June 2020 and 30 June 2021 or related to the year ended:

	Distribution FY21 cents per stapled security	Distribution FY20 cents per stapled security	Total amount FY21 \$'000	Total amount FY20 \$'000
Interim distribution (declared before year end)	2.22	2.13	2,835	2,736
Special Distribution (declared before year end) <sup>1</sup>	0.78	–	997	–
Final Distribution (declared after year end)	1.85	–	2,364	–
<b>Total</b>	<b>4.85</b>	<b>2.13</b>	<b>6,196</b>	<b>2,736</b>

<sup>1</sup>The special distribution for the capital gains realised on the sale of Auburn Central has been recognised as a distribution payable at year end. The distribution was declared on 24 June 2021 and will be paid 3 September 2021.

### 4. Earnings / (losses) per stapled security

#### OVERVIEW

Basic earnings per stapled security is calculated as net profit or loss attributable to security holders divided by the weighted average number of ordinary stapled securities issued.

Diluted earnings per stapled security is calculated as profit or loss attributable to security holders adjusted for any profit or loss recognised in the period in relation to dilutive potential stapled securities divided by the weighted average number of stapled securities and dilutive stapled securities.

Earnings used in the calculation of basic and diluted earnings per stapled security reconciles to the net profit or loss in the consolidated statements of comprehensive income as follows:

	Consolidated Group 30 June 2021	Consolidated Group 30 June 2020	ERPF I Group 30 June 2021	ERPF I Group 30 June 2020
The (losses) / earnings per stapled security measure shown below is based upon the profit / (loss) attributable to securityholders:				
Basic (losses) / earnings per stapled security (cents)	5.58	(9.29)	2.68	(15.74)
Diluted (losses) / earnings per stapled security (cents)	5.58	(9.29)	2.68	(15.74)
(Loss) / profit attributable to securityholders used in calculating basic and diluted earnings per stapled security (\$'000)	7,157	(11,964)	3,439	(20,261)
Weighted average number of stapled securities used as denominator in calculating basic earnings per stapled security	128,216,377	128,729,755	128,216,377	128,729,755
Weighted average number of stapled securities used as denominator in calculating diluted earnings per stapled security	128,216,377	128,729,755	128,216,377	128,729,755



# ELANOR RETAIL PROPERTY FUND

## SUPPLEMENTARY APENDIX 4E INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

### 5. Cash flow information

#### OVERVIEW

This note provides further information on the consolidated cash flow statements of the Fund. It reconciles profit for the year to cash flows from operating activities, reconciles liabilities arising from financing activities and provides information about non-cash transactions.

#### (a) Reconciliation of (loss) / profit for the year to net cash provided by operating activities

	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
<b>(Loss) / profit for the period</b>	<b>7,157</b>	<b>(11,964)</b>	<b>3,439</b>	<b>(20,261)</b>
Swap break costs	3,613	–	3,613	–
Amortisation	885	1,000	807	552
Other non cash items	469	9	(26)	2,671
Straight-lining of rental income and rental guarantee	(234)	(219)	(234)	(352)
Fair value adjustment on revaluation of investment property	(1,596)	21,602	(2,621)	24,722
<b>Net cash provided by operating activities before changes in working capital</b>	<b>10,294</b>	<b>10,428</b>	<b>4,978</b>	<b>7,332</b>
<b>Movement in working capital</b>				
Decrease (Increase) in trade and other receivables	898	(1,065)	592	(726)
Decrease (Increase) in prepayments	168	(32)	(6)	(35)
(Increase) in other current assets	(652)	(112)	(709)	(112)
Increase (Decrease) in trade and other payables	(1,880)	757	(1,924)	543
Increase (Decrease) in amounts received in advance	(111)	(56)	44	(25)
<b>Net cash from operating activities</b>	<b>8,717</b>	<b>9,920</b>	<b>2,975</b>	<b>6,977</b>

#### (b) Reconciliation of liabilities arising from financing activities

##### Consolidated Group

	30 June 2020 \$'000	Cash flows Debt drawdowns/ (paydowns) net of borrowing costs \$'000	Non-cash items Amortisation of borrowing costs \$'000	30 June 2021 \$'000
Interest bearing loans	145,620	(79,134)	183	66,669
<b>Total liabilities from financing activities</b>	<b>145,620</b>	<b>(79,134)</b>	<b>183</b>	<b>66,669</b>

