



ASX Announcement

29 September 2021

ENN Securityholders Approve EHAF Transaction

- EHAF transaction approved by ENN Securityholders with 99.98% of votes in favour of the transaction
- Establishment of \$346 million hotel fund, Elanor Hotel Accommodation Fund, positioning the Fund for significant growth
- EHAF is a diversified portfolio of 14 high investment quality hotel accommodation properties, with a focus on the luxury and regional hotel sectors
- EHAF transaction will release approximately \$25 million of capital to ENN and generate a net gain on sale of \$10.5 million

Elanor Investors Group (**ENN** or **Group**) is pleased to announce:

ENN Securityholder Approval

A resolution to approve the EHAF transaction has been passed at a meeting of ENN Securityholders, with 99.98% of votes in favour of the resolution.

Strategic Funds Management Initiative

Elanor Funds Management Limited has successfully established the Elanor Hotel Accommodation Fund (**EHAF** or **Fund**). EHAF has been established through Elanor Metro and Prime Regional Hotel Fund (**EMPR**) completing a pro-rata entitlement offer to existing wholesale investors, and an offer to new wholesale investors, to acquire the Group's interests in the Elanor Luxury Hotel Fund (**ELHF**) and Albany Hotel Syndicate (**AHS**). EHAF comprises a portfolio of 14 high investment quality accommodation hotels valued at \$346 million, with a focus on hotels in the luxury and regional sectors.

EHAF's growth prospects are supported by the growing demand in the regional and luxury tourism sectors and the hotel accommodation sector more generally. The Fund's strategy is to grow the portfolio to over \$500 million in the short term.

ENN will initially hold a co-investment stake in EHAF of approximately 46% and intends to sell down this interest to 15% in the short term.

Strong Result for ENN

The EHAF transaction will initially release approximately \$25 million of capital for the Group to redeploy into further funds management growth initiatives. The sale of the Group's interests in ELHF and AHS realises a net gain on sale of \$10.5 million, reflecting the operational and capital improvements executed at the assets during the Group's holding period.

Funds management transaction fees of \$3.9 million are payable to the Group on completion of the EHAF transaction. Recurring management fees of approximately \$3.5 million p.a. will be generated from the Fund.

The transaction reduces ENN's pro-forma gearing, as at 30 June 2021, to approximately 11%.

ENN CEO, Glenn Willis, said: "We are pleased with the support of our Securityholders for this significant funds management initiative. This transaction initially releases over \$25 million in growth capital for our funds management business and we look forward to introducing further capital partners to EHAF in the short term."



ENDS

This announcement has been authorised for release by the Elanor Investors Group Board of Directors.

For further information regarding this announcement please contact:

Glenn Willis
Managing Director and Chief Executive Officer
Elanor Investors Group
Phone: (02) 9239 8400

About Elanor Investors Group

Listed on the Australian Securities Exchange in 2014, Elanor Investors Group (ASX: ENN) is an investment and funds management business with \$2.3 billion in assets under management across Australia and New Zealand. Elanor's key sectors of focus are commercial office, healthcare real estate, retail real estate and hotels, tourism and leisure. Elanor's investment management objective is to acquire and unlock value in real estate assets that provide strong income and capital growth potential.

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