



Charter Hall 

Acknowledgement of Country

Charter Hall acknowledges the Traditional Custodians of the lands on which we work and gather. We pay our respects to Elders past and present and recognise their continued care and contribution to Country.

Director only



Left: bp, Forestville NSW

Agenda

1. Independent Chair's Address:
Roger Davis
2. Retail CEO's Address:
Ben Ellis
3. Questions
4. Item of Business

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Independent Chair's Address: Roger Davis

Campbellfield Plaza, Campbellfield Vic



Board of Directors



Michael Gorman
Independent Director

Roger Davis
Independent Chair

David Harrison
Managing Director & Group CEO

Sue Palmer
Independent Director

Ben Ellis
Retail CEO

Fund Managers



Ben Ellis
Retail CEO/Fund Manager

Joanne Donovan
Head of Retail Finance

CQR Convenience Strategy

Providing a resilient and growing income stream for our investors from convenience shopping centres and long WALE retail

The **leading** owner of convenience retail property

KEY DRIVERS



Enhance portfolio quality

- Increasing exposure to Long WALE and NNN retail
- Active portfolio curation has enhanced income growth from anchor tenants
- Extending WALE with quality major tenants
- Focus on resilience and income growth



Active asset management

- Maintain strong tenant relationships
- Optimise the tenancy mix to service our communities
- Unlock additional land opportunities

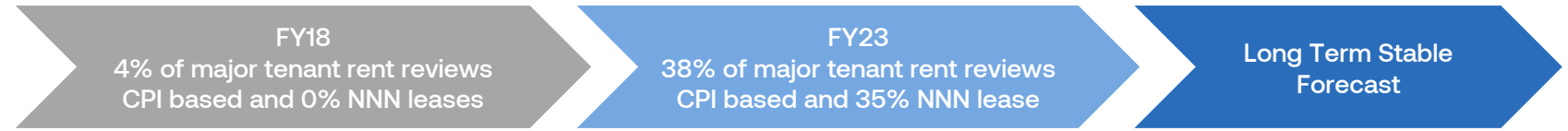


Prudent capital management

- Strong and flexible balance sheet
- Sustainable gearing
- Extending capital partnerships
- Increasing exposure to capex efficient assets

Delivering on Convenience Strategy

Active portfolio curation driving major tenant income growth



		FY18		FY23		Long Term Stable Forecast
		4% of major tenant rent reviews CPI based and 0% NNN leases		38% of major tenant rent reviews CPI based and 35% NNN lease		
		% of income	Growth	% of income	Growth	Growth ¹
Shopping Centre Majors		48%	1.2%	39%	2.5%	1.5-2.0%
Long WALE Majors		-	-	18%	6.2%	2.0-3.0%
Total Majors		48%	1.2%	57%	3.7%	1.7-2.3%
Mini Majors & Specialty		52%	2.3%	43%	3.9%	3.5-4.0%
Total Rental Income			1.8%		3.8%	2.5-3.0%

¹ Long term stable forecast including RBA targeted inflation

CQR ESG Leadership

Achievements in FY23

Focus areas in FY24+

Environment



Net Zero Carbon by 2025

Commitment to net zero Scope 1 and Scope 2 emissions by 2025. CQR is on track to provide 100% renewable electricity to the common area for all our shopping centres by 2025.



Investing in clean energy

20.2MW¹ of installed solar across 38 locations and 9.0MWh of installed battery storage at five locations



4.9 Star NABERS Energy for Retail portfolio rating, an uplift of 0.4 stars from FY22

4.2 Star NABERS Water for Retail portfolio rating, an uplift of 0.1 stars from FY22



Partnering with tenant customers to increase diversion from landfill in our shopping centres and drive down our Scope 3 emissions through clean technology investment across our assets (Electric Vehicles and batteries)

Social



Draw us together campaign

Our shopping centres continue to partner with local schools to celebrate indigenous culture. Collectively, the students produced over 1,400 pieces of artwork



Support for Hardship and driving inclusion

Delivered back to school campaign providing over 3,000 lunchboxes for children within our local communities, participated in WorldPride through the Rainbow Runway campaign in addition to Charter Hall Group donating over \$1.4m in community investment in FY23



