



# ASX Preliminary Final Report

For the year ended 30 June 2021

Lodged with the ASX under Listing Rule 4.3A

## **Elanor Commercial Property Fund**

Comprising the stapling of units in Elanor Commercial Property Fund I (ARSN 636 623 099) and units in Elanor Commercial Property Fund II (ARSN 636 623 517)

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# ELANOR COMMERCIAL PROPERTY FUND

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## ELANOR COMMERCIAL PROPERTY FUND

### Results For Announcement To The Market

Elanor Commercial Property Fund (the Fund, Group or Consolidated Group) is a 'stapled' entity comprising Elanor Commercial Property Fund I (ECPF I) and its controlled entities, including Elanor Commercial Property Fund II (ECPF 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	Up 16.2% to	40,028
Profit/(loss) from ordinary activities after tax attributable to security holders	Up 33,556 from (2,301) to	31,255
Net profit/(loss) for the period attributable to security holders	Up 33,556 from (2,301) to	31,255
Funds from Operations	Up 91.1% to	25,649

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. Funds from Operations (FFO) has been determined in accordance with the Property Council Guidelines and represents the Directors' view of underlying earnings from ongoing operating activities since listing on 6 December 2019, 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, determined in accordance with ASIC RG230.

### Distributions

<i>Current Period</i>	<i>Amount per security</i>
Interim Distribution: 1 July – 30 September 2020	2.52 cents
Interim Distribution: 1 October – 31 December 2020	2.54 cents
Interim Distribution: 1 January – 31 March 2021	2.48 cents
Final Distribution: 1 April – 30 June 2021	2.49 cents
<b><i>Previous Corresponding Period:</i></b>	
Interim Distribution – 1 July 2019 to 5 December 2019	4.22 cents
Interim Distribution – 6 December 2019 to 31 March 2020	2.88 cents
Final Distribution – 1 April 2020 – 30 June 2020	2.37 cents

Note: Distributions are based on a payout ratio of 80% of Funds from Operations. 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	\$1.19
<b><i>Previous Corresponding Period</i></b>	
Net tangible asset backing per security	\$1.13

## ELANOR COMMERCIAL PROPERTY FUND

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

Revenue from ordinary activities for the year ended 30 June 2021 was \$40.0 million, an increase of 16.2% compared to the prior period.

The Fund recorded a statutory profit of \$31.3 million for the year ended 30 June 2021, increasing by \$33.6 million compared to the prior period, as a result of improved revenue and fair value gains on the revaluation of investment properties. The prior period result also included \$8.8 million of transaction and establishment costs related to the Fund's IPO.

Funds from Operations (FFO) was \$25.6 million or 12.55 cents per stapled security. This financial result is 20% above the forecast for the corresponding period as set out in the PDS for the Group. FFO is the Directors' measure of the periodic amount available for distributions and has been determined in accordance with the Property Council of Australia's definition of FFO.

The Fund's balance sheet remains strong at 30 June 2021, with Net Assets of \$243.5 million, and cash on hand of approximately \$8.4 million. The Fund also has \$5.2 million in undrawn debt facilities.

A summary of the Fund's results is set out below:

	Consolidated Group 30 June 2021	ECPF II 30 June 2021
<b>Key financial results</b>		
Net profit/(loss) (\$'000)	31,255	(515)
Funds from Operations (FFO) (\$'000)	25,649	2,627
Distributions payable to securityholders (\$'000)	20,523	2,098
Distributions (cents per stapled security)	10.03	1.03
FFO per stapled security (cents)	12.55	1.29
FFO per weighted average stapled security (cents)	12.55	1.29
Net tangible assets (\$ per stapled security)	1.19	0.11
Gearing (net debt / total assets less cash) (%)	34.49%	34.45%

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

	Consolidated Group 30 June 2021 \$'000	ECPF II 30 June 2021 \$'000
<b>Funds from Operations (FFO)</b>		
<b>Statutory net profit / (loss)</b>	<b>31,255</b>	<b>(515)</b>
<i>Adjustments for items included in statutory profit / (loss):</i>		
Transaction and establishment costs	25	-
Fair value (gain)/loss on investment property	(5,580)	2,636
Straight lining of rental income <sup>2</sup>	(1,661)	121
Amortisation expense <sup>3</sup>	1,610	385
<b>Funds from Operations (FFO)<sup>1</sup></b>	<b>25,649</b>	<b>2,627</b>

<sup>1</sup> 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 rental abatements, and debt establishment costs recognised in the Consolidated Statement of Profit or Loss.

