





# Charter Hall GROUP



## 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.



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### Our annual reporting suite

- [– Annual Results Presentation >](#)
  - [– Sustainability Report >](#)
  - [– Corporate Governance Statement >](#)
  - [– Modern Slavery Statement >](#)
- Published before 31 December 2023*

*Left:* Ascent Logistics Centre  
Alexandria NSW  
Gadigal land

*Cover:* Midwest Logistics Hub  
Truganina VIC  
Bunurong land



# STRATEGY

We remain focused on creating value and generating superior returns for our investor customers through our strategy of access, deploy, manage and invest.



Above: Truganina Distribution Facility  
Truganina VIC  
Bunurong land

1. Page refers to Property FUM unless otherwise stated.  
2. Total Property Investment (PI) return is calculated as distributions received from Funds plus growth in investment value divided by the opening investment value of the PI portfolio for the 12 months to 30 June 2023. This excludes investments in new vehicles held for less than a year.

|  |  | 1 year <sup>1</sup>   | 3 years <sup>1</sup>            | 5 years <sup>1</sup>            |          |
|--|--|-----------------------|---------------------------------|---------------------------------|----------|
| <b>Access</b><br>Accessing equity from listed, wholesale and retail investors. | Gross equity allotted  | \$2.8bn               | \$12.8bn                        | \$21.3bn                        |          |
|  | <b>Deploy</b><br>Creating value through attractive investment opportunities. | Acquisitions          | \$7.6bn                         | \$22.5bn                        | \$34.0bn |
|  |  | Divestments           | \$2.8bn                         | \$6.5bn                         | \$8.3bn  |
|  | Net acquisitions   | \$4.8bn               | \$16.1bn                        | \$25.7bn                        |          |
|  | Gross transactions   | \$10.4bn              | \$29.0bn                        | \$42.3bn                        |          |
|  | Development Capex  | \$3.0bn               | \$7.4bn                         | \$9.8bn                         |          |
| <b>Manage</b><br>Managing funds and assets, leasing and development services.  | Group funds under management (FUM)   | \$87.4bn<br>↑ \$7.5bn |                                 |                                 |          |
|  | Property FUM growth  | \$71.9bn<br>↑ \$6.2bn | \$31.3bn<br>(\$10.4bn p.a.)     | \$48.7bn<br>(\$9.7bn p.a.)      |          |
| <b>Invest</b><br>Investing alongside our capital partners.                     | Increase in Property Investment (PI) portfolio                               | \$33m<br>↑ 1.1%       | \$0.9bn<br>↑ 45.5%              | \$1.2bn<br>↑ 73.0%              |          |
|  | Total PI yield/return  | 4.4%<br>PI yield      | 11.9%<br>PI return <sup>2</sup> | 10.5%<br>PI return <sup>2</sup> |          |



# Performance HIGHLIGHTS<sup>1</sup>

Our results demonstrate the strength of our underlying business and its resilience throughout the property cycle.

## Group Returns

Operating earnings

**\$441m**

Statutory profit<sup>2</sup>

**\$196m**

Operating earnings per share (OEPS)

**93.3cps**

Return on contributed equity<sup>3</sup>

**23.8%**

Contributed equity per security of \$3.91

## Property Investments

Property Investment portfolio

**\$3.0bn**

Property Investment portfolio growth

**\$33m**

Property Investment yield

**4.4%**

## Funds Management

Group Funds Under Management (FUM)<sup>4</sup>

**\$87.4bn**

↑9.4%

Property FUM

**\$71.9bn**

↑9.5%

Gross property transactions

**\$10.4bn**

Funds Management (FM) yield<sup>5</sup>

**9.3%**

## Balance Sheet

Net tangible assets (NTA)

**\$6.28**

Balance sheet gearing

**2.2%**

Investment Capacity

Group investment capacity<sup>6</sup>

**\$6.0bn**

Clockwise from left:  
Mater Corporate  
Headquarters and  
Training Facilities  
Newstead QLD  
Turrbal and  
Yuggera land

130 Lonsdale Street  
Melbourne VIC  
Wurundjeri and  
Bunurong land

1. Figures and statistics throughout this report are for the 12 months to 30 June 2023, unless otherwise stated.  
2. Attributable to stapled securityholders.  
3. Return on contributed equity is calculated as total operating earnings post-tax per security divided by the opening contributed equity per security for the 12 months to 30 June 2023.  
4. Includes Paradise Investment Management (PIM) Partnership, with \$15.6bn of FUM.

5. FM yield is calculated as FM operating earnings post tax per security (includes 50% allocation of net interest) divided by the opening NTA per security for the 12 months to 30 June 2023.  
6. Investment capacity calculated as cash plus undrawn debt facilities for CHC and the funds management platform. At 30 June 2023, platform cash was \$0.9bn. Excludes committed and unallotted equity.



# ABOUT US

For more than three decades, we have focused on the collective ambitions of our customers, driving mutual success and enduring impact.

As a property investment and funds management company, Charter Hall (CHC or the Group) takes pride in custodianship of our investor capital. We recognise that our responsibility extends far beyond this, presenting opportunity for us to make a real difference. By harnessing the ambitions of our customers, our people and our communities, we create opportunities to create value that makes a lasting impact.

## Driven by our purpose

*Creating better futures by driving value and mutual success.*

## United by our values



### Active partnership

We believe that if everyone benefits, we benefit.



### Genuine insight

We use expertise to unlock resilient growth.



### Inventive spirit

We create with purpose and discipline.



### Powered by drive

We put our passion into action.



Clockwise from left:  
130 Lonsdale Street  
Melbourne VIC  
Wurundjeri and  
Bunurong land

Berrinba Motorway  
Industrial Park  
Yugambah and  
Yuggera land

## Delivered in partnership

### Tenant customers

We use our national reach and local market expertise to deliver inventive, sustainable solutions for our tenant customers. The breadth and depth of our cross-sector expertise enables us to problem-solve holistically and better deliver on the evolving needs of our customers. Our partnership with tenant customers runs deep, and we continue to challenge ourselves to go above and beyond in our service.

### Our people

The strength of our business is our people. We act and behave as one across the diverse elements of our business. We create safe, equitable and inclusive environments to support and energise our high-performing talent. To bring out the best in our people we provide experience-based learning to accelerate their growth, flexible workspaces to foster innovative thinking and a sense of community to encourage well-being.

### Environment

We continue to deliver sustainable outcomes with long-term impact, including making meaningful progress toward our Net Zero by 2025 target. We work closely with our customers and supply chain partners to identify further opportunities to reduce emissions, make more sustainable choices, and ultimately deliver a healthier future for our industry, people and the planet.

### Investors

We have built a reputation as trust-worthy custodians of capital, with a long track record of delivering strong returns. We work hard to create investment funds that can withstand the property cycle and generate consistent, superior returns over the long-term. We invest alongside our capital partners to achieve collective ambitions. Our focus on quality, well-located assets with long-term leases delivers stability, returns and growth through market cycles.

### Community

Our goal is to create an enduring impact for communities. Partnering where we can make the most difference, we focus on vulnerable youth and communities impacted by hardship. We have established meaningful partnerships with community organisations whose work contributes to better futures for entire communities. Through these partnerships and Pledge 1% (our commitment to sharing one percent of profits, places and our people's time to do good), we can amplify and measure our impact.



# Chair MESSAGE



Above: 333 George Street  
Sydney NSW  
Gadigal land

Despite a challenging economic environment that has impacted businesses and individuals across the country, our underlying business remains strong, our people remain engaged, and our culture of partnership and mutual success continues to drive our approach.

## Dear Securityholder

This year, we saw economies across the globe come under pressure, as supply chain disruptions lingered and high inflation drove the Reserve Bank of Australia to increase cash rates at an historic pace, with 11 rate rises during the financial year.

As a result, many, if not most, across the country have felt the effects, with wide-reaching consequences impacting much of the property sector as well.

Throughout the Group's history, we have highlighted the importance of our resilient and sustainable business model that can withstand the property cycle. It is times like these that put it to the test, and we are pleased to report that we have once again proven the strength of our underlying business, delivering strong results in new development completions and robust leasing activity.

This year, we delivered 93.3 cents per security (cps) in operating earnings, ahead of our guidance of no less than 90 cps, and paid to our securityholders a distribution per stapled security of 42.5 cps. Earnings decreased compared to last year, in large part due to fewer performance fee review events.

We continue to carefully manage our costs and make strategic investments – demonstrating our commitment to prudent capital management and active portfolio curation.

*Our demonstrated resilience is a result of our approach to partnership, creating long-lasting relationships with our customers and our communities.*

Our strengths have enabled us to hold the largest sector-diversified commercial property portfolio in Australia, with \$71.9 billion in property FUM and a total of \$87.4 billion in total FUM.

As we continue to weather the property cycle, we remain focused on capitalising on opportunities while managing risks. Importantly, we will continue to look after our people, our customers, and our communities, ensuring that we work together to achieve mutual success and enter the next growth phase poised to uncover new opportunities, together.



David Clarke, Chair

## Investing in long-term outperformance

While this report measures our performance for the year to 30 June 2023, we see long-term performance as the true test of success. Over the past 10 years, we've delivered securityholders 15.1% post-tax growth in earnings per annum, and distribution growth of 7.7% per annum.

We know that ongoing outperformance is achieved in close partnership with our customers, and that our approach to partnership is a key differentiator for us. In recent years, we have invested heavily in building our collective capability to partner with our tenant customers more strategically, which has enabled us to better transform insights into actions and collaboration into mutual success.

We also recognise that central to our success is our people, and it is the responsibility of the Board and leadership team to ensure we foster a dynamic and rewarding workplace that attracts and retains top talent.

In order to do that, we've continued to invest in well-being and safety processes, and enabled our people to focus on high-value work and structured, experience-based learning opportunities.

Further, our long-term focus on creating an inclusive workplace saw us awarded the Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the second time.

## Demonstrable progress on environmental goals

Our approach to sustainability continues to be guided by the business fundamentals that we have relied on for more than three decades, with a focus on addressing current and emerging challenges for the environment and our communities.

From an environmental perspective, we continued to deliver measurable progress this year.

*We have accelerated our commitment to Net Zero carbon in operations (Scope 1 and Scope 2) to 2025<sup>1</sup> from 2030.*

This enormous achievement is a direct reflection of how we leverage our scale to deliver platform-wide efficiencies, as well as the actions of our people in creating better environmental outcomes.

Since 2017, we have achieved an absolute reduction of 61% in Scope 1 and Scope 2 emissions and remain on track to meet our Net Zero target of 2025<sup>1</sup>. It's important to note that we have not achieved this alone. It is in large part a result of our strong track record of partnering with our tenant customers, as demonstrated by the 63MW of solar already installed across our portfolio.

We will pursue further opportunities to partner with our tenant customers and supply chain partners on emissions reductions initiatives, especially as we work toward our Scope 3 emissions reduction targets.

We continue to advance the Sustainable Development Goals as part of our commitment to the United Nations Global Compact and embed its principles in our strategy and culture.

We remain focused on building resilience in our assets to support customers through resource efficiency, carbon emission reduction and the integration of physical and transitional risks and opportunities of a changing climate to ensure we deliver long-term value. ▶

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation. Where residual Scope 1 emissions are offset, Charter Hall will use high quality nature-based offsets.



### Meaningful action for an enduring impact

We continue to focus on how we help build community foundations that support prosperity in periods of growth and provide stability in times of upheaval.

In our efforts to achieve enduring impact, we have identified opportunities to deliver lasting change and maximise benefits for individuals and communities.

The focus on building long-lasting, meaningful partnerships with community organisations is not new to Charter Hall. However, reframing our thinking around how we approach these partnerships has enabled us to establish a more thoughtful framework to ensure we are well positioned to provide immediate support to the communities most impacted by natural disasters, whether that be in preparedness, relief or recovery.

We continue to diversify our supply chain, creating opportunities for those affected by economic disadvantage, disability or social marginalisation to work with us.

This year, in line with our Pledge 1% commitment, our efforts resulted in more than \$1.4 million in community investment, a 16% increase from FY22. Notably, FY23 saw a record level of volunteering hours by our people, which we are extremely proud of.

We continued to ensure robust governance underpins our operations and that we uphold universal principles on human rights, labour, the environment and anti-corruption. Our annual Modern Slavery Statement was completed, outlining efforts to prevent occurrences of modern slavery in our supply chain, with our Human Rights and Modern Slavery Working Group actively reviewing and managing our efforts in relation to this across all our portfolios.

As part of our commitment to Indigenous reconciliation and the implementation of our Reconciliation Action Plan (RAP), we continue to actively work on building our relationships and capacity with First Nations businesses, as well as sharing factual and impartial information to support our people to be better informed on issues impacting First Nations Peoples.

### Serving customers and securityholders

A core responsibility of the Board is providing clear governance and oversight to assist management in continuing to deliver against the Group's strategy and entrench ethics in all actions. We will continue to serve you in this way.

Our Board is comprised of a majority of independent directors, in line with best practice. This composition provides us with the right mix of talent and skills with which to guide strategy and provide a strong overall contribution to the success of the Group.

I encourage all our securityholders to review the Directors Report on page 43 to understand more about the Board.

### Looking forward

Many of the economic challenges of FY23 are expected to linger in FY24. We continue to focus on what is within our control, including our cost base and how we strategically invest and deploy capital, setting out priorities that will deliver long-term, sustainable growth for securityholders.

Charter Hall has been built with a focus on resilience, with a talented workforce, best-in-class partners and customers, and carefully curated portfolios. This will enable us to navigate uncertainty with confidence through this phase of the property cycle.

We will continue to focus on our strategy of using our combined expertise to access, deploy, manage and invest to create value and generate superior returns for securityholders.

On behalf of the Board, I would like to thank our tenant customers, investors and securityholders for your ongoing support. I extend gratitude to my fellow Directors and the leadership team for your dedication, and to all our people for their efforts, as together we continue to build a sustainable business we can be proud of.

**David Clarke**  
Chair



Above: Bunnings Caboolture  
Brisbane QLD  
Gubbi Gubbi land



Left: Kids Club Murrumbena  
Melbourne VIC  
Wurundjeri and  
Bunurong land



# Managing Director & Group CEO MESSAGE

## Dear Securityholder

FY23 presented a range of challenges to economies around the world. Supply chain and labour constraints drove soaring inflation, which resulted in record interest rate rises in Australia and globally. This rapid increase in the cost of debt has impacted many asset classes.

Charter Hall has also felt the effects of this economic turbulence. However, our focus on resilience, diversification and partnership has allowed us to deliver above guidance earnings, while we have continued to curate our portfolios and stay close to our investor and tenant customers as they navigate this turbulence.

Our property FUM grew by \$6.2 billion or 9.5% to \$71.9 billion over the year.

*Our return on contributed equity continues to be sector leading at 23.8%,*

as we harness our investment expertise for the benefit of securityholders and invest alongside our investors.

Our Property Investment Portfolio grew \$33 million and now stands at \$3.0 billion.

We delivered earnings of 93.3 cps, ahead of our guidance of no less than 90 cps. This was a 19% decrease in earnings compared to FY22, which reflects the elevated transaction and performance fee revenue delivered in FY22.

Importantly, we have continued the upward trajectory of earnings growth ex-transaction and performance fees, which has been a key focus of the Group since our ASX listing in 2005. We will continue to drive this element of sustainable earnings growth despite headwinds to fund distributions from rising debt costs.

While inflation growth is decreasing, FY24 is expected to remain a challenging operating environment. With that in mind, we will continue to optimise cost control and sustain high-quality service for our customers. Prior dislocation events have created opportunities for the benefit of investors and securityholders. It is in times like these that customers turn to trusted companies with scale, a proven track record, an experienced team providing best-in-class service and a business model that is built to endure. We see these as the key ingredients to retain and grow our customer base.

As the largest custodian of capital invested in Australian property, our approach to partnership and mutual success remains central to the way we do business and will enable us to weather the cycle and emerge poised for growth.

## Demonstrated strength of our underlying business

Throughout the year, we have continued to actively curate sustainable and resilient portfolios that unlock value for investors through all market conditions. This focus on performance for our investors, and our co-investment alongside them, continues to attract capital to our platform. FY23 was no exception, with \$2.8 billion of gross equity allotted, which helped facilitate \$10.4 billion of gross transactions.

Our Office development activity remained robust, delivering \$2.2 billion in new developments this year, with a further \$13.9 billion in the pipeline. Modernisation of our Office portfolios is targeted to meet the bifurcation of tenant demand we have seen play out for many years. This trend was accelerated by the pandemic, with tenant customers increasingly committing to modern and new buildings so they can retain and attract talent to the very best workplaces.

We continued to enjoy strong leasing success in our Office projects, having leased 388,000sqm across 222 leasing transactions. 360 Queen Street in Brisbane is now two-thirds pre-committed. 555 Collins Street in Melbourne has over 90% of available space committed to blue-chip companies including anchor tenant Amazon, Allianz, Aware Super and Ericsson. 60 King William Street in Adelaide has 95% pre-commitments to NAB, Telstra and Services Australia.

Notably, our Office portfolio is over 96% occupied versus a national average of 85.1%, demonstrating the critical role that modern workplaces will continue to play and our ability to deliver on our tenant customers' evolving needs.

Our Industrial & Logistics business also continued to grow, delivering \$874 million of new facilities through its development pipeline and actively curating its portfolio by undertaking \$3.4 billion of acquisitions and \$1.5 billion of divestments. Excitingly, we have begun construction on our first multi-level warehouse, located in the inner-city Sydney suburb of Alexandria, which is already 80% pre-leased to Schindler and Coles. We remain well-positioned to capitalise on the accelerating demand for modern, purpose-built, highly efficient facilities and warehouses. Our Industrial & Logistics portfolio has grown to over \$30 billion (including pipeline), making Charter Hall one of the largest logistics platforms nationally.

In Retail, our non-discretionary convenience retail portfolio continues to provide resilient income returns, with our triple net, CPI-linked convenience retail platform now exceeding \$9 billion. This is complemented by a large Bunnings portfolio and supermarket-anchored shopping centre portfolio, seeing our Retail FUM total \$14 billion.

Similarly, the essential service thematic embedded in our Social Infrastructure portfolio and the importance of these assets to the community and the economy means such assets have delivered resilience and liquidity where funds have looked to divest assets. We continued to see opportunities to grow in this space and further our position as a market leading social infrastructure partner.



David Harrison, Managing Director & Group CEO

*Our property funds management portfolio is well-diversified, comprising 1,663 properties with a lettable area of 11.9 million sqm and delivering over \$3.3bn in net rental income per annum.*

We have built resilience across all our assets and portfolios. Evidence of this is that 26% of all leases are triple net, meaning the tenant pays all outgoings including structural repairs and maintenance. Similarly, we have made a conscious effort to build portfolios that are positioned to benefit from rising inflation, with 21% of all leases having inflation-linked annual rent escalations, providing direct inflation hedging.

## Long-term performance

Financially, we continue to be disciplined and self-funded from a growth perspective via a consistent 6% per annum distribution growth policy that has facilitated cash retention to fund a FY23 payout ratio of circa 50%.

Our growth in earnings comes after-tax. On a post-tax basis, we delivered sector-leading 15.1% OEPS compound annual growth rate (CAGR) annually over the last ten years. Tax paid earnings also deliver valuable franking credits for our securityholders. Grossed-up for franking credits, securityholders received distributions worth 50.76 cps for FY23. The quantum of franking credits delivered by Charter Hall to securityholders makes us unique in the Australian real estate investment trust sector.

## Quality property funds management portfolio

Our property funds management portfolio is well-diversified. Group WALE remains strong at 8.2 years and the weighted average capitalisation rate is 4.76%, reflecting the low risk profile and high-quality assets in our funds and partnerships.

## Active development pipeline

Our development capex continued to make a meaningful contribution to our FUM and portfolio curation. We had \$3.1 billion of development completions during the year across our Office (four assets) and Industrial & Logistics (17 facilities) portfolios. This is an enormous achievement. ▶





Clockwise from left:  
130 Lonsdale Street  
Melbourne VIC  
Wurundjeri and Bunurong land

Queensland TAFE  
Robina QLD  
Kombumerri land

The Group is progressing various developments across our portfolios, creating modern investment-grade properties and adding significant value through enhancing income yield and total returns.

Our development completions for FY23 have added significant incremental stabilised income to our portfolios.

Our total development pipeline now stands at \$13.9 billion, with \$6.6 billion committed and under construction, providing for future portfolio curation and FUM growth.

Demand for industrial space continues to significantly outweigh supply, as demonstrated by the high levels of pre-leasing to quality tenants within our \$6.5 billion Industrial & Logistics development pipeline.

Our pipeline will generate institutional-quality, long-leased assets for our funds and will provide attractive incremental FUM growth and enhance our ability to attract capital.

Our \$7.1 billion Office pipeline continues to deliver attractive development returns and new buildings to meet tenant demand for best-in-class, modern and sustainable workplaces. This includes completions at 555 Collins Street in Melbourne, 60 King William Street in Adelaide, 155 Little Lonsdale at Wesley Place in Melbourne and 31 Duncan Street in Brisbane.

Work continues to progress on schedule at 480 Swan Street, Richmond, which will be the 32,000sqm Australia Post headquarters in Melbourne. This year we progressed our plans for Chifley South, which is already 30% pre-committed, having submitted our development application following endorsement from the City of Sydney.

### Valued relationships with our tenant customers

Strong relationships with our tenant customers continue to be an essential strategic focus. We are always looking for new ways to support our customers and actively partner with them to provide inventive solutions to meet their needs.

Our success with our tenants is reflected in the high level of repeat business.

*72% of our tenant customers lease more than one tenancy across the platform.*

We see our customers as partners, and this often generates sale and leaseback opportunities.

We continue to have independent surveys of tenant customers and are pleased to see our Net Promoter Score (NPS) scores leading almost all our peers across all sectors.

### Defensive and diversified Property Investment portfolio

With \$3.0 billion co-invested in our funds, our Property Investment portfolio provides a strong alignment of interest with our investor customers, while also ensuring that securityholders benefit from our property expertise. These earnings are characterised by the high quality of our tenants, the diversity of sectors, and the lack of concentration risk.

Occupancy has improved from 97.3% to 97.6%, and the Property Investment portfolio WALE remains a healthy 7.4 years. Our weighted average rent review is attractive at 3.6%, boosted by our exposure to CPI-linked leases. The Group's Property Investment portfolio is a very defensive, well diversified, core investment portfolio.

### Our people are our greatest asset

Key to our success are the people who work here, along with the executives and non-executive directors that represent investors on our various Boards of listed and unlisted funds. It is the breadth of experience and talent within our sector-diverse business that enables us to deliver for our customers.

Our culture has long been one of our key strengths. I'm proud and inspired by the way our people continue to respond dynamically to the challenges we face. This culture is reflected in our employee engagement. For FY23, our engagement score was 89% – nine points above the Australian norm – with 93% of our people saying that Charter Hall is a great place to work.

Diversity and inclusion continues to be a priority, across the business as we actively seek to attract and retain talented people from a wide range of experiences, backgrounds and perspectives, celebrate diversity and provide a sense of belonging for all our people.

### Outlook and guidance

Based on no material adverse change in current market conditions, FY24 guidance is for post-tax OEPS of approximately 75 cents. FY24 distribution per security guidance is for 6% growth over FY23.

My thanks, on behalf of the Executive Committee, to all our people for their hard work this year. I would also like to thank the Group Board for their continued strategic guidance along with the Independent Directors of our Fund Boards.

Our approach to partnership underpins the strength of our long-term outlook, as we continue to deepen our existing relationships and establish new ones, unlocking value and enabling a better future for our customers, our communities, and our people.

We are proud of what has been achieved over more than three decades and continue to look beyond the horizon, with ambitious goals for the future. Finally, thank you to all our investors and tenants for continuing to be part of our Charter Hall Group community.

David Harrison  
Managing Director & Group CEO



# CAPITAL SOURCES

From the properties we invest in, to the way we source and deploy capital, diversification is central to our success. Our investment options attract a wide range of investors, from wholesale and institutional investors to retail investors.



Clockwise from left:  
Canning Vale  
Distribution Facility  
Whadjuk land

10 Shelley Street  
Sydney NSW  
Gadigal land

|                     | Wholesale pooled and partnerships | Listed                     | Charter Hall Direct |
|---------------------|-----------------------------------|----------------------------|---------------------|
| FUM                 | <b>\$48.1bn</b>                   | <b>\$13.3bn</b>            | <b>\$10.5bn</b>     |
| Occupancy           | <b>97.1%</b>                      | <b>99.1%</b>               | <b>99.2%</b>        |
| Capitalisation rate | <b>4.6%</b>                       | <b>5.1%</b>                | <b>5.0%</b>         |
| Gearing             | <b>32.1%</b>                      | <b>31.4%</b>               | <b>38.0%</b>        |
| WALE                | <b>7.7yrs</b>                     | <b>10.0yrs</b>             | <b>7.6yrs</b>       |
| CHC investment      | <b>\$1.7bn</b>                    | <b>\$0.8bn<sup>1</sup></b> | <b>\$0.4bn</b>      |



# INDUSTRIAL & LOGISTICS

“

*With one of the largest national portfolios in the sector and a multi-billion dollar development pipeline, we're focused on supporting the changing landscape of growing populations, consumer shopping and supply chains.*

With our national scale and diversity of assets, we partner with the most trusted local and global businesses to meet their current logistics needs, while providing the flexibility to grow together and build value over time.

We actively source off-market opportunities and invest in large fulfilment centres and facilities designed to meet growing online shopping and last mile needs. We continue to work closely with our tenant customers to increase the productivity, sustainability and supply chain resilience of their operations.”

**Richard Stacker**  
Industrial & Logistics CEO

## Key highlights

**\$24.5bn**

FUM

**4.4%**

Capitalisation rate

**303**

Properties

**10.1yrs**

WALE

**\$6.5bn**

Development pipeline



Above and right:  
Midwest Logistics Hub  
Truganina VIC  
Bunurong land





# Long WALE RETAIL

“  
Our portfolio of long WALE assets with strong tenant covenants provides investors with stable and secure income, bolstered through our active management and portfolio curation. This year, we enhanced the scale of our portfolio, while increasing exposure to CPI-linked rent reviews.”

Avi Anger  
Fund Manager, Charter Hall Long WALE REIT (CLW)



## Key highlights

**\$9.7bn**  
FUM

**4.7%**  
Capitalisation rate

**803**  
Properties

**10.7yrs**  
WALE

**\$0.2bn**  
Development pipeline

Clockwise from  
Top: Bunnings  
Palmerston  
Yarrawonga NT  
Larrakia land

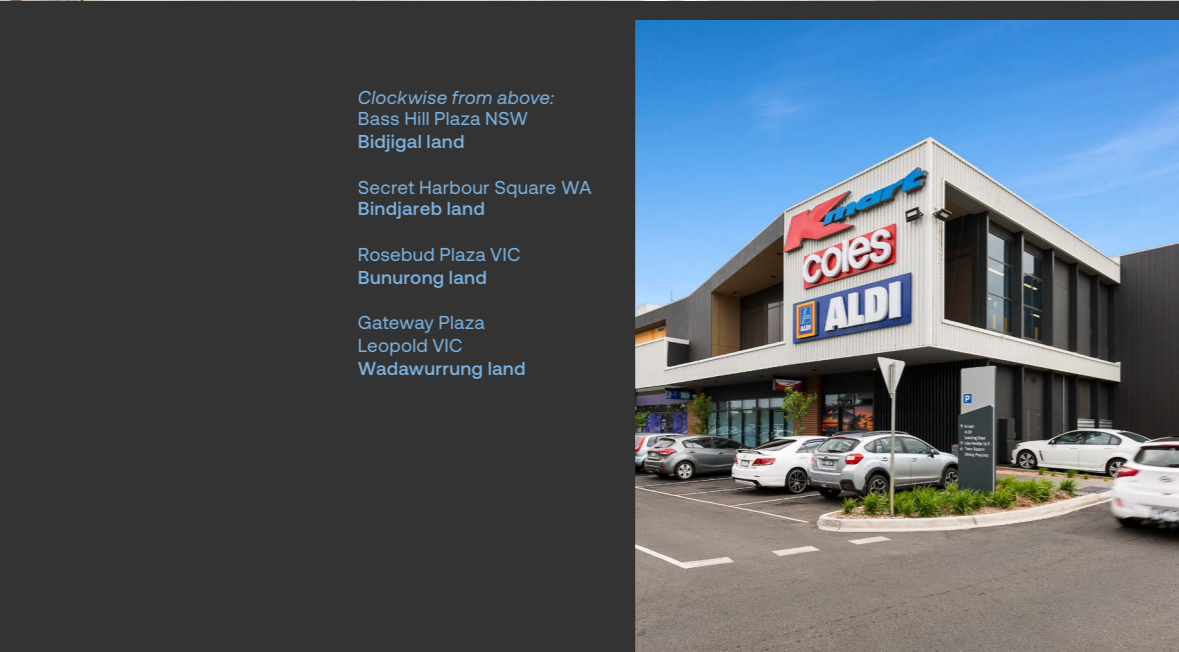
New Brighton Hotel  
Manly NSW  
Gayemagal land

bp Asquith  
Sydney NSW  
Darramurragal and  
Darug land





# Shopping Centre RETAIL



Clockwise from above:  
Bass Hill Plaza NSW  
Bidjigal land

Secret Harbour Square WA  
Bindjareb land

Rosebud Plaza VIC  
Bunurong land

Gateway Plaza  
Leopold VIC  
Wadawurrung land

“

As the leading owner and manager of convenience retail property, our long-term and deep relationships with some of Australia's best-known brands enables us to provide investors with a highly defensive and resilient income stream. In FY23, we continued to deliver for our investors through curation that enhanced the quality of our portfolio, active asset management and utilisation of our low site coverage to optimise the tenancy mix servicing our communities, and prudent capital management to ensure resilience.”

Ben Ellis  
Retail CEO and Fund Manager, Charter Hall Retail REIT (CQR)

### Key highlights

**\$4.3bn**

FUM

**5.7%**

Capitalisation rate

**52**

Properties

**5.0yrs**

WALE

**\$0.1bn**

Development pipeline



# OFFICE

“

*Despite the office market being under pressure this year, our portfolio of modern, sustainable workplaces has proven resilient.*

We leased 388,000sqm across 222 leasing transactions, resulting in over 96% portfolio occupancy compared to the national average of 85.1%. We also delivered an impressive \$2.2 billion in development completions, including 555 Collins Street and 155 Little Lonsdale in Melbourne, 60 King William Street in Adelaide, and 31 Duncan Street in Brisbane.

We continue to build lasting relationships with our customers and carefully curate our portfolio to meet demand for premium offices that are rich with amenity. This is reflected in our strategic investments and development pipeline, including our recently submitted application for Chifley South in Sydney which will realise the development potential of the site.”

Carmel Hourigan  
Office CEO

Clockwise from left:  
555 Collins Street  
Melbourne VIC  
Wurundjeri and  
Bunurong land

201 Elizabeth Street  
Sydney NSW  
Gadigal land



## Key highlights

**\$29.3bn**  
FUM

**5.0%**  
Capitalisation rate

**96**  
Properties

**\$7.1bn**  
Development pipeline

**5.9yrs**  
WALE

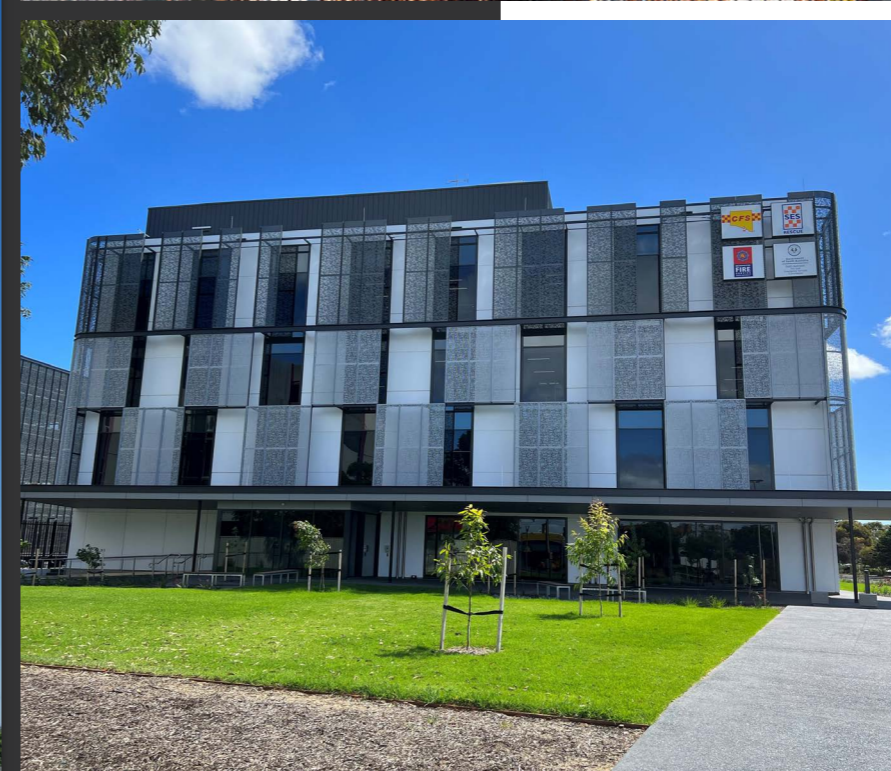


# SOCIAL Infrastructure



With Australia's largest listed social infrastructure REIT as part of our portfolio, we provide investors with secure income and capital growth through exposure to social infrastructure property and support communities with essential services. Our diversified portfolio has strong covenants and long WALEs to tenant customers including government and Goodstart Early Learning."

**Travis Butcher**  
Fund Manager, Charter Hall Social Infrastructure REIT (CGE)



Key highlights

**\$3.7bn**  
FUM

**4.6%**  
Capitalisation rate

**409**  
Properties

**13.9yrs**  
WALE

**100%**  
Occupancy

*Clockwise from left:*  
Innovation Quarter  
Westmead NSW  
Burrattagal land

Busy Bees  
Killarney QLD  
Garigal and Gayemagal land

Emergency Command Centre  
Keswick SA  
Kaurna land



# Charter Hall DIRECT

“  
As one of Australia’s leading direct property fund managers, Charter Hall Direct has a strong track record managing unlisted property funds for more than 25 years. We offer investors access to sector-specific and diversified funds that are consistently highly rated by external research groups. Our skilled and motivated team utilise their industry experience to deliver regular income for our investors, with a focus on outperformance of fund benchmarks over the long term.”

Steven Bennett  
Direct CEO

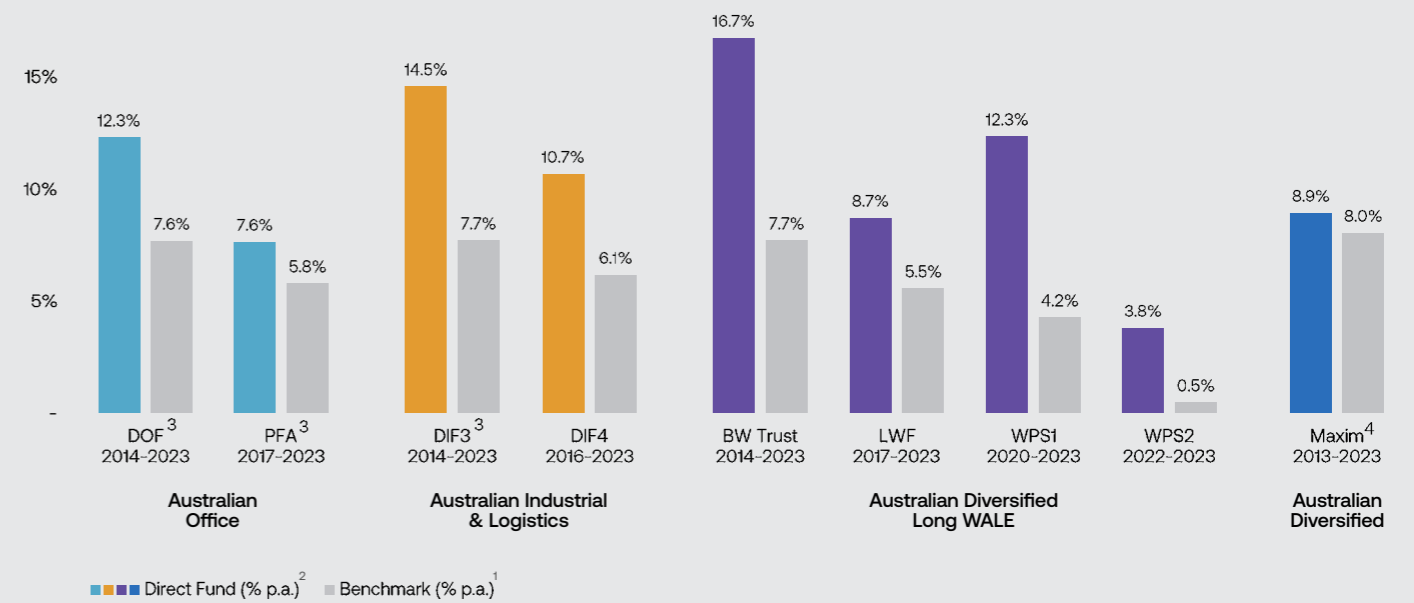


Clockwise from above: Translink Distribution Centre Launceston TAS, Therrernotepanner, Leterrermairrener and Panniherr land

Geoscience Australia Narrabundah ACT, Ngunnawal land

## Direct funds net return since inception

Funds have returned an average of 10.6% p.a. since inception



1. Benchmark refers to the headline MSCI/IPD Unlisted Core Wholesale Property Fund Index returns series as at June 2023, since the respective fund inception dates. Years shown are indicative of inception year to 30 June 2023, though returns are as at exact inception date. Past performance is not a reliable indicator of future performance.  
2. DIF3, DIF4, LWF, DOF – returns assume Bonus Units or Entitlement Offer as per respective PDS.

3. Returns refer to the following unit classes: DIF3 – Wholesale, PFA – Ordinary and DOF – Wholesale A.  
4. Benchmark refers to S&P/ASX 300 A-REIT Accumulation Index. Charter Hall Maxim Property Securities Fund and Benchmark Index returns series as at June 2023, over the past 10-year return period. Past performance is not a reliable indicator of future performance.



# SUSTAINABILITY

Sustainability is integrated into everything we do. As stewards of capital and shapers of places, it is key to delivering economic, environmental and social value for our direct stakeholders and the broader community.

Our approach to sustainability remains practical, authentic and targeted. Through our platform-wide scale, we're able to maximise value while operating as a responsible business.

Doing so enables us to not only attract and retain capital, but also generates the most value for our customers and employees. Throughout FY23, we continued to partner with our customers to progress our shared sustainability targets and in turn, create long-lasting value for all.

## Achievements in FY23



### Net Zero Carbon targets

Established near term and long-term Scope 3 target<sup>1</sup>. Scope 1 and Scope 2 by 2025. Accelerated by **5 years**<sup>2</sup>.



**61% absolute reduction in carbon emissions (Scope 1 and 2<sup>2</sup>) against FY17 baseline, despite a >60% growth in lettable area.**



### Support for disaster and hardship

Invested over **\$1.4m** to support communities with resources to build and rebuild strong foundations.



### ESG leadership and performance

17 Charter Hall funds scored in the top **20%** of GRESB, with three Funds recognised as Global and Regional Sector leaders.



Australia's largest independently rated green space  
**~6.7m sqm** of Green Star rated space.



### 89% overall employee engagement

9 points above the high-performing industry norm.

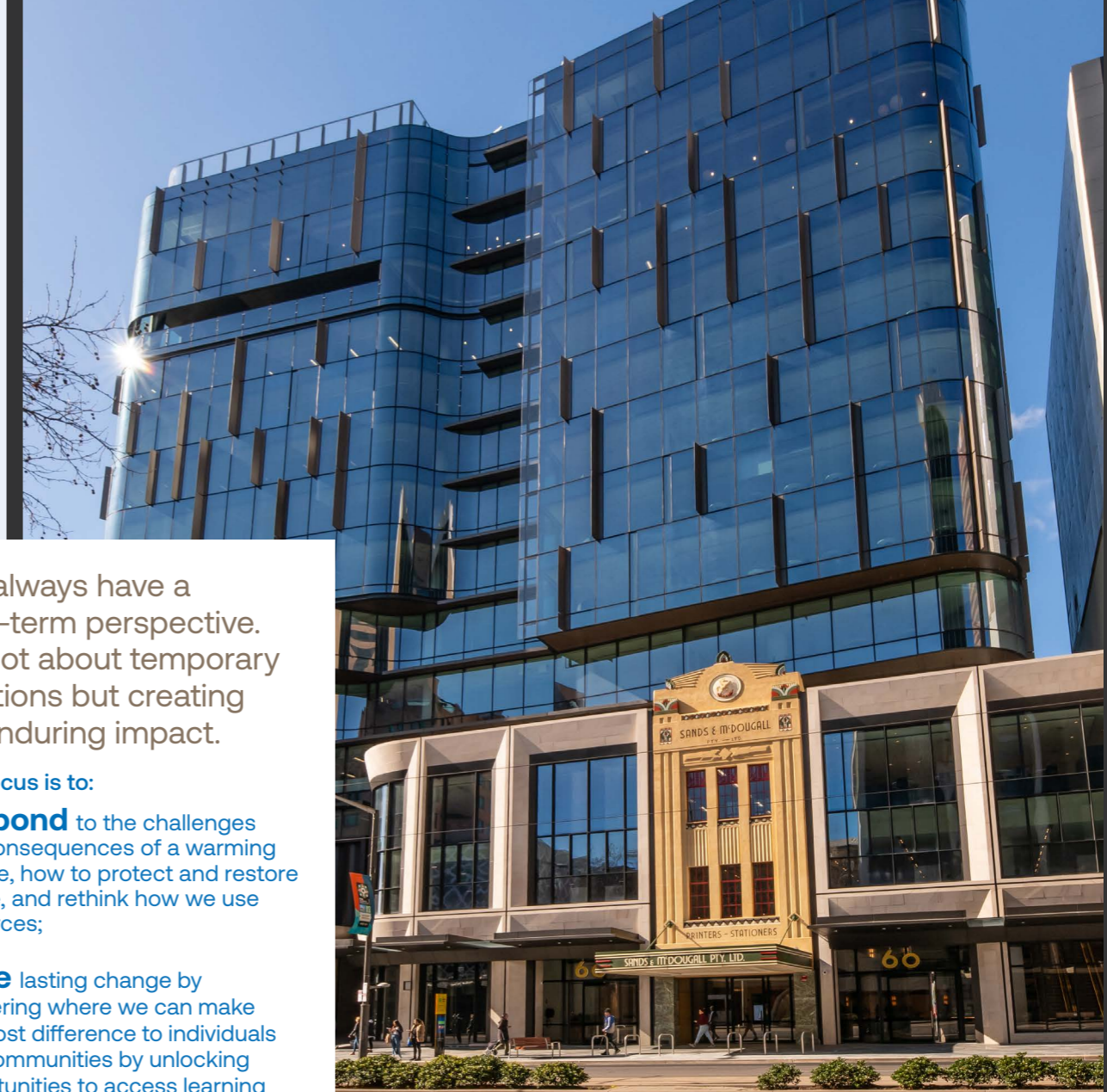
We always have a long-term perspective. It's not about temporary solutions but creating an enduring impact.

Our focus is to:

**Respond** to the challenges and consequences of a warming climate, how to protect and restore nature, and rethink how we use resources;

**Drive** lasting change by partnering where we can make the most difference to individuals and communities by unlocking opportunities to access learning and employment, as well as supporting communities to build and rebuild following disaster; and

**Lead** in our role as a steward of third party capital and create strategies that deliver long-term value to our investors, customers and other stakeholders.



Above: 60 King William Street Adelaide SA  
Kaurna land  
6 Star (Design Review)  
Design & As Built v1.2 (registered)

Right: Kanyana Wildlife Park WA, Corporate Volunteering

More information is provided in our [2023 Sustainability Report >](#)

1. Target uses science based methodologies, and it is our intention to obtain external verification of the baseline year and emissions inventory in the next 12-24 months. Target reflects current business activity and plan. Charter Hall will monitor emerging reporting frameworks, reserving the right to change this target in the future.  
2. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation. Where residual Scope 1 emissions are offset, Charter Hall will use high quality nature-based offsets.



## Progress against our sustainability targets

| Strategic focus area                | FY23 performance  | Looking forward   |
|-------------------------------------|---|---|
| <b>Climate action</b>               |   |   |
| Scope 1 and 2 carbon emissions      | <ul style="list-style-type: none"> <li>61% absolute reduction in carbon emissions (Scope 1 and 2<sup>1</sup>) against FY17 baseline, despite over 60% growth in lettable area.</li> </ul>   | <ul style="list-style-type: none"> <li>Net Zero emissions by 2025 (Scope 1 and 2)<sup>1</sup>.</li> </ul>   |
| Clean energy                        | <ul style="list-style-type: none"> <li>80% electricity supplied from renewable sources for eligible assets<sup>2</sup>.</li> <li>63MW of solar installed, an increase of 15.8MW since FY22. Increase represents solar installed, or solar measured through acquisition.</li> </ul>  | <ul style="list-style-type: none"> <li>100% electricity supplied from renewable sources by 2025 for assets in operational control.</li> <li>An additional 15MW of solar installed during FY24.</li> </ul> |
| Progress on Scope 3 emission target | <ul style="list-style-type: none"> <li>Established near term and long-term Scope 3 target<sup>3</sup>.</li> </ul>   | <ul style="list-style-type: none"> <li>Seek external verification of the baseline year and emissions inventory.</li> </ul>  |
| Energy performance                  | <ul style="list-style-type: none"> <li>Maintained 5.0 star NABERS Energy for Office portfolio, covering 97% eligible assets<sup>2</sup>.</li> <li>5.1 star NABERS Energy for Shopping Centre Retail portfolio, covering 79% eligible assets<sup>2</sup>, an uplift of 0.6 stars.</li> </ul>   | <ul style="list-style-type: none"> <li>Target 5.5 star NABERS Energy for Office portfolio by 2025.</li> <li>Maintain NABERS Energy for Shopping Centre Retail portfolio.</li> </ul>                       |
| Benchmarking performance            | <ul style="list-style-type: none"> <li>Australia's largest footprint of independently rated green space.</li> <li>~6.7m sqm of Green Star rated space across the country for our Office, Retail and Industrial &amp; Logistics sectors.</li> <li>5.0 star Green Star Performance for Office portfolio, covering 100% eligible assets<sup>2</sup>, an uplift of 1 star.</li> <li>3.0 star Green Star Performance for Retail portfolio, covering 100% eligible assets<sup>2</sup>, an uplift of 1 star.</li> <li>2.0 star Green Star Performance for Industrial &amp; Logistics portfolio, covering 76% eligible assets<sup>2</sup>.</li> </ul> | <ul style="list-style-type: none"> <li>Maintain Green Star Performance, while transitioning to the updated rating tool.</li> </ul>  |

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation. Where residual Scope 1 emissions are offset, Charter Hall will use high quality nature-based offsets.

