

# ESG

FULL YEAR  
RESULTS

Charter Hall Social  
Infrastructure REIT

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## Acknowledgement of Country

Charter Hall is proud to work with our customers and communities to invest in and create places on lands across Australia. We pay our respects to the traditional owners, their elders past and present, and value their care and custodianship of these lands.

**Coming Together, 2021.**

'Coming Together' is an artwork which is reflective of strength, resilience and nurturing partnerships.

Frances Belle Parker (Yaegl)



# Agenda

1. Key Highlights and Strategy
2. Financial Performance
3. Portfolio Update
4. Outlook & Guidance
5. Additional Information

Cover: Emergency Command Centre, 33 Richmond Road, Keswick, Adelaide, SA  
Left: TAFE Queensland, 209 Robina Town Centre Drive, Robina, QLD



# 1 Key Highlights and Strategy

Kids Club  
Murrumbena, VIC

# Australia largest diversified ASX-listed social infrastructure REIT

FY22 EPU of 17.3 cpu, an 8.1% increase on FY21

## Financial

### EPU / DPU

**17.3c / 17.2c**

Increase of 8.1% / 9.6%<sup>1</sup> on FY21

### Valuation Uplift<sup>2</sup>

**\$269.4m**

Increase of 19.4% from 30 June 2021

### New Acquisitions

**\$232.7m**

High quality social infrastructure assets

## Balance Sheet

### Gross Assets

**\$2.1bn**

Increase of 35.0% from 30 June 2021

### Investment Capacity

**\$160m**

### NTA per Unit

**\$4.08**

Increase of 25.5% from 30 June 2021

## Property Portfolio

### WALE

**14.3yrs**

### Occupancy

**100%**

### Metropolitan Location<sup>3</sup>

**80%**

1. Exclusive of 4.0 cpu special distribution paid in FY21

2. Like-for-like valuation uplift – excludes acquisitions and developments completed in the year and assets held for sale.

3. By income

## Our Strategy

Provide investors with secure income and capital growth through exposure to social infrastructure property



### Enhancing income sustainability and resilience

- Improving the quality of tenants and leases within a diversified social infrastructure portfolio
- Targeting properties providing essential services underpinned by Government support



### Targeting ongoing capital growth

- Focus on assets with the following attributes:
  - Modern assets with limited competition and low substitution risk, driving high tenant retention rates
  - Strategic locations with high underlying land values
  - Predominantly triple net lease structures with minimal capex leakage



### Portfolio curation

- Active portfolio curation through acquisitions, developments and divestments
- Increased weighting to larger scale assets with high quality tenant covenants and divesting smaller non-core assets

# Delivering on Strategy

\$232.7 million of acquisitions in diversified social infrastructure assets with superior tenants on long leases

## Childcare

- 23<sup>1</sup> high quality childcare assets acquired for \$157.3 million with long leases on average of 14.0 years to premium operators including Goodstart, G8 Education and Only About Children
- 6 development assets completed with a total value of \$42.3 million and average leases of 16.7 years delivering valuation gains of \$8.6 million or 25%

## Healthcare

- Acquisition of 2<sup>2</sup> strategically located healthcare assets for \$43.4 million within established metropolitan medical precincts on long leases to operators including ASX-listed Healius

## Government / Tertiary Education

- Completion of the SA Emergency Command Centre (currently valued at \$87.2 million) leased to the South Australian Government on a 15-year lease
- Acquisition of a 50% interest<sup>2</sup> in a recently completed TAFE Queensland education campus acquired in a Gold Coast growth corridor with a 10-year lease (\$32.0 million investment)

## Continued Portfolio Curation

- Divestment of 4<sup>3</sup> non-core childcare assets with reduced WALE of 6.1 years for \$16.5 million, achieving 69% premium to prior valuation

1. 21 assets settled with remaining 2 assets to settle in HY23  
2. Settlement of 50% interest in the TAFE Queensland and Wise Medical properties expected to occur in September 2022  
3. 2 assets settled with remaining 2 assets to settle in HY23



Eden Academy, Bardon, QLD



Healius Specialist Diagnostic Services, Heidelberg, VIC



TAFE Queensland & Wise Medical, Robina, QLD

## CQE ESG Leadership

Partnering with tenant and investor customers to deliver meaningful change

### Climate action

Focusing on onsite and offsite renewables

#### CQE operational performance:

- Partnered with the GBCA to **create Australia's first operational performance rating tool** for Social Infrastructure assets
- **GRESB:** Awarded a B rating for Public Disclosure measuring portfolio wide approach to ESG. Real Estate participant in 2022

#### Long term renewables

- CQE has participated in Charter Hall's Group-wide **7-year power purchase agreement (PPA)** signed with global renewable energy giant ENGIE where it has operational control of electricity procurement
- Charter Hall is **Foundational Clean Energy Partner** for three solar farms currently in development, in addition to an established wind farm
- Will provide **151GWh of wind and solar power** annually to 152 Charter Hall sites
- Direct investment in Australia's transition to a **clean energy future**

### Achievements in FY22



#### Clean Energy

CQE has approved \$8.6m to provide solar solutions across its portfolio in partnership with tenants

CQE has 212KW of solar installed across its portfolio



#### Reduction in emissions<sup>1</sup>

CQE has 100% renewable electricity powering 2 assets in operational control

Charter Hall has achieved 59% reduction in emissions<sup>1</sup> driven by 100% supply of renewable electricity to our workplaces, Office and Industrial sectors



#### Innovation in ESG performance

CQE partnered with the GBCA on the piloting a new Green Star Performance tool for Social Infrastructure

### Focus areas in FY23+

ADVANCING NET  
**ZERO**

**100% net zero carbon emissions** by 2030<sup>1</sup>



#### Scope 3 emissions

CQE establishing Scope 3 Target aligned to Science Based Target initiative



#### Ongoing disclosure

Independent verification of ESG disclosure/data, aligned to the TCFD, Global Reporting Initiative, PRI, UNGC and DJSI

