



ASX Announcement

1 November 2024

Elanor Investors Group

Market Update

Further to its announcement on 11 October 2024, Elanor Investors Group ("Elanor" or "Group") advises that the Group has made further progress in the stabilisation of its balance sheet.

Refinancing senior secured debt facility

Elanor has successfully refinanced the Group's existing senior secured debt facility through a new \$85 million debt bridging facility from Keyview Financial Group (the "**Keyview Facility**"). Elanor will repay the Keyview Facility debt over time through the previously announced asset realisation program which is expected to release over \$100 million of Elanor's balance sheet capital over the next 18 months.

\$70 million will be drawn immediately under the Keyview Facility to repay the existing senior secured debt and provide working capital for the business. Following the initial drawdown of the Keyview Facility and the repayment of the existing secured debt, the Group's total drawn debt will be \$110 million which represents a current proforma net gearing ratio of approximately 40%¹.

Under the terms of the Keyview Facility, Elanor will have the ability to draw a further \$15 million following completion of the CLC Review and restructuring of the Group's unsecured corporate notes, both as set out below. Key terms of the Keyview Facility are set out in the Appendix.

Tony Fehon, Managing Director said "we are pleased to announce the refinancing of the Group's senior secured debt facility. The Keyview Facility provides flexibility for the business to continue its simplification strategy, progress the orderly asset realisation program, and support the working capital needs of the business. We appreciate the support of all stakeholders, including the Group's major securityholders, during this challenging period while we have progressed the stabilisation of the balance sheet. In particular, I would like to acknowledge and thank the tremendous commitment of our staff in continuing to manage the real estate assets of our capital partners. We recognise there is more work required to further strengthen our balance sheet and complete the simplification of the business which remains our priority."

Elanor was advised by MA Moelis Australia Pty Ltd as debt arranger for the debt refinancing.

Unsecured Corporate Notes

Elanor announced on 11 October 2024 that it had breached the gearing ratio covenant of the Group's Unsecured Corporate Notes ("Notes") and was seeking to remedy this breach through the redemption of the Notes in full by 31 October 2024. As the Keyview Facility does not facilitate the refinancing of the Notes as originally anticipated, the Group is now in default on the Notes. Elanor has a longstanding relationship with the arranger of the Notes and has commenced discussions in respect of the Note terms. As part of the discussions, the Group will be seeking forbearance and will propose revised terms to Noteholders as part of the debt restructuring, and in accordance with the Keyview Facility.

Update on 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 has been advised by CLC

¹ Net gearing is calculated as net debt / total assets (pro forma ENN balance sheet as at 30 June 2024 to exclude the Challenger mandate contract asset and adjusted for the impact of the sale of the ECF co-investment and the \$70m initial drawdown under the Keyview Facility) less cash. The Group's gearing is 34% on the basis of the Challenger mandate contract asset being included in total assets.



that it is conducting a review (“**CLC Review**”) including evaluating the market for alternate managers as a contingency.

Elanor continues to provide full asset management services across CLC's commercial real estate portfolio in accordance with the IMA.

Release of FY24 Financial Results and AGM

To date, the Group has been unable to finalise its Appendix 4E and Annual Report for the financial year ended 30 June 2024. The Group's FY24 results are expected to be finalised as soon as possible following completion of the CLC Review and the restructure of the Notes.

Elanor has released the Notice of Meeting for its Annual General Meeting (“**AGM**”), currently scheduled to be held on 28 November 2024. In this regard, Elanor may be required to reschedule the date of the AGM, subject to finalisation of the Annual Report.

Following the finalisation of the FY24 results and lodgement of the Appendix 4E and Annual Report with the ASX, Elanor will request ASX to lift the suspension of Elanor's securities.

Strategic Review

Further to the above, Elanor continues to progress a range of options to stabilise its financial position. Elanor will continue its strategic review to examine all strategic options to restore and deliver value to all securityholders, including a sale of the business.

Elanor will actively consider approaches made by third parties and engage further with interested parties on proposals which maximise securityholder value. There is no certainty that the review process will result in a transaction.

Elanor has appointed Citigroup Global Markets Australia Pty Limited as exclusive financial adviser, and King & Wood Mallesons as its legal adviser to facilitate this process.

Elanor will continue to keep the market informed in accordance with its ongoing continuous disclosure obligations including further updates in relation to the asset realisation program.

ENDS.

This announcement has been authorised for release by the Elanor Investors Group Board of Directors. 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 \$6.0 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.



Appendix: Key terms of the Keyview Facility

Total Facility	\$85 million, comprising: • Initial tranche of A\$70m • Second tranche available for further \$15m (if certain conditions are met)
Use of proceeds	Retire existing secured debt facility (\$60m), working capital and transaction costs
Security	Senior secured facility
Tenor	18 months (with a 12-month extension option available)
Interest rate	10.0% p.a. cash paid plus 5.0% capitalised
Establishment fee	2% on the Total Facility
Repayment	100% of the net sale proceeds from sale of the Group assets
Principal repayment milestones	• Minimum principal repayment of \$39m by 31 March 2025 (in line with the Group's forecast capital returns from the asset realisation program) • Aggregate principal repayments of up to \$85m by 31 December 2025 (if second tranche is drawn)
Minimum cost	12-months interest on the Total Facility
Board representation	Entitled to nominate one Board representative (Elanor Investors Limited only)
Key conditions	Customary provisions, including key person and material contract losses and the restructure of the Unsecured Corporate Notes