HY24 interim results presentation

Delivering on our strategy

15 FEBRUARY 2024

Vital HEALTHCARE PROPERTY TRUST
Managed by Northwest

Contents

Presenters

Aaron Hockly

SENIOR VICE PRESIDENT AND FUND MANAGER

Michael Groth

CHIEF FINANCIAL OFFICER

Richard Roos

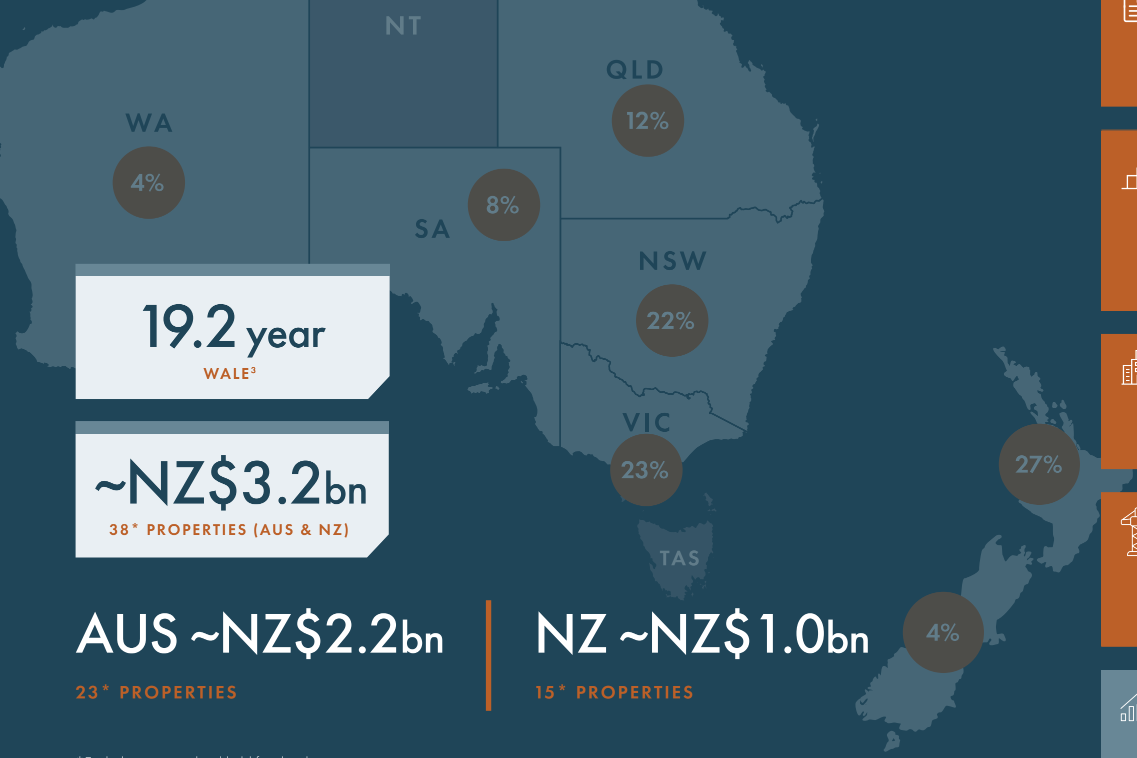
CO-HEAD ANZ REGION

Chris Adams

CO-HEAD ANZ REGION

Investing in healthcare property across Australia and New Zealand

VITAL IS THE ONLY SPECIALIST HEALTHCARE LANDLORD LISTED ON THE NZX



19.2 year
WALE[3]

~NZ$3.2bn
38* PROPERTIES (AUS & NZ)

AUS ~NZ$2.2bn
23* PROPERTIES

NZ ~NZ$1.0bn
15* PROPERTIES

DEFENSIVE SECTOR

- Non-discretionary or high priority discretionary spending
- Low impact from economic or business cycles
- Strong demand for healthcare property compared to other property sectors

HIGH DEMAND

- Ageing demographics and growing populations
- Rising life expectancy
- Increased offerings due to technological advances
- Increasing demand from the public sector due to capacity and / or fiscal constraints

HIGH QUALITY PORTFOLIO

- Landlord to leading private healthcare operators and Te Whatu Ora
- 98.2% occupancy
- Average building age[1]: 9.7 years

DEVELOPMENT UPSIDE

- NZ$213m remaining spend on existing developments
- ~NZ$2bn+[2] potential development pipeline
- Vital has an unmatched development team in healthcare property across Australia and New Zealand

EARNINGS GROWTH

- Targeting 2–3% AFFO and DPU growth with a conservative payout ratio
- 97% of leases increase annually by CPI or a fixed %
- Strong underlying NPI growth enhanced by developments

*Excludes strategic land held for development
[1] Average building age = the later of the date of construction or last significant capital works
[2] Development timing and therefore spend expected to be over a staged and lengthy period (at least 10 years)
[3] Inclusive of landlord options

HY24 highlights

HY24 highlights

NON-CORE ASSET SALES AND DEVELOPMENTS HAVE HELPED IMPROVE THE RESILIENCE OF THE PORTFOLIO

1st

PLACE FOR LISTED HEALTHCARE GLOBALLY IN ESG

7%

OF VITAL'S NET LETTABLE AREA LEASED OR RENEWED

NZ$222.1m

NON-CORE ASSET SALES OVER CY23[1]

4.1%

INCREASE IN UNDERLYING INCOME SINCE HY23[2]

9 developments

UNDERWAY WITH NZ$212.7M SPEND REMAINING

NZ$134m

OF DEVELOPMENT AND CAPITAL EXPENDITURE WORKS UNDERTAKEN[3]

[1] Includes NZ$164m in HY24
[2] On a same-property, constant currency basis
[3] Includes ~$131m of developments and ~$2.3m of value add capex

Sustainability

Vital was acknowledged as Sector Leader (the highest possible achievement) by GRESB for ESG in healthcare for all listed entities globally across performance, management and developments.

GRESB REAL ESTATE

SECTOR LEADER 2023

GRESB ★★★★★ 2023

5 STAR ESG RATING

Vital retained a B- in 2023 for CDP (formerly Carbon Disclosure Project). A B- score positions Vital in the 'Management' category, indicating evidence of our commitment to managing our environmental impact.

Green Star

Vital is committed to targeting a minimum of 5 star Green Star ratings for all new development projects and currently has 9 new developments registered to achieve the below ratings:

Targeting 6 Star Green Star Design & As-Built Rating

- RDX, Queensland
- Macarthur Health Precinct - Stage 1, Campbelltown (Design Certification Achieved, As-Built Certification on track to be achieved 2024)
- Playford Health Hub - Stage 2, Elizabeth Vale (Design Certification Achieved, As-Built Certification on track to be achieved 2024)

Targeting 5 Star Green Star Design & As-Built Rating[1]

- Kipling Avenue, Auckland
- Coomera Health Precinct - Stage 1, Queensland
- Logan Private Hospital, Meadowbrook
- Buranda Health Hub, Woolloongabba
- St Asaph's St, Christchurch
- 61-71 Park Road, Auckland

[1] Except for Kipling Avenue, the other developments listed in this section are part of Vital's potential development pipeline and have not been committed to by Vital yet

Sustainability (Cont'd)

Volunteering

Northwest launched a company wide volunteering policy. Our team has completed volunteering within the communities we serve including opportunities with the Starship Foundation, Ronald McDonald Charities Houses and Magic Moments Foundation's Sydney Basket Brigade.

