

ASX Announcement

30 August 2024

FY24 Earnings Guidance Achieved; Continued Strong Leasing Outcomes

- FY24 FFO of \$33.14 million or 10.47 cents per security
- Q4FY24 Distribution of 2.125 cents per security (FY24 Distributions of 8.50 cents per security equating to a payout ratio of 81%)
- NTA per security of \$0.84; Gearing at 39.9%; Hedged interest rate exposure of 76.7%
- Significant leasing activity across the portfolio; Occupancy maintained at 98.4%¹

FY25 Guidance

- FY25 FFO Guidance of 9.3 to 9.8 cents per security
- FY25 Distribution Guidance of at least 7.5 cents per security
- Low end of guidance assumes asset sales (agents appointed on Nexus Centre); High end of guidance reflects no asset sales

Elanor Commercial Property Fund (“ECF” or “Fund”) is pleased to announce its preliminary financial results for the year ended 30 June 2024 (“period”).

Fund Performance

- Funds from Operations (FFO) for the year of \$33.14 million or 10.47 cents per security
- Distributions of \$26.91 million or 8.5 cents per security (at a payout ratio of 81%)
- Fund’s property valuations decreased by \$43.4 million over the period, largely due to softening capitalisation rates (FY24 WACR: 7.64%; FY23 WACR: 6.95%). Capitalisation rate softening has been partially offset by 5.8% positive market rental growth
- NTA reduced to \$0.84 per security
- The Fund’s gearing was 39.9% at 30 June 2024, at the upper end of the Fund’s target range of 30% to 40%
- The Fund’s debt duration is 2.2 years and hedged interest rate exposure is 76.7%

Successful Execution of Key Leasing Initiatives

- Full-building lease renewal at Campus DXC, Adelaide
- Lease terms agreed over 57% of building NLA at WorkZone West, Perth, Western Australia, effective upon expiry of the existing whole-building lease
- Achieved 100% occupancy at 34 Corporate Drive, Cannon Hill, Queensland through leases with

¹ Weighted by area and including heads of agreements

Optus and nib Thrive

- Lease renewal signed with Thomson Reuters for 1,941m² at 19 Harris Street, Pyrmont, NSW. In addition, we have signed new leases with CIP Construction, Bluepost Productions and Born Creators over a combined 1,203m²
- Lease signed with Bunnings for the renewal of 1,992m² at the Nexus Centre, Mt Gravatt, Queensland
- Material reduction in both FY25 (15% to 8%) and FY26 expiries (55% to 31%)

David Burgess, ECF Fund Manager, said: “ECF has delivered a solid full-year result for investors by maintaining a strong 98.4% occupancy rate which is well above the national CBD market average of 84.0%. Approximately 69% of the portfolio (by value) is located in the Perth and south-east Queensland markets which continue to perform well.

The Fund has delivered on its FY24 distribution guidance as we continue to execute leasing strategies to drive rental income growth across the portfolio.

Rising interest rates during the year has resulted in a softening of the weighted average portfolio capitalisation rate by 69 basis points, thereby impacting the Fund’s portfolio valuation and NTA. This valuation impact was partially offset by solid rental growth of 5.8%.”

Preliminary Financial Results

A summary of the key financial results for the period ended 30 June 2024 is as follows:

Key Financial Results:	30 June 2024
FFO (\$m)	33.14
FFO per weighted average stapled security (cents)	10.47
Distributions (cents per stapled security)	8.50
Total Assets (\$m) (look-through basis)	531.1
Net Assets (\$m)	265.7
Net Tangible Assets (\$ per stapled security)	0.84
Gearing (net debt / total assets less cash) (%)	39.9

Commenting on the result, ENN CEO, Glenn Willis, said: “ECF has again delivered a strong earnings result despite challenging market conditions throughout the year. With the Fund’s assets located in high-performing markets we look forward to our active leasing and asset management initiatives delivering further rental growth across the portfolio over the next year.”

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.

The Fund's portfolio is near full occupancy and strong leasing momentum continues for future expiries. The execution of asset management initiatives and lease renewals is a priority to maintain high occupancy and grow rental income. Asset sales are being progressed with an objective to reduce gearing to the low end of the Fund's 30 - 40% target range.

Elanor Commercial Property Fund Investor Briefing

Elanor Commercial Property Fund (ASX: ECF) will be holding an Investor Briefing Conference Call on Monday, 2 September 2024 at 9.00am, to present and discuss the Fund's FY24 results.

The webcast will be available via this link: <https://webcast.openbriefing.com/ecf-id-2024/>

For participants who would like to ask a question during our Q&A session, you will need to dial in to the conference call.

The Conference Call details are:

Dial In: 1800 809 971 or +61 2 9007 3187
Conference ID: 10040501
Commencement: 9.00am AEST

Pre-register is also available via this link: <https://s1.c-conf.com/diamondpass/10040501-fup2g3.html>

Please refer to the FY24 Preliminary Results Presentation and preliminary financial statements to be lodged with ASX today for details regarding ECF's FY24 result.

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.

www.elanorinvestors.com/ECF