

Vital HEALTHCARE
PROPERTY TRUST

Managed by Northwest

HY23 interim results presentation

Defensive sector and strategy continues to deliver for Unit Holders

23 FEBRUARY 2023



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All amounts are in NZD unless otherwise shown

Presenters



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Delivery of core business strategies

DURING HY23, THE MANAGER CONTINUED TO DELIVER ON ITS STRATEGIES TO ADD VALUE FOR UNIT HOLDERS

- ▶ High-quality healthcare real estate portfolio anchored by private hospitals.

✔ 17.2 Year WALE; 78% hospital exposure

- ▶ Increase exposure to green buildings.

✔ Three major developments targeting at least 5-Star Green Star underway

- ▶ Growing AFFO and distributions by 2-3% per unit per annum over the medium term

✔ 2.6% growth in distributions per unit for HY23 from p.c.p. on a 85% payout ratio

- ▶ Continue to grow earnings.

✔ 3.7% like-for-like net property income growth over HY23

- ▶ Limit earnings risk

✔ 67% of drawn debt hedged for 2.9 years (pro forma at 31 / 12 / 22)

- ▶ Best practice governance

✔ All relevant principles of NZX Corporate Governance Code met

- ▶ Increase exposure to core and emerging healthcare precincts

✔ 28% of portfolio in core healthcare precincts; to increase through developments and disposals

- ▶ Development pipeline appropriately funded

✔ ~NZ\$200m of asset sales underway; NZ\$250m (pro-forma) of debt headroom available¹