Reconciliation & Cultural Awareness

Northwest (including Vital) is committed to cultural acknowledgement to achieve better health outcomes in communities we serve and improve reconciliation outcomes with Australia's First Nations peoples. Reconciliation Australia has endorsed our inaugural Reflect Reconciliation Action Plan (RAP) to integrate and prioritise reconciliation across our business.

Māori cultural awareness training has been deployed across the business with a focus on Tikanga Māori (Māori customs), te Tiriti o Waitangi (the Treaty) and te reo Māori (language).

[1] CS1, CS2, CS3

Current focus

Climate Related Disclosure

Under New Zealand legislation, Vital will submit a Climate Related Disclosure (CRD) prior to October 2024, aligning to the XRB Aotearoa New Zealand Climate Standards[1] which will include information covering Governance, Strategy, Risk Management and Metrics and Targets.

Data collection

Vital is currently engaged with Toitū Envirocare to verify our 2022 baseline year emissions data. We are proud to be working with Toitū Envirocare to bolster our climate action journey through credibility and international best practice.

In accordance with XRB CS1 Vital will disclose an absolute and intensity based GHG inventory for FY24 with limited assurance.

Targets

Vital is committed to a long term emissions target of net zero by 2050. Establishing an interim 2030 science-based-target will set a key milestone for Vital to ensure trajectory to 2050. The interim target will be measured from the 2022 baseline information.

Executing on our strategy

Strategic initiatives	Delivery over the five years ended 31 December 2023
Grow AFFO and distributions by 2-3% per unit per annum over the medium term	▸ 11.4% growth in distributions per unit or 2.3% per annum ▸ Reduction in AFFO per unit over last 18 months primarily due to rapidly rising interest rates but strategies in place to return to growth
Improve portfolio metrics through acquisitions, developments and divestments	▸ WALE increased from 17.9yrs to 19.2yrs (despite 5 years passing) ▸ Single largest tenant concentration reduced from 48% to 19% ▸ Weighted average building age lowered from 14.0yrs to 9.7yrs ▸ Metropolitan exposure increased from NZ$1.5bn to NZ$2.9bn (increase from 83% to 89% of the total portfolio)
Increase exposure to: - New Zealand - South-East Queensland - Healthcare precincts - Green buildings - Ambulatory care facilities - Life sciences	▸ New Zealand portfolio increased from NZ$429m to NZ$1bn (increase from 25% to 31% of the total portfolio) and South-East Queensland increased from NZ$196m to NZ$437m (increase from 11% to 13% of the total portfolio) with additional developments underway or being considered in both jurisdictions ▸ Exposure to core healthcare precincts increased from NZ$617m to NZ$1.6bn once **current** committed developments complete (increase from 34% to 47% of the total portfolio) ▸ Ambulatory care investment increased from NZ$212m to NZ$537m ▸ First life sciences development underway (RDX: A$140m)
Divest non-core assets	NZ$339m sold[1], NZ$92m in due diligence and a further NZ$220m being considered for potential sale
Prudent balance sheet management	▸ Despite significant expansion of the portfolio, balance sheet gearing has been maintained below 40% which is considered conservative for a portfolio like Vital's (change from 35.1% to 38.3%) ▸ Weighted average debt maturity increased from 1.7 years to 3.3 years ▸ Interest rate hedging: ~78% of drawn debt at 31 December 2023

[1] Includes the sale of small assets and three regional hospitals in the four years prior to CY23

Strategy reaffirmed

IN DECEMBER 2023, VITAL'S MAJORITY INDEPENDENT BOARD APPROVED AN UPDATED STRATEGY

The update is substantially in line with previously announced strategy. Key elements include:

Continuation of core strategy & focus on healthcare real estate

- *Healthcare property continues to be attractive due to the underlying tenant demand and relatively low volatility. Vital is in a unique position to capitalise on this.*

Continued focus on brownfield and greenfield developments in core or emerging healthcare precincts

- *Continued improvement of the portfolio to support security of Unit Holder returns*
- *Retain sector leadership*
- *Reflects our belief in healthcare precincts and developments as a means to enhance returns for Unit Holders*
- *To become committed, potential developments must add value for Unit Holders*

Continued focus on key identified markets notably New Zealand where Vital is supporting the three main private hospital operators as well as the public health system

- *Vital is supporting our home market and the communities where our investors are located.*

Measures to return to AFFO and distribution growth in future periods consistent with targets

- *We have several strategies to return to a growth path for AFFO and distributions in future periods.*

Increased focus on alternative sources of capital

- *Benefits to Vital include enabling the potential development pipeline, adding another way of funding developments and reducing risk (development, tenant and geographic concentration).*

Sustainability / ESG to remain core to everything we do

- *Vital needs to remain relevant, attractive to investors and at the forefront of best practice across all ESG areas.*

Healthcare property is a growing investment class due to its strong underlying tenant demand which is uncorrelated with economic cycles.

Vital is in a unique position to capitalise on this due to its deep understanding on the sector, unmatched sector experience and key relationships benefiting both our Unit Holders and operating partners.

Financial results & capital management

Financial performance

PROPERTY EARNINGS GROWTH HAS FACILITATED AFFO GROWTH OVER THE MEDIUM TERM

	ACTUAL HY2024	ACTUAL HY2023	(%) CHANGE
Net property income	**72,399**	**72,068**	↑ **0.5%**
Corporate expenses	(2,664)	(2,034)	↑ 31.0%
Management fees	(12,464)	(16,748)	↓ 25.6%
Realised transaction gains / (losses) on FX derivatives	284	(14)	↑ 2,128.6%
Net finance expenses	(20,075)	(17,384)	↑ 15.5%
Operating profit before tax and other income	**37,480**	**35,888**	↑ **4.4%**
Property revaluations and other income	(161,192)	(53,857)	↑ 199.3%
Profit before income tax	**(123,712)**	**(17,969)**	↓ **588.5%**
Adjusted funds from operations (AFFO)	**36,953**	**37,671**	↓ **1.9%**
Adjusted funds from operations (cpu)	**5.54**	**5.76**	↓ **3.8%**
Distributions per unit (cpu)	**4.88**	**4.88**	**-**
All values shown as $000s			
Average NZD/AUD exchange rate in the period	*0.9251*	*0.9074*	

- Management fees have reduced because of lower property valuations

- Non-cash loss primarily due to property revaluations

- AFFO growth per unit below target of 2-3% per unit per annum due to debt costs rising faster than NPI and development returns, as well as relatively low levels of historic hedging

- Implementing strategies to return to DPU growth

Net property income

1.8% NPI GROWTH (EXCL. FX) DUE TO DEVELOPMENTS AND RENT REVIEWS

Development income – rentalisation of capital expenditure and holding income from strategic site acquisitions

