Interim Financial Report

For the half year ended
31 December 2024

Elanor Property Income Fund

Comprising the stapling of units in Elanor Property Income Fund I (ARSN 615 291 220) and units in Elanor Property Income Fund II (ARSN 615 291 284)

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ELANOR PROPERTY INCOME FUND

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ELANOR PROPERTY INCOME FUND

DIRECTORS' REPORT

The Directors of Elanor Funds Management Limited (Responsible Entity or Manager), as responsible entity of the Elanor Property Income Fund I (EPIF I) and Elanor Property Income Fund II (EPIF II), present their report together with the interim financial report of Elanor Property Income Fund (EPIF, Group, Consolidated Group or Fund) and the interim financial report of the Elanor Property Income Fund I for the half year ended 31 December 2024 (period).

The interim financial report of the Consolidated Group comprises EPIF II and its controlled entities, including EPIF I and its controlled entities.

The Responsible Entity is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 38, 259 George Street, Sydney NSW 2000.

Elanor Asset Services Pty Limited (ABN 83 614 679 622), a wholly owned subsidiary of Elanor Investors Group, is the Manager of the Fund, providing services in accordance with the Investment Management Agreement. The Trust Company (Australia) Limited is the Custodian of the Fund, pursuant to the Custody Deed.

The Directors' report is a combined Directors' report that covers both schemes. The financial information for the Group is taken from the consolidated financial reports and notes.

1. Directors

The following persons have held office as Directors of the Responsible Entity during the period and up to the date of this report:

- Ian Mackie (Chair and Director)
- Anthony (Tony) Fehon (Director, and appointed as Managing Director on 9 September 2024)
- Glenn Willis (resigned on 9 September 2024)
- Nigel Ampherlaw (resigned on 23 September 2024)
- Su Kiat Lim
- Karyn Baylis
- Victor Rodriguez (resigned on 3 September 2024)
- Kathy Ostin

2. Principal activities

The principal activities of the Fund are the investment in real estate assets. Following a decision by securityholders on 9 May 2024 to commence an orderly wind-up and asset realisation process, three assets were sold during the period and the one remaining asset is expected to be realised by April 2025.

3. Distributions

Distributions relating to the half year ended 31 December 2024 comprise:

Consolidated Group	Distribution Cents per stapled	31 December 2024 $'000	Distribution Cents per stapled security	31 December 2023 $'000
Monthly distributions paid and payable *	-	-	2.33	1,883
Special Distribution (declared before year end)	14.86	11,921	-	–
Total distributions paid or payable	**14.86**	**11,921**	**2.33**	**1,883**

* The Fund has suspended its monthly distributions following a decision by securityholders on 8 May 2024, to commence an orderly wind-up and asset realisation process.

4. Operating and financial review

OVERVIEW AND STRATEGY

The Elanor Property Income Fund is a closed-ended fund with directly held property investments.

On 8 May 2024, during an extraordinary EPIF securityholder meeting EPIF members approved:

- The orderly wind up of EPIF, incorporating the realisation of the Fund's assets and returning of capital to investors as the assets are realised in accordance with the Fund's Product Disclosure Statement and the Fund's Constitution, to be completed over a 12-18 month period, subject to market conditions.

Prior to the decision to wind up the fund, the Fund's objective was to provide reliable monthly income and the potential for capital growth by investing in a diversified portfolio of quality properties in Australia and New Zealand. The Fund's strategies were to:

- Invest across a range of properties, providing diversification by property, sector, geographic location and tenancy mix;

- Invest in real estate assets, both directly and indirectly through listed and unlisted property funds;

- Invest in liquid investments and cash; and

- Target stabilised real estate assets that are competitively located and generate predictable, recurring cashflows.

The Fund's portfolio at balance date comprised of an investment in one non-discretionary focused shopping centre with:

- A valuation of $26.2 million;

- Occupancy of 93%;

- 32% of its income from major retailers and 68% from specialty retailers.

During the period from 1 July 2024 to 31 December 2024, the Fund achieved the following results:

- Statutory loss for the period ended 31 December 2024 was $5.2 million ($2.7 million loss in the prior period).

- Funds from Operations (FFO) for the period of $0.4 million or 0.48 cents per stapled security ($2.1 million or 2.54 cents per stapled security in the prior period).

- The sale of the Fund's Glenorchy Plaza asset was settled on 8 July 2024 for $19.45 million The net proceeds from the sale were used to repay debt by $17.2 million, pay $1.0 million of transaction and selling costs, with the remaining $1.6 million paid to unitholders via a special distribution of $0.02 per stapled security on 15 July 2024.

- The sale of Northway Plaza and Manning Mall, which were settled on 29 November 2024 and 2 December 2024 respectively for a combined gross sale price of $53.4 million. The net proceeds from the sale were used to repay debt by $36.6 million, pay $2.9 million of transaction and selling costs, holding back $3.5 million for capital expenditure and winding up, with the remaining $10.4 million paid to unitholders via a special distribution of $0.13 per stapled security on 9 December 2024.

4. Operating and financial review (continued)

INVESTMENT PORTFOLIO

The valuation of the Fund's portfolio of investment properties at 31 December 2024 was $26.2 million.

