



Supplementary Financial Information

For the half year ended
31 December 2022

Elanor Investors Group

Comprising the stapling of units in Elanor Investment Fund (ARSN 169 450 926) and ordinary shares in Elanor Investors Limited (ABN 33 169 308 187)

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ELANOR INVESTORS GROUP

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ELANOR INVESTORS GROUP

DIRECTORS STATEMENT

Directors' Statement

The Directors of Elanor Investors Group (Group, Consolidated Group or Elanor) present this Supplementary Financial Information in accordance with the conditions set out in the Information Memoranda dated 30 June 2022 for the issue of \$40 million in unsecured medium-term notes (Notes).

The purpose of this Supplementary Financial Information is to present Supplementary Statements of Profit or Loss, Financial Position and Cash Flows to holders of the Notes, the Note Trustee, the Lead Manager and Initial Subscriber under the Note conditions, for the half year ended 31 December 2022.

In the Elanor Investors Group's Interim Financial Report for the half year ended 31 December 2022, where Elanor is deemed to have control in any particular managed fund, the consolidation method is required in respect of Elanor's co-investment in that fund. This Supplementary Financial Information is presented on the basis that all of Elanor's managed fund co-investments are accounted for using the equity method.

In this Supplementary Financial Information, the Group's financial results including an equity accounted presentation of all managed fund co-investments is defined as the "ENN Group".

The Supplementary Statements of Profit or Loss, Financial Position and Cash Flows present both the Consolidated Group results and the ENN Group results, and "Adjustments" that reflect the required adjustments to the Consolidated Group results to remove the impact of the consolidation of the Group's deemed controlled managed fund co-investments and record their investments in accordance with the principles of equity accounting.

This Supplementary Financial Information should be read in conjunction with Elanor Investors Group's Interim Financial Report for the half year ended 31 December 2022.

This report is made in accordance with a resolution of the Boards of Directors of Elanor Funds Management Limited and Elanor Investors Limited.

Signed in accordance with a resolution of the Directors.



Paul Bedbrook
Chairman



Glenn Willis
CEO and Managing Director

Sydney, 24 February 2023



Independent auditor's review report to the directors of Elanor Investors Limited

Report on the half-year supplementary financial information

Conclusion

We have reviewed the half-year supplementary financial information of Elanor Investors Limited and the entities it controlled from time to time during the half-year (the Group) which comprises the supplementary statement of financial position as at 31 December 2022, the supplementary statement of profit or loss and supplementary statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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 supplementary financial information Elanor Investors Limited does not present fairly, in all material respects, the Group's financial position as at 31 December 2022 and its financial performance and its cash flows for the half-year ended on that date, in accordance with the accounting policies as described in Note 1 to the financial statements.

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 Group in accordance with 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 reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of accounting and restriction on distribution and use

We draw attention to Note 1 in the half-year supplementary financial information, which describes the basis of accounting. The half-year supplementary financial information has been prepared to present supplementary statements of profit or loss, financial position and cash flows to holders of the \$25,000,000 7.75 per cent unsecured fixed rate notes due 30 September 2025 and \$15,000,000 unsecured floating rate notes due 30 June 2026 as required under the Information Memorandum dated 27 June 2022 for the half year ended 31 December 2022. As a result, the half-year supplementary financial information may not be suitable for another purpose. Our report is intended solely for the directors of Elanor Investors Limited, the noteholders, the Note Trustee, the Lead Manager and Initial Subscriber as outlined in the Information Memorandum dated 27 June 2022 and should not be distributed or used by parties other than the directors of Elanor Investors Limited, the noteholders, the Note Trustee, the Lead Manager and Initial Subscriber. Our conclusion is not modified in respect of this matter.



Responsibilities of the directors for the half-year supplementary financial information

The directors are responsible for the preparation and fair presentation of the half-year supplementary financial information in accordance with the accounting policies as described in Note 1 to the supplementary financial information and have determined that the accounting policies in Note 1, which form part of the supplementary financial information, are appropriate to meet the needs of the directors of Elanor Investors Limited and the requirements of the Information Memorandum dated 27 June 2022. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the half-year supplementary financial information that is free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express a conclusion on the half-year supplementary financial information 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 supplementary financial information does not present fairly, in all material respects, the financial position of the Group as at 31 December 2022 and of its financial performance and its cash flows for the half-year ended on that date in accordance with the accounting policies as described in Note 1 to the half-year supplementary financial information.

A review of half-year supplementary financial information 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.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over a faint horizontal line.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'N R McConnell', written in a cursive style.