	30 June 2019 \$'000	Cash flows Debt drawdowns/ (paydowns) net of borrowing costs \$'000	Non-cash items Amortisation of borrowing costs \$'000	30 June 2020 \$'000
Interest bearing loans	134,523	10,962	135	145,620
<b>Total liabilities from financing activities</b>	<b>134,523</b>	<b>10,962</b>	<b>135</b>	<b>145,620</b>

# ELANOR RETAIL PROPERTY FUND

## SUPPLEMENTARY APENDIX 4E INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

### 5. Cash flow information (continued)

ERPF I Group

	30 June 2020	Cash flows Debt drawdowns/ (paydowns) net of borrowing costs	Non-cash items Amortisation of borrowing costs	Accumulated interest expense	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Interest bearing loans	96,477	(91,642)	162	–	4,997
Cross-staple loan	67,949	95,892	–	4,552	168,393
<b>Total liabilities from financing activities</b>	<b>164,426</b>	<b>4,250</b>	<b>162</b>	<b>4,552</b>	<b>173,390</b>

	30 June 2019	Cash flows Debt drawdowns/ (paydowns) net of borrowing costs	Non-cash items Amortisation of borrowing costs	Accumulated interest expense	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Interest bearing loans	89,860	6,516	101	–	96,477
Cross-staple loan	69,717	(4,436)	–	2,668	67,949
<b>Total liabilities from financing activities</b>	<b>159,577</b>	<b>2,080</b>	<b>101</b>	<b>2,668</b>	<b>164,426</b>

### 6. Investment properties

#### OVERVIEW

Investment properties are held solely for the purpose of earning rental income and / or for capital appreciation. At balance date, the Fund's investment property portfolio comprises five retail shopping centres in Australia.

#### (a) Carrying values of investment properties

			Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
	Valuation	Date				
Tweed Mall	Internal	Jun-21	85,000	84,500	85,000	84,500
Auburn Central <sup>1</sup>	n/a	n/a	–	108,000	–	–
Manning Mall	Internal	Jun-21	36,100	34,000	36,100	34,000
Gladstone Square	Independent	Jun-21	30,000	28,000	30,000	28,000
Moranbah Fair <sup>2</sup>	n/a	n/a	–	27,997	–	27,997
Glenorchy Plaza	Independent	Jun-21	18,900	18,500	18,900	18,500
Northway Plaza	Independent	Jun-21	17,000	16,200	17,000	16,200
<b>Total investment properties</b>			<b>187,000</b>	<b>317,197</b>	<b>187,000</b>	<b>209,197</b>

<sup>1</sup> On 18 November 2020, the Fund exchanged contracts for the sale of the Auburn Central property. The transaction was settled on 23 December 2020 for a gross sales price of \$129.5 million. A key element included in the sale was a retention amount of \$13.9 million, of which \$11.5 million is expected to be recoverable (\$0.9 million has been recovered prior to year-end)

<sup>2</sup> Moranbah Fair has been reclassified to an Asset Held for Sale at balance sheet date. Refer to Note 7.

## ELANOR RETAIL PROPERTY FUND

### SUPPLEMENTARY APENDIX 4E INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

#### 6. Investment properties (continued)

##### (b) Movement in investment properties

	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
<b>Opening balance</b>	<b>317,197</b>	<b>334,518</b>	<b>209,197</b>	<b>230,494</b>
Acquisitions	—	—	—	—
Disposals	(121,778)	—	—	—
Reclassification	(28,000)	(4,000)	(28,000)	—
Capital expenditure	18,998	8,726	4,092	3,524
Straightlining of rental income	(234)	(194)	(234)	(59)
Amortisation	(779)	(251)	(676)	(40)
Net fair value adjustments	1,596	(21,602)	2,621	(24,722)
<b>Total investment properties</b>	<b>187,000</b>	<b>317,197</b>	<b>187,000</b>	<b>209,197</b>

#### 7. Assets held for sale

Assets held for sale are presented separately. Investment properties held for sale are measured at fair value.

On 22 August 2021, contracts were exchanged for the sale of Moranbah Fair. As at 30 June 2021, the property was classified as an Asset held for sale. The fair value of the asset is equal to its sale price of \$28.0 million.

#### 8. Interest bearing liabilities

##### OVERVIEW

The Fund has access to a combined \$66.7 million debt facility and is fully drawn as at 30 June 2021. During the year, the Fund refinanced its debt facilities to a new 2-year term. The weighted average cost of debt is 1.70% p.a., and the weighted average debt facility maturity at year end is 2.87 years. At 30 June 2021, the interest rate risk of drawn facilities is hedged to 63%. The fair value of the debt facilities is \$65.1 million.

