

FY23 Annual Results Presentation

10 AUGUST 2023



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Presenters



Aaron Hockly
Fund Manager & SVP



Michael Groth
Chief Financial Officer



Richard Roos
Exec. Director, Portfolio



Chris Adams
Exec. Director, Projects

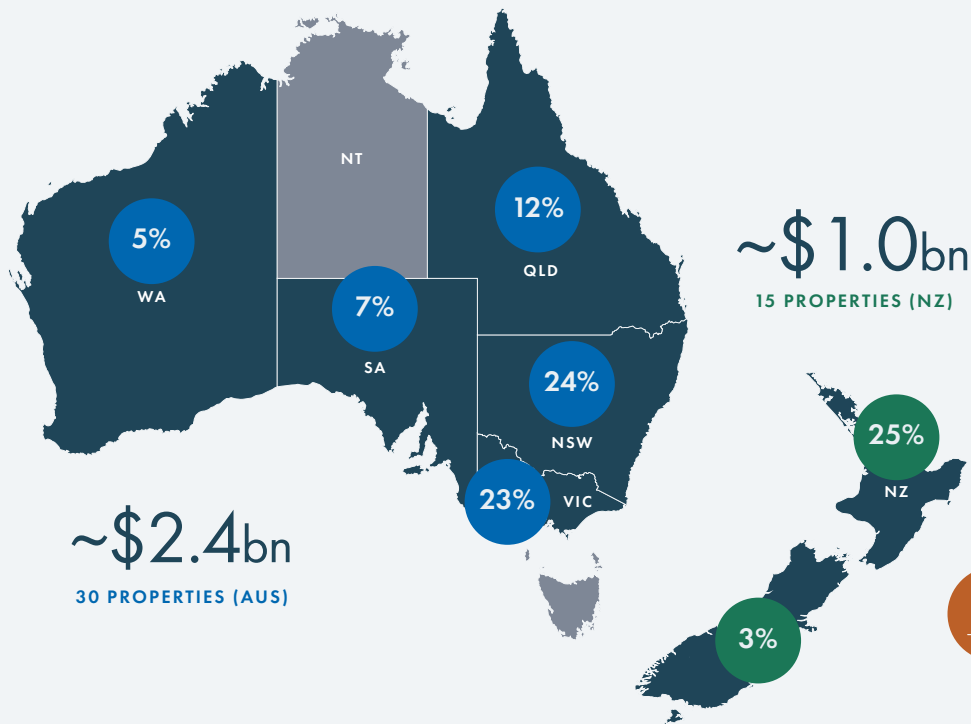
Overview of Vital¹

VITAL IS THE ONLY SPECIALIST HEALTHCARE LANDLORD LISTED ON THE NZX

17.8 years
WALE

~\$3.4bn
45¹ PROPERTIES
(AUS & NZ)

5.3%
LIKE-FOR-LIKE,
SAME PROPERTY NET
PROPERTY INCOME
GROWTH²



WHY INVEST IN VITAL



DEFENSIVE
SECTOR



HIGH
DEMAND



HIGH QUALITY
PORTFOLIO



EARNINGS
GROWTH



DEVELOPMENT
UPSIDE



Vital seeks to deliver stable and growing total Unit Holder returns, including an attractive risk-adjusted income distribution, sourced from healthcare property

¹ As at 30 June 2023; number of properties excludes strategic assets.

² 3.6% on a constant currency basis

A photograph of a modern building at dusk. The building features large glass windows and a prominent blue circular logo on its facade. The interior lights are on, and the sky is a deep blue. The text 'FY23 highlights' is overlaid on the left side of the image.

FY23 highlights

Continuing to deliver for Unit Holders



Resilient property portfolio

- ▶ 18.1% net property income growth; 3.6% like-for-like constant currency
- ▶ >99% rent collected for FY23
- ▶ ~99% occupancy
- ▶ Modest softening of cap rates (4.58% to 5.05%)



Enables delivery of core purpose

- ▶ 9.75cpu distributions for FY23; consistent with guidance
- ▶ Payout ratio ~90%
- ▶ Strong underlying net property income growth expected to lead to AFFO per unit growth over the medium term
- ▶ Delivery of ESG initiatives (noted in Annual Report)

Continuing to
deliver for Unit
Holders



Supported by a strengthened balance sheet

- ▶ Debt extended and greater percentage fixed; no debt expiring until March 2025
- ▶ Proceeds from asset sales applied to repay debt; ultimately recycled into new high quality developments
- ▶ A\$180m of debt headroom available to fund development pipeline



Portfolio enhancements underway

- ▶ ~NZ\$155m of non-core divestments transacted
- ▶ Further asset sales being considered: ~NZ\$100m to be divested in FY24
- ▶ ~NZ\$545m of developments underway in core health care precincts
- ▶ Developments, divestments and asset management initiatives including ESG will lead to a higher quality, better leased portfolio over the medium term

Sustainability highlights



GRESB
★★★★★ 2021

2nd place globally
for listed healthcare

Moving from data collection to implementation

ACHIEVEMENTS

- ▶ Data Baseline Year
- ▶ Commitment to Net Zero
- ▶ Cultural acknowledgement
- ▶ Tenant engagement
- ▶ Sustainable development guidelines
- ▶ TCFD Reporting



Enablers

Sustainability governance and team • Sustainability integration into investment processes • Sustainable financing • Green leases • Reporting and disclosures



B- (up from C in 2021)



A low-angle photograph of a modern building with a glass facade, set against a backdrop of lush green trees. The sun is visible in the upper right corner, creating a lens flare effect. The overall scene is bright and clear.

Financial results and capital management

Financial performance

PROPERTY EARNINGS GROWTH HAS FACILITATED AFFO GROWTH

	FY23	FY22	(\$) CHANGE	(%) CHANGE
Net property income	145,224	123,018	22,206	18.1%
Expenses ex. finance	(38,191)	(37,665)	(526)	(1.4%)
Realised gains/(losses) on FX derivatives	231	147	84	57.1%
Net finance expense	(37,770)	(28,983)	(8,787)	(30.3%)
Operating profit before tax and other income	69,494	56,517	12,977	23.0%
Property revaluations and other income	(205,117)	305,758	(510,875)	(167.1%)
Profit/(loss) before income tax	(135,623)	362,275	(497,898)	(137.4%)
Adjusted funds from operations (AFFO)	73,335	67,824	5,511	8.1%
Adjusted funds from operations (cpu)	11.18	11.92	(0.74)	(6.2%)
Distributions per unit (cpu)	9.75	9.625	0.125	1.3%
<i>Average NZD/AUD exchange rate in the period</i>	<i>0.9152</i>	<i>0.9377</i>		

All values shown as \$'000s except for CPU and exchange rate

- ▶ Like-for-like growth of 5.3%¹
- ▶ Full year contribution from FY22 acquisitions and developments

- ▶ Increase due to base rate increases and additional drawn debt

- ▶ Portfolio cap rate softening of 47bps, partially offset by rental growth

- ▶ Reduction due to equity raised ahead of full deployment for developments and higher base interest rates

