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24 August 2022

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Please find attached the Elanor Retail Property Fund (ASX: ERF) FY22 Results Presentation.

Yours sincerely,

Symon Simmons
Company Secretary
Elanor Funds Management Limited

Authority and Contact Details

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

For further information regarding this announcement please contact:

Symon Simmons
Company Secretary
Elanor Funds Management Limited
Phone: (02) 9239 8400

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Elanor RETAIL PROPERTY FUND

ASX: ERF
24 August 2022

Elanor Retail Property Fund

FY22 Results Presentation

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ACKNOWLEDGEMENT OF COUNTRY

Elanor is proud to work with the communities in which we operate, to manage and improve properties on land across Australia and New Zealand.

We pay our respects to the traditional owners, their elders past, present and emerging and value their care and custodianship of these lands.

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FY22 Highlights

FY22 results highlights

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Funds From Operations (FFO)

$9.0m

7.0c per security
including $0.6 million COVID provision
(0.5c per security)

Distributions per security

6.66c

95% payout ratio

2HY22 rent collections

97%

100% of tenants trading[1]

NTA per security

$1.19

Portfolio Weighted Average Cap Rate[2]

7.05%

Tightened 0.3% from June 2021

Portfolio weighted average cap rates:

- Sub-Regional 7.1%
- Neighbourhood 7.0%

Gearing[3]

18.2%

Gearing substantially below target range of 30% to 40%

1. Calculated as percentage of leased NLA open and trading 30 June 2022
2. Excluding Tweed Mall which is classified as held for sale
3. Debt less cash / total assets less cash

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Privatisation and Delisting

ERF securityholders approve privatisation and delisting

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On 19 August 2022

99.8%

of ERF securityholders voted in favour of the **privatisation of ERF**. Settlement and delisting of ERF will occur in early November 2022.

The privatisation:

- Follows an extensive strategic review to optimise value for ERF securityholders to reflect the value of the Fund's underlying assets
- Represents an attractive premium to ERF's historical trading price
- Provides ERF securityholders the flexibility to either retain some or all of their investment in an unlisted, open-ended, multi-sector, real estate fund, Elanor Property Income Fund ("EPIF")

The transaction includes the following interrelated steps:

- Tweed Mall to be sold for $87 million (independent market value); $0.36 per security distributed as special distribution to ERF securityholders
- An off-market security buy-back to acquire up to 100% of ERF securities at a price of $0.79 per security
- ERF to be delisted and become EPIF, an open-ended, unlisted, multi sector income real estate fund

Total value for ERF securityholders (per security)

Securityholders who remain invested in EPIF

$1.24[1]

$0.36 special distribution and $0.88[2] expected NTA of EPIF on privatisation of ERF