Willogoleche Wind Farm (ENGIE)

1. Scope 1 and Scope 2 emissions in operational control



# CQE ESG Leadership

Partnering with tenant and investor customers to deliver meaningful change

## Strong communities

Delivering social value

### CQE:

– Early Learning Fund partnership over 2 years will provide fee-free early learning for **55 children**

– Celebrated NAIDOC week 2022 in partnership with author Alton Walley and local school children as part of Charter Hall's Reconciliation Action Plan

### As part of Charter Hall's FY22 progress:

– Contributed **\$5.6m to community partnerships**, philanthropic donations, disaster relief, community activations at our assets, volunteering and provision of space to community organisations

– Aligned to our 1% Pledge commitment, invested **\$1.27m in social enterprise** and community initiatives, up 72% from FY21

– Delivered over **191 employment outcomes** for vulnerable Australians

– Provided **\$579k in crisis support** to UNICEF, GIVIT and Foodbank combating the impacts of COVID-19 and flooding, access to vaccinations and emergency support for Ukrainian families

## Achievements in FY22



### Community partnerships

CQE and Charter Hall established 2-year partnership with Goodstart to provide children in need access to early learning



### Responsible Governance

CQE governed by an independent Board which prioritises diversity and inclusion of all types and currently reports 40% female directors



### Employer of Choice

Charter Hall awarded the WGEA Employer of Choice for Gender Equality citation and recognised as an industry leader for initiatives to achieve gender equality

## Focus areas in FY23+



### Creating employment for vulnerable youth

Charter Hall targeting 1,200 employment outcomes by 2030



### Growing future capability

Retaining and developing key talent to support future growth



### Reconciliation Action Plan (RAP)

Building capacity with First Nation businesses and community, following approval of Charter Hall's RAP



Bay Plaza, Hervey Bay QLD



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# 2 Financial Performance

Only About Children  
Camberwell, VIC

## Earnings Summary

- Net property income increased by \$12.5 million or 17.4% on the previous corresponding period (pcp) driven by:
  - Like-for-like growth of \$1.8 million; and
  - \$10.7 million from net property acquisitions, development and disposal activity
- Operating expenses increases attributable to portfolio growth and new acquisitions
- Increase in finance costs driven by debt funded acquisitions and an increase in interest rates
- Operating earnings of \$62.9 million, an increase of 8.4% on FY21

\$m	FY21	FY22	% change
Net Property Income <sup>1</sup>	72.0	84.5	17.4
Distribution Income	2.2	1.9	(13.6)
Operating Expenses	(9.2)	(12.0)	(30.4)
Finance Costs <sup>2</sup>	(7.0)	(11.5)	(64.3)
<b>Operating Earnings</b>	<b>58.0</b>	<b>62.9</b>	<b>8.4</b>
<b>EPU (cpu)</b>	<b>16.0</b>	<b>17.3</b>	<b>8.1</b>
<b>DPU (cpu)</b>	<b>15.7<sup>3</sup></b>	<b>17.2</b>	<b>9.6</b>

1. Inclusive of 50% share of Net Property Income from Brisbane Bus Terminal Joint Venture (\$2.9 million)

2. Net of Interest Income and Inclusive of 50% share of Finance Costs from Brisbane Bus Terminal Joint Venture debt facility

3. Excludes 4.0 cent per unit special distribution paid in respect of FY21

## Balance Sheet

- \$507.9 million growth in investment properties<sup>1</sup>, up 34.2% driven by:
  - Net property revaluation uplift of \$269.4 million<sup>1</sup>;
  - \$168.8 million of acquisitions transacted during the period; and
  - \$53.1 million of expenditure on childcare developments and completion of SA Emergency Command Centre
- NTA per unit of \$4.08 representing a 25.5% increase from 30 June 2021

\$m	30 June 2021	30 June 2022
Cash	5.3	10.5
Investment Properties	1,448.0	1,945.9
Investment in JV (Brisbane Bus Terminal)	35.3	45.3
Securities	43.4	51.5
Other Assets	10.0	28.0
<b>Total Assets</b>	<b>1,542.0</b>	<b>2,081.2</b>
Distribution Payable	29.4	16.1
Debt	300.0	553.0
Unamortised borrowing costs	(2.9)	(4.9)
Other Liabilities	37.2	24.2
<b>Total Liabilities</b>	<b>363.7</b>	<b>588.4</b>
<b>Net Assets</b>	<b>1,178.3</b>	<b>1,492.8</b>
No. of Units	362.6	365.5
<b>NTA Per Unit</b>	<b>\$3.25</b>	<b>\$4.08</b>

1. Inclusive of 50% share of the Brisbane Bus Terminal investment property

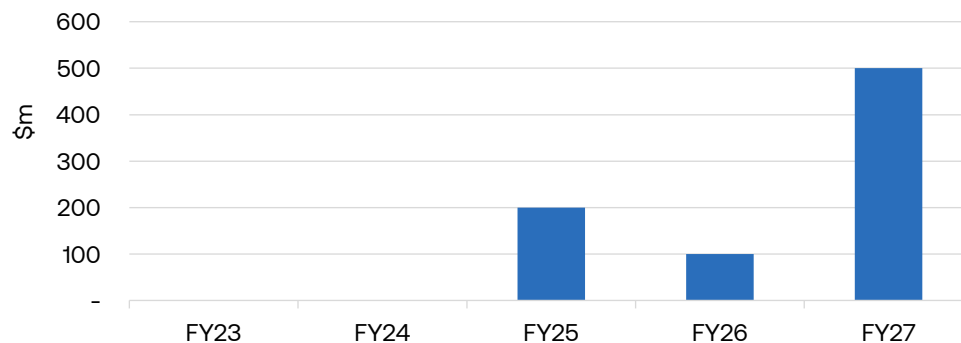
## Capital Management

- Facilities extended and increased to \$800 million in February 2022
- Available investment capacity of \$160 million
- Diversified funding sources with no debt maturity until January 2025
- Balance sheet gearing of 29.8%<sup>1</sup> below target gearing range of 30-40%
- Weighted average debt maturity of 3.9 years
- 59% hedging in place for FY23 with average hedging of 56% through to June 2025