2. Eligible assets in operational control.

3. Target uses science based methodologies, and reflects Charter Hall's current business activity and plan. Charter Hall will monitor emerging reporting frameworks, reserving the right to change this target in the future.

| Strategic focus area              | FY23 performance   | Looking forward   |
|-----------------------------------|--|---|
| <b>Rethink resources</b>          |  |   |
| Operational waste                 | <ul style="list-style-type: none"> <li>33% operational waste diverted from landfill for Office portfolio, a 1% improvement from last year.</li> <li>39% operational waste diverted from landfill for Shopping Centre Retail portfolio, a 11% improvement from last year.</li> </ul>  | <ul style="list-style-type: none"> <li>75% diversion from landfill by 2030 target at Office and Shopping Centre Retail portfolios.</li> </ul>                                       |
| Align to circular economy         | <ul style="list-style-type: none"> <li>Creation of Group circular economy approach.</li> </ul>   | <ul style="list-style-type: none"> <li>Implement a responsible resource strategy that addresses circular economy by 2025.</li> </ul>  |
| <b>Restore nature</b>             |  |   |
| Potable water consumption         | <ul style="list-style-type: none"> <li>0.47kL/sqm water intensity, up 5% from last year as a result of higher occupancy in our assets.</li> </ul>  |   |
| Water performance                 | <ul style="list-style-type: none"> <li>4.7 star NABERS Water for Office portfolio, covering 90% eligible assets<sup>2</sup>, a decrease of 0.1 star.</li> <li>4.2 star NABERS Water for Retail portfolio, covering 73% eligible assets<sup>2</sup>, an increase of 0.1 star.</li> </ul>  | <ul style="list-style-type: none"> <li>Target 5.0 star NABERS Water for Office portfolio rating by 2025.</li> </ul>   |
| <b>High performing talent</b>     |  |   |
| Inclusion, diversity and equality | <ul style="list-style-type: none"> <li>Continued to improve our Australian Workplace Equality Index (AWEI) score.</li> <li>Employee engagement of 89%, nine points above the high-performing industry norm.</li> <li>Bronze Employer for LGBTQ+ inclusion.</li> <li>Employer of Choice for Gender Equality by the Workplace Gender Equality Agency.</li> <li>29% female participation on the CHC Board and 36% in senior management.</li> </ul>  | <ul style="list-style-type: none"> <li>Sustain levels of engagement that align with being a global high performing culture.</li> </ul>  |
| <b>Deep customer partnerships</b> |  |   |
| Customer satisfaction             | <ul style="list-style-type: none"> <li>Tenant retention rate of 85.3% in the period.</li> <li>63% (by income) of our tenant customers leased more than one tenancy from us during the year and close to half of our top 20 customers increased their tenancy footprint with us.</li> <li>Group NPS score improved to +52 up from +45 in 2022. On a like-for-like basis satisfaction results increased in Industrial &amp; Logistics and Social Infrastructure, achieved 7-year highs in Shopping Centre Retail, while Office remained stable.</li> </ul> | <ul style="list-style-type: none"> <li>Create a benchmark to measure the cross-sector customer experience, considering all aspects of how we partner with our customers.</li> </ul> |





Canning Vale  
Distribution Facility WA  
Whadjuk land

| Strategic focus area            | FY23 performance  | Looking forward  |
|---------------------------------|---|--|
| <b>Strong communities</b>       |   |  |
| Community investment            | <ul style="list-style-type: none"> <li>Community donations were \$1.4m, up 16%, with over a third donated to disaster relief.</li> </ul>  | <ul style="list-style-type: none"> <li>Continue engaging closely with Reconciliation Australia to develop our new Innovate RAP.</li> </ul>   |
| <b>Health and well-being</b>    |   |  |
| Healthy buildings               | <ul style="list-style-type: none"> <li>Delivered Australia's largest footprint of WELL Building Portfolio and Health Safety rated workplaces, covering 1.4m sqm.</li> </ul>   | <ul style="list-style-type: none"> <li>Maintain WELL building portfolio rating for our Office sector.</li> </ul>   |
| Workforce health and safety     | <ul style="list-style-type: none"> <li>Lost Time Injury Frequency Rate (LTIFR) = 2.7<sup>1</sup>.</li> </ul>  |  |
| <b>Pathways to prosperity</b>   |   |  |
| Create employment opportunities | <ul style="list-style-type: none"> <li>210 youth employment outcomes generated.</li> </ul>  | <ul style="list-style-type: none"> <li>Achieve 400 youth employment outcomes by 2025 and 1,200 by 2030.</li> </ul>   |
| Employee volunteering           | <ul style="list-style-type: none"> <li>Provided 3,403 hours of employee volunteering, equating to \$316k, up 9% from last year.</li> </ul>  | <ul style="list-style-type: none"> <li>Volunteer 6,000 hours in the community by FY25.</li> </ul>  |
| <b>Sustained returns</b>        |   |  |
| Sustainable finance             | <ul style="list-style-type: none"> <li>Provided \$3.4bn of sustainable finance transactions, up \$900m since FY22 and comprising ~12% of total debt.</li> </ul>   | <ul style="list-style-type: none"> <li>Leverage approach to ESG to support future sustainable financing opportunities.</li> </ul>  |
| <b>Governance</b>               |   |  |
| Transparency and disclosure     | <ul style="list-style-type: none"> <li>17 Charter Hall funds scored in the top 20% of GRESB, with three funds recognised as Global and Regional Sector leaders.</li> <li>Maintained Australia's largest Green Star certified portfolio.</li> <li>Published third Modern Slavery Statement.</li> </ul> | <ul style="list-style-type: none"> <li>Actively monitor progress of International Sustainability Standards Board and future integration of environmental and financial metrics.</li> </ul> |

1. LTIFR includes both CHC employees and all contractors.  
 2. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation. Where residual Scope 1 emissions are offset, Charter Hall will use high quality nature-based offsets.  
 3. Target uses science based methodologies and reflects Charter Hall's current business activity and plan. Charter Hall will monitor emerging reporting frameworks, reserving the right to change this target in the future.  
 4. Eligible assets in operational control.

## Task Force on Climate-related Financial Disclosure (TCFD) update

We have actively aligned our climate action approach to the recommendations of the TCFD to ensure meaningful steps are taken to meet our objectives. Below is a summary of measures we undertook this year.

### Governance

Charter Hall Board oversee sustainability strategy and policies (including our approach to climate change) through the Audit Risk and Compliance Committee (ARCC). Climate change forms part of our sustainability strategy, progress on which is reported to the ARCC on a regular basis.

The Executive Committee continued to have strategic oversight of ESG strategy and implementation, led by the ESG Committee to drive platform-wide alignment for the management of climate related risks and opportunities.

### Strategy

- Achieve Net Zero carbon target for Scope 1 and Scope 2 by 2025<sup>2</sup>.
- 100 percent renewable electricity by 2025 for Charter Hall workplaces and assets under operational control.
- Continued investment in efficiency upgrades through strategic asset planning and maintain Australia's largest footprint of independently green rated space.
- Partner with tenant customers and suppliers to reduce Scope 3 emissions.
- Support communities with immediate relief and long term recovery following climate related natural disasters.

### Risks

|                 | Climate related risk   | FY23 performance  |
|-----------------|--|---|
| Transition risk | Costs to transition to lower emissions technology.                           | Electrification and electric vehicle studies undertaken to inform transition planning.  |
|                 | Increased upfront carbon cost for new developments and capital works.        | Focus on exploring opportunities to reduce upfront carbon, both in design and material selection.   |
|                 | Increase in operating costs due to volatility in energy market.              | Long term Power Purchase Agreement for the supply of off-site renewable electricity, providing certainty on cost.                               |
| Physical risk   | Damage to property and increased insurance premiums from changes in climate. | Improving integration with asset planning and risk management. Improving the climate risk assessment for all new developments and acquisitions. |

### Progress against targets

|                                 | Targets   | FY23 performance  |
|---------------------------------|---|---|
| GHG emissions                   | Net Zero Scope 1 and 2 emissions by 2025 <sup>2</sup> . | 61% absolute reduction in carbon emissions (Scope 1 and 2 <sup>2</sup> ) against FY17 baseline, despite a 60% growth in lettable area.                              |
|                                 | Set a Scope 3 emissions target.                         | 480 Swan Street, 60 King William Street and Chifley South designed for Net Zero in operations.<br>Established near term and long-term Scope 3 target <sup>3</sup> . |
| Resilience                      | Energy efficiency.                                      | Maintained 5.0 star NABERS Energy for Office portfolio, covering 97% eligible assets <sup>4</sup> .   |
|                                 |   | 5.1 star NABERS Energy for Shopping Centre Retail portfolio, covering 79% eligible assets <sup>4</sup> , an uplift of 0.6 star.                                     |
|                                 | 100% electricity from renewable sources by 2025.        | 80% electricity supplied from renewable sources for assets <sup>4</sup> .   |
| Diversified business activities | Partnering with tenants on renewable electricity.       | 63MW of solar installed.  |
| Access to capital               | Sustainable finance.                                    | Provided \$3.4bn of sustainable finance transactions, up \$900m since FY22, and comprising ~12% of total debt.  |



# LEADERSHIP

## Board of Directors



From Left:  
**Greg Paramor AO**, Independent Non-Executive Director  
**Jacqueline Chow**, Independent Non-Executive Director  
**David Clarke**, Chair/Independent Non-Executive Director  
**David Harrison**, Managing Director & Group CEO  
**Karen Moses**, Independent Non-Executive Director  
**Stephen Conry AM**, Independent Non-Executive Director  
**David Ross**, Independent Non-Executive Director

See pages 49-51 for  
information on the Directors.

## Executive Committee



From Left:  
**Richard Stacker**, Industrial & Logistics CEO  
**Steven Bennett**, Direct CEO  
**Natalie Devlin**, Chief Experience Officer  
**David Harrison**, Managing Director & Group CEO  
**Ben Ellis**, Retail CEO  
**Carmel Hourigan**, Office CEO  
**Sean McMahon**, Chief Investment Officer  
**Russell Proutt**, Chief Financial Officer



**David Harrison**  
Managing Director & Group CEO  
*BBus (Land Economics), FAPI, GradDip Applied Finance*  
See page 50.

**Richard Stacker**  
Industrial & Logistics CEO  
*BBA (Accounting and Finance)*  
Richard has over 30 years of experience in real estate funds management, real estate finance, accounting and risk management. With experience across all sectors, he has led the establishment, structuring and management of new funds, overseeing the transactional, development, asset and property management.

In 2018, Richard became CEO of Charter Hall's industrial & logistics real estate business following his role as Head of Global Investor Relations. In this role, Richard leads a team of 60 industrial & logistics property specialists, including investment management, development, asset and property management professionals. Richard is also a Board member of Charter Hall's unlisted retail investor business, Charter Hall Direct, having previously headed this business. Richard represents Charter Hall on the Board of Advisers for the Property Industry Foundation.

Prior to joining Charter Hall, Richard held the roles of Division Director of Macquarie Group and CEO of Macquarie Direct Property Management Limited; General Manager with Lendlease Corporation; and senior manager with PricewaterhouseCoopers. He is a member of the Institute of Chartered Accountants in Australia.

**Steven Bennett**  
Direct CEO  
*BBA, CA, GAICD*  
Steven is CEO of the Direct property business within Charter Hall. In addition to overseeing more than \$10 billion of assets on behalf of self-managed super funds, high-net-worth and direct investors, Steven manages a team of property and funds management professionals who are responsible for unlisted property funds across all the core real estate sectors. His day-to-day responsibility includes overseeing asset management and tenancy services, managing the financial structure of the funds, stakeholder communications and raising new equity capital.

Steven was elected President of the Property Funds Association for a two-year period ending in April 2021 and is currently the Vice President for the Property Council Australia NSW Divisional Council.

Prior to joining Charter Hall, Steven worked for Macquarie Bank for seven years in Sydney and London. Steven has over 20 years' of experience in funds management, banking, property, accounting and consultancy and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

**Natalie Devlin**  
Chief Experience Officer  
*BA, Postgrad Dip in MR Management*  
Natalie has over 20 years' of experience across Asia Pacific, leading and implementing organisational development and transformational change. In over 10 years at Charter Hall, she has focused on bringing to life its unique market proposition, built upon a philosophy of "better futures and mutual success" for customers, employees and communities. Using the levers of capability, brand, culture and workplace, Natalie is integral to how we scale and transform the Group, driving cross-sector connectivity and ensuring we retain our inventive spirit as we grow. She has driven the Group's environmental, social and governance strategy, including its ongoing commitment to creating strong local communities and tangible outcomes for vulnerable Australians using the Pledge 1% framework.

Passionate about continuous improvement, Natalie's previous roles include Head of People and Development at Valad Property Group, where she established the human resources function during its rapid growth period, and Head of HR, Asia Pacific for a multinational publishing company, where she transformed its operating model.

Natalie represents Charter Hall on the National and NSW Board of Advisers for the Property Industry Foundation, and is a member of Chief Executive Women and IWF Australia.

**Ben Ellis**  
Retail CEO  
*BAS (Property Economics)*  
Ben brings more than 23 years' experience in the property market, and with that, a deep knowledge of Charter Hall's business.

As Fund Manager of the Charter Hall Retail REIT and Charter Hall's Retail CEO, Ben is responsible for all management aspects of the Retail Funds Management platform to deliver value creation within the retail portfolio and optimise returns for our investors.

Prior to becoming the Retail CEO, Ben held several roles with Charter Hall including the Head of Retail Wholesale, then more recently has been Head of Capital Transactions across the Group's property platform, overseeing more than \$25 billion of gross transactions across all sectors.

**Carmel Hourigan**  
Office CEO  
*BBus (Land Economics), GradDip Finance and Investment*  
Carmel brings 30 years' experience in the real estate investment industry, spanning key senior leadership positions and roles in funds management across public and private markets, investment, research and advisory services.

As Office CEO, Carmel is responsible for driving the office business' strategic growth, including funds management, portfolio curation, capital raising and equity flows.

Carmel's previous roles include the Global Head of Real Estate at AMP Capital, CIO at GPT Group and Head of Investment Management at Lendlease.

Carmel has served as a Director of the Property Council of Australia for 9 years, including Vice President. Carmel currently serves as a member of the Property Champions of Change group, and is a Fellow of the Australian Property Institute. Carmel is also a former member of the Trustee Board and Deputy Chancellor of Western Sydney University.

**Sean McMahon**  
Chief Investment Officer  
*BBus (Property)*  
Sean has 30 years of property and investment banking experience in the real estate sector and is active in the listed, wholesale and direct capital markets.

As Chief Investment Officer, Sean is responsible for the Group's strategy and balance sheet investments, mergers and acquisitions, with oversight for multi-sector disciplines including property transactions and corporate development. He brings a wealth of experience across investment markets, diversified across office, industrial and retail sectors, and has been responsible for driving the development of corporate strategies, capital allocation and reinvestment programs.

Prior to joining Charter Hall, Sean worked at national diversified property group Australand (now Frasers) as Chief Investment Officer and was previously responsible for investment and development for all commercial, industrial and retail property.

Prior to Frasers, Sean spent seven years at Macquarie Bank as a senior executive in the Property Investment Banking division undertaking property finance, structured finance, funds management and joint venture transactions.

**Russell Proutt**  
Chief Financial Officer  
*BCom (Hons), CA, CBV*  
Russell brings over 33 years' finance experience to the Group, including property and infrastructure investment management in North America, Australia and broader Asia, as well as extensive merger and acquisition and financing capability across global markets.

Prior to joining Charter Hall, Russell was with Brookfield Asset Management for 12 years as a Managing Partner based in Canada and, more recently, Australia, where he worked in property and infrastructure sectors throughout the Asian region. Prior to joining Brookfield, Russell spent 15 years in investment banking and the financial services sector in North America.

He has a breadth of knowledge across commercial property markets and broad experience across infrastructure and private equity investments, mergers and acquisitions, transactions and finance functions.



# Directors' Report and Financial REPORT

For the year ended 30 June 2023

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Left: No.1 Martin Place  
Sydney NSW  
Gadigal land



## Directors' Report

The Directors of Charter Hall Limited and the Directors of Charter Hall Funds Management Limited, the Responsible Entity (RE) of Charter Hall Property Trust, present their report together with the consolidated financial report of the Charter Hall Group (Group or CHC) and the consolidated financial report of the Charter Hall Property Trust Group (CHPT) for the year ended 30 June 2023, and the independent auditor's report thereon. The financial report of the Group comprises Charter Hall Limited (Company or CHL) and its controlled entities, which include Charter Hall Funds Management Limited as the RE of Charter Hall Property Trust (Trust) and CHPT and its controlled entities. The financial report of the Charter Hall Property Trust Group comprises the Trust and its controlled entities.

Charter Hall Limited and Charter Hall Funds Management Limited have identical Boards of Directors. The term Board hereafter should be read as a reference to both these Boards.

The units in the Trust are 'stapled' to the shares in the Company. A stapled security comprises one Company share and one Trust unit. The stapled securities cannot be traded or dealt with separately.

### Directors

The following persons were Directors of the Group during the year and up to the date of this report.

|                    |  |
|--------------------|--|
| – David Clarke     | – Chair and Independent Non-Executive Director                   |
| – Jacqueline Chow  | – Independent Non-Executive Director                             |
| – Stephen Conry AM | – Independent Non-Executive Director (appointed 16 January 2023) |
| – David Harrison   | – Managing Director and Group CEO                                |
| – Karen Moses      | – Independent Non-Executive Director                             |
| – Greg Paramor AO  | – Independent Non-Executive Director                             |
| – David Ross       | – Independent Non-Executive Director                             |

### Distributions/Dividends – Charter Hall Group

Distributions/dividends paid/payable to stapled securityholders during the year were as follows:

|  | 2023<br>\$'m |
|--|--------------|
| Final ordinary distribution of 11.9 cents and ordinary dividend of 9.8 cents per stapled security for the six months ended 30 June 2023 payable on 31 August 2023                | 102.6        |
| Interim ordinary distribution of 11.46 cents and interim ordinary dividend of 9.38 cents per stapled security for the six months ended 31 December 2022 paid on 28 February 2023 | 98.6         |
| <b>Total Distributions/Dividends paid and payable to stapled securityholders</b>   | <b>201.2</b> |

### Operating and financial review

The Group recorded a statutory profit after tax attributable to stapled securityholders for the year to 30 June 2023 of \$196.1 million compared to a profit of \$911.1 million for the year ended 30 June 2022.

Operating earnings amounted to \$441.2 million for the year to 30 June 2023, compared to \$542.8 million for the year ended 30 June 2022, a decrease of 18.7%. Operating earnings is a financial measure which represents statutory profit after tax adjusted for the items in the table below. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare.

|  | 2023<br>\$'m | 2022<br>\$'m |
|--|--------------|--------------|
| <b>Operating earnings attributable to stapled securityholders</b>            | <b>441.2</b> | <b>542.8</b> |
| Add: Net fair value movements on equity accounted investments <sup>1</sup>   | (220.7)      | 355.9        |
| Add: Net gain/(loss) on disposal of property investments <sup>1</sup>        | –            | 0.3          |
| Less: Non-operating income tax benefit/(expense)                             | 4.6          | (13.1)       |
| Less: Realised and unrealised net (losses)/gains on derivatives <sup>1</sup> | (8.5)        | 70.1         |
| Less: Impairment of equity accounted investments                             | (9.1)        | (18.5)       |
| Less: Performance fees expense <sup>1</sup>                                  | 3.0          | (14.4)       |
| Less: Non-operating pursuit recoveries                                       | –            | 1.4          |
| Less: Amortisation of intangibles  | (0.5)        | (0.7)        |
| Less: Other <sup>1</sup>   | (13.9)       | (12.7)       |
| <b>Statutory profit after tax attributable to stapled securityholders</b>    | <b>196.1</b> | <b>911.1</b> |

<sup>1</sup> Includes the Group's proportionate share of non-operating items of equity accounted investments on a look through basis.

### Operating and financial review continued

The 30 June 2023 financial results with comparatives are summarised as follows:

|   | Charter Hall Group |          | Charter Hall Property Trust Group |         |
|---|--------------------|----------|-----------------------------------|---------|
|   | 2023               | 2022     | 2023                              | 2022    |
| Revenue (\$ million) <sup>1</sup>   | 869.7              | 1,098.3  | 21.8                              | 28.1    |
| Statutory profit after tax for stapled securityholders (\$ million)                         | 196.1              | 911.1    | (115.9)                           | 503.8   |
| Statutory earnings per stapled security (EPS) (cents)                                       | 41.5               | 194.1    | (24.5)                            | 107.3   |
| Operating earnings for stapled securityholders (\$ million)                                 | 441.2              | 542.8    | n/a                               | n/a     |
| Operating earnings per stapled security (cents)   | 93.3               | 115.6    | n/a                               | n/a     |
| Distribution/dividend per stapled security (cents)  | 42.5               | 40.1     | 23.4                              | 22.6    |
| Property investment segment earnings (\$ million) <sup>2</sup>                              | 137.5              | 142.9    | n/a                               | n/a     |
| Development investment segment earnings (\$ million) <sup>2</sup>                           | 36.0               | 35.5     | n/a                               | n/a     |
| Funds management segment revenue (\$ million) <sup>2</sup>                                  | 579.8              | 703.0    | n/a                               | n/a     |
| Total assets (\$ million)   | 4,072.6            | 4,192.6  | 2,892.2                           | 3,024.1 |
| Total liabilities (\$ million)  | 817.4              | 902.9    | 698.4                             | 560.0   |
| Total net assets (\$ million)   | 3,255.2            | 3,289.7  | 2,193.8                           | 2,464.1 |
| Net assets attributable to non-controlling interest (\$ million) <sup>3</sup>               | –                  | 43.2     | –                                 | 43.2    |
| Net assets attributable to stapled securityholders (\$ million)                             | 3,255.2            | 3,246.5  | 2,193.8                           | 2,420.9 |
| Stapled securities on issue (million)   | 473.0              | 473.0    | 473.0                             | 473.0   |
| Net assets per stapled security (\$)  | 6.88               | 6.86     | 4.64                              | 5.12    |
| Net tangible assets (NTA) attributable to stapled securityholders (\$ million) <sup>4</sup> | 2,971.6            | 2,960.3  | 2,193.8                           | 2,420.9 |
| NTA per stapled security (\$) <sup>4</sup>  | 6.28               | 6.26     | 4.64                              | 5.12    |
| Balance sheet gearing <sup>5</sup>  | 2.2%               | 0.0%     | n/a                               | n/a     |
| Funds under management (FUM) (\$ million) <sup>6</sup>                                      | 87,420.9           | 79,930.1 | n/a                               | n/a     |
| Property funds under management (\$million)   | 71,864.9           | 65,639.1 | n/a                               | n/a     |

<sup>1</sup> Gross revenue does not include the Group's share of net losses of associates and joint ventures of \$83.4 million (2022: \$544.9 million profit).

<sup>2</sup> Segment earnings and revenue is used by the Board in assessing the performance and allocating of resources to its operating segments.

<sup>3</sup> 30 June 2022: represented 54.9% non-controlling interest share of Charter Hall Wholesale Property Series No.2 (WPS2).

<sup>4</sup> NTA attributable to stapled securityholders and NTA per stapled security (\$) are calculated using assets less liabilities, net of intangible assets (including goodwill recorded in the carrying value of equity accounted investments and share purchase option derivatives) and related deferred tax and non-controlling interests in NCI not related to CHPT. NTA includes right of use assets.

<sup>5</sup> Gearing is calculated as interest-bearing debt drawn (excluding hedged foreign exchange movements subsequent to the related debt drawing) net of cash, divided by total assets net of cash and derivative assets.

<sup>6</sup> Includes 100% of Paradise Investment Management Funds Management Portfolio \$15.6 billion (30 June 2022: \$14.3 billion), of which the Group owns 50%.



## Operating and financial review continued

### Property investment

Property investment provides the Group with yields from its co-investments in Group funds. During the year property investment contributed \$137.5 million (30 June 2022: \$142.9 million) in segment earnings to the Group.

The Group's property investments are classified into the following real estate sectors:

- Industrial & Logistics;
- Long WALE Retail;
- Office;
- Social Infrastructure;
- Shopping Centre Retail; and
- Diversified.

The following table summarises the key metrics for the property investments of the Group:

|   | Ownership stake (%) | Charter Hall investment (\$m) | FY2023 Charter Hall investment income <sup>1</sup> (\$m) | Weighted average lease expiry (years) | Weighted average market cap rate (%) | Weighted average discount rate (%) | Weighted average rental reviews (%) | FY2023 Charter Hall investment yield <sup>2</sup> (%) |
|---|---------------------|-------------------------------|--|---------------------------------------|--------------------------------------|------------------------------------|-------------------------------------|---|
| <b>Industrial &amp; Logistics</b>                       |                     |                               |  |                                       |                                      |                                    |                                     |   |
| Charter Hall Prime Industrial Fund (CPIF)               | 1.3                 | 121.0                         | 4.5  | 10.2                                  | 4.2                                  | 6.1                                | 3.3                                 | 3.6   |
| Core Logistics Partnership Trust (CLP)                  | 5.6                 | 92.4                          | 3.3  | 8.5                                   | 4.3                                  | 6.2                                | 3.2                                 | 4.1   |
| Charter Hall PGGM Industrial Partnership (CHPIP)        | 12.0                | 46.9                          | 1.1  | 8.3                                   | 4.7                                  | 6.2                                | 3.9                                 | 2.4   |
| <b>Long WALE Retail</b>                                 |                     |                               |  |                                       |                                      |                                    |                                     |   |
| Long WALE Hardware Partnership (LWHP)                   | 17.5                | 236.2                         | 8.4  | 6.6                                   | 4.6                                  | 5.8                                | 2.8                                 | 3.2   |
| CH DJ Trust (CHDJT)                                     | 43.2                | 68.5                          | 2.9  | 17.7                                  | 4.8                                  | 7.0                                | 2.5                                 | 3.6   |
| Other Long WALE Retail investments                      |                     | 18.2                          | 1.5  | n/a                                   | n/a                                  | n/a                                | n/a                                 | n/a   |
| <b>Office</b>   |                     |                               |  |                                       |                                      |                                    |                                     |   |
| Charter Hall Prime Office Fund (CPOF)                   | 4.8                 | 290.9                         | 11.7   | 5.9                                   | 4.9                                  | 6.1                                | 3.6                                 | 3.7   |
| Charter Hall Office Trust (CHOT)                        | 15.7                | 277.8                         | 12.6   | 6.6                                   | 4.7                                  | 5.9                                | 3.6                                 | 4.0   |
| Charter Hall Direct PFA Fund (PFA)                      | 12.4                | 172.6                         | 9.6  | 6.0                                   | 5.5                                  | 6.4                                | 3.5                                 | 4.7   |
| Charter Hall Direct Office Fund (DOF)                   | 8.6                 | 162.8                         | 8.9  | 6.2                                   | 5.2                                  | 6.2                                | 3.7                                 | 4.9   |
| Brisbane Square Wholesale Fund (BSWF)                   | 16.8                | 129.6                         | 7.4  | 9.8                                   | 4.8                                  | 6.2                                | 4.0                                 | 5.6   |
| Genge Office Trust                                      | 49.9                | 78.8                          | 2.9  | 4.4                                   | 5.8                                  | 7.0                                | 3.5                                 | 7.6   |
| Other Office investments                                |                     | 103.2                         | 5.1  | n/a                                   | n/a                                  | n/a                                | n/a                                 | n/a   |
| <b>Social infrastructure</b>                            |                     |                               |  |                                       |                                      |                                    |                                     |   |
| Charter Hall Social Infrastructure REIT (ASX: CQE)      | 8.7                 | 126.0                         | 5.1  | 13.2                                  | 5.1                                  | n/a                                | 3.7                                 | 4.1   |
| Charter Hall Exchange Wholesale Trust (CHEWT)           | 3.0                 | 17.5                          | 0.9  | 17.1                                  | 3.9                                  | 5.3                                | 6.6                                 | 4.3   |
| <b>Shopping Centre Retail</b>                           |                     |                               |  |                                       |                                      |                                    |                                     |   |
| Charter Hall Retail REIT (ASX: CQR)                     | 10.7                | 288.7                         | 17.8   | 7.4                                   | 5.6                                  | 6.8                                | 4.5                                 | 5.9   |
| <b>Diversified</b>                                      |                     |                               |  |                                       |                                      |                                    |                                     |   |
| Charter Hall Long WALE REIT (ASX: CLW)                  | 10.7                | 429.2                         | 21.6   | 11.2                                  | 4.8                                  | 6.2                                | 5.1                                 | 4.6   |
| Charter Hall DVP Fund (DVP)                             | 13.0                | 67.5                          | 2.0  | 6.3                                   | 3.7                                  | 4.7                                | 3.4                                 | 3.3   |
| Charter Hall PGGM Industrial Partnership No. 2 (CHPIP2) | 12.0                | 94.6                          | 4.0  | 4.6                                   | 5.2                                  | 6.1                                | 3.6                                 | 4.0   |
| Other investments                                       |                     | 128.8                         | 6.2  | n/a                                   | n/a                                  | n/a                                | n/a                                 | n/a   |
| <b>Property Investment Total</b>                        |                     | <b>2,951.2</b>                | <b>137.5</b>   | <b>7.4</b>                            | <b>4.9</b>                           | <b>6.1</b>                         | <b>3.6</b>                          | <b>4.4</b>  |

<sup>1</sup> Charter Hall Group property investment segment earnings per segment information in Note 1(b) of the financial report.

<sup>2</sup> Yield = Operating earnings divided by investment value at start of the year adjusted for investments/divestments during the year. Excludes MTM movements in NTA during the year.

## Operating and financial review continued

### Development investment

Development investment provides the Group with development profits and interest income from its development assets held directly on balance sheet and through co-investments in development ventures. During the year, development investment contributed \$36.0 million (30 June 2022: \$35.5 million) in segment earnings to the Group.

### Funds management

The funds management business provides investment management, asset management, property management, development management and leasing and transaction services to the Group's \$71.9 billion property funds management portfolio. The Group holds a 50% interest in Paradise Investment Management, a fund manager with \$15.6 billion in funds under management invested in Australian and global listed equities.

During the year, the funds management business contributed \$579.8 million (30 June 2022: \$703.0 million) in segment revenue to the Group.

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the period.



## Principal activities

During the year, the principal activities of the Group consisted of:

- (a) Investment in property funds;
- (b) Development investment; and
- (c) Funds management.

## Matters subsequent to the end of the period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (a) The Group's operations in future financial years; or
- (b) The results of those operations in future financial years; or
- (c) The Group's state of affairs in future financial years.

## Likely developments and expected results of operations

### Business strategy and prospects

The Group's strategy is to use its specialist property expertise to access, deploy and manage equity invested in office, industrial, retail, diversified and social infrastructure property portfolios. Charter Hall Group invests alongside equity partners to create value and provide superior returns for clients and the Group's securityholders. Growth is driven by a strong development capability that adds value for fund/partnership investors, whilst deployment through acquisitions complements the development capability to deploy the equity raised from investors in line with each property's strategy.

Charter Hall is well positioned to benefit from further capital inflows from investors seeking property investments driven by the positive spread between property returns and long-term interest rates. During the last 12 months, the Group has seen positive equity flows.

Various risks could impact the Group's financial performance, and the potential nature and impact of these risks can change over time. The Group actively manages risks in line with the Group's Corporate Governance Framework and the Risk Management Policy. In addition to the business risks referenced below, key strategic and operational risks include breaches of cyber security and privacy, work, health and safety, as well as environmental (including climate change), social, governance and regulatory risks. The Group continues to progress its alignment with the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations, and in the reporting period management has maintained a dedicated ESG Committee to drive platform-wide alignment and implementation against the TCFD. These frameworks and policies can be found at [www.charterhall.com.au](http://www.charterhall.com.au).

### Property investment portfolio

The property investment portfolio of the Group is primarily composed of co-investments in funds and partnerships where, typically, between 5-20% of the equity in a fund is contributed by Charter Hall. The percentage stake may be higher than the long-term target at origination of the fund or partnership but will fall toward the long-term target over time with external equity flows.

The Group regularly reviews the performance of its property investment portfolio and may reduce its investment in funds to reinvest into new partnerships or funds to align with new partners. Sector diversification, industry diversification and earnings growth of each fund/partnership co-investment, together with associated funds management earnings derived from each fund/partnership, combine to provide a matrix to which the balance sheet capital is allocated. The material business risks faced by the property investment portfolio that may have an effect on financial performance of the Group include interest rate risk, refinancing risk, lease defaults or extended vacancies, portfolio concentration risks, development risk, joint venture risk and changes in economic or industry factors impacting tenants, property values or the ability to source suitable investment opportunities.

### Development investment portfolio

The development investment portfolio comprises development assets held directly on balance sheet and co-investments in development associates and joint ventures. Primarily, development investments will provide stabilised investment opportunities made available to our funds.

The Group regularly reviews the performance of its development investments and relevant economic drivers to actively manage performance of each development.

The business risks faced by the development investment portfolio that may have an effect on financial performance of the Group include interest rate risk, refinancing risk, development risk, construction risk, leasing risk, joint venture risk and changes in economic or industry factors impacting customers, property values or the ability to source suitable investment opportunities.

### Funds management platform

The Group manages primarily property investments on behalf of listed, wholesale and direct investors and has strict policies in place to ensure appropriate governance procedures are in place to meet fiduciary responsibilities and manage any conflicts of interest. Charter Hall provides a suite of services including investment management, asset management, property management, transaction services, development services, treasury, finance, legal and custodian services based on each fund's individual requirements.

The Group regularly reviews investor requirements and preferences for an investment partner in the Australian core real estate sectors and transaction structures that would meet their requirements.

The material business risks faced by the funds management platform that may have an effect on the financial performance of the Group include not delivering on investor expectations or organisational conduct leading to loss of FUM or management rights, loss of key personnel impacting service delivery, economic factors impacting fee streams or property valuations, development risk and access to capital.

## Information on Directors

### David Clarke

#### Chair/Independent Non-Executive Director

##### Experience and expertise

David joined the Board of the Charter Hall Group on 10 April 2014 and was appointed Chair of the Board on 12 November 2014.

David has over 35 years' experience in investment banking, funds management, property finance and retail banking. David was Chief Executive Officer of Investec Bank (Australia) Limited from 2009 to 2013.

Prior to joining Investec Bank, David was the Chief Executive Officer of Allco Finance Group and a Director of AMP Limited, following five years at Westpac Banking Corporation where he held a number of senior roles including Chief Executive of the Wealth Management Business, BT Financial Group. David was also previously an Executive Director at Lendlease Corporation Limited, Chief Executive of MLC Limited, and prior to this was Chief Executive Officer of Lloyds Merchant Bank in London.

David holds a Bachelor of Laws degree.

##### Other current listed company directorships

AUB Group Limited

##### Former listed company directorships in last three years

Nil

##### Special responsibilities as at 30 June 2023

Chair of the Nominations Committee

Member of the Audit, Risk and Compliance Committee

Member of the Investment Committee

##### Interests in securities

49,875 stapled securities in Charter Hall Group via an indirect interest

### Jacqueline Chow

#### Independent Non-Executive Director

##### Experience and expertise

Jacqueline joined the Board of the Charter Hall Group on 17 February 2021.

An experienced Non-Executive Director, Jacqueline is currently a Non-Executive Director of Coles Group, nib Holdings Limited and Boral Limited and previously held the role of Senior Advisor with McKinsey in their Transformation Group. Prior to commencing her Non-Executive career, Ms Chow held senior positions at Accenture, the Kellogg Company, and Campbell's, and most recently, she was the Chief Operating Officer, Global Consumer and Food Service for Fonterra.

Jacqueline holds a Bachelor of Science (Hons) from the University of NSW and holds a Master of Business Administration (Dean's Distinguished Service Award) from the Kellogg School of Management at Northwestern University.

##### Other current listed company directorships

Coles Group Limited

nib Holdings Limited

Boral Limited

##### Special responsibilities as at 30 June 2023

Member of the Audit, Risk and Compliance Committee

Member of the Nominations Committee

##### Interests in securities

10,000 stapled securities in Charter Hall Group

### Stephen Conry AM

#### Independent Non-Executive Director

##### Experience and expertise

Stephen joined the Board of the Charter Hall Group on 16 January 2023.

Stephen brings over 40 years' experience in executive positions in the property industry in Australia and globally.

Stephen held the position of Chief Executive Officer at Jones Lang LaSalle (JLL) Australia for 13 years until 2022, following a career with JLL that spanned four decades, including serving as an International Director for 22 years.

Stephen has held roles with numerous business and community boards, including the Property Council of Australia where he was National President from 2019 to 2021. Stephen is currently Chairman of private investment company Langdon Capital Pty Ltd, a member of the Commonwealth Remuneration Tribunal, a Board member of Redkite, a Fellow of the Australian Property Institute, a Fellow of the Royal Institution of Chartered Surveyors, and Fellow of the Australian Institute of Company Directors.

Stephen was appointed a Member of the Order of Australia in the 2019 Queens Birthday Honours list for his service to the Australian Commercial Property Sector and the Community.

##### Other current listed company directorships

Nil

##### Former listed company directorships in last three years

Nil

##### Special responsibilities as at 30 June 2023

Member of the Remuneration and Human Resources Committee

Member of the Investment Committee

##### Interests in securities

16,000 stapled securities in Charter Hall Group via an indirect interest



## Information on Directors continued

### David Harrison

#### Managing Director and Group Chief Executive Officer

##### Experience and expertise

David has over 30 years' property market experience across office, retail and industrial sectors in multiple geographies globally. As Charter Hall's Managing Director and Group Chief Executive Officer, David is responsible for strategically growing the business and maintaining its position as a multi-core sector market leader. David is an executive member of various Fund Boards and Partnership Investment Committees, and Chair of the Executive Property Valuation Committee and Executive Leadership Committee.

David has overseen the growth of the Charter Hall Group from \$500 million to \$87.4 billion of assets under management in 15 years.

David holds a Bachelor of Business Degree (Land Economy) from the University of Western Sydney, is a Fellow of the Australian Property Institute (FAPI) and holds a Graduate Diploma in Applied Finance from the Securities Institute of Australia.

David is the Chair of the Property Council of Australia Nominations and Financial Management Committees. David is also a member of the Property Council Australia Champions of Change Coalition.

##### Other current listed company directorships

Charter Hall Retail REIT  
Charter Hall Long WALE REIT  
Charter Hall Social Infrastructure REIT (Alternative Director)

##### Former listed company directorships in last three years

Nil

##### Special responsibilities as at 30 June 2023

Member of the Investment Committee

##### Interests in securities

327,026 stapled securities in Charter Hall Group via direct interests and 841,773 stapled securities in Charter Hall Group via indirect interests.

David also holds 856,234 performance rights, 905,776 performance rights (ROP), 122,516 service rights in the Charter Hall Performance Rights and Options Plan, as well as 369,829 STI Service Rights.

Total 3,423,154 securities and rights

### Karen Moses

#### Independent Non-Executive Director

##### Experience and expertise

Karen joined the Board of Charter Hall Group on 1 September 2016 and was appointed Chair of the Audit, Risk and Compliance Committee on 9 November 2016.

Karen has over 30 years' corporate experience in the energy industry spanning oil, gas, electricity and coal commodities, gaining her experience both within Australia and overseas.

During her executive career, Karen was a senior executive at Origin Energy in roles including Executive Director, Finance and Strategy and Chief Operating Officer.

Karen holds a Bachelor of Economics and a Diploma of Education from the University of Sydney.

##### Other current listed company directorships

Orica Ltd  
Boral Limited

##### Former listed company directorships in last three years

Nil

##### Special responsibilities as at 30 June 2023

Chair of the Audit, Risk and Compliance Committee  
Member of the Nominations Committee  
Member of the Remuneration and Human Resources Committee

##### Interests in securities

23,137 stapled securities in Charter Hall Group via indirect interests

### Greg Paramor AO

#### Independent Non-Executive Director

##### Experience and expertise

Greg joined the Board of the Charter Hall Group on 30 November 2018.

Greg has been in the real estate and funds management industry for more than 40 years, and was the co-founder of Equity Real Estate Partners, Growth Equities Mutual, Paladin Australia and the James Fielding Group.

Greg was the Chief Executive Officer of Mirvac Group between 2004 and 2008. Greg is a past president of the Property Council of Australia and past president of Investment Funds Association, a Fellow of the Australian Property Institute and The Royal Institute of Chartered Surveyors. Greg is a board member of the Sydney Swans, the Sydney Swans Foundation and Eureka Group Holdings Limited.

Greg was awarded an Officer in the General Division (AO) of the Order of Australia in January 2015 for his distinguished service to the community through executive roles in a range of fields, including breast cancer research, the not-for-profit sector and real estate and property investment industries.

##### Other current listed company directorships

Eureka Group Holdings Limited

##### Former listed company directorships in last three years

Nil

##### Special responsibilities as at 30 June 2022

Chair of the Investment Committee  
Member of the Nominations Committee  
Member of the Remuneration and Human Resources Committee

##### Interests in securities

14,300 stapled securities in Charter Hall Group via indirect interests

## Information on Directors continued

### David Ross

#### Independent Non-Executive Director

##### Experience and expertise

David joined the Board of the Charter Hall Group on 20 December 2016.

David has over 30 years' corporate experience in the property industry and has gained his experience both within Australia and overseas, including a total of eight years as Chief Executive Officer of GPT and Global Chief Executive Officer, Real Estate Investments for Lendlease.

David is the Chair of Arena REIT, which owns, manages and develops property in the childcare and healthcare sectors. Previously, David held executive positions at GPT, Lendlease and Babcock & Brown. Prior board appointments include a non-executive directorship with Sydney Swans Foundation Limited.

David holds a Bachelor of Commerce from the University of Western Australia and an Associate Diploma in Valuation from Curtin University in Western Australia.

##### Other current listed company directorships

Arena REIT

##### Former listed company directorships in last three years

Nil

##### Special responsibilities as at 30 June 2023

Chair of the Remuneration and Human Resources  
Member of the Investment Committee  
Member of the Audit, Risk and Compliance Committee

##### Interests in securities

17,500 stapled securities in Charter Hall Group via indirect interests

## Company Secretary

Mark Bryant was appointed as Company Secretary on 24 August 2015.

Mark holds a Bachelor of Business (Accounting), a Bachelor of Laws (First Class Honours), a Graduate Certificate in Legal Practice, and is admitted as a lawyer of the Supreme Court of NSW. Mark has over 19 years' experience as a lawyer, including advising on listed company governance, securities law, funds management, real estate, and general corporate law. Mark joined Charter Hall in 2012, prior to which he was a Senior Associate in the Sydney office of King & Wood Mallesons.

Mark is the General Counsel and Company Secretary for the Charter Hall Group.

## Meetings of Directors

The number of meetings of the Group's Board of Directors and of each Committee of the Board held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

|            | Full meetings of the Board of Directors |   | Audit, Risk and Compliance Committee |   | Investment Committee |   | Nomination Committee |   | Remuneration and HR Committee |   |
|------------|---|---|--------------------------------------|---|----------------------|---|----------------------|---|-------------------------------|---|
|            | A                                       | B | A                                    | B | A                    | B | A                    | B | A                             | B |
| D Clarke   | 9                                       | 9 | 5                                    | 5 | 4                    | 4 | -                    | - | *                             | * |
| J Chow     | 8                                       | 9 | 5                                    | 5 | *                    | * | -                    | - | *                             | * |
| S Conry    | 3                                       | 3 | 2                                    | 2 | 2                    | 2 | *                    | * | 2                             | 3 |
| D Harrison | 9                                       | 9 | *                                    | * | 4                    | 4 | *                    | * | *                             | * |
| K Moses    | 8                                       | 9 | 5                                    | 5 | *                    | * | -                    | - | 6                             | 6 |
| G Paramor  | 9                                       | 9 | *                                    | * | 4                    | 4 | -                    | - | 5                             | 6 |
| D Ross     | 9                                       | 9 | 5                                    | 5 | 4                    | 4 | *                    | * | 6                             | 6 |

\* Not a member of the stated Committee.

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office or was a member of the stated Committee during the year.



## Remuneration Report

Dear Securityholders,

On behalf of the Board, we are pleased to present this Remuneration Report for Charter Hall. The report focuses on the Group's executive remuneration strategy and outcomes, aligned to Charter Hall's operating performance, as well as our people and culture highlights for the financial year ended 30 June 2023 (FY2023).

The broader environment continues to be challenging economically and geopolitically. Charter Hall's strategy, operating model and focus on relationships with investors, tenant customers and employees continues to support our resilience through the cycle. Against the backdrop of rising inflation and increasing interest rates throughout FY23, we have managed to record encouraging results, despite the economic uncertainty and financial pressures. The energy and dynamism of our Group, coupled with our culture of engagement and experience-based development, has enabled us to retain top talent in a highly competitive landscape. We are proud of our progress in establishing a solid foundation for long-term environmental impact through onsite renewables, efficiency initiatives supporting our Net Zero Carbon targets and our new grid supplied renewables partnership with ENGIE.