# ELANOR COMMERCIAL 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	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
	Note				
<b>Income</b>					
Rental income	2	35,256	29,723	3,291	3,140
Outgoings reimbursements		4,024	4,026	223	253
Net fair value movement of investment properties	6	5,580	(13,698)	(2,636)	(525)
Other income		748	707	41	45
<b>Total income</b>		<b>45,608</b>	<b>20,758</b>	<b>919</b>	<b>2,913</b>
<b>Expenses</b>					
Rates, taxes and other outgoings		7,390	6,161	766	825
Borrowing costs		3,103	3,977	300	419
Other expenses		1,323	1,514	128	120
Investment management fees		2,512	2,573	240	337
Transaction and establishment costs		25	8,834	-	426
<b>Total expenses</b>		<b>14,353</b>	<b>23,059</b>	<b>1,434</b>	<b>2,127</b>
<b>Net (loss)/profit for the period</b>		<b>31,255</b>	<b>(2,301)</b>	<b>(515)</b>	<b>786</b>
<b>Attributable to securityholders of:</b>					
- Elanor Commercial Property Fund I		31,770	(4,437)	-	-
- Elanor Commercial Property Fund II (Non-controlling interest)		(515)	786	(515)	786
<b>Net (loss)/profit attributable to ECPF securityholders</b>		<b>31,255</b>	<b>(3,651)</b>	<b>(515)</b>	<b>786</b>
<b>Attributable to securityholders of:</b>					
- External Non-controlling interest (WorkZone West Syndicate)		-	1,350	-	-
<b>Net (loss)/profit for the period</b>		<b>31,255</b>	<b>(2,301)</b>	<b>(515)</b>	<b>786</b>
Basic earnings per stapled security (cents)	4	15.29	(2.31)	(0.25)	0.50
Diluted earnings per stapled security (cents)	4	15.29	(2.31)	(0.25)	0.50

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

# ELANOR COMMERCIAL 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	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
<b>Net (loss)/profit for the period</b>	<b>31,255</b>	<b>(2,301)</b>	<b>(515)</b>	<b>786</b>
Other comprehensive income				
<i>Items that may be reclassified to profit and loss</i>				
Gain/(Loss) on revaluation of cash flow hedge	1,165	1,319	112	236
Other comprehensive income/(loss) for the period	1,165	1,319	112	236
<b>Total comprehensive (loss)/income for the period</b>	<b>32,420</b>	<b>(982)</b>	<b>(404)</b>	<b>1,022</b>
<b>Attributable to securityholders of:</b>				
- Elanor Commercial Property Fund I	32,824	(4,752)	-	-
- Elanor Commercial Property Fund II (Non-controlling interest)	(403)	1,022	(404)	1,022
<b>Total comprehensive (loss)/income for the period attributable to ECPF securityholders</b>	<b>32,421</b>	<b>(3,730)</b>	<b>(404)</b>	<b>1,022</b>
<b>Attributable to securityholders of:</b>				
- External Non-controlling interest (WorkZone West Syndicate)	-	2,748	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>32,421</b>	<b>(982)</b>	<b>(404)</b>	<b>1,022</b>