1. Balance sheet and look through gearing are calculated as total borrowings net of unrestricted cash/total assets less unrestricted cash and has been adjusted to include contracted acquisitions and disposals, the completion of the childcare development pipeline and payment of June quarter distribution. Unadjusted balance sheet gearing and look-through gearing as at 30 June 2022 was 26.2% and 27.1% respectively
2. Calculated as at 30 June 2022 based upon BBSY of 1.86% and drawn debt of \$553.0 million. Weighted Average cost of debt on a fully drawn basis is 3.1%
3. Calculated as at 30 June 2022 based upon BBSY of 1.86% and drawn debt of \$553 million and includes amortisation of borrowing costs. All-in cost of debt on a fully drawn basis is 3.3%
4. Hedged debt comprises \$225 million of interest rate swaps and a \$100 million interest rate cap at 3.0%
5. Average hedged rate of \$225 million of interest rate swaps

Debt & Hedging Summary as at	30 June 2021	30 June 2022
Facility Limit (\$m)	600	800
Debt Drawn Amount (\$m)	300	553
Weighted Average Debt Maturity (years)	4.1	3.9
Balance Sheet Gearing <sup>1</sup> (%)	24.5	29.8
Look-through Gearing <sup>1</sup> (%)	25.6	30.7
Weighted Average Cost of Debt <sup>2</sup> (% p.a.)	2.8	3.2
All-in Cost of Debt <sup>3</sup> (% p.a.)	3.3	3.4
Balance Sheet Debt Hedged (\$m)	225	325 <sup>4</sup>
Average Amount Hedged (%)	68	56 <sup>4</sup>
Average Hedged Rate (% p.a.)	0.54	0.54 <sup>5</sup>
Average Hedge Maturity (years)	4.2	3.6

### Debt maturity profile (by facility limit)





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# 3

## Portfolio Update

Kids Club  
Murrumbeena, VIC

# Portfolio Summary

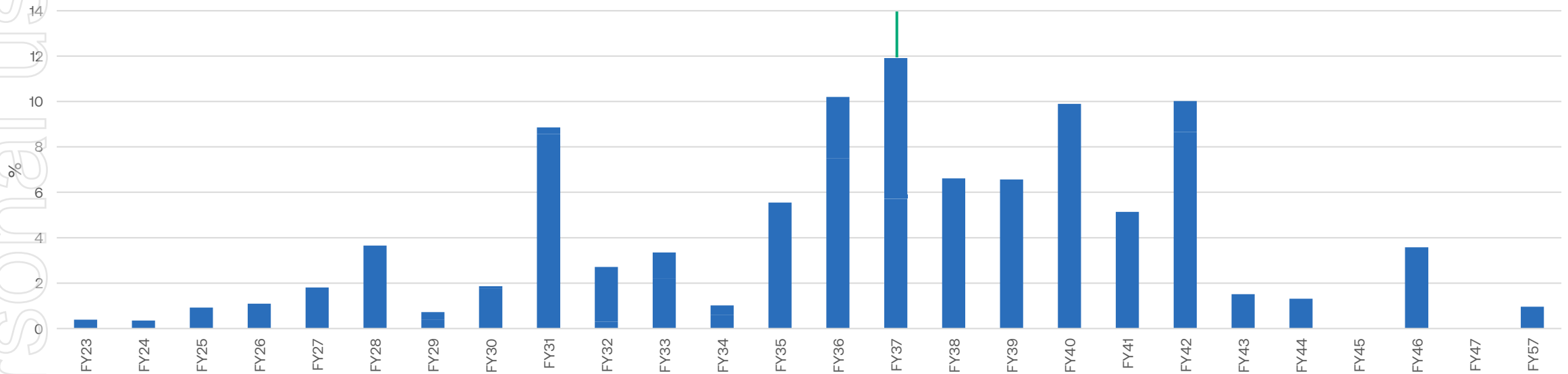
- Property portfolio value increased 38.8% to \$1.97 billion for FY22
- Net annual property income up by 17.3% to \$92.7 million per annum
- Weighted average lease expiry (WALE) of 14.3 years
- Less than 5% lease income expiring within the next 5 years

	June 2021	June 2022
Number of operating properties	341	368
Number of tenants	38	41
Property valuation (\$m) <sup>1</sup>	1,417.8	1,968.4
Net property income (\$m)	79.0	92.7
Passing yield (%)	5.6	4.7
Occupancy (%)	100	100
Weighted Average Lease Expiry (yrs)	15.2	14.3

