23 August 2021

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Attached is the Elanor Investors Group (ASX:ENN) Preliminary Supplementary Financial Information for the year ended 30 June 2021.

Yours sincerely,

Symon Simmons
Company Secretary
Elanor Funds Management Limited

Authority and Contact Details

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

For further information regarding this announcement please contact:

Symon Simmons
Company Secretary
Elanor Funds Management Limited
Phone: (02) 9239 8400

Preliminary Supplementary Financial Information

For the year ended
30 June 2021

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)

Level 38, 259 George Street,
Sydney NSW 2000
GPO Box 1511,
Sydney NSW 2001
www.elanorinvestors.com

ELANOR INVESTORS GROUP

TABLE OF CONTENTS

Directors' Statement

The Directors of Elanor Investors Group (Group, Consolidated Group or Elanor) present this Preliminary Supplementary Financial Information in accordance with the conditions set out in the Information Memoranda dated 13 October 2017 and 14 December 2017 for the issue of $40,000,000 and $20,000,000 7.10 per cent five year Unsecured Fixed Rate notes due 17 October 2022 (Notes).

The purpose of this Preliminary 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 2021.

In the Elanor Investors Group's Preliminary Financial Report for the year ended 30 June 2021, 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 Preliminary 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 Preliminary 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 Preliminary Supplementary Financial Information should be read in conjunction with Elanor Investors Group's Preliminary Financial Report for the year ended 30 June 2021.

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, 23 August 2021

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 30 June 2021 $'000	Adjustments 30 June 2021 $'000	ENN Group 30 June 2021 $'000
Revenue and other income			
Revenue from operating activities	82,633	(50,807)	31,827
Interest income	894	426	1,320
Rental income	3,650	(3,650)	–
Share of profit / (loss) from equity accounted investments	7,096	(1,417)	5,679
Realised gain on disposal of investment	2,528	–	2,528
Fair value gain on revaluation of assets / investment properties	5,545	(5,533)	12
Other income	1,232	(1,228)	4
Total revenue and other income	**103,578**	**(62,208)**	**41,369**
Expenses			
Changes in inventories of finished goods	4,962	(4,790)	172
Salary and employee benefits	34,182	(16,934)	17,249
Property expenses	8,497	(7,945)	553
Operator management costs	5,045	(4,906)	140
Borrowing costs	13,432	(8,164)	5,268
Depreciation	10,656	(9,221)	1,435
Amortisation	2,089	(1,074)	1,015
Marketing and promotion	2,045	(1,289)	755
Repairs, maintenance and technology	2,688	(1,289)	1,398
Impairment expense	739	–	739
Other expenses	7,862	(4,599)	3,262
Total expenses	**92,197**	**(60,210)**	**31,987**
Net profit / (loss) before income tax expense	**11,381**	**(1,999)**	**9,382**
Income tax expense / (benefit)	2,384	(121)	2,262
Net profit / (loss) for the period	**8,998**	**(1,877)**	**7,120**
Net profit / (loss) attributable to security holders of:			
- Parent Entity	4,580	(593)	5,172
- Non-controlling interest EIF	4,459	–	1,948
Net profit / (loss) attributable to ENN security holders	**9,039**	**1,919**	**7,120**
Attributable to security holders of:			
- External Non-controlling interest	(41)	41	–
Net profit / (loss) for the period	**8,998**	**(1,878)**	**7,120**
Basic earnings / (loss) of the ENN security holders per stapled security (cents)	7.71		6.08
Diluted earnings / (loss) of the ENN security holders per stapled security (cents)	6.75		5.32

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Consolidated Group 30 June 2021 $'000	Adjustments 30 June 2021 $'000	ENN Group 30 June 2021 $'000
Current assets			
Cash and cash equivalents	20,771	(6,859)	13,912
Receivables	6,293	(621)	5,672
Finanical assets	5,214	8,763	13,976
Inventories	901	(880)	21
Other current assets	1,426	(1,010)	417
Total current assets	**34,605**	**(607)**	**33,998**
Non-current assets			
Property, plant and equipment	350,820	(343,020)	7,799
Investment properties	55,500	(55,500)	–
Equity accounted investments	92,588	120,623	213,211
Intangible assets	1,328	–	1,328
Deferred tax assets	7,155	(4,827)	2,328
Total non-current assets	**507,391**	**(282,724)**	**224,666**
Total assets	**541,996**	**(283,331)**	**258,664**
Current liabilities			
Payables	10,972	(5,807)	5,165
Derivative financial instruments	626	(626)	–
Interest bearing liabilities	64,611	(58,954)	5,657
Lease liabilities	617	1	618
Current provisions	2,880	(1,147)	1,734
Other current liabilities	11,650	(2,925)	8,725
Contract liabilities	1,122	(1,122)	–
Total current liabilities	**92,478**	**(70,582)**	**21,899**
Non-current liabilities			
Derivative financial instruments	188	(188)	–
Interest bearing liabilities	202,661	(143,106)	59,555
Non-current provisions	461	(42)	419
Lease liabilities	2,958	(1)	2,957
Total non-current liabilities	**206,268**	**(143,338)**	**62,931**
Total liabilities	**298,746**	**(213,919)**	**84,830**
Net assets	**243,250**	**(69,413)**	**173,834**