Securityholders that participate in the buy-back

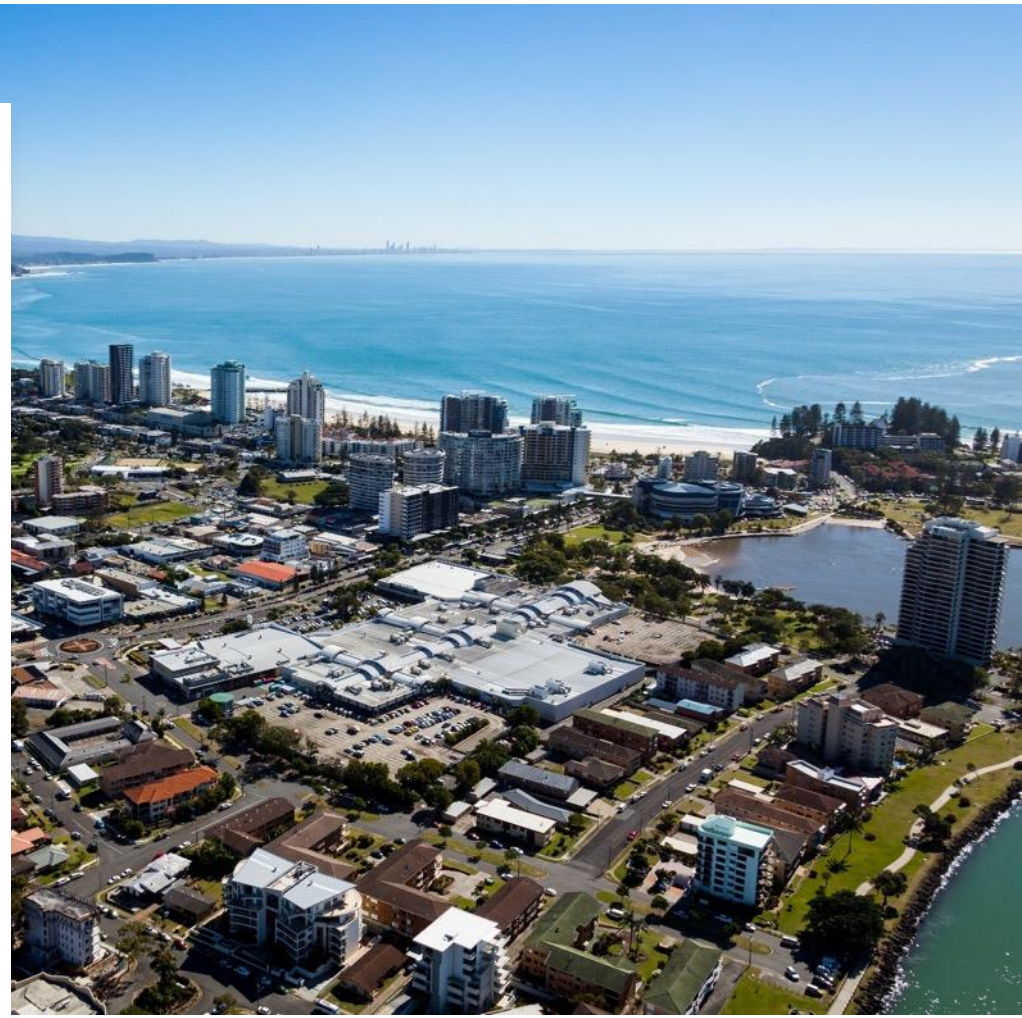
$1.15[3]

$0.36 special distribution and $0.79 buy-back;

1. Reflects a 16.7% premium to the trading price of ERF securities immediately prior to the announcement of the proposed privatisation of ERF on 24 June 2024
2. The expected NTA per security is based on a target gearing of 40% at delisting. To achieve this gearing level a minimum participation of $43.8 million in the buy-back facility is required, representing 65.5% of eligible participants (including ENN)
3. Reflects a 7.9% premium to the trading price of ERF securities immediately prior to the announcement of the proposed privatisation of ERF on 24 June 2024

ERF revised delisting timetable[1]

Buy-Back Record Date	**Friday, 26 August 2022**
Tweed Mall Special Distribution Record Date	**Monday, 10 October 2022**
Buy-Back Closing Date	**Friday, 21 October 2022**
Tweed Mall Special Distribution Settlement Date	**Monday, 24 October 2022**
Settlement Date of Buy-Back	**Monday, 31 October 2022**
ERF Delisting Date[2]	**Friday, 4 November 2022**



1. Timetable subject to change at the discretion of the Responsible Entity
2. Subject to final delisting approval by ASX

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Benefit from retaining an investment in EPIF

