ELANOR RETAIL PROPERTY FUND

FY19 Results Presentation

19 August 2019

Contents

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FY19 Highlights

FY19 Results Highlights

Core Earnings	**$12.2m** 12.9% decrease on FY18	• Core Earnings includes: – Rental downtime for Tweed Mall ALDI repositioning strategy – Performance fee for the period from listing to 30 June 2019
Comparative Core Earnings	**$14.2m** 1.4% increase on FY18	• 1.4% increase in Comparative Core Earnings (excluding rental downtime at Tweed Mall ($0.7m) and performance fee ($1.3m))
Distributions Per Security	**8.98c** 12.9% decrease on FY18	• 95% Core Earnings payout ratio
NTA Per Security	**$1.53** 2% increase from 30 June 2018	• $19.5m increase in the value of Auburn Central, partially offset by net reduction of $6.6m in other properties • $3.3m increase in unrealised future value loss from derivatives due to reduction in market interest rates
Portfolio Avg Cap Rate	**6.7%** 8 basis point tightening since 30 June 2018	• Earnings quality significantly improved with the execution of the repositioning strategy at Auburn and Tweed Mall • Portfolio weighted average cap rate maintained
Gearing[1]	**38.8%** Increased from 38.2% as at 30 June 2018	• Average debt maturity increased to 3.2 years from 2.1 years. Weighted average cost of debt reduced to 3.9% p.a. • Gearing within ERF's target range (30% to 40%)

1. Net debt / total assets less cash

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Strategy and Execution

Fund Strategy and Investment Philosophy

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Strategic Objective

Low risk retail REIT
with strong income and significant NTA value
upside delivering high risk-adjusted returns

Provide superior investment management to deliver on strategic objective

Investment and Asset Management Philosophy

Invest	Active Asset Management	Strategic Value Add	Capital Management
Invest in retail properties that provide strong earnings from a diversified retail tenant mix (with a focus on non-discretionary retailers and high strategic real estate value)	Implement active leasing and other asset management initiatives to grow income and portfolio value	Implement development and repositioning strategies across the portfolio	Maintain a conservative and efficient capital structure with a target gearing range of between 30% and 40%

Execution of Strategic Initiatives

Auburn Central – Executing Repositioning Strategy	• Early surrender of Big W lease successfully negotiated: – transforming Auburn Central into a Sydney metropolitan, dual supermarket, neighbourhood shopping centre – significant positive forecast rental reversion driving the valuation increase from $82.0m to $101.5m • Heads of Agreement executed with non-discretionary retailer to anchor new retail precinct
Tweed Mall – Retail Repositioning	• New ALDI 15 year lease, commencing 21 August 2019, forecast to generate a 10%+ increase in total centre sales and significantly increase foot traffic • ALDI's introduction has facilitated execution of the remix strategy for the northern mall (attracting non-discretionary food and retail services retailers)
Tweed Mall – Master Planning	• Mixed-use master planning and staging well progressed • Stage 1 DA lodgment planned for late 2019 • Active discussions with development / delivery partners for mixed-use opportunities
Enhanced Management Capability	• Further significant investment in asset and development management capability to execute ERF's strategic value-add initiatives

Execution of Major Repositioning Initiatives

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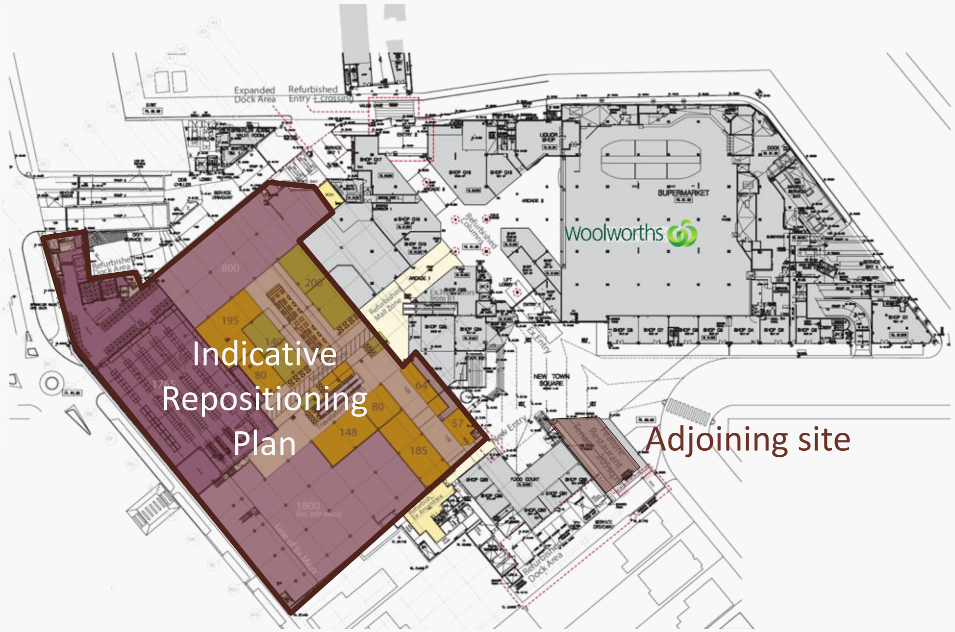
Auburn Central – Repositioning and Value Enhancement

