

The following are the addresses of the Independent Chair and the Fund Manager for the Vital Healthcare Property Trust Annual Meeting held as a hybrid of a physical meeting at the Tuhono Room, Ground Lobby, HSBC Tower, 188 Quay Street, Auckland CBD and a virtual meeting through the Computershare Meeting Platform <https://meetnow.global/nz> on Thursday, 1 December 2022 commencing at 10.00am.

Slide 1 – Cover slide

GRAHAM:

Tena kotou, tena kotou, tena kotou katoa,

Welcome to the 2022 Annual Meeting of Vital Healthcare Property Trust.

My name is Graham Stuart, and I am the Independent Chair of Vital Healthcare Property Trust. Vital's Supervisor has appointed me as Chair of this meeting.

As you are aware, we are holding this meeting in person in Auckland as well via Computershare's virtual meeting platform. Unit Holders, proxy holders and guests can attend the meeting in person or virtually. All attendees can watch a live webcast of the meeting and read the associated company documents. In addition, Unit Holders and their proxies have the ability to ask questions and submit votes.

Holding this meeting in person and online should provide our Unit Holders with the maximum ability to participate in this meeting from wherever they are located.

Slide 2 – Questions Instructions

If you are a Unit Holder or proxy holder and are attending virtually you can submit a written question during the live meeting. Please select the Q&A tab on the right half of your screen anytime. Type your question into the field and press send. Your question will be immediately submitted.

If you require any assistance, you can type your query into the Q&A tab and one of the Computershare team will assist with the chat function and reply to your query. Alternatively, you can call Computershare on 0800-650-034.

Whilst you can submit questions from now on, I will not address them until the relevant time in the meeting. Your questions may be moderated or, if we receive multiple questions on one topic, amalgamated. Finally, due to time constraints we may run out of time to answer all your questions. If this happens, we will answer them in due course via email or posting responses on our website.

Voting today will be conducted by way of a poll on all items of business. To provide you with enough time to vote, I will shortly open the voting for the resolution.

I will also invite questions from the floor and will conduct a poll for Unit Holders and proxy holders attending in person in the normal way. Computershare will collect voting forms and will collate results. Results of the poll, covering online and in person voting, will be released to the NZX later today.

Slide 3 – Voting Instructions

If you are eligible to vote at this meeting, you will be able to cast your vote under the vote tab. To vote, simply select your voting direction from the options shown on screen. Your vote has been cast when the green tick appears. To change your vote, simply select 'Change Your Vote'. You can change your vote until I declare voting closed.

The Notice of Annual Meeting has been circulated to all Unit Holders. It sets the scope of what we are scheduled to discuss today and includes the details of the one resolution we are due to consider.

I am pleased to confirm that there is a quorum present and I declare the 2022 Annual Meeting of Unit Holders of Vital Healthcare Property Trust open. The resolution is open in the vote tab, please submit your votes at any time. I will give you a warning before I move to close voting.

Slide 4 – Meeting Agenda

The order for the meeting is as follows:

- following general introductions, I will give my address as Independent Chair;
- following my address, I will introduce Aaron Hockly to give his Fund Manager's address;
- I will then table the Annual Financial Statements and invite questions on any matter regarding the Trust or the presentations other than Angela Bull's election;
- we then move to the formal business being the proposed resolution that Angela Bull be elected as an Independent Director of NorthWest Healthcare Properties Management Ltd, Vital's Manager, which will include an address by Angela and any questions on her proposed election;

- after voting is complete, we have an opportunity for general business and I will invite you to ask any other relevant questions you may have; and
- we will then conclude the meeting.

Copies of the minutes of last year's Annual Meeting are available on Vital's website vhpt.co.nz.

Slide 5 – Board of the Manager

The full Board of the Manager is in attendance. Angela Bull and Craig Mitchell are with us in person and Paul Dalla Lana and Dr Michael Stanford, are attending virtually.

Slide 6 – In Attendance

I would also like to welcome:

Vital's Fund Manager, Aaron Hockly;

Justine Wealleans and Evan Kennerly from Trustees Executors Limited, the Supervisor of the Trust;

Silvio Bruinsma, Andrew Boivin and Rebecca Clark from Deloitte, the auditors of the Trust; and

Toby Sharpe from Bell Gully, legal advisers to the Manager.