Lifelong change for vulnerable youth

Facilitated 200 employment outcomes, a 5% increase since FY22, in partnership with social enterprises. Targeting 1,200 employment outcomes in 2030



Reconciliation Action Plan

Continue engaging closely with Reconciliation Australia on the development of Charter Hall Group's new RAP

Pledge 1% community investment

Creating shared social value in the community and our supply chain

Governance



ESG performance

CQR achieved a ranking of 2nd in Australia and New Zealand for listed Retail entities, scoring 90 points in the 2022 GRESB assessment, an improvement of 11 points compared to previous score



Australia's largest footprint of independently rated green space

CQR achieved a 3 Star Green Star Performance Rating covering 100% of its eligible retail shopping with a total footprint of over 500,000m²



Responsible business

Developed a Modern Slavery Framework to guide our modern slavery approach for the next 3 years



Benchmarking our performance

Continued alignment with best practice independent frameworks to verify our ESG progress and non-financial disclosure (GRI, TCFD, PRI and UNGC)

1. Solar installations have reduced from 1H FY23 due to asset divestments (1.0MW of solar was installed at divested asset Allenstown Square, Qld and Brickworks Marketplace, SA)
Note: Further information about CQR's ESG progress will be published in the FY23 Charter Hall Sustainability Report



2

Retail CEO's
Address:
Ben Ellis

Portfolio Highlights

Operating earnings per unit

28.71 cents

↑ 1.1% from FY22

Specialty leasing spreads

2.5%

↑ from 2.3% at June 2022

Same property NPI growth

3.3%

→ 3.3% for FY22

Distributions per unit

25.80 cents

↑ 5.3% from FY22

Portfolio occupancy¹

98.6%

↑ 0.1% from 98.5% at June 2022

Total MAT growth²

5.9%

↑ from 0.4% at June 2022

1. Convenience shopping centre retail portfolio only (convenience long WALE retail portfolio is 100% occupied)
2. Like for like sales

Key metrics	FY22	FY23	Movement
Operating earnings	\$164.4m	\$166.9m	+1.5%
Operating earnings per unit	28.40 cents	28.71 cents	+1.1%
Distributions per unit	24.50 cents	25.80 cents	+5.3%
Property portfolio	\$4,299m	\$4,284m	(0.3%)

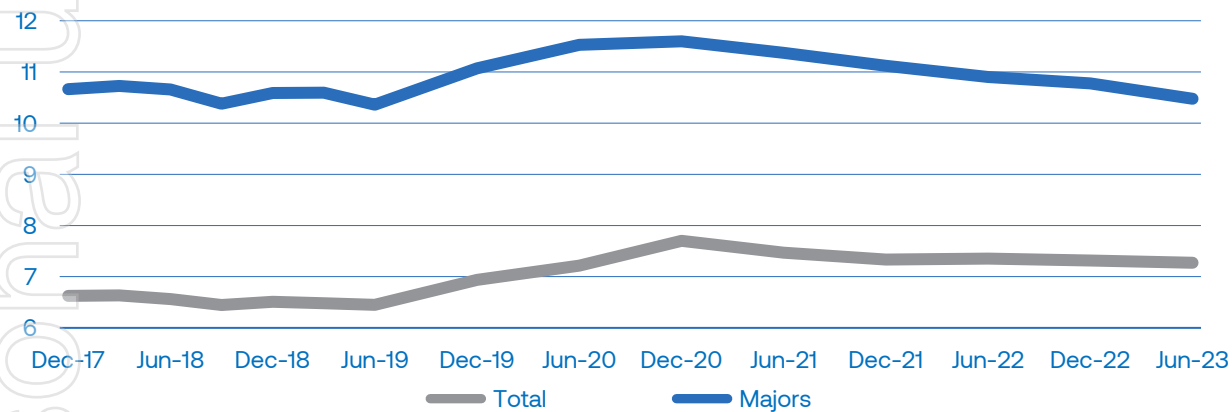


Secret Harbour Square, WA

Portfolio Summary

- Convenience shopping centre retail occupancy improved from 98.5% to 98.6%
- 5.9% total MAT growth^{1,2}
- Portfolio WALE is stable at 7.4 years following the acquisition of the Z Energy, Gull and LWIP2 portfolios and renewal activity
- 59% of total portfolio income directly (24%) linked to CPI or indirectly linked (35%) to inflation through turnover rent mechanisms