Additional information on our operating conditions and business achievements are provided in the Chair and Managing Director & Group CEO (Managing Director) messages in the FY2023 Annual Report.

In FY2023, while the Group Operating Earnings Per Security (OEPS) was down on FY2022 due largely to the significant and greater performance fees earned in FY2022 compared to FY2023, the Group achieved its OEPS target of 90 cents per security (the second highest OEPS result for Charter Hall) and shared this success with all employees through the Short-Term Incentive (STI). Assessment of individual performance scorecards has resulted in 108.3% of the total target STI amount being awarded to eligible employees across the Group.

The Managing Director's KPI performance outcomes exceeded the target for the FY23 period. However, at the CEO's initiative due to the external environment, and in consultation with the Board, it was agreed to reduce his STI payment to 100% of the STI target. The Other Reported Executives have been awarded an STI payout at 115% of the target. Further details on FY2023 STI performance and outcomes is included in section 6.4 of this report.

In addition, the second tranche of the FY2020 Long Term Incentive (LTI) reached the end of its four-year performance period on 30 June 2023 and based upon performance against the two performance measures 87.5% of the LTI will vest on 31 August 2023. The results for each measure are as follows:

- the aggregate OEPS over the performance period was equivalent to a 31.0% pa compound average growth rate (CAGR) exceeding the stretch hurdle of the required aggregate OEPS performance measure, which will result in this component fully vesting; and;
- the Relative Total Shareholder Return (TSR) measure achieved the seventh rank of the 17 REITs (at the 62.5<sup>th</sup> percentile) in the comparator group from the S&P/ASX200 A-REIT Accumulation Index with a TSR of 8.93% (an equivalent CAGR of 2.2%) over the four year performance period, which will result in 75% of this component vesting.

Further details on the FY2020 (LTI) results are included in section 6.8 of this report.

Throughout a challenging year, our people demonstrated exceptional perseverance, while we remained committed to enhancing well-being and encouraging a culture of connection and inclusion. This is reflected in our people and culture highlights for the year:

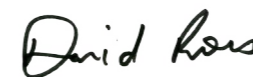
- 89% Engagement result with a 97% participation rate, 9 points above the Australian norm
- 93% of our people would recommend Charter Hall as a good place to work
- Awarded Employer of Choice for Gender Equality for the second consecutive biennial cycle (in 2021 and 2023)
- Awarded the Social Procurement Game Changer (NSW/ACT region) and the 2022 Social Traders National Game Changer Award for our partnership with Two Good Co
- Recognised in the 2022 AFR BOSS Most Innovative Companies List – winning the award for Best Innovation Program and ranking first in Property, Construction and Transport, from over 700 nominated organisations across Australia and New Zealand
- Successfully delivered our reimagined workplace in Sydney to foster connection and inclusion
- Celebrated and acknowledged First Nations cultures through activations and placemaking in our assets
- Hosted World Pride across our assets as part of the Building Pride and Rainbow City initiatives
- Tenant customer surveys across Retail, Office and Industrial maintained strong results with sector leading results in each sector with a weighted Net Promoter Score (NPS) of +52, being in the top decile of NPS
- Retail NPS scores are at a 6-year high (+27) and improvements were made in scores for both Office (+58) and Social Infrastructure (+52)

## Changes to FY2023 Remuneration

For FY2023, there were no material changes to the remuneration structure, with the only changes, as foreshadowed in the FY2022 Remuneration Report, being to introduce a face value methodology for determining the number of Rights allocated under the Performance Rights and Options Plan (PROP) to provide better alignment with securityholders, and to increase the minimum securityholding requirements for the Managing Director to 150% of Fixed Annual Remuneration (FAR) and Non-Executive Directors (NED) to 100% of their annual base director fee. Following a comprehensive review and repositioning of fixed and variable remuneration in FY2022, there was no increase to Fixed Remuneration for our Reported Executives in FY2023 with an increase only in the "at risk" STI component, resulting in an overall 3.5% increase to target total remuneration. More detail can be found in section 6.2 of this report.

Non-Executive Directors (NED) fees were increased by 3% effective 1 July 2022. More detail of these changes can be found in section 8 of this report.

*We invite you to read Charter Hall's Remuneration Report on the following pages which articulates the alignment between the Group's strategy, performance, and executive remuneration outcomes. The Board will continue to monitor Charter Hall's performance and remuneration policies and framework to ensure they remain fit for purpose, drive the right behaviours, deliver on the intended strategy and meet securityholder expectations. We welcome your feedback on Charter Hall's remuneration framework and practices and look forward to your continued support at our 2023 Annual General Meeting.*



**David Ross**  
Chair – Remuneration and  
Human Resources Committee



**David Clarke**  
Chair – Board



## 1. Key Management Personnel

This Report outlines the remuneration policies and practices that apply to Charter Hall's Key Management Personnel (KMP) for the year ended 30 June 2023. The KMP include the Non-Executive Directors, Managing Director and Other Reported Executives.

| Name                             | Role                            | Term as KMP                           |
|----------------------------------|---------------------------------|---------------------------------------|
| <b>Non-Executive Directors</b>   |                                 |                                       |
| David Clarke                     | Chair                           | Full Year                             |
| Jacqueline Chow                  | Director                        | Full Year                             |
| Stephen Conry AM                 | Director                        | Part Year – appointed 16 January 2023 |
| Karen Moses                      | Director                        | Full Year                             |
| Greg Paramor AO                  | Director                        | Full Year                             |
| David Ross                       | Director                        | Full Year                             |
| <b>Managing Director</b>         |                                 |                                       |
| David Harrison                   | Managing Director and Group CEO | Full Year                             |
| <b>Other Reported Executives</b> |                                 |                                       |
| Sean McMahon                     | Chief Investment Officer        | Full Year                             |
| Russell Proutt                   | Chief Financial Officer         | Full Year                             |

The Report has been prepared and audited in accordance with the requirements of the *Corporations Act 2001* (Cth) (Act).

## 2. FY2023 Remuneration outcome summary and framework changes at a glance

Charter Hall Limited is pleased to present its Remuneration Report for the year ended 30 June 2023 (FY2023). The table below outlines the FY2023 outcomes and key remuneration framework changes.

| Component   | Section     | Outcomes/Remuneration Framework Changes  |
|---|-------------|--|
| Total Target Remuneration (TTR)                   | 6.2         | The Managing Director and Other Reported Executives received a 3.5% increase to TTR in FY2023, all of which was in the 'at risk' STI component as disclosed in the Notice of Meeting and Information Memorandum for the FY2022 AGM for the Managing Director.  |
| Fixed Annual Remuneration (FAR)                   | 6.3         | There were no changes to FAR for the Managing Director and Other Reported Executives in FY2023.  |
| Short Term Incentive (STI)                        | 6.4         | The Managing Director and Other Reported Executives received a 10.5% increase to STI target in FY2023 as disclosed in the Notice of Meeting and Information Memorandum for the FY2022 AGM for the Managing Director.<br><br>Group OEPS was 93.3 cents, which was 3.7% above target FY2023 OEPS. Assessment of individual performance scorecards has resulted in 108.3% of the aggregate target STI at Group level being awarded to eligible employees across the Group. For all Group Executives (including the Reported Executives), STI is delivered in the form of cash (67%) and deferred service rights (33%). The Managing Director and Other Reported Executives KPI performance and STI outcomes are provided in section 6.8.  |
| Long Term Incentive (LTI)                         | 6.8         | The first tranche of the FY2020 LTI grant vested at 100% on 31 August 2022.<br><br>The second tranche of the FY2020 LTI grant reached the end of its four-year performance period on 30 June 2023. As a result of performance exceeding the stretch hurdle for the aggregate OEPS measure (50% of the LTI) this component will fully vest and with the Relative TSR measure (50% of LTI) outcome at the 62.5th percentile of its comparator group 75% of this component will vest. On a combined basis, 87.5% of the LTI will vest on 31 August 2023.  |
| Minimum Charter Hall Securityholding Requirements | 6.1 and 8   | Effective FY2023, the Managing Director is required to hold a minimum of 150% of FAR (up from 100%) in CHC securities, within five years of appointment in the role or from the date of adoption of this policy, whichever is the later, and maintain it on an on-going basis.<br><br>Other Executives are required to hold a minimum of 100% of FAR (no change) in CHC securities or CH fund securities, provided a majority of the minimum securityholding requirement is held in CHC securities, within five years of being appointed to an Executive role or from the date of this policy, whichever is the later, and maintain it on an on-going basis.<br><br>Effective FY2023, the NEDs are required to hold a minimum of 100% of their annual base director fee, excluding Committee membership fees, in CHC securities (up from \$90,000), within three years of appointment as a NED or from the date of this policy, whichever is the later, and maintain it on an on-going basis.<br><br>The value of securities for determining compliance is the higher of acquisition cost or market value. |
| Rights Allocation Methodology                     | 6.4 and 6.5 | Effective FY2023, the methodology for determining the number of Rights allocated under the PROP is on a face value basis, calculated on the Volume-Weighted Average Price (VWAP) for the month of June prior to the grant date. A cash payment equivalent to cash distributions declared and paid to the securityholders during the period from the grant of Rights to the exercise date following vesting of Rights will be paid to the participants on the exercise of Rights. This will only be payable on the Rights that vest.<br><br>This is regarded as providing alignment with securityholders.   |
| NED Fees  | 8           | NED Board base and Committee fees were increased by 3% in FY2023.  |



### 3. FY2023 Actual remuneration received

Below is the table displaying the remuneration actually received by Reported Executives for the fiscal year ending on 30 June 2023. This voluntary disclosure is provided to increase transparency and includes:

- fixed pay and other benefits for FY2023;
- 2022 cash STI paid during FY2023; and
- the value of any LTI and STI award that vested and were exercised during FY2023.

The actual remuneration presented in the table below is distinct from the disclosed remuneration (as required by section 308(C) of the *Corporations Act 2001 (Cth) (Act)*) in section 7.1 of this Report, which is calculated in accordance with statutory obligations and accounting standards. The numbers in section 7.1 include accounting values for current and prior years' LTI grants which have not been (or may not be) received, as they are dependent on performance hurdles and service conditions being met.

The short-term incentive in the table below is representative of what was paid in FY2023 in cash, for FY2022 performance. D Harrison elected to voluntarily defer 100% of the \$2,250,000 cash component of his FY2022 STI into rights, and R Prutt elected to voluntarily defer 50% of the \$865,000 cash component of his FY2022 STI into rights.

| Name                             | Salary and other benefits <sup>1</sup><br>\$ | Short Term Incentive <sup>2</sup><br>\$ | Value of securities vested and exercised <sup>3</sup><br>\$ | Total exercised rights<br>\$ | % of remuneration consisting of vested and exercised rights<br>% |
|----------------------------------|--|---|---|------------------------------|--|
| <b>Managing Director</b>         |  |   |   |                              |  |
| D Harrison                       | 1,500,814                                    | –                                       | 2,333,077   | 3,833,891                    | 60.9   |
| <b>Other Reported Executives</b> |  |   |   |                              |  |
| S McMahon                        | 925,814                                      | 925,000                                 | 851,320   | 2,702,134                    | 31.5   |
| R Prutt                          | 865,814                                      | 432,500                                 | 828,918   | 2,127,232                    | 39.0   |
| <b>Totals</b>                    | <b>3,292,442</b>                             | <b>1,357,500</b>                        | <b>4,013,315</b>  | <b>8,663,257</b>             | <b>46.3</b>  |

<sup>1</sup> Other benefits include superannuation and non-monetary benefits.

<sup>2</sup> Values relate to STI paid in FY2023 in cash for FY2022 performance. D Harrison elected to voluntarily defer 100% of the cash component of his FY2022 STI into rights and R Prutt elected to voluntarily defer 50% of the cash component of his FY2022 STI into rights.

<sup>3</sup> Values calculated using the VWAP of \$12.97 on the vesting date applied to the number of rights that vested and were exercised for the FY20 LTI performance rights (tranche 1), the FY20 STI T2 deferred service rights and the FY21 STI T1 deferred service rights. The value at the vesting date includes the change in the price of Charter Hall securities since the grant of the rights which were based upon independent valuations at the time.

### 4. FY2023 Remuneration framework changes at a glance

The following table outlines the remuneration framework changes planned for FY2024.

| Component                                | Section     | Changes   |
|--|-------------|---|
| Exercise of Vested Rights under the PROP | 6.4 and 6.5 | Effective for grants of Rights from 1 July 2023, the automatic exercise of Rights into Charter Hall securities at vesting, will be amended to allow the exercise of Rights at the election of the participant for a period of up to 10 years from the grant date. A cash payment equivalent to cash distributions declared and paid to the securityholders during the period from the grant of Rights to the exercise date following vesting of Rights will be paid to the participants on the exercise of Rights. This will only be payable on the Rights that vest. |

The proposed changes outlined above are applicable to all existing plans under the PROP effective from 1 July 2023.

The changes are intended to improve shareholder alignment as employees may choose to have additional capital exposure to Charter Hall because of the flexibility of the offering. At a time when talent shortages and market pressures remain high, improved personalisation of the equity offering also serves as a talent retention tool by providing employees with greater control of their capital.

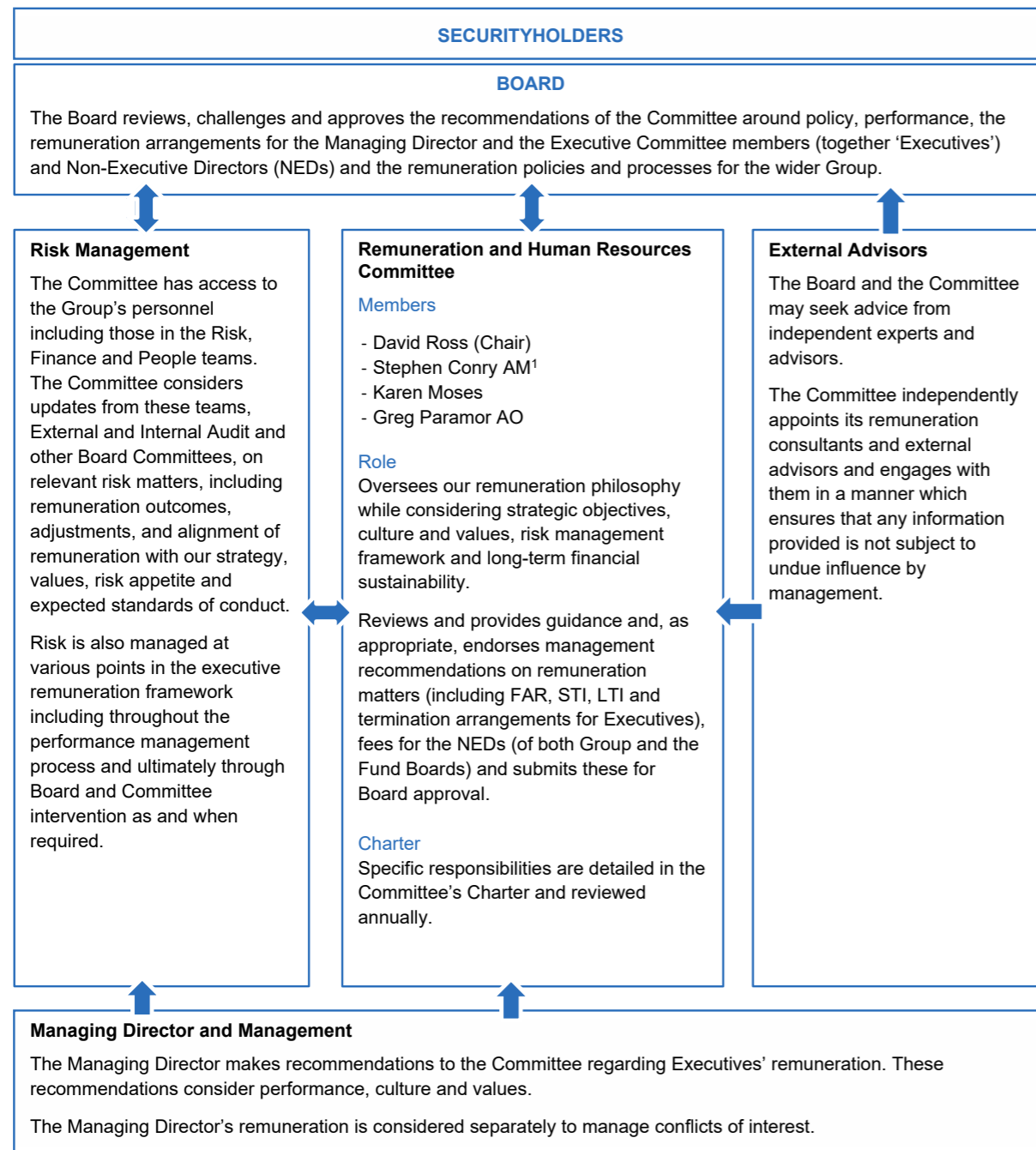
The entitlement to a cash payment equivalent to cash distributions declared and paid to the securityholders during the period from the grant of Rights to the exercise date following vesting of Rights, is consistent with the existing methodology up until the vesting date, and reasonably reflects the dividends/distributions received on securities held in Trust for the participant following the vesting date until the Rights are exercised by the participant.



## 5. Remuneration governance

Charter Hall's Board and the Remuneration and Human Resources Committee (the Committee) are responsible for overseeing remuneration policy for the Group.

The following diagram illustrates Charter Hall's remuneration governance framework.



<sup>1</sup> Stephen Conry AM was appointed to the Board on 16 January 2023 and the Remuneration and Human Resources Committee effective 17 February 2023

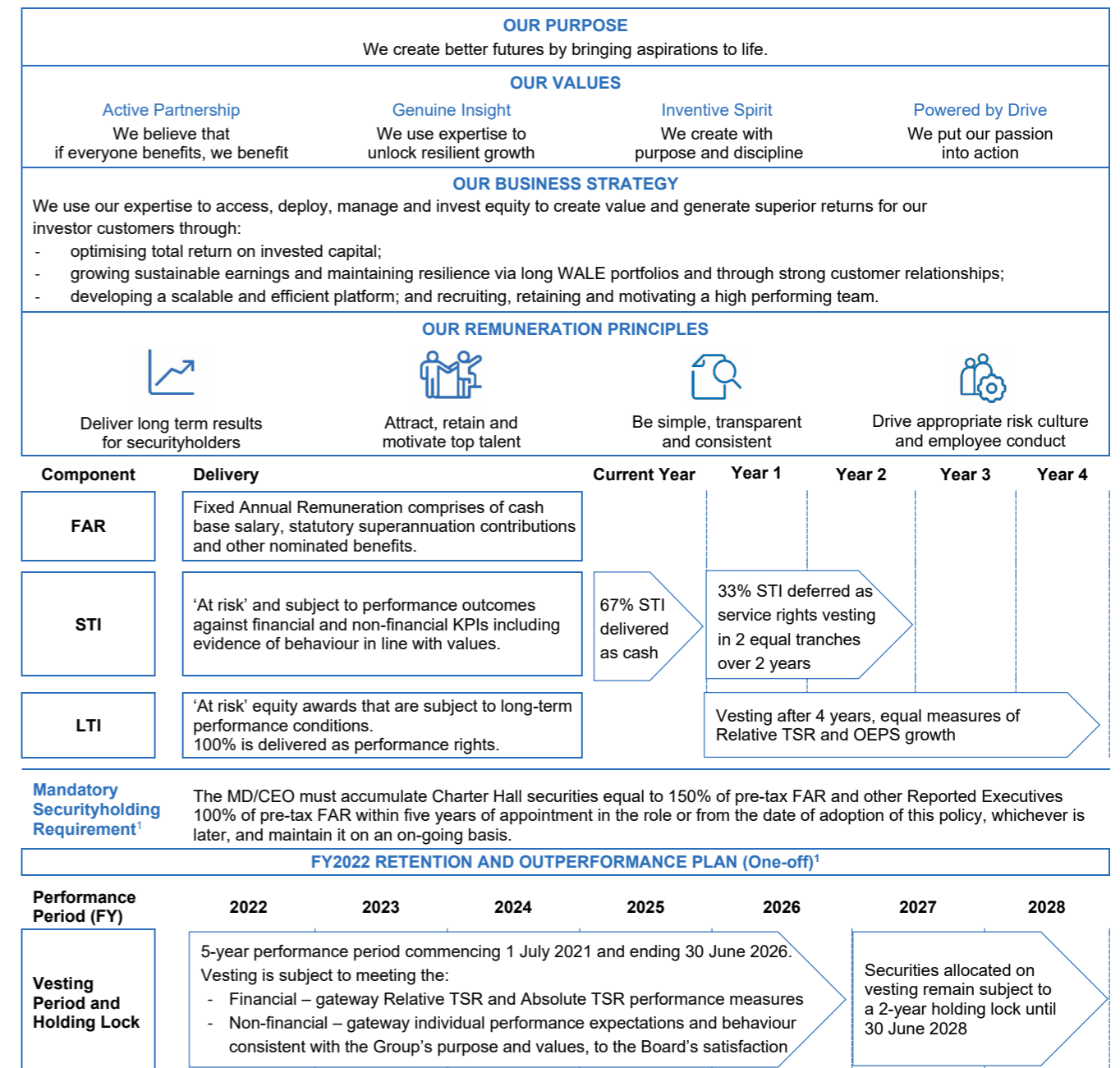
Specific responsibilities of the Board and the Committee are detailed in their respective Charters which are available on the Group website at [www.charterhall.com.au](http://www.charterhall.com.au).

## 6. Executive remuneration framework

Charter Hall's remuneration framework is designed to attract and retain talented people by rewarding them for achieving performance outcomes that are aligned with our purpose, culture and values, business strategy, risk appetite and the long-term interests of our investors, customers and securityholders.

### 6.1 Executive remuneration strategy

The below diagram illustrates the remuneration framework that applied to the Managing Director and Other Reported Executives in FY2023. It also outlines the link between Charter Hall's business and remuneration framework.



<sup>1</sup> For further information regarding the FY2022 Retention and Outperformance Plan, including more detail on the Plan terms, please refer to section 6.9 of the FY2022 Remuneration Report.



## 6.2 Remuneration mix

Executive remuneration is structured as a mixture of fixed and variable 'at-risk' STI and LTI components. While fixed annual remuneration is designed to provide a base level of remuneration, the 'at-risk' STI and LTI components reward executives when pre-agreed performance measures are met or exceeded.

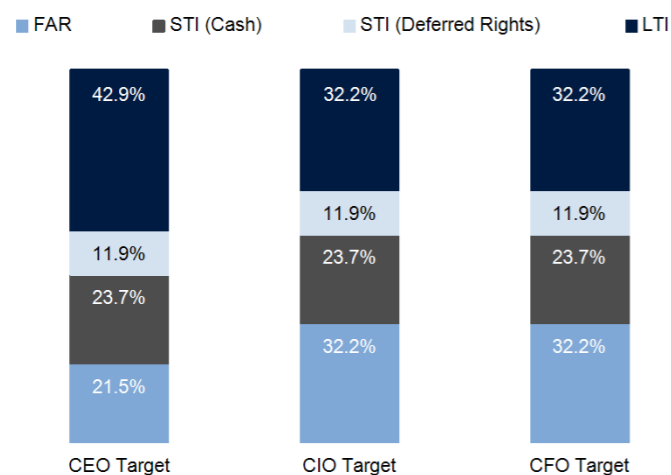
### FY2023 Total Target Remuneration (TTR)

The FY2023 remuneration increases for the Managing Director and Other Reported Executives are shown below.

Total Target Remuneration in FY2023 increased by 3.5%, with the increase in the 'at risk' STI component. The Board determined that no increase in Fixed Remuneration was necessary, however an increase to TTR was reasonable given the highly competitive landscape for talent and allocated the increase to 'at risk' STI in a year which was forecast to be more challenging given the macro-economic environment with rewards subject to performance. The Managing Director's TTR is targeted at the upper quartile of comparable companies and roles in the ASX listed REIT sector consistent with Charter Hall's competitive market position.

| Name                            | Fixed Annual Remuneration (FAR)<br>\$ | Short Term Incentive (STI)<br>\$ | Long Term Incentive (LTI)<br>\$ | Total Target Remuneration (TTR)<br>\$ | % of TTR in 'at risk' components |
|---------------------------------|---------------------------------------|----------------------------------|---------------------------------|---------------------------------------|----------------------------------|
| <b>Managing Director</b>        |                                       |                                  |                                 |                                       |                                  |
| David Harrison                  |                                       |                                  |                                 |                                       |                                  |
| 2023                            | 1,500,000                             | 2,486,250                        | 3,000,000                       | 6,986,250                             | 78.5%                            |
| 2022                            | 1,500,000                             | 2,250,000                        | 3,000,000                       | 6,750,000                             | 77.8%                            |
| <b>Chief Investment Officer</b> |                                       |                                  |                                 |                                       |                                  |
| Sean McMahon                    |                                       |                                  |                                 |                                       |                                  |
| 2023                            | 925,000                               | 1,022,125                        | 925,000                         | 2,872,125                             | 67.8%                            |
| 2022                            | 925,000                               | 925,000                          | 925,000                         | 2,775,000                             | 66.7%                            |
| <b>Chief Financial Officer</b>  |                                       |                                  |                                 |                                       |                                  |
| Russell Proutt                  |                                       |                                  |                                 |                                       |                                  |
| 2023                            | 865,000                               | 955,825                          | 865,000                         | 2,685,825                             | 67.8%                            |
| 2022                            | 865,000                               | 865,000                          | 865,000                         | 2,595,000                             | 66.7%                            |

The figures below for all Reported Executives show the percentage mix of fixed versus 'at-risk' remuneration components on target that apply for FY2023. All Reported Executives have the potential to earn up to 150% of target STI.



## 6.3 Fixed Annual Remuneration

|                                       |   |
|---------------------------------------|---|
| <b>Composition</b>                    | FAR comprises cash base salary, statutory superannuation contributions and other nominated benefits.  |
| <b>Benchmarking and Review</b>        | The positioning of FAR for Executives (including Reported Executives) takes into account Charter Hall's FUM relative to the entities in the S&P/ASX 200 Australian Real Estate and Investment Trust (A-REIT) industry group. Whilst market capitalisation relative to these companies is also considered, an individual's broad range of skills and experience are recognised given the complexity of Charter Hall's business.<br>FAR is reviewed regularly and benchmarked against equivalent roles in the market recognising individual performance and the market environment for each individual's skills and capabilities. |
| <b>Comparator Group</b>               | The entities in the S&P/ASX 200 Australian Real Estate and Investment Trust (A-REIT) industry group are included in the comparator Group used to determine the Reported Executives' remuneration.   |
| <b>Charter Hall Managing Director</b> | The Managing Director's FAR remained unchanged at \$1,500,000 in FY2023.  |
| <b>Other Reported Executives</b>      | FAR for the CFO and the CIO remained unchanged in FY2023.   |

## 6.4 Short Term Incentive

### FY2023 STI award – key features

| Features   | Approach   |          |                                       |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
|--|--|----------|---------------------------------------|----------|---------------------------------------|-------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Purpose</b>   | STI is an 'at-risk' incentive awarded annually, subject to performance against agreed financial and non-financial Key Performance Indicators (KPIs) including evidence of behaviour in line with values.   |          |                                       |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
| <b>Participants</b>  | Executives   |          |                                       |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
| <b>Gateway for STI</b>                                     | <b>Group:</b> A financial gateway of 95% of target OEPS must be met before any STI entitlement is available, with the Board retaining overall discretion on performance achievement.<br><b>Individual:</b> To help us maintain an effective risk management culture, all Executives must complete risk and compliance training during the performance year (including Code of Conduct training) to ensure they fully understand their role and comply with relevant legislative requirements.<br>Both gateways need to be met for any STI to be awarded.   |          |                                       |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
| <b>Determining and assessing achievement of STI Target</b> | The percentage achievement of STI Target is determined by the Board, upon advice from the Committee, based on actual OEPS achieved relative to an OEPS target. The Board retains the discretion to increase or decrease the percentage of overall STI Target achieved, based on its assessment of the overall performance throughout the year.   |          |                                       |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
| <b>Individual Opportunity</b>                              | The maximum STI potential for all employees is 150% of their STI target, enabling recognition for outperformance.<br><br>Individual STI outcomes are determined on the basis of Group and individual performance through a Balanced Scorecard. The Scorecard is split into three elements: Financial; Customer; and Culture/Leadership/Collaboration with 50% financial and 50% non-financial. For each of these elements there are KPIs aligned to our core strategic objectives of Growth and Resilience.<br><br>The Board believes that having a mix of financial and non-financial KPIs provides measurable performance criteria strongly linked to year-on-year securityholder returns and encourages the achievement of individual goals consistent with the Group's overall objectives. The scorecard elements of financial, customer and culture, leadership and collaboration have been chosen as KPI categories because they represent important elements of Charter Hall's core strategic objectives. Each of these categories has measures of 'Growth' and 'Resilience'. |          |                                       |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
| <b>Performance Targets</b>                                 | <table border="1"> <thead> <tr> <th>Role</th> <th>Financial/Securityholder</th> <th>Customer</th> <th>Culture, Leadership and Collaboration</th> </tr> </thead> <tbody> <tr> <td>Managing Director</td> <td>50%</td> <td>30%</td> <td>20%</td> </tr> <tr> <td>CFO</td> <td>50%</td> <td>30%</td> <td>20%</td> </tr> <tr> <td>CIO</td> <td>50%</td> <td>25%</td> <td>25%</td> </tr> </tbody> </table>   | Role     | Financial/Securityholder              | Customer | Culture, Leadership and Collaboration | Managing Director | 50% | 30% | 20% | CFO | 50% | 30% | 20% | CIO | 50% | 25% | 25% |
| Role   | Financial/Securityholder   | Customer | Culture, Leadership and Collaboration |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
| Managing Director  | 50%  | 30%      | 20%                                   |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
| CFO  | 50%  | 30%      | 20%                                   |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |
| CIO  | 50%  | 25%      | 25%                                   |          |                                       |                   |     |     |     |     |     |     |     |     |     |     |     |



## Remuneration Report

| Features   | Approach  |
|--|---|
|  | <p>In consultation with the Committee, the Board assesses the Group's financial performance and the performance of all Reported Executives against agreed KPIs.</p> <p>The Board applies the following general principles when determining and measuring performance goals and any STI incentive for the Executives:</p> <ul style="list-style-type: none"> <li>- STI outcomes should always align with the market reported results, with any adjustments being consistent with business performance and behaviour aligned to Group values;</li> <li>- 'on target' performance aligns with the Board approved target for the financial year; and</li> <li>- payout above Gateway for STI is up to a maximum (150% of STI target).</li> </ul> <p>These principles for assessing performance were chosen because they are, as far as practicable, objective and fair and the most appropriate way to assess the Executives' individual contribution and determine remuneration outcomes in alignment with the financial performance of the Group.</p> |
| <b>Determining and Assessing Performance</b>       |   |
| <b>Board Discretion</b>                            | <p>Once the Balanced Scorecard has been assessed and performance against KPIs has been determined, the outcome is subject to Board discretion. The Board may modify the performance outcomes upwards or downwards taking into account risk related matters, behaviour in line with values and expected standards of conduct.</p>  |
| <b>Delivery</b>                                    | <p>For all Executives, STI is delivered in the form of cash (67%) and deferred service rights (33%). Service rights are deferred over two years with 50% vesting at the end of year one and 50% at the end of year two. Effective for grants from 1 July 2023, participants will have the right to elect the timing of exercise of rights that vest for a period of up to 10 years from the initial grant date. The rationale for this change can be found in section 4.</p>  |
| <b>Voluntary Deferral of Cash Component of STI</b> | <p>Under the FY2023 STI Plan Executives and certain senior managers had an option to elect to receive up to 100% of their cash STI payment in the form of rights to acquire CHC securities. Effective for grants of rights from 1 July 2023, participants will have the right to elect the timing of the exercise of rights for a period of up to 10 years from the initial grant date. The rationale for this can be found in section 4. These rights will be subject to Charter Hall's Performance Rights and Options Plan (PROP) however, will not be subject to performance conditions or forfeiture on termination of employment.</p>  |
| <b>Rights Allocation Methodology</b>               | <p>The methodology to determine the number of mandatorily deferred STI service rights and rights for the voluntarily deferred component of cash STI, allocated under the PROP plan, will be on a face value basis, calculated on the VWAP for the month of June 2023.</p> <p>For rights granted from 1 July 2022 onwards, a cash payment equivalent to cash distributions declared and paid to the securityholders during the period from the grant date to the date of exercise of the rights following vesting will be paid to the participants on exercise of the rights. This will only be payable on the rights that vest.</p>   |
| <b>Cessation of Employment</b>                     | <p>In the event of resignation (other than genuine retirement) or termination for cause or for poor performance (as determined by the Board), all unvested mandatorily deferred STI in service rights will lapse, unless the Board determines otherwise. In any other circumstances unless the Board determines otherwise, the rights will continue to remain on foot and, subject to the original terms of the offer, as though the Executive had not ceased employment.</p>   |
| <b>Preventing Inappropriate Benefits</b>           | <p>For the mandatorily deferred STI component, the Board has discretion to reduce, including to nil, unvested rights in certain circumstances to ensure Executives do not obtain an inappropriate benefit. The circumstances in which the Board may exercise this discretion include, for example, where the Board determines that an Executive has acted fraudulently, dishonestly, or has engaged in gross misconduct or has acted in a manner which brings the Group into disrepute.</p>   |

## Remuneration Report

### KPI Performance and STI Outcome for Financial Year Ending 30 June 2023 – Managing Director

|                           |   |           |
|---------------------------|---|-----------|
| <b>Group Gateway</b>      | A financial gateway of 95% of target OEPS (90.0 cps) must be met before any STI entitlement is available, with the Board retaining overall discretion on performance achievement.                         | Achieved  |
| <b>Individual Gateway</b> | Completion of risk and compliance training during the performance year (including Code of Conduct training) to ensure they fully understand their role and comply with relevant legislative requirements. | Fully met |

### Financial & Risk (50%)

Operating Earnings is a key measure of the financial performance of the Group in a financial year.

Fund and partnership property portfolio performance during the financial year compared to relevant benchmark measures whether fund investors are satisfied that their investment performance meets or exceeds expectations, measured either against the funds return objective or relevant benchmarks.

Risk Management is implemented at an acceptable level throughout the Group, measured by feedback from Investors and Board members.

| G/R        | KPI (Financial & Risk)   | Weighting | Scorecard result           | Outcome   |
|------------|--|-----------|----------------------------|---|
| Growth     | <b>Group OEPS</b>  | 35%       | Exceeds Expectations       | Group OEPS of 93.3 cps which was 3.7% above target OEPS.  |
|            | Group OEPS (Target 90.0 cps)   |           |                            | Group OEPS after tax excluding Performance Fees and STI was 7.7% above FY22.  |
| Resilience | <b>Performance of Funds &amp; Partnerships relative to agreed benchmarks</b> | 10%       | Does not meet Expectations | This was below our internal goal for funds and partnerships that CHC co-invests in weighted by value, relative to agreed benchmarks.  |
|            | <b>Risk Management</b>   | 5%        | Exceeds Expectations       | Commercial risk was well managed during the year with strong leasing momentum, stable margins and FUM. Broader risks were largely anticipated and controlled although rising interest rates impacted fund investment returns. |



## Remuneration Report

| <b>Strategy &amp; Customer (30%)</b>  |  |           |                      |  |
|---|--|-----------|----------------------|--|
| Equity allotted is a measure of the funds' inflow raised from investors in funds and partnerships and drives capacity to grow portfolios.   |  |           |                      |  |
| Progressing decarbonisation aligns with Charter Hall's long term sustainability goals, with ESG being an extricable part of 'how' we do business.                                   |  |           |                      |  |
| Satisfied customers who receive above expectation service from the Group are most likely to become repeat business customers.   |  |           |                      |  |
| G/R   | KPI (Strategy & Customer)  | Weighting | Scorecard result     | Outcome  |
| Growth  | <b>Key Group Fund &amp; Partnership Gross Equity Allotted</b>  | 10%       | Outstanding          | Gross Equity allotted of \$2.8 bn exceeded target.   |
|   | <b>Key ESG Initiatives Progress</b><br><i>Progress decarbonisation of the group</i>  | 10%       | Exceeds Expectations | Accelerated Net Zero Carbon target for Scope 1 and Scope 2 by five years to 2025. Established Scope 3 boundary and target, as well as a Group Offset Strategy.   |
| Resilience  | <b>Excellence in Investor &amp; Tenant Customer Relationships</b><br><i>Listed and Unlisted Investor customer confidence and advocacy NPS Scores</i> | 10%       | Outstanding          | Top quartile results for investor surveys.<br><br>Tenant Customer survey weighted NPS result exceeded target at +52 resulting in top decile outcome.   |
|   | <b>Leadership, Culture &amp; Collaboration (20%)</b>   |           |                      |  |
| Leadership Capability for Growth and Scale is to develop and retain key talent to future proof the business.  |  |           |                      |  |
| Diversity and inclusion at all levels in the organisation, with emphasis on greater female representation in Senior Leadership is expected to provide optimal business performance. |  |           |                      |  |
| High levels of employee engagement and wellbeing drives higher retention and productivity, resulting in better business performance.  |  |           |                      |  |
| G/R   | KPI (Leadership, Culture & Collaboration)  | Weighting | Scorecard result     | Outcome  |
| Growth  | <b>Leadership Capability for Growth and Scale</b>  | 10%       | Exceeds Expectations | Strong feedback from internal stakeholders, investors and tenant customers on leadership capability and strategic direction of the Group.  |
| Resilience  | <b>Deep, Diverse and Engaged Talent Pipeline</b><br><i>Sustain improvements in diversity, engagement, and wellbeing</i>                              | 10%       | Exceeds Expectations | Female representation at Senior Management increased to 35.85% as at 30 June 2023 up from 31.4% as at 30 June 2022.<br><br>Employee Engagement was 89% (9pts above the Australian norm) and Employee Wellbeing was 84% (18pts above the Australian norm and 3pts above the High Performing organisation norm). |

### Final Scorecard Outcome

The Managing Director's KPI performance outcomes exceeded the target for the FY23 period. However, at the CEO's initiative due to the external environment, and in consultation with the Board, it was agreed to reduce his STI payment to 100% of the STI target.

## Remuneration Report

### KPI performance and STI outcome for financial year ending 30 June 2023 – Other Reported Executives

KPIs for other Reported Executives are aligned to that of the Managing Director. These are focused on growth and resilience measures in individual areas of accountability.

| Scorecard                                    | KPI  | Sean McMahon Performance Rating | Russell Proutt Performance Rating |
|--|--|---------------------------------|-----------------------------------|
| <b>Financial</b>                             | Including as relevant for each role: Group and Divisional financial measures, fund property investment performance, transaction activity for funds and partners, and risk management.  | Exceeds Expectations            | Exceeds Expectations              |
| <b>Customer and Strategy</b>                 | Including as relevant for each role: customer experience, service and satisfaction measures, ESG progress, Group treasury and liquidity management, Group Fund & Partnership gross equity allotted and divisional Funds under Management growth. | Exceeds Expectations            | Exceeds Expectations              |
| <b>Culture, Leadership and Collaboration</b> | Including as relevant for each role: leadership contribution, succession, talent, diversity and engagement.  | Exceeds Expectations            | Exceeds Expectations              |

### Final Scorecard Outcome for Other Reported Executives

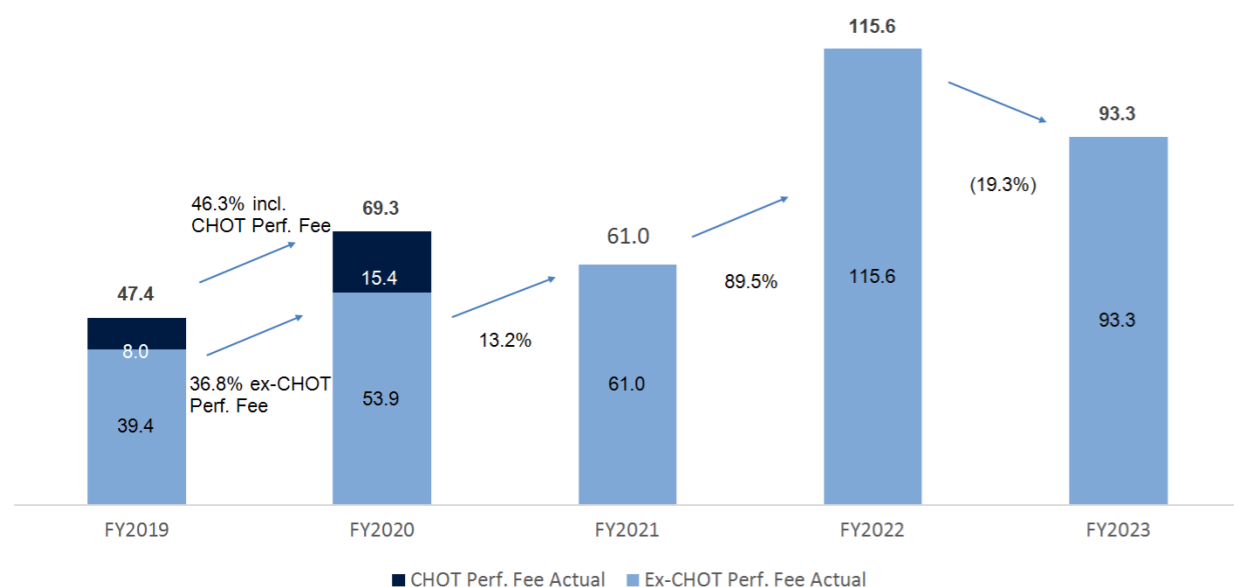
After consideration of the performance of the Group and the Other Reported Executives' KPI performance outcomes, the Board awarded an STI equivalent to 115% of STI target.



## Remuneration Report

### Group FY2023 performance outcomes

In FY2023, Charter Hall's OEPS was 93.3 cents, which was 19.3% below the FY2022 OEPS. This was due largely to the significant and greater performance fees earned in FY2022 compared to FY2023. CAGR over 4 years is 18.4% as illustrated in the table below showing Charter Hall's OEPS (cps) over a five-year period.



No CHOT Performance Fee recognised in FY2021, FY2022 and FY2023

### FY2023 STI outcomes

Assessment of individual performance scorecards has resulted in 108.3% of the aggregate target STI at Group level to be awarded, in September 2023, to eligible employees across the Group.

The below table shows the STI outcomes for Reported Executives for 2023.

The Managing Director received an STI payout at 100% of STI target and the other Reported Executives received an STI payout at 115% of target, for FY2023. This is based on individual achievement against KPIs including evidence of behaviour in line with values and overall leadership team contribution to the Group.

| Name                             | STI earned | Paid in cash <sup>1</sup> | Voluntary deferral into rights | Mandatory deferral into service rights | Target STI as % of fixed pay | STI earned compared to target | STI earned compared to maximum |
|----------------------------------|------------|---------------------------|--------------------------------|--|------------------------------|-------------------------------|--------------------------------|
|                                  | \$         | \$                        | \$                             | \$                                     | %                            | %                             | %                              |
| <b>Managing Director</b>         |            |                           |                                |  |                              |                               |                                |
| D Harrison <sup>2</sup>          | 2,486,250  | 1,657,500                 | –                              | 828,750                                | 166%                         | 100%                          | 67%                            |
| <b>Other Reported Executives</b> |            |                           |                                |  |                              |                               |                                |
| S McMahon                        | 1,175,444  | 783,629                   | –                              | 391,815                                | 111%                         | 115%                          | 77%                            |
| R Prutt <sup>2</sup>             | 1,099,199  | 366,400                   | 366,400                        | 366,400                                | 111%                         | 115%                          | 77%                            |

<sup>1</sup> To be paid on 15 September 2023.

<sup>2</sup> R Prutt has elected to voluntarily defer 50% of the cash component of his FY2023 STI into rights.

## Remuneration Report

### 6.5 Long Term Incentive

#### FY2023 LTI plan – key features

| Features   | Approach  |
|--|---|
| <b>Purpose</b>                                   | LTI is 'at risk' and aligns with the long-term interests of securityholders and business performance. It also plays an important role in employee retention.  |
| <b>Participants</b>                              | Executives  |
| <b>Type of equity awarded</b>                    | The LTI is governed by the Performance Rights and Options Plan (PROP), under which rights to stapled securities are granted to participants. Each performance right entitles the participant to one stapled security in the Charter Hall Group for nil consideration at the time of vesting, subject to meeting the performance hurdles outlined below.   |
| <b>Performance Period</b>                        | Performance Rights are subject to a four-year performance period commencing on 1 July 2022 and ending on 30 June 2026.  |
| <b>Performance Rights Allocation Methodology</b> | The number of rights granted to a participant in FY2023 was determined based on the face value of Charter Hall securities, calculated on the VWAP for the month of June prior to the grant date. This was a change from prior years and better aligns with securityholders. The previous methodology was based on an independent value calculated by Deloitte using the Black Scholes Merton valuation method, which discounted for dividends/distributions forgone during the performance period. There was no discount for market risk. |
| <b>Vesting Conditions</b>                        | Performance Rights will vest subject to the satisfaction of the following performance conditions measured over the performance period: <ul style="list-style-type: none"> <li>- 50% of Performance Rights are subject to an aggregate operating earnings per security (OEPS) growth hurdle; and</li> <li>- 50% of Performance Rights are subject to a relative total securityholder return (TSR) hurdle.</li> </ul>   |

The OEPS growth performance measure involves setting an aggregate total value of OEPS to be earned over the entire performance period. The aggregate OEPS performance measure has a minimum and stretch hurdle set by growing the commencement year OEPS (i.e. the actual OEPS for the financial year end prior to the performance period) by the OEPS growth rates of 5% per annum compound for the minimum aggregate OEPS hurdle and 7% per annum compound for the stretch aggregate OEPS hurdle. For the FY2023 LTI, the Board set the commencement OEPS as the FY2022 actual OEPS result of 115.6 cps (after tax).

| OEPS Growth Performance Measure (50% of LTI Allocation) | If the aggregate OEPS achieved over the four-year performance period is:  | Percentage of Performance Rights subject to the aggregate OEPS performance measure which may vest |
|---|---|---|
|   | Less than an aggregate OEPS (after tax) of 523.2 cps (based on a 5% CAGR)   | 0%  |
|   | Equal to aggregate OEPS (after tax) of 523.2 cps (based on a 5% CAGR)   | 50%   |
|   | More than an aggregate OEPS (after tax) of 523.2 cps (based on a 5% CAGR) but less than an aggregate OEPS (after tax) of 549.2 cps (based on a 7% CAGR) | Pro rata straight line vesting between 50% - 100%   |
|   | Equal to or more than an aggregate OEPS (after tax) of 549.2 cps (based on a 7% CAGR)   | 100%  |



## Remuneration Report

Performance is determined based on the Group's total ASX shareholder return (assuming distributions are reinvested) ranking against the members of the comparator group over the performance measurement period. The Board determines who is included in that comparator group and how the companies in that group are to be treated.

