



ASX Announcement

12 March 2025

Elanor Investors Group

Market Update

Elanor Investors Group (“Elanor” or “Group”) is continuing to execute its stated strategy to stabilise the business by:

- de-leveraging the balance sheet through an asset realisation program and repaying debt;
- simplifying the capital structure;
- reducing costs and controlling working capital;
- finalising its FY24 and HY25 financial statements;
- seeking the re-commencement of trading on the ASX; and
- progressing the Strategic Review.

Asset Realisation Program

Since 1 July 2024, approximately \$225 million of assets across the Group’s managed funds have transacted (exchanged contracts or settled). Other assets across the Group’s managed funds, with a combined value of over \$250 million, are currently in due diligence processes.

Elanor remains focussed on achieving the best outcome for fund investors in the current market.

In addition to the asset realisation program across the Group’s managed funds, Elanor is also in discussions with parties in relation to the potential sale of its co-investment holdings in certain managed funds.

Following settlement of the sale of Manning Mall and Northway Plaza by the Elanor Property Income Fund (“EPIF”), EPIF’s only remaining asset, Gladstone Square, is now on market. The sale of Gladstone Square will conclude the asset realisation program for EPIF following which it will be wound up, and capital returned to investors, including Elanor, in accordance with EPIF Securityholder resolutions passed in May 2024.

Terms have been agreed with a purchaser for the sale of the Waverley Gardens shopping centre in Victoria, from Elanor’s Waverley Gardens Fund. The proceeds of divestment of the property will be used to repay the Fund’s financier and then return the remaining capital to Waverly Gardens Fund investors, including Elanor.

The divestment program for the Elanor Hotel Accommodation Fund (“EHAF”) has transacted hotel assets at a combined realisation value of \$53.5 million. Further EHAF assets are currently in due diligence processes or are under offer. The EHAF divestment strategy will initially reduce EHAF’s gearing, as required under the Fund’s banking covenants, and thereafter facilitate the return of the remaining capital to EHAF investors, including Elanor. Regular engagement with the Fund’s financiers is occurring as the EHAF divestment program is progressed.

The next phase of the EHAF divestment strategy is well progressed, with assets being marketed through individual sales campaigns, led by JLL. Assets now on market include Mayfair Hotel Adelaide, Peppers Cradle Mountain Lodge, Parklands Resort Mudgee, Panorama Retreat and Resort, and Byron Bay Hotel and Apartments. These assets have a combined value of over \$230 million.

Balance Sheet Stabilisation

The Group remains focused on stabilising the balance sheet and closely managing the working capital requirements of the business as the asset realisation program is progressed.

Execution of the planned cost management initiatives has achieved a sustainable reduction in corporate overheads, which is helping to support the Group’s working capital and cashflow position.

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Regular engagement with key stakeholders, including Keyview (the Group's secured financier) is ongoing during this period to support the Group's working capital position and to monitor relevant facility covenants in the coming months. While the Group is pursuing a range of initiatives in the execution of the asset realisation program, delays to the asset realisation timetable or material reductions in assumed asset realisation values would likely require the Group to reach agreement with Keyview to remain in compliance with the Keyview Facility terms.

Since December 2024, the Group has been negotiating prospective amendments to the terms of Elanor's \$40 million Corporate Notes ("**Notes**") with Keyview and the arranger of the Notes, FIIG, in preparation for the issue of a circulating resolution for consideration by Noteholders. On 19 December 2024, the Note Trustee held a meeting of Noteholders, where Noteholders voted to reserve their rights and implement a standstill for 90 days, to 19 March 2025.

The Group is continuing to engage with FIIG in respect of revised terms for the restructure of the Notes. The negotiations have taken longer than expected, however the Group is working towards the issue of a circulating resolution for consideration by Noteholders prior to the expiry of the standstill period on 19 March 2025. Failing this, the Group anticipates seeking an extension of the current standstill beyond 19 March 2025.

There is no certainty that Keyview and the Noteholders will continue to support the Group's de-leveraging initiatives. However, based on the constructive working relationship the Group has had with these stakeholders to date, the Group anticipates that the parties will continue to support Elanor's stabilisation process in the best interests of all stakeholders.

Challenger Life Mandate

As part of the Group's July 2023 acquisition of Challenger's Australian real estate funds management business, Elanor became the investment manager for Challenger Life Company's ("**CLC**") commercial real estate portfolio under an investment management agreement ("**IMA**").

Elanor is continuing to provide full asset management services across CLC's commercial real estate portfolio. CLC continues to monitor the financial stability of the Group, and Elanor is providing regular updates to Challenger and CLC on the progress of its business stabilisation.

Release of Financial Results and FY24 AGM

The Group is working with its auditor to finalise its FY24 results, Appendix 4E and FY24 Annual Report. Once the FY24 results are finalised, the Group will then seek to finalise its HY25 results and Appendix 4D.

As the Group prepares to finalise its audited financial statements, the current status of the Group's balance sheet stabilisation plan is expected to result in Elanor's financial statements including an audit opinion that expresses an emphasis of matter, or a qualification, in respect of risks to the Group's ability to continue as a going concern if it is not able to execute on its stated asset realisation and balance sheet stabilisation plans.

Elanor will confirm the date for its FY24 Annual General Meeting ("**AGM**") promptly following finalisation of the FY24 Annual Report.

Following the finalisation of the Group's financial results and lodgement of relevant documents with the ASX, Elanor currently intends to request the ASX to lift the suspension of Elanor's securities, however there is no certainty that the ASX will agree to this request.



Strategic Review

Elanor is continuing to work with its advisors to examine a range of options to maximise value for all securityholders. Elanor has commenced active engagement with interested parties on potential proposals which maximise securityholder value, including a potential sale of the business.

There is no certainty that the engagement process will result in a transaction.

The Group is continuing to focus on executing the asset realisation plan, stabilising the balance sheet, delivering investment performance for mandate and managed fund capital partners and delivering Elanor securityholder value.

Elanor will continue to keep the market informed in accordance with its ongoing continuous disclosure obligations, including as to the outcome of the Strategic Review.

ENDS.

This announcement has been authorised for release by the Managing Director. For further information regarding this request, please contact:

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About Elanor Investors Group

Elanor Investors Group (ASX:ENN) is a real estate investment and funds management group with approximately \$5.8 billion in funds under management across Australia and New Zealand. Elanor's key real estate sectors of focus are the commercial office, retail, industrial and healthcare sectors. Elanor has a proven track record from acquiring and unlocking value in real estate assets that provide strong income and capital growth potential. For more information visit www.elanorinvestors.com.