



## Charter Hall Retail REIT

## Half Year FY21 Results

15 February 2021





**Greg Chubb**  
Retail CEO and  
Executive Director



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Finance and Deputy  
Fund Manager

# Agenda

1. Portfolio Highlights and Strategy
2. Financial Performance
3. Operational Performance
4. Outlook
5. Annexures

Left image:  
**bp** Bayside,  
VIC



# Portfolio Highlights and Strategy

Pacific Square,  
Sydney NSW



## Portfolio Highlights

The Leading Owner of Property for Convenience Retailers

Supermarket MAT growth<sup>1</sup>

**8.2%**

↑ from 5.2% at June 2020

Total MAT growth<sup>1</sup>

**7.1%**

↑ from 3.9% at June 2020

Majors contribution to portfolio income

**54.1%**

↑ from 51.4% at June 2020

Supermarkets in turnover<sup>2</sup>

**65%**

↑ from 61% at June 2020

Portfolio Occupancy<sup>3</sup>

**97.8%**

↑ from 97.3% at June 2020

Leasing spreads

**2.5%**

↑ from 0.9% at June 2020

1. Like for like sales
2. Includes supermarkets with fixed rent reviews
3. Shopping centre portfolio
4. 1H FY21 operating earnings includes \$5.8m of COVID-19 tenant support and 1H FY21 net cashflow from operating activities were \$75.7m

Key metrics	1H FY20	1H FY21	Movement
Operating earnings <sup>4</sup>	\$70.2m	\$75.2m	+7.1%
Operating earnings per unit	15.88 cents	13.17 cents	(17.1%)
Distributions per unit	14.52 cents	10.70 cents	(26.3%)
Property portfolio value	\$3,228m	\$3,504m	+8.6%



Bass Hill Plaza, Sydney NSW

# CQR Convenience Strategy

Providing a resilient and growing income stream for our investors



The leading owner of property for convenience retailers

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## Key Drivers



### Enhance portfolio quality

- Active portfolio curation
- Partnering with major tenants to meet their property needs
- Extending WALE with quality major tenants



### Active asset management

- Maintain strong tenant relationships
- Enhance the customer experience
- Optimise the tenancy mix through proactive leasing



### Prudent capital management

- Strong and flexible balance sheet
- Sustainable gearing
- Extending capital partnerships

# The leading owner of property for convenience retailers

Curating the portfolio to deliver a resilient and growing income stream



# Delivery of CQR Convenience Strategy

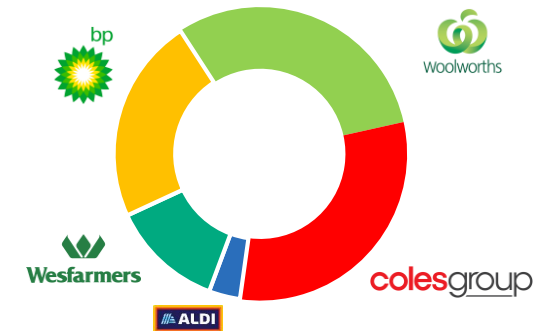
Partnering with leading convenience retailers



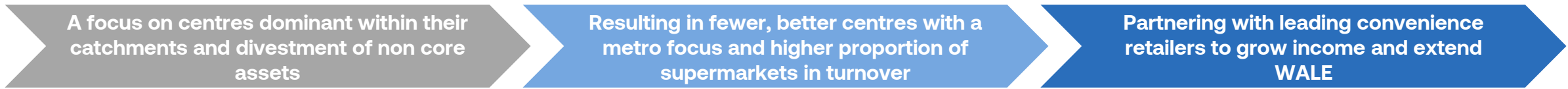
- 74 centres
- 76 supermarkets
- 30% metro
- 10.7 years majors WALE



- 58 centres
- 70 supermarkets
- 45% metro
- 10.4 years majors WALE



- 50 centres + 2 long WALE retail<sup>1</sup>
- 69 supermarkets
- 52% metro
- 11.6 years majors WALE



1. bp partnership of 295 long WALE convenience retail properties and Coles Adelaide Distribution Centre (CDC)

## Long WALE Convenience Retail

### Expansion of bp partnership

- The bp partnership is consistent with CQR's strategy of owning convenience based assets dominant within their relevant catchments and providing essential goods and services
- During the period we expanded the partnership with an investment in 70 triple net leased assets in New Zealand
- The combined \$572m<sup>1</sup> bp portfolio of 295 assets represents 12.3% of CQRs portfolio income and provides:
  - expansion of convenience focus with a new strong major tenant
  - accretion to the portfolio WALE with an average WALE of 19.2yrs
  - capital efficient triple net (NNN) leases
  - security of rental growth with CPI linked annual rent reviews
  - geographical diversification with concentration to metropolitan sites

1. CQR's ownership interest of total bp portfolio GAV

2. Rent review mechanism is linked to NZ CPI (0% floor, 4% cap). In the first five years, if NZ CPI <= 2.0%, rent review is NZ CPI (0% floor) + 0.5%; if NZ CPI > 2.0% and < 2.5%, rent review is 2.5%; and if NZ CPI >= 2.5%, rent review is NZ CPI (4% cap). After the first five years, annual rent review is NZ CPI (0% floor, 4% cap)

#### bp portfolio details (at December 2020)

Property type	Long WALE convenience retail		
Tenant	bp		
	bp NZ	bp AU	bp portfolio
Ownership interest	24.5%	23.3%	<b>23.5%</b>
Properties	70	225	<b>295</b>
GAV (ownership interest)	\$122.5m	\$449.5m	<b>\$572m</b>
WACR	6.25%	4.92%	<b>5.20%</b>
WALE	20 years	19 years	<b>19.2 years</b>
Options	3 x 10 years	3 x 10 years	<b>3 x 10 years</b>
Annual rent review	New Zealand CPI plus 0.5% <sup>2</sup>	Australian CPI	<b>CPI linked</b>
Total portfolio site area (sqm) (100% basis)	311,877	1,955,179	<b>2,267,056</b>





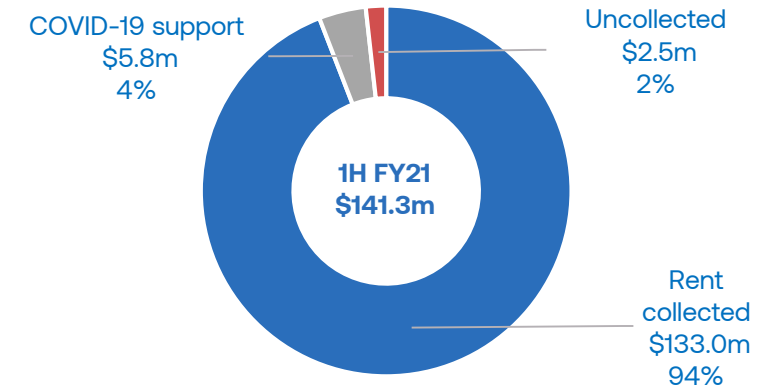
# Financial Performance

Pacific Square,  
Sydney NSW

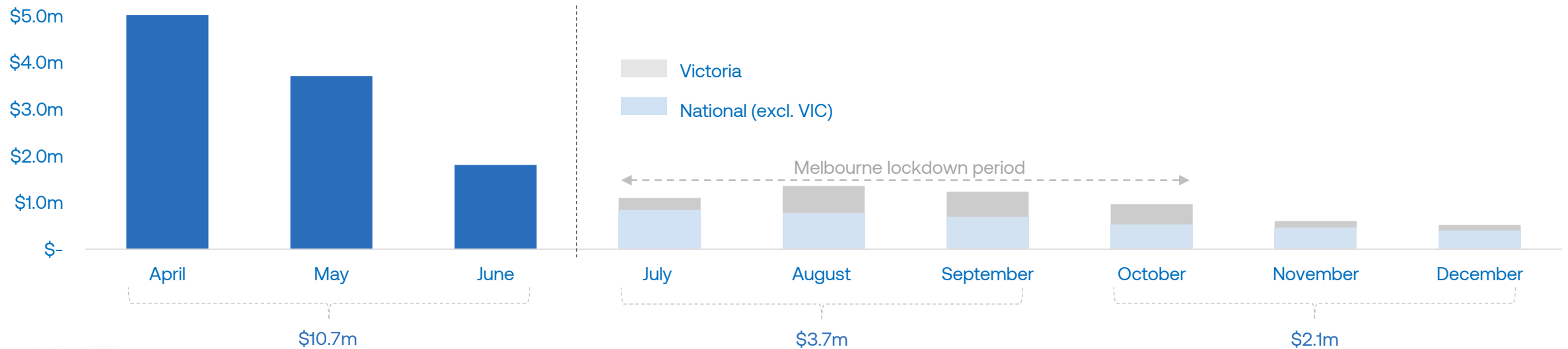
# Financial Impact from COVID-19

- Tenant support reduced over the period as government restrictions eased and sales progressively improved
- \$5.8m or 4% of 1H FY21 rent was provided as tenant support comprising \$4.4m (76%) rent free incentives and 1.4m (24%) as rent deferrals
- Rent collections improved to 94% for 1H FY21
- 2% of 1H FY21 rent remained outstanding for collection at 31 December 2020
- Less than 1% of 1H FY21 rent now remains outstanding following January 2021 collections
- ECL provisions at December 2020 of \$1.7m remain largely unchanged from June 2020