The Board has determined the following comparator group for the FY2023 LTI:

|                                   |  |
|-----------------------------------|--|
| Abacus Property Group (ABP)       | Growthpoint Properties Australia (GOZ)     |
| Arena REIT (ARF)                  | HMC Capital Limited (HMC)                  |
| BWP Trust (BWP)                   | Homeco Daily Needs REIT (HDN)              |
| Centuria Capital Group (CNI)      | Ingenia Community Stapled Securities (INA) |
| Centuria Industrial REIT (CIP)    | Mirvac Group (MGR)                         |
| Charter Hall Group (CHC)          | National Storage REIT (NSR)                |
| Charter Hall Long Wale REIT (CLW) | Region RE Limited (RGN)                    |
| Charter Hall Retail REIT (CQR)    | Scentre Group (SCG)                        |
| Cromwell Property Group (CMW)     | Stockland Corporation Limited (SGP)        |
| Dexus (DXS)                       | Vicinity Centres (VCX)                     |
| Goodman Group (GMG)               | Waypoint REIT Limited (WPR)                |
| GPT Group (GPT)                   |  |

### Relative TSR Performance Measure (50% of LTI Allocation)

If, over the relevant performance period the Charter Hall Group relative TSR when ranked to a comparator group of the S&P/ASX 200 A-REIT Accumulation Index is:

|  | Percentage of Performance Rights subject to the relative TSR performance measure which may vest |
|--|---|
| Less than the comparator group 50th percentile                               | 0%  |
| Equal to the comparator group 50th percentile                                | 50%   |
| More than the comparator group 50th percentile and less than 75th percentile | Pro rata straight line vesting between 50% - 100%   |
| Exceeds the comparator group 75th percentile                                 | 100%  |

During 2018, the Board reviewed the LTI performance measures to ensure they continue to align with securityholder expectations and with Charter Hall's current strategy. Following the review, the Board determined in FY2019 to retain the Relative TSR performance measure and replace the Absolute TSR performance measure with an aggregate OEPS performance measure.

For FY2020, FY2021, FY2022 and FY2023, the Board agreed the same performance hurdles for Relative TSR and OEPS growth would apply.

### OEPS growth performance measure rationale

The aggregate OEPS performance measure was selected because it is within the Executive's ability to influence and is a key driver of securityholder returns and therefore aligns performance with returns to securityholders. The Board excluded the CHOT performance fee from the aggregate OEPS hurdles and actual OEPS performance in the FY2019, FY2020 and FY2021 LTI Plans, however, all other performance fees were included. With the CHOT performance fee paid out in full in FY2020 it was not required to be excluded in the FY2022 LTI Plan aggregate OEPS performance measure.

The OEPS growth rates used to set the aggregate OEPS performance hurdles of 5% per annum compound for the minimum aggregate OEPS hurdle and 7% per annum compound for the stretch aggregate OEPS hurdle applied for the FY2019, FY2020, FY2021, FY2022 and FY2023 LTI plans and is regarded by the Board as a competitive growth rate "through the cycle" when compared to other REITs in the ASX200 A-REIT Accumulation Index.

For AREITs (excluding Charter Hall) currently in the S&P ASX 200 AREIT accumulation index, the average and median OEPS growth over 3 and 5 years to 30 June 2022 was less than a 2% CAGR.

Based on the above historic OEPS growth within the comparator group an OEPS CAGR hurdle of at least 5% over a four-year period requires top quartile performance.

### Rationale for Performance Measures

## Remuneration Report

Charter Hall has typically delivered aggregate OEPS growth in excess of the 5-7% CAGR range. This has been achieved as a consequence of a strategy to build a property funds management business which has been well executed by management. The Board believes that management should continue to be rewarded when delivering an OEPS CAGR in excess of the majority of its peers. The Board does not believe that the OEPS CAGR hurdle ranges should be changed rather that management should continue to be motivated and incentivised to outperform its peers. As the OEPS CAGR hurdle range is "through the cycle" there may be periods when achieving the hurdle growth rates is more difficult.

The aggregate OEPS performance measure was selected because Charter Hall's OEPS can fluctuate due to performance and transaction fee income, and the Board believes that aggregate OEPS allows for OEPS to be considered over the entire four-year performance period.

### Relative TSR performance measure rationale

TSR measures the overall returns that a company has provided for its securityholders, reflecting share price movements and reinvestment of dividends over a specified period. Relative TSR is the most widely used LTI performance measure used in Australia. It ensures that value is only delivered to participants if the investment return received by CHC securityholders is sufficiently high relative to the investment returns provided by the comparator group over the same period.

The comparator group for determining the relative TSR performance for the FY23 LTI Relative TSR measure is comprised of the REITs included in the S&P/ASX 200 A-REIT Accumulation Index as at 1 July 2023. This comparator group is regarded as sufficiently large enough and the most relevant comparator group as it represents all the major REITs listed and categorised as REITs on the ASX.

### Voluntary Restriction Period

At the time of rights allocation, Executives could make an upfront election to apply a voluntary restricted period of 2, 3, 4, 5, 6 or 7 years from the vesting date for 25%, 50%, 75% or 100% of stapled securities allocated to them on vesting of the Performance Rights. Following vesting of the Performance Rights, the restricted stapled securities allocated to participants will not be subject to forfeiture upon termination and participants will be entitled to receive declared distributions during the restricted period. For Performance Rights allocations granted from 1 July 2023, the voluntary restriction period will no longer be in use, as participants will have the right to elect the timing of exercise of vested rights for a period of up to 10 years from the grant date.

### Distributions

For Performance Rights allocations granted from 1 July 2022, a cash payment equivalent to cash distributions declared and paid to the securityholders during the period from the grant date to the date of exercise of the Performance Rights following vesting will be paid to the participants. This will only be payable on the rights that vest, once Performance Rights are exercised.

### Cessation of Employment

In the event of resignation (other than genuine retirement) or termination for cause or termination for poor performance, all unvested Performance Rights will lapse, unless the Board determines otherwise. In any other circumstances unless the Board determines otherwise, the Performance Rights will continue to remain on foot and, subject to the original terms of the offer, as though the Executive had not ceased employment.

### Preventing Inappropriate Benefits

The Board has discretion to reduce, including to nil, unvested rights in certain circumstances to ensure Executives do not obtain an inappropriate benefit. The circumstances in which the Board may exercise this discretion include for example, if the Board determines that an Executive has acted fraudulently or dishonestly or engaged in gross misconduct or has acted in a manner which brings the Group into disrepute.

## 6.6 Deferred STI and LTI Rights awarded – additional terms and conditions

Deferred STI and LTI Awards are subject to some additional terms and conditions as per below:

**Change of control provisions** The Board, in its absolute discretion, may determine the manner in which the rights will be dealt with.

**Hedging and margin lending prohibitions** In accordance with the *Corporations Act 2001*, all participants are prohibited from hedging or otherwise protecting the value of unvested stapled securities.



## Remuneration Report

### 6.7 FY2023 Group performance summary

The table below provides information on Charter Hall's performance against key metrics over the last five years.

| Key performance metrics  | 2019  | 2020  | 2021   | 2022   | 2023   |
|--|-------|-------|--------|--------|--------|
| Statutory profit after tax for stapled securityholders (\$m)                           | 235.3 | 345.9 | 476.8  | 911.1  | 196.1  |
| Statutory earnings per stapled security (EPS) (cents)                                  | 50.5  | 74.3  | 102.4  | 194.1  | 41.5   |
| Operating earnings for stapled securityholders (\$m)                                   | 220.7 | 322.8 | 284.3  | 542.8  | 441.2  |
| Operating earnings per stapled security (cents)  | 47.4  | 69.3  | 61.0   | 115.6  | 93.3   |
| Growth in OEPS %   | 25.5  | 46.3  | (12.0) | 89.5   | (19.3) |
| Operating earnings per stapled security (ex CHOT performance fee) (cents) <sup>1</sup> | 39.4  | 53.9  | 61.0   | 115.6  | 93.3   |
| Growth in OEPS (ex CHOT performance fee) %   | 16.6  | 36.8  | 13.2   | 89.5   | (19.3) |
| Distribution per stapled security (cents)  | 33.7  | 35.7  | 37.9   | 40.1   | 42.5   |
| Stapled security price at 30 June (\$)   | 10.83 | 9.69  | 15.52  | 10.83  | 10.71  |
| CHC total securityholder return – Jul to Jun (%)                                       | 72.4  | (7.4) | 64.1   | (28.3) | 2.6    |
| Total Funds Under Management (\$bn)  | 30.4  | 40.5  | 52.3   | 79.9   | 87.4   |
| Property Funds Under Management (\$bn) <sup>2</sup>                                    | 30.4  | 40.5  | 52.3   | 65.6   | 71.9   |

<sup>1</sup> No CHOT performance fee was recognised in FY21, FY22 and FY23.

<sup>2</sup> Excluding Paradise Investment Management (PIM).

TSR for Charter Hall versus comparable indices is outlined below

Charter Hall has outperformed its peer group over the longer term. The following table compares the total securityholder return for Charter Hall against various indices and the time periods.

| Annualised TSR (p.a. compound) | 1 Year | 3 Years | 5 Years | 10 Years |
|--------------------------------|--------|---------|---------|----------|
| CHC <sup>1</sup>               | 2.6%   | 6.5%    | 14.0%   | 15.6%    |
| S&P ASX 100                    | 15.1%  | 11.9%   | 7.8%    | 8.8%     |
| S&P ASX 200 A-REIT             | 8.1%   | 8.1%    | 3.5%    | 7.7%     |
| MSCI World REITs               | (4.9%) | 3.4%    | 2.2%    | 4.7%     |

<sup>1</sup> Source UBS.

### 6.8 Group LTI performance outcomes

OEPS (FY2020 LTI Tranche 1) – The Group delivered aggregate OEPS of 230.5 cents (excluding Charter Hall Office Trust performance fees) over the three years to 30 June 2022 (FY2020 LTI performance period) equivalent to a 37.3% CAGR exceeding the upper end of the performance hurdle aggregate OEPS of 135.6 cents based upon a 7% CAGR over the three-year performance period.

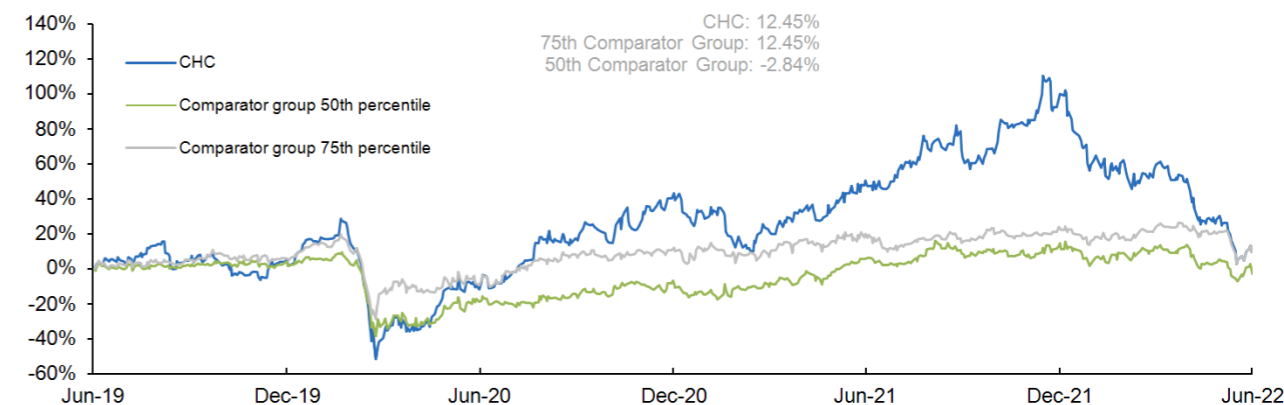
Relative TSR (FY2020 LTI Tranche 1) – The TSR for the three-year performance period to 30 June 2022 was 12.45% equivalent to a 4% CAGR achieving the 5<sup>th</sup> ranking (at the 75th percentile) of the 17 REITs in the comparator group from the S&P/ASX200 A-REIT Accumulation Index.

OEPS (FY2020 LTI Tranche 2) – The Group delivered aggregate OEPS of 323.8 cents (excluding Charter Hall Office Trust performance fees) over the four years to 30 June 2023 (FY2020 LTI performance period) equivalent to a 31.0% CAGR exceeding the upper end of the performance hurdle aggregate OEPS of 187.18 cents based upon a 7% CAGR over four-year performance period.

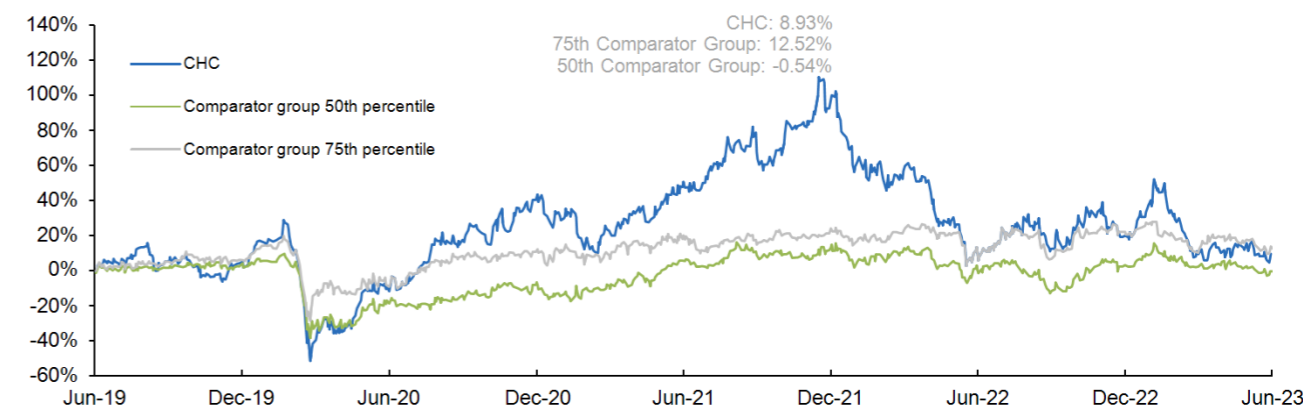
Relative TSR (FY2020 LTI Tranche 2) – The TSR for the four-year performance period to 30 June 2023 was 8.93% equivalent to a 2.2% CAGR achieving the 7<sup>th</sup> ranking (at the 62.5<sup>th</sup> percentile) of the 17 REITs in the comparator group from the S&P/ASX200 A-REIT Accumulation Index.

The following graphs illustrate the Group's TSR compared with the comparator group's 50th and 75th percentile throughout FY2020 (Tranche 1 and 2) LTI performance periods.

## Remuneration Report



FY2020 LTI - Tranche 2 performance period



### Outcomes

- The FY2020 Tranche 1 LTI, with a three-year vesting period had a vesting date of 31 August 2022. As a result of the aggregate OEPS and TSR performance achieved over the three years to 30 June 2022, the aggregate OEPS and relative TSR stretch hurdles were exceeded and 100% of the performance rights vested on 31 August 2022.
- The FY2020 Tranche 2 LTI, with a four-year vesting period has a vesting date of 31 August 2023. As a result of the aggregate OEPS and TSR performance achieved over the four years to 30 June 2023, the aggregate OEPS stretch hurdle was exceeded and the relative TSR performance hurdle achieved the 62.5th percentile, 87.5% of the performance rights will vest on 31 August 2023.
- Further details of the terms of these awards are set out in the relevant prior year remuneration reports.



## 7. Executive remuneration in detail

### 7.1 Total remuneration of Reported Executives

The following table details the total remuneration of the Reported Executives of the Group for FY2022 and FY2023.

| Name                             | Short-term benefits |                           |                           | Post-employment benefits | Super-annuation | Security-based payments            |  |  | Other long-term benefits                  |                                 | Total     | % of total remuneration consisting of rights <sup>5</sup> |
|----------------------------------|---------------------|---------------------------|---------------------------|--------------------------|-----------------|------------------------------------|--|--|---|---------------------------------|-----------|---|
|                                  | Salary              | Cash short-term incentive | Annual leave <sup>1</sup> |                          |                 | Non-monetary benefits <sup>2</sup> | Voluntarily deferred short-term incentive <sup>6</sup> | Mandatory security-based short-term incentive <sup>6</sup> | Securities options and performance rights | Long service leave <sup>1</sup> |           |   |
| <b>Managing Director</b>         |                     |                           |                           |                          |                 |                                    |  |  |   |                                 |           |   |
| D Harrison <sup>3</sup>          |                     |                           |                           |                          |                 |                                    |  |  |   |                                 |           |   |
| 2023                             | 1,474,708           | 1,657,500                 | (84,807)                  | 814                      | 25,292          | –                                  | 1,024,318  | 3,621,285  | (34,326)                                  | 7,684,784                       | 60        |   |
| 2022                             | 1,476,432           | –                         | 78,750                    | 691                      | 23,568          | 2,467,088                          | 1,233,538  | 3,186,109  | 26,251                                    | 8,492,427                       | 81        |   |
| <b>Other Reported Executives</b> |                     |                           |                           |                          |                 |                                    |  |  |   |                                 |           |   |
| S McMahon                        |                     |                           |                           |                          |                 |                                    |  |  |   |                                 |           |   |
| 2023                             | 899,708             | 783,629                   | (74,712)                  | 814                      | 25,292          | –                                  | 456,327  | 1,120,921  | 16,188                                    | 3,228,167                       | 49        |   |
| 2022                             | 902,932             | 925,000                   | 74,824                    | 691                      | 23,568          | –                                  | 507,103  | 985,853  | 22,583                                    | 3,442,554                       | 43        |   |
| R Proutt <sup>4</sup>            |                     |                           |                           |                          |                 |                                    |  |  |   |                                 |           |   |
| 2023                             | 839,708             | 366,400                   | (41,919)                  | 814                      | 25,292          | 344,324                            | 421,620  | 1,078,904  | 15,138                                    | 3,050,281                       | 60        |   |
| 2022                             | 841,432             | 432,500                   | 4,940                     | 691                      | 23,568          | 474,221                            | 474,208  | 963,321  | 18,250                                    | 3,233,131                       | 59        |   |
| <b>Total 2023</b>                | <b>3,214,124</b>    | <b>2,807,529</b>          | <b>(201,438)</b>          | <b>2,442</b>             | <b>75,876</b>   | <b>344,324</b>                     | <b>1,902,265</b>                                       | <b>5,821,110</b>   | <b>(3,000)</b>                            | <b>13,963,232</b>               | <b>58</b> |   |
| <b>Total 2022</b>                | <b>3,220,796</b>    | <b>1,357,500</b>          | <b>158,514</b>            | <b>2,073</b>             | <b>70,704</b>   | <b>2,941,309</b>                   | <b>2,214,849</b>                                       | <b>5,135,283</b>   | <b>67,084</b>                             | <b>15,168,112</b>               | <b>68</b> |   |

1 Shows the movement in leave accruals for the year.

2 Non-monetary benefits for FY2023 is salary continuance insurance.

3 D Harrison had elected to voluntarily defer 50% of the cash component of his FY2022 STI into rights for a 2-year period and 50% into rights for a 3-year period.

4 R Proutt has elected to voluntarily defer 50% of the cash component of his FY2023 STI into rights; in FY2022 he had elected to defer 50% of the cash component of his FY2022 STI into rights for a 3-year period.

5 Includes voluntarily deferred cash STI, mandatory security based STI and Securities options and performance rights.

6 The amounts included in the table above reflect the fair value of the mandatory deferred and voluntary deferred STI awards at the respective grant dates rather than the June VWAP ("face value") used for allocation purposes. Total STI awards in FY23, based on allocation date, for each reported executive was: D. Harrison \$2,486,250, S. McMahon \$1,175,444, R. Proutt \$1,099,199.

### 7.2 Key terms of employment

The remuneration and other terms of employment for Reported Executives are formalised in employment contracts. Each of these contracts provides for participation in the Group's STI and LTI programs and payment of other benefits.

All Reported Executives' contracts are ongoing in duration. The notice period for the Managing Director and Other Reported Executives are summarised below:

| Name                             | Position                        | Minimum Notice Period <sup>1</sup> |              |
|----------------------------------|---------------------------------|------------------------------------|--------------|
|                                  |                                 | Employee                           | Charter Hall |
| <b>Managing Director</b>         |                                 |                                    |              |
| David Harrison <sup>2</sup>      | Managing Director and Group CEO | 6 months                           | 12 months    |
| <b>Other Reported Executives</b> |                                 |                                    |              |
| Sean McMahon                     | Chief Investment Officer        | 6 months                           | 6 months     |
| Russell Proutt                   | Chief Financial Officer         | 6 months                           | 6 months     |

1 No notice period is required for termination by the Company for serious or wilful misconduct by the employee.

2 Where the Managing Director gives notice of his cessation of employment, he is entitled to a restraint payment of a maximum of six month equivalent fixed remuneration so long as he complies with the terms of his employment agreement for the period of six months following his cessation.

Other than as described above, the Reported Executives' contracts do not provide for any termination benefits aside from payment in lieu of notice (where applicable).

## 8. Non-Executive Director Remuneration

|   |  |
|---|--|
| <b>Policy</b>                           | The Committee makes recommendations to the Board on the total level of remuneration of the Chair and other Non-Executive Directors, including any additional fees payable to Directors for membership of Board committees.   |
| <b>Benchmarking</b>                     | Fees are set by reference to the following considerations: <ul style="list-style-type: none"> <li>– industry practice and best principles of corporate governance;</li> <li>– responsibilities and risks attaching to the role of NEDs;</li> <li>– the time commitment expected of NEDs on Group matters; and</li> <li>– reference to fees paid to NEDs of other comparable companies.</li> </ul> NED fees are periodically reviewed and benchmarked against the market to ensure they remain in line with general industry practice and reflect proper compensation for duties undertaken.  |
| <b>Fee framework</b>                    | NED fees, including committee fees, are set by the Board within the aggregate amount of \$2.0 million per annum as approved by securityholders at the AGM in November 2021. <p>Under the current framework, NEDs, other than the Chair receive (inclusive of superannuation):</p> <ul style="list-style-type: none"> <li>– Board base fee; and</li> <li>– Committee fees.</li> </ul> The Chair receives an all-inclusive fee. <p>NEDs are also entitled to be reimbursed for all business-related expenses, including travel on Charter Hall business, incurred in the discharge of their duties in accordance with Charter Hall's Constitution.</p> <p>In accordance with principles of good corporate governance, NEDs do not receive any benefits upon retirement under any retirement benefits schemes (other than statutory superannuation) and NEDs are not eligible to participate in any of Charter Hall's employee incentive schemes.</p> |
| <b>Remuneration outcomes</b>            | The Chair, member and committee fees were increased by 3% in FY2023. Further details are outlined in section 8.1 below.  |
| <b>Minimum shareholding requirement</b> | Effective FY2023, NEDs are now required to hold a minimum of 100% of annual base director fees, excluding Committee membership fees (up from \$90,000 and approximately 50% of annual Director fees) in CHC securities within three years of appointment as a NED or from the date of this policy, whichever is the later and maintain it on an on-going basis. <p>The value of securities for determining compliance is the higher of cost or market value.</p>   |



### 8.1 Changes to NED Fees and Maximum Aggregate NED Fee Pool

A summary of the NED fees in FY2022 and the increased fees in FY2023 are set out below.

| Summary of fee framework per annum                | 2023<br>\$ | 2022<br>\$ |
|---|------------|------------|
| <b>Board</b>                                      |            |            |
| Chair   | 478,950    | 465,000    |
| Member  | 180,250    | 175,000    |
| <b>Audit Risk and Compliance Committee</b>        |            |            |
| Chair   | 56,650     | 55,000     |
| Member  | 25,750     | 25,000     |
| <b>Remuneration and Human Resources Committee</b> |            |            |
| Chair   | 41,200     | 40,000     |
| Member  | 19,055     | 18,500     |
| <b>Nomination Committee</b>                       |            |            |
| Chair   | 5,150      | 5,000      |
| Member  | 5,150      | 5,000      |
| <b>Investment Committee</b>                       |            |            |
| Chair   | 17,510     | 17,000     |
| Member  | 12,360     | 12,000     |

### 8.2 Statutory NED Remuneration for FY2023

| Non-Executive Director remuneration | 2023 fees<br>\$  | 2022 fees<br>\$  |
|-------------------------------------|------------------|------------------|
| <b>Non-Executive Directors</b>      |                  |                  |
| D Clarke                            | 478,950          | 465,000          |
| J Chow                              | 207,888          | 200,000          |
| S Conry AM <sup>1</sup>             | 85,807           | -                |
| P Garling AM <sup>2</sup>           | -                | 79,180           |
| K Moses                             | 261,105          | 253,500          |
| G Paramor AO                        | 225,147          | 208,682          |
| D Ross                              | 259,560          | 252,000          |
| <b>Total</b>                        | <b>1,518,457</b> | <b>1,458,362</b> |

<sup>1</sup> Stephen Conry AM was appointed to the Board effective 16 January 2023.

<sup>2</sup> Philip Garling AM retired from the Board effective 11 November 2021.

The maximum aggregate NED fee pool is \$2.0 million which was approved by securityholders at the 2021 AGM.

## 9. Additional Disclosures

### 9.1 Securityholdings

#### Key management personnel securityholdings

| Name                                     | Opening balance at 1 Jul 2022 | Stapled securities acquired | Rights and options exercised | Stapled securities sold | Closing balance at 30 Jun 2023 |
|--|-------------------------------|-----------------------------|------------------------------|-------------------------|--------------------------------|
| <b>Directors of Charter Hall Limited</b> |                               |                             |                              |                         |                                |
| <i>Ordinary stapled securities</i>       |                               |                             |                              |                         |                                |
| D Clarke                                 | 49,875                        | -                           | -                            | -                       | 49,875                         |
| J Chow                                   | 5,500                         | 4,500                       | -                            | -                       | 10,000                         |
| S Conry AM <sup>1</sup>                  | -                             | 16,000                      | -                            | -                       | 16,000                         |
| K Moses                                  | 23,137                        | -                           | -                            | -                       | 23,137                         |
| G Paramor AO                             | 14,300                        | -                           | -                            | -                       | 14,300                         |
| D Ross                                   | 10,000                        | 7,500                       | -                            | -                       | 17,500                         |
| <b>Managing Director</b>                 |                               |                             |                              |                         |                                |
| D Harrison                               | 1,423,037                     | 50,000                      | -                            | -                       | 1,473,037                      |
| <b>Other Reported Executives</b>         |                               |                             |                              |                         |                                |
| S McMahon <sup>2</sup>                   | 330,580                       | -                           | 65,629                       | (91,200)                | 305,009                        |
| R Proutt                                 | 174,668                       | -                           | 63,902                       | (132,958)               | 105,612                        |

<sup>1</sup> Stephen Conry AM was appointed to the Board effective 16 January 2023.

<sup>2</sup> Opening balance restated.

### 9.2 Performance Rights and Option Plan details

#### Performance rights and service rights outstanding under the PROP

| Performance rights                          | Securities       | Exercise price | Vesting conditions                     |
|---|------------------|----------------|--|
| <i>Financial year of grant</i>              |                  |                |  |
| 2020  | 312,084          | Nil            | OEPS and relative performance criteria |
| 2021  | 709,324          | Nil            | OEPS and relative performance criteria |
| 2022  | 690,172          | Nil            | OEPS and relative performance criteria |
| 2022  | 5,000,000        | Nil            | Performance conditions                 |
| 2023  | 963,664          | Nil            | OEPS and relative performance criteria |
| <b>Total performance rights outstanding</b> | <b>7,675,244</b> |                |  |

| Service rights                          | Securities       | Exercise price | Vesting conditions                |
|---|------------------|----------------|-----------------------------------|
| <i>Financial year of grant</i>          |                  |                |                                   |
| 2020                                    | 195,000          | Nil            | Service Conditions                |
| 2021                                    | 659,661          | Nil            | Voluntary Deferred STI            |
| 2021                                    | 50,000           | Nil            | Service Conditions                |
| 2022                                    | 78,140           | Nil            | Service conditions - Deferred STI |
| 2022                                    | 311,326          | Nil            | Voluntary Deferred STI            |
| 2023                                    | 284,654          | Nil            | Service conditions - Deferred STI |
| 2023                                    | 439,445          | Nil            | Voluntary Deferred STI            |
| 2023                                    | 25,818           | Nil            | Service Conditions                |
| <b>Total service rights outstanding</b> | <b>2,044,044</b> |                |                                   |



## 10. Appendix

### Valuation model

The Black-Scholes-Merton methodology which discounts for dividends/distributions foregone (there is no discount for market risk) is used for accounting purposes for non-market based performance rights. The Monte Carlo method is used for accounting purposes for market based performance rights. The accounting value determined using a Monte Carlo simulation valuation is in accordance with AASB 2.

### Reported Executive rights – details by plan

| Type of equity                   | Rights held at 1 July 2022 | Rights granted during the year | Rights vested and exercised during the year | Rights forfeited during the year | Rights held at 30 June 2023 | Grant date | Fair value per right at grant date (\$) | Vesting date | Fair value to be expensed in future years (\$) <sup>1</sup> |
|----------------------------------|----------------------------|--------------------------------|---|----------------------------------|-----------------------------|------------|---|--------------|---|
| <b>Managing Director</b>         |                            |                                |   |                                  |                             |            |   |              |   |
| D Harrison                       |                            |                                |   |                                  |                             |            |   |              |   |
| LTI Performance Rights           | 113,706                    |                                | 113,706                                     | –                                | –                           | 25-Nov-19  | 7.10                                    | 31-Aug-22    | –   |
| LTI Performance Rights           | 113,705                    |                                |   | –                                | 113,705                     | 25-Nov-19  | 7.01                                    | 31-Aug-23    | 31,904  |
| LTI Performance Rights           | 265,737                    |                                |   | –                                | 265,737                     | 26-Nov-20  | 10.33                                   | 31-Aug-24    | 769,255   |
| ROP Performance Rights           | 905,776                    |                                |   | –                                | 905,776                     | 11-Nov-21  | 5.86                                    | 31-Aug-26    | 3,252,743   |
| LTI Performance Rights           | 218,594                    |                                |   | –                                | 218,594                     | 14-Dec-21  | 18.52                                   | 31-Aug-25    | 2,104,799   |
| LTI Performance Rights           | –                          | 258,198                        |   | –                                | 258,198                     | 17-Nov-22  | 11.83                                   | 31-Aug-26    | 2,320,738   |
| STI Deferred Service Rights      | 40,461                     |                                | 40,461                                      | –                                | –                           | 01-Jul-20  | 9.10                                    | 31-Aug-22    | –   |
| STI Deferred Service Rights      | 84,918                     |                                |   | –                                | 84,918                      | 01-Jul-20  | 8.83                                    | 31-Aug-23    | –   |
| STI Deferred Service Rights      | 91,263                     |                                |   | –                                | 91,263                      | 01-Jul-20  | 8.22                                    | 31-Aug-25    | –   |
| STI Deferred Service Rights      | 25,692                     |                                | 25,692                                      | –                                | –                           | 27-Jul-21  | 15.63                                   | 31-Aug-22    | –   |
| STI Deferred Service Rights      | 25,692                     |                                |   | –                                | 25,692                      | 27-Jul-21  | 15.27                                   | 31-Aug-23    | –   |
| STI Deferred Service Rights      | –                          | 48,412                         |   | –                                | 48,412                      | 29-Jul-22  | 12.74                                   | 31-Aug-23    | –   |
| STI Deferred Service Rights      | –                          | 48,412                         |   | –                                | 48,412                      | 29-Jul-22  | 12.74                                   | 31-Aug-24    | –   |
| STI Deferred Service Rights      | –                          | 96,824                         |   | –                                | 96,824                      | 29-Jul-22  | 12.74                                   | 31-Aug-24    | –   |
| STI Deferred Service Rights      | –                          | 96,824                         |   | –                                | 96,824                      | 29-Jul-22  | 12.74                                   | 31-Aug-25    | –   |
| <b>Other Reported Executives</b> |                            |                                |   |                                  |                             |            |   |              |   |
| S McMahon                        |                            |                                |   |                                  |                             |            |   |              |   |
| LTI Performance Rights           | 33,917                     |                                | 33,917                                      | –                                | –                           | 25-Nov-19  | 7.10                                    | 31-Aug-22    | –   |
| LTI Performance Rights           | 33,916                     |                                |   | –                                | 33,916                      | 25-Nov-19  | 7.01                                    | 31-Aug-23    | 9,516   |
| LTI Performance Rights           | 79,264                     |                                |   | –                                | 79,264                      | 26-Nov-20  | 10.33                                   | 31-Aug-24    | 229,453   |
| ROP Performance Rights           | 372,374                    |                                |   | –                                | 372,374                     | 11-Sep-21  | 4.58                                    | 31-Aug-26    | 1,045,144   |
| LTI Performance Rights           | 67,400                     |                                |   | –                                | 67,400                      | 14-Dec-21  | 18.52                                   | 31-Aug-25    | 648,982   |
| LTI Performance Rights           | –                          | 79,610                         |   | –                                | 79,610                      | 17-Nov-22  | 11.83                                   | 31-Aug-26    | 715,551   |
| STI Deferred Service Rights      | 19,396                     |                                | 19,396                                      | –                                | –                           | 01-Jul-20  | 9.10                                    | 31-Aug-22    | –   |
| STI Deferred Service Rights      | 40,708                     |                                |   | –                                | 40,708                      | 01-Jul-20  | 8.83                                    | 31-Aug-23    | –   |
| STI Deferred Service Rights      | 12,781                     |                                |   | –                                | 12,781                      | 27-Jul-21  | 14.91                                   | 31-Aug-24    | –   |
| STI Deferred Service Rights      | 12,316                     |                                | 12,316                                      | –                                | –                           | 27-Jul-21  | 15.63                                   | 31-Aug-22    | –   |
| STI Deferred Service Rights      | 12,316                     |                                |   | –                                | 12,316                      | 27-Jul-21  | 15.27                                   | 31-Aug-23    | –   |
| STI Deferred Service Rights      | –                          | 19,902                         |   | –                                | 19,902                      | 29-Jul-22  | 12.74                                   | 31-Aug-23    | –   |
| STI Deferred Service Rights      | –                          | 19,902                         |   | –                                | 19,902                      | 29-Jul-22  | 12.74                                   | 31-Aug-24    | –   |
| R Proutt                         |                            |                                |   |                                  |                             |            |   |              |   |
| LTI Performance Rights           | 35,633                     |                                | 35,633                                      | –                                | –                           | 25-Nov-19  | 7.10                                    | 31-Aug-22    | –   |
| LTI Performance Rights           | 35,633                     |                                |   | –                                | 35,633                      | 25-Nov-19  | 7.01                                    | 31-Aug-23    | 9,998   |
| LTI Performance Rights           | 83,276                     |                                |   | –                                | 83,276                      | 26-Nov-20  | 10.33                                   | 31-Aug-24    | 241,067   |
| ROP Performance Rights           | 348,220                    |                                |   | –                                | 348,220                     | 11-Sep-21  | 4.58                                    | 31-Aug-26    | 977,351   |
| LTI Performance Rights           | 63,028                     |                                |   | –                                | 63,028                      | 14-Dec-21  | 18.52                                   | 31-Aug-25    | 606,884   |
| LTI Performance Rights           | –                          | 74,446                         |   | –                                | 74,446                      | 17-Nov-22  | 11.83                                   | 31-Aug-26    | 669,136   |
| STI Deferred Service Rights      | 17,290                     |                                | 17,290                                      | –                                | –                           | 01-Jul-20  | 9.10                                    | 31-Aug-22    | –   |
| STI Deferred Service Rights      | 36,288                     |                                |   | –                                | 36,288                      | 01-Jul-20  | 8.83                                    | 31-Aug-23    | –   |
| STI Deferred Service Rights      | 38,999                     |                                |   | –                                | 38,999                      | 01-Jul-20  | 8.22                                    | 31-Aug-25    | –   |
| STI Deferred Service Rights      | 45,574                     |                                |   | –                                | 45,574                      | 27-Jul-21  | 14.91                                   | 31-Aug-24    | –   |
| STI Deferred Service Rights      | 10,979                     |                                | 10,979                                      | –                                | –                           | 27-Jul-21  | 15.63                                   | 31-Aug-22    | –   |
| STI Deferred Service Rights      | 10,979                     |                                |   | –                                | 10,979                      | 27-Jul-21  | 15.27                                   | 31-Aug-23    | –   |
| STI Deferred Service Rights      | –                          | 18,611                         |   | –                                | 18,611                      | 29-Jul-22  | 12.74                                   | 31-Aug-23    | –   |
| STI Deferred Service Rights      | –                          | 18,611                         |   | –                                | 18,611                      | 29-Jul-22  | 12.74                                   | 31-Aug-24    | –   |
| STI Deferred Service Rights      | –                          | 37,223                         |   | –                                | 37,223                      | 29-Jul-22  | 12.74                                   | 31-Aug-25    | –   |

<sup>1</sup> The maximum value of the grants yet to vest is the fair value amount at the grant date yet to be reflected in the Group's consolidated income statement. The minimum future value is \$nil as the future performance and service conditions may not be met.

## 11. Other Transactions with KMP

There were no loans made, guaranteed or secured, directly or indirectly, by the Company and any of its subsidiaries to KMP or their related parties during the year. There were no other transactions between the Company and any of its subsidiaries and any KMP or their related parties during the year.

## Indemnification and insurance of directors, officers and auditor

During the year, the Charter Hall Group contributed to the premium for a contract insuring all directors, secretaries, executive officers and officers of the Charter Hall Group and of each related body corporate of the Group, with the balance of the premium paid by funds managed by members of the Charter Hall Group. The insurance does not provide any cover for the independent auditor of the Charter Hall Group or of a related party of the Charter Hall Group. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

So long as the officers of the Responsible Entity act in accordance with the Charter Hall Property Trust's constitution and the *Corporations Act 2001*, the officers are indemnified out of the assets of the Charter Hall Property Trust against losses incurred while acting on behalf of the Charter Hall Property Trust. The Charter Hall Group indemnifies the auditor (PricewaterhouseCoopers) against any liability (including legal costs) for third party claims arising from a breach by the Charter Hall Group of the auditor's engagement terms, except where prohibited by the *Corporations Act 2001*.

### Non-audit services

The Company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit, Risk and Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit, Risk and Compliance Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year, the following fees were paid for non-audit services provided by the auditor and its related practices by the Charter Hall Group and Charter Hall Property Trust Group:

|  | Charter Hall Group |                | Charter Hall Property Trust Group |              |
|--|--------------------|----------------|-----------------------------------|--------------|
|  | 2023               | 2022           | 2023                              | 2022         |
|  | \$                 | \$             | \$                                | \$           |
| <b>PricewaterhouseCoopers – Australian Firm</b>            |                    |                |                                   |              |
| Taxation compliance services                               | 67,970             | 144,800        | –                                 | –            |
| <b>PricewaterhouseCoopers – New Zealand Firm</b>           |                    |                |                                   |              |
| Taxation compliance services for DLWF                      | –                  | 6,569          | –                                 | 6,569        |
| <b>Total remuneration for taxation compliance services</b> | <b>67,970</b>      | <b>151,369</b> | <b>–</b>                          | <b>6,569</b> |
| <b>Other services</b>                                      |                    |                |                                   |              |
| <b>PricewaterhouseCoopers – Australian Firm</b>            |                    |                |                                   |              |
| Other assurance services                                   | 160,000            | 18,150         | –                                 | –            |
| <b>Total remuneration for other services</b>               | <b>160,000</b>     | <b>18,150</b>  | <b>–</b>                          | <b>–</b>     |
| <b>Total remuneration for non-audit services</b>           | <b>227,970</b>     | <b>169,519</b> | <b>–</b>                          | <b>6,569</b> |



## Environmental regulation

The Charter Hall Group recognises that sustainability is more than protecting the natural environment; it is about responding to the needs of our customers, achieving our long-term commercial goals and working in partnership with our stakeholders to improve environmental and social outcomes.

The Board has oversight of our sustainability strategy, policies, risks and opportunities, including our approach to climate change and the integration of ESG into our systems. Our Group Sustainability Policy outlines our commitments to achieving a sustainable future and can be found at: [www.charterhall.com.au/About-Us/corporate-governance/corporate-governance-charter-hall-group](http://www.charterhall.com.au/About-Us/corporate-governance/corporate-governance-charter-hall-group).

The Group has processes in place to comply with applicable environmental standards and regulations. The Group reports its greenhouse gas emissions and energy use on an annual basis under the *National Greenhouse and Energy Reporting Act 2007*. The Group is actively addressing and managing environmental impacts to support the following outcomes:

- Net Zero Carbon in operation for Scope 1 and Scope 2 by 2025, accelerating our commitment by 5 years
- 100% Renewable electricity powering our assets in operational control by 2025
- 50% waste diversion from landfill by 2025
- 4.5 Star National Australian Built Environment Rating System (NABERS) Water weighted average portfolio rating for Office and Retail by 2030
- 5 Star NABERS Energy weighted average portfolio rating for Office by 2025
- 4.5 Star NABERS Energy weighted average portfolio rating for Retail by 2025

Charter Hall has a demonstrated track record in using independent rating tools to benchmark and measure operational performance of its property portfolios, including Green Star, NABERS and WELL.

Charter Hall voluntarily reports annually to international organisations, such as the United Nations Principles for Responsible Investment (PRI), Dow Jones Sustainability Index (DJSI), and Global Real Estate Sustainability Benchmark (GRESB). This year, the Group responded to the DJSI Reports for CHC and GRESB Real Estate Assessment Reports for 29 funds representing \$63.0 billion of FUM. Additionally, GRESB Public Disclosure Statements were submitted for CLW, CQR, CHC, and CQE.

## Labour practices

Charter Hall Group became a signatory to the UN Global Compact on 8 March 2019. Charter Hall's Human Rights Policy and Supplier Code of Conduct can be found at [www.charterhall.com.au/About-Us/corporate-governance/corporate-governance-charter-hall-group](http://www.charterhall.com.au/About-Us/corporate-governance/corporate-governance-charter-hall-group). These documents outline our commitment to manage our operations in line with the UN Guiding Principles, the UN Global Compact and

international and Australian Modern Slavery legislation, reflecting both our business needs and the expectations of our customers and key stakeholders.

## Tax Governance Statement

Charter Hall Group has adopted the Board of Taxation's Tax Transparency Code (TTC) at 30 June 2017. As part of the TTC, Charter Hall has published a Tax Governance Statement (TGS) which details Charter Hall Group's corporate structure and tax corporate governance systems. Charter Hall Group's TGS can be found on our website at [www.charterhall.com.au/about-us/corporate-governance/corporate-governance-charter-hall-group](http://www.charterhall.com.au/about-us/corporate-governance/corporate-governance-charter-hall-group).

## Proceedings on behalf of the Company

Section 237 of the *Corporations Act 2001* allows for a person to apply to the Court to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, in certain circumstances.

No person has made such an application and no proceedings have been brought or intervened in on behalf of the Company with the Court.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 79.

## Rounding of amounts

The Company and the Trust is of a kind referred to in *ASIC Corporations Instrument (Rounding in Financial/Directors' Reports) 2022/519*, relating to the rounding off of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that instrument to the nearest hundred thousand dollars, or in certain cases, to the nearest dollar.

## Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Financial Statements were authorised for issue by the Directors on 21 August 2023. The Directors have the power to amend and re-issue the Financial Statements.



David Clarke  
Chair

Sydney  
21 August 2023



## Auditor's Independence Declaration

As lead auditor for the audit of Charter Hall Limited and its controlled entities and Charter Hall Property Trust and its controlled entities for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Charter Hall Limited and the entities it controlled during the period and Charter Hall Property Trust and the entities it controlled during the period.