We also have several of NorthWest's senior executive team attending, including:

Chris Adams, Executive Director – Projects and Richard Roos, Executive Director – Portfolio. Richard and Chris are both attending in person

Chief Financial Officer, Michael Groth and Regional General Counsel and Company Secretary, Vanessa Flax are attending virtually.

Slide 7 – Address of the Independent Chair of the Manager

Following another very successful year for the Trust, it gives me great pleasure to deliver this address as Independent Chair of the Manager.

Slide 8 – Review of Previous 12 months

It is always disappointing to report a loss in investment value but over the last year in a relative sense Vital once again outperformed both the NZX50 index and the NZX All Real Estate indices and recorded a negative 10.2% total return for the 12 months ended 30 June 2022 against the Real Estate index decline of 13.6%.

In October 2022 and in May this year we undertook on market capital raisings totalling \$342.8 million. That capital is being used to fund Vital's strategic objectives. In turn will provide future earnings growth for unitholders.

Vital paid 9.4373 cents per unit in distributions over the 2022 financial year up 6.3% on the prior year. We have provided guidance of at least 9.75 cents for the current year.

The past year has been an active one for your board, the sharp rise in interest rates and the volatility in capital markets has underscored the importance of having a disciplined approach to capital and investment.

We are in the second year of our 5-year strategy, that targets earnings (AFFO) growth per unit, less further diversification of asset types, and increases our emphasis on developments and particularly so in quality medical precincts.

This year, the Manager supported by the NorthWest teams in Australasia and Canada have continued to pursue this strategy in a disciplined and focussed manner.

In July 2021, we completed stage 1 of the Wakefield Hospital development in Wellington at a total cost of \$50.8 million.

In August, we acquired the Hutt Valley Health hub also in Wellington, for \$46.5 million.

In October, we announced the purchase of the Tennyson Centre in Adelaide for A\$92.75 million, the commencement of Stage 2 of the Wakefield Hospital development \$92.5 million and the agreement to undertake \$74 million of developments across five of Evolution Healthcare's facilities in New Zealand.

In November, we completed Stage I of the Playford development in Adelaide and announced the signing a memorandum of understanding with Calvary Healthcare for a \$92 million facility as part of Stage III of this development.

In the first quarter of this calendar year, we acquired two important strategic development land parcels. A A\$76.6 million site in South-West Sydney for a multi-staged development and another site for expansion of the Hills Clinic in Sydney.

We also completed the Epworth Eastern East Wing Tower in Melbourne and commenced construction on Stage 2 of the Playford Health Hub.

In April, we made our first acquisitions in Te Wai Pounamu (the South Island), St Asaph Street in Christchurch and Kawerau Park in Queenstown along with development projects in Auckland totalling around \$84 million.

In June, we announced a A\$98 million development in Hobart, Tasmania.

It was extremely pleasing to be rated in the top quartile of peers in the GRESB assessment.

This assessment is an investor driven global ESG benchmark and reporting framework for property companies, and our top quartile rating confirms that we are on the right track in meeting global standards of Environmental, Social and Governance practices.

These activities represent a small part of the activity undertaken this past year; Aaron Hockly will provide greater detail in his report.

We also completed the Board renewal process in April this year with the recruitment of Angela Bull to the Board. Angela will address you today before you will be asked to elect her to the Board. She has the unanimous support of the Board.

With Angela's appointment came Andy Evan's retirement. after almost 15 years on the board, preceded by time in executive roles.

It is accurate to say that in one way or another Andy's fingerprints are over everything good that has happened at Vital this century!

I would like to take this opportunity to acknowledge Andy's vast contribution to the fund and to wish him the best for the future.

Slide 9 – Address of the Fund Manager

It is my pleasure to now introduce Vital's Fund Manager and Senior Vice President for NorthWest, Aaron Hockly.

AARON: Thank you Graham.

Kia ora koutou katoa. Good morning everyone.

I would like to start by thanking the Board and staff of Vital's Manager as well the wider NorthWest team both in this region and globally. I am very pleased to have a majority of the Board here today as well as all of my New Zealand based colleagues and my colleagues Chris and Richard from Australia. All of us are available after the conclusion of this meeting to meet with those of you attending in person.

Slide 10 – Overview of Vital

I would also like to acknowledge the ongoing support of you, our investors. Your support has enabled us to continue to grow Vital to the third largest NZX listed property group with assets on balance sheet of over \$3.6 billion. The most enjoyable part of my role is the

opportunity to speak to so many of you and your advisers across New Zealand and beyond.