Disposals – Strategic disposal of non-core assets in HY24 totaling NZ$164m

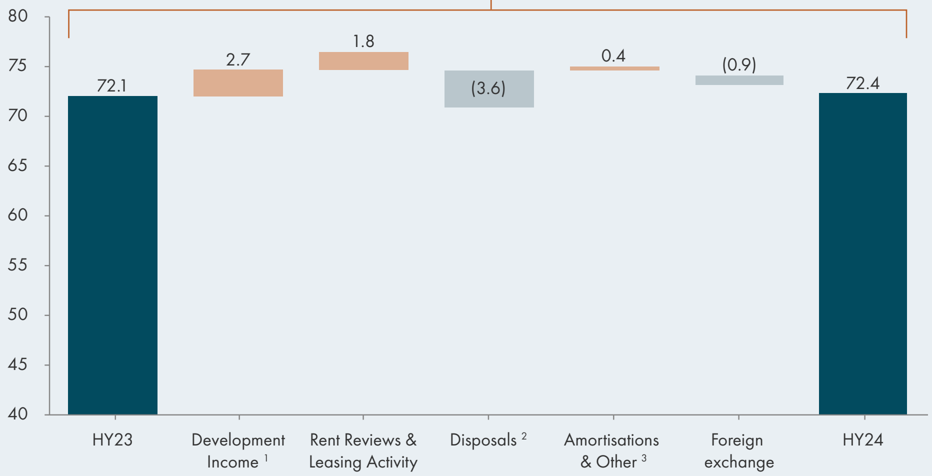
Capex – remains modest due to long term leases, minimal upcoming expiries, young building age and ability to capitalise or rentalise upgrades as part of developments

HY24 property income growth of +4.1% (like-for-like, constant currency basis)

Headline growth impacted by non-core assets sales which have improved Vital's overall property portfolio

+0.5% growth (incl FX) / +1.8% (excl. FX)

NET PROPERTY INCOME BRIDGE ($M)



86% of Vital's leases (by income) are indexed to CPI in some way

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

[2] Disposals of non-core assets: Eden Private Hospital, Apollo Health & Wellness Centre, Mons Road, Southport Private, and Hall & Prior Aged Care Portfolio.

[3] Amortisation, non-recurring R&M & abatements

[4] Figures may not add due to rounding

Balance sheet

NON-CORE ASSET SALES HAVE FULLY FUNDED DEVELOPMENT AND OTHER CAPEX DURING HY24

	ACTUAL HY24	ACTUAL FY23	(%) CHANGE
Investment properties	3,218,117	3,380,720	⬇ 4.8%
Other assets	51,632	48,992	⬆ 5.4%
Bank debt	1,251,415	1,245,293	⬆ 0.5%
Other liabilities	207,916	227,036	⬇ (8.4%)
Debt to gross assets[1]	**38.3%**	**36.3%**	⬆ **5.4%**
Unitholder funds	1,810,417	1,957,383	⬇ (7.5%)
Units on issue (000s)	670,511	661,014	⬆ 1.4%
Net tangible assets ($/unit)	**2.70**	**2.96**	⬇ **(8.8%)**
All values shown as $000s			
Period end NZD/AUD exchange rate	*0.9270*	*0.9193*	

Decrease due to:

- Sale of $164m[2] of non-core assets
- Unrealised revaluation loss of ($141m)
- F/X impact of ($19m)
  Partly offset by: development and capital spending of $134m

- Fall largely due to unrealised property valuations.

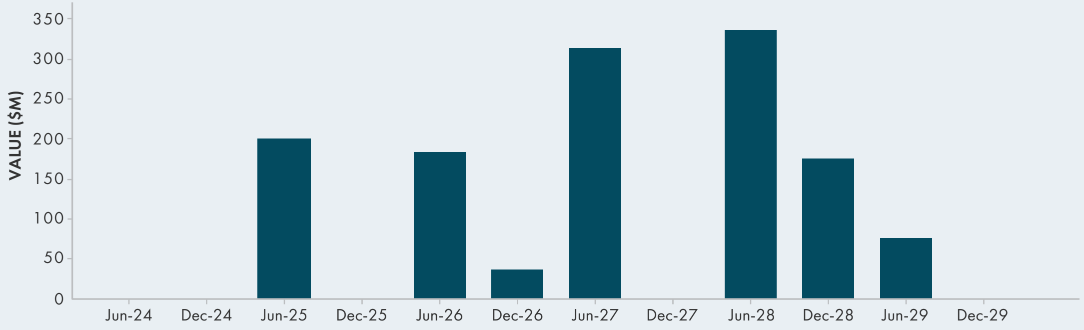
[1] Calculated in accordance with Vital's Trust Deed
[2] Includes assets held for sale at 30 June 2023

Prudent gearing maintained

SEEKING TO MAINTAIN BALANCE SHEET GEARING BELOW 40% AT ANY POINT IN TIME

BANK FACILITIES	31 DEC 2023	31 DEC 2022
Debt to gross assets (Trust Deed)[1]	38.3%	33.7%
Bank loan to value ratio – actual[2]	39.8%	35.5%
Bank loan to value ratio – covenant	55.0%	55.0%
Weighted average duration to expiry	3.3 yrs	3.4 yrs
Undrawn facility limit (A$)	$166m	$129m

DEBT EXPIRY PROFILE – 31 DECEMBER 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

No debt expiring until March 2025; well progressed on extensions for near term expiries.

Measures to maintain balance sheet gearing below 40% at any point in time include

- capital partnering
- further asset sales
- adjusting development commitments and timing of spending
- raising equity in advance of deployment if required.

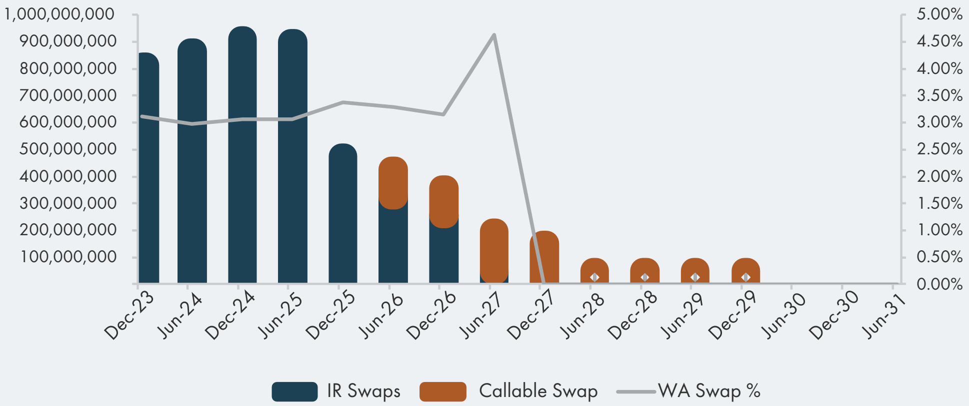
Interest rate hedging profile

INTEREST RATE COSTS SUBSTANTIALLY HEDGED FOR OVER 2 YEARS TO HELP MANAGE RISK

RATES	31 DEC 2023	31 DEC 2022
Weighted average cost of debt[1]	5.14%	4.57%
Weighted average fixed rate (excl line fee and margin)	3.27%	2.82%
Weighted average fixed rate duration	2.3 yrs	2.7 yrs
% of drawn debt fixed	78%	59%

Interest rate hedging remains a priority with focus on extending duration.