1H FY21 gross rental analysis



Monthly COVID-19 tenant support analysis



## Earnings and Distributions

- Total net income growth increased due to long WALE convenience retail investments offset by divestment of convenience retail assets
- Net finance costs and other expenses impacted by the timing of asset acquisitions and divestments, equity raise and the low interest rate environment
- Operating earnings include \$5.8m of COVID-19 tenant support;
  - \$4.4m rent free incentives capitalised or expensed as non operating cost
  - \$1.4m rent deferrals included in net property income (offset by provisioning)
- Difference between operating earnings and net cashflow from operating activities relates to COVID-19 tenant support and timing of cash receipts and payments
- Distribution of 10.70cpu for 1H FY21 reflects lower payout ratio to take into account COVID-19 tenant support provided in the period up from 10.0cpu in 2H FY20
- Statutory profit of \$82.8m increased on pcp of \$66.7m primarily due to the impact of positive valuation movements

\$m	1H FY20	2H FY20	1H FY21
Net property income	76.0	70.4	69.4
Net income from convenience retail property joint ventures	13.5	13.9	13.4
Net income from long WALE convenience retail	0.4	7.1	11.0
<b>Total net income</b>	<b>89.9</b>	<b>91.4</b>	<b>93.8</b>
Net finance costs	(13.1)	(11.8)	(10.6)
Other expenses	(6.6)	(7.1)	(8.0)
<b>Operating earnings</b>	<b>70.2</b>	<b>72.5</b>	<b>75.2</b>
Net cashflow from operating activities	69.2	63.7	75.7
Operating earnings per unit (cents)	15.88	14.68	13.17
Net cashflow from operating activities per unit (cents)	15.67	12.78	13.26
Distribution per unit (cents)	14.52	10.00	10.70
Payout ratio <sup>1</sup>	91.4%	68.1%	81.2%

1. Distribution (cpu) divided by operating earnings (cpu)



## Balance Sheet

- Total property portfolio value increased by \$252m over the six-month period due to:
  - valuation movement of \$45m
  - acquisitions exceeding divestments by \$207m
- Investment in property joint ventures has increased following bp New Zealand portfolio acquisition and Coles Adelaide Distribution Centre
- Net borrowings have increased with property joint venture acquisitions
- Cash balance decreased following acquisitions

\$m	Jun 20	Dec 20
Cash	80	11
Investment properties	2,240	2,268
Investments in property joint ventures <sup>1</sup>	666	838
Other assets <sup>2</sup>	124	73
<b>Total assets</b>	<b>3,110</b>	<b>3,190</b>
Borrowings	(750)	(861)
Distribution payable	(57)	(61)
Other liabilities <sup>3</sup>	(161)	(113)
<b>Total liabilities</b>	<b>(968)</b>	<b>(1,035)</b>
<b>Net Tangible Assets (NTA)</b>	<b>2,142</b>	<b>2,155</b>
Units on issue (million)	570.9	570.9
NTA per unit (\$)	3.75	3.77

1. December 2020 is comprised of \$1,236m of investment properties less \$398m of net liabilities, for further details refer to Annexure 3

2. Other assets includes derivative movements and receivables

3. Other liabilities includes derivative movements

## Property Valuations

### Valuation uplift highlights portfolio resilience

- 59%<sup>1</sup> of the portfolio was externally revalued at 31 December 2020 with a valuation movement of 1.4% (\$45m)
- Shopping centre portfolio six-month valuation movement of 1.2%<sup>2</sup> (\$34m) including capital investment
- Long WALE convenience retail valuation movement of 2.4%<sup>2</sup> (\$11m)
- Portfolio composition changes led to no change in portfolio cap rate:
  - Shopping centre portfolio cap rate expanded 2bps in the first half
  - Long WALE convenience retail portfolio saw cap rate expansion of 28bps following acquisitions

\$m	Shopping centre / Convenience retail	Long WALE convenience retail	Total portfolio
June 2020 portfolio value	2,813	439	3,252
Net acquisitions / (disposals)	(28)	235	207
<i>Capital investment</i>	30	0	30
<i>Valuation uplift</i>	4	11	15
Valuation movement	34	11	45
<b>December 2020 portfolio value</b>	<b>2,819</b>	<b>685</b>	<b>3,504</b>
June 2020 weighted average cap rate	6.19%	5.00%	6.03%
December 2020 weighted average cap rate	6.21%	5.28%	6.03%

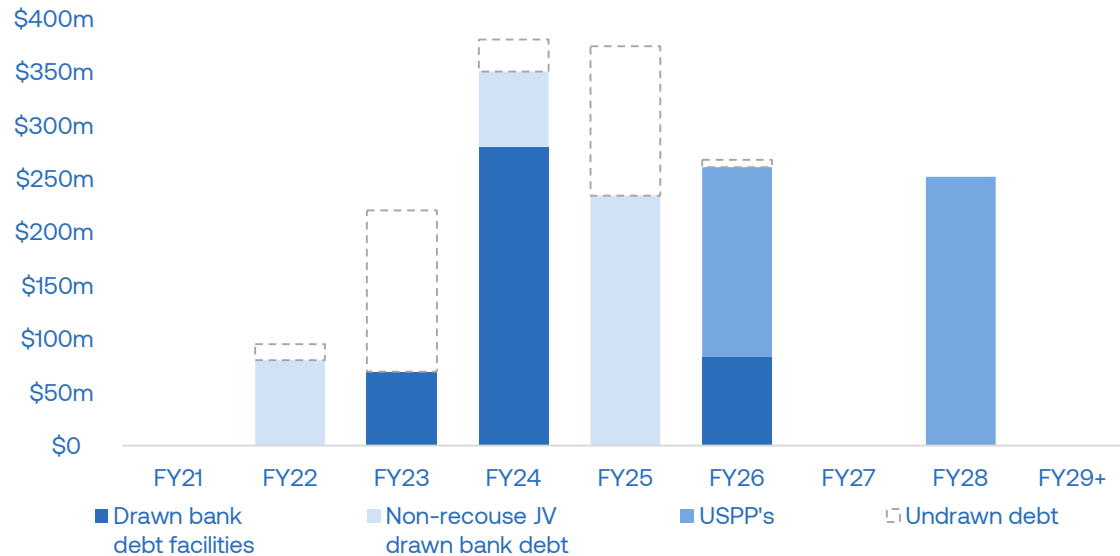
1. By value and excludes bp New Zealand which settled on 22 December 2020

2. Like for like

# Capital Management

- Significant liquidity of \$304m
- 1H FY21 weighted average cost of debt is 2.8%
- No debt maturing until FY22 with recent refinancing reducing FY22 maturities to \$95m
- Moody’s affirmed the Baa1 issuer rating and senior unsecured rating with a stable outlook

## Debt maturity profile



Key metrics	Jun 20	Dec 20
Weighted average cost of debt <sup>1</sup>	2.8%	2.8%
Weighted average debt maturity	3.9 years	3.8 years
Weighted average hedge maturity	4.6 years	4.2 years
Interest rate hedging	77.5%	69.2%
Interest cover ratio	5.3x	5.0x
Total portfolio gearing	32.3% <sup>2</sup>	34.6% <sup>3</sup>
Available liquidity	\$434m <sup>2</sup>	\$304m

1. Includes line fee (including cost of undrawn debt) and usage fee and excludes amortisation of upfront debt costs  
 2. Proforma for the disposal of West Ryde Marketplace and acquisition of Coles Adelaide Distribution Centre  
 3. 31 December 2020 balance sheet gearing is 27.0%