- Early surrender of Big W lease successfully negotiated
- Heads of Agreement executed with key non-discretionary, mini-major retailer to anchor the new retail precinct
- Repositioning project is forecast to generate a 10% yield on cost, with an indicative ~$2m incremental net property income on a ~$20m development costs (to be debt financed)
- Project to commence in early 2020 (following Big W closure) for completion in late 2020, with Big W surrender payment adequately covering rental downtime
- Acquired adjoining site, previously an Ambulance Station, in January 2019, to provide flexibility for DDS repositioning strategy



Execution of Major Repositioning Initiatives (cont'd)

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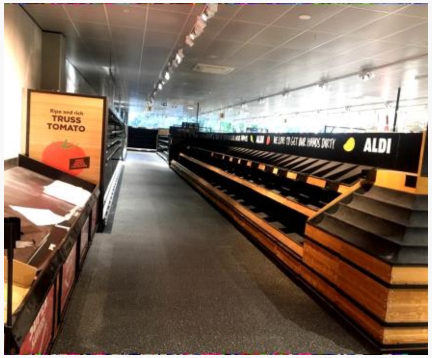
Tweed Mall – ALDI

- ALDI will open on 21 August 2019 and is forecast to generate a 10%+ increase in total centre sales and significantly increase foot traffic
- New ALDI 15 year lease and rental commences upon opening
- ALDI's introduction has generated strong specialty leasing interest and facilitated completion of the remix strategy for the northern mall, attracting non-discretionary food and retail services retailers



Manning Mall – Target

- Successful Target lease renewal for a 5 year term at a capped-occupancy cost
- Secures anchor tenant and future cash flows for the centre by extending centre WALE to 4 years
- Improved valuation cap rate from 7.25% to 6.88%

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Strategic Review Update

Review of Fund's Portfolio

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ERF's portfolio contains non-discretionary retail properties with differing investment attributes

Value–Add Assets $202.8m 61%	+	Core Assets $129.2m 39%
High risk-adjusted total return Implement development and repositioning strategies		Non-discretionary focussed retail properties Strong cash flows secured by long leases to anchor retailers
AUBURN CENTRAL TWEED MALL Shop. Live. Local		MANNING MALL Gladstone Square Moranbah Fair Glenorchy Plaza Northway PLAZA

- The current market outlook for shopping centre investment is creating opportunities for active real estate fund managers with strong capability and extensive experience in value-add retail asset management

- ERF has the capability to assess and deliver investment returns by identifying and realising the highest and best use for underlying shopping centre real estate as a result of executing alternative use, repositioning and development strategies

Update on Strategic Review

The objective of the strategic review has been to identify transaction options and capital management alternatives aimed at reducing the gap between the NTA per security and the security trading price

Key actions undertaken as part of the strategic review include:

- Execution of the repositioning initiatives within the Value-Add assets
- Evaluation of the potential realisation strategy for the Value-Add assets
- Evaluation of the potential realisation strategy for the Core Assets
- Evaluation of the potential realisation strategy for the Core Assets and the Value-Add assets to discrete sources of capital as a result of an integrated capital management transaction

The strategic review has identified specific transaction options that are now being further developed with a view to execution, if appropriate, of the preferred option in the short to medium term