The following table shows the Fund's investment portfolio as at balance date:

Property	Location	Type	Carrying Value 31 December 2024 $'m	Carrying Value 30 June 2024 $'m
Manning Mall	Taree, NSW	Sub-regional shopping centre	–	34.0
Gladstone Square	Gladstone, QLD	Neighbourhood shopping centre	26.2	27.9
Glenorchy Plaza	Glenorchy, TAS	Neighbourhood shopping centre	–	19.4
Northway Plaza	Bundaberg, QLD	Neighbourhood shopping centre	–	17.6
Total Investment Properties			**26.2**	**98.9**

FINANCIAL RESULTS

The Fund recorded a statutory loss after tax of $5.2 million for the half year ended 31 December 2024 (31 December 2023: loss after tax of $2.7 million).

Funds from Operations (FFO) was $0.4 million or 0.48 cents per security, down $1.7 million on the prior comparative period largely due to the sale of Glenorchy Plaza, Northway Plaza and Manning Mall on 8 July 2024, 29 November 2024 and 2 December 2024 respectively. FFO is the Directors' measure of the periodic amount available for distributions and has been determined in accordance with the definition outlined in the Property Council of Australia's white paper "Voluntary best practice guidelines for disclosing FFO and AFFO" and adjusted for amortisation amounts.

The Fund's balance sheet at 31 December 2024 has net assets of $12.2 million, and cash on hand of $2.63 million. The Fund also has $nil in undrawn debt facilities, however a significant portion of the debt facility was repaid during the half year following the disposal of three assets. The last remaining asset is expected to be sold shortly after balance date and the outstanding debt will be repaid in full.

A summary of the Fund's results for the period is set out below:

Key financial results	Consolidated Group 31 December 2024	Consolidated Group 31 December 2023
Net statutory loss	(5,176)	(2,689)
Funds from Operations (FFO) ($'000)	386	2,051
FFO per stapled security (cents)	0.48	2.54
Distributions paid and payable to securityholders ($'000)	11,921	1,883
Distributions (cents per stapled security)	–	2.33
Special Distribution (cents per stapled security)	14.86	–
Net tangible assets ($ per stapled security)	0.15	0.78
Gearing (net debt/total assets less cash) (%)	55.89%	39.12%

4. Operating and financial review

FINANCIAL RESULTS (CONTINUED)

The table below provides a reconciliation from statutory net loss to Funds from Operations:

Funds from Operations (FFO)	Consolidated Group 31 December 2024 $'000	Consolidated Group 31 December 2023 $'000
Statutory net loss	**(5,176)**	**(2,689)**
Adjustments for items included in statutory profit:		
Straight-lining of rental income[2]	15	(72)
Fair value adjustments on investment property	4,762	4,026
Net fair value movement on derivative financial instruments	248	301
Net fair value movement on financial assets at fair value through profit or loss	–	207
Amortisation expense[3]	387	278
Other	150	–
Funds from Operations (FFO)[1]	**386**	**2,051**

Note 1: Funds from Operations (FFO) has been determined in accordance with the Property Council Australia Guidelines and adjusted for amortisation of borrowing cost and manager contribution which is excluded from FFO and represents the Directors' view of underlying earnings from ongoing operating activities, FFO is calculated as statutory profit / (loss) (under IFRS), adjusted for non-cash and other items such as property revaluations, derivative mark-to-market impacts, amortisation of tenant incentives, gains/losses on sale of investment properties, straight-line rental adjustments, non-FFO tax expenses/benefits and other unrealised one-off items.

Note 2: Straight-lining of rental income is a non-cash accounting adjustment recognised in rental income in the Consolidated Statement of Profit or Loss.

Note 3: Amortisation expense includes the amortisation of capitalised leasing costs and debt establishment costs, recognised in rates, taxes and other outgoings, other expenses and borrowing costs in the Consolidated Statement of Profit or Loss.

SUMMARY AND OUTLOOK

At an extraordinary general meeting on 8 May 2024, EPIF securityholders approved the orderly wind up of the Fund. The Fund is currently in the process of realising all Fund’s assets. During the period three assets were settled (Northway Plaza, Glenorchy Plaza and Manning Mall). At balance date, there is one property remaining in the EPIF portfolio, being Gladstone which is currently being actively marketed for sale.

Responsible Entity and Trustee

On 23 August 2024, Elanor Investors Group (ASX: ENN) requested, and the ASX granted, a voluntary suspension of trading of ENN securities on the ASX to enable Elanor to consider a range of options to stabilise and maintain its ongoing financial position. Elanor Funds Management Limited (EFML) is a wholly owned subsidiary of Elanor Investors Group and is the Responsible Entity of EPIF. If Elanor Investors Group is not able to stabilise and maintain its ongoing financial position, it may cast uncertainty about EFML’s ability to act as Responsible Entity of the Fund.

5. Interests in the Group

The movement in stapled securities of the Group during the period is set out below:

	Consolidated Group 31 December 2024	Consolidated Group 30 June 2024
Stapled securities on issue at the beginning of the period	80,244,546	85,142,280
Stapled securities issued during the period	-	82,259
Stapled securities acquired through security buy-back scheme	-	-
Stapled securities redeemed during the period	-	(4,979,993)
Stapled securities on issue at the end of the period	**80,244,546**	**80,244,546**

6. Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is included on the page following the Directors' Report.