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

# ELANOR COMMERCIAL 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	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
	Note				
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		8,409	6,813	473	1,018
Receivables		454	970	15	70
Prepayments		344	312	11	11
Other current assets		458	425	35	-
<b>Total current assets</b>		<b>9,665</b>	<b>8,520</b>	<b>534</b>	<b>1,099</b>
<b>Non-current assets</b>					
Investment property	6	384,500	373,500	34,000	36,300
Interest bearing cross staple loan receivable		-	-	3,527	3,197
<b>Total non-current assets</b>		<b>384,500</b>	<b>373,500</b>	<b>37,527</b>	<b>39,497</b>
<b>Total assets</b>		<b>394,165</b>	<b>382,020</b>	<b>38,061</b>	<b>40,596</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables		2,662	3,201	368	334
Distribution payable	3	5,092	4,852	529	434
Rent received in advance		682	837	229	284
Derivative financial instruments		342	593	32	57
<b>Total current liabilities</b>		<b>8,778</b>	<b>9,483</b>	<b>1,158</b>	<b>1,109</b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	7	141,441	139,572	13,421	13,415
Derivative financial instruments		483	1,397	46	134
<b>Total non-current liabilities</b>		<b>141,924</b>	<b>140,969</b>	<b>13,467</b>	<b>13,549</b>
<b>Total liabilities</b>		<b>150,702</b>	<b>150,452</b>	<b>14,625</b>	<b>14,658</b>
<b>Net assets</b>		<b>243,463</b>	<b>231,568</b>	<b>23,436</b>	<b>25,938</b>

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

# ELANOR COMMERCIAL 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	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
	Note				
<b>Equity</b>					
<i>Equity Holders of Parent Entity</i>					
Contributed equity	8	224,996	224,996	25,978	25,978
Reserves		(996)	(2,050)	172	61
(Accumulated losses)/retained profits		(3,973)	(17,750)	(2,714)	(101)
<b>Parent entity interest</b>		<b>220,027</b>	<b>205,196</b>	<b>23,436</b>	<b>25,938</b>
<i>Equity Holders of Non-Controlling Interest</i>					
Contributed equity	8	25,978	25,978	-	-
Reserves		172	61	-	-
Retained profits		(2,714)	333	-	-
<b>Non-controlling interest</b>		<b>23,436</b>	<b>26,372</b>	<b>-</b>	<b>-</b>
<b>Total equity attributable to stapled securityholders:</b>					
- Elanor Commercial Property Fund I		220,027	205,196	-	-
- Elanor Commercial Property Fund II		23,436	26,372	23,436	25,938
<b>Total equity attributable to stapled securityholders:</b>		<b>243,463</b>	<b>231,568</b>	<b>23,436</b>	<b>25,938</b>
- External Non-controlling interest (WorkZone West Syndicate)		-	-	-	-
<b>Total equity</b>		<b>243,463</b>	<b>231,568</b>	<b>23,436</b>	<b>25,938</b>

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



# ELANOR COMMERCIAL PROPERTY FUND

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

Consolidated Group	Note	Contributed Equity \$'000	Cash Flow Hedge Reserves \$'000	Accumulated profit/(losses) \$'000	Parent Entity Total Equity \$'000	Non- Controlling Interests \$'000	Total ECPF Equity \$'000	External Non- Controlling Interests \$'000	Total Equity \$'000
<b>Balance as at 1 July 2020</b>		<b>224,996</b>	<b>(2,051)</b>	<b>(17,316)</b>	<b>205,629</b>	<b>25,939</b>	<b>231,568</b>	-	<b>231,568</b>
Net (loss)/profit for the period		-	-	31,770	31,770	(516)	31,254	-	31,254
Other comprehensive income for the period		-	1,053	-	1,053	112	1,165	-	1,165
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>1,053</b>	<b>31,770</b>	<b>32,823</b>	<b>(404)</b>	<b>32,419</b>	-	<b>32,419</b>
<b>Transactions with securityholders in their capacity as securityholders:</b>									
Contributions of equity, net of issue costs		-	-	-	-	-	-	-	-
Redemptions of equity		-	-	-	-	-	-	-	-
Distributions paid or payable	3	-	-	(18,427)	(18,427)	(2,098)	(20,524)	-	(20,524)
<b>Total equity as at 30 June 2021</b>		<b>224,996</b>	<b>(998)</b>	<b>(3,973)</b>	<b>220,025</b>	<b>23,437</b>	<b>243,463</b>	-	<b>243,463</b>
<b>Balance as at 1 July 2019</b>		<b>87,490</b>	<b>(1,736)</b>	<b>156</b>	<b>85,910</b>	<b>10,436</b>	<b>96,346</b>	<b>31,352</b>	<b>127,698</b>
Net (loss)/profit for the period		-	-	(4,437)	(4,437)	786	(3,651)	1,350	(2,301)
Other comprehensive income for the period		-	(315)	-	(315)	236	(79)	1,398	1,319
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(315)</b>	<b>(4,437)</b>	<b>(4,752)</b>	<b>1,022</b>	<b>3,730</b>	<b>2,748</b>	<b>(982)</b>
<b>Transactions with securityholders in their capacity as securityholders:</b>									
Contributions of equity, net of issue costs		152,203	-	-	152,203	18,017	170,220	-	170,220
Redemptions of equity		(14,697)	-	-	(14,697)	(1,696)	(16,393)	(32,670)	(49,063)
Distributions paid or payable	3	-	-	(13,035)	(13,035)	(1,840)	(14,876)	(1,430)	(16,305)
<b>Total equity as at 30 June 2020</b>		<b>224,996</b>	<b>(2,051)</b>	<b>(17,316)</b>	<b>205,629</b>	<b>25,939</b>	<b>231,568</b>	-	<b>231,568</b>

