

Appendix 4D

Financial Report

For the Half Year Ended 31 December 2020

Results for announcement to the market

Name of entity

Charter Hall Social Infrastructure REIT (ARSN 102 955 939)

Results for announcement to the market

	Half Year Ended 31 December 2020 \$m	Half Year Ended 31 December 2019 \$m	Variance (%)
Revenue from ordinary activities	45.1	42.6	5.9
Profit from ordinary activities after tax attributable to unitholders	57.8	49.0	18.0
Operating earnings ¹	29.1	25.5	14.1

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 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.

	Half Year Ended 31 December 2020 cents	Half Year Ended 31 December 2019 cents	Variance (%)
Basic earnings per unit	16.0	16.3	(1.8)
Operating earnings per unit	8.0	8.5	(5.9)

Results for announcement to the market

The Fund recorded a statutory profit of \$57.8 million for the half year ended 31 December 2020 (31 December 2019: \$49.0 million). Operating earnings amounted to \$29.1 million (8.0 cents per unit) for the half year ended 31 December 2020 (31 December 2019: \$25.5 million; 8.5 cents per unit).

The Fund's statutory accounting profit of \$57.8 million includes the following unrealised, non-cash and other items:

- \$25.3 million of net fair value movements on investment properties (31 December 2019: \$21.3 million);
- \$1.0 million of straightlining of rental income and amortisation of lease fees/incentives (31 December 2019: \$1.1 million);
- \$0.1 million of gain on sale of investment properties (31 December 2019: gain of \$0.5 million);
- \$2.7 million of share of equity accounted profit (31 December 2019: \$0.8 million);
- \$(0.2) million of movement in derivatives (31 December 2019: loss of \$0.2 million); and
- \$(0.2) million of unrealised/realised foreign exchange losses (31 December 2019: nil).

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 half year ending 31 December 2020 are as follows:

Quarter	Paid	Cents per unit	\$m
Quarter ending 30 September 2020	21 October 2020	3.75	13.6
Quarter ending 31 December 2020	21 January 2021	3.75	13.6
Total		7.50	27.2

Record date for 31 December 2020 distribution – 31 December 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 4 January 2021 if they were to apply to the December 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 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 2020	30 June 2020
Net tangible asset backing per ordinary unit	\$3.03	\$2.92

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

During the period, the REIT established control over the following wholly owned subsidiaries: CQE Newstead Trust and CQE Keswick Trust.

Details of associates and joint venture entities

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

Other significant information

For additional information regarding the results of the REIT for the half year ended 31 December 2020 please refer to the Half Year Results – ASX Media Announcement and the Half Year Results Presentation for the six months to 31 December 2020 lodged with ASX. Attached with this Appendix 4D is a copy of the interim financial report for the half year ended 31 December 2020

Audit of financial statements

The accounts have been subject to review (refer attached Interim financial report).