

Appendix 4D

Financial Report For the Half Year Ended 31 December 2019

Name of Entity: Charter Hall Social Infrastructure REIT (ARSN 102 955 939)

Results for announcement to the market

	6 months to 31 December 2019 \$m	6 months to 31 December 2018 \$m	Variance (%)
Revenue from ordinary activities	66.1	61.0	8.3
Profit from ordinary activities after tax attributable to Unitholders	49.0	42.2	16.1
Operating earnings ¹	25.5	21.2	20.3

¹ Operating earnings is a financial measure which represents profit under Australian Accounting Standards adjusted for net fair value movements, non-cash accounting adjustments such as straight lining of rental income and amortisations and other unrealised or one-off items that are in the ordinary course of business or are capital in nature. The inclusion of operating earnings as a measure of Charter Hall Social Infrastructure REIT's (the Fund) profitability provides investors with the same basis that is used internally for evaluating operating segment performance. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare.

	6 months to 31 December 2019 Cents per unit	6 months to 31 December 2018 Cents per unit	Variance (%)
Basic earnings per unit	16.3	16.4	(0.6)
Operating earnings per unit	8.5	8.3	2.4

The Fund recorded a statutory profit of \$49.0 million for the half year ended 31 December 2019 (31 December 2018: \$42.2 million). Operating earnings amounted to \$25.5 million (8.5 cents per unit) for the half year ended 31 December 2019 (31 December 2018: \$21.2 million).

The Fund's statutory accounting profit of \$49.0 million includes the following unrealised, non-cash and other items:

- \$21.3 million of net fair value movements on investment properties (31 December 2018: \$22.6 million);
- \$1.1 million of straight lining of rental income and amortisation of lease fees/incentives (31 December 2018: \$1.1 million);
- \$0.5 million of gain on sale of investment properties (31 December 2018: loss of \$0.2 million);
- \$0.8 million of share of equity accounted non-operating profit (31 December 2018: nil); and
- (\$0.2) million of movement in derivatives (31 December 2018: loss of \$2.6 million).

Refer to the consolidated balance sheet, consolidated statement of comprehensive income and consolidated cash flow statement contained in the half year report released to the market for further details.

Details of Distributions

Distributions paid or declared by the Fund during the half year ending 31 December 2019 are as follows:

Quarter	Paid	Cents per unit	\$'000
Quarter ending 30 September 2019	21 October 2019	4.175	12,579
Quarter ending 31 December 2019	20 January 2020	4.175	12,603
Total		8.350	25,182

Record date for 31 December 2019 distribution

31 December 2019

Details of Distribution Reinvestment Plan

The Distribution Reinvestment Plan (“DRP”) was re-activated on 9 September 2014 and will apply to future distributions unless notice is given of its suspension or termination.

Applications to participate in or to cease or vary participation in the DRP were required to be correctly completed and lodged by 2 January 2020 if they were to apply to the December 2019 quarter distribution.

The key terms of the DRP are as follows:

- A 1.50% discount is applicable to units issued under the DRP.
- No brokerage, commission or other transaction costs will be payable by participants on units acquired under the DRP.
- Units acquired under the DRP rank equally with existing units on issue.
- The price at which units are allocated under the DRP is the daily volume weighted average market price of Charter Hall Social Infrastructure REIT’s units sold in the ordinary course of trading on the ASX during the 10-trading day period starting on the second business day after the record date.

Net Tangible Assets Per Unit

	31 December 2019	30 June 2019
Net tangible asset backing per ordinary unit ¹	\$3.05	\$2.96

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

Control Gained or Lost Over Entities During the Period

Nil to report.

Details of Associates and Joint Venture Entities

Refer to the Half Year Financial Report for further details. (Note B2: Investment in Joint Venture Entities).

Other Significant Information

For additional information regarding the results of the Fund for the half year ended 31 December 2019 please refer to the Half Year Results – ASX Media Announcement and the Half Year Results Presentation for the six months to 31 December 2019 lodged with the ASX.

Audit

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

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