7. Events occurring after reporting date

The Directors of the Responsible Entity are not aware of any other matters since the end of the period that has or may significantly affect the operations of the Fund, the result of those operations, or the state of the Fund's affairs in future financial periods that are not otherwise referred to in this Directors' Report.

8. Rounding of amounts to the nearest thousand dollars

In accordance with *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, amounts in the financial statements have been rounded to the nearest thousand dollar, unless otherwise indicated.

This report is made in accordance with a resolution of the Board of Directors of the Responsible Entity. The Financial Statements were authorised for issue by the Directors on 20 February 2025.

Signed in accordance with a resolution of the Directors pursuant to section 298(2) of the *Corporations Act 2001 (Cth)*. The Directors have the power to amend and re-issue the Financial Statements.

Ian Mackie
Chair

Tony Fehon
Managing Director

Sydney, 20 February 2025

Auditor's Independence Declaration

As lead auditor for the review of Elanor Property Income Fund II and Elanor Property Income Fund I for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elanor Property Income Fund II and Elanor Property Income Fund I and the entities they controlled during the period.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
20 February 2025

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ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	Consolidated Group 31 December 2024 $'000	Consolidated* Group 31 December 2023 $'000	EPIF I Group 31 December 2024 $'000	EPIF I* Group 31 December 2023 $'000
Income					
Rental income*	2	3,361	4,906	3,361	4,906
Outgoings reimbursements		364	483	364	483
Distribution income		–	88	–	88
Other income		1	17	1	17
Total income		**3,726**	**5,494**	**3,726**	**5,494**
Expenses					
Rates, taxes and other outgoings		1,553	1,892	1,553	1,892
Borrowing costs		1,503	1,087	1,503	1,087
Other expenses*		341	284	243	222
Investment management fees		231	367	231	367
Net revaluation loss on investment properties	4 (b)	4,762	4,026	4,762	4,026
Loss on sale of investment properties		–	–	–	–
Net fair value loss of derivatives		248	301	–	–
Provision for expected credit loss		264	19	264	19
Net fair value loss on financial assets at fair value through profit or loss		–	207	–	207
Total expenses		**8,902**	**8,183**	**8,556**	**7,820**
Net loss for the period		**(5,176)**	**(2,689)**	**(4,830)**	**(2,326)**
Attributable to security holders of:					
- Elanor Property Income Fund II		(346)	(363)	–	–
- Elanor Property Income Fund I (Non-controlling interest)		(4,830)	(2,326)	(4,830)	(2,326)
Net loss attributable to security holders for the period		**(5,176)**	**(2,689)**	**(4,830)**	**(2,326)**
Basic loss per stapled security (cents)		(6.45)	(3.32)	(6.02)	(2.88)
Diluted loss per stapled security (cents)		(6.45)	(3.32)	(6.02)	(2.88)

* Comparatives have been restated to reclassify $238K of capitalised lease incentives from other expense to rental income. The restatements do not have any impact to the consolidated profit or loss.

The above Consolidated Statements of Profit or Loss should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Consolidated Group 31 December 2024 $'000	Consolidated Group 31 December 2023 $'000	EPIF I 31 December 2024 $'000	EPIF I 31 December 2023 $'000
Net loss for the period	**(5,176)**	**(2,689)**	**(4,830)**	**(2,326)**
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss	–	–	–	–
Total comprehensive loss for the period	**(5,176)**	**(2,689)**	**(4,830)**	**(2,326)**
Attributable to security holders of:				
- Elanor Property Income Fund II	(346)	(363)	–	–
- Elanor Property Income Fund I (Non-controlling interest)	(4,830)	(2,326)	(4,830)	(2,326)
Total comprehensive loss for the period	**(5,176)**	**(2,689)**	**(4,830)**	**(2,326)**

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Consolidated Group 31 December 2024 $'000	Consolidated Group 30 June 2024 $'000	EPIF I 31 December 2024 $'000	EPIF I 30 June 2024 $'000
Assets					
Cash and cash equivalents		2,632	1,133	2,627	822
Trade and other receivables		146	451	8,248	480
Prepayments		120	130	146	156
Derivative financial instruments		–	248	–	–
Investment property	4	26,193	98,946	26,193	98,946
Total assets		**29,091**	**100,908**	**37,214**	**100,404**
Liabilities					
Trade and other payables		1,944	4,087	1,495	4,767
Rent received in advance		126	101	126	101
Distribution payable		–	230	–	–
Interest bearing liabilities		14,788	67,160	–	–
Interest bearing cross staple loan				14,788	67,160
Non-Interest bearing cross staple loan		–	–	37,466	40,207
Total liabilities		**16,858**	**71,578**	**53,875**	**112,235**
Net assets		**12,233**	**29,330**	**(16,661)**	**(11,831)**
Equity					
Equity Holders of Parent Entity					
Contributed equity		65,648	65,648	30,203	30,203
Retained accumulated (losses)		(36,754)	(24,487)	(46,864)	(42,034)
Parent entity interest		**28,894**	**41,161**	**(16,661)**	**(11,831)**
Equity Holders of Non-Controlling Interest					
Contributed equity		30,203	30,203	–	–
Retained accumulated (losses)		(46,864)	(42,034)	–	–
Non-controlling interest		**(16,661)**	**(11,831)**	**–**	**–**
Total equity attributable to stapled security holders:					
- Elanor Property Income Fund II		28,894	41,161	–	–
- Elanor Property Income Fund I		(16,661)	(11,831)	(16,661)	(11,831)
Total equity attributable to stapled security holders		**12,233**	**29,330**	**(16,661)**	**(11,831)**