¹ 3.6% on a constant currency basis

Net property income

NPI GROWTH (EXCL FX) INCREASED FROM ACQUISITIONS, DEVELOPMENTS AND RENT REVIEWS

Acquisitions – full year contribution from FY22 acquisitions

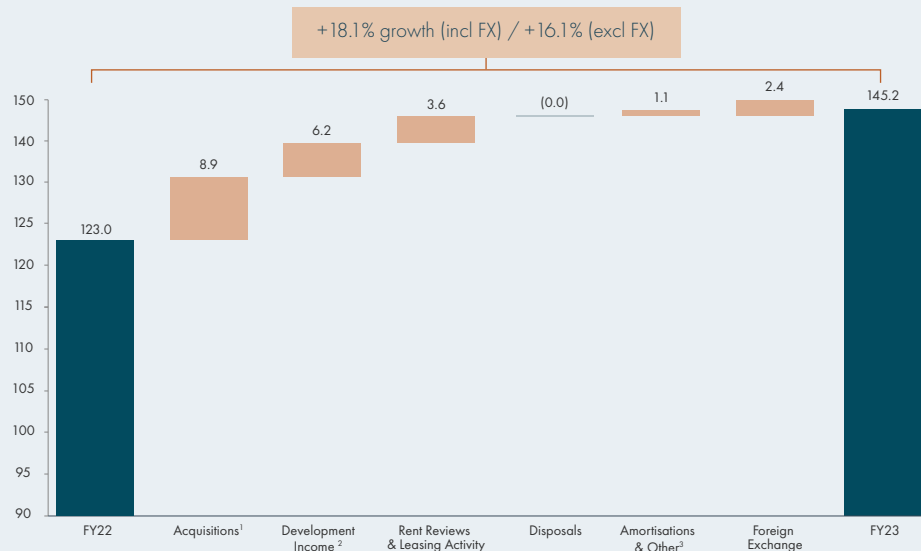
Development income – developments completed and progressive rentalisation project spend

Rent Reviews & Leasing – CPI, CPI-linked and fixed reviews. These reviews are weighted to the second half of Vital's financial year, so should contribute to further income growth in coming years.

FY23 property income growth of +3.6% (like-for-like constant currency; versus 2.8% for FY22)

NET PROPERTY INCOME BRIDGE

(\$M)



~80% of Vital's leases (by income) are indexed to CPI in some way

¹ Acquisitions of Lower Hutt Health Hub, Tennyson Centre, 68 St. Asaph St (Christchurch), Endoscopy Auckland, Kawarau Park Health Hub

² Incremental development income contributed from Wakefield, Royston, Grace, Bowen, Epworth Eastern & Playford Health Hub - Retail & Carpark

³ Amortisation, Non-recurring R&M and abatements

Balance sheet

REMAINS WELL POSITIONED WITH NO DEBT EXPIRING IN FY24

	ACTUAL FY23	ACTUAL FY22	(\$) CHANGE	(%) CHANGE
Cash	10,855	22,055	(11,170)	(50.6%)
Investment properties ¹	3,380,720	3,339,169	41,551	1.2%
Other assets	38,107	38,610	(503)	(1.3%)
Bank debt	1,245,293	1,018,777	226,516	22.2%
Other liabilities	227,071	215,180	11,891	5.5%
Debt to gross assets²	36.3%	30.0%		21.2%
Unitholder funds	1,957,382	2,165,876	(208,494)	(9.6%)
Units on issue (000s)	661,014	649,155	11,859	1.8%
Net tangible assets (\$/unit)	2.96	3.34	(0.38)	(11.2%)
All values shown as \$000s				
Period end NZD/AUD exchange rate	0.9193	0.9037		

Increase due to:

- ▶ Settlement of FY22 acquisitions for \$154m
- ▶ Development and capital works totalling \$192.2m
- ▶ Divestments of (\$61.6m)
- ▶ Unrealised valuation losses of \$208.6m
- ▶ FX impact of (\$43.4m)

Increase due to property investments noted above

- ▶ Impact of unrealised property valuation losses (net of tax)

¹ Including property held-for-sale

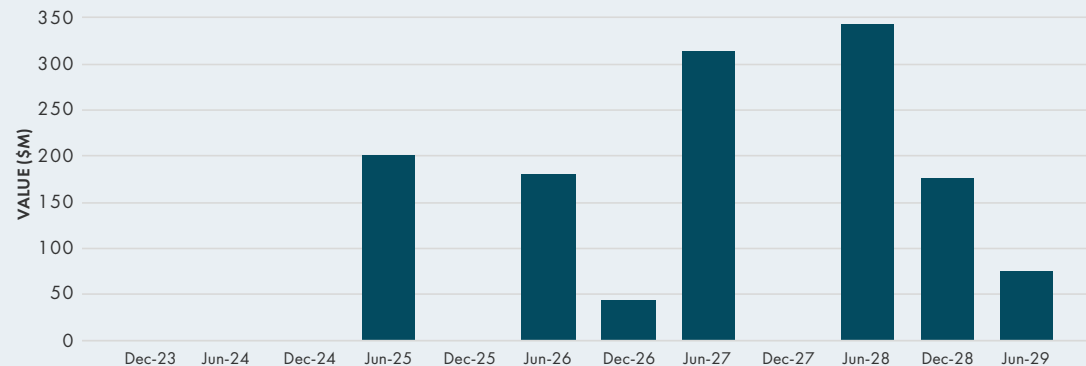
² Calculated in accordance with Vitals' Trust Deed

Debt duration

WEIGHTED AVERAGE DEBT DURATION MAINTAINED / PRUDENT HEADROOM AVAILABLE

BANK FACILITIES	30 JUNE 2023	30 JUNE 2022
Debt to gross assets (Trust Deed) ¹	36.3%	30.0%
Bank loan to value ratio - actual ²	36.5%	32.1%
Bank loan to value ratio - covenant	55.0%	55.0%
Weighted average duration to expiry	3.8 yrs	3.9 yrs
Undrawn facility limit (A\$)	\$180m	\$302m

DEBT DURATION PROFILE – 30 JUNE 2023 (A\$)



¹ Trust Deed debt ratio is based on total borrowings to gross asset value of the Trust

² Bank LVR is based on total indebtedness to secured property value as determined by external valuers



Headroom available to support development pipeline (in conjunction with additional non-core asset sales)



No debt expiring until March 2025

Portfolio and divestments

A modern, multi-story hospital building with a dark wood and stone facade and large glass windows. The building is set against a blue sky with scattered clouds. In the foreground, there is a grassy area and a paved walkway. A sign above a glass entrance reads "Pharmacy".


Ormiston Hospital

Pharmacy

Portfolio update¹

43 CORE HEALTHCARE PROPERTIES WITH OVER 2,800 BEDS AND OVER 120 SEPARATE TENANTS

Income

5.3% like-for-like, same property rental growth
FY22 to FY23 (3.6% on a constant currency basis)

Divestments of non-core assets will enhance portfolio
through a lengthened WALE, fewer near term lease
expiries and lower medium term capex obligations

Divestments are consistent with strategies to focus
on larger assets, in core healthcare precincts leased
to leading operators

GEOGRAPHIC DIVERSIFICATION (BY NUMBER OF INCOME PRODUCING PROPERTIES)



**CPI aligned leases
support income growth**

¹ Data on this page reflects the portfolio post divestment of assets currently contracted but not yet settled.