E A Barron  
Partner  
PricewaterhouseCoopers

Sydney  
21 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)  
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



## Consolidated Statements of Comprehensive Income

|  | Note | Charter Hall Group |                | Charter Hall Property Trust Group |               |
|--|------|--------------------|----------------|-----------------------------------|---------------|
|  |      | 2023<br>\$'m       | 2022<br>\$'m   | 2023<br>\$'m                      | 2022<br>\$'m  |
| <b>Income</b>  |      |                    |                |                                   |               |
| Revenue  | 4    | 869.7              | 1,098.3        | 21.8                              | 28.1          |
| Share of net (loss)/profit from equity accounted investments method                | 2,3  | (83.4)             | 544.9          | (100.6)                           | 509.2         |
| Net gain on sale of investments  |      | 0.5                | 0.3            | 0.6                               | –             |
| Other net fair value adjustments   |      | 0.7                | 23.2           | 4.2                               | 4.6           |
| <b>Total income</b>  |      | <b>787.5</b>       | <b>1,666.7</b> | <b>(74.0)</b>                     | <b>541.9</b>  |
| <b>Expenses</b>  |      |                    |                |                                   |               |
| Employee costs   | 5    | (187.0)            | (181.5)        | –                                 | –             |
| Development costs  |      | (193.0)            | (299.0)        | –                                 | –             |
| Administration and other expenses  | 5    | (40.1)             | (37.2)         | (3.6)                             | (6.8)         |
| Finance costs  |      | (26.9)             | (15.0)         | (29.2)                            | (13.8)        |
| Depreciation, amortisation and impairment  | 5    | (17.8)             | (27.6)         | (9.1)                             | –             |
| Net loss on sale of investments  |      | –                  | –              | –                                 | (1.6)         |
| Other net losses   |      | (0.9)              | –              | –                                 | –             |
| <b>Total expenses</b>  |      | <b>(465.7)</b>     | <b>(560.3)</b> | <b>(41.9)</b>                     | <b>(22.2)</b> |
| <b>Profit/(loss) before tax</b>  |      | <b>321.8</b>       | <b>1,106.4</b> | <b>(115.9)</b>                    | <b>519.7</b>  |
| Income tax expense   | 6    | (125.7)            | (179.4)        | –                                 | –             |
| <b>Profit/(loss) for the year</b>  |      | <b>196.1</b>       | <b>927.0</b>   | <b>(115.9)</b>                    | <b>519.7</b>  |
| <b>Profit/(loss) for the year attributable to:</b>                                 |      |                    |                |                                   |               |
| Equity holders of Charter Hall Limited   |      | 312.0              | 407.3          | –                                 | –             |
| Equity holders of Charter Hall Property Trust (non-controlling interest)           |      | (115.9)            | 503.8          | (115.9)                           | 503.8         |
| <b>Profit/(loss) attributable to stapled securityholders of Charter Hall Group</b> |      | <b>196.1</b>       | <b>911.1</b>   | <b>(115.9)</b>                    | <b>503.8</b>  |
| Net profit attributable to other non-controlling interests                         |      | –                  | 15.9           | –                                 | 15.9          |
| <b>Profit/(loss) for the year</b>  |      | <b>196.1</b>       | <b>927.0</b>   | <b>(115.9)</b>                    | <b>519.7</b>  |

|  | Note | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|--|------|--------------------|--------------|-----------------------------------|--------------|
|  |      | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Profit/(loss) for the year</b>  |      | <b>196.1</b>       | <b>927.0</b> | <b>(115.9)</b>                    | <b>519.7</b> |
| <b>Other comprehensive income</b>  |      |                    |              |                                   |              |
| <i>Items that may be reclassified to profit or loss</i>  |      |                    |              |                                   |              |
| Exchange differences on translation of foreign operations  |      | 1.4                | (0.5)        | 1.4                               | (0.5)        |
| Changes in the fair value of cash flow hedges  |      | (0.5)              | 5.1          | (0.5)                             | 5.1          |
| Equity accounted fair value movements  |      | (0.1)              | –            | –                                 | –            |
| <b>Other comprehensive income for the year</b>   |      | <b>0.8</b>         | <b>4.6</b>   | <b>0.9</b>                        | <b>4.6</b>   |
| <b>Total comprehensive income/(loss) for the year</b>  |      | <b>196.9</b>       | <b>931.6</b> | <b>(115.0)</b>                    | <b>524.3</b> |
| <b>Total comprehensive income/(loss) for the year is attributable to:</b>  |      |                    |              |                                   |              |
| Equity holders of Charter Hall Limited   |      | 311.9              | 407.3        | –                                 | –            |
| Equity holders of Charter Hall Property Trust (non-controlling interest)   |      | (115.0)            | 508.4        | (115.0)                           | 508.4        |
| <b>Total comprehensive income/(loss) attributable to stapled securityholders of Charter Hall Group</b>             |      | <b>196.9</b>       | <b>915.7</b> | <b>(115.0)</b>                    | <b>508.4</b> |
| Total comprehensive income attributable to other non-controlling interests   |      | –                  | 15.9         | –                                 | 15.9         |
| <b>Total comprehensive income/(loss) for the year</b>  |      | <b>196.9</b>       | <b>931.6</b> | <b>(115.0)</b>                    | <b>524.3</b> |
| <b>Basic earnings per security (cents) attributable to:</b>  |      |                    |              |                                   |              |
| Equity holders of Charter Hall Limited   |      | 66.0               | 86.8         | n/a                               | n/a          |
| Equity holders of Charter Hall Property Trust (non-controlling interest)   |      | (24.5)             | 107.3        | (24.5)                            | 107.3        |
| <b>Basic earnings per stapled security (cents) attributable to stapled securityholders of Charter Hall Group</b>   | 8(a) | <b>41.5</b>        | <b>194.1</b> | <b>n/a</b>                        | <b>n/a</b>   |
| <b>Diluted earnings per security (cents) attributable to:</b>  |      |                    |              |                                   |              |
| Equity holders of Charter Hall Limited   |      | 64.8               | 85.4         | n/a                               | n/a          |
| Equity holders of Charter Hall Property Trust (non-controlling interest)   |      | (24.1)             | 105.6        | (24.1)                            | 105.6        |
| <b>Diluted earnings per stapled security (cents) attributable to stapled securityholders of Charter Hall Group</b> | 8(b) | <b>40.7</b>        | <b>191.0</b> | <b>n/a</b>                        | <b>n/a</b>   |

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.



## Consolidated Balance Sheets

| Note  | Charter Hall Group |                | Charter Hall Property Trust Group |                |
|---|--------------------|----------------|-----------------------------------|----------------|
|   | 2023<br>\$'m       | 2022<br>\$'m   | 2023<br>\$'m                      | 2022<br>\$'m   |
| <b>Assets</b>   |                    |                |                                   |                |
| <i>Current assets</i>   |                    |                |                                   |                |
| Cash and cash equivalents   | 401.4              | 594.7          | 56.1                              | 53.4           |
| Receivables and other assets  | 159.5              | 115.4          | 39.1                              | 53.1           |
| Development assets  | 29.0               | 35.0           | –                                 | –              |
| Derivative financial instruments  | 4.8                | 4.2            | 4.8                               | 4.2            |
| Assets classified as held for sale  | –                  | 79.0           | –                                 | 79.0           |
| <b>Total current assets</b>   | <b>594.7</b>       | <b>828.3</b>   | <b>100.0</b>                      | <b>189.7</b>   |
| <i>Non-current assets</i>   |                    |                |                                   |                |
| Receivables and other assets  | 3.7                | 3.4            | –                                 | –              |
| Derivative financial instruments  | 34.2               | 41.9           | 17.5                              | 21.9           |
| Financial assets at fair value through profit or loss                           | 29.7               | 20.0           | 29.7                              | 20.0           |
| Investments accounted for at fair value through profit or loss                  | 123.6              | 42.4           | 123.6                             | 42.4           |
| Development assets  | 76.3               | 73.6           | –                                 | –              |
| Investments accounted for using the equity method                               | 3,066.7            | 3,033.1        | 2,621.4                           | 2,750.1        |
| Intangible assets   | 113.5              | 114.0          | –                                 | –              |
| Property, plant and equipment   | 14.1               | 15.1           | –                                 | –              |
| Right-of-use assets   | 16.1               | 20.8           | –                                 | –              |
| <b>Total non-current assets</b>   | <b>3,477.9</b>     | <b>3,364.3</b> | <b>2,792.2</b>                    | <b>2,834.4</b> |
| <b>Total assets</b>   | <b>4,072.6</b>     | <b>4,192.6</b> | <b>2,892.2</b>                    | <b>3,024.1</b> |
| <b>Liabilities</b>  |                    |                |                                   |                |
| <i>Current liabilities</i>  |                    |                |                                   |                |
| Trade and other liabilities   | 209.2              | 257.4          | 62.8                              | 66.1           |
| Development liabilities   | 13.3               | 5.1            | –                                 | –              |
| Current tax liabilities   | 35.1               | 71.2           | –                                 | –              |
| Lease liabilities   | 7.1                | 6.9            | –                                 | –              |
| <b>Total current liabilities</b>  | <b>264.7</b>       | <b>340.6</b>   | <b>62.8</b>                       | <b>66.1</b>    |
| <i>Non-current liabilities</i>  |                    |                |                                   |                |
| Trade and other liabilities   | 4.7                | 4.7            | 143.8                             | –              |
| Derivative financial instruments  | 41.1               | 40.0           | 41.1                              | 40.0           |
| Borrowings  | 450.7              | 453.9          | 450.7                             | 453.9          |
| Development liabilities   | 16.0               | 15.9           | –                                 | –              |
| Lease liabilities   | 16.4               | 19.5           | –                                 | –              |
| Deferred tax liabilities  | 23.8               | 28.3           | –                                 | –              |
| <b>Total non-current liabilities</b>  | <b>552.7</b>       | <b>562.3</b>   | <b>635.6</b>                      | <b>493.9</b>   |
| <b>Total liabilities</b>  | <b>817.4</b>       | <b>902.9</b>   | <b>698.4</b>                      | <b>560.0</b>   |
| <b>Net assets</b>   | <b>3,255.2</b>     | <b>3,289.7</b> | <b>2,193.8</b>                    | <b>2,464.1</b> |
| <b>Equity</b>   |                    |                |                                   |                |
| <i>Equity holders of Charter Hall Limited</i>                                   |                    |                |                                   |                |
| Contributed equity  | 314.8              | 314.8          | –                                 | –              |
| Reserves  | 1.2                | (13.3)         | –                                 | –              |
| Accumulated profit  | 745.4              | 524.1          | –                                 | –              |
| <b>Parent entity interest</b>   | <b>1,061.4</b>     | <b>825.6</b>   | <b>–</b>                          | <b>–</b>       |
| <i>Equity holders of Charter Hall Property Trust</i>                            |                    |                |                                   |                |
| Contributed equity  | 1,536.2            | 1,538.0        | 1,536.2                           | 1,538.0        |
| Reserves  | 3.7                | 3.1            | 3.7                               | 3.1            |
| Accumulated profit  | 653.9              | 879.8          | 653.9                             | 879.8          |
| <b>Equity holders of Charter Hall Property Trust (non-controlling interest)</b> | <b>2,193.8</b>     | <b>2,420.9</b> | <b>2,193.8</b>                    | <b>2,420.9</b> |
| Other non-controlling interests   | –                  | 43.2           | –                                 | 43.2           |
| <b>Total equity</b>   | <b>3,255.2</b>     | <b>3,289.7</b> | <b>2,193.8</b>                    | <b>2,464.1</b> |

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity – Charter Hall Group

| Note   | Attributable to the owners of Charter Hall Limited |               |                                     |                | Non-controlling interest<br>\$'m | Charter Hall Group<br>Total equity<br>\$'m |
|--|--|---------------|-------------------------------------|----------------|----------------------------------|--|
|  | Contributed equity<br>\$'m                         | Reserves      | Accumulated profit/(losses)<br>\$'m | Total<br>\$'m  |                                  |  |
| Balance at 1 July 2021   | 290.8  | (22.1)        | 199.1                               | 467.8          | 2,043.3                          | 2,511.1                                    |
| Profit for the year  | –  | –             | 407.3                               | 407.3          | 519.7                            | 927.0                                      |
| Other comprehensive income   | –  | –             | –                                   | –              | 4.6                              | 4.6  |
| <b>Total comprehensive income</b>  | <b>–</b>   | <b>–</b>      | <b>407.3</b>                        | <b>407.3</b>   | <b>524.3</b>                     | <b>931.6</b>                               |
| <i>Transactions with equity holders in their capacity as equity holders:</i> |  |               |                                     |                |                                  |  |
| Contributions of equity, net of issue costs                                  | 22.1   | –             | –                                   | 22.1           | 273.2                            | 295.3                                      |
| Buyback and issuance of securities for exercised performance rights          | (3.7)  | (9.5)         | –                                   | (13.2)         | (15.2)                           | (28.4)                                     |
| Tax recognised direct to equity  | 6(c) 5.6   | (2.3)         | –                                   | 3.3            | –                                | 3.3  |
| Transfer due to deferred compensation payable in service rights              | –  | 8.2           | –                                   | 8.2            | –                                | 8.2  |
| Security-based benefit expense   | –  | 12.4          | –                                   | 12.4           | –                                | 12.4                                       |
| Dividend/distribution provided for or paid                                   | 7  | –             | (82.3)                              | (82.3)         | (111.1)                          | (193.4)                                    |
| Transactions with non-controlling interests                                  | –  | –             | –                                   | –              | (0.9)                            | (0.9)                                      |
| Loss of control of subsidiary  | –  | –             | –                                   | –              | (249.5)                          | (249.5)                                    |
|  | 24.0   | 8.8           | (82.3)                              | (49.5)         | (103.5)                          | (153.0)                                    |
| <b>Balance at 30 June 2022</b>   | <b>314.8</b>                                       | <b>(13.3)</b> | <b>524.1</b>                        | <b>825.6</b>   | <b>2,464.1</b>                   | <b>3,289.7</b>                             |
| Balance at 1 July 2022   | 314.8  | (13.3)        | 524.1                               | 825.6          | 2,464.1                          | 3,289.7                                    |
| Profit/(loss) for the year   | –  | –             | 312.0                               | 312.0          | (115.9)                          | 196.1                                      |
| Other comprehensive income/(loss)  | –  | (0.1)         | –                                   | (0.1)          | 0.9                              | 0.8  |
| <b>Total comprehensive income/(loss)</b>                                     | <b>–</b>   | <b>(0.1)</b>  | <b>312.0</b>                        | <b>311.9</b>   | <b>(115.0)</b>                   | <b>196.9</b>                               |
| <i>Transactions with equity holders in their capacity as equity holders:</i> |  |               |                                     |                |                                  |  |
| Buyback and issuance of securities for exercised performance rights          | (0.7)  | (6.4)         | –                                   | (7.1)          | (1.8)                            | (8.9)                                      |
| Tax recognised direct to equity  | 6(c) 0.7   | –             | –                                   | 0.7            | –                                | 0.7  |
| Transfer due to deferred compensation payable in service rights              | –  | 8.4           | –                                   | 8.4            | –                                | 8.4  |
| Security-based benefit expense   | –  | 12.6          | –                                   | 12.6           | –                                | 12.6                                       |
| Dividend/distribution provided for or paid                                   | 7  | –             | (90.7)                              | (90.7)         | (110.5)                          | (201.2)                                    |
| Loss of control of subsidiary  | –  | –             | –                                   | –              | (43.0)                           | (43.0)                                     |
|  | –  | 14.6          | (90.7)                              | (76.1)         | (155.3)                          | (231.4)                                    |
| <b>Balance at 30 June 2023</b>   | <b>314.8</b>                                       | <b>1.2</b>    | <b>745.4</b>                        | <b>1,061.4</b> | <b>2,193.8</b>                   | <b>3,255.2</b>                             |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



## Consolidated Statement of Changes in Equity – Charter Hall Property Trust Group

|  | Attributable to the owners of the<br>Charter Hall Property Trust Group |                               |                  |  | Non-<br>controlling<br>interest<br>\$'m | Total<br>equity<br>\$'m |
|--|--|-------------------------------|------------------|--|---|-------------------------|
|  | Note   | Contributed<br>equity<br>\$'m | Reserves<br>\$'m | Accumulated<br>profit/(losses)<br>\$'m |   |                         |
| Balance at 1 July 2021   |  | 1,426.0                       | (1.5)            | 481.3                                  | 1,905.8                                 | 2,043.3                 |
| Profit for the year  |  | –                             | –                | 503.8                                  | 503.8                                   | 519.7                   |
| Other comprehensive income   |  | –                             | 4.6              | –                                      | 4.6                                     | 4.6                     |
| <b>Total comprehensive income</b>  |  | –                             | 4.6              | 503.8                                  | 508.4                                   | 524.3                   |
| <i>Transactions with equity holders in their capacity as equity holders:</i> |  |                               |                  |  |   |                         |
| Contributions of equity, net of issue costs                                  |  | 127.2                         | –                | –                                      | 127.2                                   | 273.2                   |
| Buyback and issuance of securities for exercised performance rights          |  | (15.2)                        | –                | –                                      | (15.2)                                  | (15.2)                  |
| Dividend/distribution provided for or paid                                   | 7  | –                             | –                | (106.1)                                | (106.1)                                 | (111.1)                 |
| Transactions with non-controlling interests                                  |  | –                             | –                | –                                      | –                                       | (0.9)                   |
| Loss of control of subsidiary  |  | –                             | –                | 0.8                                    | 0.8                                     | (249.5)                 |
|  |  | 112.0                         | –                | (105.3)                                | 6.7                                     | (103.5)                 |
| <b>Balance at 30 June 2022</b>   |  | <b>1,538.0</b>                | <b>3.1</b>       | <b>879.8</b>                           | <b>2,420.9</b>                          | <b>43.2</b>             |
| Balance at 1 July 2022   |  | 1,538.0                       | 3.1              | 879.8                                  | 2,420.9                                 | 43.2                    |
| Loss for the year  |  | –                             | –                | (115.9)                                | (115.9)                                 | –                       |
| Other comprehensive income   |  | –                             | 0.9              | –                                      | 0.9                                     | 0.9                     |
| <b>Total comprehensive income/(loss)</b>                                     |  | –                             | 0.9              | (115.9)                                | (115.0)                                 | –                       |
| <i>Transactions with equity holders in their capacity as equity holders:</i> |  |                               |                  |  |   |                         |
| Buyback and issuance of securities for exercised performance rights          |  | (1.8)                         | –                | –                                      | (1.8)                                   | –                       |
| Dividend/distribution provided for or paid                                   | 7  | –                             | –                | (110.5)                                | (110.5)                                 | –                       |
| Loss of control of subsidiary  |  | –                             | (0.3)            | 0.5                                    | 0.2                                     | (43.2)                  |
|  |  | (1.8)                         | (0.3)            | (110.0)                                | (112.1)                                 | (155.3)                 |
| <b>Balance at 30 June 2023</b>   |  | <b>1,536.2</b>                | <b>3.7</b>       | <b>653.9</b>                           | <b>2,193.8</b>                          | <b>–</b>                |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated Cash Flow Statements

|  | Note | Charter Hall Group |                | Charter Hall Property Trust Group |                |
|--|------|--------------------|----------------|-----------------------------------|----------------|
|  |      | 2023<br>\$'m       | 2022<br>\$'m   | 2023<br>\$'m                      | 2022<br>\$'m   |
| <b>Cash flows from operating activities</b>  |      |                    |                |                                   |                |
| Receipts from customers (inclusive of GST)   |      | 890.7              | 1,186.2        | 21.8                              | 10.7           |
| Payments to suppliers and employees (inclusive of GST)   |      | (520.0)            | (571.6)        | (1.8)                             | (4.1)          |
| Tax paid   |      | (165.5)            | (112.7)        | –                                 | –              |
| Interest received  |      | 9.7                | 1.8            | 0.5                               | 1.0            |
| Interest paid  |      | (25.2)             | (12.3)         | (22.9)                            | (11.9)         |
| Distributions and dividends from investments   |      | 147.6              | 112.4          | 110.1                             | 99.5           |
| <b>Net cash inflow from operating activities</b>   | 18   | <b>337.3</b>       | <b>603.8</b>   | <b>107.7</b>                      | <b>95.2</b>    |
| <b>Cash flows from investing activities</b>  |      |                    |                |                                   |                |
| Payments for property, plant and equipment   |      | (2.3)              | (11.1)         | –                                 | –              |
| Proceeds on disposal of investment properties  |      | –                  | 21.3           | –                                 | 21.3           |
| Interest from investing activities   |      | 1.6                | –              | 1.6                               | –              |
| Payments for investment properties   |      | –                  | (154.3)        | –                                 | (154.3)        |
| Investments in associates, joint ventures and financial assets                                 |      | (434.3)            | (407.5)        | (300.8)                           | (360.7)        |
| Proceeds on disposal and return of capital from investments in associates and joint ventures   |      | 115.5              | 143.8          | 91.9                              | 133.2          |
| Loans to associates, joint ventures and related parties  |      | –                  | –              | (64.6)                            | (143.1)        |
| Repayments of loans from associates, joint ventures and related parties                        |      | –                  | –              | 274.3                             | 265.6          |
| Proceeds from sale of DLWF net of cash   |      | –                  | 49.3           | –                                 | 49.3           |
| <b>Net cash inflow/(outflow) from investing activities</b>                                     |      | <b>(319.5)</b>     | <b>(358.5)</b> | <b>2.4</b>                        | <b>(188.7)</b> |
| <b>Cash flows from financing activities</b>  |      |                    |                |                                   |                |
| Buy back of stapled securities   |      | (8.9)              | –              | –                                 | –              |
| Borrowing costs paid   |      | –                  | (1.2)          | –                                 | (2.2)          |
| Proceeds from borrowings (net of borrowing costs)  |      | –                  | 126.2          | –                                 | 126.2          |
| Repayment of borrowings  |      | –                  | (82.0)         | –                                 | (82.0)         |
| Principal elements of lease payments   |      | (6.8)              | (4.4)          | –                                 | –              |
| Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control |      | –                  | 145.2          | –                                 | 145.2          |
| Distributions to non-controlling interests   |      | –                  | (4.8)          | –                                 | (4.8)          |
| Dividends/distributions paid to stapled securityholders  |      | (195.4)            | (181.5)        | (107.4)                           | (106.8)        |
| <b>Net cash inflow/(outflow) from financing activities</b>                                     |      | <b>(211.1)</b>     | <b>(2.5)</b>   | <b>(107.4)</b>                    | <b>75.6</b>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                    |      | <b>(193.3)</b>     | <b>242.8</b>   | <b>2.7</b>                        | <b>(17.9)</b>  |
| Cash and cash equivalents at the beginning of the year   |      | 594.7              | 351.9          | 53.4                              | 71.3           |
| <b>Cash and cash equivalents at the end of the year</b>  |      | <b>401.4</b>       | <b>594.7</b>   | <b>56.1</b>                       | <b>53.4</b>    |

The above consolidated cash flow statements should be read in conjunction with the accompanying notes.



## Notes to the Consolidated Financial Statements

The notes to these consolidated financial statements include additional information to assist the reader in understanding the operations, performance and financial position of the Charter Hall Group and the Charter Hall Property Trust Group.

### Critical accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and judgements in the process of applying accounting policies.

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described in their respective notes:

- Note 2 Investments in associates
- Note 3 Investments in joint ventures
- Note 4 Revenue
- Note 10 Intangible assets
- Note 20(d) Valuation techniques used to derive Level 3 fair values
- Note 22 Controlled entities

## 1 Segment information

### (a) Description of segments

#### Charter Hall Group

The operating segments disclosed are based on the reports reviewed by the Board to make strategic decisions. The Board is responsible for allocating resources and assessing performance of the operating segments.

Operating earnings is a financial measure which represents statutory profit after tax adjusted for the items in Note 1(c). Operating earnings is the primary measure of the Group's underlying and recurring earnings. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare.

Net operating expenses excluding costs of sales are primarily related to the funds management segment.

The Board has identified the following three reportable segments, the performance of which it monitors separately.

#### Property investments

This segment comprises investments in property funds.

#### Development investments

This segment comprises investments in developments.

#### Funds management

This segment comprises investment management services and property management services.

#### Charter Hall Property Trust Group

The Board allocates resources and assesses the performance of operating segments for the entire Charter Hall Group. Results are not separately identified and reported according to the legal structure of the Charter Hall Group and therefore segment information for CHPT is not prepared or provided to the Board.

## 1 Segment information continued

### (b) Operating segments

The operating segments reported to the Board for the year ended 30 June 2023 are as follows:

|   | 2023<br>\$'m | 2022<br>\$'m |
|---|--------------|--------------|
| <b>Property investment segment earnings</b>                       | <b>137.5</b> | <b>142.9</b> |
| <i>Development Investment</i>                                     |              |              |
| Development investment revenue                                    | 219.6        | 326.3        |
| Development costs   | (193.0)      | (299.0)      |
| Other   | 9.4          | 8.2          |
| <b>Total development investment segment earnings</b>              | <b>36.0</b>  | <b>35.5</b>  |
| <i>Funds management</i>   |              |              |
| Investment management revenue                                     | 472.0        | 627.2        |
| Property services revenue   | 107.8        | 75.8         |
| <b>Total funds management segment revenue</b>                     | <b>579.8</b> | <b>703.0</b> |
| <b>Total segment income</b>                                       | <b>753.3</b> | <b>881.4</b> |
| Net operating expenses  | (113.6)      | (109.8)      |
| Corporate expenses  | (42.9)       | (41.1)       |
| <b>EBITDA</b>   | <b>596.8</b> | <b>730.5</b> |
| Depreciation  | (8.2)        | (8.8)        |
| Net interest expense  | (17.1)       | (12.7)       |
| <b>Operating earnings before tax</b>                              | <b>571.5</b> | <b>709.0</b> |
| Income tax expense  | (130.3)      | (166.2)      |
| <b>Operating earnings attributable to stapled securityholders</b> | <b>441.2</b> | <b>542.8</b> |
| Basic weighted average number of securities ('m)                  | 473.0        | 469.4        |
| <b>Operating earnings per stapled security (cents)</b>            | <b>93.3</b>  | <b>115.6</b> |

Refer to Note 8 for statutory earnings per stapled security figures.

### (c) The reconciliation of operating earnings to statutory profit after tax attributable to stapled securityholders is shown below:

|  | 2023<br>\$'m | 2022<br>\$'m |
|--|--------------|--------------|
| <b>Operating earnings attributable to stapled securityholders</b>            | <b>441.2</b> | <b>542.8</b> |
| Add: Net fair value movements on equity accounted investments <sup>1</sup>   | (220.7)      | 355.9        |
| Add: Net gain/(loss) on disposal of property investments <sup>1</sup>        | –            | 0.3          |
| Less: Non-operating income tax benefit/(expense)                             | 4.6          | (13.1)       |
| Less: Realised and unrealised net (losses)/gains on derivatives <sup>1</sup> | (8.5)        | 70.1         |
| Less: Impairment of equity accounted investments                             | (9.1)        | (18.5)       |
| Less: Performance fees expense <sup>1</sup>                                  | 3.0          | (14.4)       |
| Less: Non-operating pursuit recoveries                                       | –            | 1.4          |
| Less: Amortisation of intangibles  | (0.5)        | (0.7)        |
| Less: Other <sup>1</sup>   | (13.9)       | (12.7)       |
| <b>Statutory profit after tax attributable to stapled securityholders</b>    | <b>196.1</b> | <b>911.1</b> |

<sup>1</sup> Includes the Group's proportionate share of non-operating items of equity accounted investments on a look through basis.



## Notes to the Consolidated Financial Statements

(continued)

### 1 Segment information continued

#### (d) Reconciliation of earnings from the property and development investment segments to the share of net profit of equity accounted investments

|   | 2023          | 2022         |
|---|---------------|--------------|
|   | \$'m          | \$'m         |
| Segment earnings – property investments   | 137.5         | 142.9        |
| Segment earnings – development investments                                      | 36.0          | 35.5         |
| Segment earnings - funds management   | 14.0          | 13.3         |
|   | 187.5         | 191.7        |
| Add: Non-operating equity accounted profit                                      | (238.4)       | 385.9        |
| Less: Development profit  | (26.6)        | (27.3)       |
| Less: Net rental income   | –             | (1.6)        |
| Less: Net gain on investment in associates and financial assets at fair value   | (1.7)         | –            |
| Less: Interest income on loan receivable  | (2.2)         | –            |
| Less: Interest income on development investments                                | (0.3)         | (0.7)        |
| Less: Distributions in operating income   | (1.7)         | (3.1)        |
| <b>Share of net profit of investments accounted for using the equity method</b> | <b>(83.4)</b> | <b>544.9</b> |

#### (e) Reconciliation of funds management earnings stated above to revenue per the statement of comprehensive income

|   | 2023         | 2022           |
|---|--------------|----------------|
|   | \$'m         | \$'m           |
| Investment management revenue   | 472.0        | 627.2          |
| Property services revenue   | 107.8        | 75.8           |
| <b>Segment revenue – funds management</b>                               | <b>579.8</b> | <b>703.0</b>   |
| Add: recovery of property and fund-related expenses                     | 70.5         | 67.6           |
| Add: development revenue  | 219.6        | 326.3          |
| Add: rental income  | –            | 9.7            |
| Add: interest income  | 12.1         | 1.7            |
| Add: distributions received for investments accounted for at fair value | 1.7          | 3.3            |
| Less: share of associates equity accounted profit                       | (14.0)       | (13.3)         |
| <b>Revenue per statement of comprehensive income</b>                    | <b>869.7</b> | <b>1,098.3</b> |

Geographical segments are immaterial as the vast majority of the Group's income is from Australian sources. Assets and liabilities have not been reported on a segmented basis as the Board is focused on the consolidated balance sheet.

### 2 Investment in associates

#### (a) Carrying amounts

All associates are incorporated and operate in Australia. Refer to Note 30(c) for accounting policy information relating to associates.

| Charter Hall Group<br>Name of entity                                   | Principal activity  | Ownership interest |      | Carrying amount |                |
|--|---------------------|--------------------|------|-----------------|----------------|
|  |                     | 2023               | 2022 | 2023            | 2022           |
|  |                     | %                  | %    | \$'m            | \$'m           |
| <b>Accounted for at fair value through profit or loss:<sup>1</sup></b> |                     |                    |      |                 |                |
| <i>Unlisted</i>  |                     |                    |      |                 |                |
| Charter Hall Maxim Property Securities Fund                            | Property investment | 14.1               | 12.0 | 22.6            | 23.6           |
| CH Deep Value AREIT Partnership Trust                                  | Property investment | 14.0               | 13.9 | 20.9            | 16.4           |
| CH Deep Value AREIT Partnership No.3                                   | Property investment | 31.4               | –    | 18.8            | –              |
| Other associates   |                     |                    |      | 4.3             | 2.4            |
|  |                     |                    |      | 66.6            | 42.4           |
| <b>Equity accounted</b>  |                     |                    |      |                 |                |
| <i>Unlisted</i>  |                     |                    |      |                 |                |
| Charter Hall Prime Office Fund   | Property investment | 4.8                | 5.1  | 290.9           | 325.6          |
| Charter Hall Office Trust <sup>2</sup>                                 | Property investment | 15.7               | 15.7 | 277.8           | 311.2          |
| Charter Hall Direct PFA Fund   | Property investment | 12.4               | 12.2 | 172.6           | 205.5          |
| Charter Hall Direct Office Fund  | Property investment | 8.6                | 8.7  | 162.8           | 183.7          |
| Charter Hall Prime Industrial Fund                                     | Property investment | 1.3                | 1.4  | 121.0           | 120.3          |
| Core Logistics Partnership   | Property investment | 5.6                | 3.6  | 92.4            | 65.3           |
| Deep Value Partnership   | Property investment | 13.0               | 10.0 | 67.5            | 49.8           |
| Charter Hall Exchange Wholesale Trust                                  | Property investment | 3.0                | 4.5  | 17.5            | 24.8           |
| Other associates   |                     |                    |      | 55.8            | 57.7           |
| <i>Listed</i>  |                     |                    |      |                 |                |
| Charter Hall Long WALE REIT <sup>4</sup>                               | Property investment | 10.7               | 10.7 | 429.2           | 470.7          |
| Charter Hall Retail REIT <sup>3</sup>                                  | Property investment | 10.7               | 10.7 | 288.7           | 300.6          |
| Charter Hall Social Infrastructure REIT <sup>5</sup>                   | Property investment | 8.7                | 8.7  | 126.0           | 126.4          |
|  |                     |                    |      | 2,102.2         | 2,241.6        |
| <b>Total investments in associates</b>                                 |                     |                    |      | <b>2,168.8</b>  | <b>2,284.0</b> |

1 These investments comprise units in certain unlisted Charter Hall managed funds which have been designated at fair value through profit or loss. Changes in fair values of investments in associates at fair value through profit or loss are recorded in fair value adjustments in the consolidated statement of comprehensive income. Information about the Charter Hall Group's material exposure to share and unit price risk is provided in Note 19.

2 The entity has a 31 December balance date.

3 Fair value at the ASX closing price as at 30 June 2023 was \$224.5 million (30 June 2022: \$234.1 million).

4 Fair value at the ASX closing price as at 30 June 2023 was \$310.2 million (30 June 2022: \$329.6 million).

5 Fair value at the ASX closing price as at 30 June 2023 was \$94.2 million (30 June 2022: \$108.0 million).



## Notes to the Consolidated Financial Statements

(continued)

### 2 Investment in associates continued

| Charter Hall Property Trust Group<br>Name of entity                    | Principal activity  | Ownership interest |           | Carrying amount |                |
|--|---------------------|--------------------|-----------|-----------------|----------------|
|  |                     | 2023<br>%          | 2022<br>% | 2023<br>\$'m    | 2022<br>\$'m   |
| <b>Accounted for at fair value through profit or loss:<sup>1</sup></b> |                     |                    |           |                 |                |
| <i>Unlisted</i>  |                     |                    |           |                 |                |
| Charter Hall Maxim Property Securities Fund                            | Property investment | 14.1               | 12.0      | 22.6            | 23.6           |
| CH Deep Value AREIT Partnership Trust                                  | Property investment | 14.0               | 13.9      | 20.9            | 16.4           |
| CH Deep Value AREIT Partnership No.3                                   | Property investment | 31.4               | –         | 18.8            | –              |
| Other associates   |                     |                    |           | 4.3             | 2.4            |
|  |                     |                    |           | <b>66.6</b>     | <b>42.4</b>    |
| <b>Equity accounted</b>  |                     |                    |           |                 |                |
| <i>Unlisted</i>  |                     |                    |           |                 |                |
| Charter Hall Prime Office Fund   | Property investment | 3.7                | 5.1       | 222.7           | 325.6          |
| Charter Hall Office Trust <sup>2</sup>                                 | Property investment | 15.7               | 15.7      | 277.8           | 311.2          |
| Charter Hall Direct PFA Fund   | Property investment | 12.4               | 12.2      | 172.6           | 205.5          |
| Charter Hall Direct Office Fund  | Property investment | 8.6                | 8.7       | 162.8           | 183.7          |
| Core Logistics Partnership   | Property investment | 5.6                | 3.6       | 92.4            | 65.3           |
| Deep Value Partnership   | Property investment | 13.0               | 10.0      | 67.5            | 49.8           |
| Charter Hall Prime Industrial Fund                                     | Property investment | 0.3                | 0.3       | 23.3            | 24.9           |
| Charter Hall Exchange Wholesale Trust                                  | Property investment | 3.0                | 4.5       | 17.5            | 24.8           |
| Other associates   |                     |                    |           | 67.4            | 67.5           |
| <i>Listed</i>  |                     |                    |           |                 |                |
| Charter Hall Retail REIT <sup>3</sup>                                  | Property investment | 10.7               | 10.7      | 288.7           | 300.6          |
| Charter Hall Long WALE REIT <sup>4</sup>                               | Property investment | 10.7               | 10.7      | 429.2           | 470.7          |
| Charter Hall Social Infrastructure REIT <sup>5</sup>                   | Property investment | 8.7                | 8.7       | 150.9           | 151.3          |
|  |                     |                    |           | <b>1,972.8</b>  | <b>2,180.9</b> |
| <b>Total investments in associates</b>                                 |                     |                    |           | <b>2,039.4</b>  | <b>2,223.3</b> |

1 These investments comprise units in certain unlisted Charter Hall managed funds which have been designated at fair value through profit or loss. Changes in fair values of investments in associates at fair value through profit or loss are recorded in fair value adjustments in the consolidated statement of comprehensive income. Information about the Charter Hall Property Trust Group's material exposure to share and unit price risk is provided in Note 19.

2 The entity has a 31 December balance date.

3 Fair value at the ASX closing price as at 30 June 2023 was \$224.5 million (30 June 2022: \$234.1 million).

4 Fair value at the ASX closing price as at 30 June 2023 was \$310.2 million (30 June 2022: \$329.6 million).

5 Fair value at the ASX closing price as at 30 June 2023 was \$94.2 million (30 June 2022: \$108.0 million).

#### (b) Critical judgements

Investments in associates are accounted for at either fair value through profit or loss or by using the equity method. The Group designates investments in associates as fair value through profit or loss or equity accounted on a case by case basis taking the investment strategy into consideration.

Management regularly reviews equity accounted investments for impairment and remeasures investments carried at fair value through profit or loss by reference to changes in circumstances or contractual arrangements, external independent property valuations and market conditions, using generally accepted market practices. When a recoverable amount is estimated through a value in use calculation, critical judgements and estimates are made regarding future cash flows and an appropriate discount rate. When a fair value is estimated through an earnings valuation, critical judgements and estimates are made in relation to the earnings measure and appropriate multiple.

Due to the difference in the fair value and carrying amounts, the recoverable amounts for all listed and two unlisted equity accounted investments were estimated through a value in use calculation. These calculations were performed using the share of the present value of the estimated future cash flows expected to be generated by the associates and used the following assumptions:

- base case cash flow projections covering a 10 year period based on executed lease agreements, CPI estimates and estimated net market rents;
- weighted average investment property discount rates of 6.3%-8.1%; and
- investment property terminal values calculated using capitalisation rates of 5.4%-5.9%.

External valuation support for the investment property carrying values of underlying listed funds was obtained for more than 98% of the gross asset values on a look-through basis.

As a result of these estimates, impairment of \$7.1 million was recorded for unlisted equity accounted investments in the property investments segment.

If the terminal capitalisation rate assumptions were to increase by 50bps, value in use would decrease by 5-8%.

If the terminal capitalisation rate assumptions were to decrease by 50bps, value in use would increase by 5-9%.

### 2 Investment in associates continued

(c) Summarised movements in carrying amounts of associates accounted for at fair value through profit or loss

|  | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|--|--------------------|--------------|-----------------------------------|--------------|
|  | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| Opening balance                                    | 42.4               | 46.2         | 42.4                              | 46.2         |
| Investment   | 28.2               | 20.6         | 28.2                              | 20.6         |
| Net loss on investment in associates at fair value | (4.0)              | (9.8)        | (4.0)                             | (9.8)        |
| Return of capital                                  | –                  | (14.6)       | –                                 | (14.6)       |
| <b>Closing balance</b>                             | <b>66.6</b>        | <b>42.4</b>  | <b>66.6</b>                       | <b>42.4</b>  |

(d) Summarised movements in carrying amounts of equity accounted associates

|   | Charter Hall Group |                | Charter Hall Property Trust Group |                |
|---|--------------------|----------------|-----------------------------------|----------------|
|   | 2023<br>\$'m       | 2022<br>\$'m   | 2023<br>\$'m                      | 2022<br>\$'m   |
| Opening balance                         | 2,241.6            | 1,899.9        | 2,180.9                           | 1,830.9        |
| Investment                              | 204.7              | 311.0          | 132.6                             | 311.0          |
| Share of profit/(loss) after income tax | (62.7)             | 419.1          | (65.3)                            | 404.7          |
| Distributions received/receivable       | (98.2)             | (108.9)        | (92.9)                            | (104.5)        |
| Share of movement in reserves           | 1.0                | –              | 1.1                               | –              |
| Impairment of carrying amount           | (7.1)              | –              | (7.1)                             | –              |
| Divestments                             | (177.1)            | (279.5)        | (176.5)                           | (261.2)        |
| <b>Closing balance</b>                  | <b>2,102.2</b>     | <b>2,241.6</b> | <b>1,972.8</b>                    | <b>2,180.9</b> |



## Notes to the Consolidated Financial Statements

(continued)

### 2 Investment in associates continued

#### (e) Summarised financial information for material associates

The tables below provide summarised financial information for the associates that are material to CHC and CHPT. Materiality is assessed on the investments' contribution to Group income and net assets. The information presented reflects the amounts in the financial statements of the associates, not the Group's proportionate share.

|   | Charter Hall<br>Office Trust<br>\$'m | Charter Hall<br>Retail REIT<br>\$'m | Charter Hall<br>Prime Office<br>Fund<br>\$'m | Charter Hall<br>Long WALE<br>REIT<br>\$'m |
|---|--------------------------------------|-------------------------------------|--|---|
| <b>2023</b>   |                                      |                                     |  |   |
| <b>Summarised balance sheet:</b>                      |                                      |                                     |  |   |
| Current assets  | 35.1                                 | 68.0                                | 339.8  | 48.3                                      |
| Non-current assets                                    | 3,718.6                              | 4,031.5                             | 8,724.9                                      | 6,155.1                                   |
| Current liabilities                                   | 35.1                                 | 120.3                               | 258.9  | 90.7                                      |
| Non-current liabilities                               | 1,952.6                              | 1,230.7                             | 2,748.5                                      | 2,043.0                                   |
| <b>Net assets</b>                                     | <b>1,766.0</b>                       | <b>2,748.5</b>                      | <b>6,057.3</b>                               | <b>4,069.7</b>                            |
| <b>Summarised statement of comprehensive income:</b>  |                                      |                                     |  |   |
| Revenue   | 108.8                                | 213.4                               | 401.7  | 222.5                                     |
| Profit/(loss) for the year from continuing operations | (182.4)                              | 37.8                                | (174.0)                                      | (189.0)                                   |
| Other comprehensive income/(loss)                     | –                                    | 6.2                                 | (0.3)  | 2.9                                       |
| <b>Total comprehensive income/(loss)</b>              | <b>(182.4)</b>                       | <b>44.0</b>                         | <b>(174.3)</b>                               | <b>(186.1)</b>                            |
| <b>2022</b>   |                                      |                                     |  |   |
| <b>Summarised balance sheet:</b>                      |                                      |                                     |  |   |
| Current assets  | 34.5                                 | 60.6                                | 1,126.5                                      | 50.5                                      |
| Non-current assets                                    | 3,841.8                              | 3,984.5                             | 6,672.2                                      | 6,431.5                                   |
| Current liabilities                                   | 73.9                                 | 121.2                               | 120.5  | 86.1                                      |
| Non-current liabilities                               | 1,818.2                              | 1,069.3                             | 1,251.9                                      | 1,937.7                                   |
| <b>Net assets</b>                                     | <b>1,984.2</b>                       | <b>2,854.6</b>                      | <b>6,426.3</b>                               | <b>4,458.2</b>                            |
| <b>Summarised statement of comprehensive income:</b>  |                                      |                                     |  |   |
| Revenue   | 90.5                                 | 215.7                               | 336.9  | 219.7                                     |
| Profit for the year from continuing operations        | 339.5                                | 663.6                               | 715.9  | 911.9                                     |
| Other comprehensive income/(loss)                     | –                                    | 1.1                                 | 6.3  | (5.5)                                     |
| <b>Total comprehensive income</b>                     | <b>339.5</b>                         | <b>664.7</b>                        | <b>722.2</b>                                 | <b>906.4</b>                              |

### 2 Investment in associates continued

#### (f) Reconciliation of net assets of associates to carrying amounts of equity accounted investments

|  | Charter Hall<br>Office Trust<br>\$'m | Charter Hall<br>Retail REIT<br>\$'m | Charter Hall<br>Prime Office<br>Fund<br>\$'m | Charter Hall<br>Long WALE<br>REIT<br>\$'m |
|--|--------------------------------------|-------------------------------------|--|---|
| <b>Charter Hall Group</b>  |                                      |                                     |  |   |
| <b>2023</b>  |                                      |                                     |  |   |
| Net assets of associate  | 1,766.0                              | 2,748.5                             | 6,057.3                                      | 4,069.7                                   |
| Group's share in %   | 15.7%                                | 10.7%                               | 4.8%   | 10.7%                                     |
| Group's share in \$  | 277.8                                | 294.1                               | 292.6  | 435.5                                     |
| Other movements not accounted for under the equity method <sup>1</sup> | –                                    | (5.4)                               | (1.7)  | (6.3)                                     |
| <b>Carrying amount</b>   | <b>277.8</b>                         | <b>288.7</b>                        | <b>290.9</b>                                 | <b>429.2</b>                              |
| <b>Movements in carrying amounts:</b>                                  |                                      |                                     |  |   |
| Opening balance  | 311.2                                | 300.6                               | 325.6  | 470.7                                     |
| Investment   | 1.9                                  | –                                   | 72.0   | –   |
| Share of profit after income tax                                       | (28.7)                               | 4.0                                 | (8.4)  | (20.2)                                    |
| Other comprehensive income   | –                                    | 0.8                                 | –  | 0.3                                       |
| Impairment of carrying amount  | (0.3)                                | –                                   | –  | –   |
| Distributions received/receivable                                      | (6.3)                                | (16.7)                              | (11.5)                                       | (21.6)                                    |
| Divestment   | –                                    | –                                   | (86.8)                                       | –   |
| <b>Closing balance</b>   | <b>277.8</b>                         | <b>288.7</b>                        | <b>290.9</b>                                 | <b>429.2</b>                              |
| <b>2022</b>  |                                      |                                     |  |   |
| Net assets of associate  | 1,984.2                              | 2,854.6                             | 6,426.3                                      | 4,458.2                                   |
| Group's share in %   | 15.7%                                | 10.7%                               | 5.1%   | 10.7%                                     |
| Group's share in \$  | 311.5                                | 305.4                               | 327.7  | 477.0                                     |
| Other movements not accounted for under the equity method <sup>1</sup> | (0.3)                                | (4.8)                               | (2.1)  | (6.3)                                     |
| <b>Carrying amount</b>   | <b>311.2</b>                         | <b>300.6</b>                        | <b>325.6</b>                                 | <b>470.7</b>                              |
| <b>Movements in carrying amounts:</b>                                  |                                      |                                     |  |   |
| Opening balance  | 270.8                                | 238.5                               | 270.6  | 369.7                                     |
| Investment   | –                                    | 5.7                                 | 65.9   | 37.0                                      |
| Share of profit after income tax                                       | 53.5                                 | 71.1                                | 38.4   | 100.9                                     |
| Other comprehensive income/(loss)                                      | –                                    | (0.2)                               | 0.1  | (0.6)                                     |
| Distributions received/receivable                                      | (13.1)                               | (14.5)                              | (12.9)                                       | (22.9)                                    |
| Divestment   | –                                    | –                                   | (36.5)                                       | (13.4)                                    |
| <b>Closing balance</b>   | <b>311.2</b>                         | <b>300.6</b>                        | <b>325.6</b>                                 | <b>470.7</b>                              |

<sup>1</sup> Other movements are primarily due to the funds issuing new units to external investors at a price above or below the underlying net assets of the fund, or where the Group has historically acquired units on-market at a price different to the fund's NTA (for listed investments), or where the Group has recorded an impairment to the investment in associate.



