ASX Announcement **20 August 2020**

Elanor Retail Property Fund's FY20 Result Reflects Resilience of Non-Discretionary Retail Shopping Centres

- Core Earnings for the period of $11.1 million (FY19: $12.2 million), or 8.63 cents per security
- June quarter expected rent collections at 82%, reflecting the resilience of the Fund's non-discretionary retail focussed shopping centres
- Executing the significant value-add programs for its Value-Add retail assets, Auburn Central and Tweed Mall; Auburn Central's repositioning on track for completion in November 2020
- NTA per security of $1.34

Elanor Retail Property Fund ("ERF" or "Fund") is pleased to announce its annual financial results for the year ended 30 June 2020.

Highlights

- Core Earnings for the period of $11.1 million (FY19: $12.2 million), or 8.63 cents per security.
- Notwithstanding the Fund's resilience to the impact of COVID-19, the distribution for the six months to 30 June 2020 was suspended given the unpredictable economic environment. As such, distributions for the full year were $6.75 million, or 5.24 cents per security, based on a 95% payout ratio of Core Earnings (for the six months to 31 December 2019 only).
- The Fund's portfolio comprises 7 high investment quality retail shopping centres, with a strong focus on non-discretionary retailers (representing 63% of rental income). The quality of the Fund's assets is evidenced by the expected collection of 82% of its June quarter income, despite the challenging market conditions as a result of the COVID-19 pandemic.
- Since June, trading activity across the Fund's portfolio has improved as Government imposed restrictions have progressively been relaxed. The portfolio's current trading occupancy is 99% of leased area.
- As at 30 June 2020, ERF had a total investment portfolio of $321.2 million, down 4.8% from 31 December 2019. The portfolio's overall value remained largely unchanged, with the exception of Tweed Mall, which reduced by $18.1 million as a result of the ongoing repositioning of the centre to a triple supermarket anchored, non-discretionary focused retail asset. The balance of the portfolio increased 0.8% from the December 2019 valuations.
- The repositioning of Auburn Central from a sub-regional retail asset into a Sydney metropolitan, triple supermarket anchored, neighbourhood shopping centre, is well progressed. The repositioning project commenced in March 2020, following the BIG W lease surrender, and is expected to open with the majority of retailers trading in November 2020. The project will deliver strong earnings accretion for the Fund, generating incremental annual Net Operating Income of more than 10% on the $20.7 million development cost. This is consistent with the forecast NOI growth for the project.

- The Fund completed the first stage of its retail repositioning strategy for Tweed Mall in August 2019, introducing a new ALDI to the centre as its third major supermarket, and completing the tenancy remix at the northern mall. The strategic value-add objective to reposition the property into a significant mixed-use asset is progressing well.
- Divestment of the Auburn Ambulance Station for $4.0 million was completed on 7 August 2020, realising a 60% gain on purchase price.
- Gearing of the Fund at 30 June 2020 was 43.7%. This is temporarily above the Fund's target gearing range of between 30% and 40% due to repositioning projects at the Fund's Value-Add assets and will be reduced upon divestment of the Fund's Income Assets.

Commenting on the result, ENN CEO, Glenn Willis, said: "We are pleased with the performance of the Fund's Income Assets and the progress of the repositioning strategies at the Fund's Value-Add assets.

The defensive nature of our non-discretionary focused portfolio is highlighted by its strong rental collections - having collected in excess of 78% of gross rent for the June quarter - and the strength of the Fund's property valuations in these challenging times. We remain confident that the Fund is well positioned to continue to grow value for security holders."

Fund Manager, Michael Baliva, said "We remain focused on unlocking the significant value upside in the Fund's Value-Add assets, Auburn Central and Tweed Mall. Both assets will continue to benefit from the introduction of new ALDI supermarkets, and the repositioning of the centres' retail mix to non-discretionary focused offerings. We look forward completing the highly accretive Auburn Central repositioning project in November this year, and continuing to unlock Tweed Mall's significant mixed-use development potential."

Summary of Financial Results

Core Earnings for the period of $11.1 million, or 8.63 cents per security, comprising 5.52 cents for the six months ended 31 December 2019 and 3.11 cents for the six months to 30 June 2020.

A provision for COVID-19 rental relief requests of $1.3 million has been recognised, representing only 4.8% of NOI for the financial year ended 30 June 2020.

NTA per security of $1.34 as at 30 June 2020.

A summary of the key financial results for the full year ended 30 June 2020 is as follows:

Key financial results	30 June 2020
Core Earnings ($m)	11.1
Core Earnings per stapled security (cents)	8.63
Core Earnings per weighted average stapled security (cents)	8.63
Distributions (cents per stapled security)	5.24
Total assets ($m)	327.8
Net Assets ($m)	172.7
Net tangible assets ($ per stapled security)	1.34
Gearing (net debt / total assets less cash) (%)	43.7

Outlook

The Fund's core strategy will remain focused on actively managing and growing earnings from its investment portfolio and acquiring additional high investment quality, value-add, retail properties.

The Fund is well positioned to enhance value for security holders in the short term, following the execution of current initiatives to realise the operational and strategic opportunities across the Portfolio.

Please refer to the FY20 Results Presentation and financial statements lodged with ASX today for further details regarding ERF's FY20 result.

Investor Briefing

Elanor Retail Property Fund will be holding an Investor Briefing Conference Call on Thursday, 20 August 2020 at 1:00pm, to present and discuss the Fund's FY20 results. The Conference details are:

Dial In:	1800 123 296 or +61 2 8038 5221
Conference ID:	4050735
Commencement:	1:00pm AEST

For further information regarding this announcement please contact:

Glenn Willis
Managing Director and Chief Executive Officer
Elanor Investors Group
Phone: (02) 9239 8400