

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 Seminar Room of the Starship Foundation, 111 Grafton Road, Auckland and a virtual meeting through the Computershare Meeting Platform <https://meetnow.global/nz> on Wednesday, 6 November 2024 commencing at 12.00pm.

Slide 1 – Cover slide

GRAHAM:

Tena kotou, tena kotou, tena kotou katoa.

Welcome to the 2024 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.

We are holding this meeting in person in Auckland at the offices of one of Vital's charity partners, the Starship Foundation which raises funds for New Zealand's children's hospital. We are also holding this online 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.

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

Slide 2 – Questions

During the meeting I will invite questions in relation to three formal addresses, Vital's FY24 accounts and general business. I will hand over to my fellow director, Angela Bull, to deal with questions and voting on my proposed re-election as an Independent Director.

If you are a Unit Holder or proxy holder attending in person and wish to ask a question, please wait until the relevant time and raise your hand. Please wait until you have been provided a microphone to ensure those attending virtually can hear your question.

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 Computershare will assist you via the chat function. 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.

If we run out of time to answer any questions, 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. Voting will shortly be opened online.

Computershare will collect voting forms from those attending in person and will collate results from both voting methods.

Results of the poll will be released to the NZX later today.

Slide 3 – Voting

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 2024 Annual Meeting of Unit Holders of Vital Healthcare Property Trust open.

If you are eligible to vote at this meeting, you are now 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.

I will give you a warning before I move to close voting.

Slide 4 – Meeting Agenda

The order for the meeting is as follows:

First, the two formal presentations:

- ▶ my address as Independent Chair including a short video to celebrate Vital's 25 years of listing on the NZX with highlights from the recent official opening of the expanded Ormiston Hospital; and
- ▶ followed by Aaron Hockly who leads Vital's executive team and.

I will then table the Annual Financial Statements and invite questions on any matter regarding the Trust or the presentations other than my re-election.

I will then pass on the floor to Independent Director Angela Bull for the formal business being the proposed resolution that I, Graham Stuart, be re-elected as an Independent Director of Northwest Healthcare Properties Management Ltd, Vital's Manager. Angela Bull will then invite any questions on this proposed re-election.

While voting occurs, a short video will be played providing an overview of what the Starship Foundation does.

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.

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 today with all of my Board colleagues attending in person except for Mike Brady who is attending virtually from Canada.

Slide 6 – In Attendance

I would also like to welcome:

- ▶ Northwest's executive team including Co-Head of Region Chris Adams, Regional CFO Michael Groth and Vital's Company Secretary Vanessa Flax;
 - ▶ Paul Cassidy and Raveen Kaur from the Supervisor of the Trust;
 - ▶ Andrew Boivin and Rebecca Clark from the auditors of the Trust; and
 - ▶ Toby Sharpe from the legal adviser to the Manager.
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Slide 7 – Health and Safety Guidelines for Whiti Ora

For those attending in person, some quick Health and Safety guidelines:

- ▶ In the event of a fire alarm, please evacuate immediately via fire exits located at the front of the building. Do not use the elevators. Everyone will need to move swiftly and safely up Grafton Road towards the Wilson parking lot. Please gather here and wait for the all clear from the fire wardens before moving back into the building.
 - ▶ There is a first aider on site.
 - ▶ Toilets are located adjacent to the elevator doors where you entered this building.
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Slide 8 – Address by the Independent Chair of the Manager

Fellow Unit Holders,

I am pleased to report that the operating performance of our fund remains at satisfactory levels despite the challenging economic environment.

Slide 9 – Overview of Vital

Strategic Focus and Adaptability

Our operations in the 2024 financial year continued the strategic direction set in 2023:

1. We significantly reduced resources and capital allocated to our development pipeline.
2. We recycled capital by divesting non-core properties to fund remaining development activities that were either committed to before the monetary tightening cycle began or delivered compelling short-term benefits to the fund.