Portfolio update (cont'd)

Diversification

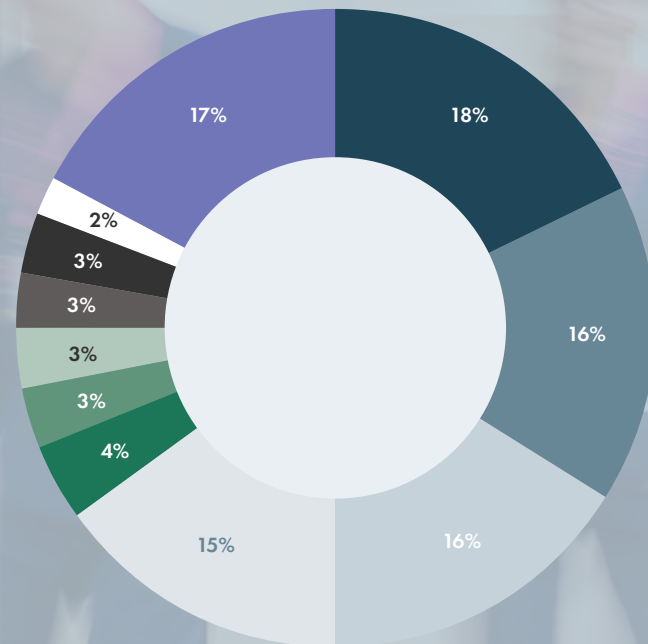
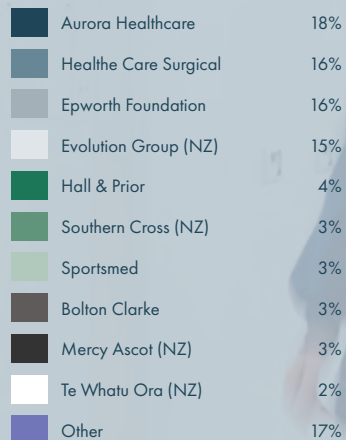
- ▶ Largest single tenant exposure continues to reduce
- ▶ Vital has a diverse portfolio and income stream by location and tenant
- ▶ Tenants include the largest three private hospital operators in New Zealand and six of the top ten private hospital operators in Australia¹



99%

occupancy for the portfolio

TENANT DIVERSIFICATION² % OF RENT



18.1 years

WALE²

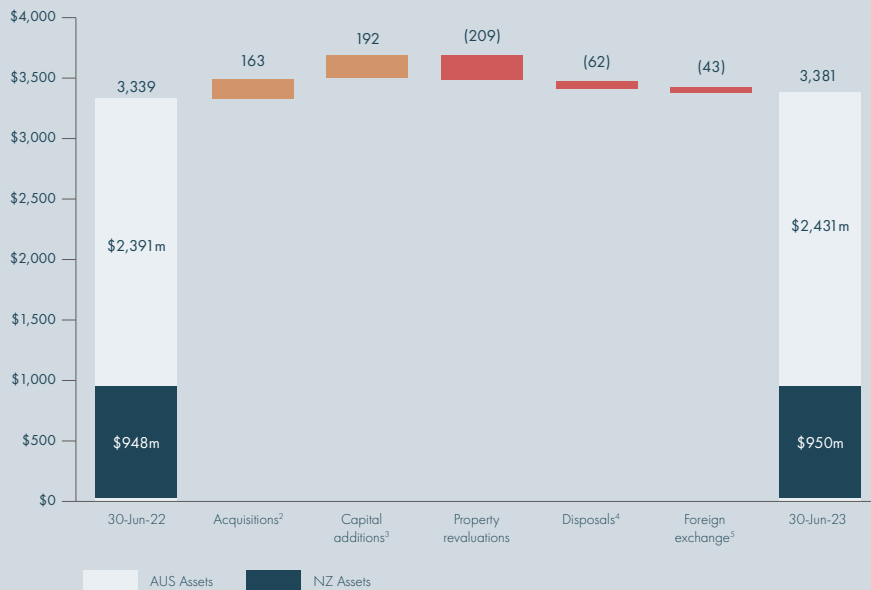
¹ Operator size is determined by number of beds and includes heads of agreements signed for potential developments.

² Data on this page reflects the portfolio post divestment of assets currently contracted but not yet settled.

Movement in investment property

WELL-LEASED HEALTHCARE ASSETS CONTINUE TO PERFORM WELL IN A SOFTENING MARKET

INVESTMENT PROPERTY BRIDGE (FY23)¹ (NZ MILLIONS)



¹ All asset values are presented in NZ\$ and includes properties classified as held-for-sale.

² \$163m (including transaction costs and acquisition-related incentives) of acquisitions settled during the year ended 30 June 2023, including \$95m for Kawarau Park Health Hub (Queenstown), \$25m for Macarthur Health Precinct and the balance relating to strategic properties and / or land holdings.

³ Includes development expenditure and capitalised interest costs

⁴ Book value at sale date

⁵ Period end NZD/AUD exchange rate moved from 0.9037 at 30 June 2022 to 0.9193 at 30 June 2023

KEY POINTS

- ▶ Continued delivery of development pipeline contributed ~\$192m to portfolio over FY23 and ~\$25m of development margin (included in net revaluation adjustment)
- ▶ >95% of Vital's Income Producing Properties were independently valued over FY23
- ▶ Property revaluations includes gains of ~\$147m from rental increases, leasing activity and development margins, partially offsetting ~47 basis points softening of capitalisation rates since 30 June 2022
- ▶ Maintained geographic balance between Australia and New Zealand of approximately two-thirds and one-third respectively

Disposals

DIVESTMENT PROGRAMME UNDERWAY WITH \$155M ALREADY TRANSACTED



~NZ\$ 100m

of assets sold during FY23 at
a 8.4% discount to book value



~NZ\$ 55m

of assets sold or under contract
FY24 (to date) at a 7.1% discount
to book value



~NZ\$ 100m

of additional non-core assets
targeted for sale in FY24

Sales prices compare favourably
to Vital's current discount to NTA

Developments



Development strategy and value-add

TARGETING 10–15% OF THE PORTFOLIO (BY VALUE) TO BE UNDER DEVELOPMENT

Developments are key for:



Earnings and capital growth



Enhancing the portfolio



Meeting the needs of our operator partners



Northwest has a market leading development team with an unmatched depth of experience in the sector

¹ Development timing and therefore spend expected to be over a staged and lengthy period (at least 10 years)

² Developments where Vital is funding through the development rather than acting as developer

FOCUS

- ▶ Creating the next generation of assets to deliver long-term earnings growth for Unit Holders and high quality facilities for our operating partners.
- ▶ Vital and Northwest have a strong record of partnering with the leading healthcare operators over 20+ years.