N R McConnell
Partner

Sydney
24 February 2023

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Consolidated Group 31 December 2022 \$'000	Adjustments 31 December 2022 \$'000	ENN Group 31 December 2022 \$'000
Revenue and other income			
Revenue from funds management activities	22,841	7,068	29,909
Revenue from operating activities	53,077	(53,077)	–
Amortisation of contract asset	(467)	–	(467)
Interest income	85	344	429
Rental income	4,587	(4,421)	166
Share of profit from equity accounted investments	277	(1,895)	(1,618)
Realised gain on disposal of investment	107	(17)	90
Fair value gain on revaluation of derivatives	99	409	508
Other income	1,464	(1,464)	–
Total revenue and other income	82,070	(53,053)	29,017
Expenses			
Changes in inventories of finished goods	4,944	(4,944)	–
Salary and employee benefits	35,453	(18,520)	16,933
Property expenses	7,030	(6,801)	229
Operator management costs	4,008	(4,008)	–
Borrowing costs	9,416	(5,474)	3,942
Depreciation	7,325	(6,229)	1,096
Amortisation	323	(63)	260
Marketing and promotion	1,835	(1,292)	543
Repairs, maintenance and technology	1,281	(783)	498
Fair value loss on revaluation of PP&E and investment properties	5,595	(5,440)	155
Impairment expense	2,831	–	2,831
Other expenses	6,034	(3,581)	2,453
Total expenses	86,075	(57,135)	28,940
Net profit / (loss) before income tax expense	(4,005)	4,082	77
Income tax benefit / (expense)	(3,757)	1,173	(2,584)
Net profit / (loss) for the period	(7,762)	5,255	(2,507)
Attributable to security holders of:			
- Parent Entity	(344)	1,528	1,184
- Non-controlling interest EIF	(3,659)	(32)	(3,691)
Net profit / (loss) attributable to ENN security holders	(4,003)	1,496	(2,507)
Attributable to security holders of:			
- External Non-controlling interest	(3,759)	3,759	–
Net profit / (loss) for the period	(7,762)	5,255	(2,507)
Basic earnings / (loss) per stapled security (cents)	(3.37)		(2.11)
Diluted earnings / (loss) per stapled security (cents)	(2.89)		(1.81)

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Consolidated Group	Adjustments	ENN Group
	31 December 2022	31 December 2022	31 December 2022
	\$'000	\$'000	\$'000
Current assets			
Cash and cash equivalents	47,104	(25,649)	21,455
Trade and other receivables	20,507	1,388	21,895
Other financial assets	2,157	10,649	12,806
Inventories	1,977	(1,977)	–
Other current assets	2,750	(1,860)	890
Derivative financial instruments	2,225	(2,225)	–
Total current assets	76,720	(19,674)	57,046
Non-current assets			
Property, plant and equipment	464,266	(458,417)	5,849
Contract assets	4,078	–	4,078
Investment properties	93,875	(92,000)	1,875
Derivative financial instruments	508	–	508
Equity accounted investments	98,051	107,873	205,924
Intangible assets	1,465	–	1,465
Other assets	1,881	(1,881)	–
Deferred tax assets	11,532	(7,847)	3,685
Total non-current assets	675,656	(452,272)	223,384
Total assets	752,376	(471,946)	280,430
Current liabilities			
Payables	13,730	(9,131)	4,599
Lease liabilities	1,772	–	1,772
Current provisions	4,725	(2,401)	2,324
Other current liabilities	11,708	(2,207)	9,501
Income tax payable	2,090	(1,255)	835
Contract liabilities	1,375	(1,375)	–
Total current liabilities	35,400	(16,369)	19,031
Non-current liabilities			
Interest bearing liabilities	353,309	(261,337)	91,972
Non-current provisions	282	35	317
Lease liabilities	2,843	–	2,843
Total non-current liabilities	356,434	(261,302)	95,132
Total liabilities	391,834	(277,671)	114,163
Net assets	360,542	(194,275)	166,267

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Consolidated Group	Adjustments	ENN Group
	31 December 2022	31 December 2022	31 December 2022
	\$'000	\$'000	\$'000
Equity			
<i>Equity Holders of Parent Entity</i>			
Contributed equity	73,321	–	73,321
Treasury shares	(1,397)	–	(1,397)
Reserves	16,144	(13,099)	3,045
Accumulated (losses)/ retained profits	(50,528)	43,878	(6,650)
Parent entity interest	37,540	30,779	68,319
<i>Equity Holders of Non Controlling Interest</i>			
Contributed equity - Elanor Investment Fund	107,388	–	107,388
Treasury shares	(4,619)	–	(4,619)
Reserves	42,607	(4,552)	38,055
Accumulated losses	(28,807)	(14,069)	(42,876)
Non-controlling interest	116,569	(18,621)	97,948
<i>Equity Holders of Non Controlling Interest - External</i>			
Contributed equity - External	159,593	(159,593)	–
Reserves	58,970	(58,970)	–
Accumulated losses	(12,130)	12,130	–
External Non-controlling interest	206,433	(206,433)	–
Total equity attributable to stapled security holders:			
- Parent Entity	37,540	30,779	68,319
- Non-controlling Interest - EIF	116,569	(18,621)	97,948
Total equity attributable to ENN security holders	154,109	12,158	166,267
Total equity attributable to stapled security holders:			
- Non-controlling interest - External	206,433	(206,433)	–
Total equity	360,542	(194,275)	166,267