HEDGING MATURITY PROFILE ($A)



[1] Drawn debt (excludes line fees on undrawn facility)

NOTE: Fixed rates exclude line fees and margin

Portfolio

Portfolio overview

AUSTRALASIA'S HIGHEST QUALITY INVESTABLE HEALTHCARE PORTFOLIO

CPI aligned leases support income growth

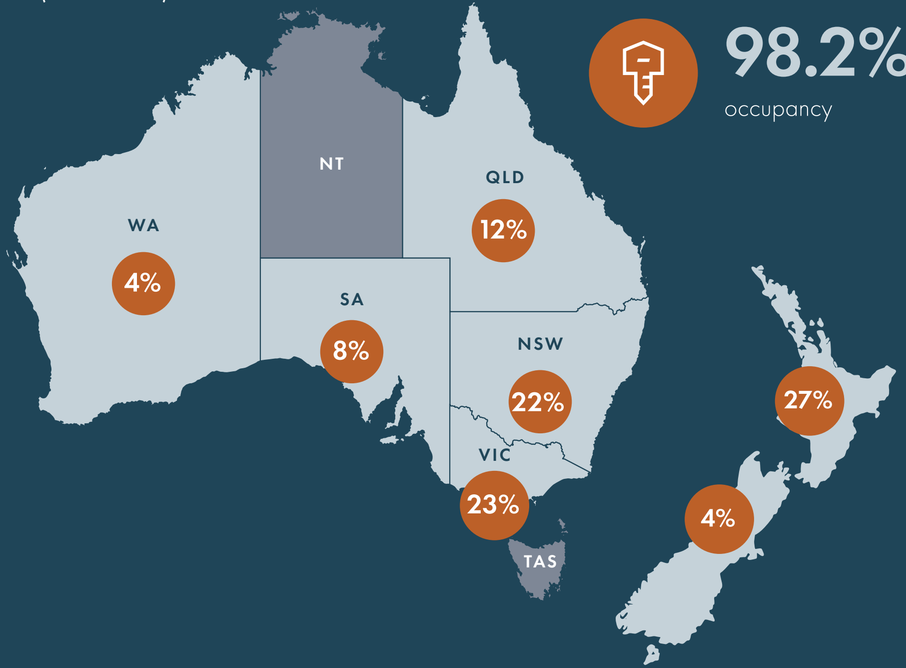
4.1% growth for same properties on a like-for-like and constant currency basis; 1.8% (excl. FX) growth in net property income after allowing for disposals

- ~86% of Vital's rent is linked to CPI of which 70% has a cap with a weighted average of 3.59%
- AFFO lags CPI increases due to: 1-CPI being a backward measure for future rent; and 2-Vital's rent reviews are weighted towards the second half of the financial year

Aurora Healthcare	19%
Evolution Healthcare	17%
Healthe Care Surgical	16%
Epworth Healthcare	16%
Southern Cross	4%
Burnside	3%
Mercy Ascot	3%
Bolton Clarke	3%
Te Whatu Ora	2%
I-Med Radiology Network	1%
Other	17%

Vital's tenants include some of the largest healthcare operators across Australia and New Zealand

GEOGRAPHIC DIVERSIFICATION
(BY VALUE)



98.2%
occupancy

Non-core asset disposals in line with strategy

OVER NZ$220M OF NON-CORE ASSETS OVER CY23 AT A SMALL DISCOUNT TO BOOK VALUE

NZ$222.1m

of non-core assets sold during CY23

Targeting over NZ$100m additional net proceeds by 31 December 2024

Proceeds to be used for development pipeline

Non-core asset sales, coupled with the reinvestment into developments, have improved Vital's portfolio through increasing exposure to healthcare precincts and green buildings, increasing Vital's pro-forma WALE and reducing average building age.

An improved, more resilient portfolio is expected to enhance returns for Unit Holders over the medium-long term.

Healthcare valuations underpinned by strong demand

Healthcare assets have become a mainstream asset class

Institutional demand for healthcare assets evidenced by several new entrants into market

Limited high quality assets drive premium asset pricing

Vital has been acquiring and developing irreplaceable precinct assets for over 20 years

Vital has deep relationships with a broad range of healthcare operators

Our long term partnerships across the healthcare spectrum drive real estate opportunities and value

The long term outlook for the industry is healthy despite some industry headwinds

Industry metrics are strengthening and a growing ageing population will continue to support demand

Developments

Development strategy

Strategy

Continue to develop through the cycle to enhance Vital's portfolio, support operating partners and provide future earnings growth for Unit Holders

Focus on precincts and green buildings

Brownfield developments in particular have supported Unit Holder total returns and kept Vital's assets modern and fit for purpose

Achievements

Several large developments close to completion reducing capital required in future periods

Vital has undertaken $NZ650m of developments over the last 5 years

Completed developments have improved average building age by ~8 years & WALE by ~4 years during this time whilst delivering strong underlying returns

Current focus

Vital has several shovel ready projects across Australia and New Zealand that can be commenced once market conditions are supportive

In the process of repricing new developments to match current environment

Working on new ways of funding these developments including capital partnering

Committed development pipeline

NZ$512m
committed developments[1]

NZ$213m
remaining to be spent

NZ$170m
expected to be spent over the next 12 months
(funded through existing debt capacity & asset sales)

5.7%
weighted average development yield

50bps
weighted average development yield versus in use or expected completion yield

[1] Including $62m in fund-through developments

Developments nearing completion

Wakefield Private Hospital Stage 2

Asset Type	Hospital (Acute)
Total Cost	NZ$91.5m
Net Project Yield	5.6%
Completion Date	Stage 2A - May-24 & Stage 2B - Feb-25. Vital's cost cap to be reached in early -24.
Description	Second stage of hospital rebuild delivering 8 operating theatres, 42 beds, new Day Surgery Unit and additional expansion capacity
Asset Value	NZ$ 176m

Ormiston Hospital - Stage 1

Asset Type	Hospital (Acute)
Total Cost	NZ$42.9m
Net Project Yield	5.1%
Completion Date	July 2024
Description	New three level building with internal links to the existing Hospital. The building consists of a L1 tenancy space, a new patient ward on L2 which will extend to the existing ward via the link bridge on L2/L3 and a dedicated Endoscopy space on L3 with shell space to accommodate a future CSSD.
Asset Value	NZ$73m plus land for future development

Precinct creation: Ormiston Hospital Case Study

- Ormiston Hospital (majority operated by Southern Cross) acquired in 2017 for NZ$33.0m. The then ~5,000sqm facility was a 3 level, 26 bed facility with 6 Operating Theatres.
- $46m ~5,000sqm expansion due to complete in July 2024 and is 100% pre-leased (including heads of agreement).
- Expected to be valued at over $100m on completion representing ~3% of Vital's total portfolio and 10% of Vital's NZ portfolio.
- In 2023, Vital acquired ~7,500sqm of adjoining land for $13m enabling Vital to respond to increased demand for healthcare services in Southeast Auckland. Master-planning for the precinct has been completed.

Delivery in line with commitments:

- ✓ 5,000sqm expansion forecast to complete in July 2024; doubling the size of the facility and extending lease by 20 years
- ✓ ~70% leasing pre-commitment prior to commencement of construction
- ✓ 100% leasing commitments prior to practical completion
- ✓ Comprehensive medical precinct master planning for medical precinct
- ✓ Acquisition of 7,500sqm of adjacent land for future expansion and development

Future focus

Ko ngā pae tawhiti whaia kia tata, ko ngā pae tata, whakamaua kia tina.

The potential for tomorrow depends on what we do today.