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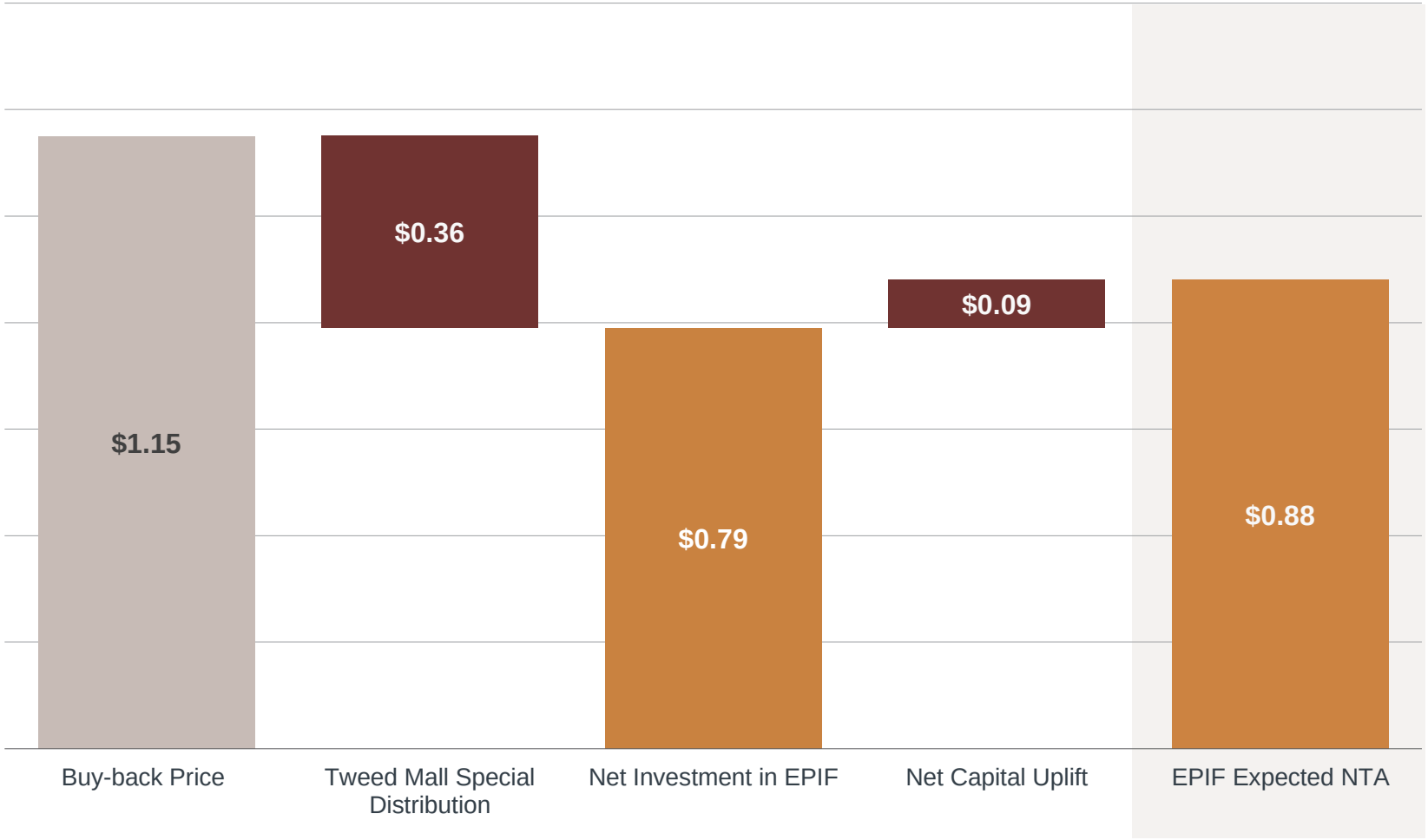
ERF securityholders who retain their investment in EPIF will benefit from:

An uplift in the capital value of their investment to reflect EPIF's expected NTA per security

A higher distribution yield than EPIF's target yield due to the net investment in EPIF being lower than EPIF's expected NTA per security

EPIF's target yield of 5.5% to 6.0%



Elanor Property Income Fund

An open-ended, multi-sector property fund generating reliable income from real estate assets that have strong, defensive attributes and differentiated competitive advantages

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Investment strategy

EPIF, a multi-sector real estate fund, investing in assets with predictable, reliable, recurring income

Reliable Income

Reliable monthly income distributions from an initial portfolio of high investment quality real estate

Underlying Real Estate Value

Intrinsic real estate value underpinned by location fundamentals and differentiated competitive advantages

Multi-sector

Direct and indirect real estate investment for portfolio diversification across sector, location and tenancy mix

Quarterly Liquidity

20% p.a. of NAV
(5% per quarter)
Full liquidity every 5 years

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Portfolio Overview

Portfolio demonstrating strong and resilient income

Strong rent collections and sales growth for Majors

97% of 2HY22 rent collected[1]

Property	State	Leased Occupancy[2]	Trading Occupancy (NLA)[3]	Actual 2HY22 Collections
Manning Mall	NSW	96%	100%	93%
Gladstone Square	QLD	81%	100%	97%
Glenorchy Plaza	TAS	100%	100%	100%
Northway Plaza	QLD	98%	100%	100%
Total		**94%**	**100%**	**97%**

1. Excluding Tweed Mall which is classified as held for sale
2. By lettable area, including signed heads of agreement
3. Calculated as percentage of leased NLA open and trading 30 June 2022

21% sales growth for 'Majors' since Dec-19

Major Sales (MAT)[1]	Pre-COVID Jun-22 vs. Dec-19	Last 12 Months Jun-22 vs. Jun-21
Supermarkets	16.6%	2.8%
DDS	38.1%	1.1%
Total Majors	**20.6%**	**2.5%**

