

APPENDIX 4D

Half Year Report for the period ended 31 December 2023

Name of Entity: Charter Hall Retail REIT
ARSN: 093 143 965

Results for announcement to the market

	6 months to 31 December 2023 \$m	6 months to 31 December 2022 \$m	Variance (%)
Revenue from ordinary activities	109.4	107.0	2.2%
Profit from ordinary activities after tax attributable to members ¹	(42.1)	124.8	(133.7%)
Profit for the period attributable to members	(42.1)	124.8	(133.7%)
Operating earnings ²	78.6	83.4	(5.8%)

¹ The composition of revenue from ordinary activities is detailed in the Consolidated statement of comprehensive income of the interim financial report.

² Operating earnings is a financial measure which represents profit under Australian Accounting Standards adjusted for net fair value movements, non cash accounting adjustments such as straight lining of rental income and amortisations and other unrealised one-off items that are not in the ordinary course of business or are capital in nature. The inclusion of operating earnings as a measure of Charter Hall Retail REIT's (the REIT) profitability provides investors with the same basis that is used internally for evaluating operating segment performance. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare. A reconciliation of the REIT's statutory profit/(loss) to operating earnings is provided in Note A1 of the financial statements.

	6 months to 31 December 2023 cents per unit	6 months to 31 December 2022 cents per unit	Variance (%)
Basic earnings per unit	(7.24)	21.47	(133.7%)
Operating earnings per unit	13.52	14.35	(5.8%)

Distributions	Amount per unit cents per unit
<i>Current period:</i>	
Interim distribution	12.30
<i>Previous corresponding period:</i>	
Interim distribution	13.00
Record date for determining entitlements to the distribution	29 December 2023

The REIT recorded a statutory loss for the period of \$42.1 million (31 December 2022 profit of \$124.8 million). Operating earnings for the period were \$78.6 million (31 December 2022: \$83.4 million). The movement in the REIT's operating earnings was driven by increased finance costs in the period, partially offset by higher net property income as a result of like for like rental growth from the stable portfolio.

The REIT's statutory accounting loss of \$42.1 million includes a number of unrealised, non-cash and other non-core capital items including:

- (\$82.8) million – Revaluation increment on investment properties*;
- (\$8.8) million – Straightlining of rental income and amortisation of fitout incentives*; and
- (\$28.5) million – Net loss on derivative financial instruments*.

* Includes the REIT's proportionate share of non-operating items of equity accounted investments on a look through basis.

Refer to the attached consolidated balance sheet, consolidated statement of comprehensive income and consolidated cash flow statement for further detail.

Details of Distributions

Refer attached financial statements (Directors' report and Note A2: Distributions and earnings per unit).

Details of Distribution Reinvestment Plan

The REIT has established a Distribution Reinvestment Plan (DRP) under which unitholders may elect to have all or part of their distribution entitlements satisfied by the issue of new units rather than being paid in cash.

The DRP issue price is determined at a discount of 1.0% to the daily average of the volume weighted average market price of units traded on the ASX during the 15 business days commencing on the third business day following the distribution record date. The DRP is suspended for the half year ended 31 December 2023.

Statement of Undistributed Income

Refer attached interim financial statements (Consolidated statement of changes in equity).

Net Tangible Assets

	31 December 2023	30 June 2023
Net tangible asset backing per unit ¹	4.54	4.73

¹ Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e. all liabilities, preference shares, outside equity interest, etc.)

Details of Associates and Joint Venture entities

Refer attached financial report (Note B2: *Investment in joint venture entities and associates*).

Other significant information

Refer to attached financial statements (Directors' report).

Accounting standards used by foreign entities

International Financial Reporting Standards.

Audit

This report is based on accounts to which one of the following applies.

<input type="checkbox"/>	The accounts have been audited (refer attached financial statements).	<input checked="" type="checkbox"/>	The accounts have been subject to review (refer attached financial statements).
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have not yet been audited or reviewed.