Portfolio and majors WALE

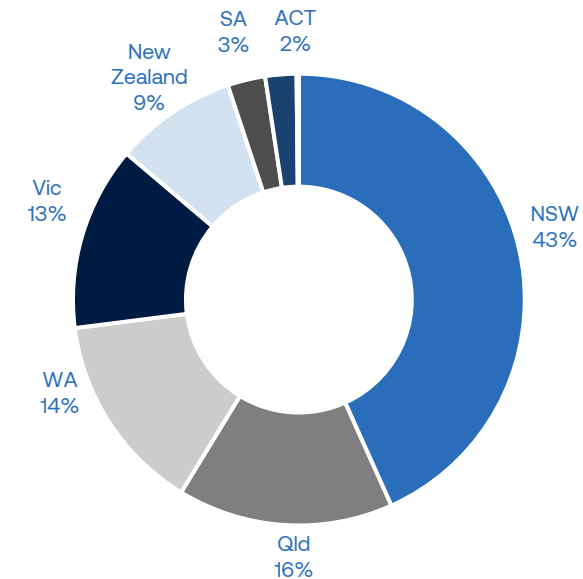


¹ Convenience shopping centre retail portfolio
² Like for like sales

Portfolio snapshot

	Jun 22	Jun 23
Number of convenience shopping centre retail assets	51	49
Number of convenience long WALE retail assets	521	597
Value (\$m)	4,299	4,284
Weighted average cap rate	5.20%	5.57%
GLA ('000sqm) ¹	638	600
Occupancy ¹	98.5%	98.6%
Total MAT growth ^{1,2}	0.4%	5.9%
WALE – total	7.4 years	7.4 years
WALE – majors	10.9 years	10.5 years