It won't have escaped any of you that equity markets are much lower now than 12 months ago. However, it is in these volatile times, that the benefits of an investment in a low-risk, diversified and well managed entity like Vital come to the fore. Despite market uncertainty, our core goal of growing AFFO and distributions by 2-3% per unit per annum over the medium term has not changed.

The vast majority of Vital's tenants remain in excellent financial health, underpinned by high levels of government support and non-discretionary spending. This allows our tenants to continue to afford rent even in periods of heightened inflation, noting that over 80% of Vital's leases are linked to CPI. I don't want to downplay the challenges faced by operators in the current environment particularly due to workforce shortages in both New Zealand and Australia, but economic downturns have less impact on healthcare operators when compared to other parts of our economy.

This leads me to my final initial acknowledgement, to our tenants and their staff. Thank you for the work you do supporting the health and wellbeing of individuals and communities across New Zealand and Australia.

Slide 11 – Operational Highlights

Vital delivered a 3.3% increase in AFFO per unit in FY22 slightly above our medium-term target. This growth and the work undertaken during the first 5 months of the FY23 has allowed us to maintain distribution guidance of 9.75 cents per unit. Although the 1.2% year on year growth in distributions appears modest, FY22 was 8.5% above FY21 meaning our 2-year average is nearly 5% growth per unit per annum and our 3-year average nearly 3% growth per unit per annum.

We extended and increased debt facilities during FY22 and raised \$379m of equity to support acquisitions and developments. In early October 2023, we increased the percentage of drawn debt which is fixed to 62.3%. We have increased this again over recent weeks so that now over 70% of Vital's drawn debt is fixed. The increase in fixed debt removes some of the potential interest rate uncertainty over the next few years particularly in a rising interest rate environment.

\$287 million of acquisitions were undertaken in FY22 including Vital's first investments in the South Island. The assets acquired all include development potential enabling us to expand these facilities in the future and help us continue to grow returns for Unit Holders.

\$100m was spent on capital works in FY22 across the portfolio primarily on developments of new or expanded facilities. During FY22, we reached practical completion of stage 1 of the Playford Health Hub in Adelaide, the East Wing Tower of Epworth Eastern Hospital in Melbourne and Royston Day Surgery in Hawke's Bay. Work also continued on other committed developments. However, we are also adjusting to market conditions, primarily increased construction costs and higher funding costs. The Board and management are

currently reviewing all yet to be committed developments and we will update the market if changes to our previous announcements occur. We will only commit to new developments where we see both long-term value for Unit Holders and supportive business cases from our operating partners.

We invest for the long-term; our business model is built on enduring partnerships with our tenants. However, like any investment manager, we regularly review our holdings to ensure we are making the best possible use of your capital on a risk adjusted basis.

Slide 12 – Operational highlights (cont'd)

Vital's weighted average lease expiry remains long at 17 years providing Unit Holders security of income over the longer term.

Over time, the opportunity costs associated with holding a particular property change. If another party sees more value in an asset or when we think we have extracted maximum value, we will consider recycling capital into other investments that more closely match our strategic objectives. As a result, we continue to evaluate opportunities to divest assets in line with our 5-year portfolio strategy.

We have provided a detailed breakdown of future rent reviews across the portfolio. As noted, this is a key strength in times of heightened inflation. Approximately 80% of the portfolio's rent is linked to CPI although there are significant differences across individual leases as shown in this very detailed slide. All slides are available on the NZX if you wish to review this in detail.

Slide 13 – Sustainability

Sustainability has become an increased focus for the health and property sectors in general and for us at NorthWest in particular. As a result, we have dedicated greater resources to the measurement of data; a focus on risk and opportunities; reporting; and reduction of environmental impacts. Sustainability considerations now form a core part of our acquisition, development and operating processes; as they should.

We are targeting increasing Vital's exposure to green buildings including through developing accredited green star buildings in Adelaide and Sydney as shown on this slide. This will be an on-going process, primarily of improving the portfolio's environmental performance but also continuing to improve our governance as well as our community impacts. We are conscious of the role we play as an employer, developer, funder, corporate citizen, investment vehicle and, perhaps most importantly of all, supporting the healthcare sectors in Australia and New Zealand. Among other things, we have commenced processes of improving engagement with indigenous Australians and iwi in New Zealand, we have joined the Green Building Councils in both countries, and provided comprehensive sustainability reporting.

