

ASX Announcement

23 August 2021

**Elanor Commercial Property Fund Delivers Strong Preliminary FY21 Result  
Exceeding PDS Forecast**

- FFO of \$25.6 million or 12.55 cents per security, 20% above PDS forecast
- Total distributions of 10.03 cents per security for the period from 1 July 2020 to 30 June 2021 (based on a payout ratio of 80%)
- Resilient portfolio: approximately 85% Government, ASX Listed or Multinational tenants; WALE 4.2 years; 94.6% occupancy
- Gearing at 34.5%; NTA per security of \$1.19 (post Q4FY21 Distribution of \$0.025 per security)
- FY22 FFO Guidance of 10.8 cents per security; FY22 Distribution Guidance of 9.4 cents per security (reflecting the acquisition of 50 Cavill Avenue, Surfers Paradise, QLD)

**Portfolio has performed strongly in challenging market conditions**

- Funds from Operations (FFO) for the period of \$25.6 million or 12.55 cents per security, ahead of PDS forecast FFO of \$21.4 million or 10.45 cents per security
- Distributions of \$20.5 million or 10.03 cents per security, at a payout ratio of 80%, the low end of the Fund's target payout ratio range (80% – 100%)
- Portfolio performed strongly, negligibly impacted by the COVID-19 pandemic; immaterial arrears across the portfolio
- At balance date, the Fund's portfolio of commercial assets comprised seven office properties located in established commercial precincts in Brisbane, Perth, Canberra and Adelaide, with a combined value of \$384.5 million
- The valuation of ECF's portfolio of properties as at 30 June 2021 increased by 2.9% or \$11.0 million since 30 June 2020, reflecting the strength of the fund's high investment quality portfolio

**Successful execution of key asset management initiatives**

- Secured a new 10-year lease with Hub Australia, commencing 1 September 2021, over 1,275 m<sup>2</sup> of vacancy at the 200 Adelaide Street property. Additionally, a three-year lease extension was obtained from Hub Australia over 3,538 m<sup>2</sup> of space, which will be co-terminus with the new lease
- Strong tenant retention, including the renewal of key tenant, Bunnings, at Mt Gravatt from October 2020
- Subsequent to balance date, on 2 August 2021, the Fund announced the acquisition of 50 Cavill Avenue, Gold Coast, for \$113.5 million. The Fund launched a fully underwritten \$84.7 million equity raising at \$1.10 per security to part fund the acquisition, along with a new \$39.7 million debt facility (for a 5-year term and at forecast, fully hedged, cost of funds of 2.3% p.a.).

David Burgess, Co-Head of Real Estate and ECF Fund Manager, said “The performance of ECF’s assets has been extremely resilient during a challenging period. Our acute focus on only investing in office assets with strong, differentiated and competitive market positions has enabled the Fund to materially exceed PDS forecasts. We are positive about the opportunities to continue to deliver strong distributions and grow value for ECF securityholders.”

### **Summary of Preliminary Financial Results**

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

<b>Key Financial Results:</b>	<b>30 June 2021</b>
FFO (\$'000)	25,649
FFO per stapled security (cents)	12.55
Distributions (cents per stapled security)	10.03
Total Assets (\$'000)	394,165
Net Assets (\$'000)	243,462
Net tangible assets (\$ per stapled security)	1.19
Gearing (net debt / total assets less cash) (%)	34.5

Commenting on the result, ENN CEO, Glenn Willis, said: “ECF has significantly exceeded its FY21 PDS forecasts and has performed strongly in challenging market conditions. This is a direct result of our disciplined, risk-first approach to investing in assets that deliver strong, sustainable income. With the Fund’s properties invested in favourably positioned markets, there are significant opportunities to further enhance value for securityholders.”

### **Outlook**

ECF’s key strategic objective is to provide strong, risk adjusted returns by investing in commercial office properties located in major metropolitan areas and established commercial precincts, and actively managing the portfolio to grow the income and value of the Fund. ECF is well positioned to continue to deliver strong distributions and grow securityholder value.

The Fund has provided FY22 FFO and Distribution Guidance of 10.8 cents per security and 9.4 cents per security respectively, incorporating the acquisition of the 50 Cavill Avenue property.

Please refer to the preliminary financial statements and FY21 Preliminary Results Presentation lodged with ASX today for further details regarding ECF’s FY21 results.

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### Investor Briefing

Elanor Commercial Property Fund (ECF) will be holding an Investor Briefing Conference Call on Monday 23 August 2021 at 2:00pm, to present and discuss the Fund's FY21 results. The Conference details are:

Toll-Free Dial In: 1800 809 971

Conference ID: 10015007

Commencement: 2.00pm AEST

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

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

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### About Elanor Commercial Property Fund

Elanor Commercial Property Fund (ASX: ECF) is an externally managed real estate investment trust that invests in Australian commercial office assets. It was listed on the ASX in 2020 and currently owns 7 office assets with a combined valuation of \$384.5 million.

[www.elanorinvestors.com/ECF](http://www.elanorinvestors.com/ECF)