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	Contributed equity $'000	Accumulated losses $'000	EPIF II Group Total Equity $'000	Non-controlling interest $'000	Total Equity $'000
Consolidated Group						
Balance as at 1 July 2024		65,648	(24,487)	41,161	(11,831)	29,330
Net loss for the period		–	(346)	(346)	(4,830)	(5,176)
Total comprehensive loss for the period		**–**	**(346)**	**(346)**	**(4,830)**	**(5,176)**
Transactions with securityholders in their capacity as securityholders:						
Special distribution	3	–	(11,921)	(11,921)	–	(11,921)
Total equity as at 31 December 2024		**65,648**	**(36,754)**	**28,894**	**(16,661)**	**12,233**

	Note	Contributed equity $'000	Accumulated losses $'000	EPIF II Group Total Equity $'000	Non-controlling interest $'000	Total Equity $'000
Consolidated Group						
Balance as at 1 July 2023		88,572	(22,183)	66,389	5,040	71,429
Opening retained earning adjustment		–	28	28	(28)	–
Net loss for the period		–	(363)	(363)	(2,326)	(2,689)
Total comprehensive income / (expense) for the period		**–**	**(335)**	**(335)**	**(2,354)**	**(2,689)**
Transactions with securityholders in their capacity as securityholders:						
New shares issued		–	–	–	68	68
Equity transaction costs		–	–	–	(10)	(10)
Redemption and application		(758)	–	(758)	(2,763)	(3,521)
Distributions paid and payable	3	–	–	–	(1,883)	(1,883)
Total equity as at 31 December 2023		**87,814**	**(22,518)**	**65,296**	**(1,902)**	**63,394**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	Contributed equity $'000	Accumulated losses $'000	Total Equity $'000
Elanor Property Income Fund I				
Balance as at 1 July 2024		30,203	(42,034)	(11,831)
Net loss for the period		–	(4,830)	(4,830)
Total comprehensive loss for the period		**–**	**(4,830)**	**(4,830)**
Total equity as at 31 December 2024		**30,203**	**(46,864)**	**(16,661)**

	Note	Contributed equity $'000	Accumulated losses $'000	Total Equity $'000
Elanor Property Income Fund I				
Balance as at 1 July 2023		32,890	(27,850)	5,040
Opening retained earnings adjustment		–	(28)	(28)
Net loss for the period		–	(2,326)	(2,326)
Total comprehensive expense for the period		**–**	**(2,354)**	**(2,354)**
Transactions with securityholders in their capacity as securityholders:				
New shares issued		68	–	68
Redemption and application		(2,763)	–	(2,763)
Equity transaction costs		(10)	–	(10)
Distributions paid and payable	3	–	(1,883)	(1,883)
Total equity as at 31 December 2023		**30,185**	**(32,087)**	**(1,902)**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes

ELANOR PROPERTY INCOME FUND

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Consolidated Group 31 December 2024 $'000	Consolidated Group 31 December 2023 $'000	EPIF I Group 31 December 2024 $'000	EPIF I Group 31 December 2023 $'000
Cash flows from operating activities				
Rental and other property income received	4,238	5,460	4,239	5,453
Finance costs paid	(1,353)	(1,062)	(1,353)	(1,214)
Payments to suppliers and the Responsible Entity	(4,258)	(1,609)	(4,040)	(1,731)
Net cash flows from operating activities	**(1,373)**	**2,789**	**(1,154)**	**2,508**
Cash flows from investing activities				
Receipts from disposals of investment properties	71,197	293	71,197	293
Payments for additions to investment properties	(2,291)	(830)	(2,291)	(830)
Payment of transaction costs	(1,361)	–	(1,361)	–
Net cash flows from investing activities	**67,545**	**(537)**	**67,545**	**(537)**
Cash flows from financing activities				
Proceeds from interest bearing liabilities	1,268	717	–	–
Repayments of interest bearing liabilities and borrowing costs	(53,790)	–	(142)	–
Distributions paid	–	(1,870)	–	(1,537)
Distributions received	–	102	–	79
Payment from interest bearing - cross staple loan	–	–	(64,444)	–
Special distribution paid	(12,151)	–	–	–
Redemption and application	–	(708)	–	50
Net cash flows from financing activities	**(64,673)**	**(1,759)**	**(64,586)**	**(1,408)**
Net increase in cash and cash equivalents	1,499	493	1,805	562
Cash and cash equivalents at the beginning of the period	1,133	958	822	815
Cash at the end of the period	**2,632**	**1,451**	**2,627**	**1,377**

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes

About this Report

Elanor Property Income Fund (the Fund, Group or Consolidated Group) is a 'stapled' entity comprising of Elanor Property Income Fund I ('EPIF I') and its controlled entities, and Elanor Property Income Fund II ('EPIF II'). The units in EPIF I are stapled to units in EPIF II. The stapled securities cannot be traded or dealt with separately. EPIF I and EPIF II were registered as managed investment schemes on 13 October 2016.