ELANOR INVESTORS GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Consolidated Group	Adjustments	ENN Group
	31 December 2022	31 December 2021	31 December 2021
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers	95,693	(62,517)	33,176
Payments to suppliers and employees	(76,968)	56,728	(20,240)
Interest received	572	199	771
Finance costs paid	(8,219)	3,747	(4,472)
Income tax paid	(793)	–	(793)
Net cash flows from operating activities	10,285	(1,843)	8,442
Cash flows from investing activities			
Financial assets (provided) / repaid	(340)	6,717	6,377
Payments for property, plant and equipment / investment properties	(23,939)	23,791	(148)
Loans to associates	(6,475)	(1,093)	(7,568)
Receipts for equity accounted investments	8,125	100	8,225
Payments for equity accounted investments	(8,732)	(300)	(9,032)
Distributions received from equity accounted investments	11,724	2,139	13,863
Net cash flows from investing activities	(19,637)	31,354	11,717
Cash flows from financing activities			
Proceeds from borrowings	47,478	(21,433)	26,045
Repayments of borrowings	(31,000)	–	(31,000)
Payments for lease liability	(1,002)	–	(1,002)
Proceeds from equity raisings	25,500	(25,500)	–
Costs associated with equity raisings	(669)	669	–
Distributions paid to security holders	(11,625)	6,228	(5,397)
Net cash flows from financing activities	28,682	(40,036)	(11,354)
Net increase / (decrease) in cash and cash equivalents	19,330	(10,525)	8,805
Cash and cash equivalents at the beginning of the period	27,774	(15,124)	12,650
Cash at the end of the period	47,104	(25,649)	21,455

ELANOR INVESTORS GROUP

BASIS OF PREPARATION FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1. Basis of Preparation

This Supplementary Financial Information does not include all of the information required in financial statements in accordance with Australian Accounting Standards and should be read in conjunction with Elanor Investors Group's ("the Consolidated Group") Interim Financial Report for the half year ended 31 December 2022 and any public announcements made by the Group during the period in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The Supplementary Financial Information is prepared based on the underlying amounts incorporated into the Consolidated Group's audited Statements of Profit or Loss, Financial Position and Cash Flow for the year ended 31 December 2022 that have been prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards ("AAS").

Unless disclosed otherwise, this Supplementary Financial Information has been prepared in accordance with the same accounting policies adopted in the Group's Interim Financial Report for the half year ended 31 December 2022.

In the Elanor Investors Group's Interim Financial Report for the half year ended 31 December 2022, where Elanor is deemed to control a particular managed fund, the consolidation method is required in respect of Elanor's co-investment in that fund. This Supplementary Financial Information is presented on the basis that all of Elanor's managed fund co-investments are accounted for using the equity method as prescribed under AASB 128 *Investments in Associates and Joint Ventures*.

In this Supplementary Financial Information, the Group's financial results including an equity accounted presentation of all managed fund co-investments is defined as the "ENN Group". The ENN Group incorporates the assets and liabilities of Elanor Investors Limited and all its subsidiaries, Elanor Investment Fund and its controlled entities and Elanor Hotel Accommodation Fund, Stirling Street Syndicate, Bluewater Square Syndicate and Elanor Wildlife Park Fund on an equity accounted basis as at 31 December 2022.

The Supplementary Financial Information present Profit or Loss, Financial Position and Cash Flows of both the Consolidated Group results and the ENN Group results, and "Adjustments" that reflect the required adjustments to the Consolidated Group results to remove the impact of the consolidation of the Group's deemed controlled managed fund co-investments.

Background Information on Elanor's Control of the Funds

The Consolidated Group incorporates the assets and liabilities of Elanor Investors Limited and all of its subsidiaries, Elanor Investment Fund and its controlled entities, Elanor Hotel Accommodation Fund (EHAF), Elanor Wildlife Park Fund (EWPF), Stirling Street Syndicate (Stirling) and Bluewater Square Syndicate (Bluewater) as at 31 December 2022. Together EHAF, EWPF, Stirling and Bluewater are the Funds.

As at 31 December 2022, the Group holds 30.90% of the equity in EHAF, 42.82% of the equity in EWPF, 42.98% of the equity in Stirling and 42.27% of the equity in Bluewater.

Elanor Funds Management Limited acts as the Manager and Trustee of the Funds. The Trustee is owned wholly by the Group and governed by the licensing and legal obligations of a professional asset manager. The powers of the Trustee are governed by the Funds' constitution, which sets out the basis of fees that the Trustee can receive. These fees include management fees, performance fees, and acquisition fees.

Therefore, as set out in the Elanor Investors Group's Interim Financial Report for the half year ended 31 December 2022, because Elanor is deemed to have a controlling interest in the Funds given its level of ownership and role as Trustee and Manager, the AASB 10 definition of control for Elanor's equity investment in the Funds is met, and the Funds are included on consolidated basis in the Consolidated Group.