PIPELINE

- ▶ ~NZ\$444m of committed developments, representing ~13% of total portfolio value; ~NZ\$282m of spend remaining
- ▶ ~NZ\$2.0bn¹ of potential development opportunities identified (subject to business cases, due diligence and approvals)
- ▶ In addition, NZ\$101m of fund-through² developments have been committed to with ~NZ\$54m spend remaining

FY23 Development Milestones



Commenced

- ▶ Ormiston Hospital Main Works¹
- ▶ Playford Health Hub (Stage 2)
- ▶ RDX
- ▶ Macarthur Health Precinct (Stage 1)
- ▶ Mount Eliza



Completed

- ▶ Epworth Eastern
- ▶ Belmont Private Hospital
- ▶ Abbotsford Private Hospital²
- ▶ Royston Hospital (Stage 2)



Discontinued

- ▶ Tasman Medical Centre due to unfavourable market conditions



¹ Early works started 2022

² New tower complete, minor refurbishment works to be completed

Update on current developments

DEVELOPMENTS REMAIN ON TRACK



RDX QUEENSLAND

RDX will be a leading Life Sciences building delivering specialised health-orientated uses.

Proposed to be connected to Gold Coast Private Hospital via a link bridge.

RDX is the first 6 Star Green Star all electric, carbon neutral ready healthcare asset development to be delivered of its kind in Queensland.

Construction has commenced on site and forecast for completion in 2025.



Macarthur Health Precinct NEW SOUTH WALES

A multi stage NSW precinct development located in close proximity to Campbelltown Public Hospital. Stage 1 of works is currently underway to build a minimum 5 Star Green Star comprehensive cancer centre. Construction is well advanced targeting Mid-24 completion.



Alternative funding options for future developments being actively considered including joint venture arrangements.

Update on current developments (cont'd)



Playford

SOUTH AUSTRALIA

A three stage health precinct development opposite Lyell McEwin Public Hospital, the third largest hospital in South Australia. Stage 2 of works is currently underway with construction of the 6 Star Green Star Specialist Medical Centre well advanced targeting completion in mid-24. Pre-committments have been secured for ~62% of net income.



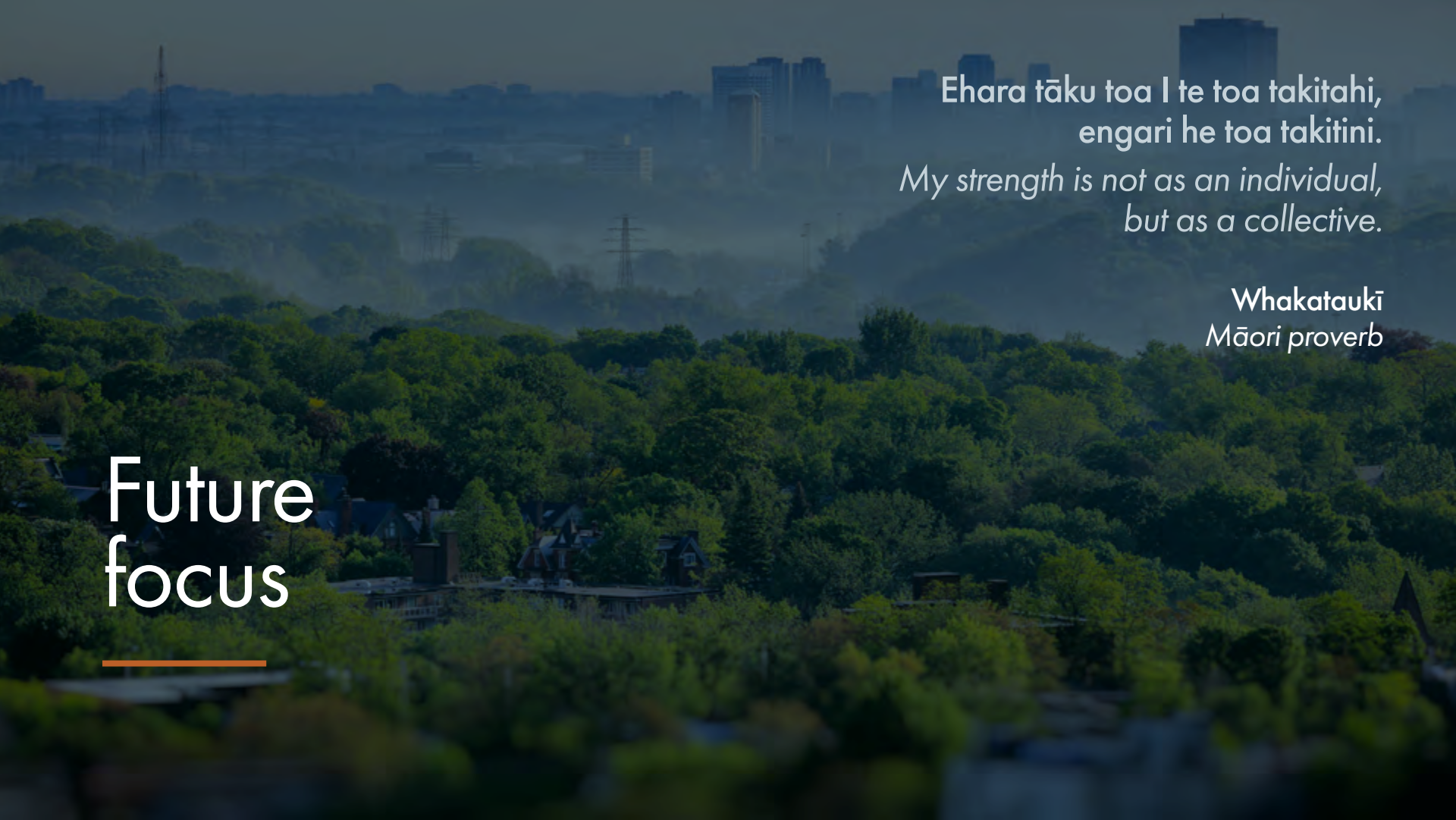
Ormiston

AUCKLAND, NZ

Hospital expansion and consulting suites with a new three storey building with internal links to the existing Hospital in construction and due for completion in mid-24. Pre-commitments have been secured for ~76% of net income.



New developments must add value for Vital's Unit Holders to justify commitment.



