

ASX Release

Charter Hall Retail REIT 2025 Full Year Results

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Charter Hall Retail REIT (ASX: CQR) (CQR or the REIT) today announces its FY25 results for the year ended 30 June 2025.

Financial Highlights:

- Operating earnings of \$147.5 million, or 25.4 cents per unit (cpu)
- Distribution of 24.7 cpu in line with FY24
- Statutory profit of \$213.8 million
- Net Tangible Assets (NTA) per unit of \$4.64, reflecting an increase of 2.9%
- Balance sheet gearing (proforma¹) of 27.1% and look-through gearing of 35.0%
- Diversified funding sources with a weighted average debt maturity of 2.8 years

Operating Highlights:

- CQR and wholesale partner Hostplus completed their investment in Hotel Property Investments Ltd (ASX: HPI) with 100% ownership. CQR's initial equity investment was \$367.5m
- Like-for-like net property income (NPI) growth of 2.6% with shopping centre like-for-like NPI growth of 2.4% and net lease retail like-for-like NPI growth of 3.1%
- Portfolio occupancy remains strong at 98.9%
- Significantly positive specialty leasing spreads of +5.5%, with 183 specialty lease renewals (+4.9% leasing spread) and 89 new leases (+7.6% leasing spreads)
- Total MAT growth of 2.6% with supermarket MAT growth of 2.5%
- Specialty sales productivity of \$11,356 per sqm, up 2.6% from June 2024, another record sales productivity level for the REIT

Charter Hall Retail's CEO, Ben Ellis said: "CQR's portfolio continues to deliver strong operational performance. Our unique blend of convenience shopping centre and convenience net lease assets provides an attractive income growth profile with lower capital expenditure leakage. The shopping centre portfolio has achieved another all-time record in sales productivity. Our specialty tenancy

¹ Proforma post CCRF transactions closed in July 2025 including net equity return of \$294m

renewals delivered very strong results over the year with 5.5% rent growth overall, boosted by lease renewals on retained tenants growing 4.9% and leases signed from new tenants up 7.6%. These leasing outcomes are the highest we have experienced in over a decade.”

Ben Ellis commented further: “We have been active during the year, on both the acquisition and divestment front, in pursuit of maximising future income growth. Our significant investment in the ASX listed HPI, alongside our wholesale capital partner Hostplus, has materially enhanced the overall portfolio’s income growth profile. The HPI investment is already paying dividends with a valuation up-lift on our original equity investment of 4.9% and we will benefit from further gains via the refinance of the HPI debt platform with favourable pricing obtained.”

“The management team will continue to foster and build our collaborative relationships with many of Australia’s leading retail tenants for mutual benefit. We are proud of our 2025 NPS score, ranked independently with feedback from our tenants, as Australia’s leading retail landlord. CQR continues to progress on its strategy to deliver the highest organic property income and earnings growth from the convenience retail sector”.

Enhancing Portfolio Quality

During FY25 CQR has continued its disciplined portfolio curation strategy to invest in attractive new growth opportunities and sell non-core assets.

- **Acquisitions:**

- CQR, alongside its wholesale capital partner, completed the privatisation of the ASX listed HPI. This added exposure to a diversified \$1.3bn portfolio of 57 pub and accommodation assets with 100% occupancy and a 8.9 year WALE. The HPI portfolio’s attractive CPI rent review structure that benefits from fixed collars will deliver consistent rent growth of 3.6% through the cycle.
- Extended RP1 portfolio with wholesale capital partner Telstra Super with the acquisition of Corio Village, VIC and Glebe Hill Village, TAS for an equity commitment of \$65.0m² reflecting a 6.9% yield.
- 100% acquisition of Ampol Marsden Park, NSW \$21.0m, On the Run West, Croydon SA \$13.8m, Cecil Hotel, Southport QLD \$14.3m (leased to Endeavour Group) and Harlow Pub, Richmond Vic for \$9.0m (leased to AVC) for an average yield of 6.0%.