# Operational Performance

Rockdale Plaza,  
Sydney NSW

## Operational Impact from COVID-19

### Convenience based retail remains resilient

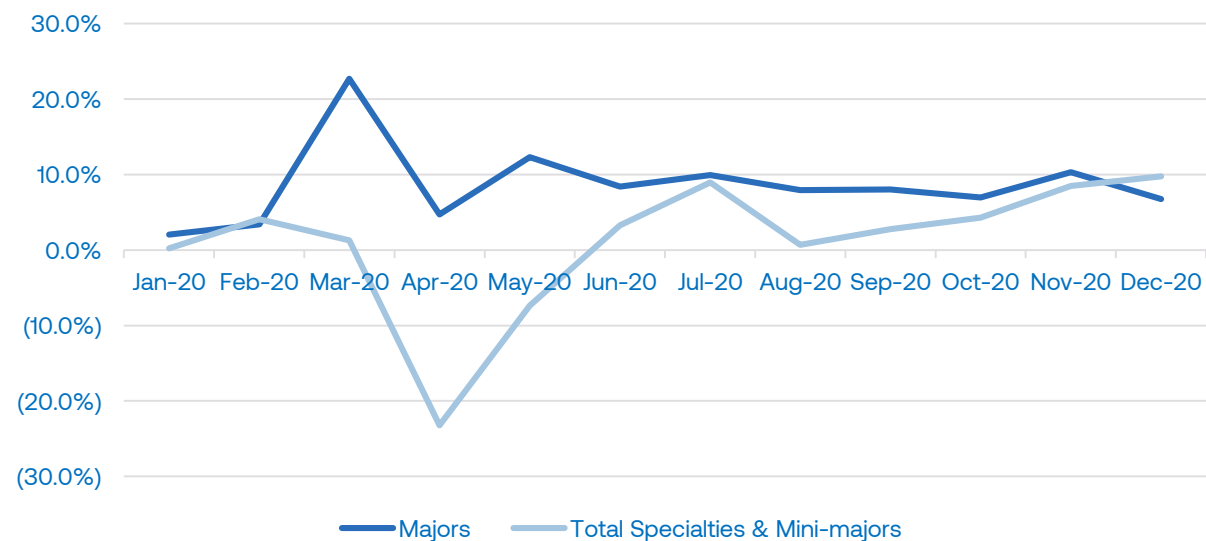
- We continue to prioritise the safety and wellbeing of our tenant customers, team and communities in which we operate
- As at 31 December 2020 all stores were open and trading
- Major tenants and mini-majors have continued to perform strongly over 1H FY21
- Specialty MAT decline of 1.5% as at 31 December 2020 reflects impacts from temporary store closures and ongoing trading restrictions for Food Catering and Retail Services categories
- Speciality sales progressively improved over 1H FY21 with 3.9% growth for the December half, 6.7% for the December quarter and 9.2% for the month of December
- Convenience centres continue to benefit from customers shopping closer to home for essential goods and services

1. Comparison to same month sales in prior year

### Like for like sales performance

Growth	MAT		MAT
	Jun 20	1H FY21 v 1H FY20	
Supermarkets	5.2%	8.0%	8.2%
DDS	6.1%	10.3%	10.4%
Mini-majors	4.8%	14.5%	13.3%
Specialties	(2.6%)	3.9%	(1.5%)
<b>Total</b>	<b>3.9%</b>	<b>7.9%</b>	<b>7.1%</b>

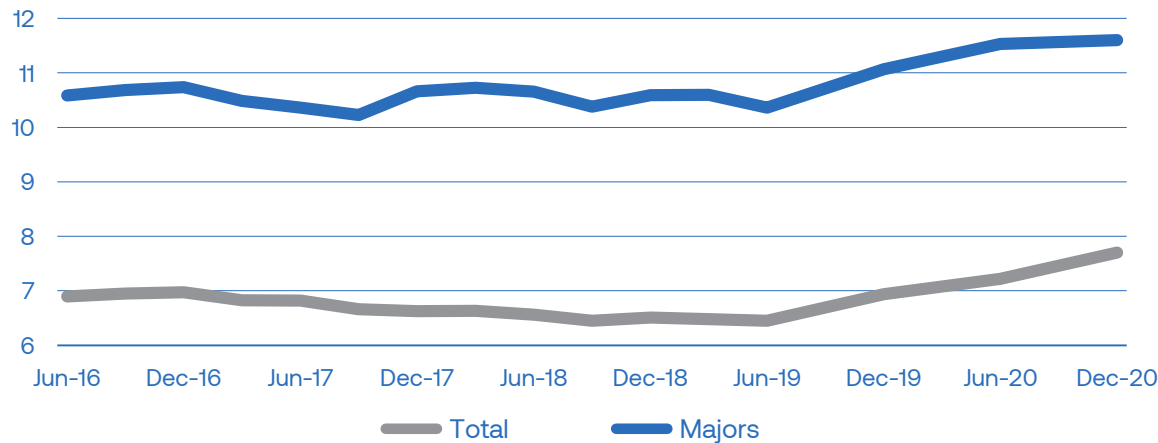
### Like for like sales growth<sup>1</sup>



## Portfolio Summary

- Total MAT growth<sup>1,2</sup> improved from 3.9% to 7.1%
- Shopping centre occupancy improved from 97.3% to 97.8%
- Portfolio WALE increased from 7.2 years to 7.7 years following acquisitions and majors lease extensions
- Expanded **bp** partnership to 295 locations with the addition of 70 assets in New Zealand with a 20 year WALE
- Expanded partnership with Coles Group with the acquisition of Coles Adelaide Distribution Centre with a 14.5 year WALE
- Divested West Ryde Marketplace, NSW delivering a property IRR of 11.3% since acquisition

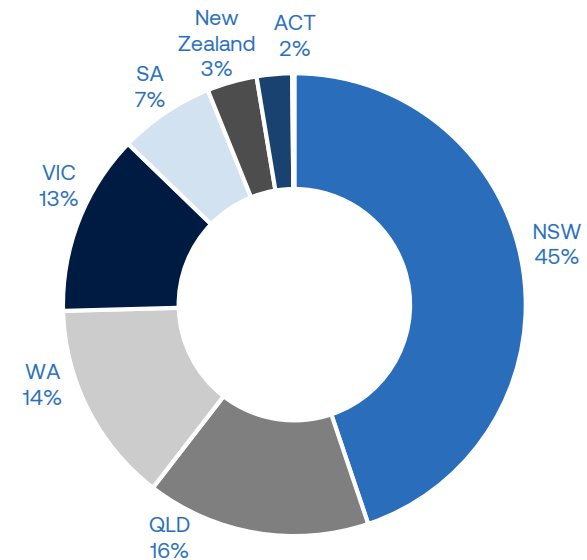
### Portfolio and majors WALE



1. Shopping centre portfolio  
2. Like for like sales

Portfolio snapshot	Jun 20	Dec 20
Number of shopping centres	51	50
Number of Long WALE assets	225	296
Value (\$m)	3,252	3,504
Weighted average cap rate	6.03%	6.03%
GLA ('000sqm) <sup>1</sup>	629	623
Occupancy <sup>1</sup>	97.3%	97.8%
Total MAT growth <sup>1,2</sup>	3.9%	7.1%
WALE – total	7.2 years	7.7 years
WALE – majors	11.5 years	11.6 years