Ehara tāku toa I te toa takitahi,
engari he toa takitini.
*My strength is not as an individual,
but as a collective.*

Whakataukī
Māori proverb

Future
focus

Outlook and guidance

CONTINUED DELIVERY AND FOCUS ON EARNINGS GROWTH



- ▶ **FY24 distribution guidance** of 9.75 cpu; consistent with FY23
- ▶ Conservative **~90% pay-out ratio expected to be retained**
- ▶ **Portfolio enhancements underway**, primarily the sale of non-core assets to reinvest into new developments, to improve the portfolio and longer term returns for Unit Holders



- ▶ **Significant development pipeline**
 - ▶ ~NZ\$545m committed developments and fund-throughs¹
 - ▶ ~NZ\$337m remaining cost to complete
 - ▶ ~NZ\$2.0bn² potential pipeline opportunities identified
- ▶ **Development remains a key focus** for short-medium term growth



- ▶ **Healthcare assets (businesses and real property)** remain in high demand evidenced by recent and proposed acquisitions
- ▶ **Investors attracted to the stable and growing returns** offered by this key sector evidenced by recent sales undertaken in a challenging market



Sustainability remains a key focus for Vital and Northwest including TCFD reporting for Vital (report due by October 2024)

¹ Developments where Vital is funding through the development rather than acting as developer

² Development timing and therefore spend expected to be over a staged and lengthy period (at least 10 years)

Appendices



Key events over FY23

Q1

Jul 2022

- ▶ A\$47.1 m¹ Playford Health Hub (Stage 2) commenced construction

Sept 2022

- ▶ Joined Green Building Councils NZ & Australia



Q3

Feb 2023

- ▶ RDX A\$140m¹ construction commenced

Mar 2023

- ▶ 2.4375 cpu distribution paid
- ▶ Completion of refinancing increases facility limit by A\$100m and WA expiry of facilities resulting in no expiries until early 2025



Vital's high-quality existing portfolio delivered 3.6% like-for-like net property income growth on a constant currency basis

A programme is underway to further improve the portfolio by divesting >NZ\$200m of assets and reinvest the proceeds in new, green buildings in core health precincts.

Q2

Oct 2022

- ▶ NZ\$42.9m¹ Ormiston Hospital expansion commenced main works construction
- ▶ GRESB 5-Star rating and second place for listed healthcare real estate (globally)

Nov 2022

- ▶ A\$2.4m South Eastern Private Hospital refurbishment commenced construction
- ▶ B- result for CDP (up from C in 2021)

Dec 2022

- ▶ A\$96.5 Epworth Eastern reached final Practical Completion (Consulting Suites)
- ▶ A\$22.6m Belmont Private Hospital expansion received Certificate of Occupancy



Q4

May 2023

- ▶ Finalist for INFINZ Equity Market Transaction of the year

Jun 2023

- ▶ Silver medal and finalist for the Communication special award in the Australasian Reporting Awards
- ▶ Royston Day Surgery a finalist in the Property Council of New Zealand Awards
- ▶ ~NZ\$155m of asset sales transacted



¹ Including land



5 largest assets and asset groupings


Epworth Eastern Precinct, Melbourne, VIC

 **A\$490m**
VALUE

 Epworth Eastern Hospital campus, 17-23 Nelson Rd (development land), Ekeru Medical Centre and 120 Thames St
ASSETS

 270
PATIENT BEDS

 ~15,000sqm
LAND AREA

 ~35,000sqm
NLA

 50m
PROXIMITY TO PUBLIC HOSPITAL

 15.8%
OF VITAL'S PORTFOLIO

 1999
YEAR ACQUIRED BY VITAL

5,330sqm of development land available for further expansion



Lingard Private Hospital Precinct, Newcastle, NSW



A\$252m

VALUE



Lingard Private Hospital, Lingard Day Centre and 27 Hopkins Street (development land)

ASSETS



140

PATIENT BEDS



~15,000sqm

LAND AREA



11,500sqm

NLA



3.6km

PROXIMITY TO PUBLIC HOSPITAL



8.1%

OF VITAL'S PORTFOLIO



2010

YEAR ACQUIRED BY VITAL


Recent expansion completed and further expansion being considered

Lingard Private Hospital

Ascot Hospital Precinct, Auckland, NZ



\$187m
VALUE



Ascot Hospital, Ascot Central,
80 Ascot Ave (development land)
and Ascot Carpark
ASSETS



88
PATIENT BEDS



~40,000sqm
LAND AREA



~16,000sqm
NLA



5.6km
PROXIMITY TO
PUBLIC HOSPITAL



5.5%
OF VITAL'S
PORTFOLIO



1997
YEAR ACQUIRED
BY VITAL

**~3,400sqm of development
land available for expansion**

Belmont Private Hospital, Brisbane, QLD



A\$158m

VALUE



Belmont Private Hospital

ASSETS



150

PATIENT BEDS



~43,000sqm

LAND AREA



~8,700sqm

NLA



11.0km

PROXIMITY TO
PUBLIC HOSPITAL



5.1%

OF VITAL'S
PORTFOLIO



2010

YEAR ACQUIRED
BY VITAL

A\$22.6m expansion recently
substantially completed



Wakefield Hospital, Wellington, NZ



\$156m
VALUE



Wakefield Hospital and
678 High St (development land)
ASSETS



68
PATIENT BEDS



~20,000sqm
LAND AREA



14,500sqm
NLA



850m
PROXIMITY TO
PUBLIC HOSPITAL



4.6%
OF VITAL'S
PORTFOLIO



2017
YEAR ACQUIRED
BY VITAL

14,500sqm of NLA anticipated on completion of Stage 2 of redevelopment



Additional portfolio and development information

Committed developments – Australia and New Zealand

DEVELOPMENTS ENHANCE EARNINGS GROWTH AND IMPROVE ASSET QUALITY

ALL VALUES SHOWN IN \$M	DESCRIPTION OF WORKS	DEVELOPMENT COST ¹	LAND VALUE	SPEND TO DATE	COST TO COMPLETE	FORECAST NET RETURN	FORECAST COMPLETION DATE	STATUS
AUSTRALIA								
GCHPK - RDX (QLD)	New Build including 9 level research & development centre of excellence with 3 level 181 bay basement car parking.	133.6	7.2	16.0	117.6	5.6%	Mid-25	Contractor established on site. Civil works are underway and on programme.
Playford Health Hub Stage 2 (SA)	Specialist Medical Centre - Radiology, Oncology, Radiotherapy & Consulting	41.2	5.9	25.3	15.9	7.3% ²	Mid-24	Structure completed up to Level 2, Level 3 commenced end of July.
Maitland (NSW) ³	Hospital expansion including 24 Additional Mental Health beds, 5 additional day oncology chairs, 4 additional surgical beds, 6 new consulting suites & 34 additional car spaces	16.0	0.0	0.0	16.0	6.0%	Mid-24	Project approved post balance date (Aug-23).
Total Australian Developments A\$m		190.8	13.1	41.3	149.5	6.0%		
Total Australian Developments NZ\$m		207.5	14.2	44.9	162.6	6.0%		
NEW ZEALAND								
Wakefield Stage 2 (NZ WGN)	Second stage of hospital rebuild delivering 8 operating theatres, 42 beds, new Day Surgery Unit and additional expansion capacity	91.5	-	60.6	30.9	5.6%	Early-25	Structure and façade well advanced with high level services and internal framing commenced.
Ormiston Stage 1 (NZ AKL)	Stage 1 - 3 level expansion of existing hospital	38.1	4.8	18.7	19.4	5.1%	Mid-2024	Structure complete, roof & plant room steelwork commenced. Façade framing commenced on Level 1 and temporary car park completed.
Grace Stage 1 (NZ TRG)	Fitout of two theatres, new endoscopy room, additional 10 beds and redevelopment of existing clinical areas	31.7	-	7.4	24.3	5.3%	Late-24	OT8/9 complete, on-grade carpark works commenced in May & Oropi Day units works commenced in June. Western extension tender issued.
Endoscopy Auckland (NZ AKL)	4 dedicated endoscopy procedure rooms, 15 car parks, reception/waiting areas	22.6	-	6.5	16.1	5.1%	Late-24	Site establishment completed and early works complete as at end of July
Bowen OT5 (NZ WGN)	Fitout of one theatre, new sterile stores and expansion of consulting suites	8.9	-	4.9	4.0	5.3%	Late-23	Ward ensuite upgrade in progress with demolition complete.
Boulcott (NZ LH) ³	Two new theatres, PACU expansion and conversion of double rooms to singles	25.0	-	0.1	24.9	5.9%	Mid-25	Project approved post balance date (Aug-23). Construction team ready to commence works.
Total New Zealand Developments NZ\$m		217.8	4.8	98.2	119.6	5.5%		
Total Developments in NZ\$⁴		425.4	19.0	143.2	282.2	5.7%		
AUSTRALIA								
Macarthur Health Precinct Stage 1 (NSW)	Four storey comprehensive cancer centre with 2 bunkers, 10 medical oncology chairs, wellness centre & 61 on grade car parks.	64.4		28.9	35.5	4.3% ²	Mid-24	Structure complete, roof sheeting and façade installation on ground floor nearing completion. Fitout works in progress.
Mt Eliza (VIC)	Conversion of Aged Care to 60 bed Mental Health Facility including internal refurbishment & external landscaping enhancements	28.5		13.9	14.6	4.8%	Late-23	Demolition works completed and structural works commenced.
Total Australian Fund-through Developments A\$m		92.9		42.9	50.0			
Total Fund-through Developments in NZ\$m⁵		101.1		46.7	54.4	4.4%		
Total Committed developments including fund-through developments in NZ\$⁴		545.5		189.8	336.6			