Outlook & guidance

CONTINUED DELIVERY AND FOCUS ON ADDING VALUE AND EARNINGS GROWTH

Guidance

- FY24 distribution guidance of at least 9.75 cpu
- <90% payout ratio retained

Sector tailwinds and Vital's unique offering

- Capital partnering and other new strategic enhancements being added to our proven strategy
- Unit Holders benefit from lower risk nature of Vital's portfolio: high income security, high occupancy, long WALE, high quality properties and tenants, growing demand for healthcare assets
- Ranked leading healthcare property fund globally by GRESB for ESG

Strategic focus

- Adjusting to market conditions
- Additional non-core asset sales being progressed to improve the portfolio and part-fund development pipeline
- Continuing to improve the quality of the portfolio, including through asset sales and developments, providing increased portfolio resilience and ensure the portfolio can provide for future healthcare needs
- Developments remain integral; focused on precincts and enhancing and expanding presence in existing locations
- Focus on maintaining sector leadership in ESG as well as TCFD reporting
- Focus on AFFO per unit growth of 2-3% p.a. through the economic cycle remains at the centre of our strategy.

Vital is a 'best in class' investment platform.

The board and management will seek to capitalise on Vital's unique position, high-quality portfolio and previous achievements for the benefit of Unit Holders through on-going active capital and asset management as well as ESG leadership.

As well as focusing on AFFO per unit growth, we are seeking to continually improve Vital's portfolio and add value for Unit Holders

Appendices

Committed developments – Australia & New Zealand

DEVELOPMENTS ENHANCE EARNINGS GROWTH AND IMPROVE ASSET QUALITY

ALL VALUES SHOWN IN $M	DESCRIPTION OF WORKS	DEVELOPMENT COST[1]	LAND VALUE	SPEND TO DATE	COST TO COMPLETE	FORECAST NET RETURN	FORECAST COMPLETION DATE	STATUS
Australia								
GCHPK - RDX (QLD)	9 level Research and development centre of excellence and 3 level 181 bay basement car parking.	133.6	7.2	38.0	95.5	5.6%	Mid-25	Works progressing ahead of programme. 3 level basement excavation complete with concrete pours commenced in early-24.
Playford Health Hub Stage 2 (SA)[2]	Specialist Medical Centre - Radiology, Oncology, Radiotherapy & Consulting	43.4	5.9	39.0	4.4	6.5%[3]	Mid-24	Structure & façade works completed. Multiple works well advanced and fit off commenced.
Maitland (NSW)	Hospital expansion including 24 additional mental health beds, 5 additional Day Oncology chairs, 4 additional surgical beds & 6 new consulting suites	16.0	0.0	6.1	9.9	6.0%	Late-24	Structure works & roof installation complete. Separable portion Oncology works ready to commence.
Total Australian Developments A$		*193.0*	*13.1*	*83.1*	*109.9*	*5.8%*		
Total Australian Developments NZ$		*208.2*	*14.1*	*89.7*	*118.5*	*5.8%*		
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	-	85.5	6.0	5.6%	Early-25	Structure completed and façade well advanced for Zone 2. Zone 1 structure complete, cladding well progressed and Level 1 wall framing complete. Fixed cost cap to be reached in early-24.
Ormiston Stage 1 (NZ AKL)	3 level expansion of existing hospital	38.1	4.8	30.0	8.1	5.1%	Mid-24	Structure, roof and plant room now complete. Façade framing complete with cladding well advanced.
Grace Stage 1 (NZ TRG)[4]	Fitout of 2 theatres, new Endoscopy room, additional 10 beds and redevelopment of existing clinical areas	36.7	-	10.4	26.3	5.5%	Mid-26	Same day admissions unit, OT8/9 & on-grade car park works complete. Oropi Day units works under construction, Western Wing extension expected to commence construction Q1-24.
Endoscopy Auckland (NZ AKL)	4 dedicated Endoscopy procedure rooms, 15 car parks & reception/waiting areas	32.2	-	8.8	23.4	5.4%	Mid-25	Site establishment completed and early works complete. Main works to commence early-24.
Boulcott (NZ LH)	2 new theatres, PACU expansion and conversion of double rooms to singles	24.8	-	7.4	17.4	5.9%	Mid-25	Construction progressing well with multiple work fronts commenced. Minor enabling works complete.
Total New Zealand Developments NZ$		*223.2*	*4.8*	*142.1*	*81.2*	*5.5%*		
Total Developments in NZ$[5]		*431.4*	*18.9*	*231.7*	*199.7*	*5.7%*		

Committed developments – Australia & New Zealand (cont'd)

DEVELOPMENTS ENHANCE EARNINGS GROWTH AND IMPROVE ASSET QUALITY

ALL VALUES SHOWN IN $M	DESCRIPTION OF WORKS	DEVELOPMENT COST[1]	LAND VALUE	SPEND TO DATE	COST TO COMPLETE	FORECAST NET RETURN	FORECAST COMPLETION DATE	STATUS
Australia								
Macarthur Health Precinct Stage 1 (NSW)	4 storey comprehensive Cancer Centre with 2 bunkers, 10 medical oncology chairs, wellness centre & 61 on-grade car parks.	57.4		45.3	12.1	4.3%[3]	Early-24	Base building and fit-out works largely complete. Defect rectification works currently being undertaken.
Total Australian Fund-through Developments A$		*57.4*		*45.3*	*12.1*	*4.3%*		
Total Fund-through Developments in NZ$[6]		*61.9*		*48.9*	*13.0*	*4.3%*		
Total Committed developments including fund-through developments in NZ$[5]		*512.3*		*280.6*	*212.7*			

[1] Excluding Land
[2] Updated $2.2m funding increase approved post balance date
[3] Stabilised year 3 yield.
[4] Updated business case incl $5.0m funding increase approved post balance date
[5] A$ converted at 31 December 2023 spot rate 0.9270
[6] Fund-through developments cost including land & operator fitout

Adjusted funds from operations (AFFO)

CONSERVATIVE PAYOUT RATIO RETAINED

	HY2024	HY2023	(%) CHANGE
Operating profit before tax and other income	**37,480**	**35,888**	↑ **4.4%**
Add/(deduct):			
Current tax expense	(12,532)	(7,916)	↑ 58.3%
Incentive fee	3,300	7,510	↓ 56.1%
Realised and unrealised fx on borrowings (net of tax)	3	73	↓ 95.9%
Amortisation of borrowing costs	990	809	↑ 22.4%
Amortisation of leasing costs & tenant inducements	1,662	1,529	↑ 8.6%
Current tax expense on interest rate swap restructure	6,338	-	-
IFRS 16 operating lease accounting	(88)	(84)	↑ 4.8%
Funds from operations (FFO)	**37,153**	**37,809**	↓ **1.7%**
Add/(deduct):			-
Actual repairs and maintenance from continuing operations	(200)	(138)	↑ 44.8%
Adjusted funds from operations (AFFO)	**36,953**	**37,671**	↓ **1.9%**
AFFO (cpu)	**5.54c**	**5.76c**	↓ **3.8%**
Distribution per unit (cpu)	**4.88c**	**4.88c**	**-**
AFFO payout ratio	**88%**	**85%**	↑
All values shown in NZ$000's			
Units on issue (weighted average, 000s)	666,533	653,798	