1. Excluding developments

Lease expiry profile by % of annual rent: FY23 – FY57

WALE: 14.3 years

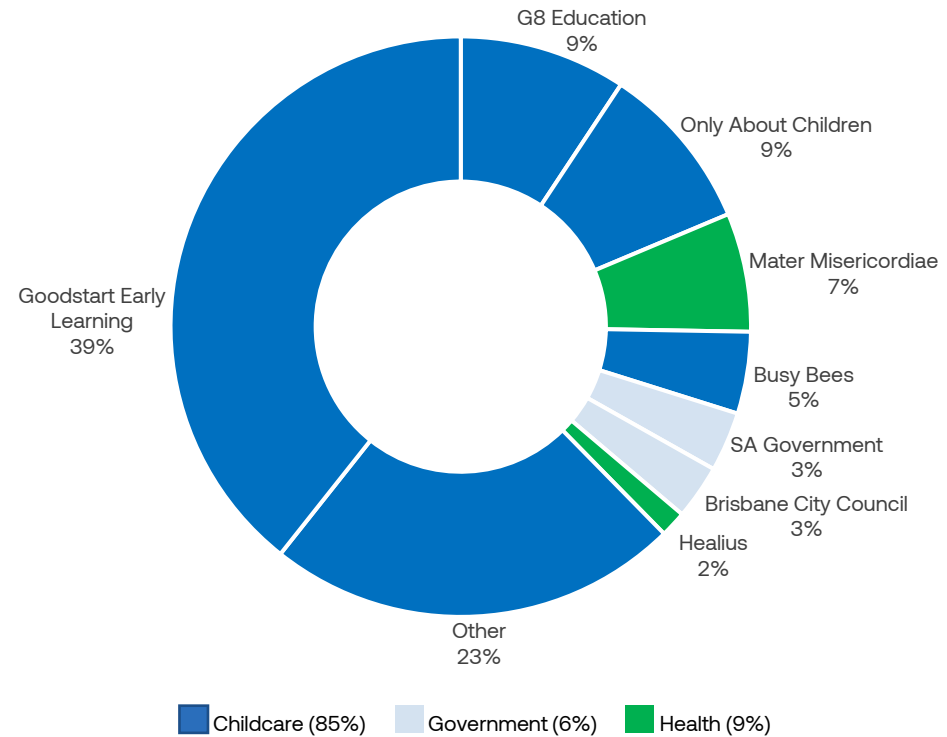


## Portfolio Summary

44% of rental income subject to market rent reviews in next 5 years

- Key portfolio income metrics:
  - Top 5 tenant customers: 69%
  - Metropolitan location: 80%
  - Eastern seaboard location: 79%
- 75% of leases with annual fixed rent reviews (average fixed increase of 3.0%) and 25% of lease reviews linked to CPI
- Forecast weighted average rent reviews of 3.5% to June 2023
- 44% of rental income subject to market rent reviews within the next 5 years

Tenant profile by % of annual rent as at 30 June 2022





## Portfolio Valuations

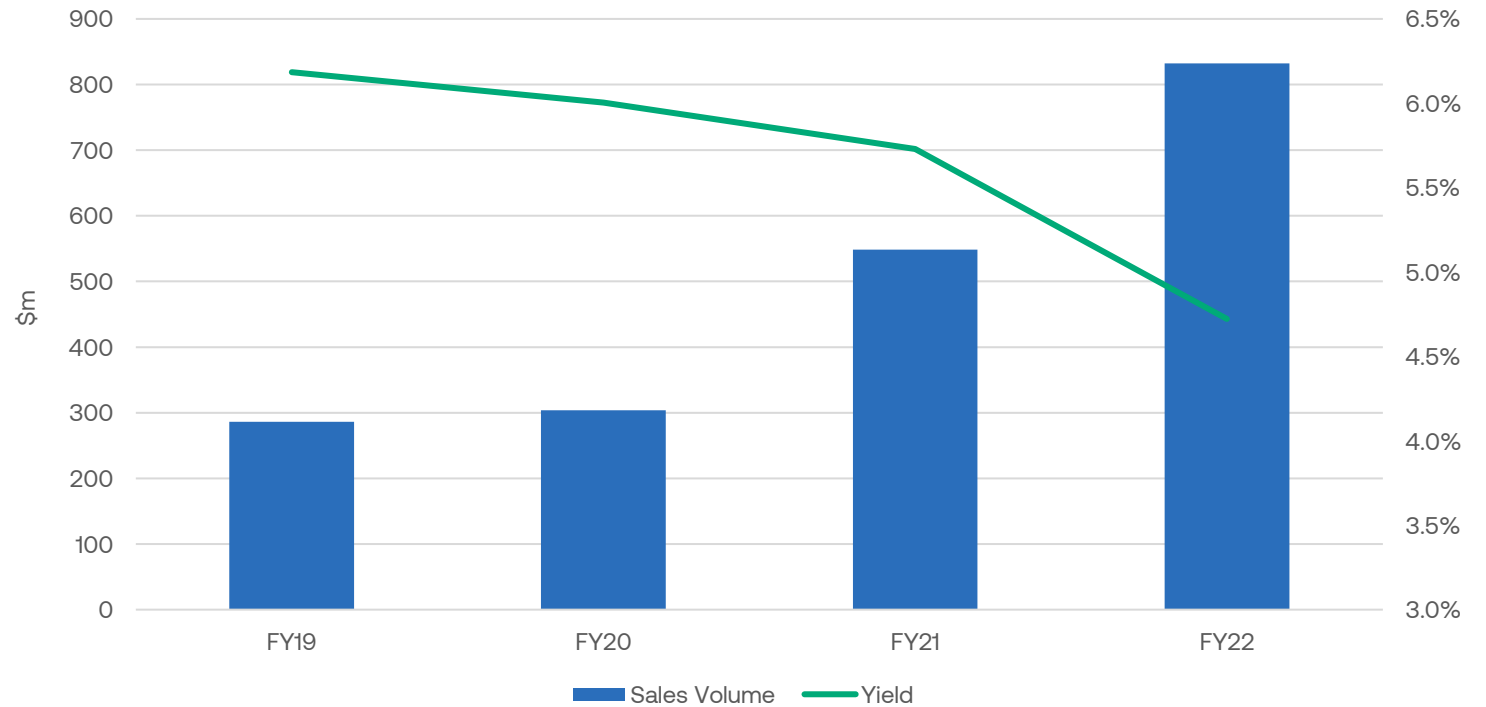
Valuation uplift of \$269.4 million<sup>1</sup> highlights continuing income resilience and essential nature of social infrastructure assets

- 100% of the operational property portfolio by gross asset value were independently valued as at 30 June 2022, with a 19.4% increase on like-for-like June 2021 book values<sup>1</sup>
- Passing yield across property portfolio is now 4.7%
- Childcare transaction volume in FY22 increased by 52% on FY21 reaching a record level of \$832 million in sales at an average yield of 4.7%
- Capitalisation rates have continued to compress for all social infrastructure property assets, reflecting ongoing strong demand for long WALE assets in 'essential' sectors with stable income

Like-for-like Portfolio Valuations

No. Assets	Value (\$m)	Yield (%)	Valuation Uplift (\$m)	Valuation Uplift (%)
337	1,657.7	4.7%	269.4	19.4

