

ASX Announcement

23 August 2021

Elanor Retail Property Fund Delivers Strong Preliminary FY21 Result

- Core Earnings of \$11.7 million (FY20: \$11.1 million), or 9.14 cents per security
- Distributions for the period of 20.67 cents per security, including the 12.0 cents per security Special Distribution
- Rent collections of 97% for the period
- 2.7% increase in portfolio value to \$215 million since 30 June 2020
- Conservative gearing at 21.1%
- Fund NTA of \$1.22 per security (post Final Distribution of \$0.04 per security and Special Distribution of \$0.12 per security)

Elanor Retail Property Fund ("ERF" or "Fund") is pleased to announce its preliminary financial results for the year ended 30 June 2021 ("Period").

Highlights

- Core Earnings of \$11.7 million or 9.14 cents per security for the Period
- Distribution for the six months of \$4.9 million or 3.83 cents per security (based on a 95% payout ratio).
- Distributions for the year ended 30 June 2021 totalled 20.67 cents per security (including the Special Distribution of 12.0 cents per security in respect of the gain on realisation of Auburn Central)
- The sale of Auburn Central was completed for a gross sales price of \$129.5 million following the transformation of the centre into a triple-supermarket anchored, metropolitan neighbourhood shopping centre
- Positive leasing momentum achieved across the Fund's portfolio:
 - Four new store openings at Gladstone Square during the year, rectifying several long-term vacancies, enhancing the food precinct and the centre's services offering
 - Strong leasing outcomes at Northway Plaza; the Centre's major tenant, Super IGA, exercised their rental option for a further five years; 5 renewals completed increasing the WALE of the centre to 4.8 years
 - Two new leasing transactions and 6 renewals were completed at Glenorchy Plaza to improve the tenancy mix at the centre and the WALE of the asset
 - Leasing progress at Tweed Mall in the lead up to the major repositioning project at the centre; 2 new leasing transactions and 3 key renewals executed

- Trading activity across the Fund's portfolio recovered (post Government imposed restrictions during the year) with 100% of the Fund's tenants trading as at 30 June 2021
- \$97.6 million of Fund debt was repaid during the Period, resulting in a reduction in the Fund's gearing to 21.1% at balance date, substantially below target range of 30% to 40% (providing significant investment capacity)
- 1,017,030 securities were bought and cancelled under the Fund's on market buy-back program
- Portfolio valuations have increased by 2.7% to \$215 million over the period
- Subsequent to balance date, on 22 August 2021, the Fund entered into an unconditional contract for the sale of Moranbah Fair at book value of \$28.0 million. The sale is scheduled to settle in August 2021.

Fund Manager, Michael Baliva, said "We remain focused on unlocking the significant value upside in the Fund's Value-Add asset, Tweed Mall, through the execution of our strategy to reposition the Centre's retail mix and realise on the asset's significant mixed-use value-add potential. We are particularly pleased with the strong performance of the Fund's Income Assets over the period and a further realisation of the Funds Income Assets with the sale of Moranbah Fair at book value in August 2021."

Summary of Preliminary Financial Results

Core Earnings for the period were \$11.7 million, or 9.14 cents per security (5.10 cents per security for the six months ended 31 December 2020, and 4.04 cents per security for the six months to 30 June 2021).

A summary of the key preliminary financial results for the year ended 30 June 2021 is as follows:

Key financial results	30 June 2021
Core Earnings (\$'000)	11,672
Core Earnings per security (cents)	9.14
Core Earnings per weighted average security (cents)	9.10
Distributions (cents per security)	8.67
Special Distribution (cents per security)	12.00
Total assets (\$'000)	246,526
Net Assets (\$'000)	156,348
Net tangible assets (\$ per security) ¹	1.22
Gearing (net debt / total assets less cash) (%)	21.1

1. Post the final distribution of \$0.04 per security and the Special Distribution of \$0.12 per security

Commenting on the result, ENN CEO, Glenn Willis, said: "We are pleased with the performance of the Fund's Income Assets and the progress of the repositioning of Tweed Mall, a significant value-add opportunity for ERF."

The defensive nature of our non-discretionary focused portfolio is highlighted by its strong rental collections (99% for the period) and the strength of the Fund's property valuations in these challenging times. We remain confident that the Fund is well positioned to continue to grow value for securityholders."

Outlook

The Fund's core strategy remains focused on actively managing and growing earnings from its defensive investment portfolio, realising value-add opportunities and acquiring additional high investment quality, value-add, retail properties.

Whilst market conditions in the retail sector remain challenging and uncertain, the Fund is well positioned to enhance value for securityholders. The active asset management of the portfolio is generating improved operational performance and returns.

Furthermore, we are focused on executing strategic initiatives to grow securityholder value to reflect the capital value of the Fund.

Please refer to the presentation and preliminary financial statements lodged with ASX today for further details regarding ERF's FY21 preliminary result.

Investor Briefing

Elanor Retail Property Fund will be holding an Investor Briefing Conference Call on Monday, 23 August 2021 at 1:00pm, to present and discuss the Fund's FY21 results. The Conference details are:

Toll-Free Dial In: 1800 809 971

Conference ID: 10015000

Commencement: 1.00pm AEST

Pre-Registration: <https://s1.c-conf.com/diamondpass/10015007-y74egv.html>

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