



Supplementary Financial Information

For the year ended
30 June 2023

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 year ended 30 June 2023.

In the Elanor Investors Group's Financial Report for the year ended 30 June 2023, 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 Financial Report for the year ended 30 June 2023.

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, 22 August 2023



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

Report on the supplementary financial information

Conclusion

We have reviewed the supplementary financial information of Elanor Investors Limited (the Company) and the entities it controlled during the year (together the Group), which comprises the supplementary statement of financial position as at 30 June 2023, the supplementary statement of profit or loss and supplementary statement of cash flows for the year ended on that date, and explanatory notes and the directors' statement.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying supplementary financial information of Elanor Investors Limited does not present fairly, in all material respects, the Group's financial position as at 30 June 2023 and its financial performance and its cash flows for the year ended on that date, in accordance with the basis of preparation as described in Note 1 to the supplementary financial information.

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 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 report 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 supplementary financial information, which describes the basis of accounting. The financial report has been prepared to present supplementary statements of profit or loss, financial position and cash flows to the 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. As a result, the supplementary financial information may not be suitable for another purpose. Our report is intended solely for Elanor Investors Limited, the noteholders, the Note Trustee, the Lead Manager and Initial Subscribers 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 Subscribers. Our conclusion is not modified in respect of this matter.

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Responsibilities of the directors for the supplementary financial information

The directors of the Company are responsible for the preparation and fair presentation of the supplementary financial information in accordance with the basis of preparation as described in Note 1 to the supplementary financial information and have determined that the basis of preparation 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 supplementary financial information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the supplementary financial information based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the supplementary financial information does not present fairly, in all material respects, the financial position of the Group as at 30 June 2023 and of its financial performance and its cash flows for the year ended on that date in accordance with the basis of preparation as described in Note 1 to the supplementary financial information.

A review of a 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.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'N R McConnell'.

N R McConnell
Partner

Sydney
22 August 2023

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated Group 30 June 2023 \$'000	Adjustments 30 June 2023 \$'000	ENN Group 30 June 2023 \$'000
Revenue and other income			
Revenue from funds management activities	35,044	14,436	49,480
Revenue from operating activities	105,024	(104,598)	426
Amortisation of contract asset	(927)	–	(927)
Interest income	230	617	847
Rental income	8,733	(8,424)	309
Realised gain on disposal of investment	1,200	(50)	1,150
Other income	2,108	(2,108)	–
Total revenue and other income	151,412	(100,127)	51,285
Expenses			
Changes in inventories of finished goods	9,678	(9,614)	64
Salary and employee benefits	68,449	(36,543)	31,906
Property expenses	14,416	(14,018)	398
Operator management costs	9,341	(9,335)	6
Borrowing costs	20,166	(11,776)	8,390
Depreciation	13,430	(11,214)	2,216
Amortisation	670	(129)	541
Marketing and promotion	4,047	(2,531)	1,516
Repairs, maintenance and technology	2,806	(1,492)	1,314
Share of loss from equity accounted investments	7,042	5,983	13,025
Fair value loss on revaluation of PP&E and investment properties	6,856	(5,920)	936
Fair value loss on revaluation of derivatives	1,295	(1,295)	–
Impairment expense	2,831	–	2,831
Corporate transaction costs	4,071	–	4,071
Insurance expense	3,269	(2,514)	755
Other expenses	9,178	(6,146)	3,032
Total expenses	177,545	(106,544)	71,001
Net profit / (loss) before income tax expense	(26,133)	6,417	(19,716)
Income tax benefit / (expense)	(4,541)	4,980	439
Net profit / (loss) for the period	(30,674)	11,397	(19,277)
Attributable to security holders of:			
- Parent Entity	(16,977)	453	(16,524)
- Non-controlling interest EIF	(2,730)	(23)	(2,753)
Net profit / (loss) attributable to ENN security holders	(19,707)	430	(19,277)
Attributable to security holders of:			
- External Non-controlling interest	(10,967)	10,967	–
Net profit / (loss) for the period	(30,674)	11,397	(19,277)
Basic earnings / (loss) per stapled security (cents)	(16.35)		(16.00)
Diluted earnings / (loss) per stapled security (cents)	(13.91)		(13.60)