### Portfolio value by region

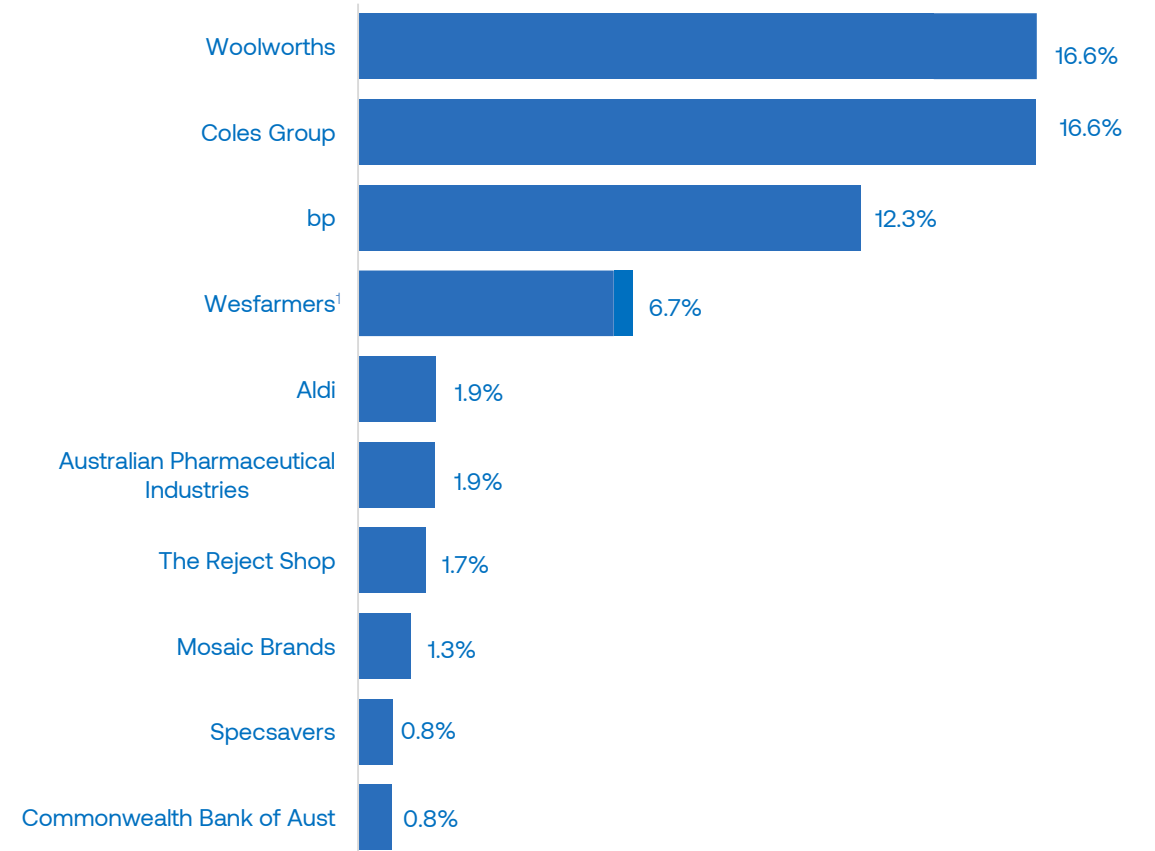




## Portfolio Tenant Customer Composition

- Major tenants Woolworths, Coles, Wesfarmers<sup>1</sup>, Aldi and **bp** now represent 54% of portfolio income up from 51%
- Coles are now equal largest portfolio tenant customer at 16.6% of rental income following the acquisition of the Coles Adelaide Distribution Centre
- **bp** is now the third largest tenant customer at 12.3% of rental income following the expansion of the **bp** partnership to include New Zealand
- Aldi has grown across the portfolio via store expansions and is now the fifth largest tenant customer with representation of eleven stores
- Conversion of Target stores has commenced with Kmart at Dubbo NSW launching in October 2020

Top 10 tenant customer groups<sup>2</sup>



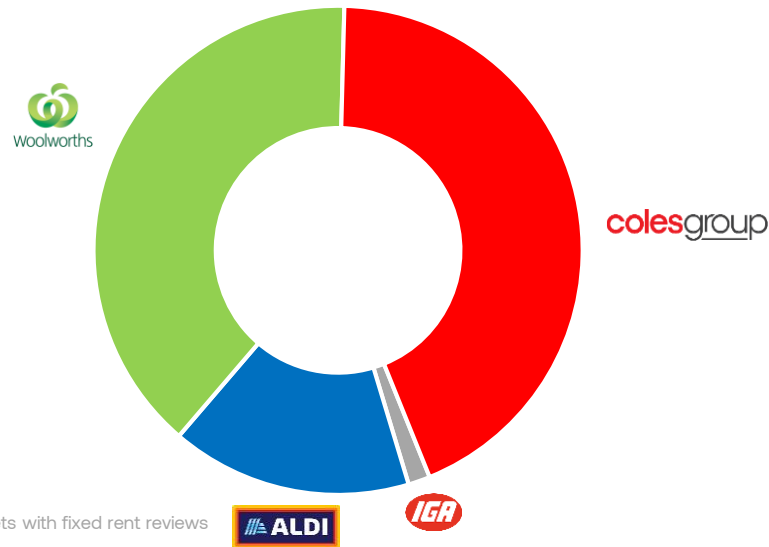
1. Kmart, Target, Bunnings and Officeworks

2. Calculated by rental income as at 31 December 2020

# Supermarkets

- Supermarkets continued to demonstrate resilience with 8.2% MAT growth
- Completed five supermarket new leases and extensions
- IGA, Coles and Woolworths refurbished six stores over the period
- Aldi expanded and refurbished two stores over the period
- Click and Collect facilities operating at 44 Coles and Woolworths supermarkets across the portfolio with another six planned
- Coles and Woolworths installed 16 solar PV systems under roof licence agreements

## 69 supermarket stores in portfolio



1. Includes supermarkets with fixed rent reviews  
 2. Like for like sales

Supermarkets in turnover<sup>1</sup>

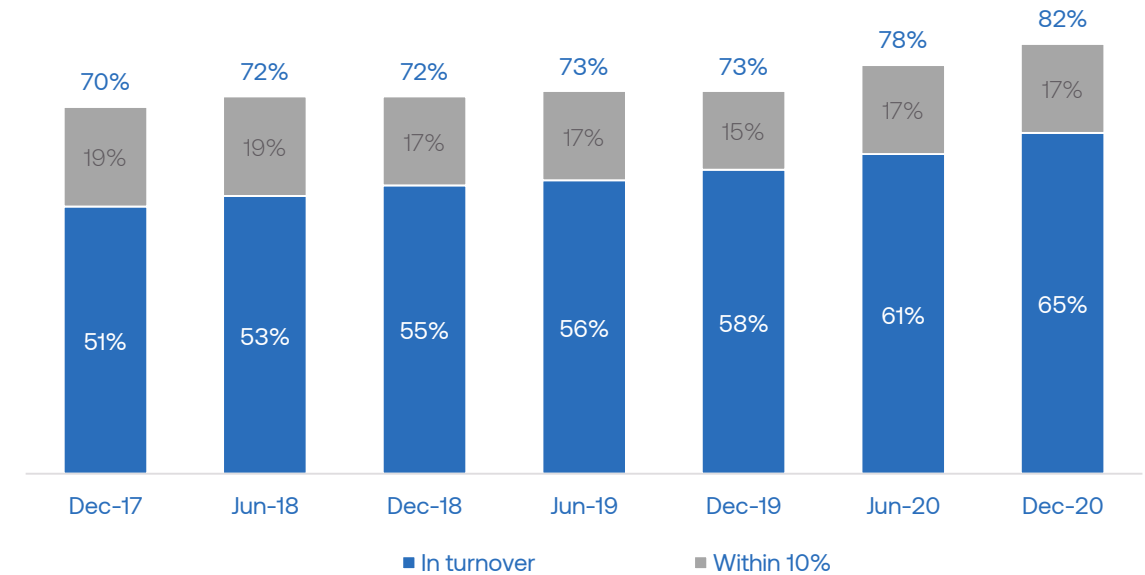
65%

MAT growth<sup>2</sup>

8.2%

Supermarket performance	Jun 20	Dec 20
MAT growth <sup>2</sup>	5.2%	8.2%
MAT growth – supermarkets in turnover	5.2%	8.1%
Supermarkets in turnover <sup>1</sup>	61%	65%
Supermarkets within 10% of turnover	17%	17%