These moves have ensured that the fund maintains:

- ▶ A high-quality property portfolio
- ▶ A sound capital structure

- ▶ A sustainable growth strategy that can be activated when the broader economic environment is more favourable

Long-term Strategy and Industry Dynamics

Vital remains a long-term investor in the inherently attractive healthcare sector. While recent economic changes have necessitated some course corrections, our overall strategy remains unchanged. We continue to focus on:

- ▶ Investing in high-quality healthcare properties in attractive locations
- ▶ Partnering with strong and stable tenants
- ▶ Maintaining a portfolio characterized by CPI-indexed leases and a weighted average lease term of 19.4 years

This approach provides resilient and predictable returns on capital, with indexation offering protection against inflation and managing development to deliver in the long run 2-3% growth in distributions per unit.

We continue to progress a number of strategic objectives including capital partnering and we remain of the view that an ASX listing remains in the interest of Unit Holders but would consult before bringing another proposal for a vote.

Prudent Management Through Economic Cycles

Your board is conscious that markets and economies move in cycles. We have adopted strategies to ensure we do not overextend ourselves during good times, allowing us to readily adapt to down cycles. By maintaining discipline in our investment decisions and focusing on relationships, we are well-positioned to navigate the current economic landscape.

Slide 10 – Governance Highlights

In addition to our financial focus, we have continued to enhance our governance in response to stakeholder feedback and market conditions.

The activities I have highlighted represent only a small part of our efforts over the past year.

Slide 11 – Long term delivery

For 25 years, Vital has been listed on the NZX, successfully navigating through the Asian Financial Crisis, the Global Financial Crisis (GFC), and now the post-Covid-19 monetary policy tightening, which we hope is nearing its end. The fund's robust condition after a quarter-century reflects the quality of our portfolio and its management.

Resilience in Challenging Times

The Board and management team have continued to manage our portfolio dynamically to mitigate the impacts of higher interest rates, which have adversely affected property values and funding costs. Our approach provides the fund with the resilience needed for a more challenging economic environment while sustaining strong distributions to unit holders.

In this context, it is particularly gratifying that we have maintained distributions at 9.75 cents per unit for the 2024 financial year, consistent with 2023. We have also provided guidance to maintain this distribution level in the current year.

Slide 12 – Celebrating Vital’s 25 years of Listing on the NZX

To commemorate Vital’s 25 years of listing, the NZX put together a video which we are going to show now.

[Vital’s 25 years of listing video]

Slide 13 – Address by the Fund Manager

Thank you for your continued support and trust in Vital. We remain confident that our strategy will continue to deliver superior returns over time, benefiting from the positive dynamics of the healthcare industry.

For a more comprehensive overview, I am pleased to introduce Vital's Fund Manager, Aaron Hockly, to provide greater detail.

AARON:

Nei ra mihi mahana ki a koutou katoa. Tena koutou, nau mai haere mai. Greetings and welcome to Vital’s Annual Meeting.

Slide 14 – Portfolio Highlights

Thanks Graham.

At 30 September, Vital’s property portfolio was valued at 3.2 billion New Zealand dollars split 69% to Australia and 31% to New Zealand following a deliberate expansion in New Zealand over recent years.

The portfolio is dominated by private hospitals representing 79% of Vital’s portfolio by value leased to the leading hospital operators across Australia and New Zealand including Aurora, Health Care, Epworth, Evolution, Southern Cross and the recently rebranded Allevia who operate Ascot Hospital among other facilities.

Because I get this question following all of these meetings, a reminder that we are the landlord or property partner to the healthcare operators, we are not the operator ourselves. We acquire, develop and maintain properties for healthcare tenants.

