

ASX Announcement

21 February 2022

Elanor Commercial Property Fund Delivers Strong HY22 Result

- HY22 FFO of \$14.3 million or 5.50 cents per security
- HY22 Distributions of 4.70 cents per security (based on a payout ratio of 85%)
- NTA per security of \$1.19; Gearing at 32.8%
- FY22 FFO Guidance of 10.8 cents per security and FY22 Distribution Guidance of 9.4 cents per security¹ reaffirmed
- Significant leasing activity across the portfolio; 95.6% occupancy²

Portfolio has performed strongly

- ECF is on track to meet its FFO guidance of 10.8 cents per security and Distribution guidance of 9.4 cents per security, reflecting the high investment quality of the Fund's portfolio and the strength of its tenants
- The portfolio continues to be negligibly impacted by COVID-19 – minimal arrears and 99% of rent collected across the portfolio
- The Fund's properties have increased in value by \$18.1 million, or 3.7%, to a total of \$513.2 million at 31 December 2021 (all properties independently valued)
- The Fund's recently acquired property at 50 Cavill Avenue, Surfers Paradise, QLD, has increased in value by 4.4% to \$115.5 million since acquisition as a result of the execution of strategic leasing initiatives at the property. Further upside has been achieved across the portfolio, including at the Fund's 200 Adelaide Street and Upper Mount Gravatt properties, again as a result of successful leasing and capital improvement programs
- ESG initiatives have been successfully executed across the portfolio, including at WorkZone West where it achieved a Carbon Neutral certification and a 6 Star NABERS energy rating. A roadmap to achieve a carbon neutral portfolio has been established
- The Fund's gearing is 32.8% at 31 December 2021 (34.5% at 30 June 2021), at the low end of the Fund's target range
- The Fund's interest rate position is 97.3% hedged, minimising exposure to interest rate increases
- The Fund is well positioned for further growth in capital value with a weighted average portfolio capitalisation rate of 6.33% (average capital value of \$6,768 per sqm)

¹ FFO per security is based on the weighted average number of securities on issue

² Weighted by area, excluding any rental guarantees and include Heads of Agreement

David Burgess, Co-Head of Real Estate and ECF Fund Manager, said: “ECF has performed strongly and achieved significant growth in portfolio value over the period. The acquisition of 50 Cavill Avenue has demonstrated the merits of our strategy of acquiring assets with differentiated positions in their markets. 50 Cavill Avenue has increased in value by 4.4% over the four months since acquisition.”

Successful execution of key leasing initiatives

- A range of key leasing initiatives have been successfully executed across the portfolio with a total of 10,040 m² leased during the period, excluding short-term lease extensions
- Key leasing achievements during the period included:
 - Eight leases executed at 50 Cavill Avenue, totalling 3,700m², with an average lease term of approximately 6 years
 - 10-year lease to Abacus dx, a multinational medical, pathology, and laboratory equipment manufacturer, over 2,200m² (Corporate Drive)
 - 10-year lease to Hub Australia over 1,250m² (200 Adelaide Street)
 - 4-year lease to Coles over 1,000m² (Nexus Centre)
- The Fund’s occupancy was 95.6% at 31 December 2021, well above the national average of 87.9%
- The Fund’s WALE is 3.8 years with 82% of income secured for the next two years

Summary of Financial Results

A summary of the key financial results for the period ended 31 December 2021 is as follows:

Key Financial Results:	31 December 2021
FFO (\$'m)	14.3
FFO per weighted average stapled security (cents)	5.50
Distributions (cents per stapled security)	4.70
Total Assets (\$m)	532.3
Net Assets (\$m)	334.2
Net Tangible Assets (\$ per stapled security)	1.19
Gearing (net debt / total assets less cash) (%)	32.8

Commenting on the result, ENN CEO, Glenn Willis, said: “ECF continues to perform strongly. The Fund’s performance 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 grow 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 or established commercial precincts, and actively manage the portfolio to grow the income and capital value of the Fund. The Manager is acutely focused on investing in properties with differentiated positions and sustainable competitive advantages in their respective markets.

The Fund is well positioned to grow securityholder value given its positive geographic exposure, strong portfolio WALE and quality tenant base. Furthermore, targeted strategic initiatives to increase the capital value of the Fund are in progress.

Please refer to the financial statements and HY22 Results Presentation lodged with ASX today for further details regarding ECF's HY22 results.

Investor Briefing

Elanor Commercial Property Fund (ECF) will be holding an Investor Briefing Conference Call on Monday 21 February 2022 at 2:00pm, to present and discuss the Fund's HY22 results. The Conference details are:

Dial In: 1800 558 698 or +61 2 9007 3187

Conference ID: 10018615

Commencement: 2:00pm AEDT

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 8 office assets with a combined valuation of \$513 million.

www.elanorinvestors.com/ECF