	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
<b>Non-current</b>				
Bank loan - term debt	66,699	145,825	5,000	96,639
Borrowing costs less amortisation	(30)	(205)	(3)	(162)
<b>Total non-current interest bearing liabilities</b>	<b>66,669</b>	<b>145,620</b>	<b>4,997</b>	<b>96,477</b>
Cross-staple loan	—	—	168,393	67,949
<b>Total interest bearing liabilities</b>	<b>66,669</b>	<b>145,620</b>	<b>173,390</b>	<b>164,426</b>

During the year ended 30 June 2021, the Fund repaid long term loans of \$99.6 million which included breaking two interest rate swaps. Total swap break costs incurred amounted to \$3.6 million and has been included in Borrowing Cost in the Consolidated Statements of Profit and Loss.

## ELANOR RETAIL PROPERTY FUND

### SUPPLEMENTARY APENDIX 4E INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

#### 9. Contributed equity

##### OVERVIEW

The Fund is a 'stapled' entity comprising of ERPF I and its controlled entities, and ERPF II. The units in ERPF I are stapled to units in ERPF II. The stapled securities cannot be traded or dealt with separately.

##### (a) Parent entity

	No. of securities 30 June 2021 '000	No. of securities 30 June 2020 '000	Parent Entity 30 June 2021 \$'000	Parent Entity 30 June 2020 \$'000
Opening balance	128,730	128,730	90,421	90,421
Cancellation	(1,017)	–	(730)	–
<b>Total contributed equity</b>	<b>127,713</b>	<b>128,730</b>	<b>89,691</b>	<b>90,421</b>

##### (b) ERPF I Group

	No. of securities 30 June 2021 '000	No. of securities 30 June 2020 '000	ERPF I Group 30 June 2021 \$'000	ERPF I Group 30 June 2020 \$'000
Opening balance	128,730	128,730	66,116	66,116
Cancellation	(1,017)	–	(535)	–
<b>Total contributed equity</b>	<b>127,713</b>	<b>128,730</b>	<b>65,581</b>	<b>66,116</b>

#### 10. Parent entity disclosure

##### OVERVIEW

The financial information below on Elanor Retail Property Fund's parent entity, ERPF II, and ERPF I Group's parent entity, ERPF I, as a stand-alone entity has been provided in accordance with the requirements of the Corporations Act 2001.

## ELANOR RETAIL PROPERTY FUND

### SUPPLEMENTARY APENDIX 4E INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

#### 10. Parent entity disclosure (continued)

##### (a) Summarised financial information

	ERPF II 30 June 2021 \$'000	ERPF II 30 June 2020 \$'000	ERPF I 30 June 2021 \$'000	ERPF I 30 June 2020 \$'000
<b>Financial Position</b>				
Current assets	25,506	2,350	40,721	(2,514)
Non - current assets	168,393	179,950	149,576	147,475
<b>Total Assets</b>	<b>193,899</b>	<b>182,300</b>	<b>190,297</b>	<b>144,961</b>
Current liabilities	18,048	1,714	4,455	2,180
Non - current liabilities	61,789	49,323	173,390	120,025
<b>Total Liabilities</b>	<b>79,837</b>	<b>51,037</b>	<b>177,845</b>	<b>122,205</b>
Contributed equity	89,690	90,422	65,677	66,213
Reserves	(118)	(137)	1,535	(2,577)
Retained profits / (accumulated losses)	24,490	40,978	(54,760)	(40,880)
<b>Total Equity</b>	<b>114,062</b>	<b>131,263</b>	<b>12,452</b>	<b>22,756</b>
<b>Financial performance</b>				
Profit / (loss) for the period	3,716	8,297	(7,696)	(10,143)
Other comprehensive income for the year	104	302	4,144	(570)
<b>Total comprehensive income for the year</b>	<b>3,820</b>	<b>8,599</b>	<b>(3,552)</b>	<b>(10,713)</b>

#### Other Supplementary Appendix 4E Information

##### Control Gained or Lost over Entities during the Period

None

##### Details of any associates and joint venture entities required to be disclosed

None

##### Commentary on the Results for the Period

Refer to the Market Announcement and Management Presentation dated 23 August 2021 for commentary on the Results for the Period

##### Audit

This report is based on accounts which are in the process of being audited.

##### Distribution Reinvestment Plan (DRP)

There is no DRP in operation for the final distribution for the year ended 30 June 2021.