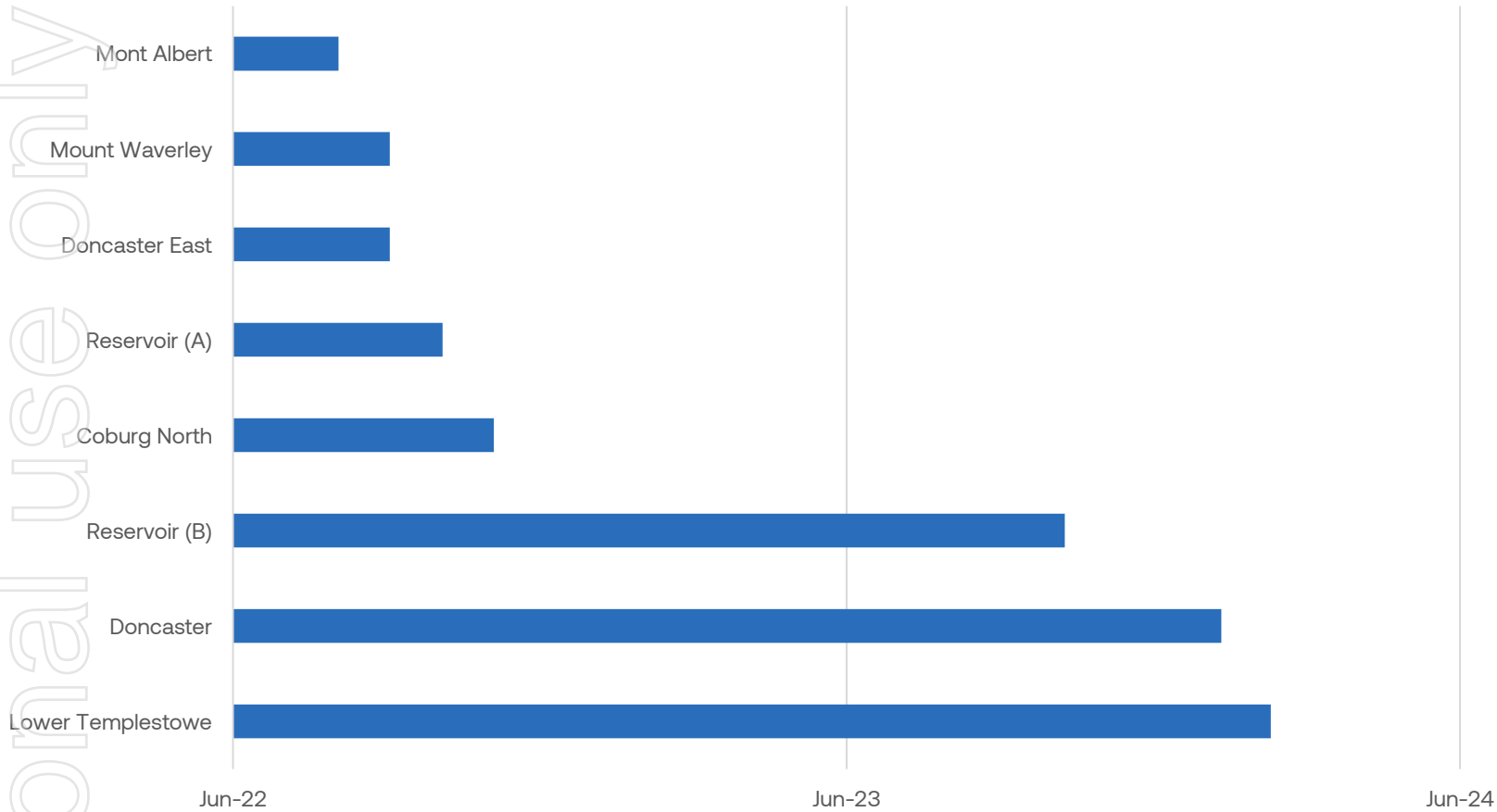
Australian childcare transaction volume and yields<sup>2</sup>



1. Like-for-like valuation uplift excludes development sites, assets held for sale, as well as acquisitions and developments completed in the year. As at 30 June 2022, the value of assets held for sale is \$7.7 million and the value of acquisitions and developments completed in the period is \$303 million  
 2. CQE data

# Childcare Development Pipeline

5 developments due for completion in HY23, providing purpose-built, high quality assets



Completed Developments	30 June 2022
Number	6
Valuation upon completion (\$m)	42.3
Valuation Uplift (\$m)	8.6
Average yield on cost (%)	5.8

Ongoing Developments	30 June 2022
Number	8
Average forecast yield on cost (%)	5.6
Expenditure to date (\$m)	42.7
Forecast cost to completion (\$m)	18.5

## Childcare Industry

Government funding to sector forecast to increase by 25% over next four years

- Importance of sector continues as labour supply mechanism to Australian economy and provision of quality educational outcomes to children:
  - Annual government funding expected to increase by 25% to \$12.4<sup>1</sup> billion in FY26 with bi-partisan support
- The recently elected Federal Labor Government to provide further funding increases to improve childcare affordability effective in July 2023
- State government funding changes to 3 and 4 year-old kindergarten programs to further improve educational outcomes and participation levels
- Female labour force participation rate at record level of 62.5% in June 2022
- Operator performance is strong despite challenging environment for operators in attracting and retaining staff
- As at 30 June 2022, there are 8,556<sup>2</sup> LDC centres in Australia with a net increase in supply of 224 (2.7%) for FY22, the lowest level of net growth in LDC centres since 2016:
  - Annual supply growth rate has moderated from 3.7% in FY21
  - Property level vacancy estimated at ~1%

<sup>1</sup> Portfolio Budget Statements 2022-23 – Budget Related Paper 1.4 – Education, Skills and Employment Portfolio  
<sup>2</sup> ACECQA data