1. Excluding Tweed Mall which is classified as held for sale

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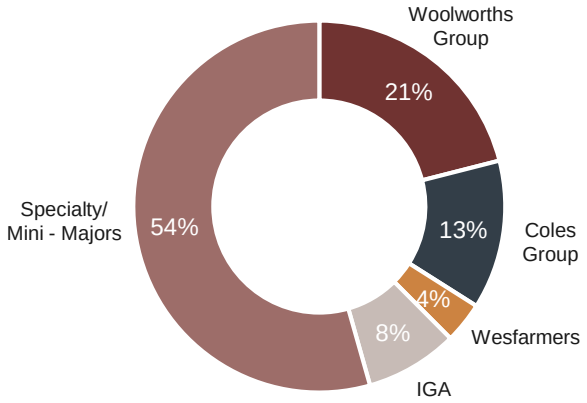
Secure income shopping centres with value upside

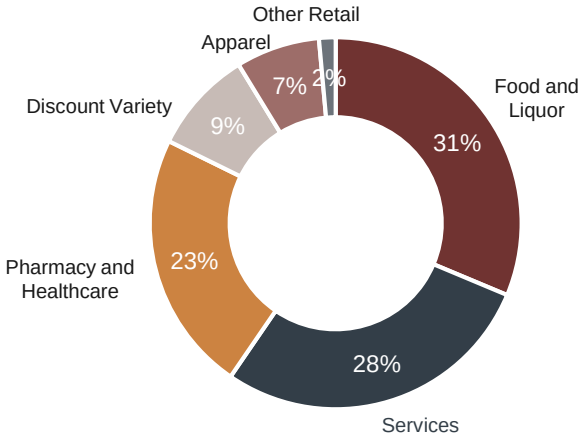
Supermarket, everyday goods and essential services retail portfolio

Property Name	Centre Type	State	Value ($m)	Cap Rate	Lettable Area (sqm)	Gross Rent ($m)	Occupancy[1]	WALE (by Area)	WALE (by Gross Rent)	No. of Tenants[2]
Manning Mall	Sub-Regional	NSW	36.7	7.00%	10,742	4.1	95.8%	2.0yrs	2.6yrs	32
Gladstone Square	Neighbourhood	QLD	30.5	7.00%	6,842	2.5	81.4%	7.7yrs	7.6yrs	17
Glenorchy Plaza	Sub-Regional	TAS	19.8	7.25%	8,726	2.0	100.0%	2.9yrs	2.8yrs	15
Northway Plaza	Neighbourhood	QLD	19.2	7.00%	4,046	1.7	98.1%	4.5yrs	4.8yrs	11
Total			**106.2**	**7.05%**	**30,356**	**10.3**	**94.1%**	**3.9yrs**	**4.2yrs**	**75**

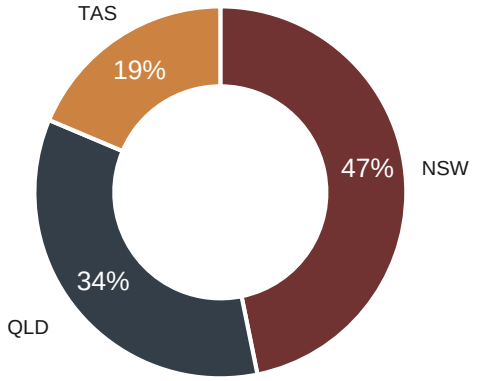
Key Tenants (Gross Rent)



Specialty/Mini-Major Tenants (Gross Rent)



Geographic Diversification (Asset Value)



1. By lettable area, including signed heads of agreement
2. Includes majors, mini-majors, discount department stores, specialties and other (kiosks, ATMs, carwashes, offices, roof top leases to telecommunication providers)
3. IGA

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Portfolio valuation movements

Weighted average capitalisation rate of 7.05%

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Portfolio valuation reflects a weighed average capitalisation rate of

7.05%

0.34% tightening since June 2021

Property	Centre Type	Valuation	Jun-22 Value ($m)	Jun-21 Value ($m)	Change ($m)
Manning Mall	Sub-Regional	Independent	36.7	36.1	0.6
Gladstone Square	Neighbourhood	Internal	30.5	30.0	0.5
Glenorchy Plaza	Sub-Regional	Internal	19.8	18.9	0.9
Northway Plaza	Neighbourhood	Internal	19.2	17.0	2.2
Investment Property Carrying Value			**106.2**	**102.0**	**4.2**

Portfolio WALE[1]