¹ Excluding Land

² Stabilised 3 year yield

³ Both the Maitland & Boulcott developments have been approved by the Board post balance date (Aug-23). These were not committed developments as at 30 June 2023

⁴ A\$ converted at 30 June 2023 spot rate 0.9193

⁵ Fund-through developments including land & operator costs

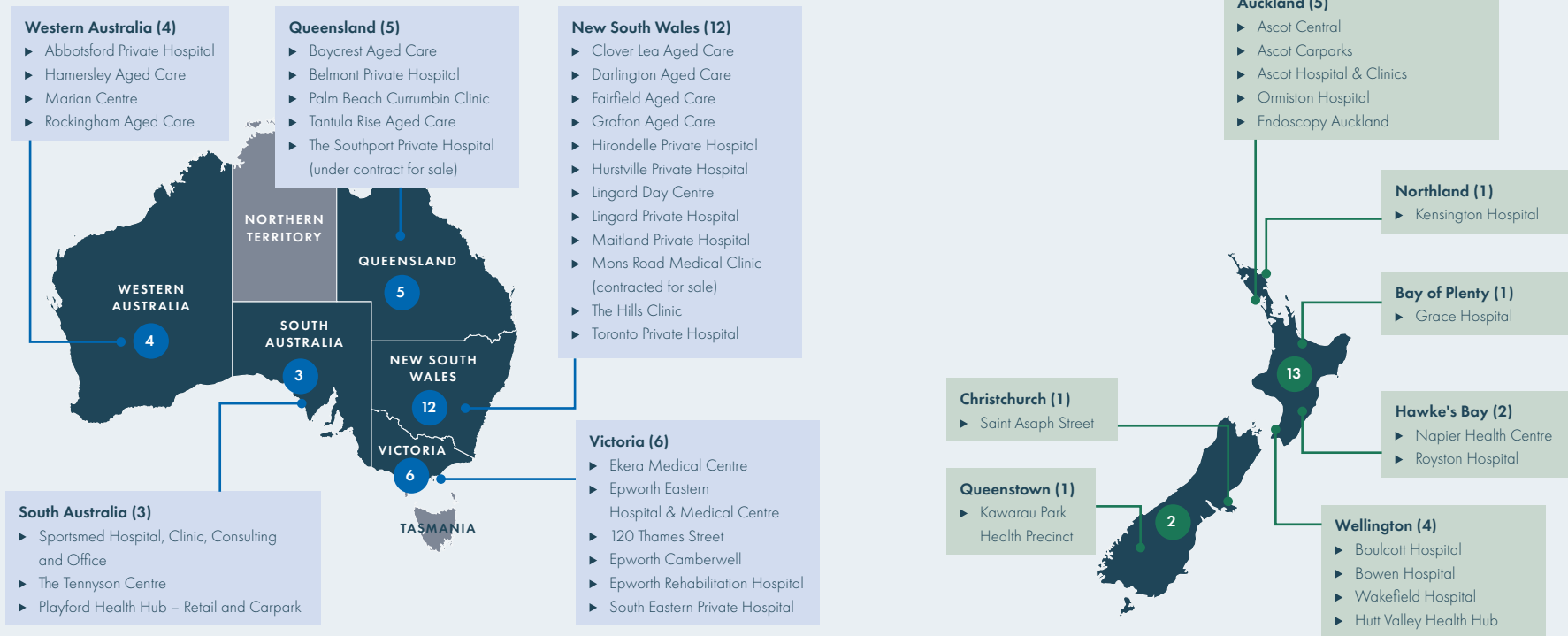
General Notes: All non fund-through development costs excluding land

Investment properties

AS AT 30 JUNE 2023

~\$3.4BN PORTFOLIO OF HEALTHCARE REAL ESTATE COMPRISING 45 INVESTMENT PROPERTIES AND 2,800+ BEDS

Vital also owns strategic land holdings for future development valued at ~\$305m¹

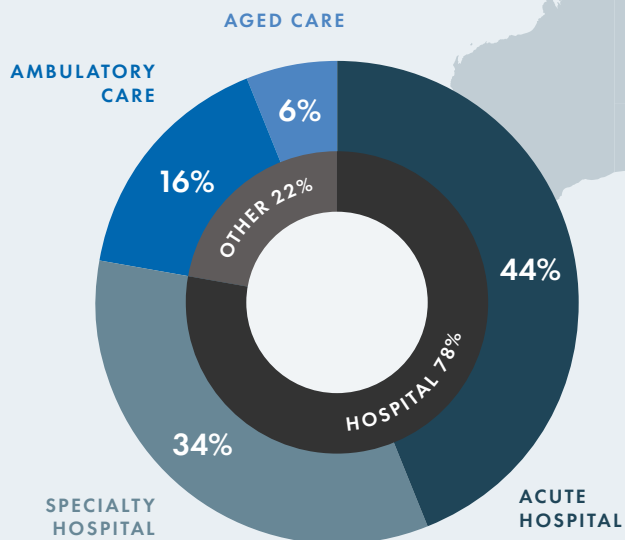


¹ Including ~\$90m of spend to date on existing projects

~NZ\$2.3bn Australian portfolio overview¹

GEOGRAPHICALLY DISPERSED AUSTRALIAN PORTFOLIO CONTINUES TO PERFORM WELL

SUBSECTOR DIVERSITY (BY VALUE)