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

## ELANOR COMMERCIAL PROPERTY FUND

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

	Contributed Equity \$'000	Cash Flow Hedge Reserves \$'000	Accumulated profit/(losses) \$'000	Total Equity \$'000
<b>Elanor Commercial Property Fund II</b>	<b>Note</b>			
<b>Balance as at 1 July 2020</b>	<b>25,978</b>	<b>61</b>	<b>(101)</b>	<b>25,938</b>
Net profit for the period	-	-	(516)	(516)
Other comprehensive income for the period	-	112	-	112
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>112</b>	<b>(516)</b>	<b>(404)</b>
<b>Transactions with securityholders in their capacity as securityholders:</b>				
Contributions of equity, net of issue costs	0	-	-	-
Redemptions of equity	0	-	-	-
Distributions paid or payable	-	-	(2,098)	(2,098)
<b>Total equity as at 30 June 2021</b>	<b>25,978</b>	<b>173</b>	<b>(2,715)</b>	<b>23,436</b>
<b>Balance as at 1 July 2019</b>	<b>9,657</b>	<b>(175)</b>	<b>954</b>	<b>10,436</b>
Net profit for the period	-	-	786	786
Other comprehensive income for the period	-	236	-	236
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>236</b>	<b>786</b>	<b>1,022</b>
<b>Transactions with securityholders in their capacity as securityholders:</b>				
Contributions of equity, net of issue costs	18,017	-	-	18,017
Redemptions of equity	(1,696)	-	-	(1,696)
Distributions paid or payable	-	-	(1,840)	(1,840)
<b>Total equity as at 30 June 2020</b>	<b>25,978</b>	<b>61</b>	<b>(100)</b>	<b>25,938</b>