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Portfolio Overview

Strong Operational and Strategic Upside

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Asset	Category	Initiative	FY19 Progress / Status	Short Term <12 months	Medium Term 1 – 3 years	Long Term 3 years +
AUBURN CENTRAL	**Asset Recycling**	Divest non-core podium strata lots	Completed	$22 million realised		
	Development	Big W early lease surrender	Completed	Big W closure Jan-20, surrender fee covers downtime		
	Leasing	Execute repositioning strategy	In progress			
TWEED MALL Shop. Live. Local	**Leasing**	Introduction of Aldi and specialty remix	Completed	Opening 21-Aug-19		
	Development	Mixed-use concept master-planning and staging	In progress			
	Development	Mixed-use development partnership and delivery	In progress			
MANNING MALL	**Leasing**	Renew Target Lease	Completed	Target renewed for 5 year term		
	Development	Introduction of fast food Mini Major	Negotiating			
Gladstone Square	**Leasing**	Specialty leasing and remixing of tenancies	In progress			
	Operational	Car park improvements	Negotiating			
Moranbah Fair	**Operational**	Internal playground to increase shopper 'dwell time'	Completed			
	Leasing	Specialty and office leasing	In progress			
Glenorchy Plaza	**Asset Recycling**	Consider divestment of this asset	Ongoing			
Northway PLAZA	**Development**	Develop pad sites	Ongoing			
	Asset Recycling	Sell pad sites				
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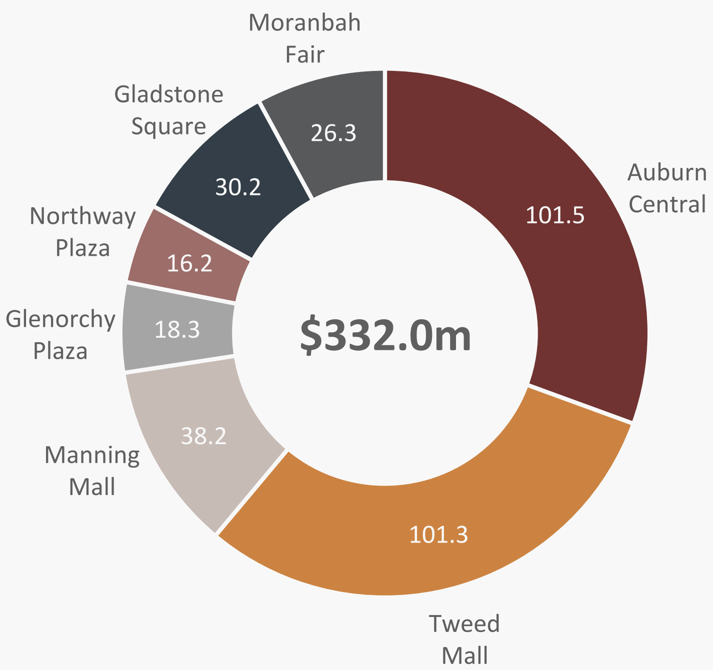
	Acquisitions	Acquisition of further accretive, high investment quality shopping centres from capital recycling proceeds	Ongoing			

Leasing | Development | Operational | Asset Recycling | Acquisitions

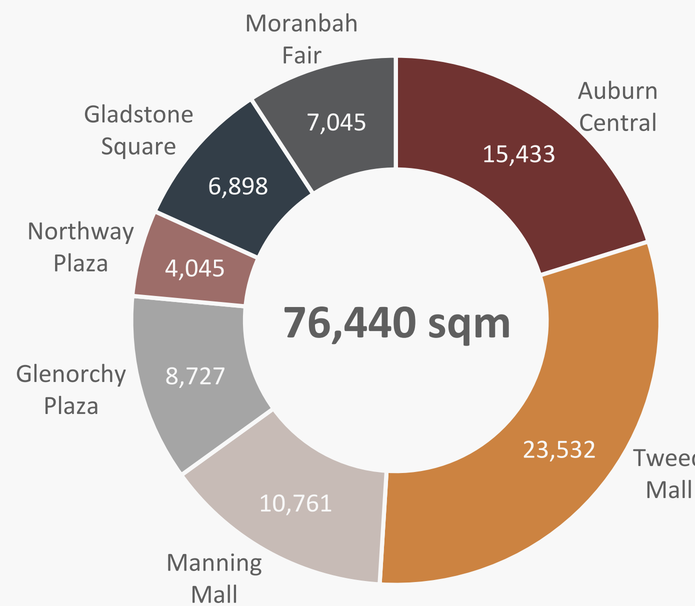
ERF's Portfolio is currently valued at $332.0m

As at 30 June 2019, the Portfolio comprises seven high investment quality retail shopping centre assets valued at $332.0m

PORTFOLIO BY VALUE[1]



PORTFOLIO BY LETTABLE AREA[1]