Net Tangible Assets

REVALUATION LOSS HAS LED TO SMALL NTA DECLINE PER UNIT

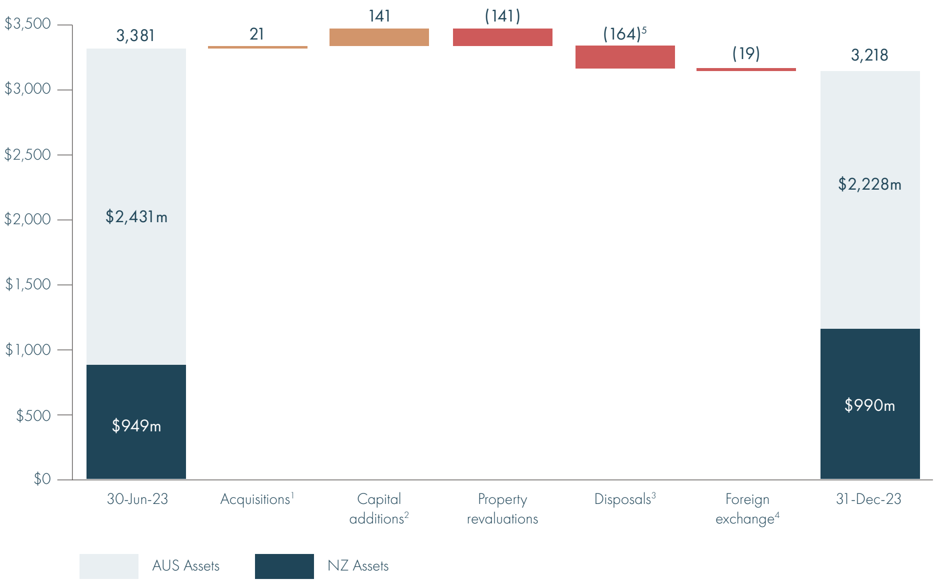
NTA PER UNIT BRIDGE (HY24)

- NZ$141m or 4.3% reduction from June 2023

Movement in investment property

STRONG CPI LINKED HEALTHCARE PORTFOLIO OFFSETS CAP RATE SOFTENING

TOTAL PORTFOLIO VALUE BRIDGE (1H FY24)
(NZ$ MILLIONS)



[1] $21m of acquisitions for strategic / development sites and tenant incentives. All values shown in NZ$, pre costs
[2] Includes development expenditure and capitalised interest costs
[3] Book value
[4] Period end NZD/AUD exchange rate moved from 0.9193 at 30 June 2023 to 0.9270 at 31 December 2023
[5] Disposals during HY24 including assets held for sale at 30 June 2023. Disposals over CY23 total NZ$222.1m

KEY HY24 RESULTS

- ~44% of Vital's portfolio (by value) independently valued at 31 December 2023
- Revaluation loss includes ~NZ$141m from 16 basis points of Cap Rate softening since 30 June 2023 and other valuation adjustments. This headline loss was partly offset by ~NZ$47m of revaluation gains from rental increases, leasing activity and development margins

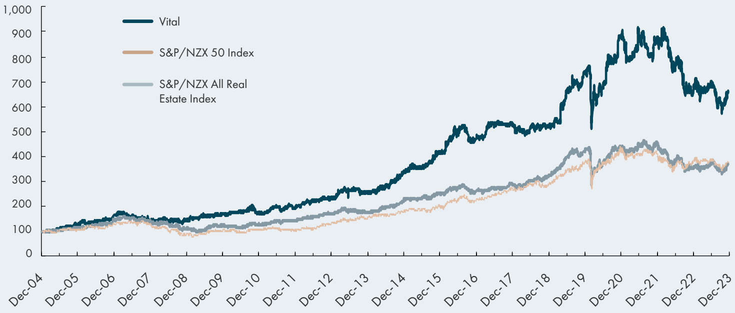
Comparative returns

VITAL MAINTAINS LONG-TERM OUTPERFORMANCE VS BENCHMARK ON A TOTAL RETURN[1] BASIS

TOTAL RETURN[1] TO 31 DECEMBER 2023	1YR	5YR (P.A.)	10YR (P.A.)	SINCE 2004 (P.A.)[2]
Vital	2.6%	4.7%	10.0%	10.5%
S&P/NZX All Real Estate Index	5.5%	2.9%	7.7%	7.2%
S&P/NZX 50 Index	2.6%	6.0%	9.5%	7.3%
Vital's performance vs NZX REIT	(2.9%)	1.8%	2.3%	3.3%
Vital's performance vs NZX50	(0.0%)	(1.2%)	0.5%	3.2%

- Outperformance against both the S&P/NZX All Real Estate Index and S&P/NZX 50 Index since December 2004
- Long-term outperformance highlights the defensive nature of healthcare real estate compared to other real estate classes

VHP VS S&P NZX REAL ESTATE INDEX

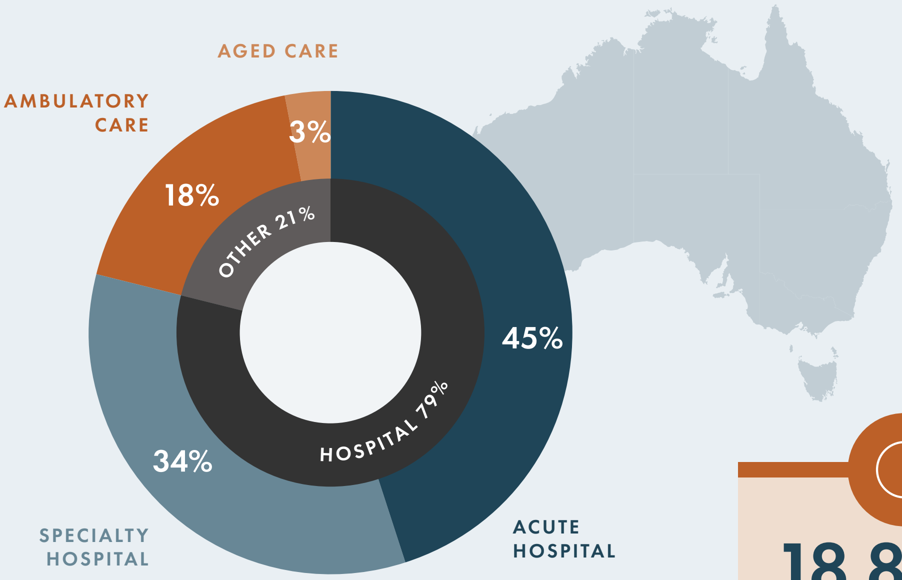


Source: Forsyth Barr

[1]Total returns measured by change in unit price plus post-tax distributions to 31 December 2023
[2]S&P/NZX All Real Estate Index and S&P/NZX 50 Index data from 31 December 2004, being the inception date of the NZX All Real Estate Index

~NZ$2.5bn Australian portfolio overview

GEOGRAPHICALLY DISPERSED AUSTRALIAN PORTFOLIO CONTINUES TO PERFORM WELL



SUBSECTOR DIVERSITY (BY VALUE)

18.8 years

WALE[1]

PRIVATE HOSPITALS

- 15 hospitals (acute and specialty – mental health, rehabilitation)
- Four hospital operators
- 79% of AUS portfolio value; 85% of AUS rent
- WALE: 20.4 years

AMBULATORY CARE

- 5 assets, multiple tenants
- 19% of AUS portfolio value; 11% of AUS rent
- WALE: 9.3 years