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

# ELANOR COMMERCIAL PROPERTY FUND

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

	Note	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
<b>Cash flows from operating activities</b>					
Rental and other property income received		40,608	34,460	3,868	4,071
Interest income received/(payment)		-	109	-	1
Finance costs paid		(2,950)	(4,313)	(284)	(438)
Payments to suppliers and the Responsible Entity		(15,520)	(12,948)	(1,451)	(1,518)
<b>Net cash flows from operating activities</b>	5	<b>22,138</b>	<b>17,308</b>	<b>2,133</b>	<b>2,116</b>
<b>Cash flows from investing activities</b>					
Payments for additions to investment properties	6	(1,950)	(125,544)	(335)	(417)
Payments for transaction costs		(25)	(8,834)	-	(426)
<b>Net cash flows used in investing activities</b>		<b>(1,975)</b>	<b>(134,378)</b>	<b>(335)</b>	<b>(843)</b>
<b>Cash flows from financing activities</b>					
Proceeds from interest bearing liabilities	5(b)	1,716	140,000	-	13,467
Repayments of interest bearing liabilities	5(b)	-	(129,402)	(10)	(19,800)
Proceeds from issue of shares		-	173,629	-	18,328
Transaction costs related to issue of shares		-	(3,409)	-	(311)
Redemption of equity		-	(49,063)	-	(1,696)
Distributions paid		(20,283)	(14,702)	(2,003)	(1,841)
Repayments of intertrust entities		-	-	(330)	(9,080)
<b>Net cash flows from financing activities</b>		<b>(18,567)</b>	<b>117,053</b>	<b>(2,343)</b>	<b>(933)</b>
Net increase in cash and cash equivalents		1,596	(17)	(545)	340
Cash and cash equivalents at the beginning of the period		6,813	6,830	1,018	678
<b>Cash at the end of the period</b>		<b>8,409</b>	<b>6,813</b>	<b>473</b>	<b>1,018</b>

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

# ELANOR COMMERCIAL PROPERTY FUND

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

### About this Report

Elanor Commercial Property Fund (the Fund, Group or Consolidated Group) is a 'stapled' entity comprising Elanor Commercial Property Fund I (ECPF I) and its controlled entities, including Elanor Commercial Property Fund II (ECPF II). The units in ECPF I are stapled to units in ECPF II. The stapled securities cannot be traded or dealt with separately.

For the purposes of the consolidated financial report, ECPF I has been deemed the parent entity of ECPF II 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 Commercial Property Fund I and its controlled entities, including Elanor Commercial Property Fund II. As permitted by ASIC Instrument 2015/838 (Stapled Group Reports), this report is a combined report that presents the consolidated financial statements and accompanying notes of both the Fund and ECPF II.

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 ECPF I (the Parent) and all of its subsidiaries, including ECPF II as at 30 June 2021. ECPF I is the parent entity in relation to the stapling.

This consolidated financial report also includes a separate column representing the financial report of ECPF II, incorporating the assets and liabilities of ECPF II 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.

### 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.

## ELANOR COMMERCIAL PROPERTY FUND

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

#### 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.

#### 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 COMMERCIAL PROPERTY FUND

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

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# ELANOR COMMERCIAL PROPERTY FUND

## SUPPLEMENTARY APPENDIX 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 commercial properties in Australia

The table below provides a reconciliation from statutory net profit / (loss) to Funds from Operations for the Consolidated Group and ECPFII.

	Consolidated Group 30 June 2021 \$'000	ECPF II 30 June 2021 \$'000
<b>Funds from Operations (FFO)</b>		
<b>Statutory net (loss) / profit for the 12 months ending 30 June 2021</b>	<b>31,255</b>	<b>(513)</b>
<i>Adjustments for items included in statutory profit / (loss):</i>		
Transaction and establishment costs	25	-
Fair value (gain)/loss on investment property	(5,580)	2,636
Straight lining of rental income <sup>2</sup>	(1,661)	121
Amortisation expense <sup>3</sup>	1,610	385
<b>Funds from Operations (FFO)<sup>1</sup></b>	<b>25,649</b>	<b>2,629</b>
	Consolidated Group 30 June 2020 \$'000	ECPF II 30 June 2020 \$'000
<b>Funds from Operations (FFO)</b>		
<b>Statutory net (loss) / profit for the 12 months ending 30 June 2021</b>	<b>(2,301)</b>	<b>786</b>
Adjustment to remove pre - IPO profit	(8,906)	(388)
<b>Adjusted net (loss) / profit post IPO ( 6 December 2019 - 30 June 2020)</b>	<b>(11,207)</b>	<b>398</b>
<i>Adjustments for items included in statutory profit / (loss):</i>		
Transaction and establishment costs	8,834	426
Fair value (gain)/loss on investment property	15,797	210
Straight lining of rental income <sup>2</sup>	(963)	27
Amortisation expense <sup>3</sup>	964	308
<b>Funds from Operations (FFO)<sup>1</sup></b>	<b>13,425</b>	<b>1,369</b>

<sup>1</sup> 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 rental abatements, and debt establishment costs recognised in the Consolidated Statement of Profit or Loss.