# 4 Outlook & Guidance

Brisbane Bus Terminal  
Eagle Farm, QLD

## Outlook & Guidance

- Continue to execute on strategy and pursue opportunities with strong tenant and property fundamentals in the social infrastructure sector
- CQE confirms that based on information currently available and barring any unforeseen events, the FY23 forecast distribution guidance is 17.2 cpu



Kids Club, Murrumbeena, VIC

FY23 forecast distribution  
guidance of 17.2 cpu

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# 5

## Additional Information

## Portfolio Overview

- Majority of leases in the portfolio are triple net
- Combination of fixed (75%) and CPI linked (25%) annual rent reviews
- Total land holdings of 95.8 hectares:
  - 80% metropolitan location<sup>1</sup>
  - 69% residential zoning<sup>1</sup>
- Bank guarantees typically 6 months, totalling \$40.4 million in aggregate

As at 30 June 2022	No.	Value (\$m)	% Portfolio <sup>1</sup>	Passing Yield (%)
QLD	121	530.3	25.7	4.7
VIC	83	463.0	22.5	4.6
NSW	84	318.1	15.4	4.9
ACT	2	16.0	0.8	5.1
WA	41	213.9	10.4	4.7
SA	29	92.8	4.5	5.4
TAS	2	7.0	0.3	4.4
NT	2	7.1	0.3	4.9
<b>Total Childcare<sup>2</sup></b>	<b>364</b>	<b>1,648.2</b>	<b>79.9</b>	<b>4.8</b>
Mater Headquarters & Training Facilities	1	127.0	6.2	4.8
Brisbane Bus Terminal <sup>3</sup>	1	70.0	3.4	4.0
SA Emergency Command Centre	1	87.2	4.2	4.5
Healius Specialist Diagnostic Services	1	36.0	1.7	4.0
Developments – Childcare	8	42.7	2.1	-
Arena REIT (ASX: ARF) Units	-	51.5	2.5	3.8 <sup>4</sup>
<b>Total Portfolio</b>	<b>376</b>	<b>2,062.6</b>	<b>100.0</b>	

1. Proportion of portfolio by income

2. Includes 33 leasehold properties with a value of \$24.9 million with passing yield of 18.0%

3. Equity value of CQE 50% interest in Brisbane Bus Terminal is \$45.3 million, net of asset level debt of \$26.1 million and other assets of \$1.4 million

4. CQE holds a 3.5% interest in Arena REIT. Passing Yield based on FY23 distribution guidance of 16.8 cpa and closing price at 12 August 2022 of \$4.45

# CQE Case studies - Partnering with tenant and investor customers to deliver meaningful change



## Supporting 55 vulnerable children in vital early learning

In Australia, many children cannot access early learning and care because of their family circumstances. To be part of the solution Charter Hall has established a 2-year partnership with Goodstart Early Learning assisting at least 55 vulnerable families to provide their children with the benefits of early learning

Goodstart CEO Julia Davison said she's thrilled to be working with our existing partner, Charter Hall, to make a real difference in the lives of children thanks to this philanthropic funding

Travis Butcher, Fund Manager for the Charter Hall Social Infrastructure REIT (CQE) said *"We're proud to be part of a solution that is creating more inclusive communities, where no child in Australia misses out on vital access to early learning and care before they start school."*

[Charter Hall x Goodstart Early Learning: Lauren's Story](#)



## Setting the foundations for healthier, safer and more resilient places for essential workers, children and local communities

Partnered with the Green Building Council of Australia (GBCA) to pilot Australia's first Green Star Performance tool for childcare

Many of Charter Hall's social infrastructure assets are leased under an arrangement whereby operations and maintenance, including upgrades, are the responsibility of tenants. This has been a barrier to sustainability ratings like Green Star and hindered access to operational performance data. Our new partnership with GBCA will change this

With Australia's largest Green Star footprint and a high-scale strategy in place, Charter Hall now aims to be the leading ESG fund in social infrastructure. *"Green Star will now, for the first time, provide social infrastructure with a foundational platform to apply an independent rating tool to measure and benchmark performance"*, said Andrew Cole, Group Head of ESG at Charter Hall. More information can be found [here](#)



## Driving ESG into asset acquisition, new developments and stabilised portfolio

### Example – SA Emergency Command Centre

#### Aligned with best practice independent rating tools

NABERS: Designed and constructed to achieve a minimum 5-star NABERS Base Building Energy rating and a minimum 4-star NABERS Base Building Water rating

Green Star: Designed and constructed to achieve a minimum 5-star Design and As-built rating and a 5-star Green Star Interiors rating

#### Environmental design outcomes

Onsite solar supporting clean energy generation onsite (99kW solar system), LED lighting, external sun shading and rainwater reuse for irrigation

#### Powered by 100% renewable electricity

Advancing our Net Zero emissions target (scope 1 and 2) for assets under operational control, from FY22 the property has been powered by 100% renewable electricity



## Delivering on Strategy

\$232.7 million deployed into diversified social infrastructure assets with superior tenants on long leases



Asset Name	TAFE Queensland / Wise Medical	Healius Specialist Diagnostic Services	Childcare Portfolios
Number of assets	2 <sup>1</sup>	1	23 <sup>2</sup>
Location	Robina, QLD	Heidelberg, VIC	VIC / QLD / WA
Major Tenant/s	Queensland Government	Healius (ASX:HLS)	G8 Education (ASX:GEM) / Goodstart
WALE <sup>3</sup>	10.0 years	9.3 years	14.0 years
Purchase Price	\$40.0 million <sup>4</sup>	\$35.4 million	\$157.3 million
Passing Initial Yield	4.4%	4.0%	4.7%

1. 2 assets due to settle in September 2022

2. 21 centres settled in FY22, 1 centre settled in July 2022 and 1 centre due to settle in October 2022

3. WALE at completion / acquisition

4. Purchase price for 50% interest held by CQE

# Social Infrastructure Overview

Spending on social infrastructure forecast to increase, providing further opportunities for CQE



## Childcare

Rising female workforce participation rate and growing number of children aged <5 years<sup>1</sup>.