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Consolidated Group 30 June 2021 $'000	Adjustments 30 June 2021 $'000	ENN Group 30 June 2021 $'000
Equity			
Equity Holders of Parent Entity			
Contributed equity	72,305	–	72,305
Treasury shares	(1,204)	–	(1,204)
Reserves	15,035	(13,266)	1,769
Retained profits / (accumulated losses)	(43,425)	28,958	(14,467)
Parent entity interest	**42,711**	**15,692**	**58,403**
Equity Holders of Non Controlling Interest			
Contributed equity - Elanor Investment Fund	104,101	–	104,101
Treasury shares	(3,628)	–	(3,628)
Reserves	33,749	(9,630)	24,117
Retained profits / (accumulated losses)	(4,049)	(5,111)	(9,160)
Non-controlling interest	**130,173**	**(14,741)**	**115,431**
Equity Holders of Non Controlling Interest - External			
Contributed equity - External	37,244	(37,244)	–
Reserves	34,778	(34,778)	–
Retained profits / (accumulated losses)	(1,656)	1,656	–
External Non-controlling interest	**70,366**	**(70,366)**	**–**
Total equity attributable to stapled security holders:			
- Parent Entity	42,711	15,692	58,403
- Non-controlling Interest - EIF	130,173	(14,742)	115,431
Total equity attributable to ENN security holders	**172,884**	**950**	**173,834**
Total equity attributable to stapled security holders:			
- Non-controlling interest - External	70,366	(70,366)	–
Total equity	**243,250**	**(69,417)**	**173,834**

ELANOR INVESTORS GROUP

SUPPLEMENTARY STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 30 June 2021 $'000	Adjustments 30 June 2021 $'000	ENN Group 30 June 2021 $'000
Cash flows from operating activities			
Receipts from customers	97,386	(61,248)	36,139
Payments to suppliers and employees	(71,104)	47,892	(23,212)
Interest received	1,026	1	1,027
Finance costs paid	(12,806)	7,484	(5,322)
Net cash flows from operating activities	**14,502**	**(5,870)**	**8,632**
Cash flows from investing activities			
Financial assets (acquired) / repaid	7,273	(1,153)	6,120
Payments for property, plant and equipment / investment properties	(5,634)	4,678	(956)
Loans to associates	(2,000)	(164)	(2,164)
Receipts for equity accounted investments	28,600	–	28,600
Payments for equity accounted investments	(19,255)	(252)	(19,507)
Distributions received from equity accounted investments	5,248	–	5,248
Net cash flows from investing activities	**14,232**	**3,108**	**17,341**
Cash flows from financing activities			
Proceeds from borrowings	23,232	(3,532)	19,700
Repayments of borrowings	(48,941)	5,726	(43,214)
Payments for lease liability	(808)	–	(808)
Distributions paid to security holders	(4,994)	–	(4,994)
Net cash flows from financing activities	**(31,511)**	**2,195**	**(29,316)**
Net increase / (decrease) in cash and cash equivalents	(2,777)	(566)	(3,343)
Cash and cash equivalents at the beginning of the period	23,548	(6,293)	17,255
Cash at the end of the period	**20,771**	**(6,859)**	**13,912**

ELANOR INVESTORS GROUP

SUPPLEMENTARY FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

Basis of Preparation

This Preliminary 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 or Group") Preliminary Financial Report for the year ended 30 June 2021 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 Preliminary Supplementary Financial Information is prepared based on the underlying amounts incorporated into the Consolidated Group's Preliminary Final Report Statements of Profit or Loss, Financial Position and Cash Flow for the year ended 30 June 2021 that have been prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards ("AAS").

Unless disclosed otherwise, this Preliminary Supplementary Financial Information has been prepared in accordance with the same accounting policies adopted in the Group's Preliminary Financial Report for the period ended 30 June 2021.

In the Elanor Investors Group's Preliminary Financial Report for the year ended 30 June 2021, 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 Preliminary 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 Metro and Prime Regional Hotel Fund ("EMPR"), Bluewater Square Syndicate ("Bluewater") and Elanor Luxury Hotel Fund ("ELHF") on an equity accounted basis as at 30 June 2021.

The Preliminary Supplementary Statements 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, EMPR, ELHF and Bluewater as at 30 June 2021. Together, EMPR, ELHF and Bluewater are the Funds.

EMPR comprises stapled securities in Elanor Metro and Prime Regional Hotel Fund, EMPR Management Pty Limited, Elanor Metro and Prime Regional Hotel Fund II and EMPR II Management Pty Limited. ELHF comprises stapled securities in Elanor Luxury Hotel Fund and Elanor Luxury Hotel Fund Pty Limited. The Group holds 42.94% of the equity in EMPR, 100% of the equity in ELHF 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 Preliminary Financial Report for the year ended 30 June 2021, 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.