## ELANOR COMMERCIAL PROPERTY FUND

### SUPPLEMENTARY APPENDIX 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 commercial properties.

#### (a) Rental income

	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
NEXUS Centre	3,378	3,476	-	-
34 Corporate Drive	1,570	2,343	-	-
Campus DXC	3,123	3,108	-	-
Limestone Centre	3,291	3,140	3,291	3,140
WorkZone West	13,497	13,461	-	-
200 Adelaide St	3,413	1,901	-	-
Garema Court	6,984	2,294	-	-
<b>Total revenue from operating activities</b>	<b>35,256</b>	<b>29,723</b>	<b>3,291</b>	<b>3,140</b>

An expected credit loss provision of \$0.2 million (2020: \$0.4million) has been provided at year end reflecting an allowance against expected credit losses after careful consideration of agreed tenant deferrals and tenant rental arrears at balance date.

## 3. Distributions

### OVERVIEW

In accordance with the Fund's Constitutions, the Fund determines distributions based on a number of factors, including forecast earnings and expected economic conditions.

The following distributions were declared and paid by the Consolidated Group during the period ended 30 June 2021 or 30 June 2020:

	Distribution FY21 cents per stapled security	Distribution FY21 \$'000
<b>Consolidated Group</b>		
Distribution paid: 1 July - 30 September 2020	2.52	5,156
Distribution paid: 1 October - 31 December 2020	2.54	5,205
Distribution paid: 1 January - 31 March 2021	2.48	5,070
Distribution declared: 1 April - 30 June 2021	2.49	5,092
<b>Total distribution relating to the year ended 30 June 2021</b>	<b>10.03</b>	<b>20,523</b>

	Distribution FY20 cents per stapled security	Distribution FY20 \$'000
<b>Consolidated Group</b>		
Distribution paid: 1 July - 5 December 2019	4.22	4,136
Distribution paid: 6 December 31 March 2020	2.88	5,888
Distribution declared: 1 April - 30 June 2020	2.37	4,852
<b>Total distribution relating to the year ended 30 June 2020</b>	<b>9.47</b>	<b>14,876</b>



## ELANOR COMMERCIAL PROPERTY FUND

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

#### 3. Distributions (continued)

##### ECPF II

The following distributions were declared and paid by ECPF II in respect of the period ended 30 June 2021 or 30 June 2020:

	Distribution FY21 cents per stapled security	Distribution FY21 \$'000
Distribution paid: 1 July - 30 September 2020	0.27	545
Distribution paid: 1 October - 31 December 2020	0.25	511
Distribution paid: 1 January - 31 March 2021	0.25	513
Distribution declared: 1 April - 30 June 2021	0.26	529
<b>Total distribution relating to the year ended 30 June 2021</b>	<b>1.03</b>	<b>2,098</b>

	Distribution FY20 cents per stapled security	Distribution FY20 \$'000
Distribution paid: 1 July - 5 December 2019	0.76	745
Distribution paid: 6 December - 31 March 2020	0.32	661
Distribution declared: 1 April - 30 June 2020	0.21	434
<b>Total distribution relating to the year ended 30 June 2020</b>	<b>1.29</b>	<b>1,840</b>

#### 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:

# ELANOR COMMERCIAL PROPERTY FUND

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

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

	Consolidated Group 30 June 2021	Consolidated Group 30 June 2020	ECPF II 30 June 2021	ECPF II 30 June 2020
The earnings / (losses) per stapled security measure shown below is based upon the profit / (loss) attributable to securityholders:				
Basic earnings per stapled security (cents)	15.29	(2.31)	(0.25)	0.50
Diluted earnings per stapled security (cents)	15.29	(2.31)	(0.25)	0.50
(Loss) / profit attributable to securityholders used in calculating basic and diluted earnings per stapled security (\$'000)	31,255	(3,651)	(515)	786
Weighted average number of stapled securities used as denominator in calculating basic earnings per stapled security	204,400,000	158,148,377	204,400,000	158,148,377
Weighted average number of stapled securities used as denominator in calculating diluted earnings per stapled security	204,400,000	158,148,377	204,400,000	158,148,377