## Notes to the Consolidated Financial Statements

(continued)

### 2 Investment in associates continued

|  | Charter Hall<br>Office Trust<br>\$'m | Charter Hall<br>Retail REIT<br>\$'m | Charter Hall<br>Prime Office<br>Fund<br>\$'m | Charter Hall<br>Long WALE<br>REIT<br>\$'m |
|--|--------------------------------------|-------------------------------------|--|---|
| <b>Charter Hall Property Trust Group</b>                               |                                      |                                     |  |   |
| <b>2023</b>  |                                      |                                     |  |   |
| Net assets of associate  | 1,766.0                              | 2,748.5                             | 6,057.3                                      | 4,069.7                                   |
| Group's share in %   | 15.7%                                | 10.7%                               | 3.7%   | 10.7%                                     |
| Group's share in \$  | 277.8                                | 294.1                               | 224.7  | 435.5                                     |
| Other movements not accounted for under the equity method <sup>1</sup> | –                                    | (5.4)                               | (2.0)  | (6.3)                                     |
| <b>Carrying amount</b>   | <b>277.8</b>                         | <b>288.7</b>                        | <b>222.7</b>                                 | <b>429.2</b>                              |
| <b>Movements in carrying amounts:</b>                                  |                                      |                                     |  |   |
| Opening balance  | 311.2                                | 300.6                               | 325.6  | 470.7                                     |
| Investment   | 1.9                                  | –                                   | –  | –   |
| Share of profit after income tax                                       | (28.7)                               | 4.0                                 | (6.2)  | (20.2)                                    |
| Other comprehensive income   | –                                    | 0.8                                 | –  | 0.3                                       |
| Impairment of carrying amount  | (0.3)                                | –                                   | –  | –   |
| Distributions received/receivable                                      | (6.3)                                | (16.7)                              | (10.1)                                       | (21.6)                                    |
| Divestment   | –                                    | –                                   | (86.6)                                       | –   |
| <b>Closing balance</b>   | <b>277.8</b>                         | <b>288.7</b>                        | <b>222.7</b>                                 | <b>429.2</b>                              |
| <b>2022</b>  |                                      |                                     |  |   |
| Net assets of associate  | 1,984.2                              | 2,854.6                             | 6,426.3                                      | 4,458.2                                   |
| Group's share in %   | 15.7%                                | 10.7%                               | 5.1%   | 10.7%                                     |
| Group's share in \$  | 311.5                                | 305.4                               | 327.7  | 477.0                                     |
| Other movements not accounted for under the equity method <sup>1</sup> | (0.3)                                | (4.8)                               | (2.1)  | (6.3)                                     |
| <b>Carrying amount</b>   | <b>311.2</b>                         | <b>300.6</b>                        | <b>325.6</b>                                 | <b>470.7</b>                              |
| <b>Movements in carrying amounts:</b>                                  |                                      |                                     |  |   |
| Opening balance  | 270.8                                | 238.5                               | 254.0  | 369.7                                     |
| Investment   | –                                    | 5.7                                 | 65.9   | 37.0                                      |
| Share of profit after income tax                                       | 53.5                                 | 71.1                                | 38.3   | 100.9                                     |
| Other comprehensive income/(loss)                                      | –                                    | (0.2)                               | 0.1  | (0.6)                                     |
| Distributions received/receivable                                      | (13.1)                               | (14.5)                              | (12.8)                                       | (22.9)                                    |
| Divestment   | –                                    | –                                   | (19.9)                                       | (13.4)                                    |
| <b>Closing balance</b>   | <b>311.2</b>                         | <b>300.6</b>                        | <b>325.6</b>                                 | <b>470.7</b>                              |

<sup>1</sup> Other movements are primarily due to the funds issuing new units to external investors at a price above or below the underlying net assets of the fund, or where the Group has historically acquired units on-market at a price different to the fund's NTA (for listed investments), or where the Group has recorded an impairment to the investment in associate.

#### (g) Commitments and contingent liabilities of associates

Below are commitments and contingent liabilities of associates material to the Group's balance sheet.

Charter Hall Prime Office Fund's capital expenditure contracted for at the reporting date but not recognised as liabilities was \$734.2 million (2022: \$807.9 million) relating to investment properties and development commitments.

Charter Hall Office Trust's (CHOT) capital expenditure contracted for at the reporting date but not recognised as liabilities was \$30.8 million (2022: \$54.3 million) relating to investment properties and development commitments.

### 3 Investments in joint ventures

#### (a) Carrying amounts

All joint ventures are incorporated and operate in Australia. Refer to Note 30(c) for accounting policy information relating to joint ventures.

Unless otherwise noted all joint ventures have a 30 June year end.

| Charter Hall Group<br>Name of entity                       | Principal activity   | Ownership interest |           | Carrying amount |              |
|--|----------------------|--------------------|-----------|-----------------|--------------|
|  |                      | 2023<br>%          | 2022<br>% | 2023<br>\$'m    | 2022<br>\$'m |
| <b>Accounted for at fair value through profit or loss:</b> |                      |                    |           |                 |              |
| <i>Unlisted</i>  |                      |                    |           |                 |              |
| Other Joint Ventures                                       |                      |                    |           | 57.0            | –            |
|  |                      |                    |           | <b>57.0</b>     | <b>–</b>     |
| <b>Equity accounted</b>                                    |                      |                    |           |                 |              |
| <i>Unlisted</i>  |                      |                    |           |                 |              |
| Long WALE Hardware Partnership <sup>1</sup>                | Property investment  | 17.5               | 15.7      | 236.2           | 239.9        |
| Paradise Investment Management                             | Funds management     | 50.0               | 50.0      | 196.8           | 206.2        |
| Brisbane Square Wholesale Fund                             | Property investment  | 16.8               | 16.8      | 129.6           | 126.7        |
| Charter Hall PGGM Industrial Partnership No. 2             | Property development | 12.0               | –         | 94.6            | –            |
| CH Genge Office Trust                                      | Property development | 49.9               | –         | 78.8            | –            |
| CH DJ Trust  | Property investment  | 43.2               | 43.2      | 68.5            | 80.4         |
| Charter Hall PGGM Industrial Partnership                   | Property investment  | 12.0               | 12.0      | 46.9            | 45.9         |
| CH Castlereagh Trust                                       | Property development | 50.1               | –         | 27.4            | –            |
| Charter Hall Koala Investment Partnership                  | Property investment  | 20.0               | 20.0      | 26.7            | 19.0         |
| Other joint ventures                                       |                      |                    |           | 59.0            | 73.4         |
|  |                      |                    |           | <b>964.5</b>    | <b>791.5</b> |
| <b>Total investments in joint ventures</b>                 |                      |                    |           | <b>1,021.5</b>  | <b>791.5</b> |

<sup>1</sup> Ownership interest is calculated as the weighted average holding of BP Fund 1 and BP Fund 2.

| Charter Hall Property Trust Group<br>Name of entity        | Principal activity  | Ownership interest |           | Carrying amount |              |
|--|---------------------|--------------------|-----------|-----------------|--------------|
|  |                     | 2023<br>%          | 2022<br>% | 2023<br>\$'m    | 2022<br>\$'m |
| <b>Accounted for at fair value through profit or loss:</b> |                     |                    |           |                 |              |
| <i>Unlisted</i>  |                     |                    |           |                 |              |
| Other Joint Ventures                                       |                     |                    |           | 57.0            | –            |
|  |                     |                    |           | <b>57.0</b>     | <b>–</b>     |
| <b>Equity accounted</b>                                    |                     |                    |           |                 |              |
| <i>Unlisted</i>  |                     |                    |           |                 |              |
| Long WALE Hardware Partnership <sup>1</sup>                | Property investment | 17.5               | 15.7      | 236.2           | 239.9        |
| Brisbane Square Wholesale Fund                             | Property investment | 16.8               | 16.8      | 129.6           | 126.7        |
| Charter Hall PGGM Industrial Partnership No. 2             | Property investment | 12.0               | –         | 94.6            | –            |
| CH DJ Trust  | Property investment | 43.2               | 43.2      | 68.5            | 80.4         |
| Charter Hall PGGM Industrial Partnership                   | Property investment | 12.0               | 12.0      | 46.9            | 45.9         |
| Charter Hall Koala Investment Partnership                  | Property investment | 20.0               | 20.0      | 26.7            | 19.0         |
| Other joint ventures                                       |                     |                    |           | 46.1            | 57.3         |
|  |                     |                    |           | <b>648.6</b>    | <b>569.2</b> |
| <b>Total investments in joint ventures</b>                 |                     |                    |           | <b>705.6</b>    | <b>569.2</b> |

<sup>1</sup> Ownership interest is calculated as the weighted average holding of BP Fund 1 and BP Fund 2.



## Notes to the Consolidated Financial Statements

(continued)

### 3 Investments in joint ventures continued

#### (b) Critical judgements

Investments in joint ventures are accounted for at either fair value through profit or loss or by using the equity method. The Group designates investments in joint ventures as fair value through profit or loss or equity accounted on a case by case basis taking the investment strategy into consideration.

Management regularly reviews equity accounted investments for impairment and remeasures investments carried at fair value through profit or loss by reference to changes in circumstances or contractual arrangements, external independent property valuations and market conditions, using generally accepted market practices. When a recoverable amount is estimated through a value in use calculation, critical judgements and estimates are made regarding future cash flows and an appropriate discount rate. When a fair value is estimated through an earnings valuation, critical judgements and estimates are made in relation to the earnings measure and appropriate multiple.

Due to the difference in the fair value and carrying amounts, the recoverable amounts for two unlisted equity accounted investments were estimated through a value in use calculation. These calculations were performed using the share of the present value of the estimated future cash flows expected to be generated by the associates and used the following assumptions:

- base case cash flow projections covering a 10 year period based on executed lease agreements, CPI estimates and estimated net market rents;
- weighted average investment property discount rates of 5.7%-6.7%; and
- investment property terminal values calculated using capitalisation rates of 4.7%-6.0%.

External valuation support for the investment property carrying values of underlying listed funds was obtained for more than 93% of the gross asset values on a look-through basis.

As a result of these estimates, impairment of \$2.0 million was recorded for unlisted equity accounted investments in the property investments segment.

If the terminal capitalisation rate assumptions were to increase by 50bps, value in use would decrease by 5-7%.

If the terminal capitalisation rate assumptions were to decrease by 50bps, value in use would increase by 5-6%.

#### (c) Summarised movements in carrying amounts of joint ventures accounted for at fair value through profit or loss

|                        | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|------------------------|--------------------|--------------|-----------------------------------|--------------|
|                        | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| Opening balance        | –                  | –            | –                                 | –            |
| Investment             | 57.0               | –            | 57.0                              | –            |
| <b>Closing balance</b> | <b>57.0</b>        | <b>–</b>     | <b>57.0</b>                       | <b>–</b>     |

#### (d) Summarised financial information and movements in carrying amounts of equity accounted joint ventures

|  | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|--|--------------------|--------------|-----------------------------------|--------------|
|  | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Movements in aggregate carrying amount:</b> |                    |              |                                   |              |
| Opening balance                                | 791.5              | 421.7        | 569.2                             | 403.7        |
| Investment                                     | 272.6              | 316.3        | 158.4                             | 106.6        |
| Share of profit/(loss) after income tax        | (20.7)             | 125.8        | (35.3)                            | 104.5        |
| Distributions received/receivable              | (57.6)             | (30.5)       | (22.5)                            | (22.5)       |
| Impairment of carrying amount                  | (2.0)              | (18.5)       | (2.0)                             | –            |
| Return of capital                              | (19.4)             | (23.3)       | (19.3)                            | (23.1)       |
| Share of movement in reserves                  | 0.1                | –            | 0.1                               | –            |
| <b>Closing balance</b>                         | <b>964.5</b>       | <b>791.5</b> | <b>648.6</b>                      | <b>569.2</b> |

#### (e) Commitments and contingent liabilities of joint ventures

There are no commitments and contingent liabilities of joint ventures material to the Group's balance sheet.

### 4 Revenue

|  | Charter Hall Group |                | Charter Hall Property Trust Group |              |
|--|--------------------|----------------|-----------------------------------|--------------|
|  | 2023<br>\$'m       | 2022<br>\$'m   | 2023<br>\$'m                      | 2022<br>\$'m |
| Investment management revenue <sup>1</sup>     | 458.0              | 613.9          | –                                 | –            |
| Property services revenue <sup>1</sup>         | 107.8              | 75.8           | –                                 | –            |
| Development revenue <sup>2</sup>               | 219.6              | 326.3          | –                                 | –            |
| Gross rental income                            | –                  | 9.7            | –                                 | 9.6          |
|  | <b>785.4</b>       | <b>1,025.7</b> | <b>–</b>                          | <b>9.6</b>   |
| <i>Other revenue</i>                           |                    |                |                                   |              |
| Recovery of property and fund-related expenses | 70.5               | 67.6           | –                                 | –            |
| Interest                                       | 12.1               | 1.7            | 2.6                               | 0.2          |
| Distributions/Dividends <sup>3</sup>           | 1.7                | 3.3            | 1.7                               | 3.3          |
| Other investment-related revenue               | –                  | –              | 17.5                              | 15.0         |
| Total other revenue                            | 84.3               | 72.6           | 21.8                              | 18.5         |
| <b>Total revenue<sup>4</sup></b>               | <b>869.7</b>       | <b>1,098.3</b> | <b>21.8</b>                       | <b>28.1</b>  |

<sup>1</sup> Revenue from the Group's property and funds management business is categorised into the two main lines of operations, being investment management and property services.

<sup>2</sup> Revenue from the Group's development investments forms part of the development segment earnings.

<sup>3</sup> Represents the distribution of income from investments accounted for at fair value by the Group and Charter Hall Property Trust Group.

<sup>4</sup> Revenue excludes share of net profits of equity accounted associates and joint ventures.

#### (a) Critical judgements

Critical judgements and estimates are made by the Group in respect of recognising performance fee revenue. Detailed calculations and an assessment of the risks associated with the recognition of the fee are completed to inform the assessment of the appropriate revenue to recognise. Key risks include the period remaining from balance sheet date to performance fee crystallisation date and the degree of probability that any potential fee may unwind during that period. Key drivers of performance fees are assessed based on historic data and prevailing economic conditions to inform judgements on the extent to which the fee can be reliably estimated.

Critical judgements are also made by the Group in respect of recognising development revenue. Detailed forecasts of total development costs are inputs that are used to estimate the satisfaction of the development performance obligation over time.

### 5 Expenses

|   | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|---|--------------------|--------------|-----------------------------------|--------------|
|   | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Profit before income tax includes the following specific expenses:</b> |                    |              |                                   |              |
| <i>Employee costs</i>   |                    |              |                                   |              |
| Employee benefit expenses   | 165.6              | 160.2        | –                                 | –            |
| Security-based benefits expense   | 12.6               | 12.4         | –                                 | –            |
| Payroll tax   | 8.8                | 8.9          | –                                 | –            |
| Total employee costs  | 187.0              | 181.5        | –                                 | –            |
| <i>Administration and other expenses</i>                                  |                    |              |                                   |              |
| Advertising, marketing and promotion                                      | 7.6                | 6.4          | –                                 | –            |
| Occupancy costs   | 2.4                | 2.0          | –                                 | –            |
| Accounting, professional and other costs                                  | 9.8                | 8.2          | 3.6                               | 4.9          |
| Communication and IT expenses   | 12.6               | 11.6         | –                                 | –            |
| Administration expenses   | 7.7                | 9.0          | –                                 | 1.9          |
| <b>Total administration and other expenses</b>                            | <b>40.1</b>        | <b>37.2</b>  | <b>3.6</b>                        | <b>6.8</b>   |
| <i>Depreciation, amortisation and impairment</i>                          |                    |              |                                   |              |
| Depreciation  | 8.2                | 8.4          | –                                 | –            |
| Amortisation  | 0.5                | 0.7          | –                                 | –            |
| Impairment  | 9.1                | 18.5         | 9.1                               | –            |
| <b>Total depreciation, amortisation and impairment</b>                    | <b>17.8</b>        | <b>27.6</b>  | <b>9.1</b>                        | <b>–</b>     |



## Notes to the Consolidated Financial Statements

(continued)

### 6 Income tax expense

| Note  | Charter Hall Group |                | Charter Hall Property Trust Group |              |
|---|--------------------|----------------|-----------------------------------|--------------|
|   | 2023<br>\$'m       | 2022<br>\$'m   | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>(a) Income tax expense</b>   |                    |                |                                   |              |
| Current tax expense   | 130.0              | 171.7          | –                                 | –            |
| Deferred income tax expense/(benefit)   | (4.5)              | 7.5            | –                                 | –            |
| Over/(under)-provided in prior years  | 0.2                | 0.2            | –                                 | –            |
|   | <b>125.7</b>       | <b>179.4</b>   | <b>–</b>                          | <b>–</b>     |
| <b>Deferred income tax expense/(benefit)</b>  |                    |                |                                   |              |
| Decrease/(increase) in deferred tax assets for the tax consolidated group   | (0.7)              | (1.5)          | –                                 | –            |
| (Decrease)/increase in deferred tax liabilities for the tax consolidated group  | (3.8)              | 9.0            | –                                 | –            |
|   | <b>(4.5)</b>       | <b>7.5</b>     | <b>–</b>                          | <b>–</b>     |
| <b>(b) Reconciliation of income tax expense to prima facie tax payable</b>  |                    |                |                                   |              |
| <b>Profit before income tax expense</b>   | <b>321.8</b>       | <b>1,106.4</b> | <b>(115.9)</b>                    | <b>519.7</b> |
| Prima facie tax expense at the Australian tax rate of 30%   | 96.5               | 331.9          | (34.8)                            | 155.9        |
| Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:   |                    |                |                                   |              |
| Charter Hall Property Trust profit  | 34.8               | (155.9)        | 34.8                              | (155.9)      |
| Other adjustments   | (5.6)              | 3.4            | –                                 | –            |
| Income tax expense  | <b>125.7</b>       | <b>179.4</b>   | <b>–</b>                          | <b>–</b>     |
| <b>(c) Amounts recognised directly in equity</b>  |                    |                |                                   |              |
| Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity: |                    |                |                                   |              |
| Current tax: Deduction for rights vesting in excess of the cumulative fair value expense  | (0.7)              | (5.6)          | –                                 | –            |
| Deferred tax: Estimated future deduction for rights vesting, in excess of the cumulative fair value expense   | –                  | 2.3            | –                                 | –            |
|   | <b>(0.7)</b>       | <b>(3.3)</b>   | <b>–</b>                          | <b>–</b>     |

#### (d) Tax consolidation legislation

Charter Hall Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation with effect from 1 July 2003. The accounting policy in relation to this legislation is set out below in Note 6(g).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Charter Hall Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Charter Hall Limited for any current tax payable assumed and are compensated by Charter Hall Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Charter Hall Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

#### (e) Charter Hall Property Trust

Under current Australian income tax legislation, the Trust is not liable for income tax on its taxable income (including any assessable component of capital gains) provided that the unitholders are presently entitled to the income of the Trust.

#### (f) Tax losses – Charter Hall Group

At 30 June 2023, the Group has approximately \$17.6 million (2022: \$18.9 million) of tax effected unrecognised capital tax losses.

### 6 Income tax expense continued

#### (g) Income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provision, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 7 Distributions/Dividends paid and payable

|  | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|--|--------------------|--------------|-----------------------------------|--------------|
|  | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Ordinary stapled securities</b>   |                    |              |                                   |              |
| Final ordinary distribution of 11.9 cents and ordinary dividend of 9.8 cents per stapled security for the six months ended 30 June 2023 payable on 31 August 2023                | 102.6              | –            | 56.3                              | –            |
| Interim ordinary distribution of 11.46 cents and interim ordinary dividend of 9.38 cents per stapled security for the six months ended 31 December 2022 paid on 28 February 2023 | 98.6               | –            | 54.2                              | –            |
| Final ordinary distribution of 11.27 cents and ordinary dividend of 9.2 cents per stapled security for the six months ended 30 June 2022 paid on 31 August 2022                  | –                  | 96.8         | –                                 | 53.3         |
| Interim ordinary distribution of 11.33 cents and interim ordinary dividend of 8.33 cents per stapled security for the six months ended 31 December 2022 paid on 28 February 2022 | –                  | 91.6         | –                                 | 52.8         |
| <b>Total Distributions/Dividends paid and payable to stapled securityholders</b>   | <b>201.2</b>       | <b>188.4</b> | <b>110.5</b>                      | <b>106.1</b> |
| Distributions paid and payable to other non-controlling interests  | –                  | 5.0          | –                                 | 5.0          |
| <b>Total Distributions/Dividends paid and payable</b>  | <b>201.2</b>       | <b>193.4</b> | <b>110.5</b>                      | <b>111.1</b> |

A liability is recognised for the amount of any distribution/dividend declared by the Group on or before the end of the reporting period but not paid at balance date.

Franking credits available in the parent entity (Charter Hall Limited) for dividends payable in subsequent financial years based on a tax rate of 30% (2022: 30%) are \$345.0 million (2022: \$256.1 million). These amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.



## Notes to the Consolidated Financial Statements

(continued)

### 8 Earnings per stapled security

|  | Charter Hall Group |               | Charter Hall Property Trust Group |               |
|--|--------------------|---------------|-----------------------------------|---------------|
|  | 2023<br>Cents      | 2022<br>Cents | 2023<br>Cents                     | 2022<br>Cents |
| (a) Basic earnings per security attributable to:                         |                    |               |                                   |               |
| Equity holders of Charter Hall Limited                                   | 66.0               | 86.8          | n/a                               | n/a           |
| Equity holders of Charter Hall Property Trust (non-controlling interest) | (24.5)             | 107.3         | (24.5)                            | 107.3         |
| <b>Stapled securityholders of Charter Hall Group</b>                     | <b>41.5</b>        | <b>194.1</b>  | <b>n/a</b>                        | <b>n/a</b>    |
| (b) Diluted earnings per security attributable to:                       |                    |               |                                   |               |
| Equity holders of Charter Hall Limited                                   | 64.8               | 85.4          | n/a                               | n/a           |
| Equity holders of Charter Hall Property Trust (non-controlling interest) | (24.1)             | 105.6         | (24.1)                            | 105.6         |
| <b>Stapled securityholders of Charter Hall Group</b>                     | <b>40.7</b>        | <b>191.0</b>  | <b>n/a</b>                        | <b>n/a</b>    |

Basic earnings per stapled security is determined by dividing profit attributable to the stapled securityholders by the weighted average number of ordinary stapled securities on issue during the year.

Diluted earnings per stapled security is determined by dividing profit attributable to the stapled securityholders by the weighted average number of ordinary stapled securities and dilutive potential ordinary stapled securities on issue during the year.

|   | 2023        | 2022        | 2023        | 2022        |
|---|-------------|-------------|-------------|-------------|
|   | \$'m        | \$'m        | \$'m        | \$'m        |
| (c) Reconciliations of earnings used in calculating earnings per stapled security   |             |             |             |             |
| Equity holders of Charter Hall Limited  | 311.9       | 407.3       | n/a         | n/a         |
| Profit attributable to the ordinary stapled securityholders of the Group used in calculating basic and diluted earnings per stapled security                                  | 196.1       | 911.1       | (115.9)     | 503.8       |
|   | 2023        | 2022        | 2023        | 2022        |
|   | Number      | Number      | Number      | Number      |
| (d) Weighted average number of stapled securities used as the denominator   |             |             |             |             |
| Weighted average number of ordinary stapled securities used as the denominator in calculating basic earnings per stapled security   | 472,997,199 | 469,397,056 | 472,997,199 | 469,397,056 |
| Adjustments for calculation of diluted earnings per stapled security:   |             |             |             |             |
| Performance rights  | 7,412,684   | 6,104,168   | 7,412,684   | 6,104,168   |
| Service rights  | 987,724     | 1,561,476   | 987,724     | 1,561,476   |
| Weighted average number of ordinary stapled securities and potential ordinary stapled securities used as the denominator in calculating diluted earnings per stapled security | 481,397,607 | 477,062,700 | 481,397,607 | 477,062,700 |

#### (e) Information concerning the classification of securities

##### Performance rights, service rights issued under the Charter Hall Performance Rights and Options Plan

The performance and service rights are unquoted securities. Conversion to stapled securities and vesting to executives is subject to performance and/or service conditions.

##### Stapled securities issued under the General Employee Securities Plan (GESP)

Stapled securities issued under the GESP are purchased on-market on behalf of eligible employees but held in trust until the earlier of the completion of three years' service or termination. No adjustment to diluted earnings per stapled security is required under the GESP.

### 9 Receivables and other assets

|  | Note  | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|--|-------|--------------------|--------------|-----------------------------------|--------------|
|  |       | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Current</b>                         |       |                    |              |                                   |              |
| Trade receivables                      |       | 106.3              | 61.2         | 4.4                               | 17.7         |
| Contract assets                        |       | –                  | 7.9          | –                                 | –            |
| Distributions receivable               |       | 34.0               | 36.2         | 30.2                              | 35.4         |
| Other receivables and assets           |       | 19.2               | 10.1         | 4.5                               | –            |
|  |       | <b>159.5</b>       | <b>115.4</b> | <b>39.1</b>                       | <b>53.1</b>  |
| <b>Non-current</b>                     |       |                    |              |                                   |              |
| Loans to associates and joint ventures | 21(e) | 3.7                | 3.4          | –                                 | –            |
|  |       | <b>3.7</b>         | <b>3.4</b>   | <b>–</b>                          | <b>–</b>     |

#### (a) Bad and doubtful trade receivables

During the year, the Charter Hall Group and Charter Hall Property Trust Group incurred \$nil expense (2022: \$nil) in respect of provisions for expected credit losses.

#### (b) Fair values

Receivables are carried at amounts that approximate their fair value.

#### (c) Credit risk

There is a limited concentration of credit risk as the majority of current and non-current receivables are due from related parties of Charter Hall Group and Charter Hall Property Trust Group. Refer to Note 19 for more information on the risk management policy of the Charter Hall Group and Charter Hall Property Trust Group.

The ageing of trade receivables at the reporting date was as follows:

|                    | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|--------------------|--------------------|--------------|-----------------------------------|--------------|
|                    | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| Current            | 105.8              | 61.0         | 4.4                               | 17.7         |
| 1 to 3 months      | 0.5                | 0.2          | –                                 | –            |
| 3 to 6 months      | –                  | –            | –                                 | –            |
| More than 6 months | –                  | –            | –                                 | –            |
|                    | <b>106.3</b>       | <b>61.2</b>  | <b>4.4</b>                        | <b>17.7</b>  |

As at 30 June 2023, Charter Hall Group had trade receivables of \$nil (2022: \$nil) past due but not impaired. Charter Hall Property Trust Group had \$nil (2022: \$nil) receivables past due but not impaired.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off in the year in which they are identified. A provision for expected credit losses is processed based on historical default percentages and current observable data including forecasts of economic conditions. The amount of the provision is the difference between the carrying amount and estimated future cash flows. Cash flows relating to current receivables are not discounted.



## Notes to the Consolidated Financial Statements

(continued)

### 10 Intangible assets

|  | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|--|--------------------|--------------|-----------------------------------|--------------|
|  | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Indefinite life intangibles – management rights</b> |                    |              |                                   |              |
| Charter Hall Retail REIT                               | 42.3               | 42.3         | –                                 | –            |
| Charter Hall Social Infrastructure REIT                | 46.4               | 46.4         | –                                 | –            |
| Other indefinite life intangibles                      | 12.6               | 12.6         | –                                 | –            |
| <b>Total closing indefinite life intangibles</b>       | <b>101.3</b>       | <b>101.3</b> | <b>–</b>                          | <b>–</b>     |
| <b>Finite life intangibles – management rights</b>     |                    |              |                                   |              |
| Opening balance  | 2.8                | 3.5          | –                                 | –            |
| Amortisation charge                                    | (0.5)              | (0.7)        | –                                 | –            |
| Closing balance  | 2.3                | 2.8          | –                                 | –            |
| <b>At balance date – finite life intangibles</b>       |                    |              |                                   |              |
| Cost   | 58.5               | 58.5         | –                                 | –            |
| Accumulated amortisation                               | (56.2)             | (55.7)       | –                                 | –            |
| <b>Total finite life intangibles</b>                   | <b>2.3</b>         | <b>2.8</b>   | <b>–</b>                          | <b>–</b>     |
| <b>Goodwill</b>  |                    |              |                                   |              |
| Opening and closing balance                            | 9.9                | 9.9          | –                                 | –            |
| <b>Total intangible assets</b>                         | <b>113.5</b>       | <b>114.0</b> | <b>–</b>                          | <b>–</b>     |

#### (a) Critical judgements

Critical judgements and estimates are made by the Group in assessing the recoverable amount of intangibles acquired, where the funds to which those intangibles relate have an indefinite life. Intangibles are considered to have an indefinite useful life if there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

#### (b) Intangibles – indefinite life assets

Intangibles with no fixed life are not amortised as they have an indefinite life. Intangibles with an indefinite life are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses. Intangibles are allocated to cash-generating units for the purpose of impairment testing.

All indefinite life intangible assets recognised on the consolidated balance sheet are subject to an annual impairment assessment. The impairment assessments support the carrying values and the methodology applied is an assessment of value in use based on discounted cash flows.

Key assumptions used for the indefinite life intangible impairment calculations are as follows:

- cash flow projections were used; applying probability weightings based on historical market guidance accuracy;
- base case cash flow projections covering a 5 year period based on financial budgets approved by management. Cash flows beyond the 5 year period are extrapolated using estimated growth rates appropriate for the business;
- pre-tax discount rate of 14.3% (2022: 12.5%);
- growth after three years of 2.0% (2022: 2.0%) per annum; and
- terminal value multiple of 10 times earnings (2022: 10 times).

With the potential and uncertain economic impacts of COVID-19, future property valuations, cash flow projections, and estimates of recoverable amounts could be adversely impacted.

#### (c) Management Rights – finite life assets

Management rights with a fixed life are amortised using the straight line method over their useful life ranging from one to ten years.

### 11 Deferred tax assets and liabilities

|  | Charter Hall Group |               | Charter Hall Property Trust Group |              |
|--|--------------------|---------------|-----------------------------------|--------------|
|  | 2023<br>\$'m       | 2022<br>\$'m  | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Deferred tax assets comprises temporary differences attributable to:</b>      |                    |               |                                   |              |
| Employee benefits  | 22.0               | 22.7          | –                                 | –            |
| Investments accounted for using the equity method                                | 1.7                | –             | –                                 | –            |
| Other  | 6.9                | 7.2           | –                                 | –            |
|  | <b>30.6</b>        | <b>29.9</b>   | <b>–</b>                          | <b>–</b>     |
| <b>Deferred tax liabilities comprises temporary differences attributable to:</b> |                    |               |                                   |              |
| Intangible assets  | 29.5               | 29.7          | –                                 | –            |
| Investments accounted for using the equity method                                | 17.3               | 18.5          | –                                 | –            |
| Share purchase option  | 5.0                | 6.0           | –                                 | –            |
| Other  | 2.6                | 4.0           | –                                 | –            |
|  | <b>54.4</b>        | <b>58.2</b>   | <b>–</b>                          | <b>–</b>     |
| <b>Net deferred tax liabilities</b>  | <b>(23.8)</b>      | <b>(28.3)</b> | <b>–</b>                          | <b>–</b>     |

### 12 Trade and other liabilities

|                                      | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|--------------------------------------|--------------------|--------------|-----------------------------------|--------------|
|                                      | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Current</b>                       |                    |              |                                   |              |
| Trade and other liabilities          | 62.2               | 108.4        | 6.5                               | 12.7         |
| Long service leave provision         | 3.7                | 3.3          | –                                 | 0.1          |
| Dividend/Distribution payable        | 102.6              | 96.8         | 56.3                              | 53.3         |
| Employee benefits liability          | 40.7               | 48.9         | –                                 | –            |
|                                      | <b>209.2</b>       | <b>257.4</b> | <b>62.8</b>                       | <b>66.1</b>  |
| <b>Non-current</b>                   |                    |              |                                   |              |
| Loan payable to Charter Hall Limited | –                  | –            | 143.8                             | –            |
| Long service leave provision         | 3.0                | 3.0          | –                                 | –            |
| Lease incentive liability            | 1.7                | 1.7          | –                                 | –            |
|                                      | <b>4.7</b>         | <b>4.7</b>   | <b>143.8</b>                      | <b>–</b>     |

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due or expected to be settled within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



## Notes to the Consolidated Financial Statements

(continued)

### 13 Borrowings

|                                     | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|-------------------------------------|--------------------|--------------|-----------------------------------|--------------|
|                                     | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Non-current liabilities</b>      |                    |              |                                   |              |
| US Private Placement Notes          | 246.2              | 250.4        | 246.2                             | 250.4        |
| Medium-term notes                   | 207.2              | 206.5        | 207.2                             | 206.5        |
| Less: unamortised transaction costs | (2.7)              | (3.0)        | (2.7)                             | (3.0)        |
|                                     | <b>450.7</b>       | <b>453.9</b> | <b>450.7</b>                      | <b>453.9</b> |

#### (a) Borrowings

##### Charter Hall Group

The Group's debt platform includes the following:

- An unsecured \$200.0 million (2022: \$200.0 million) borrowings plus an additional \$50.0 million (2022: \$30.0 million) unsecured facility to support the issuance of bank guarantees with maturity in May 2027. At 30 June 2023, drawn borrowings of \$nil (2022: \$nil) and issuance of bank guarantees of \$37.4 million (2022: \$23.3 million) had been utilised under these facilities, which under the terms of the agreements reduce the available facilities. No liability is recognised for bank guarantees.
- US\$175 million (A\$231.5 million at issue date) unsecured notes issued through a US Private Placement which was fully funded in August 2018 and matures in August 2028.
  - The Group has entered into A\$/US\$ cross-currency interest rate swap agreements that hedge the Group's exposure to foreign currency. The swap agreements entitle the Group to repay the notes at A\$231.5 million in August 2028. At 30 June 2023, the carrying amount of the notes at the prevailing spot rate was A\$246.2 million (2022: A\$250.4 million) including a fair value adjustment of A\$14.7 million (2022: A\$18.9 million). The movement in the carrying amount since issuance is offset by the fair value of the swap A\$17.5 million (2022: A\$21.9 million).
  - The swap agreements also entitle the Group to receive interest, at semi-annual intervals, at a fixed rate on a notional principal amount of US\$175.0 million and oblige it to pay, at quarterly intervals, at a floating rate on a notional principal amount of A\$231.5 million. The swap agreements mature in August 2028.
- A\$250 million unsecured medium-term notes (MTN) issued in April 2021 and maturing in April 2031.
  - The Group has entered into interest rate swap agreements that hedge the Group's exposure to changes in the fair value of the MTN. At 30 June 2023, the carrying amount of the notes was A\$207.2 million (2022: A\$206.5 million), including a fair value adjustment of A\$42.8 million (2022: A\$43.5 million). The movement in the carrying amount since issuance is offset by the fair value of the swap liability A\$41.1 million (2022: A\$40.0 million liability).

#### (b) Gearing

Gearing is a measure used to monitor levels of debt capital used by the business to fund its operations. This ratio is calculated as interest-bearing debt drawn (excluding hedged foreign exchange and interest rate movements subsequent to the related debt drawing date) net of cash, divided by total assets net of cash and derivative assets.

The gearing ratio of the Charter Hall Group at 30 June 2023 was 2.2% (30 June 2022: 0.0%). Debt covenants are monitored regularly to ensure compliance and reported to the debt provider on a six-monthly basis. The Group Treasurer is responsible for negotiating new debt facilities and monitoring compliance with covenants.

### 13 Borrowings continued

#### (c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

|   | Opening<br>balance<br>\$'m | Movement<br>in fair<br>values<br>\$'m | Movement<br>in borrowing<br>costs<br>\$'m | Movement<br>in cash<br>\$'m | Derecognition<br>on disposal<br>of DLWF<br>\$'m | Closing<br>balance<br>\$'m |
|---|----------------------------|---------------------------------------|---|-----------------------------|---|----------------------------|
| <b>Charter Hall Group</b>                     |                            |                                       |   |                             |   |                            |
| <b>2023</b>                                   |                            |                                       |   |                             |   |                            |
| Borrowings                                    | 456.9                      | (3.5)                                 | –   | –                           | –   | 453.4                      |
| Derivative financial instruments hedging debt | 13.9                       | 4.9                                   | –   | –                           | –   | 18.8                       |
| Borrowing costs                               | (3.0)                      | –                                     | 0.3                                       | –                           | –   | (2.7)                      |
| Cash  | (594.7)                    | –                                     | –   | 193.3                       | –   | (401.4)                    |
|   | <b>(126.9)</b>             | <b>1.4</b>                            | <b>0.3</b>                                | <b>193.3</b>                | <b>–</b>  | <b>68.1</b>                |
| <b>2022</b>                                   |                            |                                       |   |                             |   |                            |
| Borrowings                                    | 552.8                      | (55.9)                                | –   | 44.2                        | (84.2)  | 456.9                      |
| Loans - related parties                       | –                          | –                                     | –   | –                           | –   | –                          |
| Derivative financial instruments hedging debt | (34.9)                     | 47.6                                  | –   | –                           | 1.2   | 13.9                       |
| Borrowing costs                               | (3.6)                      | –                                     | (1.8)                                     | –                           | 2.4   | (3.0)                      |
| Cash  | (351.9)                    | –                                     | –   | (263.3)                     | 20.5  | (594.7)                    |
|   | <b>162.4</b>               | <b>(8.3)</b>                          | <b>(1.8)</b>                              | <b>(219.1)</b>              | <b>(60.1)</b>                                   | <b>(126.9)</b>             |
| <b>Charter Hall Property Trust Group</b>      |                            |                                       |   |                             |   |                            |
| <b>2023</b>                                   |                            |                                       |   |                             |   |                            |
| Borrowings                                    | 456.9                      | (3.5)                                 | –   | –                           | –   | 453.4                      |
| Derivative financial instruments hedging debt | 13.9                       | 4.9                                   | –   | –                           | –   | 18.8                       |
| Borrowing costs                               | (3.0)                      | –                                     | 0.3                                       | –                           | –   | (2.7)                      |
| Funding received from Charter Hall Limited    | –                          | –                                     | –   | 143.8                       | –   | 143.8                      |
| Cash  | (53.4)                     | –                                     | –   | (2.7)                       | –   | (56.1)                     |
|   | <b>414.4</b>               | <b>1.4</b>                            | <b>0.3</b>                                | <b>141.1</b>                | <b>–</b>  | <b>557.2</b>               |
| <b>2022</b>                                   |                            |                                       |   |                             |   |                            |
| Borrowings                                    | 552.8                      | (55.9)                                | –   | 44.2                        | (84.2)  | 456.9                      |
| Derivative financial instruments hedging debt | (34.9)                     | 47.6                                  | –   | –                           | 1.2   | 13.9                       |
| Borrowing costs                               | (3.6)                      | –                                     | (1.8)                                     | –                           | 2.4   | (3.0)                      |
| Funding received from Charter Hall Limited    | (12.3)                     | –                                     | –   | 12.3                        | –   | –                          |
| Cash  | (71.3)                     | –                                     | –   | (2.6)                       | 20.5  | (53.4)                     |
|   | <b>430.7</b>               | <b>(8.3)</b>                          | <b>(1.8)</b>                              | <b>53.9</b>                 | <b>(60.1)</b>                                   | <b>414.4</b>               |



## Notes to the Consolidated Financial Statements

(continued)

### 14 Derivative financial instruments

|   | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|---|--------------------|--------------|-----------------------------------|--------------|
|   | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| <b>Current assets</b>   |                    |              |                                   |              |
| Cross-currency interest rate swaps - cash flow hedge and fair value hedge | 2.8                | 3.4          | 2.8                               | 3.4          |
| Interest rate swaps - fair value hedge                                    | 0.2                | 0.8          | 0.2                               | 0.8          |
| Interest rate swaps - fair value through profit and loss                  | 1.8                | –            | 1.8                               | –            |
|   | <b>4.8</b>         | <b>4.2</b>   | <b>4.8</b>                        | <b>4.2</b>   |
| <b>Non-current assets</b>   |                    |              |                                   |              |
| Cross-currency interest rate swaps - cash flow hedge and fair value hedge | 17.5               | 21.9         | 17.5                              | 21.9         |
| Share purchase option - fair value through profit and loss <sup>1</sup>   | 16.7               | 20.0         | –                                 | –            |
|   | <b>34.2</b>        | <b>41.9</b>  | <b>17.5</b>                       | <b>21.9</b>  |
| <b>Non-current liabilities</b>  |                    |              |                                   |              |
| Interest rate swaps - fair value hedge                                    | 41.1               | 40.0         | 41.1                              | 40.0         |
|   | <b>41.1</b>        | <b>40.0</b>  | <b>41.1</b>                       | <b>40.0</b>  |

<sup>1</sup> Share purchase option to call remaining 50% of shares in Paradise Investment Management not presently owned by the Group.

Key valuation assumptions used in the determination of the fair value of derivative financial instruments and the Group's valuation policy are disclosed note 20(c) and 20(d).

### 15 Contributed equity

#### (a) Movements in ordinary stapled security capital

| Details  | Number of securities | Weighted average issue price | Charter Hall Limited<br>\$'m | Charter Hall Property Trust<br>\$'m | Total<br>\$'m  |
|--|----------------------|------------------------------|------------------------------|-------------------------------------|----------------|
| Opening balance at 1 July 2021   | 465,777,131          |                              | 290.8                        | 1,426.0                             | 1,716.8        |
| Buyback and issuance of securities for exercised performance and service rights <sup>1</sup> | –                    | \$5.99                       | (3.7)                        | (15.2)                              | (18.9)         |
| Tax recognised directly in equity  | –                    |                              | 5.6                          | –                                   | 5.6            |
| Issuance of stapled securities   | 7,220,068            | \$20.68                      | 22.1                         | 127.2                               | 149.3          |
| Closing balance at 30 June 2022  | 472,997,199          |                              | 314.8                        | 1,538.0                             | 1,852.8        |
| <b>Closing balance per accounts at 30 June 2022</b>  | <b>472,997,199</b>   |                              | <b>314.8</b>                 | <b>1,538.0</b>                      | <b>1,852.8</b> |
| Buyback and issuance of securities for exercised performance and service rights <sup>2</sup> | –                    | \$9.13                       | (0.7)                        | (1.8)                               | (2.5)          |
| Tax recognised directly in equity  | –                    |                              | 0.7                          | –                                   | 0.7            |
| Closing balance at 30 June 2023  | 472,997,199          |                              | 314.8                        | 1,536.2                             | 1,851.0        |
| <b>Closing balance per accounts at 30 June 2023</b>  | <b>472,997,199.0</b> |                              | <b>314.8</b>                 | <b>1,536.2</b>                      | <b>1,851.0</b> |

<sup>1</sup> 1,566,318 stapled securities bought on-market at an average value of \$18.0, offset by the exercise of 979,346 performance rights with a fair value of \$5.09 and 586,972 service rights with an average value of \$7.50.

<sup>2</sup> 645,142 stapled securities bought on-market at an average value of \$12.97, offset by the exercise of 327,074 performance rights with a fair value of \$7.10 and 318,068 service rights with an average value of \$11.21.

#### (b) Ordinary stapled securities

Ordinary stapled securities are classified as equity. Incremental costs directly attributable to the issue of new stapled securities or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary stapled securities entitle the holder to participate in distributions/dividends and the proceeds on winding up of the Company/Trust in proportion to the number of and amounts paid on the stapled securities held.

On a show of hands, every holder of ordinary stapled securities present at a meeting in person or by proxy is entitled to one vote and upon a poll, each holder is entitled to one vote per security that they hold.

#### (c) Distribution Reinvestment Plan

The Group has established a Distribution Reinvestment Plan (DRP) under which holders of ordinary stapled securities may elect to have all or part of their distribution satisfied by the issue of new ordinary stapled securities rather than by being paid in cash. The DRP was suspended for the distribution paid on 25 August 2016 and subsequent distributions.

### 16 Reserves

|   | Charter Hall Group |               | Charter Hall Property Trust Group |              |
|---|--------------------|---------------|-----------------------------------|--------------|
|   | 2023<br>\$'m       | 2022<br>\$'m  | 2023<br>\$'m                      | 2022<br>\$'m |
| Business combination reserve                | (52.0)             | (52.0)        | –                                 | –            |
| Security-based benefits reserve             | 52.1               | 37.2          | –                                 | –            |
| Cash flow hedge reserve                     | 4.0                | 4.0           | 4.0                               | 4.0          |
| Foreign currency basis reserve              | –                  | 0.5           | –                                 | 0.5          |
| Transactions with non-controlling interests | –                  | 0.4           | –                                 | 0.4          |
| Other reserves                              | 0.8                | (0.3)         | (0.3)                             | (1.8)        |
|   | <b>4.9</b>         | <b>(10.2)</b> | <b>3.7</b>                        | <b>3.1</b>   |
| Charter Hall Limited                        | 1.2                | (13.3)        | –                                 | –            |
| Charter Hall Property Trust                 | 3.7                | 3.1           | 3.7                               | 3.1          |
|   | <b>4.9</b>         | <b>(10.2)</b> | <b>3.7</b>                        | <b>3.1</b>   |

#### (a) Business combination reserve

This reserve relates to the reverse acquisition at the initial public offering (IPO) in 2005. This is the amount that relates to the investment in CHH that is not eliminated by paid-in capital. No goodwill is recognised as this transaction is the result of a reverse acquisition.

#### (b) Security-based benefits reserve

The security based benefits reserve is used to recognise the fair value of rights and options issued under the Performance Rights and Options Plan (PROP).