## Supermarket in turnover

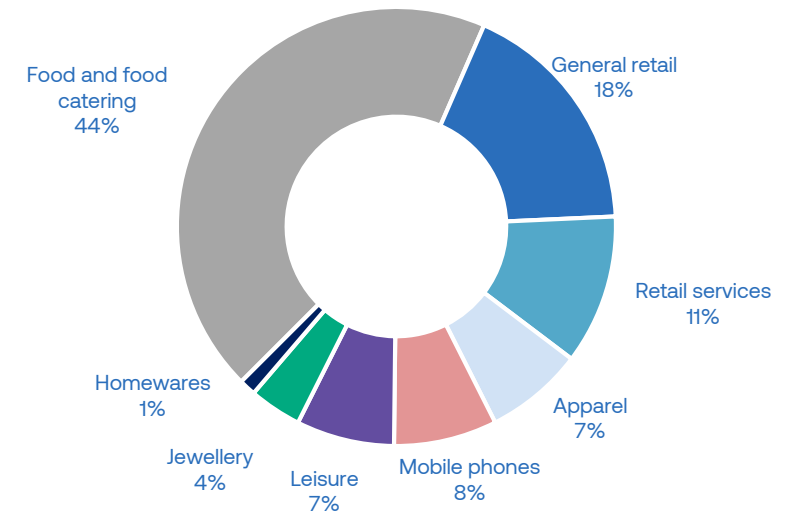


## Specialty Tenants

- Specialty MAT decline of 1.5% as at 31 December 2020 reflects COVID-19 impacts from temporary store closures and ongoing trading restrictions for Food Catering and Retail Services categories
- Speciality sales progressively improved over 1H FY21 with 3.9% growth for the December half, 6.7% for the December quarter and 9.2% for the month of December
- Record leasing activity with 224 specialty leases completed in the period
- Leasing spreads over the period were +2.5%
  - 105 new leases (+5.9% leasing spread)
  - 119 renewals (+0.6% leasing spread)
- Retention rate normalised to 82%

Specialty performance	Jun 20	Dec 20
MAT growth <sup>1</sup>	(2.6%)	(1.5%)
Sales productivity (per sqm)	\$9,557	\$9,936
Average gross rent (per sqm)	\$1,131	\$1,138
Specialty occupancy cost	11.8%	11.5%
Average rental increase pa	4.2%	4.2%
Retention rate	72%	82%

Specialty sales MAT by category



1. Like for like sales  
 2. Specialty tenants under SCCA guidelines (tenants who do not report sales include banks and medical etc.)



## Asset Enhancement Projects

### Active portfolio curating

- \$30m in capital investment across projects, operations and leasing during the period and captured in valuation uplift
- Investing alongside our major tenants to deliver WALE extension, refurbished and expanded stores and improved amenity:
  - Aldi supermarkets expanded at Arana Hills, QLD and at Bass Hill, NSW as part of a larger redevelopment completed in December 2020
  - Coles, Woolworths and IGA continue improve their stores with investment at Campbellfield Plaza, VIC, Swan View, WA, Bribie Island, QLD, Highlands Marketplace, NSW, Rockdale Plaza, NSW, and Singleton Plaza, NSW
  - Target conversions commencing with Kmart conversion at Dubbo Square, NSW completed delivering increased sales and footfall
- Unlocking land value through adjacent use pad site development:
  - Two free standing childcare facilities under construction at Secret Harbour WA and Wanneroo, WA
  - Drive through food offerings underway at Lansell Square, VIC and Campbellfield Plaza, VIC



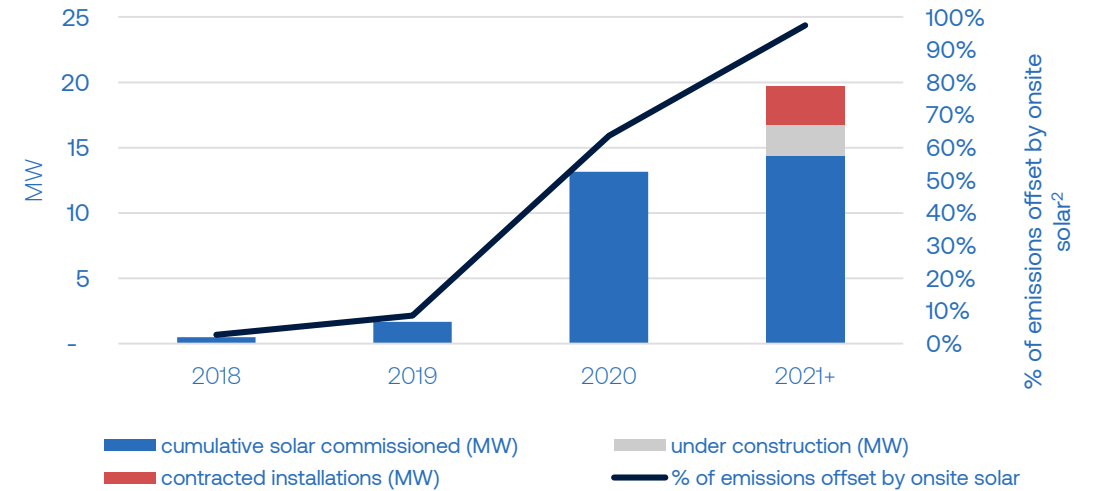
# Sustainability Investment

## A pathway to net zero emissions by 2030<sup>1</sup>

- Since the beginning of FY19 \$11.4m has been invested in energy, water and waste management initiatives across:
  - LED lighting, BMS upgrades and replacement of plant
  - roof sheeting and electrical infrastructure upgrades associated with our solar program
  - water harvesting and waste diversion infrastructure
- Partnerships with Cleanpeak Energy and Macquarie Bank in conjunction with Solgen will deliver 19.8MW of solar across the portfolio and has:
  - minimised the capital deployed across 27 convenience centres
  - leveraged technical expertise to accelerate the roll out program
  - provided higher level of cost certainty in a volatile energy market
- 64% of electricity use<sup>2</sup> at December 2020 was being offset by on-site solar as we move towards net zero emissions by 2030<sup>1</sup>
- Licenced roof space to Coles and Woolworths who have installed 2.8MW of additional solar at a further 16 of our centres

1. Scope 1 and Scope 2 emissions in operational control  
 2. Electricity use within operational control represents scope 2 emissions

### Solar installation progress





# Sustainability Highlights

## Delivering on our Sustainability Framework



- 14.4 MW solar installations commissioned, supporting pathway to net zero emissions by 2030<sup>1</sup>
- 2.8 MW major tenants solar installations completed, partnering to address Scope 3 emissions
- 4.6 Star weighted average NABERS<sup>2</sup> energy rating up from 3.9 in 2019
- 3.8 Star weighted average NABERS<sup>2</sup> water rating up from 3.1 in 2019
- 87 GRESB rating improving by 7.4%
- 61 DJSI rating to improve as current execution on TCFD reporting, solar roll out and adoption of climate strategy is measured



- Christmas Wishes delivered across 21 centres and communities giving back \$50,000 to those in need
- Partnered with author Sylvia Lockyer and 40 local primary schools for our first NAIDOC Community Story 'Pindan Dream Princess'
- Shoppers were encouraged to show their gratitude for frontline workers during COVID-19 by nominating them to receive a Two Good Co care pack
- Ongoing support of our customers and community through COVID-19 with rent relief and safety initiatives



- Adoption of Modern Slavery Statement (Australian Modern Slavery Act 2018), outlining our efforts to eradicate occurrences of modern slavery in our supply chain
- Committed to World Green Building Net Zero Buildings, aligning our targets of net zero carbon

1. Scope 1 and Scope 2 emissions in operational control  
2. NABERS rating for shopping centres over 15,000m<sup>2</sup>



**Your Community Thanks You!**

You have been nominated by someone in our local community for doing good!

To say thanks and show our support we want to gift you a Two Good Co Care pack.

Wrapped on behalf of:

**delivering good**

**TWO GOOD CO.**

**Bateau Bay Square**  
Charter Hall



# Outlook

Pacific Square,  
Sydney NSW



## Summary and Outlook

### Resilience of portfolio focused on convenience retailers

- Supermarket and convenience retail sales will continue to be strong, driven by customers preference to shop closer to home and focus on everyday needs
- Visitations normalised in most regions highlighting the essential need associated with convenience retail
- Focus on providing income resilience and growth through continuation of the acquisition and divestment strategy
- Strategy remains focused on non-discretionary convenience retailers

**Barring any unforeseen circumstances or further extended COVID-19 lockdowns and government mandated restrictions, CQR provides FY21 operating earnings guidance no less than 27.3 cents per unit and expects the 2H FY21 distribution to be no less than 12.7 cents per unit.**



# Annexures

Salamander Bay Square,  
NSW

# Annexures

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01

Reconciliation of statutory profit to operating earnings and AFFO

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02

NTA per unit reconciliation

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03

Investment in property joint ventures

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04

Debt maturities and covenants

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05

Convenience focused portfolio

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06

Lease expiry profile

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07

Property valuations

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08

State and category specialty and mini-majors MAT

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09

Shopping centre portfolio historical performance

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10

Glossary

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# Annexure 1

## Reconciliation of statutory profit to operating earnings and AFFO

\$m	1H FY21
<b>Statutory profit</b>	<b>82.8</b>
Revaluation increment on investment properties <sup>1</sup>	(15.4)
Acquisition related and other costs	2.6
Net gain on derivative financial instruments	(0.4)
Loss on sale of investment properties	0.8
Movement in provision for COVID-19 tenant support <sup>2</sup>	(2.4)
Other (including straight-lining of rental income and amortisation of incentives)	7.2
<b>Operating earnings</b>	<b>75.2</b>
Less: COVID-19 tenant support <sup>3</sup>	(5.8)
Less: capital expenditure	(8.3)
<b>Adjusted Funds From Operations (AFFO)</b>	<b>61.1</b>
<b>Distribution</b>	<b>61.1</b>
Distribution / AFFO	100.0%