Government subsidy to increase by 25% reaching \$12.4 billion in FY25<sup>2</sup>.



## Education

Tertiary education in Australia generates almost \$30 billion of export income and employs over 250,000 people with an enrolment greater than 4 million students<sup>3</sup>.

Total Government spending on education is set to increase by 8% to \$46 billion by FY25<sup>2</sup>.



## Health

The proportion of Australia's population aged over 65 is projected to grow 21% by 2066<sup>1</sup>.

Annual Government spending to increase by 5% to \$103 billion for FY25<sup>2</sup>.



## Transport and Communication

Increased road, rail and air infrastructure is required to service the growing population.

Annual Government investment in transport and communication to average \$16 billion through FY25<sup>2</sup>.

<sup>1</sup> Australian Infrastructure Audit 2019

<sup>2</sup> Commonwealth of Australia – Budget Strategy and Outlook Paper No.1, May 2021

<sup>3</sup> EwC – Where next for tertiary education, August 2020

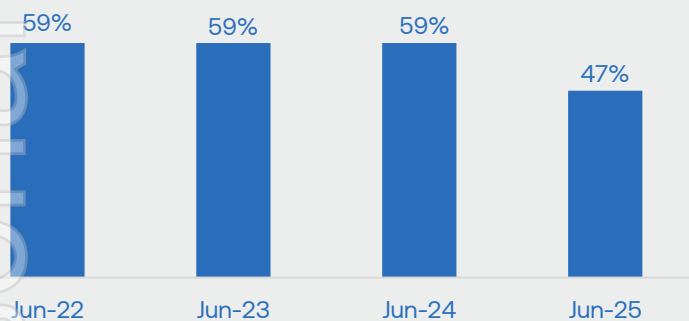
## Statutory Profit Reconciliation

Statutory Profit Reconciliation	FY21 (\$m)	FY22 (\$m)
<b>Operating Earnings</b>	<b>58.0</b>	<b>62.9</b>
Net fair value gain on investment properties	110.0	269.9
Net movements on derivative financial instruments	2.6	20.3
Straightlining of rental income, amortisation of lease fees and incentives	3.5	5.5
Ground rent on leasehold properties	1.4	1.4
Other	(1.4)	(1.5)
<b>Statutory Profit</b>	<b>174.1</b>	<b>358.5</b>

## Debt facility summary

- \$0.8 billion of look through debt facilities across CQE's head trust and joint venture arrangement
- Weighted average debt maturity term of 3.9 years as at 30 June 2022
- Considerable headroom to balance sheet and joint venture debt facility covenants
- Average hedging 56% through to June 2025

Hedging profile as at 30 Jun 2022<sup>1</sup>



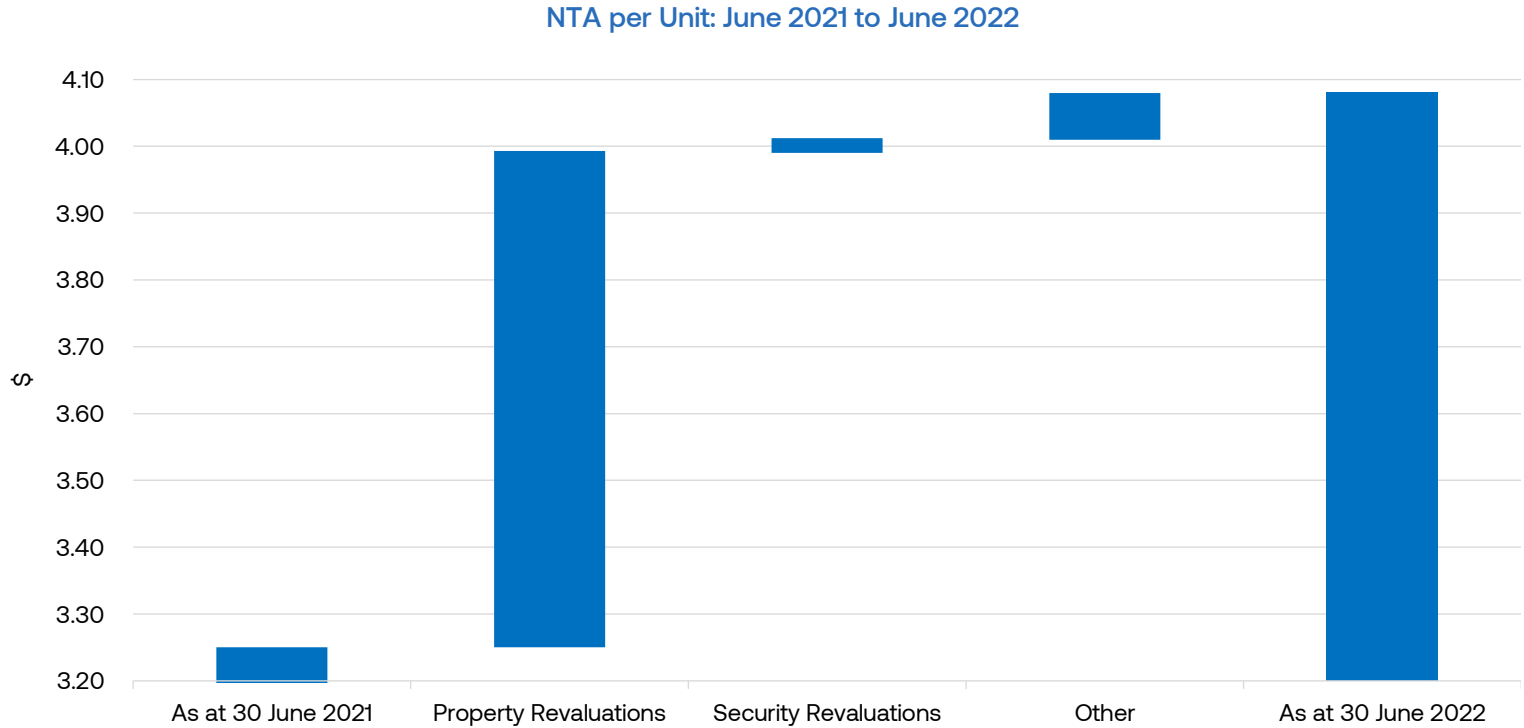
Debt summary (\$m) – 30 June 2022	Limit	Drawn	Maturity	Gearing (covenant)	ICR (covenant)
<b>Balance sheet debt</b>					
International bank bilateral debt facility	100.0	100.0	Jan-25		
Domestic bank bilateral debt facility	100.0	100.0	Feb-25		
International bank bilateral debt facility	150.0	-	Jan-27	29%	6.8x
Domestic bank bilateral debt facility	150.0	53.0	Feb-27	(50%)	(2.5x)
Domestic bank bilateral debt facility	200.0	200.0	Dec-26		
Institutional term loan	100.0	100.0	Aug-25		
<b>Total balance sheet debt</b>	<b>800.0</b>	<b>553.0</b>			
<b>Joint venture debt (CQE interest)</b>					
				<b>LVR</b>	
Bus Network Terminal debt facility	26.2	26.2	Aug-27	37.3%	4.7x
				(60%)	(1.6x)
<b>Total joint venture debt</b>	<b>26.2</b>	<b>26.2</b>			
<b>Total look through debt</b>	<b>826.2</b>	<b>579.2</b>			