Since March 2023, we have sold 360 million New Zealand dollars of assets with the proceeds reinvested into Vital’s development pipeline. This includes over 47 million New Zealand dollars of assets sold over the last quarter. By way of example, we have divested all of Vital’s aged care assets comprising five assets identified as non-core due a mixture of tenant covenant, asset quality and ESG considerations and three assets sold in response to an unsolicited offer. The other assets we have been selling include where there is a current or upcoming vacancy or where the assets do not match our strategy across tenants, location, asset type and ESG among other considerations.

Eighty million New Zealand dollars of assets are in due diligence for sale and a further 110 million dollars is being considered for sale to bring to an end Vital’s recent sales programme.

Asset sales coupled with developments have improved the resilience of Vital’s portfolio through lowering average building age, increasing weighted average lease term and reducing future risks.

Over the last quarter, several key leases were extended in Australia expanding Vital’s weighted average lease expiry term to 19.4 years at 30 September. This is the longest

weighted average lease term of any listed property group in Australia or New Zealand and is a key metric of income security for our Unit Holders.

Slide 15 – Development Highlights

In October, we were pleased to be ranked first place by GRESB for healthcare development globally for the second year running. In addition, and for the third year in a row, Vital was awarded a 5-Star rating for development.

We are committed to achieving a minimum of 5-Star Green Star for all major developments. These are the developments that we think will achieve higher valuations and rental returns going forward.

During FY24, five developments with a total spend of 197 million New Zealand dollars completed with an additional 16 million Australian dollar development completing in the first quarter of this financial year. This includes completion of the expansion of Ormiston Hospital, in the southeastern Auckland suburb of Botany, which you would have seen from the video was officially opened by the Prime Minister, Christopher Luxon, last month. Mr Luxon was accompanied by the Minister of Health, Dr Shane Reti.

Slide 16 – Development Highlights (continued)

Vital has five committed developments with 106 million New Zealand dollars left to complete. This is able to be funded from existing debt capacity.

In addition, we have close to 2 billion New Zealand dollars of potential developments on land Vital already owns. A range of factors would be considered to convert them into committed developments including:

1. balance sheet capacity noting that we are targeting keeping gearing at or below 40%, partly why capital partnering remains a key strategic focus for us;
2. minimum levels of Board approved tenant precommitments; and
3. other business conditions including costs of construction, costs of capital and the projected returns for Vital.

The Board and management is committed to only progressing developments where they add value for Unit Holders.

Slide 17 – Financial Highlights

For FY24, we recorded a 3.7% increase in net property income on a like-for-like, same property and constant currency basis. The higher interest rate environment has translated this strong uplift in cash earnings to a modest fall in adjusted funds from operations or AFFO, put simply debt costs have risen faster than net property income, but AFFO was still well above the level required to fund distributions. Vital's FY24 distributions were free cashflow covered and represented around 90% of AFFO. Management fees fell by 26% over the year.

Despite some modest declines in property values, we have retained balance sheet gearing at 40% in line with our target due to asset sales offsetting development spending.

With New Zealand now firmly on a lower interest rate trajectory and Australia's rates expected to remain at around current levels for some time, we anticipate to have largely ended the negative property revaluations for this cycle.

We have 123 million New Zealand dollars of debt headroom available under existing debt facilities to fund the balance of our committed development pipeline without the need for any further asset sales.

Since August 2024, approximately 300 million Australian dollars of forward starting interest rate hedges have been added to align with our interest rate hedging policy and to reduce interest rate volatility going forward.

Slide 18 – Sustainability Highlights

Sustainability remains a key focus and impacts how we approach acquisitions, developments, divestments and capital works. We believe this will provide higher and more sustainable returns for Unit Holders over the medium to longer term.

During FY24, developments targeting 6 Star Green Star were completed in Sydney and Adelaide. 6 Star Green Star is the highest possible rating available and is expected to provide immediate and longer-term income and valuation benefits.

In the case of Macarthur, the rating process was undertaken in conjunction with the tenant who occupies 100% of this building. For Playford, it is a key selling point as we seek to lease the remaining 1/3rd of this building.