1. Includes revaluation of straight-lining, incentives amortisation and COVID-19 tenant support agreed as at 31 December 2020

2. Movement in rent free incentives relating to COVID-19 expected to be agreed post balance dates

3. \$5.8m of COVID-19 tenant support provided during the period

Note: Numbers may not add due to rounding

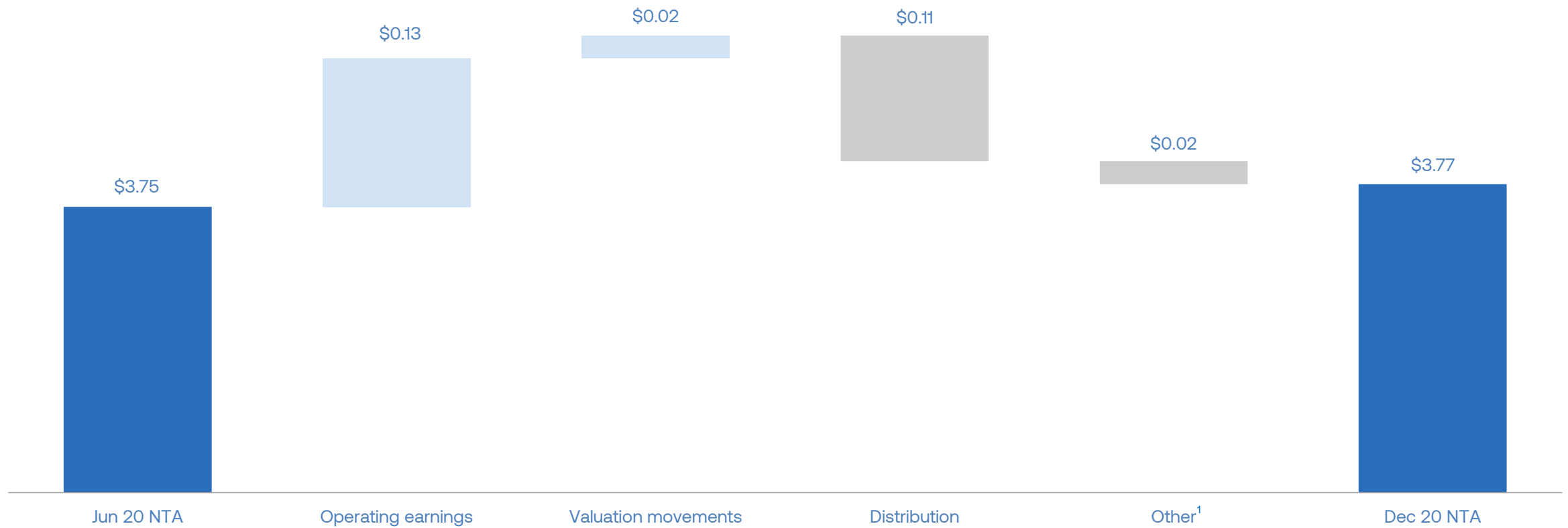
cpu	1H FY20	1H FY21
<b>Operating earnings</b>	<b>15.88</b>	<b>13.17</b>
Less: COVID-19 tenant support	-	(1.02)
Less: capital expenditure	(1.36)	(1.45)
<b>Adjusted Funds From Operations (AFFO)</b>	<b>14.52</b>	<b>10.70</b>
<b>Distribution</b>	<b>14.52</b>	<b>10.70</b>
Distribution / Operating Earnings	91.4%	81.2%
Distribution / AFFO	100.0%	100.0%

\$m	1H 20	1H 21
<b>Operating earnings</b>	<b>70.2</b>	<b>75.2</b>
Less: COVID-19 tenant support	-	(5.8)
Less: capital expenditure	(5.9)	(8.3)
<b>Adjusted Funds From Operations (AFFO)</b>	<b>64.3</b>	<b>61.1</b>
<b>Distribution</b>	<b>64.3</b>	<b>61.1</b>
Distribution / Operating Earnings	91.6%	81.3%
Distribution / AFFO	100.0%	100.0%



## Annexure 2

### NTA per unit reconciliation



1. Includes accounting adjustments

## Annexure 3

Investment in property joint ventures – income and balance sheet breakdown 1H FY21 and 31 December 2020

\$m	CQR	RP1	RP2	RP6	Gateway	Salamander	Convenience retail	bp Portfolio	CDC	Long WALE convenience retail	Total
<b>1H FY21 income</b>											
Ownership interest	100%	50%	49.9%	20%	50%	50.5%		23.5%	52%		
Properties	40 wholly owned properties	Brickworks Carnes Hill Highlands Rutherford Wanneroo	Bateau Bay	Bass Hill Pacific Square	Gateway Plaza	Salamander Bay		295 convenience-based retail assets	Coles Adelaide Distribution Centre, SA		
<b>Share of portfolio income</b>	<b>69.4</b>	<b>4.7</b>	<b>2.6</b>	<b>1.3</b>	<b>2.1</b>	<b>2.9</b>	<b>82.8</b>	<b>8.3</b>	<b>2.7</b>	<b>11.0</b>	<b>93.8</b>
% of portfolio income	74%	5%	3%	1%	2%	3%	88%	9%	3%	12%	100%
<b>December 20 balance sheet</b>											
Investment properties	2,268	228	109	63	68	83	2,819	572	113	685	3,504
Borrowings	(861)	(80)	(31)	(19)	n/a	n/a	(991)	(202)	(52)	(254)	(1,245)
Net other	(91)	(5)	(3)	(2)	1	1	(99)	(5)	0	(5)	(104)
<b>CQR net investment</b>	<b>1,316</b>	<b>143</b>	<b>75</b>	<b>42</b>	<b>69</b>	<b>84</b>	<b>1,729</b>	<b>365</b>	<b>61</b>	<b>426</b>	<b>2,155</b>

## Annexure 3 continued

Investment in property joint ventures – income and balance sheet breakdown 1H FY20 and 30 June 2020

\$m	CQR	RP1	RP2	RP6	Gateway	Salamander	Convenience retail	bp Portfolio	Long WALE convenience retail	Total
<b>1H FY20 income</b>										
Ownership interest	100%	50%	49.9%	20%	50%	50.5%		23.3%		
Properties	43 wholly owned properties	Brickworks Carnes Hill Highlands Pemulwuy Rutherford Wanneroo West Ryde	Bateau Bay	Bass Hill Pacific Square	Gateway Plaza	Salamander Bay		225 convenience-based retail assets		
<b>Share of portfolio income</b>	<b>76.0</b>	<b>5.6</b>	<b>2.0</b>	<b>1.0</b>	<b>2.0</b>	<b>3.0</b>	<b>89.6</b>	<b>0.3</b>	<b>0.3</b>	<b>89.9</b>
% share of income	85%	6%	2%	1%	2%	3%	100%	0%	0%	100%
<b>June 20 balance sheet</b>										
Investment properties	2,240	227	108	60	68	83	2,786	439	439	3,225
Borrowings	(750)	(103)	(44)	(20)	n/a	n/a	(917)	(202)	(202)	(1,119)
Net other	(14)	43	10	1	0	0	40	(4)	(4)	36
<b>CQR net investment</b>	<b>1,476</b>	<b>167</b>	<b>74</b>	<b>41</b>	<b>68</b>	<b>83</b>	<b>1,909</b>	<b>233</b>	<b>233</b>	<b>2,142</b>