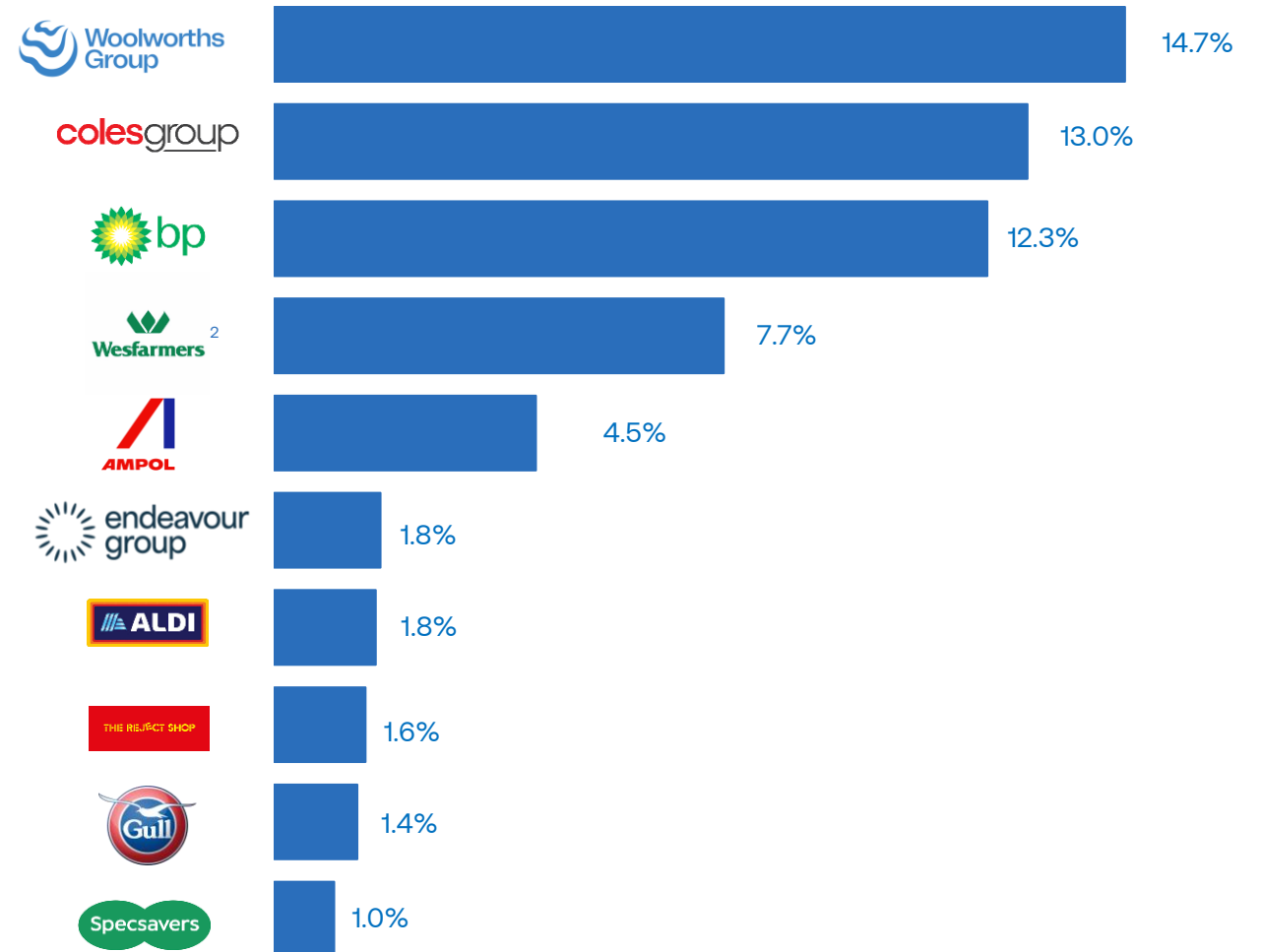
Portfolio value by region



Portfolio Tenant Customer Composition

- Major tenants Woolworths, Coles, bp, Wesfarmers², Ampol, Endeavour, Aldi and Gull represent 57% of portfolio income
- Following the off-market acquisitions, Ampol, Endeavour and Gull are now the 5th, 6th and 9th largest tenant customers respectively