For the purposes of the consolidated financial report, EPIF II has been deemed the parent entity of EPIF I in the stapled structure. The financial report of the Fund comprises the consolidated financial report of EPIF II and its controlled entities, including EPIF I and its controlled entities (EPIF I Group). As permitted by ASIC Corporations (Stapled Group Reports) [Instrument 2015/838], this report is a combined report that presents the consolidated financial statements and accompanying notes of both the Fund and EPIF I Group.

The interim financial report is a general purpose report prepared in accordance with the *Corporations Act 2001*, the Fund's Constitutions and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The interim financial report does not include all notes normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Fund during the half year ended 31 December 2024 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The accounting policies adopted in the preparation of the interim financial report are consistent with those of the previous financial report.

Comparative figures have been restated where appropriate to ensure consistency of presentation throughout the financial report.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, and the adoption of new and amended standards as set out below.

New accounting standards and interpretations

(a) New and amended accounting standards and interpretations commencing 1 July 2024

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that are applicable to the Fund.

(b) New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been adopted early in preparing these financial statements. None of these are expected to have a material effect on the financial statements to the Fund.

Basis of Preparation

The consolidated financial report of the Fund incorporates the assets and liabilities of EPIF II (the Parent) and all of its subsidiaries, including EPIF I and its subsidiaries as at 31 December 2024. EPIF II is the deemed parent entity in relation to the stapling. The results and equity of EPIF I (which is not directly owned by EPIF II) have been treated and disclosed as a non-controlling interest. Whilst the results and equity of EPIF I are disclosed as a non-controlling interest, the stapled securityholders of EPIF I are the same as the stapled securityholders of EPIF II.

For the purpose of preparing the financial statements, the Fund is a for-profit entity. The financial report is presented in Australian Dollars. Comparative figures have been restated where appropriate to ensure consistency of presentation throughout the financial report.

About this report (continued)

Basis of Preparation (continued)

On 8 May 2024, the EPIF securityholders approved the Responsible Entity's proposal for the orderly wind up of the Fund incorporating the realisation of the Fund's assets. Consequently, the directors of the Responsible Entity have determined that the going concern basis of preparation is no longer appropriate. As such these consolidated financial statements have been prepared on a non-going concern basis.

Non-financial assets have been written down to the lower of their carrying amounts and their net realisable values. Net realisable value is the estimated selling price the entity expects to obtain under the circumstances less the estimated costs necessary to make the sale. Additional liabilities have been recognised as result of the decision to wind-up the Fund to the extent that the Fund had a present obligation as at 31 December 2024. Non-current assets and non-current liabilities have been reclassified to current where they are expected to be realised or settled within the next twelve months from the reporting date. Assets have been presented in order of their priority in liquidation.

As at 31 December 2024, EPIF I had a net current asset deficiency of $16.7 million and negative net assets of $16.7 million. EPIF I operates within a stapled structure, where its securities cannot be traded or dealt with separately from those of EPIF II. EPIF II, in contrast, has a net current asset surplus and maintains net assets of $12.5 million. The combined financial position of the stapled funds will be considered when unwinding the EPIF structure. EPIF II has provided EPIF I with a letter of support in this regard.

Responsible Entity and Trustee

On 23 August 2024, Elanor Investors Group (ASX: ENN) requested, and the ASX granted, a voluntary suspension of trading of ENN securities on the ASX to enable Elanor to consider a range of options to stabilise and maintain its ongoing financial position. Elanor Funds Management Limited (EFML) is a wholly owned subsidiary of Elanor Investors Group and is the Responsible Entity of EPIF. If Elanor Investors Group is not able to stabilise and maintain its ongoing financial position, it may cast uncertainty about EFML's ability to act as Responsible Entity of the Fund.

Rounding of amounts to the nearest thousand dollars

In accordance with *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

In preparing the consolidated financial statements for the year ended 31 December 2024, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are consistent with those disclosed in the financial report of the previous financial year.

About this report (continued)

The Fund is currently realising all Fund assets which can result in levels of uncertainty in the preparation of the financial statements. Where realising assets have heightened uncertainty in applying the accounting estimates and critical judgements for the period ended 31 December 2024, enhanced disclosures have been incorporated throughout the consolidated financial statements to enable users to understand the basis for the estimates and judgements utilised. The estimates or assumptions which are material to the financial statements are discussed in Note 4 – Investment Properties - assumptions underlying net realisable value.

About this report (continued)

The notes to the consolidated Financial Statements have been organised into the following sections:

Results

This section focuses on the operating results and financial performance of the Fund. It includes disclosures of revenue and distributions.