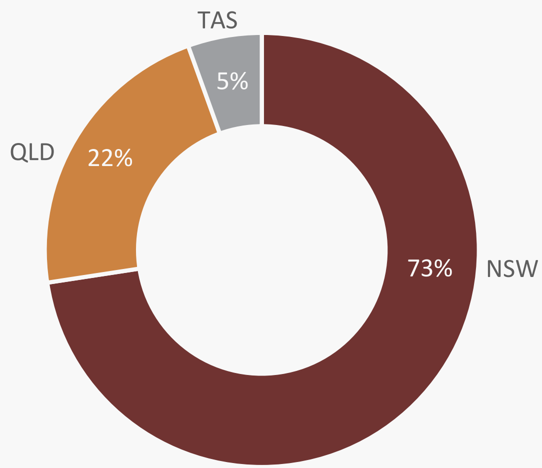


1. Excluding Auburn Ambulance Station

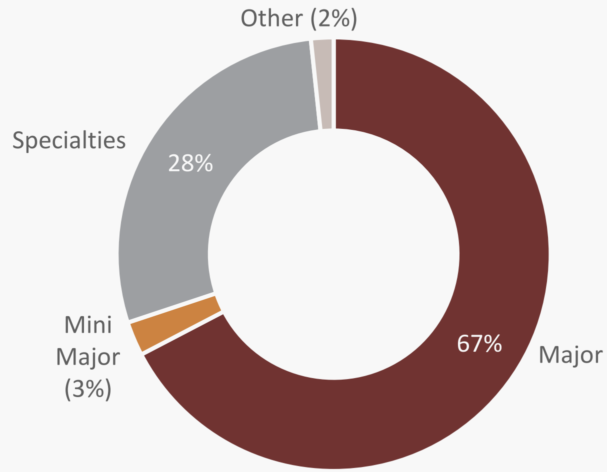
Portfolio Snapshot

Type of Shopping Centre	Number of Centres	Valuation ($m)[1]	Cap Rate	Lettable Area (sqm)	Occupancy[2]	WALE (Income)[3]
Sub-Regional	4	259.3	6.4%	58,453	97.0%	3.6yrs
Neighbourhood	3	72.7	7.8%	17,988	97.8%	5.5yrs
Total	**7**	**332.0**	**6.74%**	**76,440**	**97.2%**	**4.1yrs**

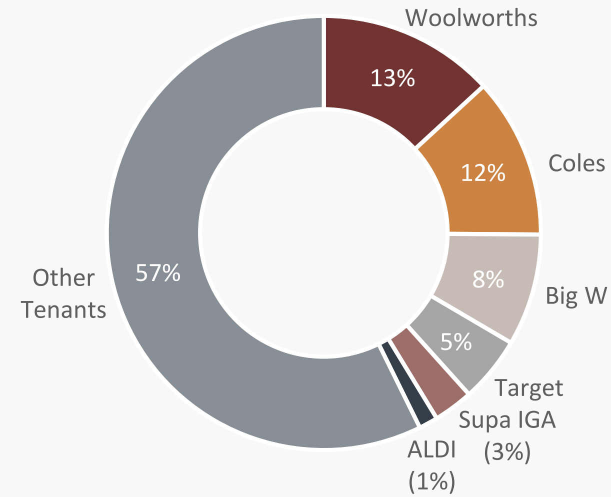
GEOGRAPHIC DIVERSIFICATION[4]



TENANT MIX BY TYPE[5]



KEY TENANTS[6]



1. Excluding Auburn Ambulance Station
2. By Lettable Area and includes the impact of Rental Guarantees.
3. Includes Auburn Central Big W early lease surrender effective as at 31 January 2020
4. By asset value
5. By lettable area
6. By base rent

Assets Summary

ERF has a Portfolio of 7 high investment quality retail shopping centre assets

Property Name	Centre Type	State	Value[1] ($m)	Cap Rate	Lettable Area (sqm)	Base Rent ($m)	Occupancy[2]	WALE (by Area)	WALE (by Base Rent)	No. of Tenants[6]	No. of Tenancies
Auburn Central	Sub-Regional	NSW	101.5	6.00%	15,433	6.6	99.4%	2.3yrs[5]	3.1yrs[5]	51	53
Tweed Mall	Sub-Regional	NSW	101.3	6.50%	23,532	7.5	95.7%[3]	3.7yrs[3]	3.6yrs	66	80
Manning Mall	Sub-Regional	NSW	38.2	6.88%	10,761	3.3	95.0%	4.0yrs	4.1yrs	31	38
Glenorchy Plaza	Sub-Regional	TAS	18.3	7.63%	8,727	1.8	98.7%	5.0yrs	4.2yrs	15	16
Northway Plaza	Neighbourhood	QLD	16.2	8.00%	4,045	1.5	96.2%	1.9yrs	1.9yrs	11	13
Gladstone Square	Neighbourhood	QLD	30.2	7.50%	6,898	2.6	96.5%[4]	8.8yrs	7.9yrs	23	33
Moranbah Fair	Neighbourhood	QLD	26.3	8.00%	7,045	2.4	100.0%[4]	5.6yrs	5.2yrs	23	27
Total			**332.0**	**6.74%**	**76,440**	**25.8**	**97.2%**	**4.2yrs**	**4.1yrs**	**220**	**260**

1. Excluding Auburn Ambulance Station
2. By Lettable Area and includes the impact of Rental Guarantees. Occupancy excluding Rental Guarantees for the Portfolio, Gladstone Square and Moranbah Fair is 96.2%, 89.3% and 96.0% respectively
3. Excludes ALDI development-impacted specialty tenancies
4. Rental Guarantees valued at $0.7m in place to provide income on nominated vacancies until June 2021 for Gladstone Square, and December 2019 for Moranbah Fair
5. Includes Auburn Central Big W early lease surrender effective as at 31 January 2020
6. Includes Majors, Mini-Majors, Discount Department Stores, Specialties and Other (Kiosks, ATMs, Carwashes, Offices, Roof top leases to telecommunication providers)