## Annexure 4

### Debt maturities and covenants

Debt facility (ownership interest)	Limit (\$m)	Drawn (\$m)	Rate	Maturity	ICR Covenant	ICR Actual	LVR Covenant	LVR Actual	
JV debt – CHRPI	95	80	Floating	Jun-22	2.0x	4.8x	55.0%	35.1%	
JV debt – CHRPI2	40	31	Floating	Jul-24	1.75x	4.7x	60.0%	28.6%	
JV debt – CHRPI6	25	19	Floating	Mar-24	2.0x	5.5x	60.0%	29.9%	
JV debt – bp Australia portfolio	214	203	Floating	Dec-24	1.75x	4.0x	60.0%	45.1%	
JV debt – Coles Adelaide Distribution Centre	60	52	Floating	Dec-23	1.5x	5.2x	60.0%	45.6%	
Bank debt facilities	725	432	Floating	<i>\$150m</i>	<i>Jul-22</i>	2.0x	5.0x	50.0%	37.9%
				<i>\$30m</i>	<i>Jul-22</i>				
				<i>\$40m</i>	<i>Nov-22</i>				
				<i>\$75m</i>	<i>Jul-23</i>				
				<i>\$50m</i>	<i>Aug-23</i>				
				<i>\$95m</i>	<i>Nov-23</i>				
				<i>\$75m</i>	<i>Nov-23</i>				
				<i>\$120m</i>	<i>Aug-24</i>				
				<i>\$90m</i>	<i>Aug-25</i>				
USPP – May 2016	177	177	Floating	May-26					
USPP – July 2015	252	252	Floating	Jul-27					
<b>Grand total</b>	<b>1,588</b>	<b>1,245</b>							

Note: Numbers may not add due to rounding



## Annexure 5

### Convenience focused portfolio

#### 26 Convenience assets

- Single supermarket and complementary convenience specialty
- Specialty productivity across the convenience portfolio outperforms the Urbis neighbourhood benchmark<sup>1</sup>
- Supermarkets across the convenience portfolio outperform the Urbis neighbourhood benchmark in terms of both sales volumes and productivity<sup>1</sup>

#### 24 Convenience Plus assets

- Multiple supermarkets and/or supermarket and a discount department store with complementary convenience specialty and retail services
- Significantly smaller than the 29,562sqm Urbis sub-regional benchmark<sup>1</sup>
- Greater supermarket space allocation than the Urbis sub-regional benchmark<sup>1</sup>
- Half the discretionary specialty retail compared to the Urbis sub-regional benchmark<sup>1</sup>

	Convenience compared to neighbourhood <sup>1</sup>	Convenience Plus compared to sub-regional <sup>1</sup>
Supermarket productivity	Greater than 9%	Greater than 3%
Specialty productivity	Greater than 21%	Greater than 4%
Size variance	Less than 23%	Less than 37%
Supermarket floorspace representation	Greater than 14%	Greater than 35%
Discretionary specialty floorspace	Less than 43%	Less than 54%

1. Source: Urbis Shopping Centre Benchmarks 2020; Urbis

## Annexure 6

Lease expiry profile as at 31 December 2020

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**11.6 years**

Major tenant WALE

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**7.7 years**

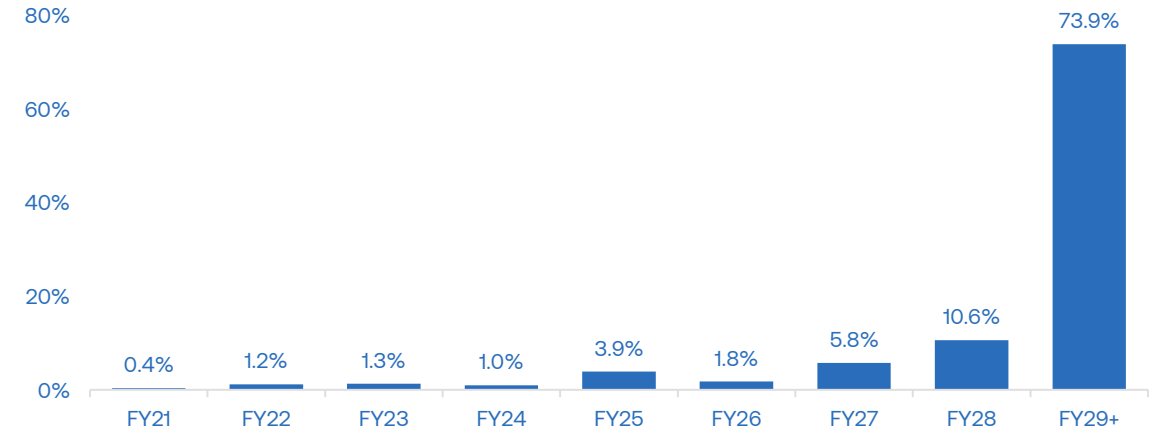
Portfolio WALE

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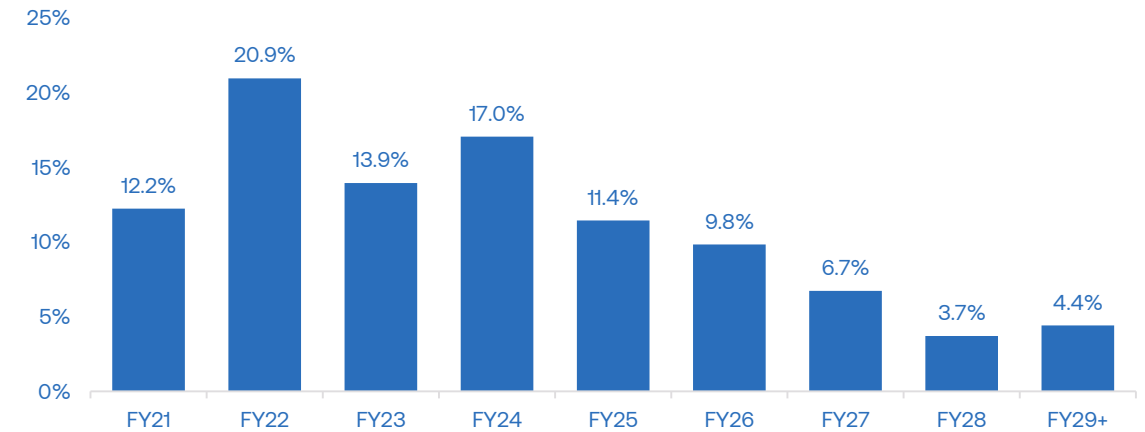
**3.2 years**

Specialty and mini-major tenant WALE

Major tenant expiry profile (by income)



Specialty and mini-major tenant expiry profile (by income)



## Annexure 7

### Property valuations as at 31 December 2020

State	Property	Location	Ownership interest (%)	Book Value (\$m)	Cap Rate
ACT	Dickson Woolworths	Dickson	100.0%	19.0	5.75%
	Manuka Terrace	Manuka	100.0%	58.5	6.00%
<b>ACT Total</b>				<b>77.5</b>	
NSW	Bass Hill Plaza	Bass Hill	20.0%	22.8	6.00%
	Bateau Bay Square	Bateau Bay	49.9%	108.5	6.25%
	Carnes Hill Marketplace	Horningsea Park	50.0%	71.3	5.50%
	Cootamundra Woolworths	Cootamundra	100.0%	17.1	5.75%
	Dubbo Square	Dubbo	100.0%	48.6	7.00%
	Gordon Village Centre	Gordon	100.0%	140.5	4.87%
	Goulburn Square	Goulburn	100.0%	82.1	6.25%
	Highlands Marketplace	Mittagong	50.0%	41.6	6.00%
	Jerrabomberra Village	Jerrabomberra	100.0%	29.5	6.00%
	Kings Langley Shopping Centre	Kings Langley	100.0%	48.0	5.75%
	Lake Macquarie Square	Mount Hutton	100.0%	129.0	6.25%
	Morisset Shopping Centre	Morisset	100.0%	42.5	6.75%
	Mudgee Metroplaza	Mudgee	100.0%	28.6	6.25%
	Orange Central Square	Orange	100.0%	53.0	6.50%
	Pacific Square	Maroubra	20.0%	40.0	5.50%
	Parkes Metroplaza	Parkes	100.0%	22.7	6.50%
	Rockdale Plaza	Rockdale	100.0%	149.0	5.75%