We are delighted to have achieved high accreditation across a range of areas from GRESB, formerly known as the Global Real Estate Sustainability Benchmark. Vital achieved a 5-Star ESG rating from GRESB for developments as well as scoring second place for listed healthcare **globally**, third place for standing investments across healthcare peers **globally** and being in the top quartile for "Developments" in the Oceania region for **all** listed entities.

More than 140 institutional investors with US\$47 trillion in assets use GRESB to monitor ESG progress so this is an important measurement tool for us. Our goal is to use the benchmark to continue to upgrade the portfolio over time and it is already leading to changes in the way we do things.

Vital also participated in CDP otherwise known as the Carbon Disclosure Project with results anticipated in the coming weeks. This work will help us prepare for mandatory climate change reporting which, for us, starts for the year commencing 1 July 2023.

Slide 14 – Epworth Eastern Expansion

Given the importance of developments in how we add value for Unit Holders, I wanted to provide two development case studies from Vital's 2022 Annual Report.

Epworth Eastern Hospital is Vital's single largest asset valued at ~\$450m and was originally constructed by Vital in 2005. This private hospital, operated by Victoria's largest not-for-profit private operator, is co-located with the Box Hill Public Hospital and located within the Box Hill Health and Education Precinct, one of the leading health precincts in Australia. The latest development, being the East Wing project, costing ~A\$97m, added five operating theatres to the eight existing theatres and 63 beds to the existing 208. It also added 4 levels of consulting space. Most of the expansion was pre-leased to Epworth Foundation for over 20 years providing a blended yield, including consulting space, of nearly 6%. This development is a good example of NorthWest's ability to undertake long-term partnering with major healthcare operators in key healthcare precincts. This has been a two-decade long journey drawing on NorthWest's significant development expertise.

Our development program in this precinct is far from complete. Vital owns 5,500 square metres of additional development land providing scope for Vital to continue to expand in a growing precinct over the longer term.

Slide 15 – Grace Hospital

To an example from Aotearoa.

Vital acquired Grace Hospital in late 2020 in a sale and leaseback with hospital operators Southern Cross and Evolution Healthcare. Part of the attraction for both the hospital operators and Vital was further development of Tauranga's only private in-patient hospital.

The first stage of this ~\$30m expansion opened earlier this year with detailed planning underway for the remaining development works. The development has already increased operating theatre capacity from 9 to 11 and ongoing development will further increase the overall capacity and efficiency of the hospital.

This is another example of Vital partnering with preferred operators to secure a modern facility in a favourable catchment with immediate development potential.

Vital acquired the asset for \$95m less than 2 years ago and it is now valued at \$115.5m reflecting a combination of value-add development works, rent increases and other valuation gains.

Slide 16 – Debt

Debt is supposed to be boring but suddenly it is all anyone wants to talk about. I want to reassure our Unit Holders that we remain in a comfortable position to withstand both the current interest rate environment and falls in property valuations (should that occur).

Debt to gross assets was 32.9% at 30 September 2022, well below the position a year prior. Similarly, the measure under our banking facilities was materially lower at 30 September this year compared to last year and at 35.4% is well below the covenant level of 55%. For context, property values could fall by over 35% before we were at risk of breaching banking covenants. This equates to property yields increasing to over 7% which seems unlikely for the premium hospitals that represent the bulk of Vital's portfolio.

Vital has no debt expiring until October 2023 and work is currently underway to extend this by the time we report our interim results next February.

As previously mentioned, we have recently increased the percentage of drawn debt which is on a fixed interest rate to over 70% with a weighted average term of 3.6 years. The increase in fixed debt will help remove some of the potential interest rate uncertainty over the next few years particularly in a rising interest rate environment.

Slide 17 – Financial position

At 30 September 2022, Vital's net tangible asset backing was \$3.38 per unit. This is around 30% above where Vital is currently trading on the NZX. Whilst valuations often lag equity markets, the broad indiscriminate sell-off of property stocks, in my view, fails to give due weight to differences between different entities, most importantly earnings' quality, stability and longevity.

Slide 18 – Valuations

The core contributor to the net tangible assets of \$3.38 per unit is the \$3.6 billion property portfolio. Given recent interest rate rises, we expect to see modest downward adjustments to healthcare property valuations over the next 12 months. However, underlying demand

for healthcare assets with long WALE's and CPI linked reviews, like those in the Vital portfolio, remains very strong.