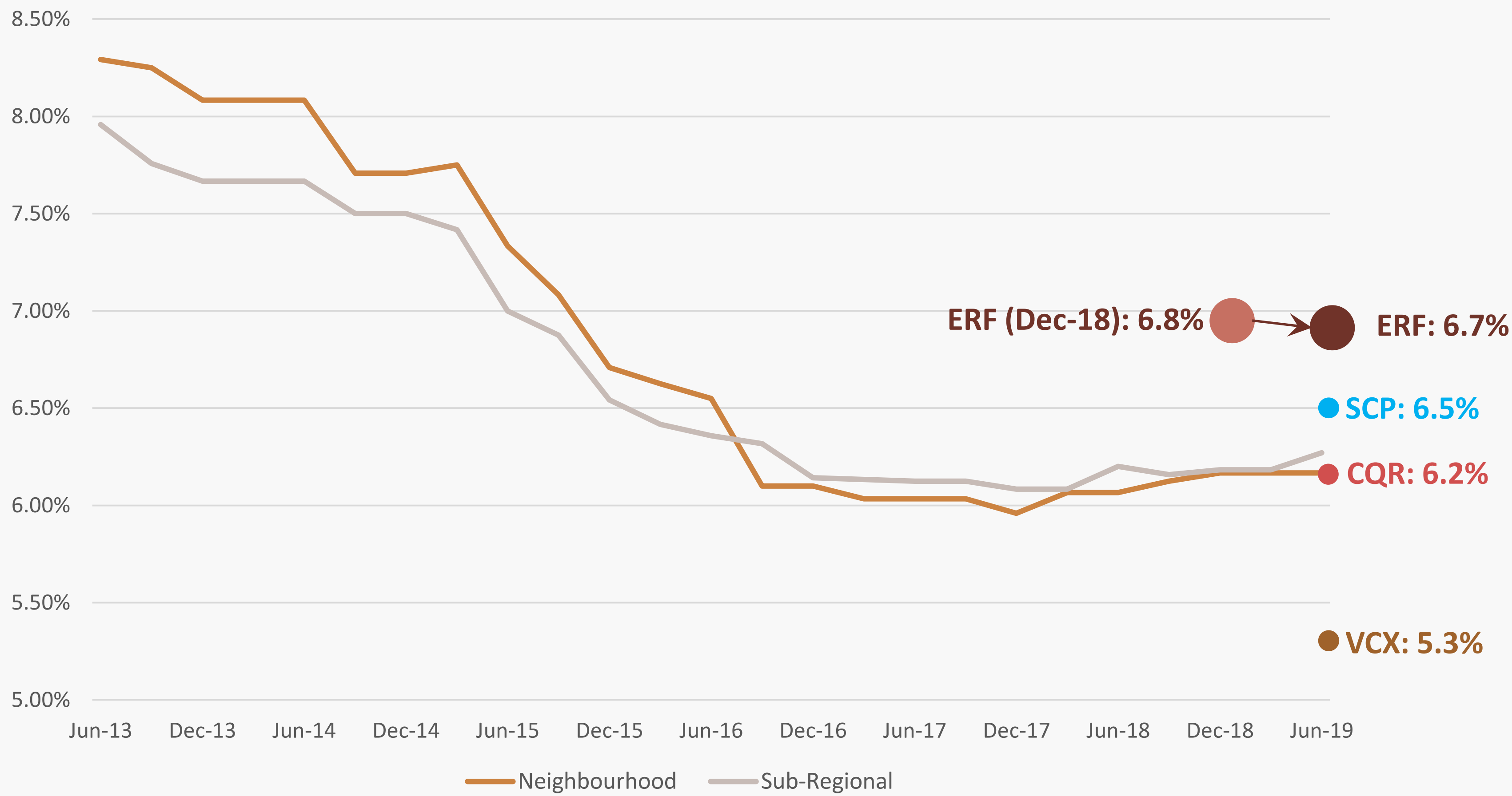
Portfolio Valuation Movements

Property Name	Centre Type	Valuation	Value June-19 ($m)	Valuation	Value Dec-18 ($m)
Auburn Central	Sub-Regional	Independent	101.5	Internal	86.0
Tweed Mall	Sub-Regional	Internal	101.3	Internal	96.2
Manning Mall	Sub-Regional	Internal	38.2	Independent	38.0
Glenorchy Plaza	Sub-Regional	Internal	18.3	Internal	19.8
Northway Plaza	Neighbourhood	Internal	16.2	Independent	16.1
Gladstone Square	Neighbourhood	Internal	30.2	Independent	31.2
Moranbah Fair	Neighbourhood	Internal	26.3	Independent	25.7
Total			**332.0**		**313.0**
Auburn Ambulance Station[1]			2.5		n/a
Investment Property Carrying Value			**334.5**		**313.0**

1. Acquired to provide flexibility for Auburn Central DDS repositioning strategy

ERF Represents Value

ERF Weighted Average Portfolio Capitalisation Rate is substantially higher than the Sub-Regional and Neighbourhood shopping centre market and peers

