

ASX Announcement

22 February 2024

**Strong HY24 Result
FY24 Earnings Guidance Reaffirmed**

- HY24 FFO of \$16.7 million or 5.26 cents per security
- Q2FY24 Distribution of 2.125 cents per security (HY24 Distributions of 4.25 cents per security equating to a payout ratio of 81%)
- NTA per security of \$0.94; Gearing at 36.9%; Hedged interest rate exposure of 77.7%
- FY24 Distribution Guidance of 8.5 cents per security reaffirmed

Elanor Commercial Property Fund (“ECF” or “Fund”) announces its financial results for the half year ended 31 December 2023 (“period”).

Fund Performance

- Portfolio performing strongly with high occupancy maintained at 97.3% and ‘like-for-like’ rental income growth of 5.5%
- Successfully leased over 4,300m² during the period with 6.7% positive leasing spreads. Key leasing achievements:
 - Two new leases signed for a combined 1,200m² at Harris Street, Pyrmont in Sydney
 - Heads of agreement signed for renewal of 553m² at Harris Street
 - Two renewals signed for a combined 462m² at Limestone Street Centre, Ipswich
 - Lease renewal signed for 509m² at Corporate Drive, Cannon Hill in Brisbane (now 100% occupied)
- Minimal rental income expiring in 2H24 (< 2%) and 73% of FY25 and FY26 expiries have terms agreed or are under active negotiation
- The Fund reaffirms its FY24 distribution guidance of 8.5 cents per security based on continued strong occupancy and positive leasing momentum across the portfolio

David Burgess, Co-Head of Real Estate and ECF Fund Manager, said: “ECF has delivered a solid half-year result for investors by maintaining a strong 97.3% occupancy rate which is well above the national CBD market average of 84.5%. Approximately 65% of the portfolio (by income) is located in Perth, Brisbane and the Gold Coast which have been among the best performing office markets in the country.”

Capital Management

- NTA decline to \$0.94 per security (\$1.00 at 30 June 2023), resulting from the portfolio weighted average capitalisation rate increasing to 7.24%. Capitalisation rate softening has been partially offset by positive rental growth
- Gearing was 36.9% at 31 December 2023, within the target range of 30% to 40%

- The Fund's interest rate exposure is 77.7% hedged with weighted average term to maturity of 2.7 years

David Burgess continued: "Rising interest rates during the half-year has contributed to a 30 basis point softening of the weighted average portfolio capitalisation rate. The impact on the portfolio valuation was mostly offset by solid rental growth of 3.6%, resulting in a modest 2.4% decrease in NAV. This reflects our active asset management strategies to drive rental income across the portfolio. We will continue to implement strategies to attract the best tenants and drive rental growth for the portfolio."

Financial Results

A summary of the key financial results for the period ended 31 December 2023 is as follows:

Key Financial Results:	31 December 2023
FFO (\$m)	16.7
FFO per weighted average stapled security (cents)	5.26
Distributions (cents per stapled security)	4.25
Total Assets (\$m) (look-through basis)	543.8
Net Assets (\$m)	298.6
Net Tangible Assets (\$ per stapled security)	0.94
Gearing (net debt / total assets less cash) (%)	36.9

Commenting on the result, ENN CEO, Glenn Willis, said: "ECF's management team has continued to deliver strong earnings for investors over the period. With the Fund reaffirming FY24 Distribution Guidance, ECF will continue to deliver strong risk-adjusted returns for Securityholders."

Outlook

ECF's key strategic objective is to provide strong risk-adjusted returns by investing in commercial office properties that have clearly differentiated and sustainable competitive advantages.

With ECF's properties being well positioned in their respective markets, the portfolio is set to capitalise on rising market rents (up 6.1% in 2023). Active renewal discussions are in progress for 73% of FY25 and FY26 expiries. Furthermore, we continue to actively manage the capital structure of the Fund and evaluate opportunities to grow Securityholder value.

Please refer to the HY24 Results Presentation and financial statements lodged with the ASX today for further details of ECF's HY24 results.

Investor Briefing

Elanor Commercial Property Fund (ECF) will be holding an Investor Briefing Conference Call on Thursday 22 February 2024 at 2.00pm AEDT, to present and discuss the Fund's HY24 results. The Conference Call details are:

Dial In: 1800 809 971 or +61 2 9007 3187
Conference ID: 10036026
Commencement: 2.00pm AEDT

For those wishing to pre-register: <https://s1.c-conf.com/diamondpass/10036026-w3udi5.html>

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

For further information regarding this announcement, please contact:

Glenn Willis

Managing Director and Chief Executive Officer

Elanor Investors Group

Phone: (02) 9239 8400

About Elanor Commercial Property Fund

Elanor Commercial Property Fund (ASX: ECF) is an externally managed real estate investment trust that invests in Australian commercial office assets.

www.elanorinvestors.com/ECF