1. Hedge profile based on drawn debt as at 30 June 2022

## NTA Reconciliation

As at 30 June 2022 CQE had a NTA per unit of \$4.08 reflecting an increase of 25.5% from \$3.25 as at 30 June 2021

- Increase in NTA per unit primarily driven by:
  - property revaluation uplift of \$270.5 million<sup>1</sup> or \$0.74 per unit; and
  - valuation uplift on ARF securities of \$8.1 million or \$0.02 per unit



1. \$288.5 million property valuation uplift (inclusive of \$9.0 million uplift on 50% interest in Brisbane Bus Terminal) less revaluation decrement attributable to acquisition costs, straight lining of rental income and amortisation of incentives and leasing fees

## Key Statistics

Financial & Capital Management Metrics	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
NTA (\$)	1.82	2.14	2.51	2.78	2.96	2.92	3.25	4.08
NTA Growth (%)	21.3	17.6	17.3	10.8	6.5	(1.4)	11.3	25.5
DPU (c) – Ordinary	12.8	13.4	14.2	15.1	16.0	16.0	15.7	17.2
DPU (c) – Special	-	-	-	-	-	-	4.0	-
DPU Growth (%) – Ordinary	6.7	4.7	6.0	6.3	6.0	-	(1.9)	9.6
Gearing (%)	29.5	26.6	27.7	29.1	22.5	16.4	24.5	29.8 <sup>1</sup>
Weighted Average Cost Of Debt (%)	4.6	4.5	4.2	4.1	3.7	2.6	2.8	3.2 <sup>2</sup>
Weighted Average Debt Maturity (Years)	1.9	4.0	3.5	2.4	3.9	4.1	4.1	3.9
Interest Cover Ratio (x)	4.6	5.1	4.9	4.3	4.9	5.6	8.6	6.8
<b>Portfolio Metrics</b>								
Weighted Average Lease Expiry (Years)	7.9	8.2	9.1	9.9	9.9	12.7	15.2	14.3
% Of Lease Income Expiring In Next 5 Years	5.6	11.3	12.0	15.8	18.9	4.4	3.4	4.6
Major Customer % Of Income (Goodstart) (%)	63	59	56	50	45	47	42	39
Like-for-like Rental Growth (%)	2.4	2.8	3.1	2.8	2.3	2.8	2.3	3.4
<b>Market Rent Reviews</b>								
Completed Number	54	65	127	34	10	4	1	2
Weighted Average Rental Growth (%)	4.3	5.5	4.7	4.7	5.2	3.4	2.6	3.5
<b>Geographic Spread (% Rental Income)</b>								
NSW/ACT	26.2	25.8	26.4	24.7	23.4	22.8	20.9	17.7
QLD	37.5	35.5	33.8	35.3	36.0	36.9	41.2	36.6
VIC	16.9	19.8	21.2	22.9	22.2	23.5	24.6	24.6
WA	3.7	3.9	3.7	3.5	4.1	5.9	6.5	10.8
SA	6.0	5.3	5.7	5.3	6.5	6.9	6.0	9.6
TAS/NT	1.1	1.0	1.0	0.9	0.8	0.9	0.8	0.7
NZ	8.6	8.7	8.2	7.4	6.9	3.1	-	-

1. Adjusted to include contracted acquisitions, completion of childcare development pipeline and payment of June quarter distribution. Unadjusted balance sheet gearing as at 30 June 2022 was 26.2%

2. Calculated as at 30 June 2022 based upon BBSY of 1.86% and drawn debt of \$553.0 million. Weighted average cost of debt on a fully drawn basis is 3.1%”

# Glossary

ACECQA	Australian Children's Education and Care Quality Authority
ASX	Australian Securities Exchange
Balance sheet gearing	Calculated as the ratio of net drawn debt less cash to total tangible assets, less cash
CPI	Consumer Price Index
CPU	Cents per unit
CQE	Charter Hall Social Infrastructure REIT
DPU	Distributions per unit
EPU	Earnings per unit
LDC	Long day care
Look-through gearing	Calculated as the ratio of net drawn debt less cash to total tangible assets, less cash, based on the non-IFRS pro forma proportionately consolidated statement of financial position, which adjusts for the REIT's share of the debt, assets and cash held in equity accounted investments
NTA	Net tangible assets
PCP	Previous corresponding period
REIT	Real estate investment trust
WALE	The average lease term remaining to expiry across the portfolio or a property or group of properties, weighted by net passing income or as noted

## Further information

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Presentation authorised by the Board