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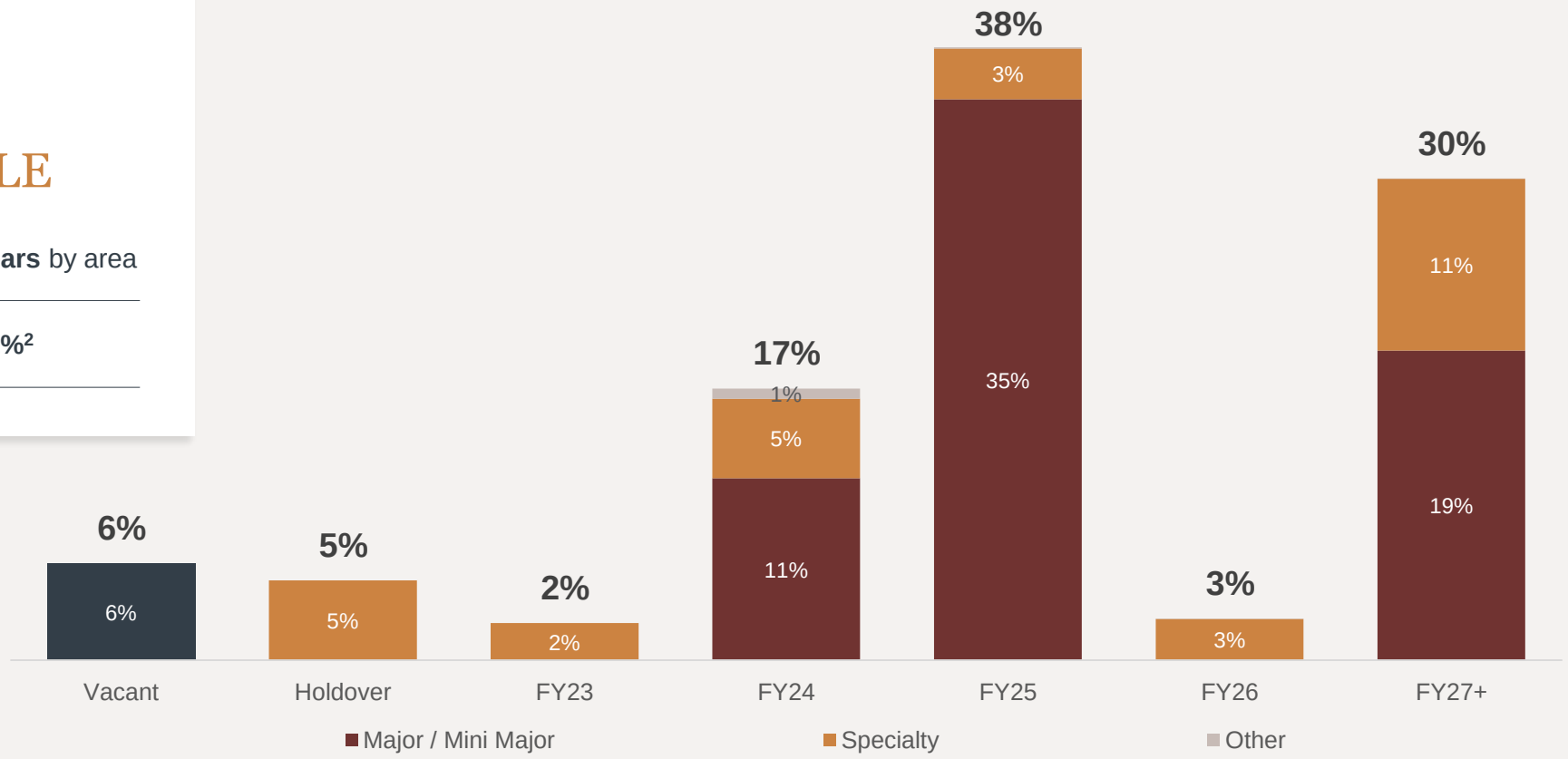
4.2 yrs WALE

by gross rental income **3.9 years** by area

Portfolio occupancy of 94.1%[2]



1. Excluding Tweed Mall which is classified as held for sale
2. By lettable area

ESG focus and initiatives

A core element of our mission is to grow the portfolio while striving to make positive and impactful social and environmental contributions to the communities in which we operate