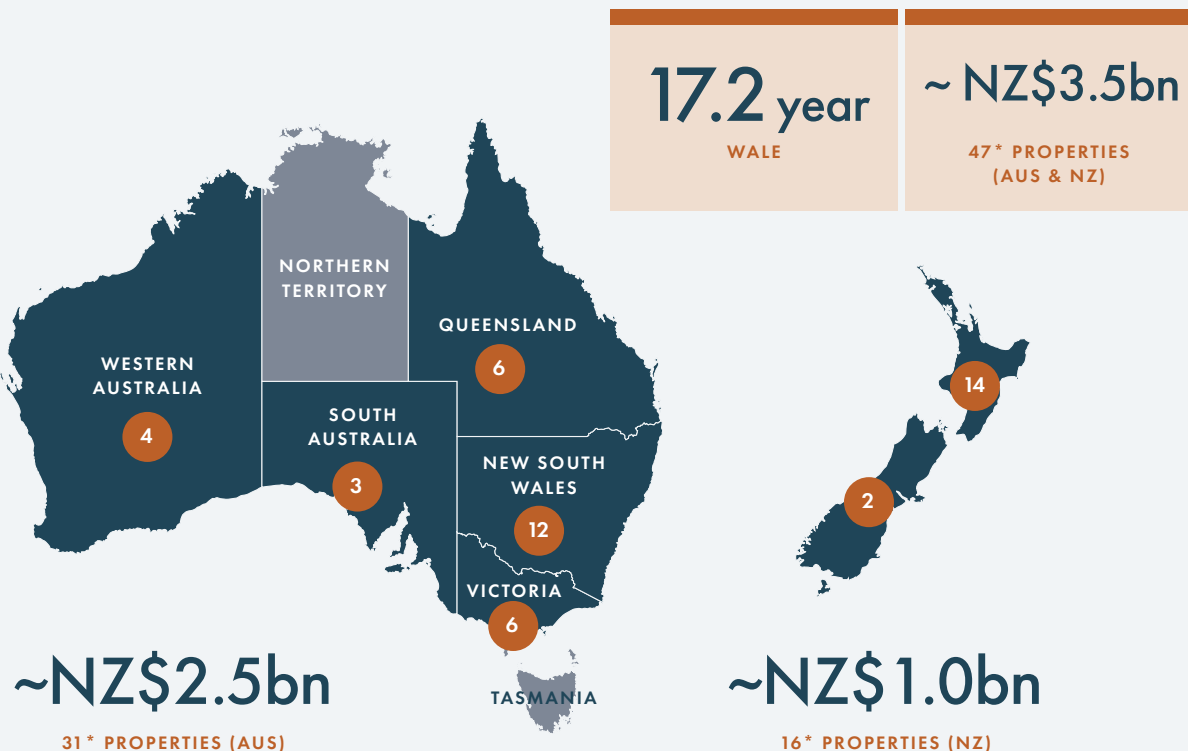
- ▶ On-going sustainability enhancement

✔ Second place globally for listed healthcare in global real estate benchmark (GRESB)

¹ Subsequent to 31 December 2022, Vital has accepted credit approved offers from lenders to increase facility limits by A\$100m and extend the duration to 4.2 years, with no expiry until 2025. The credit approved offers are subject to customary terms associated with credit approved offers, and documentation is progressing. Closing, subject to customary conditions, is scheduled to be finalised in March 2023

Overview of Vital

VITAL IS THE ONLY SPECIALIST HEALTHCARE LANDLORD LISTED ON THE NZX



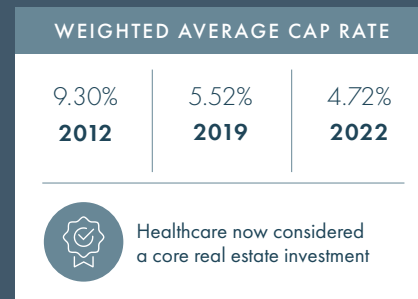
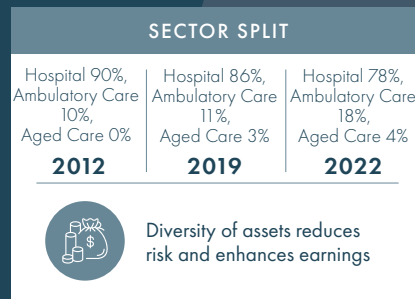
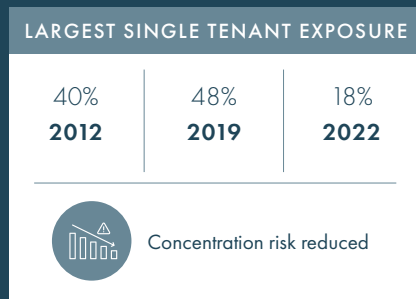
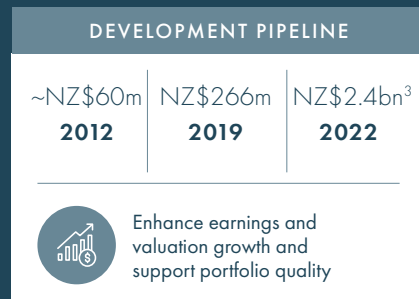
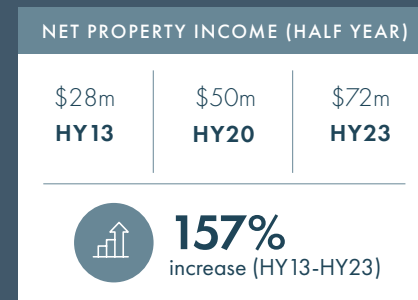
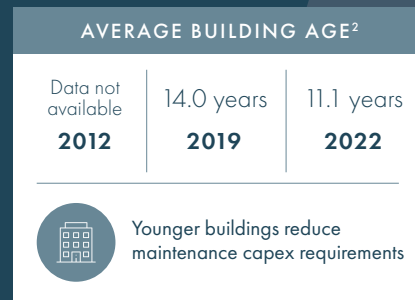
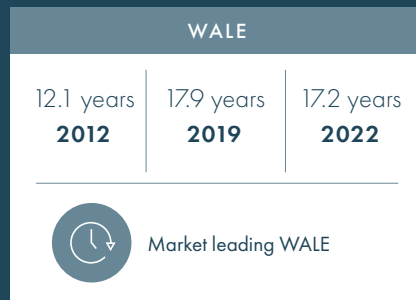
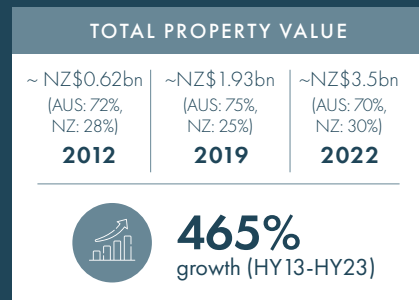
*Excludes strategic assets held for development