## Notes to the Consolidated Financial Statements

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### 17 Remuneration of auditors

During the year, the following fees were paid for services provided by the auditors of the Charter Hall Group and Charter Hall Property Trust Group, their related practices and non-related audit firms:

|  | Charter Hall Group |                | Charter Hall Property Trust Group |               |
|--|--------------------|----------------|-----------------------------------|---------------|
|  | 2023               | 2022           | 2023                              | 2022          |
|  | \$                 | \$             | \$                                | \$            |
| <b>(a) Audit services</b>                                  |                    |                |                                   |               |
| PricewaterhouseCoopers – Australian Firm                   |                    |                |                                   |               |
| Audit and review of financial reports                      | 511,364            | 563,778        | 18,812                            | 31,448        |
| Audit and review of financial reports for DLWF             | –                  | 26,019         | –                                 | 26,019        |
| Other assurance services                                   | 13,178             | 13,178         | 13,178                            | 13,178        |
| <b>Total remuneration for audit services</b>               | <b>524,542</b>     | <b>602,975</b> | <b>31,990</b>                     | <b>70,645</b> |
| <b>(b) Taxation services</b>                               |                    |                |                                   |               |
| PricewaterhouseCoopers – Australian Firm                   |                    |                |                                   |               |
| Taxation compliance services                               | 67,970             | 144,800        | –                                 | –             |
| PricewaterhouseCoopers – New Zealand Firm                  |                    |                |                                   |               |
| Taxation compliance services for DLWF                      | –                  | 6,569          | –                                 | 6,569         |
| <b>Total remuneration for taxation compliance services</b> | <b>67,970</b>      | <b>151,369</b> | <b>–</b>                          | <b>6,569</b>  |
| <b>(c) Other services</b>                                  |                    |                |                                   |               |
| PricewaterhouseCoopers – Australian Firm                   |                    |                |                                   |               |
| Other assurance services                                   | 160,000            | 18,150         | –                                 | –             |
| <b>Total remuneration for other services</b>               | <b>160,000</b>     | <b>18,150</b>  | <b>–</b>                          | <b>–</b>      |

### 18 Reconciliation of profit after tax to net cash inflow from operating activities

|   | Charter Hall Group |              | Charter Hall Property Trust Group |             |
|---|--------------------|--------------|-----------------------------------|-------------|
|   | 2023               | 2022         | 2023                              | 2022        |
|   | \$'m               | \$'m         | \$'m                              | \$'m        |
| Profit/(loss) after tax for the year  | 196.1              | 927.0        | (115.9)                           | 519.7       |
| <i>Non-cash items:</i>  |                    |              |                                   |             |
| Amortisation of intangibles   | 0.5                | 0.7          | –                                 | –           |
| Impairment of associates  | 9.1                | 18.5         | 9.1                               | –           |
| Depreciation and amortisation   | 9.4                | 9.2          | 0.6                               | 0.8         |
| Non-cash security-based benefits expense  | 12.6               | 12.4         | –                                 | –           |
| Net gain on sale of investments, property and derivatives                                   | (0.5)              | (0.3)        | (0.6)                             | 1.6         |
| Fair value adjustments  | (2.3)              | 1.0          | (2.3)                             | (0.4)       |
| Other net losses  | 0.9                | –            | –                                 | –           |
| Unrealised net (gains)/ loss on derivative financial instruments                            | 3.3                | (24.3)       | (0.1)                             | (4.3)       |
| Foreign exchange movements  | –                  | 0.1          | –                                 | 0.1         |
| <i>Change in assets and liabilities, net of effects from purchase of controlled entity:</i> |                    |              |                                   |             |
| (Increase)/decrease in trade debtors and other receivables                                  | (44.4)             | 1.6          | 14.0                              | (11.3)      |
| Increase/(decrease) in trade creditors and accruals   | (37.0)             | 63.2         | (6.1)                             | 1.0         |
| (Increase)/decrease in development assets   | 0.9                | (31.5)       | –                                 | –           |
| Share of net profits from equity accounted investments in associates and joint ventures     | 229.3              | (434.8)      | 209.0                             | (412.0)     |
| Increase/(decrease) in income taxes payable   | (36.1)             | 51.1         | –                                 | –           |
| (Increase)/decrease for net deferred income tax   | (4.5)              | 9.9          | –                                 | –           |
| <b>Net cash inflow from operating activities</b>  | <b>337.3</b>       | <b>603.8</b> | <b>107.7</b>                      | <b>95.2</b> |

Distributions and interest income received on investments has been classified as cash flow from operating activities.

### 19 Capital and financial risk management

#### (a) Capital risk management

The key capital risk management objective of the Group and CHPT is to optimise returns through the mix of available capital sources whilst complying with statutory and constitutional capital requirements and complying with the covenant requirements of the finance facilities. The capital management approach is regularly reviewed by management and the Board as part of the overall strategy. The capital mix can be altered by issuing new units, electing to have the DRP underwritten, adjusting the amount of distributions paid, activating a stapled security buyback program or selling assets.

#### (b) Financial risk management

Both the Group and CHPT activities expose it to a variety of financial risks: market risk (price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management framework focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. From time to time, the Group uses derivative financial instruments such as interest rate swaps and option contracts to hedge certain risk exposures.

Risk management is carried out by the Group Treasurer, the Chief Financial Officer and the Managing Director and Group CEO in consultation with senior management, the Audit, Risk and Compliance Committee and the Board of Directors. The Group Treasurer identifies, evaluates and hedges financial risks in close cooperation with the Chief Financial Officer. The Board provides guidance for overall risk management, as well as covering specific areas, such as mitigating price, interest rate and credit risks, the use of derivative financial instruments and investing excess liquidity.

#### (i) Market risk

##### Unlisted unit price risk

The Group is exposed to unlisted unit price risk. This arises from investments in unlisted property funds managed by the Group. These funds invest in direct property. Charter Hall manages all the funds that the Group invests in and its executives have a sound understanding of the underlying property values and trends that give rise to price risk. The carrying value of investments in associates at fair value through profit or loss is measured with reference to the funds' unit prices which are determined in accordance with the funds' respective constitutions. The key determinant of the unit price is the underlying property values which are approved by the respective fund board or investment committee and the Executive Property Valuation Committee.

## Notes to the Consolidated Financial Statements

(continued)

### 19 Capital and financial risk management continued

The following table illustrates the potential impact a change in unlisted unit prices by  $\pm 10\%$  would have on the Group and CHPT's profit. The movement in the price variable has been determined based on management's best estimate, having regard to a number of factors, including historical levels of price movement, historical correlation of the Group's investments with the relevant benchmark and market volatility. However, actual movements in the price may be greater or less than anticipated due to a number of factors. As a result, historic price variations are not a definitive indicator of future price variations.

|  | Carrying amount<br>\$'m | 10%<br>Impact on<br>Profit <sup>1</sup><br>\$'m |
|--|-------------------------|---|
| <b>Charter Hall Group</b>  |                         |   |
| <b>2023</b>  |                         |   |
| <i>Assets – Charter Hall Group</i>                                   |                         |   |
| Investments accounted for at fair value through profit or loss       | 66.6                    | 6.7   |
| Investments in financial assets at fair value through profit or loss | 29.7                    | 3.0   |
| <b>2022</b>  |                         |   |
| <i>Assets – Charter Hall Group</i>                                   |                         |   |
| Investments in associates at fair value through profit or loss       | 42.4                    | 4.2   |
| Assets held for sale   | 79.0                    | 7.9   |
| <b>Charter Hall Property Trust Group</b>                             |                         |   |
| <b>2023</b>  |                         |   |
| <i>Assets – Charter Hall Property Trust Group</i>                    |                         |   |
| Investments accounted for at fair value through profit or loss       | 66.6                    | 6.7   |
| Investments in financial assets at fair value through profit or loss | 29.7                    | 3.0   |
| <b>2022</b>  |                         |   |
| <i>Assets – Charter Hall Property Trust Group</i>                    |                         |   |
| Investments in associates at fair value through profit or loss       | 42.4                    | 4.2   |
| Assets held for sale   | 79.0                    | 7.9   |

<sup>1</sup> The impact of a -10% change is the reverse of the impact shown for a +10% change.

#### Cash flow and fair value interest rate risk

The Group has long-term interest-bearing assets from unsecured loans receivable from development partners of \$3.7 million. This exposure is not considered to be material to the Group.

The Group's and CHPT's external interest rate risk arises from the debt facilities disclosed in Note 13. Borrowings drawn at variable rates expose both the Group and CHPT to cash flow interest rate risk. Borrowings drawn at fixed rates expose both the Group and CHPT to fair value interest rate risk. The Group and CHPT monitor interest rate risk regularly and in accordance with the Charter Hall Treasury Risk Management Policy and perform associated stress testing. Core borrowings are defined as being the level of borrowings that are expected to be held for a period of more than two years.

#### (ii) Interest rate risk exposure

The Group's and CHPT's external interest rate risk arises from the debt facilities and associated derivatives disclosed in Note 13 bearing a variable interest rate.

### 19 Capital and financial risk management continued

#### Interest rate sensitivity analysis

The following tables illustrate the potential impact a change in interest rates of  $\pm 1\%$  would have on the Group and CHPT's profit, with all other variables remaining constant.

|  | Effective interest rate | Fair value<br>\$'m | Carrying amount<br>\$'m | +/-1%<br>Impact on<br>Profit<br>\$'m |
|--|-------------------------|--------------------|-------------------------|--------------------------------------|
| <b>Charter Hall Group</b>                                      |                         |                    |                         |                                      |
| <b>2023</b>  |                         |                    |                         |                                      |
| <i>Financial assets</i>  |                         |                    |                         |                                      |
| Cash and cash equivalents                                      | 2.9%                    | 401.4              | 401.4                   | 4.0/(4.0)                            |
| Derivative financial instruments                               | 3.7%                    | 1.8                | 1.8                     | 0.0/(0.0)                            |
| Investments accounted for at fair value through profit or loss | 11.2%                   | 57.0               | 57.0                    | 0.6/(0.6)                            |
| <i>Financial liabilities</i>                                   |                         |                    |                         |                                      |
| Borrowings   | 4.6%                    | 440.6              | 453.4                   | (4.6)/4.7                            |
| <b>Total increase/(decrease)</b>                               |                         |                    |                         | <b>0.0/0.1</b>                       |
| <b>2022</b>  |                         |                    |                         |                                      |
| <i>Financial assets</i>  |                         |                    |                         |                                      |
| Cash and cash equivalents                                      | 0.2%                    | 594.7              | 594.7                   | 5.9/(5.9)                            |
| <i>Financial liabilities</i>                                   |                         |                    |                         |                                      |
| Borrowings   | 1.9%                    | 450.3              | 456.9                   | (5.3)/5.5                            |
| <b>Total increase/(decrease)</b>                               |                         |                    |                         | <b>0.6/(0.4)</b>                     |
| <b>Charter Hall Property Trust Group</b>                       |                         |                    |                         |                                      |
| <b>2023</b>  |                         |                    |                         |                                      |
| <i>Financial assets</i>  |                         |                    |                         |                                      |
| Cash and cash equivalents                                      | 2.9%                    | 56.1               | 56.1                    | 0.6/(0.6)                            |
| Derivative financial instruments                               | 3.7%                    | 1.8                | 1.8                     | 0.0/(0.0)                            |
| Investments accounted for at fair value through profit or loss | 11.2%                   | 57.0               | 57.0                    | 0.6/(0.6)                            |
| <i>Financial liabilities</i>                                   |                         |                    |                         |                                      |
| Loan payable to Charter Hall Ltd                               | 5.4%                    | 143.8              | 143.8                   | 1.4/(1.4)                            |
| Borrowings   | 4.6%                    | 440.6              | 453.4                   | (4.6)/4.7                            |
| <b>Total increase/(decrease)</b>                               |                         |                    |                         | <b>(2.0)/2.1</b>                     |
| <b>2022</b>  |                         |                    |                         |                                      |
| <i>Financial assets</i>  |                         |                    |                         |                                      |
| Cash and cash equivalents                                      | 0.2%                    | 53.4               | 53.4                    | 0.5/(0.5)                            |
| <i>Financial liabilities</i>                                   |                         |                    |                         |                                      |
| Borrowings   | 1.9%                    | 450.3              | 456.9                   | (5.3)/5.5                            |
| <b>Total increase/(decrease)</b>                               |                         |                    |                         | <b>(4.8)/5.0</b>                     |

The fair value of interest-bearing liabilities is inclusive of costs which would be incurred on settlement of a liability, and is based upon market prices, where a market exists, or by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

The effect of changes in interest rates on the Group's and CHPT's profit shown in the table above is mainly impacted by a change in interest payable on floating rate interest, offset by changes in the fair value of derivative financial instruments hedging this exposure.

#### (iii) Foreign exchange risk

The Group and CHPT's principal exposure to foreign exchange risk arises from its investments in foreign subsidiaries and exposure to bond issuances denominated in US dollars. The major asset held by foreign subsidiaries is cash in foreign denominated bank accounts. Cross-currency swaps are used to convert US dollar borrowings into Australian dollar exposure.



## Notes to the Consolidated Financial Statements

(continued)

### 19 Capital and financial risk management continued

#### (iv) Hedge accounting of derivatives

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. See Note 14 for derivatives held by the Group.

The Group's accounting policy for its fair value and cash flow hedges is set out in Note 30(m).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group hedges 100% of its foreign-denominated debt and fixed-rate medium-term note. The Group enters into cross-currency interest rate swaps and interest rate swaps that have critical terms that match the hedged item, such as payment dates, maturities and notional amount. The Group uses the hypothetical derivative method to assess effectiveness. Hedge ineffectiveness may occur due to credit/debit value adjustments and differences in critical terms between the hedging instrument and the hedged item.

#### Hedging instruments used by the Group

Cross-currency interest rate swaps currently in place cover 100% (2022: 100%) of the foreign-denominated debt outstanding. The variable AUD interest rate payable under the swaps is 2.0% (2022: 2.0%) above the 90-day bank bill swap rate which at the end of the reporting period was 4.4% (2022: 1.8%) and the receivable USD fixed rate aligns with the foreign-denominated debt at 4.6% (2022: 4.6%).

Interest rate swaps currently in place for the medium-term notes cover 100% (2022: 100%) of the debt outstanding. The receivable fixed rate of the swaps is 3.1% (2022: 3.1%) and the payable is the 90-day bank bill swap rate plus 1.5% (2022: 1.5%).

See Note 13(a) for further details of swaps held by the Group.

#### Effects of hedge accounting on the financial position and performance

The effects of the cross-currency interest rate swaps and interest rate swaps on the Group's financial position and performance are as follows:

|  | Charter Hall Group |             | Charter Hall Property Trust Group |             |
|--|--------------------|-------------|-----------------------------------|-------------|
|  | 2023               | 2022        | 2023                              | 2022        |
| <b>Cross-currency interest rate swaps</b>                            |                    |             |                                   |             |
| Carrying amount  | 20.3               | 25.3        | 20.3                              | 25.3        |
| Notional amount  | 231.5              | 231.5       | 231.5                             | 231.5       |
| Maturity date  | August-2028        | August-2028 | August-2028                       | August-2028 |
| Hedge ratio <sup>1</sup>   | 1:1                | 1:1         | 1:1                               | 1:1         |
| Change in fair value of outstanding hedging instruments since 1 July | (5.0)              | (5.9)       | (5.0)                             | (5.9)       |
| Change in value of hedged item used to determine hedge effectiveness | 4.2                | 8.8         | 4.2                               | 8.8         |
| <b>Interest rate swaps</b>   |                    |             |                                   |             |
| Carrying amount  | (40.9)             | (39.2)      | (40.9)                            | (39.2)      |
| Notional amount  | 250.0              | 250.0       | 250.0                             | 250.0       |
| Maturity date  | April-2031         | April-2031  | April-2031                        | April-2031  |
| Hedge ratio <sup>1</sup>   | 1:1                | 1:1         | 1:1                               | 1:1         |
| Change in fair value of outstanding hedging instruments since 1 July | (1.7)              | (42.9)      | (1.7)                             | (42.9)      |
| Change in value of hedged item used to determine hedge effectiveness | (0.7)              | 47.0        | (0.7)                             | 47.0        |

<sup>1</sup> The underlying rate on the swaps is the same as the rate exposure on the debt, therefore the hedge ratio is 1:1.

### 19 Capital and financial risk management continued

#### (c) Credit risk

The Group and CHPT have policies in place to ensure that sales of services are made to customers with appropriate credit histories to minimise risk of default. A default is when the counterparty fails to fulfil its obligations under the terms of the financial asset causing financial loss to the Group and CHPT.

The Group derives 98.4% of its revenue from management fees, development revenue, transaction and other fees from related parties.

CHPT derives 88.1% of its revenue from distributions and other fees from investments in related party property funds.

Where appropriate, tenants in the underlying property funds for the Group and CHPT are assessed for creditworthiness, taking into account their financial position, past experience and other factors. Refer to Note 9(c) for more information on credit risk.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group and CHPT have policies that limit the amount of credit exposure to any one financial institution.

The Group and CHPT applies the AASB 9 simplified approach to measuring expected credit losses, which involves a lifetime expected loss allowance for trade receivables and financial assets at fair value through other comprehensive income or through profit or loss. The Group considers its financial asset balances to be low risk and thus the methodology has not resulted in the recognition of an impairment of any financial assets.

The loss allowances for trade and other financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions, based on the Group's history, existing market conditions and forward looking estimates at the end of each reporting period.

#### (d) Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash and undrawn debt funding to meet all funding commitments.

#### Maturities of financial liabilities

The following table provides the contractual maturity of the Group's and CHPT's financial liabilities. The amounts presented represent the future contractual undiscounted principal and interest cash flows and therefore do not equate to the value shown in the balance sheet. Repayments which are subject to notice are treated as if notice were given immediately.

## Notes to the Consolidated Financial Statements

(continued)

### 19 Capital and financial risk management continued

|  | Carrying amount<br>\$'m | Less than one year<br>\$'m | Between one and five years<br>\$'m | Over five years<br>\$'m | Total cash flows<br>\$'m |
|--|-------------------------|----------------------------|------------------------------------|-------------------------|--------------------------|
| <b>Charter Hall Group</b>                    |                         |                            |                                    |                         |                          |
| <b>2023</b>                                  |                         |                            |                                    |                         |                          |
| Trade and other payables                     | 213.9                   | 209.2                      | 1.7                                | 3.0                     | 213.9                    |
| Borrowings                                   | 453.4                   | –                          | –                                  | 481.5                   | 481.5                    |
| Derivative financial instruments             |                         |                            |                                    |                         |                          |
| Net contractual amounts payable/(receivable) | 41.1                    | 7.1                        | 24.4                               | 19.4                    | 50.9                     |
| <b>Total financial liabilities</b>           | <b>708.4</b>            | <b>216.3</b>               | <b>26.1</b>                        | <b>503.9</b>            | <b>746.3</b>             |
| <b>2022</b>                                  |                         |                            |                                    |                         |                          |
| Trade and other payables                     | 262.1                   | 257.4                      | 1.3                                | 3.4                     | 262.1                    |
| Borrowings                                   | 456.9                   | –                          | –                                  | 456.9                   | 456.9                    |
| Derivative financial instruments             |                         |                            |                                    |                         |                          |
| Net contractual amounts payable/(receivable) | 40.0                    | 2.8                        | 22.4                               | 24.1                    | 49.3                     |
| <b>Total financial liabilities</b>           | <b>759.0</b>            | <b>260.2</b>               | <b>23.7</b>                        | <b>484.4</b>            | <b>768.3</b>             |
| <b>Charter Hall Property Trust Group</b>     |                         |                            |                                    |                         |                          |
| <b>2023</b>                                  |                         |                            |                                    |                         |                          |
| Trade and other payables                     | 206.6                   | 62.8                       | –                                  | 143.8                   | 206.6                    |
| Borrowings                                   | 453.4                   | –                          | –                                  | 481.5                   | 481.5                    |
| Derivative financial instruments             |                         |                            |                                    |                         |                          |
| Net contractual amounts payable/(receivable) | 41.1                    | 7.1                        | 24.4                               | 19.4                    | 50.9                     |
| <b>Total financial liabilities</b>           | <b>701.1</b>            | <b>69.9</b>                | <b>24.4</b>                        | <b>644.7</b>            | <b>739.0</b>             |
| <b>2022</b>                                  |                         |                            |                                    |                         |                          |
| Trade and other payables                     | 66.1                    | 66.1                       | –                                  | –                       | 66.1                     |
| Borrowings                                   | 456.9                   | –                          | –                                  | 456.9                   | 456.9                    |
| Derivative financial instruments             |                         |                            |                                    |                         |                          |
| Net contractual amounts payable/(receivable) | 40.0                    | 2.8                        | 22.4                               | 24.1                    | 49.3                     |
| <b>Total financial liabilities</b>           | <b>563.0</b>            | <b>68.9</b>                | <b>22.4</b>                        | <b>481.0</b>            | <b>572.3</b>             |

#### Offsetting financial assets and liabilities

The Group is a party to a master agreement as published by International Swaps and Derivative Associates, Inc. (ISDA) which allows the Group's counterparties, under certain conditions (i.e. event of default), to set off the position owing/receivable under a derivative contract to a net position outstanding. As at 30 June 2023, there was a gross liability position of \$18.8 million (2022: \$13.9 million) with no amounts subject to offset.

As the Group does not have a legally enforceable right to offset, none of the financial assets or financial liabilities are offset on the balance sheet of the Group.

### 20 Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

A fair value measurement of a non-financial asset takes into account the Group's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of financial instruments traded in active markets is determined using quoted market prices at the balance date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

#### (a) Recognised fair value measurement

The Charter Hall Group and the Charter Hall Property Trust Group measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Investments in associates at fair value through profit or loss (Note 2)
- Investments in joint ventures at fair value through profit or loss (Note 3)
- Financial assets at fair value through profit or loss
- Derivatives (Note 14)

### 20 Fair value measurement continued

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Charter Hall Group's and Charter Hall Property Trust Group's assets and liabilities measured and recognised at fair value:

|  | Level 1<br>\$'m | Level 2<br>\$'m | Level 3<br>\$'m | Total<br>\$'m |
|--|-----------------|-----------------|-----------------|---------------|
| <b>Charter Hall Group</b>  |                 |                 |                 |               |
| <b>2023</b>  |                 |                 |                 |               |
| Financial assets at fair value through profit or loss              | 29.7            | –               | –               | 29.7          |
| Investments in joint ventures at fair value through profit or loss | –               | –               | 57.0            | 57.0          |
| Investments in associates at fair value through profit or loss     | –               | –               | 66.6            | 66.6          |
| Derivative financial instruments                                   | –               | 22.3            | 16.7            | 39.0          |
| <b>Total assets</b>  | <b>29.7</b>     | <b>22.3</b>     | <b>140.3</b>    | <b>192.3</b>  |
| Derivative financial instruments                                   | –               | (41.1)          | –               | (41.1)        |
| <b>Total liabilities</b>   | <b>–</b>        | <b>(41.1)</b>   | <b>–</b>        | <b>(41.1)</b> |
| <b>2022</b>  |                 |                 |                 |               |
| Financial assets at fair value through profit or loss              | 20.0            | –               | –               | 20.0          |
| Investments in associates at fair value through profit or loss     | –               | –               | 42.4            | 42.4          |
| Derivative financial instruments                                   | –               | 26.1            | 20.0            | 46.1          |
| Assets classified as held for sale                                 | –               | –               | 79.0            | 79.0          |
| <b>Total assets</b>  | <b>20.0</b>     | <b>26.1</b>     | <b>141.4</b>    | <b>187.5</b>  |
| Derivative financial instruments                                   | –               | (40.0)          | –               | (40.0)        |
| <b>Total liabilities</b>   | <b>–</b>        | <b>(40.0)</b>   | <b>–</b>        | <b>(40.0)</b> |
| <b>Charter Hall Property Trust Group</b>                           |                 |                 |                 |               |
| <b>2023</b>  |                 |                 |                 |               |
| Financial assets at fair value through profit or loss              | 29.7            | –               | –               | 29.7          |
| Investments in joint ventures at fair value through profit or loss | –               | –               | 57.0            | 57.0          |
| Investments in associates at fair value through profit or loss     | –               | –               | 66.6            | 66.6          |
| Derivative financial instruments                                   | –               | 22.3            | –               | 22.3          |
| <b>Total assets</b>  | <b>29.7</b>     | <b>22.3</b>     | <b>123.6</b>    | <b>175.6</b>  |
| Derivative financial instruments                                   | –               | (41.1)          | –               | (41.1)        |
| <b>Total liabilities</b>   | <b>–</b>        | <b>(41.1)</b>   | <b>–</b>        | <b>(41.1)</b> |
| <b>2022</b>  |                 |                 |                 |               |
| Financial assets at fair value through profit or loss              | 20.0            | –               | –               | 20.0          |
| Investments in associates at fair value through profit or loss     | –               | –               | 42.4            | 42.4          |
| Derivative financial instruments                                   | –               | 26.1            | –               | 26.1          |
| Assets classified as held for sale                                 | –               | –               | 79.0            | 79.0          |
| <b>Total assets</b>  | <b>20.0</b>     | <b>26.1</b>     | <b>121.4</b>    | <b>167.5</b>  |
| Derivative financial instruments                                   | –               | (40.0)          | –               | (40.0)        |
| <b>Total liabilities</b>   | <b>–</b>        | <b>(40.0)</b>   | <b>–</b>        | <b>(40.0)</b> |

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

#### (b) Disclosed fair values

The carrying amounts of current trade receivables and payables approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Charter Hall Group and Charter Hall Property Trust Group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.



## Notes to the Consolidated Financial Statements

(continued)

### 20 Fair value measurement continued

#### (c) Valuation techniques used to derive Level 2 fair values

##### Derivatives

Derivatives are classified as Level 2 on the fair value hierarchy as the inputs used to determine fair value are observable market data but not quoted prices.

The fair value of cross-currency interest rate swaps is determined using forward foreign exchange market rates and the present value of the estimated future cash flows at the balance date.

The fair value of interest rate swaps is determined using forward interest rates and the present value of the estimated future cash flows at the balance date.

Credit value adjustments are calculated based on the counterparty's credit risk using the counterparty's credit default swap curve as a benchmark. Debit value adjustments are calculated based on the Group's credit risk using debt financing available to the Group as a benchmark.

#### (d) Valuation techniques used to derive Level 3 fair values

##### Investments in associates

Certain unlisted property securities have been designated on initial recognition to be treated at fair value through profit or loss. Movements in fair value during the period have been recognised in the consolidated statement of comprehensive income. These assets have been acquired with the intention of being long-term investments. Where the assets in this category are expected to be sold within 12 months, they are classified as current assets; otherwise they are classified as non-current.

The fair value of investments in associates held at fair value through profit or loss, which are investments in unlisted securities, are determined by giving consideration to the unit prices and net assets of the underlying funds. The unit prices and net asset values are largely driven by the fair values of investment properties and derivatives held by the funds. Recent arm's length transactions, if any, are also taken into consideration.

The fair value of investments in associates at fair value through profit or loss is impacted by the price per security of the investment. An increase to the price per security results in an increase to the fair value of the investment.

##### Investments in joint ventures

The level 3 investment in joint ventures at fair value through profit or loss relates to a contractually linked instrument (CLI). The CLI is designated on initial recognition to be treated at fair value through profit or loss.

The fair value of the CLI is determined by reference to the credit risk of the tranche that the group holds directly. The underlying pool of instruments pay floating interest as does the tranche that the group holds directly.

##### Derivatives

The level 3 derivative relates to a share purchase option to call the remaining 50% of Paradise Investment Management (PIM) shares not yet acquired by the Group. The PIM share purchase option is designated on initial recognition to be treated at fair value through profit or loss. Movements in fair value during the period have been recognised in the consolidated statement of comprehensive income.

The fair value of the PIM share purchase option is determined using the Black-Scholes methodology.

The Group cannot sell the PIM share purchase option and should the option not be exercised or the Group otherwise elect to forfeit this right, 100% of the carrying value will be written off as a loss on derecognition in the statement of comprehensive income.

##### Look-through investment property

The use of independent external valuers is on a rotational basis at least once every 12 months, or earlier, where the Responsible Entity deems it appropriate or believes there may be a material change in the carrying value of the property. Independent external valuations were conducted on 98% of investment property as at 30 June 2023 on a look-through basis.

Movements in the inputs are likely to have an impact on the fair value of investment properties. An increase/(decrease) in gross market rent will likely lead to an increase/(decrease) in fair value. A decrease/(increase) in adopted capitalisation rate, adopted terminal yield or adopted discount rate will likely lead to an increase/(decrease) in fair value.

Where an independent valuation is not obtained, the fair value is determined using discounted cash flow and income capitalisation methods.

##### Assets classified as held for sale

Held for sale assets relate to management rights and units in an unlisted property trust subject to a share and unit sale agreement. The assets are measured at fair value less costs to sell and fair value is determined by reference to the agreed price in the sales agreement.

### 21 Related parties

#### (a) Parent entity

The parent entity of the Charter Hall Group is Charter Hall Limited. The parent entity of the Charter Hall Property Trust Group is the Charter Hall Property Trust.

#### (b) Controlled entities

Interests in controlled entities are set out in Note 22.

#### (c) Key management personnel

Below are the aggregate amounts paid or payable to key management personnel (including Non-Executive Directors):

|                                     | Charter Hall Group |                | Charter Hall Property Trust Group |                |
|-------------------------------------|--------------------|----------------|-----------------------------------|----------------|
|                                     | 2023<br>\$'000     | 2022<br>\$'000 | 2023<br>\$'000                    | 2022<br>\$'000 |
| Salary and fees                     | 3,214              | 3,221          | -                                 | -              |
| Non-Executive Director remuneration | 1,518              | 1,458          | -                                 | -              |
| Short-term incentives               | 4,761              | 6,060          | -                                 | -              |
| Superannuation                      | 76                 | 71             | -                                 | -              |
| PROP accounting fair value expense  | 5,821              | 5,135          | -                                 | -              |
| Non-monetary benefits               | 2                  | 2              | -                                 | -              |
|                                     | 15,392             | 15,947         | -                                 | -              |

Detailed remuneration disclosures are provided in the Remuneration Report on pages 52 to 76.

#### (d) Transactions with related parties

The following income was earned from related parties during the year:

|  | Charter Hall Group |                | Charter Hall Property Trust Group |                |
|--|--------------------|----------------|-----------------------------------|----------------|
|  | 2023<br>\$'000     | 2022<br>\$'000 | 2023<br>\$'000                    | 2022<br>\$'000 |
| <b>Associates</b>                            |                    |                |                                   |                |
| Accounting cost recoveries                   | 15,706             | 14,303         | -                                 | -              |
| Marketing cost recoveries                    | 5,253              | 4,540          | -                                 | -              |
| Transaction and performance fees             | 146,045            | 247,730        | -                                 | -              |
| Management and development fees              | 254,741            | 222,768        | -                                 | -              |
| Property management fees and cost recoveries | 99,049             | 76,816         | -                                 | -              |
| Development revenue                          | 204,599            | 260,720        | -                                 | -              |
| <b>Joint ventures</b>                        |                    |                |                                   |                |
| Accounting cost recoveries                   | 2,356              | 1,324          | -                                 | -              |
| Marketing cost recoveries                    | 471                | 435            | -                                 | -              |
| Transaction and performance fees             | 5,514              | 104,575        | -                                 | -              |
| Management and development fees              | 47,774             | 33,532         | -                                 | -              |
| Property management fees and cost recoveries | 20,975             | 14,141         | -                                 | -              |
| Development revenue                          | 9,071              | 65,621         | -                                 | -              |
| <b>Other</b>                                 |                    |                |                                   |                |
| Accounting cost recoveries                   | 1,396              | 1,216          | -                                 | -              |
| Marketing cost recoveries                    | 146                | 81             | -                                 | -              |
| Transaction and performance fees             | 14,158             | 19,708         | -                                 | -              |
| Management and development fees              | 19,155             | 10,163         | -                                 | -              |
| Property management fees and cost recoveries | 3,576              | 1,972          | -                                 | -              |
| Investment-related revenue                   | -                  | -              | 17,461                            | 14,952         |
| Development revenue                          | 3,263              | -              | -                                 | -              |
|  | 853,248            | 1,079,645      | 17,461                            | 14,952         |

During the year, the Group sold holdings in related party entities to other related parties totalling \$99.7 million (2022: \$116.9 million).

## Notes to the Consolidated Financial Statements

(continued)

### 21 Related parties continued

The following balances arising through the normal course of business were due from related parties at balance date:

|   | Charter Hall Group |                | Charter Hall Property Trust Group |                |
|---|--------------------|----------------|-----------------------------------|----------------|
|   | 2023<br>\$'000     | 2022<br>\$'000 | 2023<br>\$'000                    | 2022<br>\$'000 |
| <b>Associates</b>                         |                    |                |                                   |                |
| Investment management revenue receivables | 78,243             | 23,848         | -                                 | -              |
| Other receivables                         | 10,074             | 12,909         | -                                 | -              |
| Distributions receivable                  | 26,627             | 29,838         | 25,113                            | 28,998         |
| <b>Joint ventures</b>                     |                    |                |                                   |                |
| Investment management revenue receivables | 11,076             | 12,212         | -                                 | -              |
| Other receivables                         | 1,272              | 3,288          | -                                 | -              |
| Distributions receivable                  | 7,429              | 5,996          | 5,157                             | 5,996          |
| <b>Other</b>                              |                    |                |                                   |                |
| Investment management revenue receivables | 2,010              | 9,459          | -                                 | -              |
| Other receivables                         | 374                | 310            | -                                 | -              |
|   | 137,105            | 97,860         | 30,270                            | 34,994         |

### (e) Loans to/(from) related parties

|   | Charter Hall Group |                | Charter Hall Property Trust Group |                |
|---|--------------------|----------------|-----------------------------------|----------------|
|   | 2023<br>\$'000     | 2022<br>\$'000 | 2023<br>\$'000                    | 2022<br>\$'000 |
| <b>Loans to joint ventures</b>              |                    |                |                                   |                |
| Opening balances                            | 3,408              | 3,260          | -                                 | -              |
| Loans advanced                              | -                  | 1,583          | -                                 | -              |
| Loan repayments received                    | (32)               | (1,694)        | -                                 | -              |
| Interest received/receivable                | 283                | 259            | -                                 | -              |
| <b>Closing balance</b>                      | 3,659              | 3,408          | -                                 | -              |
| <b>Loans to other related parties</b>       |                    |                |                                   |                |
| Opening balances                            | -                  | 6,949          | -                                 | -              |
| Loan repayments received                    | -                  | (7,318)        | -                                 | -              |
| Interest received/receivable                | -                  | 369            | -                                 | -              |
| <b>Closing balance</b>                      | -                  | -              | -                                 | -              |
| <b>Loans from other related parties</b>     |                    |                |                                   |                |
| Opening balances                            | 11,000             | -              | -                                 | -              |
| Loans advanced                              | -                  | 11,000         | -                                 | -              |
| Loan repayments made                        | (5,500)            | -              | -                                 | -              |
| Interest charged                            | 1,594              | 1,278          | -                                 | -              |
| Interest paid/payable                       | (1,594)            | (1,278)        | -                                 | -              |
| <b>Closing balance</b>                      | 5,500              | 11,000         | -                                 | -              |
| <b>Loans to/(from) Charter Hall Limited</b> |                    |                |                                   |                |
| Opening balances                            | -                  | -              | -                                 | 12,281         |
| Loans advanced                              | -                  | -              | 249,242                           | 327,005        |
| Loan repayments received                    | -                  | -              | (388,268)                         | (338,494)      |
| Interest payable                            | -                  | -              | (4,799)                           | (792)          |
| <b>Closing balance</b>                      | -                  | -              | (143,825)                         | -              |

No provisions for expected credit losses have been raised in relation to any outstanding balances.

### (f) Fees paid to the Responsible Entity or its associates

Fees paid to the Responsible Entity of the Charter Hall Property Trust, and its associates, by the Charter Hall Property Trust Group amounted to \$2,951,000 (2022: \$4,208,000). At 30 June 2023, related fees payable amounted to \$624,000 (2022: \$4,827,000).

### 22 Controlled entities

#### (a) Critical judgements

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Critical judgements are made in assessing whether an investee entity is controlled or subject to significant influence or joint control. These judgements include an assessment of the nature, extent and financial effects of the Group's interest in investee entities, including the nature and effects of its contractual relationship with the entity or with other investors.

#### (b) Principal controlled entities

The Group's principal subsidiaries where the majority of activities are undertaken as at 30 June 2023 are set out below. The country of incorporation or registration is also their principal place of business, unless otherwise stated.

| Name of entity   | Country of incorporation | Principal activity   | Class of securities | 2023 % | 2022 % |
|--|--------------------------|----------------------|---------------------|--------|--------|
| <b>Controlled entities of Charter Hall Limited</b>               |                          |                      |                     |        |        |
| Charter Hall Holdings Pty Limited                                | Australia                | Property management  | Ordinary            | 100    | 100    |
| Charter Hall Opportunity Fund No. 5                              | Australia                | Property development | Ordinary            | 93     | 93     |
| Folkestone Limited   | Australia                | Property management  | Ordinary            | 100    | 100    |
| Charter Hall Social Infrastructure Limited                       | Australia                | Responsible entity   | Ordinary            | 100    | 100    |
| Charter Hall Direct Property Management Limited                  | Australia                | Responsible entity   | Ordinary            | 100    | 100    |
| Charter Hall FLK Funds Management Limited                        | Australia                | Responsible entity   | Ordinary            | 100    | 100    |
| Charter Hall Investment Management Limited                       | Australia                | Responsible entity   | Ordinary            | 100    | 100    |
| Charter Hall Retail Management Limited                           | Australia                | Responsible entity   | Ordinary            | 100    | 100    |
| Charter Hall WALE Limited  | Australia                | Responsible entity   | Ordinary            | 100    | 100    |
| Charter Hall Wholesale Management Limited                        | Australia                | Responsible entity   | Ordinary            | 100    | 100    |
| Charter Hall Development Services Pty Ltd                        | Australia                | Property development | Ordinary            | 100    | 100    |
| Folkestone No 3 Pty Limited                                      | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Opportunity Fund No. 6                              | Australia                | Property development | Ordinary            | 100    | 100    |
| Australian Leisure and Entertainment Property Management Limited | Australia                | Responsible entity   | Ordinary            | 100    | 100    |
| <b>Controlled entities of Charter Hall Property Trust</b>        |                          |                      |                     |        |        |
| Charter Hall Co-Investment Trust                                 | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 2                               | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 3                               | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 4                               | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 6                               | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 7                               | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 8                               | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 9                               | Australia                | Property investment  | Ordinary            | 100    | 100    |
| CHPT Exchange Trust  | Australia                | Property investment  | Ordinary            | 100    | 100    |
| CHPT RP2 Trust   | Australia                | Property investment  | Ordinary            | 100    | 100    |
| CHC Finance Pty Ltd  | Australia                | Financing entity     | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 10                              | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 11                              | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 12                              | Australia                | Property investment  | Ordinary            | 100    | 100    |
| Charter Hall Co-Investment Trust 13                              | Australia                | Property investment  | Ordinary            | 100    | -      |
| Charter Hall Co-Investment Trust 14                              | Australia                | Property investment  | Ordinary            | 100    | -      |
| Charter Hall Maxim Income Fund                                   | Australia                | Property Investment  | Ordinary            | *      | 100    |
| Charter Hall Wholesale Property Series No.2                      | Australia                | Property investment  | Ordinary            | *      | 45     |

\*Loss of control during the year



## Notes to the Consolidated Financial Statements

(continued)

### 23 Interests in unconsolidated structured entities

The Charter Hall Group considers its investments in associates and joint ventures to be unconsolidated structured entities, on the basis that the Group's voting rights are not the sole factor in determining whether control over an entity exists. Where the Group determines that control over an entity does not exist, the entity is recognised as an associate or joint venture of the Group for reporting purposes.

The activities and objectives of the unconsolidated structured entities of the Group include property investment for annuity income and medium to long-term capital growth and/or development profit.

The aggregate of all the Group's interests and maximum exposure to loss in unconsolidated structured entities, being the Group's interests in associates and joint ventures, are included in the table below:

|   | Charter Hall Group |                 | Charter Hall Property Trust Group |                 |
|---|--------------------|-----------------|-----------------------------------|-----------------|
|   | 2023<br>\$'m       | 2022<br>\$'m    | 2023<br>\$'m                      | 2022<br>\$'m    |
| <b>Current assets</b>   |                    |                 |                                   |                 |
| Trade receivables   | 8.5                | 17.5            | –                                 | –               |
| Distributions receivable  | 34.0               | 35.4            | 30.2                              | 34.6            |
| <b>Total current assets</b>   | <b>42.5</b>        | <b>52.9</b>     | <b>30.2</b>                       | <b>34.6</b>     |
| <b>Non-current assets</b>   |                    |                 |                                   |                 |
| Loans to related parties  | 3.7                | 3.4             | –                                 | –               |
| Investments at fair value through profit or loss                                | 96.3               | 42.4            | 96.3                              | 42.4            |
| Investments accounted for using the equity method                               | 3,066.7            | 3,033.1         | 2,621.4                           | 2,750.1         |
| <b>Total non-current assets</b>   | <b>3,166.7</b>     | <b>3,078.9</b>  | <b>2,717.7</b>                    | <b>2,792.5</b>  |
| <b>Total carrying amount of interests in unconsolidated structured entities</b> | <b>3,209.2</b>     | <b>3,131.8</b>  | <b>2,747.9</b>                    | <b>2,827.1</b>  |
| <b>Total funds under management in unconsolidated structured entities</b>       | <b>75,660.4</b>    | <b>79,911.0</b> | <b>59,961.7</b>                   | <b>79,911.0</b> |

There are no additional arrangements that would expose the Charter Hall Group or Charter Hall Property Trust Group to losses beyond the carrying amounts.

During the year, the Charter Hall Group earned fees from structured entities in its capacity as investment manager. Refer to Note 21 for further information.

No financial support has been provided to the funds beyond the loans disclosed in the above table.

### 24 Commitments

#### (a) Capital commitments

##### Charter Hall Group

The Group had no contracted capital commitments as at 30 June 2023 (2022: \$13.4 million relating to a development joint venture).

##### Charter Hall Property Trust Group

The Trust Group had no contracted capital commitments as at 30 June 2023 (2022: \$nil).

### 25 Contingent liabilities

The Group has nil contingent liabilities as at 30 June 2023 (2022: \$nil) other than the bank guarantees provided for under the bank facility held by Charter Hall Property Trust (refer to 13(a)).

### 26 Security-based benefits expense

#### (a) Charter Hall – Performance Rights and Options Plan (PROP)

| Charter Hall Group and Charter Hall Property Trust Group | 2020<br>Number | 2021<br>Number | 2022<br>Number   | 2023<br>Number | Total<br>Number  |
|--|----------------|----------------|------------------|----------------|------------------|
| <b>Performance rights</b>                                |                |                |                  |                |                  |
| Rights issued 25/11/19                                   | 713,588        | –              | –                | –              | 713,588          |
| Rights issued 26/11/20                                   | –              | 838,798        | –                | –              | 838,798          |
| Rights issued 11/09/21                                   | –              | –              | 4,094,224        | –              | 4,094,224        |
| Rights issued 11/11/21                                   | –              | –              | 905,776          | –              | 905,776          |
| Rights issued 14/12/21                                   | –              | –              | 794,630          | –              | 794,630          |
| Rights issued 17/11/22                                   | –              | –              | –                | 489,835        | 489,835          |
| Rights issued 17/11/22                                   | –              | –              | –                | 489,835        | 489,835          |
| <b>Performance rights issued</b>                         | <b>713,588</b> | <b>838,798</b> | <b>5,794,630</b> | <b>979,670</b> | <b>8,326,686</b> |
| <b>Number of rights forfeited/lapsed</b>                 |                |                |                  |                |                  |
| Prior years  | (52,619)       | (43,651)       | (40,804)         | –              | (137,074)        |
| Current year   | (21,811)       | (85,823)       | (63,654)         | (16,006)       | (187,294)        |
| <b>Number of rights vested</b>                           |                |                |                  |                |                  |
| Current year   | (327,074)      | –              | –                | –              | (327,074)        |
| <b>Closing balance</b>                                   | <b>312,084</b> | <b>709,324</b> | <b>5,690,172</b> | <b>963,664</b> | <b>7,675,244</b> |
| <b>Service rights</b>                                    |                |                |                  |                |                  |
| Rights issued 01/07/19                                   | 178,903        | –              | –                | –              | 178,903          |
| Rights issued 28/11/19                                   | 320,000        | –              | –                | –              | 320,000          |
| Rights issued 01/07/20                                   | –              | 672,282        | –                | –              | 672,282          |
| Rights issued 01/07/20                                   | –              | 319,856        | –                | –              | 319,856          |
| Rights issued 27/07/21                                   | –              | –              | 319,650          | –              | 319,650          |
| Rights issued 27/07/21                                   | –              | –              | 156,280          | –              | 156,280          |
| Rights issued 29/07/22                                   | –              | –              | –                | 284,654        | 284,654          |
| Rights issued 29/07/22                                   | –              | –              | –                | 449,657        | 449,657          |
| Rights issued 05/12/22                                   | –              | –              | –                | 25,818         | 25,818           |
| <b>Service rights issued</b>                             | <b>498,903</b> | <b>992,138</b> | <b>475,930</b>   | <b>760,129</b> | <b>2,727,100</b> |
| <b>Number of rights forfeited/lapsed</b>                 |                |                |                  |                |                  |
| Prior years  | –              | –              | –                | –              | –                |
| Current year   | (45,000)       | (12,621)       | (8,324)          | (10,212)       | (76,157)         |
| <b>Number of rights vested</b>                           |                |                |                  |                |                  |
| Prior years  | (178,903)      | (109,928)      | –                | –              | (288,831)        |
| Current year   | (80,000)       | (159,928)      | (78,140)         | –              | (318,068)        |
| <b>Closing balance</b>                                   | <b>195,000</b> | <b>709,661</b> | <b>389,466</b>   | <b>749,917</b> | <b>2,044,044</b> |

Further detail regarding the vesting conditions are included in the remuneration report section of the Directors' report.

