



29 September 2021

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

Dear Sir/Madam

Please find attached the Elanor Investors Group (ASX:ENN) 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



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)

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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 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 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 Annual 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 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 Annual 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, 29 September 2021



Independent auditor's report

To the holders of the Notes, the Note Trustee, the Lead Manager and the Initial Subscriber under the Note conditions of Elanor Investors Group

Our opinion

In our opinion the accompanying supplementary financial information of Elanor Investors Group (the Group) as at 30 June 2021 and its financial performance and its cash flows for the year then ended has been prepared in all material respects in accordance with the accounting policies as described in Note 1 to the supplementary financial information.

What we have audited

The supplementary financial information comprises:

- the supplementary statements of financial position as at 30 June 2021
- the supplementary statements of profit or loss for the year then ended
- the supplementary statements of changes in cash flows for the year then ended
- the notes to the supplementary financial information, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the supplementary financial information* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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 our audit of the supplementary financial information 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 supplementary financial information has been prepared to assist the directors to meet the financial reporting requirements of the Information Memoranda dated 13 October 2021 and 14 December 2017. As a result, the supplementary financial information may not be suitable for another purpose. Our report is intended solely for the holders of the Notes, the Note Trustee, the Lead Manager and Initial Subscriber under the Note conditions of Elanor Investors Group and should not be distributed to or used by parties other than the holders of the Notes, the Note Trustee, the Lead

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Manager and Initial Subscriber under the Note conditions of Elanor Investors Group. Our opinion is not modified in respect of this matter.

Responsibilities of management and the directors for the supplementary financial information

Management is responsible for the preparation and fair presentation of the supplementary financial information in accordance with the accounting policies as described in Note 1 to the supplementary financial information, and for such internal control as Management determines is necessary to enable the preparation of the supplementary financial information that is free from material misstatement, whether due to fraud or error. The directors have determined that the basis of preparation described in Note 1 to the supplementary financial information is appropriate to meet the needs of the holders of the Notes, the Note Trustee, the Lead Manager and Initial Subscriber under the Note conditions of Elanor Investors Group.

In preparing the supplementary financial information, Management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the supplementary financial information

Our objectives are to obtain reasonable assurance about whether the supplementary financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the supplementary financial information.

A further description of our responsibilities for the audit of the supplementary financial information is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Buckman

Bianca Buckman
Partner

Sydney
29 September 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	3,631	(5,533)	(1,902)
Other income	1,232	(1,228)	4
Total revenue and other income	101,664	(62,208)	39,455
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	(60,211)	31,986
Net profit / (loss) before income tax expense	9,467	(1,999)	7,468
Income tax expense / (benefit)	1,650	(121)	1,529
Net profit / (loss) for the period	7,817	(1,878)	5,939
Net profit / (loss) attributable to security holders of:			
- Parent Entity	3,399	(593)	3,992
- Non-controlling interest EIF	4,459	2,512	1,947
Net profit / (loss) attributable to ENN security holders	7,858	1,919	5,939
Attributable to security holders of:			
- External Non-controlling interest	(41)	41	–
Net profit / (loss) for the period	7,817	(1,878)	5,939
Basic earnings / (loss) of the ENN security holders per stapled security (cents)	6.73		5.08
Diluted earnings / (loss) of the ENN security holders per stapled security (cents)	5.89		4.45

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
Financial 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	7,888	(4,827)	3,062
Total non-current assets	508,124	(282,724)	225,400
Total assets	542,729	(283,331)	259,398
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	243,983	(69,413)	174,568

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			
<i>Equity Holders of Parent Entity</i>			
Contributed equity	72,305	–	72,305
Treasury shares	(1,204)	–	(1,204)
Reserves	15,035	(13,266)	1,769
Retained profits / (accumulated losses)	(44,606)	30,873	(13,733)
Parent entity interest	41,531	17,607	59,137
<i>Equity Holders of Non Controlling Interest</i>			
Contributed equity - Elanor Investment Fund	104,101	–	104,101
Treasury shares	(3,628)	–	(3,628)
Reserves	35,759	(9,727)	26,031
Retained profits / (accumulated losses)	(3,652)	(7,421)	(11,073)
Non-controlling interest	132,580	(17,148)	115,431
<i>Equity Holders of Non Controlling Interest - External</i>			
Contributed equity - External	37,244	(37,244)	–
Reserves	34,682	(34,682)	–
Retained profits / (accumulated losses)	(2,053)	2,053	–
External Non-controlling interest	69,874	(69,874)	–
Total equity attributable to stapled security holders:			
- Parent Entity	41,531	17,606	59,137
- Non-controlling Interest - EIF	132,580	(17,149)	115,431
Total equity attributable to ENN security holders	174,111	457	174,568
Total equity attributable to stapled security holders:			
- Non-controlling interest - External	69,874	(69,874)	–
Total equity	243,983	(69,416)	174,568

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

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") Annual 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 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 2021 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 Annual Financial Report for the period ended 30 June 2021.

In the Elanor Investors Group's Annual 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 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, Bluewater Square Syndicate and Elanor Luxury Hotel Fund on an equity accounted basis as at 30 June 2021.

The 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, Elanor Metro and Prime Regional Hotel Fund (EMPR), Elanor Luxury Hotel Fund (ELHF) and Bluewater Square Syndicate (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 Annual 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.