1. Segment information

OVERVIEW

The Fund only operates in one business segment, being the investment directly in retail assets in Australia.

2. Revenue

OVERVIEW

The Fund's main source of revenue is rental income from its investment in retail properties.

	Consolidated Group 31 December 2024 $'000	Consolidated* Group 31 December 2023 $'000	EPIF I Group 31 December 2024 $'000	EPIF I* Group 31 December 2023 $'000
Manning Mall	1,600	1,805	1,600	1,805
Gladstone Square	1,306	1,268	1,306	1,268
Glenorchy Plaza	41	978	41	978
Northway Plaza	414	855	414	855
Total revenue from operating activities	**3,361**	**4,906**	**3,361**	**4,906**

* Comparatives have been restated to reclassify $0.4 million of the amortisation of the lease incentives from other expense to rental income. The restatements do not have any impact to the consolidated profit or loss.

3. Distributions

OVERVIEW

In accordance with the Fund's Constitutions, the Fund determines distributions based on a number of factors, including forecast earnings and expected economic conditions.

The following distributions were declared and paid by the Consolidated Group during the period or post balance date:

Consolidated Group	Distribution 31 December 2024 cents per stapled security	Distribution 31 December 2023 cents per stapled security	Total amount 31 December 2024 $'000	Total amount 31 December 2023 $'000
Special distribution (declared before year end) [1]	14.86	-	11,921	-
Monthly distributions paid and payable [2]	-	2.33	-	1,883
Total	**14.86**	**2.33**	**11,921**	**1,883**

[1] The fund paid $1.6 million post settlement of Glenorchy Plaza to unitholders via a special distribution of $0.02 per stapled security on 15 July 2024 and a further $10.4 million post settlements of Northway Plaza and Manning Mall via a special distribution of $0.13 per stapled security on 9 December 2024.

[2] The Fund has suspended its monthly distributions following a decision by securityholders on 8 May 2024, to commence an orderly wind-up and asset realization process.

3. Distributions (continued)

EPIF I Group

The following distributions were declared and paid by the EPIF 1 Group during the period or post balance date:

	Distribution 31 December 2024 cents per stapled security	Distribution 31 December 2023 cents per stapled security	Total amount 31 December 2024 $'000	Total amount 31 December 2023 $'000
Special distribution (declared before year end)	-	-	-	-
Monthly distributions paid and payable [1]	-	2.33	-	1,883
Total	**-**	**2.33**	**-**	**1,883**

[1] The Fund has suspended its monthly distributions following a decision by securityholders on 8 May 2024, to commence an orderly wind-up and asset realization process.

Operating Assets

This section includes information about the assets used by the Fund to generate profits and revenue, specifically information relating to its investment properties.

4. Investment properties

OVERVIEW

On 8 May 2024, the EPIF securityholders approved the Responsible Entity's proposal for the orderly wind up of the Fund incorporating the realisation of the Fund's assets, Gladstone Square, Glenorchy Plaza, Manning Mall and Northway Plaza.

At balance date, the Fund's investment property portfolio comprised of one retail shopping centre being Gladstone Square.

(a) Net realisable value of investment properties

Property	Valuation	Consolidated Group 31 December 2024 $'000	Consolidated Group 30 June 2024 $'000	EPIF I 31 December 2024 $'000	EPIF I 30 June 2024 $'000
Manning Mall	–	–	33,973	–	33,973
Gladstone Square [1]	Net realisable value	26,193	27,900	26,193	27,900
Glenorchy Plaza	–	–	19,447	–	19,447
Northway Plaza	–	–	17,627	–	17,627
Total		**26,193**	**110,200**	**26,193**	**110,200**

During the period, the sale of the Fund's Glenorchy Plaza asset was settled on 8 July 2024 for $19.45 million, and the sale of Northway Plaza and Manning Mall were settled on 29 November 2024 and 2 December 2024 respectively for a combined gross sale price of $53.4 million. As at 31 December 2024, the Fund's investment property portfolio comprised of Gladstone Square. The net realisable value has been determined based on the best estimate of the net realisable selling price less estimated selling costs.

Recognition and measurement

Investment property has been written down to its net realisable value. Net realisable value is the estimated selling price that the entity expects to obtain under the circumstances less the established costs necessary to make the sale.

Sensitivity Information

If the actual net realisable value was achieved at an amount 10% below the current estimate, the impact on the total value of investment properties would be as follows.

	Value sensitivity* Decrease by 10% $'000
Net realisable value	(2,868)

*The sensitivity has been calculated based on the expected selling price before selling costs and other adjustments.

4. Investment properties (continued)

(b) Movement in investment properties

	Consolidated Group 31 December 2024 $'000	Consolidated Group 30 June 2024 $'000	EPIF I Group 31 December 2024 $'000	EPIF I Group 30 June 2024 $'000
Opening balance	98,946	110,200	98,946	110,200
Acquisitions	–	–	–	–
Capital expenditure	2,291	3,850	2,291	3,850
Straight-lining of rental income	(15)	(525)	(15)	(525)
Amortisation	(387)	(457)	(387)	(457)
Net revaluation adjustments	(4,762)	(14,122)	(4,762)	(14,122)
Investment properties sold	(69,880)	–	(69,880)	–
Total investment properties	**26,193**	**98,946**	**26,193**	**98,946**

Finance Structure

This section provides further information on the Fund's debt structure.