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ESG Focus		ESG Initiative
Environmental	Solar	• Completed installation of Solar Bay panels at Gladstone Square • Additional rental income is expected during FY23 at Gladstone Square
	Recycling and Waste Management	Water harvesting and waste recycling being implemented across assets
	Energy Consumption	LED lighting upgrades underway at Tweed Mall, Manning Mall, Gladstone Square and Northway Plaza
Social	COVID Support	• Installation of Vaccination Clinics at Tweed Mall, Manning Mall and Gladstone Square • Fair and reasonable dealings with retailers during COVID-19 lockdowns
	Community Support	• Justice of the Peace community services at all centres • Creating community focused centres by increasing provision of medical, health and wellbeing services • Numerous community groups welcomed across ERF's shopping centres, supporting Seniors Week, Red Cross, Lions Club and the Salvation Army

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FY23 portfolio initiatives

The Fund's assets continue to present opportunities to grow securityholder value through leasing and other asset management initiatives

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Improving income sustainability and capital value

Manning Mall – Neighbourhood Repositioning

- Strongly performing supermarket in percentage rent
- Introduce new mini-major, improving occupancy and tenancy mix
- Replace DDS with essential needs goods and services mini-majors

Gladstone Square

- Strongly performing supermarket leased until 2036
- New healthcare mini-major introduced in June 2021
- Liquor lease extended for five year term
- Leasing momentum building on 20% supermarket sales growth since December 2019

Glenorchy

- DDS MAT growth of 44% since December 2019
- 100% occupancy
- Percentage rent forecast in FY23 following closure of competing DDS

Northway Plaza

- Supermarket lease renewed for five years to 2026
- Liquor retailer and Australia Post leases extended for five-year term
- New value accretive pad site potential on surplus land

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Appendix 1
FY22 Financial Results

FFO

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Statutory net income of

$3.5m

for FY22

FFO of

$9.0m

or 7.01 cents per security

Distribution of

6.66 cents

per security (representing 95% of FY22 FFO)

Reconciliation to FFO	FY22 ($'000)
Net profit	**3,528**
Amortisation expense	847
Transaction cost	5,735
Straight-lining of rental income	(134)
Fair value adjustments on investment property	(1,771)
Fair value adjustments on market-to-market derivatives	(933)
Other	1,684
FFO	**8,956**

FY22 result includes:

$0.6m

COVID provisions (0.5c per security)

No income from Moranbah Fair following divestment in August 2021

Debt repayment of **$25.0 million** in August 2021

Balance sheet

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Balance Sheet as at 30 June 2022	$'000
Assets	
Cash	5,396
Receivables	1,423
Other assets	984
Investment properties	106,200
Assets classified as held for sale	90,536
Total assets	**204,539**
Liabilities	
Payables	3,456
Distributions payable	4,694
Interest bearing liabilities	41,689
Liabilities associated with assets classified as held for sale	3,244
Total liabilities	**53,083**
Net assets	**151,456**
Number of securities ('000)	127,713
NTA per security	$1.19
Gearing (ND / TA less cash)	**18.2%**

Net Tangible Assets (NTA)

$1.19
per security

Net Debt

$36.3m

Gearing Ratio[1]

18.2%

1. Debt less cash / Total Assets less cash

Debt and capital management

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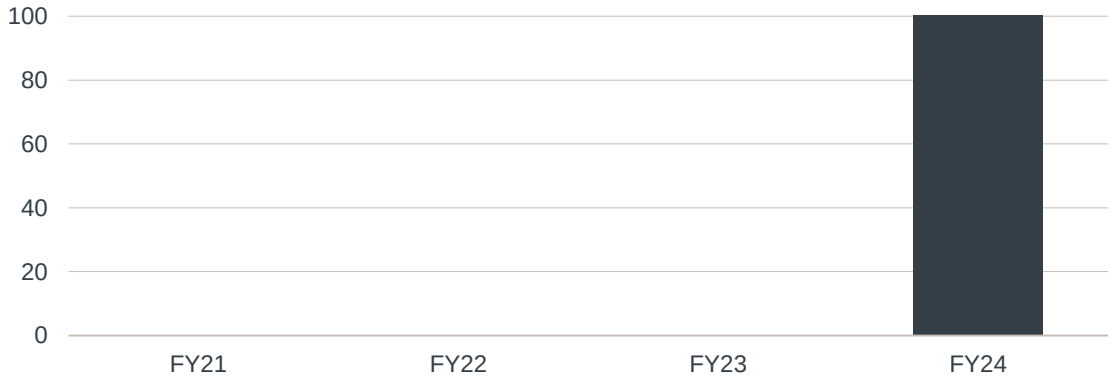
	30 June 2022
Facility limit ($m)	46.7
Drawn debt ($m)	41.7
Gearing	18.2%
% debt fixed or hedged	100%
Weighted average cost of debt (p.a.)	1.8%
Average debt facility maturity (years)	1.9
Average swap / hedge maturity (years)	0.9
Interest cover ratio	11.61x