We have been working on improving our ESG scores with a range of ratings providers and have included scoring improvements in Vital's annual report. This includes being awarded sector leader status from GRESB in the developments benchmark for listed healthcare entities globally for the second year in a row. GRESB reviews over 2,000 entities in 75 countries representing over 7 trillion US dollars in investments making us extremely proud of this achievement.

Slide 19 – Climate Related Disclosures

Vital is a Climate Reporting Entity and so is now required to provide an annual climate-related disclosure. Our first report was released last week and is available on our website.

In alignment with compulsory reporting standards, our climate scenario analysis includes climate related risk and opportunity assessments on all assets across a variety of time horizons and global temperature outcomes.

To facilitate the analysis of these climate scenarios, Vital was an active participant in two industry working groups collaborating to deliver the New Zealand Green Building Council Climate Scenarios for the Construction and Property Sector and the Aotearoa Climate Change Scenarios for the Health Sector which brought together industry leaders across the health, property and development sectors.

The disclosures provide plausible future scenarios to support an efficient allocation of capital and this work helps drive how we think about investment and capital works. This remains a work in progress for us as we, like most of our peers, continue to adopt to changing legislative and physical environment which will help us shape future targets for Vital.

Slide 20 – Outlook and Guidance

Despite recent heightened market volatility which has clearly impacted Vital's unit price, healthcare property remains a defensive asset class, underpinned by a high level of government support and non-discretionary spending.

We expect Vital's portfolio will continue to demonstrate strong operating metrics and portfolio resilience based on a long history of investment in the assets and our partnerships with market leading healthcare operators.

In FY25, we will continue to enhance the resilience of Vital's property portfolio and balance sheet through further non-core asset sales targeting receipt of at least 100 million New Zealand dollars.

We will also continue to look for a capital partner to support activation of Vital's potential development pipeline to unlock embedded value in land Vital already owns; part of the reason why we continue to prepare strategic land that Vital owns to be "shovel ready". These developments provide Vital with options for future growth should market conditions be supportive.

FY25 distribution guidance of 9.75 cpu has been provided; consistent with FY24. The work we have undertaken over FY24, and will continue to undertake, will help support future growth in AFFO and distributions.

Sustainability remains at the core of everything we do. Despite growing competition, we will seek to maintain sector leadership which in turn should support future earnings and valuation growth for our unit holders.

Before I hand back to Graham, given recent media attention I wanted to touch on the role we can and could play in supporting New Zealand's health system.

All our facilities provide significant community benefit as, among other things, they help take pressure off the public system whether it be through Health New Zealand funded patients, ACC funded patients or privately funded patients.

According to research cited by the OECD, New Zealand has the 6th best health system of its members in part reflecting the integration between the private and public health systems.

There is plenty of international evidence that a mixed model produces the best health outcomes and so we applaud the Government and Te Whatu Ora for considering a wider range of delivery and funding options for healthcare going forward. This could include involvement by Vital albeit in a relatively limited way.

Nga mihi nui, I will now hand back to Vital's Independent Chair.

Slide 21 - Annual Financial Statements

GRAHAM:

Thank you, Aaron. The Annual Report and Financial Statements for the year ended 30 June 2024 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 and wait for a microphone to be given to you.

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 22 – Re-election of Graham Stuart

GRAHAM:

I would now like to pass the floor to Angela Bull.

ANGELA:

We now move to the formal business of the Meeting, the proposed re-election of Graham Stuart.

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.

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

Slide 23 – Voting

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 people are voting, we will show a short video from our charity partner, the Starship Foundation.

Voting has now closed. The results of these votes will be released to the NZX later today.

Slide 24 – General Business

ANGELA:

I will now pass the floor to Graham for general business.

GRAHAM:

I will now open the meeting for any general business.

Slide 25 – Closing Remarks

There being no further business, I declare the meeting over.

Thank you for attending the meeting today.

[End of meeting]

Slide 26 – Appendix C: Comparative Returns