5. Interest bearing liabilities

OVERVIEW

In April 2024, the Fund revised and increased its debt facility to $69 million and extended the maturity date to 31 August 2025. The revised debt facility prescribes a timetable for the completion of the sale of the EPIF assets on or before certain dates with the final asset sale to be realised on or before 30 April 2025. Non-compliance with the prescribed timetable would constitute a Review Event under the debt facility agreement which may result in a revision of the terms of the facility. Further to settlement of Glenorchy, Northway and Manning, the Fund has repaid $53.8 million of debt facility. The total drawn amount at 31 December 2024 was $15.3 million. The swap contract terminated on 31 October 2024.

The revised facility agreement prescribes a timetable for the disposal of EPIF assets, in accordance with the wind-up plan, with property sales (and relevant debt repayments) to be completed as follows:

1. First sale of any asset – 30 August 2024 with the Loan to Value Ratio decreasing to 60% (from 65%)
2. Second sale of any asset – 31 October 2024 with Loan to Value Ratio decreasing to 55%
3. Third sale of any asset – 28 February 2025 with Loan to Value Ratio decreasing to 50%
4. Sale of all assets – 30 April 2025

The first sale asset requirement was met, with the sale of Glenorchy Plaza settling on 8 July 2024. The second sale, Northway Plaza was completed later than the timetable requirement, however, a waiver was provided by the lender on 25 September which had the effect of extending the required settlement date to 16 December 2024. Northway Plaza was settled on 29 November 2024. The third sale asset requirement was met, with the sale of Manning Mall settling on 2 December 2024.

The cross-staple loan (interest bearing) has a back-to-back arrangement to mirror the external hedged debt facilities of EPIF II.

	Consolidated Group 31 December 2024 $'000	Consolidated Group 30 June 2024 $'000	EPIF I Group 31 December 2024 $'000	EPIF I Group 30 June 2024 $'000
Bank loan - term debt	15,250	67,762	–	–
Bank loan - borrowing costs less amortisation	(462)	(602)	–	–
Cross-staple loan (non-interest portion)	–	–	37,466	40,207
Cross-staple loan (interest portion)	–	–	14,788	67,160
Total current interest-bearing liabilities	**14,788**	**67,160**	**52,254**	**107,367**
Total interest-bearing liabilities	**14,788**	**67,160**	**52,254**	**107,367**

Other Items

This section provides information that is not directly related to the specific line items in the financial statements, including information about contingent liabilities and events after the end of the reporting period.

6. Related parties

OVERVIEW

Related parties are persons or entities that are related to the Fund as defined by AASB 124 *Related Party Disclosures*. This note provides information about transactions with related parties during the period.

(a) Key management personnel

Responsible Entity

Elanor Funds Management Limited ('EFML') is the Responsible Entity of the Fund and the directors of EFML are the Key Management Personnel (KMP) of the Fund.

Directors of the Responsible Entity

The Directors of Elanor Funds Management Limited are:

- Ian Mackie
- Glenn Willis (resigned as Managing Director and Chief Executive Officer of Elanor Investors Group on 9 September 2024)
- Nigel Ampherlaw (resigned on 23 September 2024)
- Anthony (Tony) Fehon (Director and appointed as Managing Director on 9 September 2024)
- Su Kiat Lim
- Karyn Baylis
- Victor Rodriguez (resigned on 3 September 2024)
- Kathy Ostin

6. Related parties (continued)

Key Management Personnel

In addition to the Directors, the following persons were Key Management Personnel of the Responsible Entity with the authority for the strategic direction of the Fund:

- David Burgess – Fund Manager
- Symon Simmons – Chief Financial Officer

Remuneration of Management Personnel

Compensation is paid to the Responsible Entity in the form of fees and is disclosed below. No other amounts are paid by the Fund directly or indirectly to the Management Personnel for services provided to the Fund.

The Directors of the Responsible Entity and other management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Consequently, no compensation as defined in AASB 124 *Related Party Disclosures*, is paid by the Fund to its Management Personnel, other than that paid to the Responsible Entity.

Fees to the Responsible Entity or its related parties

Fees paid and payable to Elanor Investors Group and its	Consolidated Group 31 December 2024 $	Consolidated Group 31 December 2023 $	EPIF I 31 December 2024 $	EPIF I 31 December 2023 $
Investment Management fees	231,344	367,184	230,879	367,184
Cost recoveries	352,787	322,010	343,989	285,009
Other	10,912	30,649	10,912	30,649
Total	**595,043**	**719,843**	**585,780**	**682,842**

Outstanding balances arising from Fees payable to Elanor Investors Group and its controlled entities:

	Consolidated Group 31 December 2024 $	Consolidated Group 30 June 2024 $	EPIF I 31 December 2024 $	EPIF I 30 June 2024 $
Accounts payable	90,788	795,716	87,662	783,794
Total	**90,788**	**795,716**	**87,662**	**783,794**

During the period, fees were incurred by the Fund paid/payable to Elanor Investors Group and its controlled entities, in accordance with the Constitution of each Scheme, including management fees and cost recoveries.