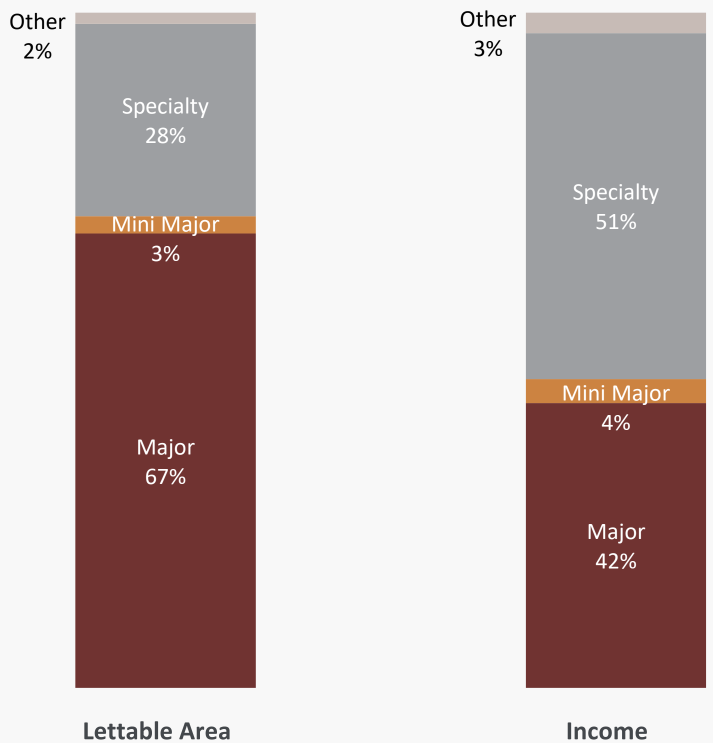


Source: Colliers Research and ASX

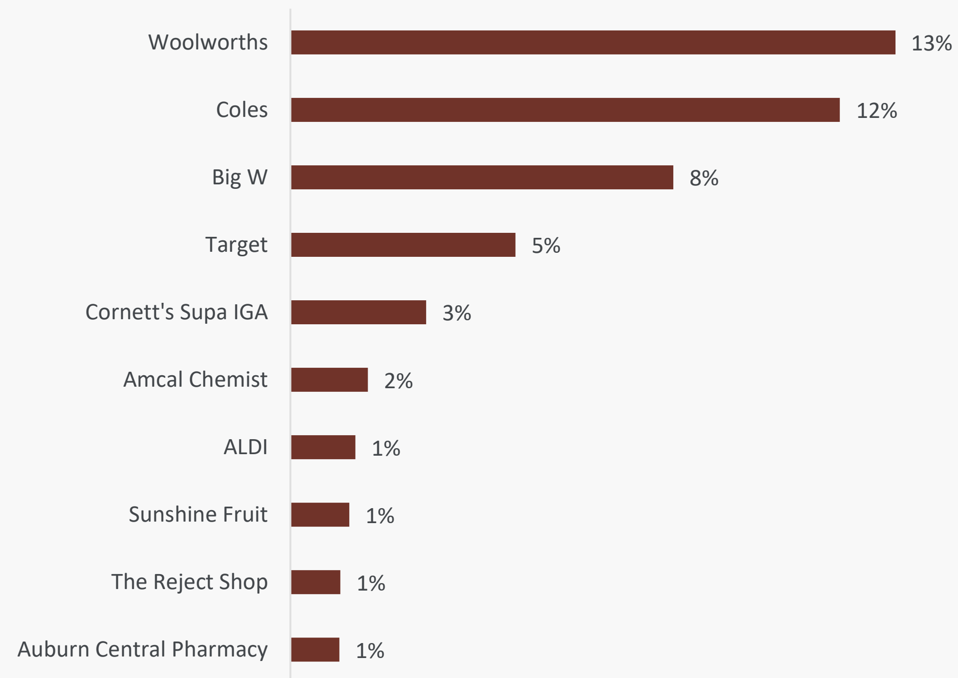
ERF has Strong and Secure Rental Income

- Portfolio of seven high investment quality retail shopping centre assets anchored by quality national tenants and supported by long term lease covenants from major corporations including Woolworths Limited, Wesfarmers Group and ALDI
- Majors occupy 67% of occupied lettable area and contribute 42% of base rental income

