

ASX Announcement

27 February 2023

**Elanor Commercial Property Fund HY23 Results
Strong Earnings with Guidance Reaffirmed; Positive Leasing Outcomes**

- HY23 FFO of \$18.4 million or 5.82 cents per security
- Q2FY23 Distribution of 2.35 cents per security (HY23 Distributions of 4.70 cents, equating to a payout ratio of 81%)
- Strong tenant demand driving 16% positive leasing spreads and 4.7% like-for-like income growth
- NTA per security of \$1.13; Gearing at 32.3%; Interest rate hedging at 96.0%
- FY23 FFO Guidance of 11.0 cents per security reaffirmed
- FY23 Distribution Guidance of 9.4 cents per security reaffirmed

Fund Performance

- The Fund reaffirms its FY23 FFO guidance of 11.0 cents per security and FY23 Distribution guidance of 9.4 cents per security, reflecting the high quality of the Fund's portfolio and the strength of its tenants
- The Fund's gearing was 32.3% at 31 December 2022, the lower end of the Fund's target range
- The Fund's interest rates are 96% hedged at 31 December 2022
- Strong tenant demand driving 16% positive leasing spreads and 4.7% like-for-like income growth, reflecting the strength of the leasing outcomes achieved during the period
- The valuations of the Fund's portfolio reduced by 3.2%, reflecting a 28 basis-point decompression in the weighted average capitalisation rate and increasing market rents across ECF's assets
- The Fund's property portfolio is well positioned having a weighted average capitalisation rate of 6.37% and an average capital value of \$7,177 per m²

David Burgess, Co-Head of Real Estate and ECF Fund Manager, said: "ECF continued to perform strongly during the period. The Fund maintained its 96% occupancy level over the period, well above the national average of 85%, demonstrating the competitive advantages of the Fund's assets in their respective markets."

Asset Management

- A range of key leasing initiatives were successfully executed across the portfolio with 4,564 m² leased during the period
- Strong tenant demand driving 16% positive leasing spreads and 4.7% like-for-like income growth
- Over 900 m² leased to Queensland Government and allied health occupiers at Limestone Centre during the quarter

- Significant ESG achievements during the period including 50 Cavill Avenue achieving a 5.5 NABERS rating, Work Zone West achieving a Carbon Neutral certification following the installation of solar energy capability at the asset, and 19 Harris Street achieving a renewed WIRED accreditation
- The Fund's occupancy was 96% at 31 December 2022, significantly above the national occupancy level of 85%
- The Fund's WALE is 3.0 years (by income) with only 2% of gross income expiring in the remainder of FY23

Financial Results

A summary of the key financial results for the period ended 31 December 2022 is as follows:

Key Financial Results:	31 December 2022
FFO (\$m)	18.4
FFO per weighted average stapled security (cents)	5.82
Distributions (cents per stapled security)	4.70
Total Assets (\$m) (look-through basis)	612.8
Net Assets (\$m)	356.7
Net Tangible Assets (\$ per stapled security)	1.13
Gearing (net debt / total assets less cash) (%)	32.3

Commenting on the result, ENN CEO, Glenn Willis, said: "ECF continues to perform strongly in challenging market conditions. This is a direct result of our disciplined, risk-first approach to investing in assets that deliver strong, sustainable income. With the Fund's properties favourably positioned within their respective markets, ECF is well positioned to continue to deliver strong returns for Securityholders."

Outlook

ECF's key strategic objective is to provide strong risk-adjusted returns by investing in commercial office properties that have clearly differentiated and sustainable competitive advantages.

A range of strategic leasing and other key asset management initiatives are in progress including significant sustainability upgrades to drive increased rents and improve the capital value of the Fund's properties.

The Fund reaffirms its FY23 FFO Guidance of 11.0 cents per security and FY23 Distribution Guidance of 9.4 cents per security.

Investor Briefing

Elanor Commercial Property Fund (ECF) will be holding an Investor Briefing Conference Call on Monday 27 February 2023 at 2:00pm AEDT, to present and discuss the Fund's HY23 results. The Conference details are:

Toll-Free Dial In: 1800 809 971 or +61 2 9007 3187
Conference ID: 10028271
Commencement: 2.00pm AEDT
Pre-Registration: <https://s1.c-conf.com/diamondpass/10028271-67lcyp.html>

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 Chief Executive Officer

Elanor Investors Group

Phone: (02) 9239 8400

David Burgess

Co-Head of Real Estate, Fund Manager

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 9 office assets with a combined valuation of \$589 million.

www.elanorinvestors.com/ECF