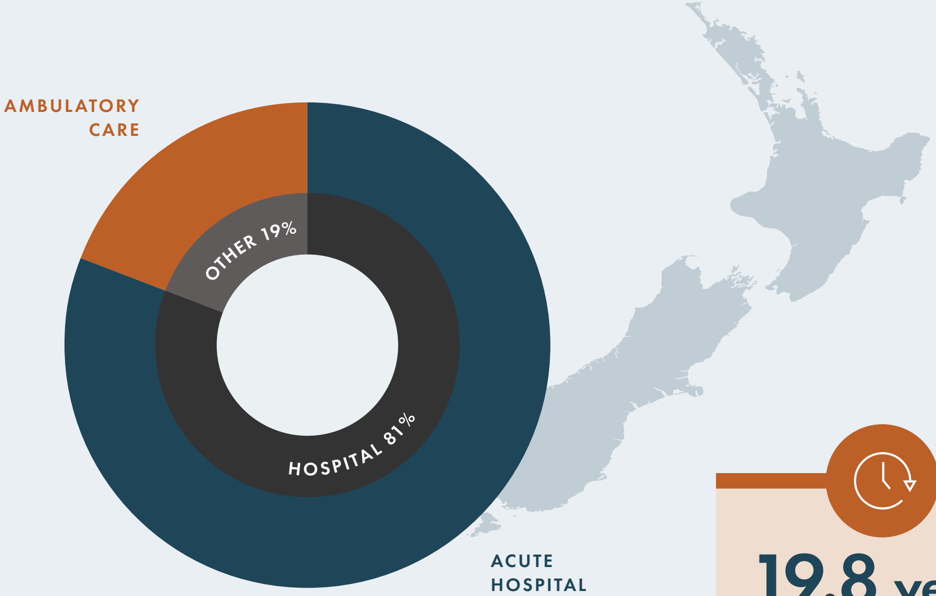
AGED CARE

- 3 facilities
- 3% of AUS portfolio value; 5% of AUS rent
- WALE: 13.1 years

[1]Inclusive of landlord options

~NZ$1.0bn New Zealand portfolio overview

KEY NEW ZEALAND MARKET PERFORMING STRONGLY



SUBSECTOR DIVERSITY (BY VALUE)

19.8 years

WALE

PRIVATE HOSPITALS

- 9 hospitals (all acute)
- 6 hospital operators
- 81% of NZ portfolio value; 83% of NZ rent
- WALE: 21.5 years

AMBULATORY CARE

- 6 assets, multiple tenants
- 19% of NZ portfolio value; 16% of NZ rent
- WALE: 10.6 years

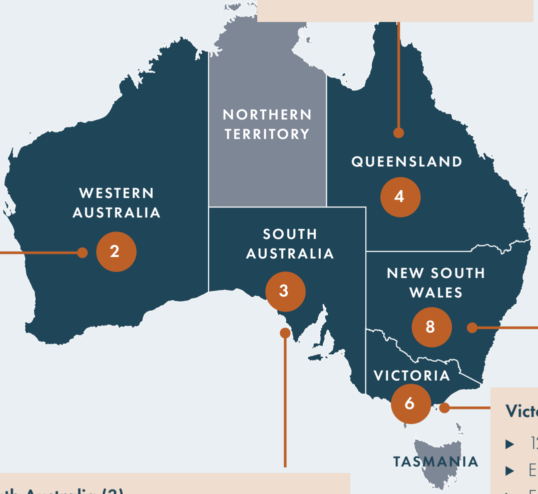
Investment properties AS AT 31 DECEMBER 2023

~NZ$3.5BN PORTFOLIO OF HEALTHCARE REAL ESTATE COMPRISING 38 INVESTMENT PROPERTIES AND 2,800+ BEDS

Western Australia (2)
- Abbotsford Private Hospital
- Marian Centre

Queensland (4)
- Baycrest Aged Care
- Belmont Private Hospital
- Palm Beach Currumbin Clinic
- Tantula Rise Aged Care

New South Wales (8)
- Darlington Aged Care
- Hirondelle Private Hospital
- Hurstville Private Hospital
- Lingard Day Centre
- Lingard Private Hospital
- Maitland Private Hospital
- The Hills Clinic
- Toronto Private Hospital



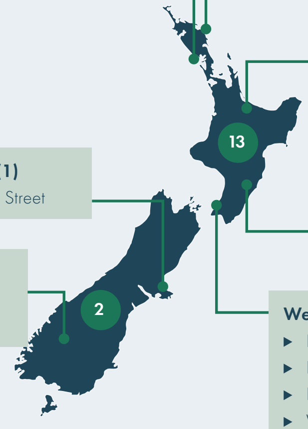
South Australia (3)
- Playford Health Hub – Retail & Carpark
- Sportsmed Hospital, Clinic, Consulting & Office
- The Tennyson Centre

Victoria (6)
- 120 Thames Street
- Ekera Medical Centre
- Epworth Eastern Hospital
- Epworth Camberwell
- Epworth Rehabilitation Hospital
- South Eastern Private Hospital

Auckland (5)
- Ascot Central
- Ascot Carparks
- Ascot Hospital & Clinics
- Endoscopy Auckland
- Ormiston Hospital

Northland (1)
- Kensington Hospital

Bay of Plenty (1)
- Grace Hospital



Christchurch (1)
- Saint Asaph Street

Hawke's Bay (2)
- Napier Health Centre
- Royston Hospital

Queenstown (1)
- Kawarau Park Health Hub

Wellington (4)
- Boulcott Hospital
- Bowen Hospital
- Hutt Valley Health Hub
- Wakefield Hospital

Lease expiry profile

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

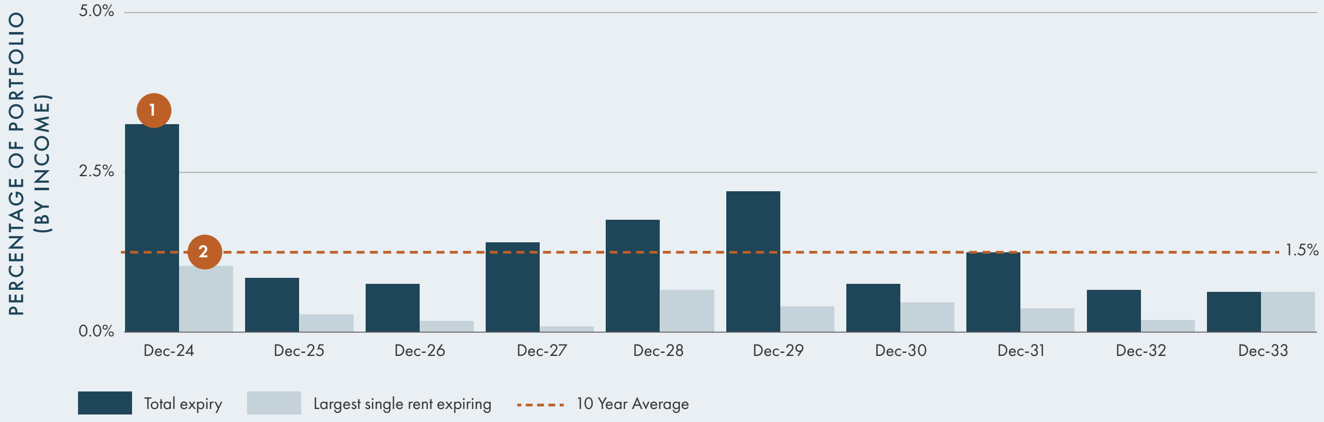
1

- 1.2% in the process of being divested and the balance have renewal discussions underway

2

- Epworth Foundation - Brighton - asset in the process of being divested

10-year average annual lease expiry of only 1.5% (as % of total portfolio income)



CY24 EXPIRIES

- Total potential expiries of NZ$4.8m or 3.2% of annual rent through to December 2024