TENANT MIX BY TYPE



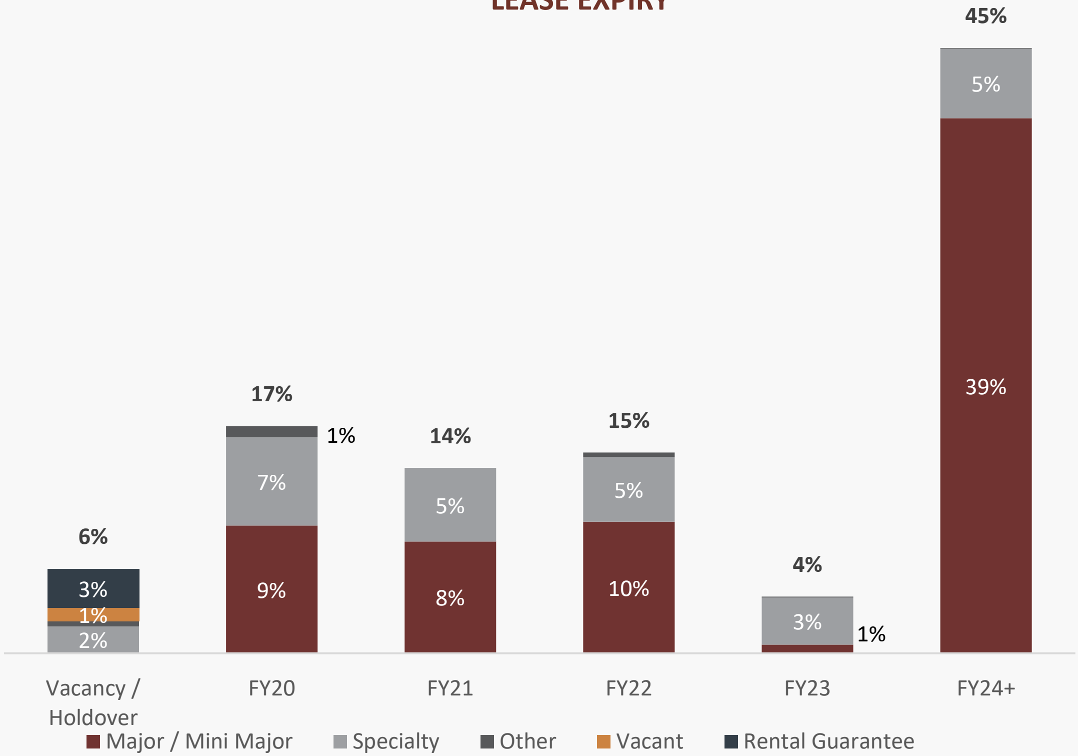
TOP 10 TENANTS BY INCOME



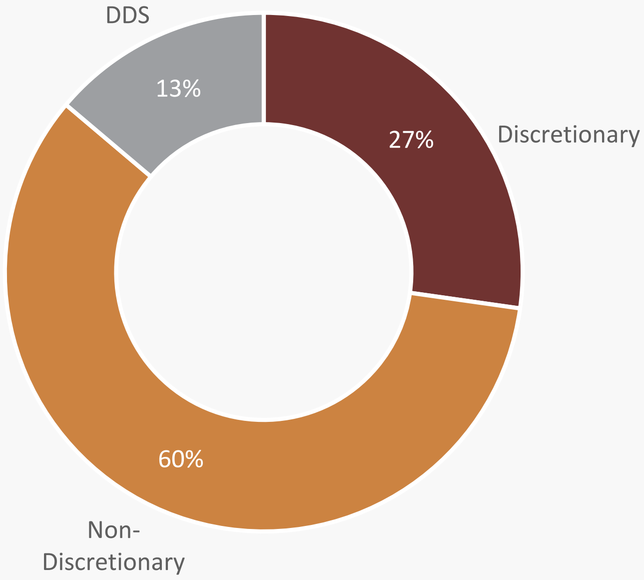
ERF has Strong and Secure Rental Income (cont'd)

- 60% of the Portfolio's income is secured by non-discretionary retailers with a long lease expiry profile
- Portfolio is 97.2% occupied[1] with a WALE of 4.2 years by lettable area and 4.1 years by base rental income

LEASE EXPIRY[2]



NON-DISCRETIONARY EXPOSURE[2]



1. By Lettable Area and includes Rental Guarantees
2. By base rental income

Retail Comparable Sales

	Auburn Central	Tweed Mall	Manning Mall	Glenorchy Plaza	Northway Plaza	Gladstone Square	Moranbah Fair
Annual Retail Sales ($m)	92.3	110.6	63.1	19.3	23.3	44.1	51.4
Centre Sales ($ / sqm p.a)	6,682	6,417	7,784	2,731	8,589	8,007	11,135
Supermarket Sales ($ / sqm p.a)	14,830	9,179	12,176	n/a	8,245	10,416	12,409
YoY change (%)	*8.6%*	*2.4%*	*2.9%*	*n/a*	*0.9%*	*8.3%*	*5.3%*
Specialty Sales[1] ($psqm / p.a)	7,988	5,964	11,736	n/a[2]	n/a[2]	6,930	n/a[2]
YoY change (%)	*10.3%*	*6.4%*	*(1.5%)*	*n/a*[2]	*n/a*[2]	*1.2%*	*n/a*[2]
Specialty Occupancy Cost[1]	13.6%	15.2%	7.4%	n/a[2]	n/a[2]	11.7%	n/a[2]

