

# Appendix 4E

## Annual Final Report

### For the Year Ending 30 June 2020

#### Results for announcement to the market

Name of entity

<b>Charter Hall Social Infrastructure REIT (ARSN 102 955 939)</b>
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#### Results for announcement to the market

	12 months to 30 June 2020 \$m	12 months to 30 June 2019 \$m	Variance (%)
Revenue from ordinary activities	86.2	78.7	9.5
Profit from ordinary activities after tax attributable to unitholders	85.9	68.7	25.0
Operating earnings <sup>1</sup>	51.1	44.2	15.6

<sup>1</sup> Operating earnings is a financial measure which represents profit under Australian Accounting Standards adjusted for net fair value movements, non-cash accounting adjustments such as straight lining of rental income and amortisations and other unrealised one-off items that are not in the ordinary course of business or are capital in nature. Operating earnings includes the rental revenue recognised in respect of tenants who have been (or will be) provided with rent free incentives as a result of COVID-19. This approach is consistent with the REIT'S treatment of rent-free incentives provided in the ordinary course of its operations, which are amortised over the term of the lease. The inclusion of operating earnings as a measure of the REIT's 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.

	12 months to 30 June 2020 cents	12 months to 30 June 2019 cents	Variance (%)
Basic earnings per unit	27.7	25.7	7.8
Operating earnings per unit	16.5	16.5	-

#### Results for announcement to the market

The REIT recorded a statutory profit of \$85.9 million for the year ended 30 June 2020 (30 June 2019: \$68.7 million). Operating earnings amounted to \$51.1 million (16.5 cents per unit) for the year ended 30 June 2020 (30 June 2019: \$44.2 million, 16.5 cents per unit).

The Fund's statutory accounting profit of \$85.9 million includes the following unrealised, non-cash and other one-off items:

- \$44.2 million of net fair value movements on investment properties (2019: \$36.6 million);
- \$2.8 million of straightlining of rental income and amortisation of lease fees/incentives (2019: \$2.3 million);
- (\$4.1) million of loss on sale of investment properties (2019: \$0.2 million);
- \$0.6 million of share of equity accounted non-operating profit (2019: loss of \$3.2 million);
- (\$6.1) million of movement in derivatives (2019: \$10.9 million);
- Provision for rent relief of (\$1.0) million; and
- Foreign exchange losses of (\$1.4) million.

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

## Details of Distributions

Distributions paid or declared by the Fund during the year ending 30 June 2020 are as follows:

Quarter	Paid	Cents per unit	\$m
Quarter ending 30 September 2019	21 October 2019	4.175	12.6
Quarter ending 31 December 2019	20 January 2020	4.175	12.6
Quarter ending 31 March 2020	21 April 2020	4.175	12.6
Quarter ending 30 June 2020	21 July 2020	3.475	12.6
Total		<b>16.0</b>	<b>50.4</b>

Record date for 30 June 2020 distribution – 30 June 2020

## 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 1 July 2020 if they were to apply to the June 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; and
- 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

	30 June 2020	30 June 2019
Net tangible asset backing per ordinary unit	\$2.92	\$2.96

## Details of entities over which control has been gained or lost during the year

Nil to report.

## Details of associates and joint venture entities

Refer to attached Annual Financial Report (Note B2: Investment in Joint Venture Entities).

## Other significant information

Nil to report.

## Foreign entities

Not applicable.

## **Commentary on the results for the year**

### **Returns to unitholders including distributions and buybacks**

There were no buybacks during the financial year (2019: nil).

### **Significant features of operating performance**

Refer to Annual Financial Report and ASX Announcement dated 11 August 2020.

### **Results of segments**

Refer to Annual Financial Report and ASX Announcement dated 11 August 2020.

### **Discussion of trends in performance**

Refer to Annual Financial Report and ASX Announcement dated 11 August 2020.

### **Factors which have affected the results in the year or which are likely to affect results in the future, including those where the effect could not be quantified**

Refer to Annual Financial Report and ASX Announcement dated 11 August 2020.

### **Audit of financial statements**

The report is based on audited financial statements.

### **Disputes with auditors or qualifications**

Nil

Signed:



**Grant Bartley Hodgetts**

Chairman

Dated: 11 August 2020