#### (b) PROP expense

Total expenses related to the PROP recognised during the year as part of employee benefit expense were as follows:

|                                    | Charter Hall Group |              | Charter Hall Property Trust Group |              |
|------------------------------------|--------------------|--------------|-----------------------------------|--------------|
|                                    | 2023<br>\$'m       | 2022<br>\$'m | 2023<br>\$'m                      | 2022<br>\$'m |
| Performance rights and option plan | 12.6               | 12.4         | –                                 | –            |

## Notes to the Consolidated Financial Statements

(continued)

### 26 Security-based benefits expense continued

#### (c) PROP Valuation Inputs

The Black-Scholes or Monte Carlo method, as applicable, is utilised for valuation and accounting purposes. The model inputs to assess the fair value of the PROP rights granted during FY2023 are as follows:

|   | CHC<br>Performance<br>rights<br>Tranche 1 | CHC<br>Performance<br>rights<br>Tranche 2 | CHC<br>Service<br>rights –<br>Mandatory<br>Deferred STI | CHC<br>Service<br>rights –<br>Voluntary<br>Deferred STI |
|---|---|---|---|---|
| Grant date  | 17/11/2022                                | 17/11/2022                                | 29/07/2022  | 29/07/2022  |
| Stapled security price at grant date <sup>1</sup> | \$13.73                                   | \$13.73                                   | \$12.74   | \$12.74   |
| Fair value of right                               | \$9.93                                    | \$13.73                                   | \$12.74   | \$12.74   |
| Expected volatility <sup>2</sup>                  | 39.0%                                     | 39.0%                                     | 32.5%   | 34.9%   |
| Risk-free interest rate                           | 3.2%                                      | 3.2%                                      | 2.8%  | 2.8%  |

|   | CQR<br>Service<br>rights –<br>Mandatory<br>Deferred STI | CQE<br>Service<br>rights –<br>Mandatory<br>Deferred STI | CLW<br>Service<br>rights –<br>Mandatory<br>Deferred STI | CHC<br>Service<br>rights –<br>Sign-on<br>Rights |
|---|---|---|---|---|
| Grant date  | 29/07/2022  | 29/07/2022  | 29/07/2022  | 05/12/2022                                      |
| Stapled security price at grant date <sup>1</sup> | \$4.18  | \$3.78  | \$4.55  | \$13.38   |
| Fair value of right                               | \$4.18  | \$3.78  | \$4.55  | \$13.38   |
| Expected volatility <sup>2</sup>                  | 21.2%   | 26.8%   | 19.6%   | 35.0%   |
| Risk-free interest rate                           | 2.8%  | 2.8%  | 2.8%  | 3.0%  |

<sup>1</sup> The grant date reflects the date the rights were allocated. Participants are eligible and performance period commences from 1 July of the relevant financial year for performance rights.

<sup>2</sup> Expected volatility takes into account historical market price volatility.

Further detail regarding the vesting conditions are included in the remuneration report section of the Directors' report.

#### (d) Charter Hall General Employee Security Plan (GESP)

During the year, eligible employees received up to \$1,000 (2022: \$1,000) in stapled securities which vested immediately on issue but are held in trust until the earlier of the completion of three years' service or termination. An expense of \$601,656 (2022: \$601,666) was recognised in relation to this plan during the year. For the GESP, the cost of the stapled securities bought on-market to settle the award liability is included in employee benefits expense.

#### (e) Accounting policy

##### Security-based benefits

Security-based compensation benefits are provided to employees via the Charter Hall Performance Rights and Options Plan (PROP) and the General Employee Security Plan (GESP). For market-based performance rights, the fair value at grant date is independently valued using a Monte Carlo simulation pricing model that takes into account the exercise price, the term of the rights, impact of dilution, stapled security price at grant date, expected price volatility of the underlying stapled security, expected dividend yield and the risk-free interest rate for the term of the rights and market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. For non-market based performance rights, the fair value at grant date is independently valued using the Black-Scholes methodology. At each reporting date, the entity revises its estimate of the number of rights that are expected to vest. The employee benefits expense recognised each year takes into account the most recent estimate.

Upon the vesting of stapled securities, the balance of the stapled security-based benefits reserve relating to those stapled securities is transferred to equity, net of any directly attributable transaction costs.

### 27 Parent entity financial information

#### (a) Summary financial information

The individual financial statements for the parent entity of the Charter Hall Group, being Charter Hall Limited, and the parent entity of the Charter Hall Property Trust Group, being the Charter Hall Property Trust, have been prepared on the same basis as the Group's financial statements:

|  | Charter Hall Limited |              | Charter Hall Property Trust |                |
|--|----------------------|--------------|-----------------------------|----------------|
|  | 2023                 | 2022         | 2023                        | 2022           |
|  | \$'m                 | \$'m         | \$'m                        | \$'m           |
| <b>Balance sheet</b>                           |                      |              |                             |                |
| Current assets                                 | 327.9                | 219.1        | 74.8                        | 101.2          |
| Total assets                                   | 623.0                | 486.8        | 3,381.0                     | 1,924.3        |
| Current liabilities                            | 94.6                 | 122.5        | 62.8                        | 64.3           |
| Total liabilities                              | 482.4                | 351.9        | 1,684.9                     | 344.7          |
| <b>Shareholders' equity</b>                    |                      |              |                             |                |
| Issued capital                                 | 314.8                | 314.8        | 1,536.2                     | 1,538.0        |
| Other reserves                                 | (53.6)               | (53.6)       | 3.3                         | 4.0            |
| Accumulated profit/(losses)                    | (120.6)              | (126.3)      | 156.6                       | 37.6           |
| <b>Net equity</b>                              | <b>140.6</b>         | <b>134.9</b> | <b>1,696.1</b>              | <b>1,579.6</b> |
| <b>Profit for the year</b>                     | <b>96.4</b>          | <b>85.7</b>  | <b>229.4</b>                | <b>92.9</b>    |
| <b>Total comprehensive income for the year</b> | <b>96.4</b>          | <b>85.7</b>  | <b>229.4</b>                | <b>92.9</b>    |

Charter Hall Property Trust has total net assets of \$1.7 billion and liquidity through the inter-staple loan with Charter Hall Limited.

#### (b) Contingent liabilities of the parent entity

Charter Hall Limited and Charter Hall Property Trust had no contingent liabilities as at 30 June 2023 (2022: \$nil) other than the bank guarantees provided for under the bank facility held by Charter Hall Property Trust (refer to Note 13(a)).

#### (c) Contractual commitments

As at 30 June 2023, Charter Hall Limited had no contractual commitments (2022: \$nil).

As at 30 June 2023, Charter Hall Property Trust had no contractual commitments (2022: \$nil).



## Notes to the Consolidated Financial Statements

(continued)

### 28 Deed of cross guarantee

#### Charter Hall Group

Charter Hall Limited (CHL) and its wholly owned subsidiaries, Charter Hall Holdings Pty Ltd (CHH) and Folkestone Limited (FLK), are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, CHH and FLK have been relieved from the requirement to prepare financial statements and a Directors' report under ASIC Instrument 2016/785 issued by the Australian Securities and Investments Commission. FLK was added by assumption deed to the deed of cross guarantee from 3 May 2019.

#### (a) Consolidated statement of comprehensive income and summary of movements in consolidated accumulated losses

The above companies represent a 'closed group' for the purposes of the Instrument and, as there are no other parties to the deed of cross guarantee that are controlled by Charter Hall Limited, they also represent the 'extended closed group'.

Set out as follows is a consolidated statement of comprehensive income and a summary of movements in consolidated accumulated losses for the year of the closed group consisting of CHL, CHH and FLK.

|   | 2023<br>\$'m | 2022<br>\$'m |
|---|--------------|--------------|
| <b>Statement of comprehensive income</b>                                |              |              |
| Revenue   | 614.2        | 728.8        |
| Other net fair value adjustments  | (3.3)        | 20.0         |
| Employee benefits expense   | (184.8)      | (181.2)      |
| Depreciation and amortisation   | (8.2)        | (8.4)        |
| Finance costs   | (5.0)        | (2.3)        |
| Share of net profit of associates accounted for using the equity method | 14.6         | 13.2         |
| Other expenses  | (38.3)       | (48.6)       |
| <b>Profit before income tax</b>   | <b>389.2</b> | <b>521.5</b> |
| Income tax expense  | (111.2)      | (156.0)      |
| <b>Profit for the year</b>  | <b>278.0</b> | <b>365.5</b> |
| Accumulated profit at the beginning of the financial year               | 415.8        | 132.6        |
| Profit for the year   | 278.0        | 365.5        |
| Dividends paid/payable  | (90.7)       | (82.3)       |
| <b>Accumulated profit at the end of the financial year</b>              | <b>603.1</b> | <b>415.8</b> |

### 28 Deed of cross guarantee continued

#### (b) Balance sheet

Set out below is a consolidated balance sheet of the closed group consisting of CHL, CHH and FLK.

|   | 2023<br>\$'m   | 2022<br>\$'m   |
|---|----------------|----------------|
| <b>Assets</b>   |                |                |
| <i>Current assets</i>   |                |                |
| Cash and cash equivalents                                     | 281.3          | 380.0          |
| Receivables and other assets                                  | 128.5          | 101.0          |
| Net loans receivable from related entities                    | 35.6           | –              |
| <b>Total current assets</b>                                   | <b>445.4</b>   | <b>481.0</b>   |
| <i>Non-current assets</i>                                     |                |                |
| Loans due from Charter Hall Property Trust                    | 143.8          | –              |
| Investment in associates at fair value through profit or loss | 15.1           | 15.1           |
| Investment in associates                                      | 225.9          | 207.5          |
| Investments in controlled entities                            | 203.5          | 203.5          |
| Property, plant and equipment                                 | 14.1           | 15.1           |
| Intangible assets   | 71.0           | 71.0           |
| Right-of-use assets   | 16.1           | 20.8           |
| Deferred tax assets   | 5.8            | 4.7            |
| Derivative financial instruments                              | 16.7           | 20.0           |
| <b>Total non-current assets</b>                               | <b>712.0</b>   | <b>557.7</b>   |
| <b>Total assets</b>   | <b>1,157.4</b> | <b>1,038.7</b> |
| <b>Liabilities</b>  |                |                |
| <i>Current liabilities</i>                                    |                |                |
| Trade and other liabilities                                   | 165.3          | 242.5          |
| Lease liabilities   | 7.1            | 6.9            |
| <b>Total current liabilities</b>                              | <b>172.4</b>   | <b>249.4</b>   |
| <i>Non-current liabilities</i>                                |                |                |
| Trade and other liabilities                                   | 4.7            | 4.6            |
| Net loans due to related entities                             | 20.8           | 24.4           |
| Lease liabilities   | 16.4           | 19.5           |
| <b>Total non-current liabilities</b>                          | <b>41.9</b>    | <b>48.5</b>    |
| <b>Total liabilities</b>                                      | <b>214.3</b>   | <b>297.9</b>   |
| <b>Net assets</b>   | <b>943.1</b>   | <b>740.8</b>   |
| <b>Equity</b>   |                |                |
| Contributed equity  | 314.8          | 314.8          |
| Reserves  | 25.2           | 10.2           |
| Accumulated profit  | 603.1          | 415.8          |
| <b>Total equity</b>   | <b>943.1</b>   | <b>740.8</b>   |

### 29 Events occurring after the reporting date

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (a) The Group's operations in future financial years; or
- (b) The results of those operations in future financial years; or
- (c) The Group's state of affairs in future financial years.

## Notes to the Consolidated Financial Statements

(continued)

### 30 Summary of significant accounting policies

The significant policies which have been adopted in the preparation of these consolidated financial statements for the year ended 30 June 2023 are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### Changes in accounting policies

##### (a) New and amended standards adopted

No new accounting standards or amendments have come into effect for the year ended 30 June 2023 that affect the Group's operations or reporting requirements.

#### Significant accounting policies

##### (b) Controlled entities

The Charter Hall Group (Group or CHC) is a 'stapled' entity comprising Charter Hall Limited (Company or CHL) and its controlled entities, and Charter Hall Property Trust (Trust) and its controlled entities (CHPT Group). The shares in the Company are stapled to the units in the Trust. The stapled securities cannot be traded or dealt with separately. The stapled securities of the Group are listed on the Australian Securities Exchange (ASX). CHL has been identified as the parent entity in relation to the stapling.

The two Charter Hall entities comprising the stapled Group remain separate legal entities in accordance with the *Corporations Act 2001*, and are each required to comply with the reporting and disclosure requirements of Accounting Standards and the *Corporations Act 2001*.

As permitted by *ASIC Corporations (Stapled Group Reports) Instrument 2015/838*, this financial report is a combined financial report that presents the consolidated financial statements and accompanying notes of both the Charter Hall Group and the Charter Hall Property Trust Group.

The financial report of the Charter Hall Group comprises CHL and its controlled entities, including Charter Hall Funds Management Limited (Responsible Entity) as responsible entity for CHPT and CHPT and its controlled entities. The results and equity not directly owned by CHL, of CHPT, have been treated and disclosed as a non-controlling interest. Whilst the results and equity of CHPT are disclosed as a non-controlling interest, the stapled securityholders of CHL are the same as the stapled securityholders of CHPT. The financial report of the Charter Hall Property Trust Group comprises the Trust and its controlled entities.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*, and continue to be prepared on the going concern basis of accounting. The Charter Hall Group and Charter Hall Property Trust Group are for-profit entities for the purpose of preparing the consolidated financial statements.

On 6 June 2005, CHL acquired Charter Hall Holdings Pty Ltd (CHH). Under the terms of AASB 3 Business Combinations, CHH was deemed to be the accounting acquirer in this business combination. This transaction was therefore accounted for as a reverse acquisition under AASB 3. Accordingly, the consolidated financial statements of the Group have been prepared as a continuation of the consolidated financial statements of CHH. CHH, as the deemed acquirer, acquisition accounted for CHL as at 6 June 2005.

#### Group references in accounting policies

The accounting policies apply to both the Group and Charter Hall Property Trust Group unless otherwise stated in the relevant policy.

#### Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- assets held for sale – measured at the lower of carrying amount and fair value less costs to sell;
- investment properties – measured at fair value;
- investments in associates at fair value through profit or loss – measured at fair value;
- investments in financial assets held at fair value – measured at fair value; and
- derivative financial instruments.

##### (c) Principles of consolidation

###### (i) Controlled entities

The consolidated financial statements of the Charter Hall Group and the Charter Hall Property Trust Group incorporate the assets and liabilities of all controlled entities as at 30 June 2023 and their results for the year then ended.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of controlled entities are shown separately in the consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of changes in equity respectively.

### 30 Summary of significant accounting policies continued

##### (ii) Investments in associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for in the consolidated balance sheet at either fair value through profit or loss or by using the equity method. On initial recognition, the Group elects to account for investments in associates at either fair value through profit or loss or by using the equity method based on assessment of the expected strategy for the investment.

Under the equity accounted method, the Group's share of the associates' post-acquisition net profit after income tax expense is recognised in the consolidated statement of comprehensive income. The cumulative post-acquisition movements in results and reserves are adjusted against the carrying amount of the investment. Distributions and dividends received from associates are recognised in the consolidated financial report as a reduction of the carrying amount of the investment.

Investments in associates at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated statement of comprehensive income.

##### (iii) Joint arrangements

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

##### Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements.

##### Joint ventures

Interests in joint ventures are accounted for using the equity method, with investments initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been aligned where necessary to ensure consistency with the policies adopted by the Group.

##### (iv) Changes in ownership interests

When the Group ceases to equity account for an investment because of a loss of joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group.

If the ownership interest in a joint venture entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

##### (d) Foreign currency translation

###### (i) Functional and presentation currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is CHL's and CHPT's functional and presentation currency.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

###### (iii) Foreign currency translation

On consolidation, exchange differences arising from the translation of borrowings, and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

##### (e) Revenue recognition

The amount of revenue recognised in each period is based on the delivery of performance obligations and when control has been transferred to customers in accordance with the principles set out in AASB 15. Where the Group enters into contracts with multiple



## Notes to the Consolidated Financial Statements

(continued)

### 30 Summary of significant accounting policies continued

service components, judgement is applied to determine whether the components are:

- *distinct* – accounted for as separate performance obligations;
- *not distinct* – combined with other promised services until a distinct bundle is identified; or
- *part of a series* of distinct services that are substantially the same and have the same pattern of transfer to the customer.

For each performance obligation identified, it is determined whether revenue is recognised at a point in time or over time. Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided over the life of a contract as the services are performed;
- the customer controls the asset that the Group is creating or enhancing; or
- the Group's performance does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date.

At contract inception, the Group estimates the consideration to which it expects to be entitled and has rights to receive under the contract. Variable consideration, where the Group's performance could result in further revenue, is only included to the extent that it is highly probable that a significant reversal of revenue recognised will not occur.

In assessing the amount of consideration to recognise, key judgements and assumptions are made on a forward-looking basis where required.

To the extent revenue has not been received at reporting date, a receivable is recognised in the consolidated balance sheet.

#### Investment Management revenue

Fund management fees are received for performance obligations fulfilled over time with revenue recognised accordingly. Fund management fees are determined in accordance with relevant agreements for each fund, based on the fund's periodic (usually monthly or quarterly) Gross Asset Value (GAV).

Generally, invoicing of funds for management fees occurs on a quarterly basis and are receivable within 21 days.

Performance fees are for performance obligations fulfilled over time and for which consideration is variable. The fees for each applicable fund are determined in accordance with the relevant agreement which stipulates out-performance of a benchmark over a given period.

Performance fee revenue is recognised to the extent that it is highly probable that the amount of variable consideration recognised will not be significantly reversed when the uncertainty is resolved. Detailed calculations and an assessment of the risks associated with the recognition of the fee are completed to inform the assessment of the appropriate revenue to recognise.

Invoicing of funds for performance fees occurs in accordance with the contractual performance fee payment date.

A contract asset is recognised in the consolidated balance sheet at each reporting date in line with revenue recognised where the right to receive consideration remains conditional on future performance.

Transaction fee revenue is recognised at a point in time upon fulfillment of the performance obligation. This is usually the point at which control of the underlying asset being transacted has transferred to the buyer.

Transaction fees are invoiced when the performance obligation has been fulfilled and are receivable within 21 days.

#### Property Services revenue

Property services primarily include property management, development management, leasing, facilities and project management. Revenue is recognised either over time or at a point in time depending on the terms of the specific agreement for each type of service. Invoicing of funds for property services fees occurs on a monthly or quarterly basis and are receivable within 21 days.

#### Recovery of property and fund-related expenses revenue

Accounting, marketing and property management services provided to managed funds are charged as an expense recovery. Revenue is recognised over time as the performance obligations are fulfilled. Invoicing of funds for expense recoveries occurs on a monthly or quarterly basis depending on the recovery type and are receivable within 21 days.

#### Development revenue

Where Charter Hall has control of the underlying asset, revenue from the sale of development assets is recognised when control has been transferred to the customer. Where development assets have been recognised in relation to the enhancement of an asset controlled by the customer, revenue from the realisation of the development costs are recognised over time in accordance with the performance obligations of the contract.

Revenue is calculated by reference to the total consideration expected to be received in exchange for fulfilling the performance obligations under the contract. Any variable consideration is constrained to the amount that is highly probable to not significantly reverse. Revenue is recognised based on the most appropriate method that depicts the transfer of goods and services to the customer, generally the 'cost to cost' method.

A development asset is recognised in the consolidated balance sheet at each reporting date in line with revenue recognised where the right to receive consideration remains conditional on future performance.

Proceeds from the sale of development assets are invoiced and receivable in accordance with the relevant terms of the contract.

#### (f) Employee benefits

##### (i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

### 30 Summary of significant accounting policies continued

#### (ii) Long service leave

Liabilities for other employee entitlements which are not expected to be paid or settled within 12 months of reporting date are accrued in respect of all employees at present values of future amounts expected to be paid. Expected future payments are discounted using a corporate bond rate with terms to maturity that match, as closely as possible, the estimated future cash outflows.

#### (iii) Retirement benefit obligations

Contributions to employee defined contribution superannuation funds are recognised as an expense as they become payable.

#### (iv) Bonus plans

Charter Hall recognises a liability and an expense for amounts payable to employees. Charter Hall recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### (v) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- (a) when the Group can no longer withdraw the offer of those benefits; and
- (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### (g) Development assets

Costs incurred in fulfilling a development contract with a customer are recognised as a development asset.

Where Charter Hall has control of the asset, development costs are recorded at the lower of cost and net realisable value.

Where Charter Hall has incurred costs in relation to the enhancement of an asset controlled by the customer, a development contract asset is recognised in the consolidated balance sheet where the right to receive consideration remains conditional on future performance. Development assets are recorded at the lower of cost or the total consideration expected to be received less the total costs expected to be recognised as an expense. Where consideration is received in excess of revenue recognised, a development liability will be recognised.

Development assets are classified as non-current where the group is not contractually entitled to payment within 12 months from balance date.

#### (h) Investment properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment) held for the purpose of producing rental income, including properties that are under construction for future use as investment properties.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair value. Fair value of investment property is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. Gains and losses arising from changes in the fair values of investment properties are included in the consolidated statement of comprehensive income in the year in which they arise.

At each balance date, the fair values of the investment properties are assessed by the Responsible Entity with reference to independent valuation reports or through appropriate valuation techniques adopted by the Responsible Entity. Further information relating to valuation techniques can be found in Note 20(d).

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the consolidated statement of comprehensive income within net fair value gain/(loss) on investment property.

The carrying amount of investment properties recorded in the consolidated balance sheet takes into consideration components relating to lease incentives, leasing costs and fixed increases in operating lease rentals in future years.

#### (i) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Furniture, fittings and equipment 3 to 10 years
- Fixtures 5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive income.

## Notes to the Consolidated Financial Statements

(continued)

### 30 Summary of significant accounting policies continued

#### (j) Assets held for sale

Non-current assets or disposal groups are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as financial assets and investment property that are carried at fair value.

Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

#### (k) Impairment of non-monetary assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment in prior years are reviewed for possible reversal of the impairment at each reporting date.

#### (l) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, any non-controlling interest in the acquiree is recognised either at fair value or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the acquirer's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

#### (m) Financial Instruments

##### (i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for expected credit losses. Trade receivables are due for settlement no more than 21 days from the date of recognition. Expected credit losses in relation to trade receivables are reviewed on an ongoing basis.

##### (ii) Other financial assets

###### Classification

The Group classifies its other financial assets as being measured either:

- at fair value through other comprehensive income or through profit or loss; or
- at amortised cost.

The means by which the assets are measured depends upon how they are managed and the contractual terms of the cash flows.

###### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

###### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

##### (iii) Impairment

###### Trade receivables

For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which requires the use of the lifetime expected credit loss provision for all trade receivables from initial recognition of the receivables.

### 30 Summary of significant accounting policies continued

Any impairment loss is recognised through the consolidated statement of comprehensive income.

#### Debt instruments

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

##### (iv) Derivatives and hedge accounting

The Group uses derivatives to hedge its exposure to interest rates and foreign currency on borrowings. Derivative financial instruments are measured and recognised at fair value on a recurring basis.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either fair value hedges or cash flow hedges.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The Group's derivatives in place as at 30 June 2023 qualified as fair value and cash flow hedges under AASB 9. The Group's risk management strategies and hedge documentation are aligned with the requirements of AASB 9 and these relationships are therefore treated as continuing hedges.

###### Fair value hedges that qualify for hedge accounting

The gain or loss relating to interest payments on interest rate swaps hedging fixed-rate borrowings is recognised in profit or loss within finance costs. Changes in the fair value of derivative hedging instruments and the hedged fixed-rate borrowings attributable to interest rate risk are recognised within 'Net gains/(losses) from derivative financial instruments'. The gain or loss relating to the ineffective portion is also recognised in profit or loss within 'Net gains/(losses) from derivative financial instruments'.

###### Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'Net gains/(losses) from derivative financial instruments'. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast transaction that is hedged takes place). The gain or loss relating to the effective portion of cross-currency interest rate swaps hedging fixed-rate borrowings is recognised in profit or loss within 'Finance costs'.

###### Derivatives that do not qualify for hedge accounting

For derivative instruments that do not qualify for hedge accounting, changes in the fair value of the derivative instrument are recognised immediately in profit or loss.

#### (n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down unless there is an effective fair value hedge of the borrowings, in which case a fair value adjustment will be applied based on the mark to market movement in the benchmark component of the borrowings and this movement is recognised in profit or loss. If the facility has not been drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates. Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

###### Borrowing costs

Borrowing costs associated with the acquisition or construction of a qualifying asset, including interest expense, are capitalised as part of the cost of that asset during the period that is required to complete and prepare the asset for its intended use. Borrowing costs not associated with qualifying assets are expensed.

#### (o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

#### (p) Comparative information

Where necessary, comparative information has been adjusted to conform with changes in presentation in the current year.

#### (q) Rounding of amounts

Under the option provided by *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the financial statements, amounts in the Company and the Trust's consolidated financial statements have been rounded to the nearest hundred thousand in accordance with that ASIC Corporations Instrument, unless otherwise indicated.



## Directors' Declaration to Securityholders

In the opinion of the Directors of Charter Hall Limited (Company), and the Directors of the Responsible Entity of Charter Hall Property Trust (Trust), Charter Hall Funds Management Limited (collectively referred to as the Directors):

- (a) the financial statements and notes of Charter Hall Limited and its controlled entities including Charter Hall Property Trust and its controlled entities (Charter Hall Group) and Charter Hall Property Trust and its controlled entities (Charter Hall Property Trust Group) set out on pages 80 to 132 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of Charter Hall Group's and Charter Hall Property Trust Group's financial positions as at 30 June 2023 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that both Charter Hall Limited and the Charter Hall Property Trust will be able to pay their debts as and when they become due and payable; and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 28 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 28.

Note 30(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director and Group CEO and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



**David Clarke**  
Chair

Sydney  
21 August 2023

## Independent Auditor's Report



### Independent auditor's report

To the stapled securityholders of Charter Hall Limited and Charter Hall Property Trust

#### Report on the audit of the financial reports

#### Our opinion

In our opinion:

The accompanying financial reports of Charter Hall Limited and its controlled entities and Charter Hall Property Trust and its controlled entities (together "Charter Hall Group") and Charter Hall Property Trust and its controlled entities ("together Charter Hall Property Trust Group") are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Charter Hall Group's and the Charter Hall Property Trust Group's financial positions as at 30 June 2023 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What we have audited

The Charter Hall Group and Charter Hall Property Trust Group financial reports comprises:

- the consolidated balance sheets as at 30 June 2023
- the consolidated statements of comprehensive income for the year then ended
- the consolidated statement of changes in equity – Charter Hall Group for the year then ended
- the consolidated statement of changes in equity – Charter Hall Property Trust Group for the year then ended
- the consolidated cash flow statements for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration to securityholders.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial reports* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999  
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999

Liability limited by a scheme approved under Professional Standards Legislation.



### Independence

We are independent of the Charter Hall Group and Charter Hall Property Trust Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Our audit approach

An audit is designed to provide reasonable assurance about whether the financial reports are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial reports as a whole, taking into account the geographic and management structure of the Charter Hall Group and the Charter Hall Property Trust Group, their accounting processes and controls and the industry in which they operate.

The Charter Hall Group comprises Charter Hall Limited and the entities it controlled at year end or from time to time during the financial year and includes Charter Hall Property Trust and the entities it controlled at year end or from time to time during the financial year. The Charter Hall Property Trust Group comprises Charter Hall Property Trust and the entities it controlled at year end or from time to time during the financial year.

### Materiality

- We calculated materiality for the Charter Hall Group and the Charter Hall Property Trust Group and applied the lower of these two materiality amounts in the audit of both the Charter Hall Group and the Charter Hall Property Trust Group. For the purpose of our audit of Charter Hall Group and Charter Hall Property Trust Group we used overall quantitative materiality of \$22.0 million, which represents approximately 5% of Charter Hall Group's operating earnings.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial reports as a whole.
- We chose operating earnings (which is an adjusted profit metric) as the benchmark because, in our view, it is a generally accepted industry metric against which the performance of Charter Hall Group is regularly measured.

We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

### Audit Scope

- Our audit focused on where Charter Hall Group and Charter Hall Property Trust Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- We, as the group audit team, identified separate components of Charter Hall Group and Charter



Hall Property Trust Group. Component audit teams assisted the group engagement team to perform an audit of those components.

- At both the Charter Hall Group and Charter Hall Property Trust Group level, audit procedures were performed over group transactions and financial report disclosures.
- The work performed by component audit teams, together with the additional audit procedures performed at the Charter Hall Group and Charter Hall Property Trust Group level provided us with sufficient evidence for our opinion on the financial reports as a whole.
- As part of our audit, we also considered the potential impact of climate change on our risk assessment. We made enquiries of management to develop an understanding of the process that they adopted to assess the extent of the potential impact of climate change risk on the financial reports. We considered management's progress in developing its assessment, and in particular the assessment of the carrying value of investments accounted for using the equity method.
- In all of our audits, we also address the risk of management override of internal controls, including whether there was evidence of bias by the directors that may represent a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial reports for the current period. The key audit matters were addressed in the context of our audit of the financial reports as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit, Risk and Compliance Committee.

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b>Carrying value of investments accounted for using the equity method (Charter Hall Group and Charter Hall Property Trust Group) (Notes 2 &amp; 3)</b></p> <p>Charter Hall Group and Charter Hall Property Trust Group invest in both Funds Management and Property Investment entities, including certain underlying funds managed by Charter Hall Group. These funds comprise listed and unlisted funds which invest across a range of office, industrial, retail, social infrastructure and diversified property portfolios.</p> <p>These investments are typically classified as associates or joint ventures as the investor is considered to have significant influence or joint control.</p> <p>Investments in associates and joint ventures contribute a significant proportion of total income</p> | <p>Our audit procedures included evaluating the design of relevant controls relating to Charter Hall Group's and Charter Hall Property Trust Group's equity accounted investments process.</p> <p>To assess the carrying amount of investments accounted for using the equity method, our audit included the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• Updating our understanding of market conditions relating to the investments and discussing with management the particular circumstances affecting the investments.</li> <li>• Reperforming the equity method of accounting calculations by reference to underlying investee financial information.</li> <li>• For a sample of material acquisitions made during the year, agreeing certain transaction details to appropriate source documents.</li> <li>• Evaluating the assessments made by</li> </ul> |





| Key audit matter | How our audit addressed the key audit matter |
|------------------|--|
|------------------|--|

|  |   |
|--|---|
| <p>and total assets.</p> <p>In accordance with Australian Accounting Standards, interests in associates and joint ventures, need to be assessed for indicators of impairment at the reporting date. If indicators of impairment exist, the recoverable amount for each investment needs to be estimated. These assessments involve significant judgements in estimating future cash flows and the rate at which they are discounted and in evaluating fair value less costs to sell.</p> <p>Given the significance of these investments to the results and consolidated balance sheets of Charter Hall Group and Charter Hall Property Trust Group, together with the extent of judgement involved in light of the continued impact and uncertainty of the current economic environment in which Charter Hall Group and Charter Hall Property Trust Group operated, we consider this to be a key audit matter.</p> | <p>Charter Hall Group and Charter Hall Property Trust Group of whether there were any indicators of impairment.</p> <ul style="list-style-type: none"> <li>• For investments with indicators of impairment our procedures included:                             <ul style="list-style-type: none"> <li>○ evaluating the appropriateness of impairment assessment methodology and significant assumptions applied in calculating the recoverable amounts of the relevant investments</li> <li>○ performing testing over the mathematical accuracy of the underlying calculations.</li> </ul> </li> <li>• Assessing the reasonableness of the relevant disclosures in the financial reports in light of the requirements of Australian Accounting Standards.</li> </ul> |
|--|---|

**Revenue recognition – performance fees (Charter Hall Group) (Note 4)**

|   |   |
|---|---|
| <p>Australian Accounting Standards require variable revenue, such as performance fees, to be recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.</p> <p>We considered performance fees to be a key audit matter because of the:</p> <ul style="list-style-type: none"> <li>• Estimation uncertainty associated with estimating the period remaining from balance sheet date to performance fee crystallisation date and determining the degree of probability of revenue reversal during that period, including potential and uncertain economic impacts of inflation and interest rates on future property valuations.</li> <li>• The potential financial significance of performance fees to the Charter Hall Group results.</li> </ul> | <p>Our audit procedures included evaluating the design of relevant controls relating to the recognition and measurement of performance fee revenue.</p> <p>For a sample of funds with performance fees contracts, our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of revenue recognition against the requirements of Australian Accounting Standards (AASB15).</li> <li>• We evaluated the appropriateness of significant assumptions and data used to estimate the variable revenue in the context of Australian Accounting Standards and whether the judgements made in selecting them give rise to indicators of possible bias by Charter Hall Group. This included:                             <ul style="list-style-type: none"> <li>○ Agreeing the data in Charter Hall Group's calculations to source documents, where possible.</li> <li>○ Assessing the appropriateness of the key factors the Charter Hall Group considered to evaluate the probability of a revenue reversal</li> </ul> </li> </ul> |
|---|---|



| Key audit matter | How our audit addressed the key audit matter |
|------------------|--|
|------------------|--|

|  |   |
|--|---|
|  | <p>by comparing significant assumptions to those available in the industry.</p> <ul style="list-style-type: none"> <li>• Tested the mathematical accuracy, on a sample basis, of the performance fee calculations and assessed whether they were in accordance with the relevant agreements.</li> <li>• Where a performance fee was paid during the year, we inspected evidence of payment.</li> <li>• Assessed the reasonableness of the disclosures in the financial report, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.</li> </ul> |
|--|---|

**Other information**

The directors of Charter Hall Limited and the directors of Charter Hall Funds Management Limited, the responsible entity of Charter Hall Property Trust (collectively referred to as "the directors") are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial reports and our auditor's report thereon.

Our opinion on the financial reports does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the financial reports**

The directors are responsible for the preparation of the financial reports that give a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial reports that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors are responsible for assessing the ability of the Charter Hall Group and the Charter Hall Property Trust Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Charter Hall Group and the Charter Hall Property Trust Group or to cease operations, or have no realistic alternative but to do so.



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#### Auditor's responsibilities for the audit of the financial reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

A further description of our responsibilities for the audit of the financial reports are located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

#### Report on the remuneration report

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#### Our opinion on the remuneration report

We have audited the remuneration report included in pages 52 to 76 of the directors report for the year ended 30 June 2023.

In our opinion, the remuneration report of Charter Hall Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

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#### Responsibilities

The directors are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'E A Barron'.

E A Barron  
Partner

Sydney  
21 August 2023

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# Securityholder Analysis

## Holding distribution

as at 21 July 2023

| Range                | Stapled securities held | % of issued stapled securities | No. of holders |
|----------------------|-------------------------|--------------------------------|----------------|
| 100,001 and Over     | 441,124,460             | 93.26                          | 60             |
| 50,001 to 100,000    | 2,686,731               | 0.57                           | 37             |
| 10,001 to 50,000     | 8,638,128               | 1.83                           | 451            |
| 5,001 to 10,000      | 6,121,788               | 1.29                           | 854            |
| 1,001 to 5,000       | 11,404,597              | 2.41                           | 4,840          |
| 1 to 1,000           | 3,021,495               | 0.64                           | 8,122          |
| <b>Total</b>         | <b>472,997,199</b>      | <b>100.00</b>                  | <b>14,364</b>  |
| Unmarketable Parcels | 0                       | 0.00                           | 0              |

## Substantial Securityholder notices

as at 21 July 2023

| Ordinary securities                            | Date of change | Stapled securities held | % securities held |
|--|----------------|-------------------------|-------------------|
| Blackrock Group                                | 8 June 2023    | 28,601,704              | 6.04              |
| Mitsubishi UFJ Financial Group, Inc.           | 8 May 2023     | 35,330,326              | 7.47%             |
| First Sentier Investors Holdings Pty Limited   | 5 May 2023     | 35,330,326              | 7.47%             |
| KKR Entities                                   | 5 July 2022    | 28,140,643              | 5.95              |
| Commonwealth Bank of Australia                 | 1 July 2022    | 28,311,207              | 5.99              |
| Superannuation and In-vestments HoldCo Pty Ltd | 30 June 2022   | 28,140,653              | 5.95              |
| The Vanguard Group, Inc                        | 23 April 2019  | 47,641,144              | 10.23             |

## Top 21 registered equity Securityholders

as at 21 July 2023

| Rank                       | Name  | A/C designation                   | Units              | %IC           |
|----------------------------|---|-----------------------------------|--------------------|---------------|
| 1                          | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED             |                                   | 152,365,055        | 32.21         |
| 2                          | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED             |                                   | 128,652,616        | 27.20         |
| 3                          | CITICORP NOMINEES PTY LIMITED                         |                                   | 61,619,622         | 13.03         |
| 4                          | NATIONAL NOMINEES LIMITED                             |                                   | 30,981,299         | 6.55          |
| 5                          | BNP PARIBAS NOMS PTY LTD                              | <DRP>                             | 16,308,665         | 3.45          |
| 6                          | CITICORP NOMINEES PTY LIMITED                         | <COLONIAL FIRST STATE INV A/C>    | 14,299,802         | 3.02          |
| 7                          | BNP PARIBAS NOMINEES PTY LTD                          | <AGENCY LENDING DRP A/C>          | 11,626,436         | 2.46          |
| 8                          | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED             | <NT-COMNWLTH SUPER CORP A/C>      | 2,966,653          | 0.63          |
| 9                          | MR ANGUS DAVID ST JOHN PARADICE                       |                                   | 2,577,172          | 0.54          |
| 10                         | BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD | <DRP A/C>                         | 1,740,379          | 0.37          |
| 11                         | BNP PARIBAS NOMS(NZ) LTD                              | <DRP>                             | 1,655,612          | 0.35          |
| 12                         | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED             |                                   | 1,541,443          | 0.33          |
| 13                         | MR KEVIN PAUL BECK                                    |                                   | 1,325,156          | 0.28          |
| 14                         | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2     |                                   | 1,182,781          | 0.25          |
| 15                         | NETWEALTH INVESTMENTS LIMITED                         | <WRAP SERVICES A/C>               | 1,049,908          | 0.22          |
| 16                         | PORTMIST PTY LIMITED                                  |                                   | 841,773            | 0.18          |
| 17                         | ONE MANAGED INVESTMENT FUNDS LTD                      | <CHARTER HALL MAXIM PROPERTY SEC> | 631,345            | 0.13          |
| 18                         | TROY CHRISTOPHER ANGUS                                |                                   | 566,357            | 0.12          |
| 19                         | MATTHEW JAMES RIORDAN                                 |                                   | 555,704            | 0.12          |
| 20                         | JOHN CHRISTOPHER LAKE                                 |                                   | 555,704            | 0.12          |
| 21                         | WOODROSS NOMINEES PTY LTD                             |                                   | 505,572            | 0.11          |
| <b>Total</b>               |   |                                   | <b>433,549,054</b> | <b>91.66</b>  |
| <b>Balance of register</b> |   |                                   | <b>39,448,145</b>  | <b>8.34</b>   |
| <b>Grand total</b>         |   |                                   | <b>472,997,199</b> | <b>100.00</b> |

# Investor Information

## How do I invest in Charter Hall?

Charter Hall Group securities are listed on the Australian Securities Exchange (ASX: CHC).

Securityholders will need to use the services of a stockbroker or an online broking facility to invest in Charter Hall.

## Where can I find more information about Charter Hall?

Charter Hall's website, [www.charterhall.com.au](http://www.charterhall.com.au) contains extensive information on our Board and management team, corporate governance, sustainability, our property portfolio and all investor communications including distribution and tax information, reports and presentations. The website also provides information on the Group's other managed funds available for investment.

## Can I receive my Annual Report electronically?

Charter Hall provides its annual report as a PDF, accessible on its website. You can elect to receive notification that this report is available online via your Investor Centre login.

## How do I receive payment of my distribution?

Charter Hall pays its distribution via direct credit. This enables you to receive automatic payment of your distributions quickly and securely. You can nominate any Australian or New Zealand bank, building society, credit union or cash management account for direct payment by downloading a direct credit form using the Investor Login facility and sending it to Link Market Services. On the day of payment, you will be sent a statement via post or email confirming that the payment has been made and setting out details of the payment. The Group no longer pays distributions by cheque.

## Can I reinvest my distribution?

When operating, the Distribution Reinvestment Plan (DRP) allows you to have your distributions reinvested in additional securities in Charter Hall, rather than having your distributions paid to you. The DRP is currently not available.

## Do I need to supply my Tax File Number?

You are not required by law to supply your Tax File Number (TFN), Australian Business Number (ABN) or exemption. However, if you do not provide these details, withholding tax may be deducted at the highest marginal rate from your distributions. If you wish to provide your TFN, ABN or exemption, please contact Link Market Services or your sponsoring broker. You can also update your details directly using the Investor Centre Login facility.

## How do I complete my annual tax return for the distributions I receive from Charter Hall?

At the end of each financial year, the Group issue securityholders with an Annual Taxation Statement. This statement includes information required to complete your tax return. The distributions paid in February and August are required to be included in your tax return for the financial year the income was earned, that is, the distribution income paid in August 2023 should be included in your 2023 financial year tax return.

## How do I make a complaint?

Securityholders wishing to lodge a complaint should do so in writing and forward it to the Compliance Manager, Charter Hall at the address shown in the Contact details. In the event that a complaint cannot be resolved within a reasonable timeframe (usually 45 days) or you are not satisfied with the response, you can seek assistance the Australian Financial Complaints Authority (AFCA), an external complaints resolution service that has been approved by ASIC. AFCA's contact details are below:

Australian Financial  
Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

Phone 1800 931 678  
Email [info@afca.org.au](mailto:info@afca.org.au)  
Web [www.afca.org.au](http://www.afca.org.au)

# Contact Details

## Registry

To access information on your holding or update your details including name, address, tax file number, payment instructions and document requests, contact:

Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

Phone 1300 303 063 (within Australia)  
+61 2 8280 7134 (outside Australia)

Email [charterhall.reits@linkmarketservices.com.au](mailto:charterhall.reits@linkmarketservices.com.au)

Web [linkmarketservices.com.au](http://linkmarketservices.com.au)

## Investor Relations

All other enquiries related to Charter Hall Group can be directed to Investor Relations:

Charter Hall Group  
GPO Box 2704  
Sydney NSW 2001

Phone 1300 365 585 (within Australia)  
+61 2 8651 9000 (outside Australia)

Email [reits@charterhall.com.au](mailto:reits@charterhall.com.au)

Web [charterhall.com.au](http://charterhall.com.au)



# Corporate Directory

## Registered Office

Level 20, No.1 Martin Place  
Sydney NSW 2000

Phone +61 2 8651 9000

ASX code CHC

## Directors

David Clarke (Chair), Jacqueline Chow,  
Stephen Conry AM, David Harrison, Karen Moses,  
Greg Paramor AO and David Ross.

## Company Secretary

Mark Bryant

## Auditor

PricewaterhouseCoopers  
One International Towers Sydney  
Watermans Quay, Barangaroo  
Sydney NSW 2000

### Important information

This Annual Report has been prepared and issued by Charter Hall Limited (ABN 57 113 531 150) and Charter Hall Funds Management Limited (ABN 31 082 991 786; AFSL 262861) (CHFML) as Responsible Entity of the Charter Hall Property Trust (together, the Charter Hall Group or the Group). The information contained in this report has been compiled to comply with legal and regulatory requirements and to assist the recipient in assessing the performance of the Group independently and does not relate to, and is not relevant for, any other purpose.

This report is not intended to be and does not constitute an offer or a recommendation to acquire any securities in the Charter Hall Group. This report does not take into account the personal objectives, financial situation or needs of any investor. Before investing in Charter Hall Group securities, you should consider your own objectives, financial situation and needs and seek independent financial, legal and/or taxation advice. Historical performance is not a reliable indicator of future performance. Due care and attention has been exercised in the preparation of forward-looking statements. However, any forward-looking statements contained in this report are not guarantees or predictions of future performance and, by their very nature, are subject to uncertainties and contingencies, many of which are outside the control of the Group. Actual results may vary materially from any forward-looking statements contained in this report. Readers are cautioned not to place undue reliance on any forward-looking statements. Except as required by applicable law, the Group does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events.

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CHFML does not receive fees in respect of the general financial product advice it may provide; however, entities within the Charter Hall Group receive fees for operating the Charter Hall Property Trust in accordance with its constitution. Entities within the Group may also receive fees for managing the assets of, and providing resources to, the Charter Hall Property Trust. All information herein is current as at 30 June 2023 unless otherwise stated. All references to dollars (\$) or A\$ are to Australian Dollars unless otherwise stated.

Information regarding US Investors/US Persons:

Each person that holds Charter Hall Group securities that is in the United States (US) or is a US Person is required to be a Qualified Institutional Buyer/Qualified Purchaser (QIB/QP) at the time of the acquisition of any Charter Hall Group securities, and is required to make the representations in the confirmation letter or subscription agreement as of the time it acquired the applicable securities.

The securities can only be resold or transferred in a regular brokered transaction on the ASX in accordance with Rule 903 or 904 of Regulation S, where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with a US Person, or that the purchaser is in the United States or a US Person (e.g. no prearranged trades ("special crossing") with US Persons or other off-market transactions). To the maximum extent permitted by law, the Charter Hall Group reserves the right to:

- (i) request any person that they deem to be in the United States or a US Person, who was not at the time of acquisition of the securities a QIB/QP, to sell its securities;
- (ii) refuse to record any subsequent sale or transfer of securities to a person in the United States or a US Person; and
- (iii) take such other action as it deems necessary or appropriate to enable the Charter Hall Group to maintain the exception from registration under section 3(c) (7) of the Investment Company Act 1940 (US).

If you are not the beneficial owner of securities in the Charter Hall Group, you must pass this information to the beneficial owner of the securities.

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