Drawn Debt Maturity Profile (%)



1. LVR is calculated as drawn debt divided by the value of the Portfolio
2. ICR is calculated as net rental income from the properties in the Portfolio divided by interest expense

The weighted average term to maturity of the Fund's debt is **1.9 years**

Gearing reduced to **18.2%** post divestment of Moranbah Fair

Drawn debt 100% hedged to May 2023 reflecting a 1.81% p.a. cost of debt

Target range for fixed interest rate exposure of between 70% and 100% of drawn debt

Average swap/hedge maturity is 0.9 years

Key Covenants

- Loan-to-Value Ratio (LVR)[1] ≤ 50%
- Interest Cover Ratio (ICR)[2] ≥ 2.00x, assessed semi-annually

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Appendix 2
Portfolio Summary

Retail comparable sales (June 2022)

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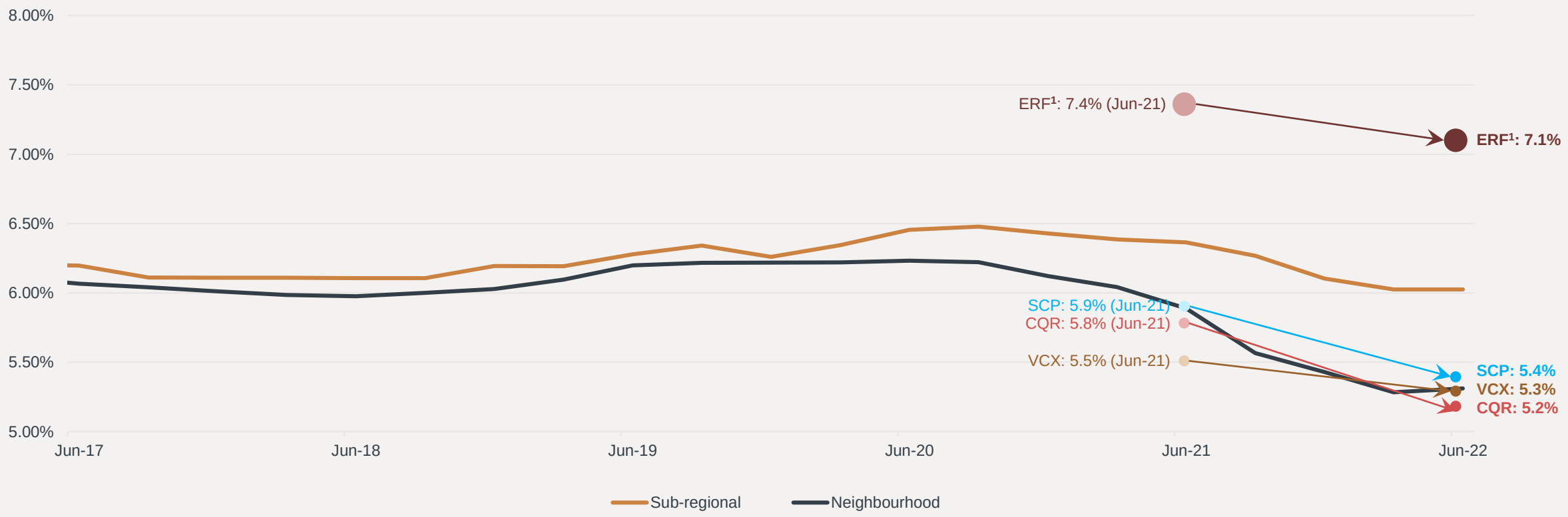
	Manning Mall	Gladstone Square	Glenorchy Plaza	Northway Plaza
Supermarket Anchors	coles			IGA
Other Anchor Retailers		-	BIGW	-
Annual Retail Sales ($m)	74.3	49.3	26.4[3]	26.2
Centre Sales ($ / sqm p.a)	8,404	11,280	3,847	8,678
Supermarket Sales ($/sqm p.a)	14,875	12,069	n/a[2]	9,144
MAT change vs. Dec-19 (%)	16.4%	20.2%	n/a[2]	11.4%
MAT change vs. Jun-21 (%)	1.8%	4.7%	n/a[2]	2.3%
Specialty Sales[1] ($psqm / p.a)	8,050	n/a[2]	n/a[2]	n/a[2]
YoY change (%)	(6.0%)	n/a[2]	n/a[2]	n/a [2]
Specialty Occupancy Cost[1]	9.4%	n/a[2]	n/a[2]	n/a[2]