### 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 profit for the year to net cash provided by operating activities

	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
<b>(Loss) / profit for the period</b>	<b>31,254</b>	<b>(2,301)</b>	<b>(515)</b>	<b>786</b>
Fair value adjustment on revaluation of investment property	(5,580)	13,698	2,635	525
Amortisation	153	(337)	16	(19)
Lease incentive	(1,808)	(861)	(122)	(45)
Transaction and IPO costs through profit and loss	25	8,834	-	426
Straight-lining of rental income and rental guarantee	(1,662)	(1,842)	121	133
<b>Net cash provided by operating activities before changes in working capital</b>	<b>22,382</b>	<b>17,191</b>	<b>2,135</b>	<b>1,806</b>
<b>Movement in working capital</b>				
Decrease / (increase) in trade and other receivables	516	(517)	19	127
Decrease / (increase) in other current assets	(34)	(425)	-	-
Decrease / (increase) in prepayments	(32)	(51)	(1)	18
Increase / (decrease) in trade and other payables	(539)	909	35	114
Increase / (decrease) in amounts received in advance	(156)	201	(55)	51
<b>Net cash from operating activities</b>	<b>22,137</b>	<b>17,308</b>	<b>2,133</b>	<b>2,116</b>

# ELANOR COMMERCIAL PROPERTY FUND

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

### 5. Cash flow information (continued)

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

##### Consolidated Group

	30 June 2020	Cash flows Debt drawdowns/ (paydowns)	Non-cash items Amortisation of borrowing costs	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Interest bearing loans	139,572	1,716	153	141,441
<b>Total liabilities from financing activities</b>	<b>139,572</b>	<b>1,716</b>	<b>153</b>	<b>141,441</b>

	30 June 2019	Cash flows Debt drawdowns/ (paydowns)	Non-cash items Amortisation of borrowing costs	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Interest bearing loans	129,311	10,598	(337)	139,572
<b>Total liabilities from financing activities</b>	<b>129,311</b>	<b>10,598</b>	<b>(337)</b>	<b>139,572</b>

##### ECPF II

	30 June 2020	Cash flows Debt drawdowns/ (paydowns)	Non-cash items Amortisation of borrowing costs	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Interest bearing loans	13,415	(10)	16	13,421
Cross-staple loan / (receivable)	(3,197)	(330)	-	(3,527)
<b>Total liabilities from financing activities</b>	<b>10,218</b>	<b>(340)</b>	<b>16</b>	<b>9,894</b>

	30 June 2019	Cash flows Debt drawdowns/ (paydowns)	Non-cash items Amortisation of borrowing costs	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Interest bearing loans	19,767	(6,333)	(19)	13,415
Cross-staple loan / (receivable)	5,882	(9,079)	-	(3,197)
<b>Total liabilities from financing activities</b>	<b>25,649</b>	<b>(15,412)</b>	<b>(19)</b>	<b>10,218</b>

# ELANOR COMMERCIAL PROPERTY FUND

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

### 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 comprised seven commercial properties in Australia. A range of independent and internal valuations were performed as at 30 June 2021.

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

			Consolidated Group	Consolidated Group	ECPF II	ECPF II
			30 June 2021	30 June 2020	30 June 2021	30 June 2020
			\$'000	\$'000	\$'000	\$'000
Valuation	Date					
NEXUS Centre	Independent	June 21	36,500	32,100	-	-
34 Corporate Drive	Independent	June 21	21,000	21,000	-	-
Campus DXC	Internal	June 21	37,500	35,900	-	-
Limestone Centre	Internal	June 21	34,000	36,300	34,000	36,300
WorkZone West	Internal	June 21	134,000	133,300	-	-
200 Adelaide St	Independent	June 21	50,000	43,400	-	-
Garema Court	Internal	June 21	71,500	71,500	-	-
<b>Total investment properties held at fair value</b>			<b>384,500</b>	<b>373,500</b>	<b>34,000</b>	<b>36,300</b>

