

ASX Announcement

20 August 2020

**Elanor Commercial Property Fund Delivers Strong FY20 Result
Exceeding PDS Forecast**

- FY20 FFO of \$13.4 million or 6.57 cents per security, 9% above the PDS forecast of \$12.3 million
- Total distribution of 5.25 cents per security for the period from ASX listing to 30 June 2020 (based on a payout ratio of 80%)
- Resilient portfolio – 88% Government, ASX Listed and Multinational tenants, WALE 4.3 years, 98% of tenant rent collected in June quarter
- Fund gearing at 35.4% and NTA per security of \$1.16
- FY21 FFO Guidance of \$24.5 million (14.5% increase on FY21 PDS forecast)

Elanor Commercial Property Fund (“ECF” or “Fund”) is pleased to announce its financial results for the year ended 30 June 2020.

ECF is an externally managed commercial office REIT that listed on the ASX on 9 December 2019. Despite the challenging market conditions, ECF has performed strongly during the financial period with its FY20 FFO per security significantly exceeding PDS forecasts.

Portfolio has performed strongly in challenging market conditions

- The Fund is performing strongly in the prevailing market conditions with 98% of tenant rent collected across the Fund’s portfolio for the months of April, May and June 2020
- As at 30 June 2020 only eight agreements for COVID-19 related rent waivers have been executed (under the relevant state government Codes of Conduct). These agreements amount to approximately \$0.1 million of rental income, representing only 0.7% of FFO. Furthermore, a provision of \$0.4 million has also been recognised at year end
- Valuations of the Fund’s properties at 30 June 2020 have demonstrated the resilience of the Fund’s portfolio, having declined marginally by 1.2%

Successful execution of key management initiatives

- Capital management: implementation of new debt facility with an average tenor of 4 years, resetting the Fund’s debt at an all-in rate of 2.1% p.a. (significantly below PDS forecast of 3.0% p.a.). Gearing of the Fund is 35.4% as at 30 June 2020
- On 28 February 2020, the Fund completed the acquisition of Garema Court, 140-180 City Walk, Canberra, ACT for \$71.5 million. Garema Court is an A Grade office building 100% leased to the Federal Government, located in the Civic precinct, a premium location within the Canberra CBD. This acquisition increases the Fund’s exposure to Government tenants to 22.6%
- Executed lease renewal of Bunnings at Nexus Centre, Upper Mount Gravatt, for an additional four years, extending the WALE of the Fund’s portfolio to 4.3 years

David Burgess, Co-Head of Real Estate and Fund Manager, said “The performance of ECF’s assets has been extremely resilient during a challenging period. Our acute focus on actively managing the portfolio to deliver on key strategic and operational initiatives has enabled the Fund to materially exceed PDS forecasts.”

Summary of Financial Results

A summary of the key financial results for the full year ended 30 June 2020 is as follows:

Key Financial Results Post IPO:	30 June 2020
FFO (\$'m)	13.4
FFO per stapled security (cents)	6.57
Distributions (cents per stapled security)	5.25
Total Assets (\$m)	382
Net Assets (\$m)	236.4
Net tangible assets (\$ per stapled security)	1.16
Gearing (net debt / total assets less cash) (%)	35.4

Commenting on the result, ENN CEO, Glenn Willis, said: “ECF has significantly exceeded the FY20 PDS forecasts and has performed strongly in challenging market conditions. There has been minimal disruption to the portfolio with 98% of tenant rent collected over the last 3 months to June 2020. This is a direct result of our disciplined, risk-first, approach to investing in assets that deliver strong, sustainable income.”

Outlook

ECF’s core objective is to provide strong, risk adjusted returns through its investment strategy of acquiring commercial properties located in major metropolitan areas or established commercial precincts, and actively managing the portfolio to grow the income and value of the Fund.

The Fund is well positioned to grow earnings given its positive geographic exposure, it’s portfolio WALE and the quality of its tenant base. Notwithstanding prevailing market conditions, the Fund is expected to perform ahead of its PDS FY21 FFO forecast of \$21.4 million, with FY21 FFO Guidance of \$24.5 million (12.0 cents per security), reflecting a 14.5% increase on the PDS forecast.

Please refer to the financial statements and FY20 Results Presentation lodged with ASX today for further details regarding ECF’s FY20 results.

Investor Briefing

Elanor Commercial Property Fund (ECF) will be holding an Investor Briefing Conference Call on Thursday 20 August 2020 at 2:00pm, to present and discuss the Fund's FY20 results. The Conference details are:

Dial In: 1800 123 296 or +61 2 8038 5221

Conference ID: 3187237

Commencement: 2:00pm AEST

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

For further information regarding this announcement please contact:

Glenn Willis
Managing Director and CEO
Elanor Investors Group
Phone: (02) 9239 8400

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 combined valuation of \$374 million.

www.elanorinvestors.com/ECF