Slide 19 – Resilience of healthcare assets

Healthcare real estate is a defensive asset class, with healthcare services a need, not a want and much of the core services required to be undertaken in person rather than remotely.

I was at a health precincts conference last week and one of the speakers noted how different healthcare is from other property classes. People don't have to work from offices any more or go into physical shops; technology has provided a whole range of options for what were previously exclusively physical spaces. Similarly in primary healthcare, telehealth has an increased importance for GPs, pharmacists and other diagnostic providers who don't require healthcare providers and patients to be in the same physical space. However, you can't have surgery or an MRI from home and approximately 80% of Vital's income is sourced from healthcare uses which require a patient to attend a facility in person; there is no alternative.

That said, as we roll out our precinct strategy, we want to make sure our healthcare precincts are not just places where people have to come but places they want to come through increased amenity, full service offerings and community based design.

The underlying resilience of healthcare assets has two key drivers:

- (1) firstly, hospitals and similar healthcare assets require meeting in a physical place and so are not exposed to the same level of technological disruption as other sectors; and
- (2) secondly, the earnings of operators, and therefore their ability to pay rent, is not typically linked to business conditions or economic cycles.

This difference in asset classes is demonstrated by recent acquisitions in the health care sector as shown in the appendix to this presentation released to the NZX earlier today.

Vital's portfolio also benefits from a strong linkage of CPI with rent increases.

Slide 20 – Comparative returns

The resilience I have mentioned is borne out in Vital's returns as shown on this slide. Vital has outperformed the NZX-REIT index over the last 1, 3 and 10 year periods.

Any changes we look to make to Vital's portfolio over coming years will seek to continue to provide growing returns for our Unit Holders whilst also holding to the core strategies that have helped deliver this outperformance and made Vital the leading listed owner of healthcare real estate in Australasia.

Thank for you for attending virtually or in person today.

Ka kite ano.

I will now pass back to our Independent Chair Graham Stuart.

Slide 21 – Annual Financial Statements

GRAHAM: Thank you, Aaron.

The Annual Report and Financial Statements for the year ended 30 June 2022 have been circulated to all Unit Holders and are now formally tabled at the meeting.

If there are any questions relating to the Trust or the presentations now is the opportunity to raise them. Only Unit Holders or proxy holders are permitted to ask questions. You may ask questions through the Computershare platform if attending virtually or raise your hand if in the room. Those wanting to ask a question online, please do so as early as possible to ensure it is received and answered.

In consideration for other Unit Holders, we ask that any questions that relate to your personal situation or unitholding be dealt with outside of the meeting with management via email or phone.

Repeated questions or questions that have already been answered may not be put to the meeting again.

[Pause for questions]

Thank you for your questions and comments.

Slide 21 – Election of Angela Bull

I would now like to move to the formal business of the Meeting, the proposed election of Angela Bull.

The vote will be conducted by poll comprising the proxies lodged in advance of the meeting and votes lodged through the forms for those in the room and via the Computershare platform for those attending virtually.

Angela's nomination has the unanimous support of the Board.

I would like to invite Angela to address the meeting.

ANGELA: *[Angela's address]*

Slide 22 – Voting

GRAHAM:

Thank you, Angela. The details of the proxies received on this election are on the screen. If I am appointed as proxy to vote and not directed on how to vote, I will vote in favour of this resolution.

If you are attending virtually, please cast your vote by clicking “for”, “against” or “abstain” through the Computershare platform. Your vote has been cast when the green tick appears. To change your vote, simply select ‘Change Your Vote’. You can change your vote until I declare voting closed, and a reminder will be given 10 seconds on screen before I close voting. Once voting has closed, you will not be able to amend your vote.

If you are attending in person, please pass your completed form to a Computershare representative.

Whilst voting occurs we will be playing a short video showcasing NorthWest Australasia, Vital's Manager, which includes several of Vital's key assets in New Zealand and Australia.

[Video]

Voting has now closed.

The results of these votes will be released to the NZX later today.

Slide 23 – General Business

I will now open the meeting for any general business.

Slide 24 – Closing Remarks

There being no further business, may I wish you all a merry festive season and a healthy and prosperous New Year.

Thank you for attending the meeting today.

[End of meeting]