

ASX Announcement

2 March 2020

Elanor Commercial Property Fund

Leasing Update, Settlement of Garema Court and Fund Debt Refinancing

- Settlement of the acquisition of Garema Court, CBD Canberra, for \$71.5 million has been completed
- ECF's portfolio now comprises seven high investment quality commercial properties valued at \$378 million
- Fund occupancy increases to 97.3% (from 96.8%) with strong leasing momentum across the portfolio
- A new debt facility has been implemented to fund the Garema Court acquisition and repay all existing debt, resetting the Fund's debt at an all-in average interest rate of 2.1% per annum, significantly below PDS forecast of 3.0% per annum
- The Transaction and new debt facility is 12% accretive to FY20 FFO PDS forecast

Leasing Update

Elanor Commercial Property Fund ("ECF" or "Fund") is pleased to announce that advanced leasing negotiations are in progress across several properties within the Fund. Importantly, ECF has executed a Heads of Agreement for a major tenant at the Mount Gravatt property. It is expected that these negotiations will result in additional earnings upside against PDS FY21 forecasts.

Garema Court Acquisition

ECF has also settled the acquisition of Garema Court in Canberra, Australian Capital Territory, for \$71.5 million. Garema Court is an A Grade office building situated in the premium Civic precinct of the Canberra CBD. The property has a total NLA of 11,438 sqm and is in a precinct benefiting from significant amenity and public transport, and a new light rail terminus.

The property is 99% occupied with its office space wholly leased to the Commonwealth of Australia (March 2024 lease expiry).

The acquisition of Garema Court:

- Increases ECF's Portfolio to seven high investment quality commercial properties located in Brisbane, Perth, Canberra and Adelaide with a combined value of \$378 million
- Further improves ECF's geographic diversification
- Further improves ECF's tenant quality with significant additional income being derived from the Commonwealth of Australia
- Increases Portfolio occupancy to 97.3%

ECF's Fund Manager, David Burgess, said: "The acquisition of Garema Court accords with ECF's disciplined investment strategy to invest in high investment quality assets with strong cash flows. The

property's 4-year Commonwealth Government lease and its prime location position it as a strong investment for ECF.

We are also pleased with the strong positive leasing momentum achieved over the last two months across the portfolio."

Funding and New Debt Facility

A new \$140 million debt facility from a major Australian Bank has been established to fund the Garema Court acquisition and repay all existing debt in the Fund. The new facility comprises a \$70 million 3-year tranche and a \$70 million 5-year tranche. The new debt is fully hedged, with a blended all-in interest rate of 2.1% per annum, significantly below the forecast average interest rate of 3.0% per annum reflected in the PDS forecasts.

Post completion of Garema Court, the Fund remains conservatively geared at approximately 35%, within the Fund's targeted gearing range of 30% to 40%.

Financial Impact

The Transaction and new debt facility is 12% accretive to FY20 FFO PDS forecast, which represents a 9.3% FY20 FFO Yield on the IPO issue price.

ENDS.

This announcement has been authorised for release by Glenn Willis, Managing Director and Chief Executive Officer.

For further information regard this announcement please contact:

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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 2019 and currently owns 7 office assets with a total valuation of \$378 million.

www.elanorinvestors.com/ECF