17.8 years

WALE



PRIVATE HOSPITALS – AUSTRALIA

- ▶ 15 hospitals (acute and specialty – mental health, rehabilitation)
- ▶ 4 hospital operators
- ▶ 78% of AUS portfolio value; 80% of AUS rent
- ▶ WALE: 19.6 years



AMBULATORY CARE – AUSTRALIA

- ▶ 5 assets, multiple tenants
- ▶ 16% of AUS portfolio value; 10% of AUS rent
- ▶ WALE: 7.8 years



AGED CARE – AUSTRALIA

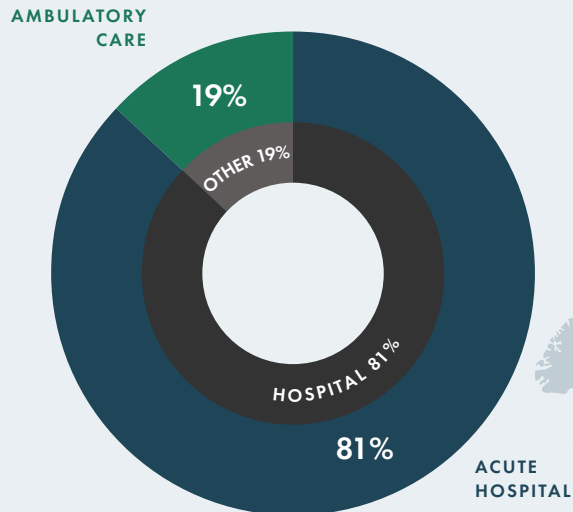
- ▶ 8 facilities (all in AUS)
- ▶ 2 operators
- ▶ 6% of AUS portfolio value; 10% of AUS rent
- ▶ WALE: 13.0 years

¹ Data on this page reflects the portfolio post divestment of assets currently contracted but not yet settled.

~NZ\$ 1.0bn New Zealand portfolio overview

KEY NEW ZEALAND MARKET PERFORMING STRONGLY

SUBSECTOR DIVERSITY (BY VALUE)



19.0 years

WALE



PRIVATE HOSPITALS – NEW ZEALAND

- ▶ 9 hospitals (all acute)
- ▶ 6 hospital operators
- ▶ 81% of NZ portfolio value; 83% of NZ rent
- ▶ WALE: 20.6years



AMBULATORY CARE – NEW ZEALAND

- ▶ 6 assets, multiple tenants
- ▶ 19% of NZ portfolio value; 17% of NZ rent
- ▶ WALE: 10.6 years

Lease expiry profile

LOW RISK EXPIRY PROFILE SUPPORTS SUSTAINABLE, PREDICTABLE AND DEFENSIVE CASH FLOWS

1

- ▶ 3.8% of this has signed extensions or heads of agreement

2

- ▶ Epworth Foundation - Brighton - asset being considered for divestment

3

- ▶ 1.5% in the process of being divested and the balance have renewal discussions underway

4

- ▶ Castlereagh Imaging - Mans Road - asset under contract for sale

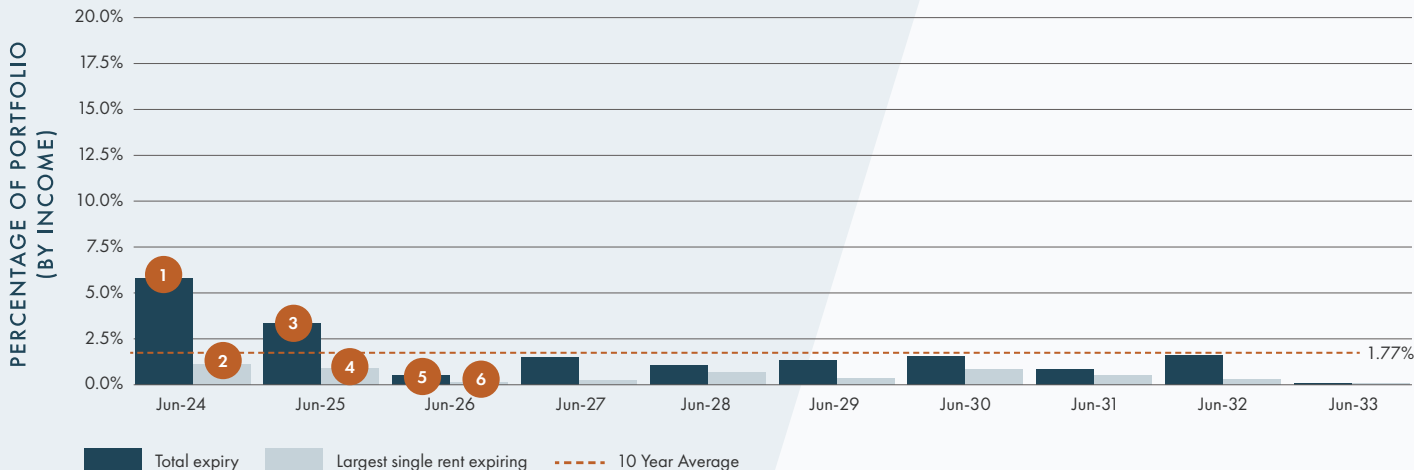
5

- ▶ Total potential expiries of NZ\$800k or 0.5% of annual rent through to June 2026

6

- ▶ Phillip Yates Family Holdings - Ascot Central - renewal discussions underway

10-year average annual lease expiry of only 1.8% (as % of total portfolio income)



CY23 EXPIRIES

- ▶ Total potential expiries of NZ\$8.7m or 5.8% of annual rent through to June 2024

Rent reviews

HIGH PERCENTAGE OF TOTAL RENT IS REVIEWED ANNUALLY WITH STRUCTURED¹ REVIEW MECHANISMS

Rent reviews – FY23

(“LIKE-FOR-LIKE” EXCLUDES DEVELOPMENTS, ACQUISITIONS AND DISPOSALS)

		#	Jun-22 Rent p.a. (NZD)	Jun-23 Rent p.a. (NZD)	Increase (NZD)	Annualised Growth (Stable currency)
Australia	AUS	88	87,861,280	91,878,512	4,017,232	4.6%
New Zealand	NZ	36	33,592,524	35,435,197	1,842,673	5.5%
Total		124	121,453,803	127,313,708	5,859,905	4.8%

		#	Jun-22 Rent p.a. (NZD)	Jun-23 Rent p.a. (NZD)	Increase (NZD)	Annualised Growth (Stable currency)
CPI	CPI	73	107,141,723	112,429,702	5,287,979	4.9%
Fixed	Fixed	45	12,971,763	13,408,677	436,914	3.4%
Market	Market	5	273,959	290,999	17,041	6.2%
Turnover	Turnover	1	1,066,358	1,184,330	117,972	11.1%
Total		124	121,453,803	127,313,708	5,859,905	4.8%