Rent reviews undertaken in HY24

HIGH PERCENTAGE OF TOTAL RENT IS REVIEWED ANNUALLY WITH STRUCTURED[1] REVIEW MECHANISMS

		#	Jun-23 Rent p.a. (NZD)	Dec-23 Rent p.a. (NZD)	Increase (NZD)	Growth (Stable currency)
Australia	AUS	30	13,227,706	13,723,610	495,904	3.7%
New Zealand	NZ	42	42,599,624	43,972,425	1,372,801	3.2%
Total		**72**	**55,827,330**	**57,696,036**	**1,868,706**	**3.3%**

		#	Jun-23 Rent p.a. (NZD)	Dec-23 Rent p.a. (NZD)	Increase (NZD)	Growth (Stable currency)
CPI	CPI	49	49,146,999	50,787,470	1,640,470	3.3%
Fixed	Fixed	20	5,092,711	5,257,486	164,775	3.2%
Market	Market	2	413,128	442,952	29,825	7.2%
Turnover	Turnover	1	1,174,492	1,208,128	33,635	2.9%
Total		**72**	**55,827,330**	**57,696,036**	**1,868,706**	**3.3%**

Rent reviews have been completed for 72 leases in FY24 to date

Structured reviews represent 97%[1] of leases by income as at 31 December 2023

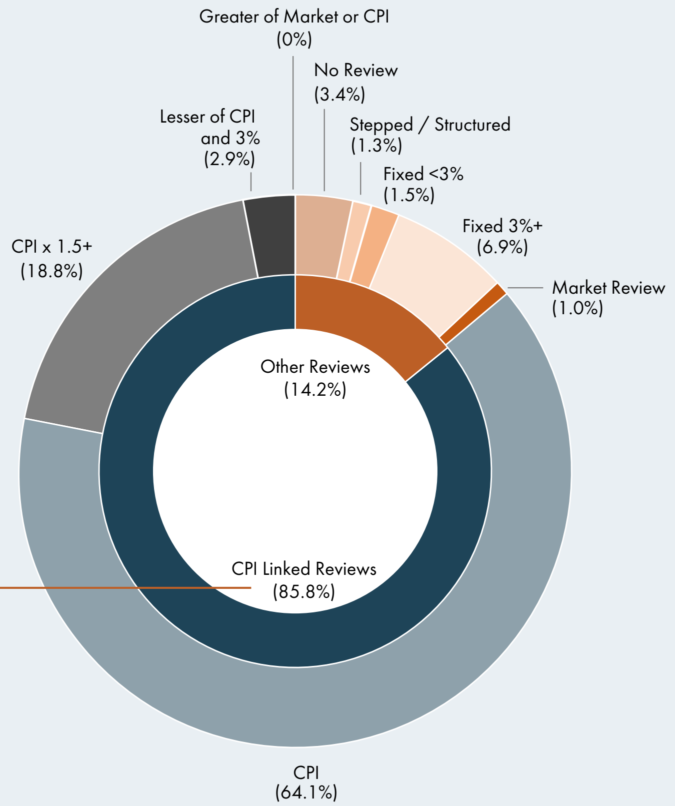
Significant uplift via market and CPI rent reviews

[1]Includes fixed percentage and CPI reviews

Rent review profile

BREAKDOWN OF PORTFOLIO CPI REVIEWS

TYPE	%
CPI - Un-Capped	29.6%
CPI - 2.5% Cap	1.5%
CPI - 3% Cap	1.1%
CPI - 3.5% Cap	1.5%
CPI - 4% Cap	37.4%
CPI x 1.5 - 2.5% Cap	5.3%
CPI x 1.5 - 3.0% Cap	18.3%
CPI x 1.75 - 5.0% Cap	2.1%
Lesser of CPI and 3.0%	3.3%



~5% of Vital's leases (by income) have provisions that carry forward any rent increase lost due to a cap

Core portfolio metrics

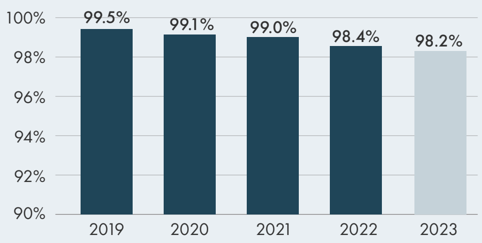
5 YEAR TRENDS HIGHLIGHT PORTFOLIO STRENGTH AND UNDERPIN LONG-TERM PERFORMANCE

Long-term track record of maintaining

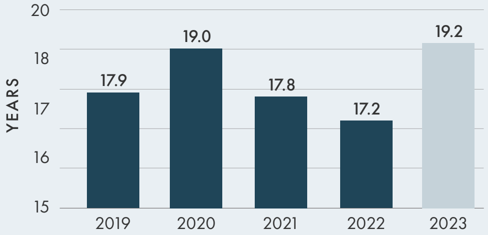
>98% Occupancy

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

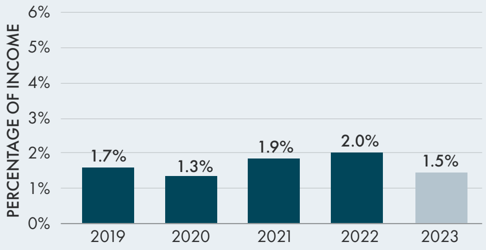
OCCUPANCY



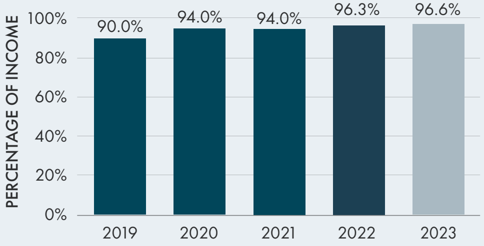
WALE



AVERAGE 10 YR LEASE EXPIRY[1]



TOTAL INCOME SUBJECT TO STRUCTURED RENT REVIEWS



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

Glossary

AFFO	Adjusted Funds From Operations is an alternate measure used for assessing distributable income. Essentially adjusts net profit after tax for non-cash/non-recurring items (i.e. NDI) then makes adjustments for items such as maintenance capex and lease incentives paid.
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 annual 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.

Disclaimer

This document has been prepared by Northwest Healthcare Properties Management Limited (the **Manager**) as manager of the Vital Healthcare Property Trust (the **Trust**). This document provides general information only and is not intended as investment, legal, tax, financial product or financial advice or recommendation to any person and must not be relied on as such. You should obtain independent professional advice prior to making any decision relating to your investment or financial needs.

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

This document may contain forward-looking statements. Forward-looking statements can include words such as “expect”, “intend”, “plan”, “believe”, “continue” or similar words in connection with discussions of future operating or financial performance or conditions. Any indications of, or guidance or outlook on, future earnings or financial position or performance and future distributions are also forward-looking statements. The forward-looking statements are based on management's and directors’ current expectations and assumptions regarding the Trust’s business, assets and performance and other future conditions, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and to any changes in circumstances. The Trust’s actual results may vary materially from those expressed or implied in the forward-looking statements. The Manager, the Trust, and its or their directors, employees and/or shareholders have no liability whatsoever to any person for any loss arising from this document or any information supplied in connection with it. The Manager and the Trust are under no obligation to update this document or the information contained in it after it has been released. Past performance is no indication of future performance.

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**.

15 February 2024

Thank you

www.vhpt.co.nz

Belmont Private

Vital HEALTHCARE PROPERTY TRUST
Managed by Northwest