6. Related parties (continued)

Related party holdings

Directors and other Key Management Personnel of the Responsible Entity and of its related entities may hold investments in the Fund. Such investments were purchased on normal commercial terms and were at arm's length. The number of securities held by Directors and other Key Management Personnel are as follows:

	31 December 2024 No. of fully paid units	31 December 2023 No. of fully paid units
Investment held by Elanor Investment Trust	28,355,460	19,058,730
Investment held by Directors and Other Management Personnel	203,625	1,484,981
Total	**28,559,085**	**20,543,711**

Cross-Staple Loan

On 1 July 2022, as part of the internal funding structure on listing of the Fund, ERF I (EPIF I at the reporting date) entered into a 10-year loan with ERF II, which included an interest and non-interest bearing portion. As at 31 December 2024, the outstanding loan balance payable to EPIF II was $52.3 million ($107.4 million as at 30 June 2024), splitting into interest bearing and non-interest bearing portion of $14.8 million and $37.5 million respectively.

During the period the Fund earned the following investment income from these related party investments:

	Consolidated Group 31 December 2024 $'000	Consolidated Group 31 December 2023 $'000	EPIF I 31 December 2024 $'000	EPIF I 31 December 2023 $'000
Investment income earned from ECF	–	65	–	65
Investment income earned from Harris Street Fund	–	23	–	23
Total	**–**	**88**	**–**	**88**

7. Unrecognised items

OVERVIEW

Items that have not been recognised on the Fund's balance sheet, including contractual commitments for future expenditure and contingent liabilities which are not sufficiently certain to qualify for recognition as a liability on the balance sheet, are defined as unrecognised items. This note provides details of any such items.

(a) Contingent liabilities

The property sales agreements for two of the assets disposed, Northway and Manning Mall, include a warranty period of 4 months and 9 months, respectively. The warranty amount is 2% of the sale price as such a contingent liability of $1.06 million exists as of balance date. The directors are not aware of any other material contingent liability as of 31 December 2024 ((30 June 2024: nil).

(b) Commitments

The Fund had $1.8 million capital commitments (30 June 2024: $nil million) in respect of capital expenditures contracted as of 31 December 2024.

8. Subsequent events

The Directors of the Responsible Entity are not aware of any other matters since the end of the period that has or may significantly affect the operations of the Fund, the result of those operations, or the state of the Fund's affairs in future financial periods that are not otherwise referred to in this Directors' Report.

ELANOR PROPERTY INCOME FUND

DIRECTORS' DECLARATION TO STAPLED SECURITYHOLDERS

In accordance with a resolution of the Directors of Elanor Funds Management Limited, the Responsible Entity for Elanor Property Income Fund I and Elanor Property Income Fund II, we declare that in the opinion of the Directors:

a) the financial statements and notes set out on pages 7 to 25 are in accordance with the *Corporations Act 2001* (Cth) including:

   i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the Consolidated Group's and EPIF I Group's financial position as at 31 December 2024 and of its performance, for the half year ended 31 December 2024; and

b) As disclosed in note 'About this report' to the financial statements, the Consolidated Group is expected to be wound up within twelve months from the date of this report as a result of resolution of the EPIF securityholders on 8 May 2024. However, the assets exceed the liabilities and there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Boards of Directors in accordance with Section 303(5) of the *Corporations Act 2001* (Cth).

Tony Fehon
Managing Director

Sydney
20 February 2025

Independent auditor's review report to the stapled securityholders of Elanor Property Income Fund

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Elanor Property Income Fund II and its controlled entities (together the Consolidated Group, EPIF or the Fund) and Elanor Property Income Fund I and its controlled entities (together EPIF I), which comprises the Consolidated Group's and EPIF I's

- the consolidated statements of financial position as at 31 December 2024,
- the consolidated statements of comprehensive income,
- the consolidated statements of profit or loss,
- the consolidated statements of changes in equity and
- the consolidated statements of cash flows for the half-year ended on that date,
- material accounting policy information and selected explanatory notes and
- the directors' declaration to stapled securityholders.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Consolidated Group and EPIF I does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Consolidated Group's and EPIF I's financial position as at 31 December 2024 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Consolidated Group and EPIF I in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - going concern no longer appropriate

We draw attention to the 'Basis of Preparation' subsection of the 'About this report' section in the half year financial report, which discusses that the securityholders approved the orderly wind up of the Fund during the year. As a result, the financial report has been prepared on the basis the Consolidated Group and EPIF I are no longer going concerns. Our opinion is not modified in respect of this matter.

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Other matter - Responsible Entity

We draw attention to the 'Basis of Preparation' subsection of the 'About this report' section in the half year financial report, which discusses the circumstances which may cast doubt about the ability of the Responsible Entity (Elanor Funds Management Limited) to continue to act as the Responsible Entity of the Fund. Our opinion is not modified in respect of this matter.

Responsibilities of the directors of the Responsible Entity for the half-year financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors of the Responsible Entity determines is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Group's and EPIF I's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

CJ Cummins
Partner

Sydney
20 February 2025