
ASX Announcement

1 April 2020

Elanor Retail Property Fund - Market update

- Many tenants in the Fund's shopping centres (including the major supermarkets) provide essential services and continue to operate. Despite this, potential financial impacts of the COVID-19 pandemic are currently extremely difficult to forecast. The ongoing impact of these unprecedented events on the Group will be a function of the extent and duration of the prevailing health and economic crisis
- ERF continues to execute on the significant repositioning opportunities for its non-discretionary Value-Add retail assets, Auburn Central and Tweed Mall
- Successful refinancing of debt maturing May 2020, to May 2022
- Suspension of sale program for three of the Fund's Income Assets: Moranbah Fair; Manning Mall; and Gladstone Square

The strategy of Elanor Retail Property Fund ("ERF" or "Fund") remains unchanged.

ERF provides the following update:

Auburn Central – Aldi Agreement for Lease

The Fund has entered into an Agreement for Lease with Aldi at Auburn Central for a new 1,755 square metre supermarket, secured by a new 15-year lease with two further five year-options. Aldi replaces BIG W as the asset's second anchor retailer.

The redevelopment of the space previously occupied by Big W is fully funded and is scheduled for completion by October 2020.

Successful Refinance of Debt Tranche

The Fund has successfully renewed a \$41.7 million debt tranche due to expire in May 2020, to May 2022. This reduces the Fund's weighted average cost of debt to approximately 3.25% per annum, (3.96% per annum at 31 December 2019) and increases the weighted average term to maturity to approximately 2.6 years (2.3 years at 31 December 2019).

ERF remains within existing debt covenants with, a net gearing ratio of approximately 40%¹, (39.3% at 31 December 2019).

Suspension of Sale Program for Income Assets

In December 2019, ERF commenced a structured sales program of the Fund's Income Assets, with the proceeds to be recycled into Value-Add retail or utilised for a buy back of securities. ERF engaged Savills National Retail Investments team to divest three shopping centre assets being Moranbah Fair, Manning Mall and Gladstone Square.

The sales program for the Fund's Income Assets has now been suspended as a result of the current dislocation in capital markets following the COVID-19 pandemic.

¹ Net Debt / (Total Assets less Cash)

Impact of COVID-19

Many tenants in the Fund's shopping centres (including the major supermarkets) provide essential services and continue to operate. Despite this, the COVID-19 pandemic is creating difficult trading conditions, particularly for some of our discretionary focussed retailers and service providers. Some tenants have closed their stores on a temporary basis, and the Fund has received requests from certain tenants for rental relief. The Fund is proactively engaging with retailers in this regard.

Outlook

The Fund will continue to closely monitor the evolving economic impact of the COVID-19 pandemic and its impact on the Fund. The ongoing impact of these unprecedented events on the Fund will be a function of the extent and duration of the prevailing health and economic crisis. Potential financial impacts of the COVID-19 pandemic are currently extremely difficult to forecast, and therefore no earnings or distribution guidance will be provided by the Fund.

ENDS.

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

For further information regarding this announcement please contact:

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