## Annexure 7 continued

Property valuations as at 31 December 2020

State	Property	Location	Ownership interest (%)	Book Value (\$m)	Cap Rate
NSW continued	Rutherford Marketplace	Rutherford	50.0%	20.8	6.13%
	Salamander Bay Square	Salamander Bay	50.5%	83.3	6.25%
	Singleton Square	Singleton	100.0%	120.0	6.63%
	Sunnyside Mall	Murwillumbah	100.0%	47.9	6.50%
	Tamworth Square	Tamworth	100.0%	55.0	6.50%
	Tumut Coles	Tumut	100.0%	11.8	5.75%
	<b>NSW Total</b>				<b>1,413.6</b>
QLD	Allenstown Square	Rockhampton	100.0%	51.4	7.00%
	Arana Hills Shopping Centre	Arana Hills	100.0%	69.0	6.00%
	Atherton Square	Atherton	100.0%	39.0	6.25%
	Bay Plaza	Hervey Bay	100.0%	28.0	6.25%
	Bribie Island Shopping Centre	Bribie Island	100.0%	65.8	6.25%
	Currimundi Markets	Currimundi	100.0%	45.2	5.75%
	Gatton Square	Gatton	100.0%	25.1	6.00%
	Highfields Village	Highfields	100.0%	41.9	6.00%
	Mareeba Square	Mareeba	100.0%	21.3	6.50%
	Sydney Street Markets	Mackay	100.0%	38.0	6.15%
<b>QLD Total</b>				<b>424.7</b>	
SA	Brickworks Marketplace	Torrensville	50.0%	34.5	6.50%
	Southgate Square	Morphett Vale	100.0%	80.1	6.25%
<b>SA Total</b>				<b>114.6</b>	



## Annexure 7 continued

Property valuations as at 31 December 2020

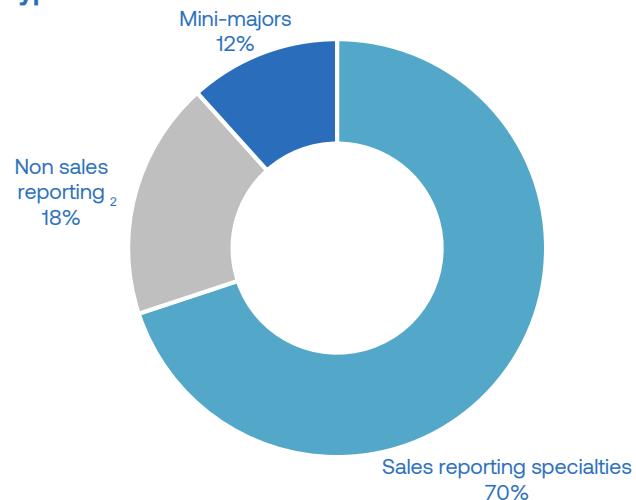
State	Property	Location	Ownership interest (%)	Book Value (\$m)	Cap Rate
VIC	Campbellfield Plaza	Campbellfield	100.0%	80.0	6.00%
	Gateway Plaza	Leopold	50.0%	68.0	6.00%
	Lansell Square	Kangaroo Flat	100.0%	93.5	7.00%
	Rosebud Plaza	Rosebud	100.0%	124.1	6.18%
<b>VIC Total</b>				<b>365.6</b>	
WA	Albany Plaza	Albany	100.0%	60.6	6.75%
	Esperance Boulevard	Esperance	100.0%	35.0	6.50%
	Kalgoorlie Central	Kalgoorlie	100.0%	44.9	6.75%
	Maylands Coles	Maylands	100.0%	18.5	5.25%
	Narrogin Coles	Narrogin	100.0%	13.9	5.75%
	Secret Harbour Square	Secret Harbour	100.0%	93.1	6.50%
	South Hedland Square	South Hedland	100.0%	75.0	7.25%
	Swan View Shopping Centre	Swan View	100.0%	22.0	6.00%
	Wanneroo Central	Wanneroo	50.0%	59.5	6.25%
<b>WA Total</b>				<b>422.5</b>	
<b>CQR convenience portfolio</b>				<b>2,818.4</b>	<b>6.21%</b>
	<b>bp Australia portfolio</b>		23.3%	449.5	4.92%
	<b>bp New Zealand portfolio</b>		24.5%	122.5	6.25%
	Coles Adelaide Distribution Centre	Edinburgh, SA	52.0%	113.4	5.75%
<b>CQR long WALE convenience retail portfolio</b>				<b>685.4</b>	<b>5.28%</b>
<b>Total CQR portfolio</b>				<b>3,503.8</b>	<b>6.03%</b>

## Annexure 8

### State and category specialty and mini-majors MAT as at 31 December 2020

Specialty sales by state	Proportion of specialty sales	MAT growth <sup>1</sup>
NSW & ACT	56%	(4.2%)
WA	12%	9.4%
VIC	10%	(12.4%)
SA	4%	(5.9%)
QLD	18%	7.2%
<b>Total</b>	<b>100%</b>	<b>(1.5%)</b>

#### Rental income by tenant type



Sales by category	Proportion of specialty sales	MAT growth <sup>1</sup>
Food and food catering	44%	0.8%
General retail	18%	7.4%
Retail services	11%	(6.2%)
Clothing and apparel	7%	(16.9%)
Mobile phones	8%	(13.8%)
Leisure	7%	4.8%
Jewellery	4%	(1.2%)
Homewares	1%	5.0%
<b>Specialty MAT Total</b>	<b>100%</b>	<b>(1.5%)</b>
Mini-majors MAT		13.3%
<b>Specialty and mini-majors MAT Total</b>		<b>1.5%</b>

1. Like for like sales

2. Specialty tenants under SCCA guidelines (tenants who do not report sales include banks and medical etc.)

## Annexure 9

### Shopping centre portfolio historical performance

	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17	Jun 18	Dec 18	Jun 19	Dec 19	Jun 20	Dec 20
Number of properties	76	74	72	71	66	58	58	58	55	51	50
Occupancy	98.4%	98.0%	98.0%	98.0%	97.8%	98.1%	98.1%	98.1%	98.1%	97.3%	97.8%
Same property NPI growth <sup>1, 2</sup>	2.4%	2.2%	2.4%	1.0%	1.3%	1.8%	2.1%	2.1%	2.2%	2.0% <sup>5</sup>	1.8% <sup>5</sup>
Major tenant MAT growth <sup>1</sup>	1.2%	1.7%	2.8%	4.0%	2.8%	2.7%	1.8%	3.4% <sup>3</sup>	4.0% <sup>4</sup>	5.4%	8.5%
Specialty leasing spread <sup>2</sup>	1.4%	1.4%	1.2%	0.2%	0.8%	1.3%	1.9%	0.8%	4.1%	0.9%	2.5%
Renewals <sup>2</sup>	0.4%	1.0%	0.5%	0.0%	0.2%	1.5%	2.4%	0.0%	3.8%	1.1%	0.6%
New leases <sup>2</sup>	4.3%	3.0%	2.9%	0.7%	2.1%	0.9%	0.9%	2.4%	4.6%	0.5%	5.9%
Number of leasing transactions	151	162	181	212	192	208	172	194	222	123	224
Average specialty gross rent psm	\$942	\$973	\$982	\$989	\$994	\$1,006	\$1,030	\$1,054	\$1,104	\$1,131	\$1,138
Average specialty sales psm	\$9,151	\$9,302	\$9,360	\$9,186	\$9,439	\$9,536	\$9,583	\$9,672	\$9,817	\$9,557	\$9,936
Average specialty occupancy cost	10.3%	10.5%	10.5%	10.8%	10.5%	10.5%	10.7%	10.9%	11.2%	11.8%	11.5%

1. Like for like

2. Financial year to date

3. Comparable sales, noting some major tenants reported a 53 week year for FY19 (estimated to be approximately 1.8% when adjusted to 52 weeks)

4. Comparable sales, noting some major tenants reported a 53 week year for FY19 (estimated to be approximately 2.3% when adjusted to 52 weeks)

5. NPI growth prior to provision of \$5.8 million in COVID-19 tenant support (\$10.7 million in June 2020)

## Annexure 10

### Glossary

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#### 1H FY20

6 months from 1 July 2019 to 31 December 2019

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#### 1H FY21

6 months from 1 July 2020 to 31 December 2020

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#### GAV

Gross Asset Value

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#### GLA

Gross lettable area (in square metres)

---

#### Gross rent

Base rent and outgoings

---

#### In turnover

Tenant is paying a percentage of sales in rent (turnover rent)

---

#### JV

Joint venture

---

#### MAT

Moving annual turnover calculated as a sum of rolling 12 month sales

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#### NPI

Net property income

---

#### Occupancy cost

Calculated as the annualised gross rent divided by annual sales

---

#### Triple net lease (NNN)

Tenant responsible for all property outgoings, maintenance and capital expenditure

---

#### WALE

Weighted Average Lease Expiry calculated based on income



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