Top 10 tenant customer groups¹



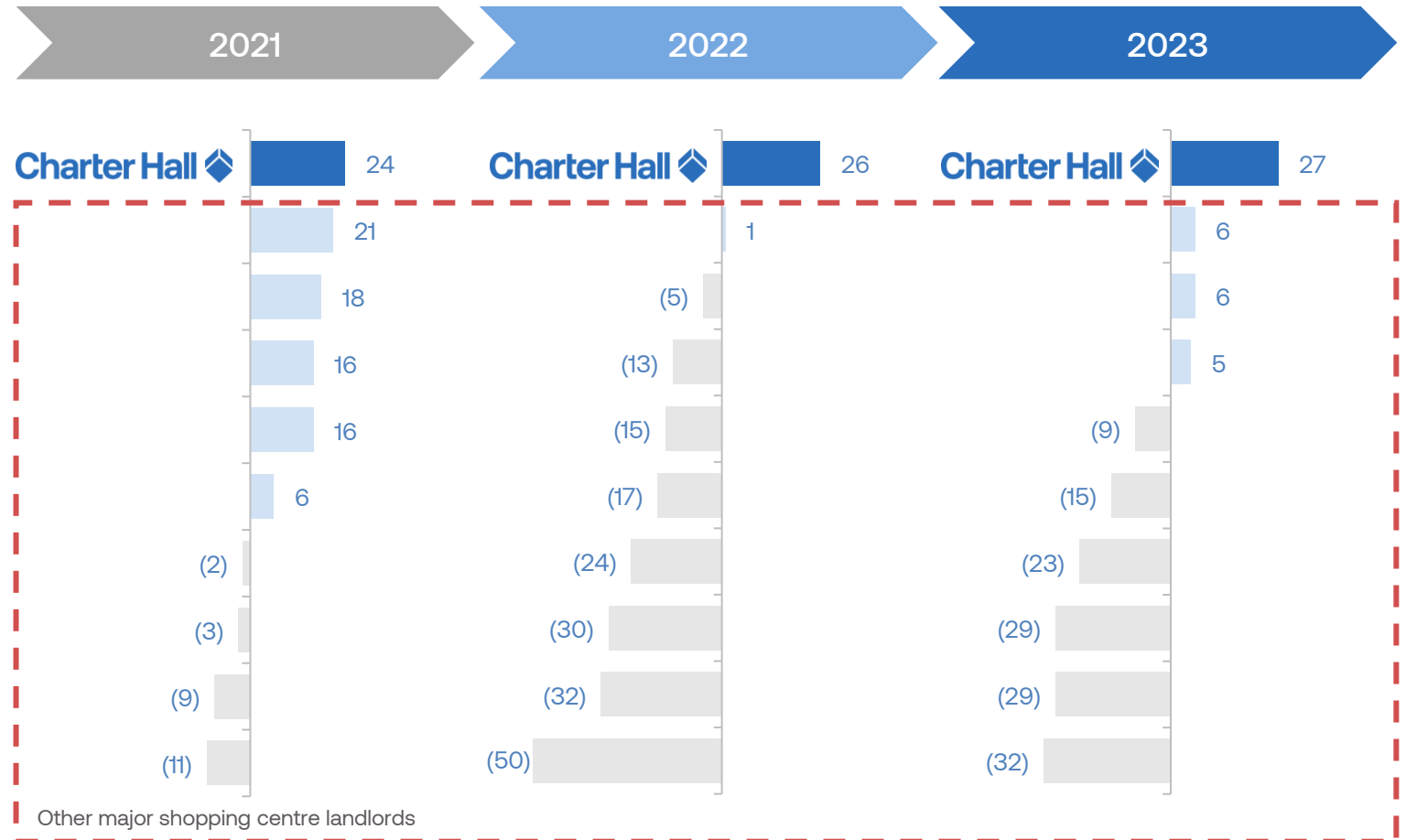
1. Calculated by rental income as at 30 June 2023
 2. Kmart, Target, Bunnings, Officeworks and API

Tenant Customer Relationships

- Delivered **annual CentreSAT** survey in March 2023 through Monash Business School's ACRS Research unit
- Participation from 1,173 Retail tenant customers achieving a **97% participation rate**
- Our tenant customers **ranked us 1st in "likely to recommend" (NPS)** for the third consecutive year
- Tenant customers continued to be 'highly satisfied' with Charter Hall achieving a 'high positive overall' CentreSAT score
- Maintained high satisfaction on all key metrics (business outcomes, dimensions and attributes)
- **Our people** and the way we communicate continued to be **our greatest strength**
- **Ease of doing business**, renewal intention and being perceived as an industry leader remained as top performing

Source: Monash Business School's ACRS CentreSAT 2023, Retailer Satisfaction Report

Top ranked landlord by our tenants (NPS)



Outlook and Guidance

- Strategy remains consistent and focused on non-discretionary convenience retailers, providing income growth and resilience
- Portfolio curation and active asset management with an increased focus on convenience long WALE retail will continue to improve portfolio quality
- Positive leasing spreads, high occupancy levels and MAT growth are expected to continue
- Portfolio income expected to benefit from direct and indirect inflation linked rental growth underpinning asset values

Based upon information currently available and barring unforeseen events, CQR expects **FY24 operating earnings to be approximately 27.4 cents per unit.**

Distribution payout ratio range is expected to be 90 - 95% of operating earnings



Village Tavern, Golden Grove SA

3

Questions

Gateway Plaza, Leopold Vic



esonal users only



4

Item of Business

Albany Plaza, Albany WA

Re-election of Independent Director

To consider, and if thought fit, pass the following resolution, as an advisory, non-binding resolution of the Unitholders:

“That Mr Michael Gorman be re-elected as a Director of Charter Hall Retail Management Limited”.

Re-election of Independent Director

FOR:	85.63%
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OPEN:	.11%
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AGAINST:	14.26%
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ersonal use only



Personal use only

Meeting Closed

Further information



Investor Relations

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+61 2 8651 9000 (outside Australia)

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Presentation authorised by the Board

charterhall.com.au/cqr

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