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Consolidated Group 30 June 2023 \$'000	Adjustments 30 June 2023 \$'000	ENN Group 30 June 2023 \$'000
Current assets			
Cash and cash equivalents	25,269	(6,422)	18,847
Trade and other receivables	18,157	5,178	23,335
Other financial assets	4,095	14,197	18,292
Inventories	1,893	(1,880)	13
Other current assets	3,207	(2,532)	675
Derivative financial instruments	1,353	(1,353)	–
Total current assets	53,974	7,188	61,162
Non-current assets			
Property, plant and equipment	521,054	(510,089)	10,965
Contract assets	3,618	–	3,618
Investment properties	91,875	(90,000)	1,875
Equity accounted investments	97,834	105,763	203,597
Intangible assets	1,478	–	1,478
Deferred tax assets	10,083	(5,122)	4,961
Total non-current assets	725,942	(499,448)	226,494
Total assets	779,916	(492,260)	287,656
Current liabilities			
Payables	17,987	(11,638)	6,349
Interest bearing liabilities	8,542	(6,750)	1,792
Lease liabilities	1,887	–	1,887
Current provisions	5,401	(2,520)	2,881
Other current liabilities	16,656	(1,255)	15,401
Income tax payable	610	(610)	–
Contract liabilities	2,196	(1,914)	282
Total current liabilities	53,279	(24,687)	28,592
Non-current liabilities			
Interest bearing liabilities	372,159	(269,802)	102,357
Non-current provisions	296	–	296
Lease liabilities	1,870	–	1,870
Total non-current liabilities	374,325	(269,802)	104,523
Total liabilities	427,604	(294,489)	133,115
Net assets	352,312	(197,771)	154,541

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Consolidated Group 30 June 2023 \$'000	Adjustments 30 June 2023 \$'000	ENN Group 30 June 2023 \$'000
Equity			
<i>Equity Holders of Parent Entity</i>			
Contributed equity	73,555	–	73,555
Treasury shares	(759)	–	(759)
Reserves	32,285	(28,519)	3,766
Accumulated (losses)/ retained profits	(73,403)	61,268	(12,135)
Parent entity interest	31,678	32,749	64,427
<i>Equity Holders of Non Controlling Interest</i>			
Contributed equity - Elanor Investment Fund	108,093	–	108,093
Treasury shares	(2,610)	–	(2,610)
Reserves	31,190	9,617	40,807
Accumulated losses	(24,739)	(31,437)	(56,176)
Non-controlling interest	111,934	(21,820)	90,114
<i>Equity Holders of Non Controlling Interest - External</i>			
Contributed equity - External	167,121	(167,121)	–
Reserves	69,399	(69,399)	–
Accumulated losses	(27,820)	27,820	–
External Non-controlling interest	208,700	(208,700)	–
Total equity attributable to stapled security holders:			
- Parent Entity	31,678	32,749	64,427
- Non-controlling Interest - EIF	111,934	(21,820)	90,114
Total equity attributable to ENN security holders	143,612	10,929	154,541
Total equity attributable to stapled security holders:			
- Non-controlling interest - External	208,700	(208,700)	–
Total equity	352,312	(197,771)	154,541

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated Group 30 June 2023 \$'000	Adjustments 30 June 2023 \$'000	ENN Group 30 June 2023 \$'000
Cash flows from operating activities			
Receipts from customers	168,310	(112,729)	55,581
Payments to suppliers and employees	(131,776)	94,491	(37,285)
Interest received	525	365	890
Finance costs paid	(18,234)	9,706	(8,528)
Income tax paid	(892)	–	(892)
Net cash flows from operating activities	17,933	(8,167)	9,766
Cash flows from investing activities			
Financial assets (provided) / repaid	(2,218)	3,709	1,491
Payments for property, plant and equipment / investment properties	(72,719)	60,909	(11,810)
Loans to associates	(4,246)	(521)	(4,767)
Receipts for equity accounted investments	19,333	–	19,333
Payments for equity accounted investments	(18,751)	–	(18,751)
Receipts of cash held in trust	3,163	–	3,163
Payments of corporate transaction costs	(1,171)	–	(1,171)
Distributions received from equity accounted investments	14,797	3,788	18,585
Net cash flows from investing activities	(61,812)	67,885	6,073
Cash flows from financing activities			
Proceeds from borrowings	100,585	(39,040)	61,545
Repayments of borrowings	(57,750)	3,250	(54,500)
Payments for lease liability	(2,029)	–	(2,029)
Proceeds from equity raisings	25,500	(25,500)	–
Costs associated with equity raisings	(669)	669	–
Distributions paid to security holders	(24,263)	9,605	(14,658)
Net cash flows from financing activities	41,374	(51,016)	(9,642)
Net increase / (decrease) in cash and cash equivalents	(2,505)	8,702	6,197
Cash and cash equivalents at the beginning of the year	27,774	(15,124)	12,650
Cash at the end of the year	25,269	(6,422)	18,847

ELANOR INVESTORS GROUP

BASIS OF PREPARATION FOR THE YEAR ENDED 30 JUNE 2023

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") Financial Report for the year ended 30 June 2023 and any public announcements made by the Group during the year 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 30 June 2023 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 Financial Report for the year ended 30 June 2023.

In the Elanor Investors Group's Financial Report for the year ended 30 June 2023, 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 30 June 2023.

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 30 June 2023. Together EHAF, EWPF, Stirling and Bluewater are the Funds.

As at 30 June 2023, the Group holds 30.60% 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 Financial Report for the year ended 30 June 2023, 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.