Note: Analysis is limited to retailers who have traded and consistently reported sales for the 24 months ended 30 June 2021 (including temporary closures during COVID-19)
1. Excludes non retail categories of travel agents, post offices, gyms, medical / veterinary and offices
2. Insufficient comparable specialty retailer sales data
3. Big W DDS MAT has grown 44% since December 2019

ERF portfolio capitalisation rates

ERF weighted average portfolio cap rate remains significantly higher than the sub-regional and neighbourhood shopping centre market and peers



Source: JLL and ASX
1. Excluding Tweed Mall which is classified as held for sale

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Manning Mall, Taree, New South Wales

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MANNING MALL

Overview

Single level shopping centre located in the CBD of Taree, New South Wales. High quality, non-metro location is well positioned for conversion into an essential goods and services neighbourhood centre

Anchored by a Coles supermarket leased to September 2024 together with Target expiring November 2023

Financial

Valuation	**$36.7 million**
Valuation per m^2	**$3,416 per m^2**
Cap Rate	**7.00%**
Occupancy	**96%**
WALE by income	**2.6 years**
Moving Annual Turnover (Comparable)	**$74 million**

Physical

Site Area	**29,742 m^2**
Net Lettable Area (NLA)	**10,742 m^2**
Car Parks	**417**
Car Parking Ratio	**3.9:100m^2**
Key Tenants	coles
Number of Specialties	**29**

Gladstone Square, Gladstone, Queensland

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Overview

Gladstone Square

Single level neighbourhood shopping centre located in the CBD of Gladstone, Queensland

Anchored by a Woolworths supermarket leased to 2036, Chemist Warehouse, Reject Shop and Liquorland

Financial

Valuation	**$30.5 million**
Valuation per m^2	**$4,458 per m^2**
Cap Rate	**7.00%**
Occupancy	**81%**
WALE by income	**7.6 years**
Moving Annual Turnover (Comparable)	**$49 million**

Physical

Site Area	**19,186 m^2**
Net Lettable Area (NLA)	**6,842 m^2**
Car Parks	**304**
Car Parking Ratio	**4.4:100m^2**
Key Tenants	
Number of Specialties	**25**

Glenorchy Plaza, Hobart, Tasmania

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Glenorchy Plaza

Overview

Modern two level retail centre, located eight kilometres north of Hobart, Tasmania

Anchored by a strongly trading Big W DDS leased to 2025 (sales growth to continue following closure of competing DDS)

Located adjacent to the Woolworths anchored Glenorchy Central, driving foot traffic between the two centres

Financial

Valuation	**$19.8 million**
Valuation per m^2	**$2,269 per m^2**
Cap Rate	**7.25%**
Occupancy	**100%**
WALE by income	**2.8 years**
Moving Annual Turnover (Comparable)	**$26 million**

Physical

Site Area	**11,860 m^2**
Net Lettable Area (NLA)	**8,726 m^2**
Car Parks	**302**
Car Parking Ratio	**3.5:100m^2**
Key Tenants	BIGW
Number of Specialties	**14**

Northway Plaza, Bundaberg, Queensland

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Overview

Single level neighbourhood shopping centre located in North Bundaberg, Queensland

Anchored by Cornetts IGA supermarket leased to 2026 (guaranteed by Metcash Limited)

Financial

Valuation	**$19.2 million**
Valuation per m^2	**$4,745 per m^2**
Cap Rate	**7.00%**
Occupancy	**98%**
WALE by income	**4.8 years**
Moving Annual Turnover (Comparable)	**$26 million**

Physical

Site Area	**23,990 m^2**
Net Lettable Area (NLA)	**4,046 m^2**
Car Parks	**241**
Car Parking Ratio	**6.0:100m^2**
Key Tenants	IGA, Malouf Pharmacies, Australia Post
Number of Specialties	**11**

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This presentation has been prepared by Elanor Funds Management Limited As Responsible Entity For Elanor Retail Property Fund I (ARSN 615 291 220) and Elanor Funds Management Limited As Responsible Entity For Elanor Retail Property Fund II as (ARSN 615 291 284), collectively Elanor Retail Property Fund ('ERF' or 'the Fund').

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