Note: Analysis is limited to retailers who have traded and consistently reported sales for the 24 months ended 30 June 2019

1. Excludes non retail categories of Travel Agents, Post Offices, Gyms, Medical / Veterinary and Offices
2. Insufficient specialty retailer sales data

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FY19 Financial Results

Profit and Loss

Income	FY19 $'000
Rental income	31,302
Interest income	47
Fair value increment on investment properties	8,781
Total income	**40,130**

Expenses	
Rates, taxes and other outgoings	9,647
Borrowing costs	5,804
Investment management fees	3,297
Other expenses	1,367
Total expenses	**20,115**
Net profit	**20,015**

Reconciliation to Core Earnings	
Net profit	**20,015**
Net fair value adjustments and transaction costs	(8,781)
Release of rental guarantee amount not included in profit / (loss)	282
Straight lining of rental income	(690)
Amortisation expense	1,349
Core Earnings	**12,175**

- Statutory net profit of $20.0m for the year ended 30 June 2019
- Core Earnings of $12.2m or 9.46 cents per security
- Distribution of 8.98 cents per security (representing 95% of Core Earnings)
- Result includes rental downtime for the Tweed Mall ALDI repositioning strategy of $0.7m and a $1.3m performance fee to the Manager (relating to the period from listing in November 2016 to 30 June 2019)

Balance Sheet

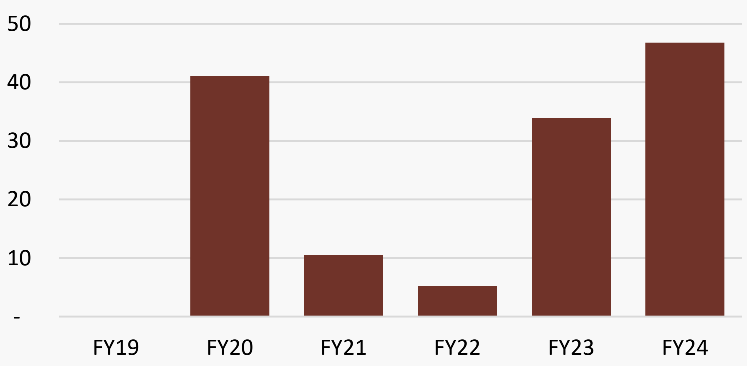
Balance Sheet as at 30 June 2019	$'000
Assets	
Cash	4,171
Receivables	765
Other assets	649
Investment properties	334,518
Total assets	**340,103**
Liabilities	
Payables	3,729
Rent received in advance	730
Interest bearing liabilities	134,523
Derivative financial instruments	3,671
Total liabilities	**142,653**
Net assets	**197,450**
Number of securities ('000)	**128,730**
NAV per security	**$1.53**
NTA per security	**$1.53**
Gearing (ND / TA less cash)	**38.8%**

- Net tangible asset value per security of $1.53 at 30 June 2019
- Interest bearing debt less cash of $130.4m at 30 June 2019
- Gearing ratio of 38.8%
- $3.3m increase in unrealised loss on mark to market of interest rate derivatives due to the reduction in market interest rates during the year. Represents a 2.6c reduction in net tangible asset per security

Debt and Capital Management

	30 June 2019
Facility limit ($m)	138.4
Drawn debt (net of cash) ($m)	130.6
Gearing	38.8%
% debt fixed or hedged	82.5%
Weighted average cost of debt (p.a.)	3.91%
Average debt facility maturity (years)	3.2
Average swap / hedge maturity (years)	3.1
Interest cover ratio	4.2x

Drawn Debt Maturity Profile ($m)



- Refinance of debt facilities totaling $46.8m for a 5-year term
- Gearing of 38.8% is within ERF's target gearing range
- Weighted average cost of debt is approximately 3.9% p.a.; the weighted average term to maturity of the Fund's debt is 3.2 years (increased from 2.1 years as at 30 June 2018)
- Debt is 82.5% hedged
  - Target range for fixed interest rate exposure of between 70% and 100% of drawn debt
  - Average swap / hedge maturity is 3.1 years (increased from 2.3 years as at 30 June 2018)
- Common Terms structure to facilitate the introduction of new lenders on individual commercial terms
- Key Covenants
  - Loan-to-value ratio (LVR)[1] ≤ 50%
  - Interest Cover Ratio (ICR)[2] ≥ 2.00x, assessed semi-annually

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

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Outlook

Outlook

ERF is well positioned to enhance value for security holders

- Investment focus on non-discretionary retailers to drive strong risk-adjusted returns
- Active asset management of the Portfolio to generate improved operational performance and returns
- Increased Portfolio value from execution of operational and strategic real estate initiatives

NTA Growth and Strategic Review

- ERF is well positioned to further grow NTA in the short term following the execution of current initiatives to realise the operational and strategic opportunities across the Portfolio
- ERF continues to evaluate a range of capital management and strategic transaction opportunities

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