- **Divestments:**

- Divestment of Lake Macquarie Square, NSW for \$122.5m that occurred in June 25
- Divested Woolworths Cootamundra, NSW for \$19.0m and Coles Tumut, NSW for \$12.9m

Portfolio Valuations

During the year 99% of CQR’s portfolio was independently revalued with 78% revalued as at 30 June 2025. Cap rates reduced by 5 basis points over the year to 5.74%. The convenience shopping centre portfolio saw net valuations increase positively by 2.9%. The convenience net lease retail portfolio saw valuations move positively by 3.9%.

Active management

The CQR portfolio continues to be strategically weighted towards high quality convenience retail tenants. Major tenants Woolworths, Coles, bp, Wesfarmers⁴, QVC & AVC, Aldi, Ampol, Endeavour and Gull represent 61% of rental income. The total portfolio WALE is 7.0 years and majors WALE is 9.3 years.

The convenience net lease retail portfolio represents 39% of the total portfolio by value, up from 28% in the prior year driven by the HPI acquisition. These net leases are linked to a mixture of CPI, CPI + and

² 100% value – Corio Village \$146.0m and Glebe Hill Village \$50.25m

⁴ Kmart, Target, Bunnings, Officeworks and API

fixed rental reviews and have a WALE of 11.7 years. CQR's convenience net lease retail portfolio are capital efficient which will deliver enhanced earnings.

Supermarkets continued to perform well with a record with 85% of supermarket tenants paying turnover rent⁵ or within 10%. Supermarkets continue to demonstrate growth in sales delivering 2.5% MAT growth.

Leasing activity achieved attractive results with 272 specialty leases completed at an average spread of +5.5%. This was made up of 89 new specialty leases completed at an average +7.6% leasing spreads and 183 renewals completed at an average +4.9% leasing spread.

Specialty productivity continues to improve and reached another portfolio record at \$11,356 per sqm. Occupancy costs remain highly sustainable at 11.4%.

Capital Management

Prudent capital management remains central to CQR's strategy. Post the acquisition of HPI, the entire HPI debt platform was refinanced including the prepayment of HPI USPP noteholders. This resulted in favourable pricing and tenure.

During the period, Moody's affirmed CQR's Baa1 issuer rating and senior unsecured rating with a stable outlook.

CQR's weighted average debt maturity is 2.8 years, with an average hedge maturity of 1.3 years. Balance sheet gearing is 27.1% and look-through gearing is 35.0%. CQR's weighted average cost of debt is 4.9% over FY25.

Charter Hall Convenience Retail Fund (CCRF)

Charter Hall Convenience Retail Fund (CCRF) is a newly established wholesale pooled fund with a strategy to invest in metropolitan convenience shopping centres and select metro net lease retail assets.

In July 2025, CQR facilitated the completion of its funding strategy to acquire HPI via CCRF. CQR sold four 100% owned assets together with its 49.9% investment in RP1 and RP2 to CCRF. CQR retained a \$385m investment in CCRF which reflects 22% ownership. This realised a net return of \$294m resulting in balance sheet gearing of 27.1% and look through gearing of 35.0%.

CCRF has raised \$1.75bn of equity and has exchanged on a further \$504m of newly sourced acquisitions. CQR has the flexibility to increase or decrease CQR's interest at any time.

Summary and outlook

CQR's strategy is to deliver the highest property income and earnings growth from the convenience retail sector.

Based upon information currently available and barring unforeseen events, CQR provides guidance for FY26 operating earnings to be approximately 26.3 cents per unit (growth of 3.5%) and FY26 distributions of 25.4 cents per unit (growth of 2.8%).

CQR will be paying quarterly distributions from Q1 FY26 onwards.

Announcement Authorised by the Board

⁵ Includes supermarkets with fixed and CPI rent reviews

Charter Hall Retail REIT (ASX: CQR)

Charter Hall Retail REIT is the leading owner of property for convenience retailers.

Charter Hall Retail REIT is managed by Charter Hall Group (ASX: [CHC](#)). Charter Hall is one of Australia's leading fully integrated property investment and funds management groups. We use our expertise to access, deploy, manage and invest equity to create value and generate superior returns for our investor customers. We've curated a diverse portfolio of high-quality properties across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure. With partnerships and financial discipline at the heart of our approach, we create and invest in places that support our customers, people and communities to grow.

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