¹Includes fixed percentage and CPI reviews



Rent reviews have been completed for 124 leases in FY23



Structured reviews represent 94%¹ of leases by income as at 30 June 2023



Significant uplift via structured rent reviews across Portfolio

Core portfolio metrics

5 YEAR TRENDS HIGHLIGHT PORTFOLIO STRENGTH AND UNDERPIN LONG-TERM PERFORMANCE



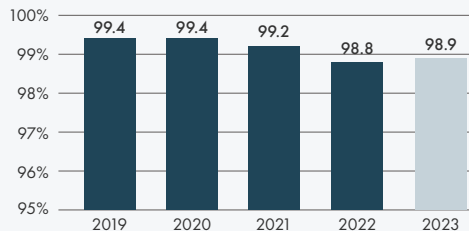
Long-term track record of maintaining

>98% occupancy

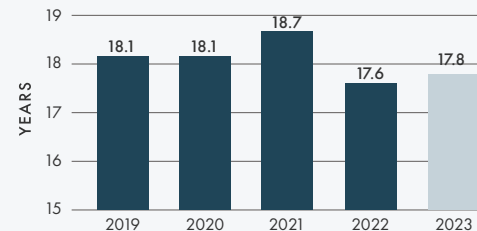


High degree of confidence that future expiries will be renewed or replaced with new tenants in advance of expiry

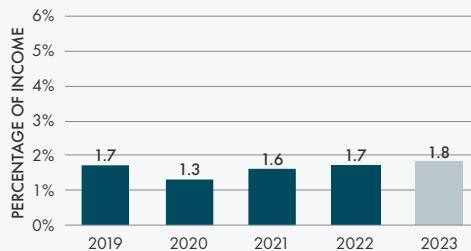
OCCUPANCY



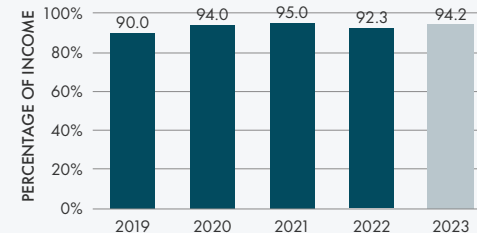
WALE



AVERAGE 10 YR LEASE EXPIRY¹



TOTAL INCOME SUBJECT TO STRUCTURED RENT REVIEWS



¹ Reflects the average % of total portfolio income that expires over the next 10 years

A low-angle, upward-looking photograph of a modern multi-story building with a facade of large glass windows and light-colored panels. The sky is a deep, overcast blue. The text 'Additional financial information' is overlaid in white on the left side of the image.

Additional financial information

Adjusted funds from operations (AFFO)

CONSERVATIVE PAY-OUT RATIO

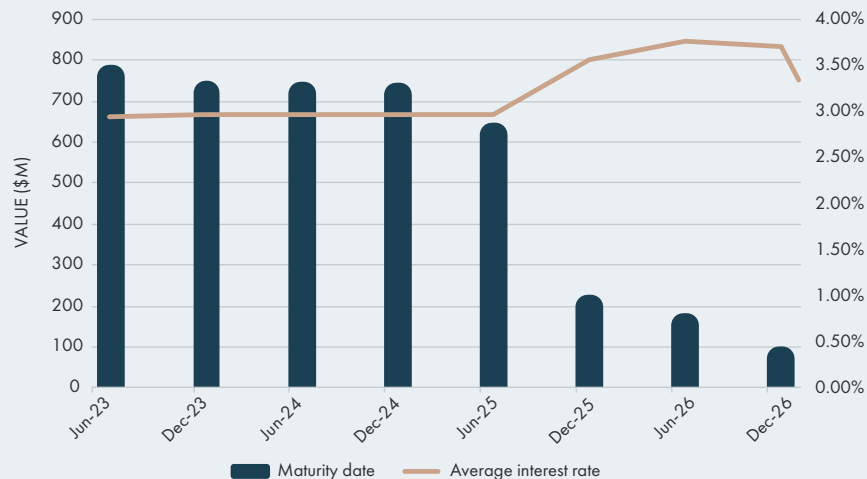
	ACTUAL FY23	ACTUAL FY22	(\$) CHANGE	(%) CHANGE
Operating profit before tax and other income¹	69,494	56,517	12,977	23.0%
Add/(deduct):				
Current tax expense	(14,787)	(8,280)	(6,507)	78.6%
Incentive fee	14,986	15,914	(928)	(5.8%)
Current tax on translation of foreign currency funding transactions	(107)	98	(205)	(209.7%)
Amortisation of borrowing costs	1,716	1,270	446	35.1%
Amortisation of leasing costs & tenant inducements	2,850	2,778	72	2.6%
Strategic transaction expenses	-	283	(283)	(100.0%)
IFRS 16 operating lease accounting	(170)	(163)	(7)	4.3%
Funds from operations (FFO)¹	73,982	68,417	5,565	8.1%
Add/(deduct):				
Actual repairs and maintenance from continuing operations	(647)	(593)	(53)	9.0%
Adjusted funds from operations (AFFO)	73,335	67,824	5,511	8.1%
AFFO (cpu)	11.18c	11.92c	(0.74)c	(6.2%)
Distribution per unit (cpu)	9.75c	9.625c	0.125c	1.3%
AFFO pay-out ratio	87%	81%		
¹ All values shown in NZ\$000s				
Units on issue (weighted average, 000s)	656,236	569,104		

Interest rate hedging profile

COST OF DEBT WELL HEDGED, MANAGING RISK

RATES	30 JUNE 2023	30 JUNE 2022
Weighted average cost of debt ¹	4.93%	3.73%
Weighted average fixed rate (excl line and margin)	3.02%	2.89%
Weighted average fixed rate duration	2.4 yrs	4.7 yrs
% of drawn debt fixed	70%	45%

HEDGING MATURITY PROFILE (\$A)



NOTE: Fixed rates exclude line fees and margin

¹ Drawn debt (excludes line fees on undrawn facility)

Glossary

AFFO	Adjusted Funds From Operations is an alternate measure used for assessing distributable income. Essentially adjusts net profit after tax for all non-cash items (i.e. NDI) then makes adjustments for items such as maintenance capex.
Cap Rate	Capitalisation Rate. Generally calculated as net operating income / current market value of investment property.
CPI	Consumer Price Index. An index that measures the change in the cost of a 'basket' of basic goods and services, showing how the cost-of-living changes over time. The most widely accepted indicator of inflation.
FX	An abbreviation for 'foreign exchange' used where there is a transaction in a currency other than the local currency.
NPI	Net Property Income.
NTA	Net Tangible Assets. The total assets of the Trust less total liabilities. NTA is normally divided by the number of units on issue and expressed as an amount per unit.
WALE	Weighted Average Lease term to Expiry. The weighted average lease term remaining to expire across a portfolio, sometimes also referred to as WALT.

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All references to \$ are to New Zealand dollars unless otherwise indicated.

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The information in this document is of general background and does not purport to be complete. It should be read in conjunction with Vital's market announcements lodged with NZX, which are available at www.nzx.com/companies/VHP.

10 August 2023

Vital HEALTHCARE
PROPERTY TRUST
Managed by Northwest

Thank you

www.vhpt.co.nz

Wakefield Hospital, Wellington