#### (b) Movement in investment properties

	Consolidated Group	Consolidated Group	ECPF II	ECPF II
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
<b>Opening Balance</b>	373,500	258,951	36,300	36,496
Acquisitions	-	122,457	-	-
Capital expenditure	1,950	3,087	335	417
Straightlining of rental income	1,661	1,842	(121)	(133)
Movement in lease incentives and rental guarantee	1,809	861	122	45
Net fair value adjustments	5,580	(13,698)	(2,636)	(525)
<b>Total investment properties</b>	<b>384,500</b>	<b>373,500</b>	<b>34,000</b>	<b>36,300</b>

## ELANOR COMMERCIAL PROPERTY FUND

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

#### 7. Interest bearing liabilities

##### OVERVIEW

The Fund has access to a total of \$147.0 million of debt facilities. The total drawn amount at 30 June 2021 is \$141.8 million. The weighted average debt facility maturity at year end is 2.67 years with an average all-in cost of debt of 2.08% p.a. At 30 June 2021, the interest rate risk of drawn facilities is hedged to 99%. The fair value of the debt facilities is \$140 million.

	Consolidated Group 30 June 2021 \$'000	Consolidated Group 30 June 2020 \$'000	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
<b>Non-current - secured</b>				
Bank loan - term debt	141,788	140,000	13,456	13,456
Borrowing costs less amortisation	(347)	(428)	(35)	(41)
<b>Total non-current interest bearing liabilities</b>	<b>141,441</b>	<b>139,572</b>	<b>13,421</b>	<b>13,415</b>
<b>Cross-staple loan</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest bearing liabilities</b>	<b>141,441</b>	<b>139,572</b>	<b>13,421</b>	<b>13,415</b>

#### 8. Contributed equity

##### OVERVIEW

The Fund is a 'stapled' entity comprising of ECPF I and its controlled entities, including ECPF II. The units in ECPF II are stapled to units in ECPF I. 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
<b>Opening balance</b>	204,400	97,934	224,996	87,490
Redemptions	-	(32,437)	-	(14,697)
Capital raised (net of capital raise costs)	-	138,903	-	152,203
<b>Total contributed equity</b>	<b>204,400</b>	<b>204,400</b>	<b>224,996</b>	<b>224,996</b>

##### (b) ECPF II

	No. of securities 30 June 2021 '000	No. of securities 30 June 2020 '000	ECPF II 30 June 2021 \$'000	ECPF II 30 June 2020 \$'000
<b>Opening balance</b>	204,400	97,934	25,978	9,657
Redemptions	-	(32,437)	-	(1,696)
Capital raised (net of capital raise costs)	-	138,903	-	18,017
<b>Total contributed equity</b>	<b>204,400</b>	<b>204,400</b>	<b>25,978</b>	<b>25,978</b>

## ELANOR COMMERCIAL PROPERTY FUND

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

#### 9. Parent entity disclosure

##### OVERVIEW

The financial information below reflects Elanor Commercial Property Fund's parent entity, ECPF I, as a stand-alone entity.

	<b>ECPF I</b>	<b>ECPF I</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Position</b>		
Current assets	63,008	86,653
Non-current assets	235,839	235,839
<b>Total Assets</b>	<b>298,847</b>	<b>322,492</b>
Current liabilities	5,147	6,087
Non-current liabilities	128,766	127,956
<b>Total Liabilities</b>	<b>133,913</b>	<b>134,043</b>
Contributed equity	225,424	225,424
Reserves	(746)	(1,799)
(Accumulated losses)/ retained profits	(59,743)	(35,176)
<b>Total Equity</b>	<b>164,935</b>	<b>188,449</b>
<b>Financial performance</b>		
Loss for the period	(6,046)	(7,743)
Other comprehensive income for the period	1,053	-
<b>Total comprehensive loss for the period</b>	<b>(4,993)</b>	<b>(7,743)</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.