VITAL HEALTHCARE PROPERTY TRUST (VITAL) IS:

- ▶ The owner of a ~NZ\$3.5 billion healthcare property portfolio in New Zealand (30% of assets) and Australia (70%);
- ▶ Externally managed by a subsidiary of Toronto-listed, global healthcare real estate owner and manager, Northwest Healthcare Properties REIT (TSX ticker: NWH);
- ▶ Underpinned by rental income that tracks inflation with ~81% of lease income indexed to CPI in some way; and
- ▶ Targeting 2–3% AFFO and DPU growth per annum over the medium term, whilst retaining a conservative payout ratio.

Short, medium and longer term enhancements¹

PORTFOLIO ENHANCEMENTS SUPPORT TARGET OF GROWING AFFO AND DISTRIBUTIONS BY 2–3% PER UNIT PER ANNUM



¹ All date references are to 31 December of that year unless otherwise stated

² Average building age = the later of the date of construction or the last significant capital works

³ Committed and potential development pipeline

Short, medium and longer term enhancements¹ (cont'd)

BALANCE SHEET STRENGTHENED AND REFINANCE PROGRESSING TO DELIVER NO DEBT EXPIRY UNTIL 2025²

NTA PER UNIT

NZ\$0.99 2012	NZ\$2.36 2019	NZ\$3.17 2022
------------------	------------------	------------------



220%
growth (FY13-FY23)

BALANCE SHEET GEARING

44.8% 2012	35.1% 2019	33.7% 2022
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No debt expiring
until March 2025²

AVERAGE DEBT MATURITY

3.4 years 2012	1.7 years 2019	4.2 years ² 2022
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Significantly
extended²

AFFO PER UNIT (CPU)

Data not available HY13	4.896c HY20	5.76c HY23
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18%
growth (HY20-HY23)

DISTRIBUTIONS PER UNIT (CPU)

3.85 HY13	4.375 HY20	4.875 HY23
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27%
growth (HY13-HY23)



No debt expiring until March 2025²

¹ All figures at 31 December of that year unless otherwise shown

² Vital has received credit approved offers from lenders to increase facility limits by A\$100m and extend the duration of facilities currently scheduled to expire in October 2023 and March 2024. The credit approved offers are subject to customary terms associated with credit approved offers, and documentation is progressing. Closing, subject to customary conditions, is scheduled to be finalised in March 2023

Sustainability

ACKNOWLEDGED AS A LEADER IN SUSTAINABILITY FOR LISTED HEALTHCARE REAL ESTATE



In October 2022, Vital achieved a 5-star rating from independent standards organisation GRESB (formerly known as the Global Real Estate Sustainability Benchmark) among other notable achievements.

Vital's GRESB results include being ranked second place globally for listed healthcare



Vital has also participated in the Carbon Disclosure Project (CDP) as a commitment to tracking Scope 1 and Scope 2 emissions in line with GHG Protocol definitions. Vital achieved a B- for the 2022 submission, with score improvement occurring year on year. By understanding our complete carbon footprint we can identify ways to actively reduce our emissions, positioning us to reach our net-zero goals.



NWH released its first Sustainability Report for its global operations including Vital. View the report at: <https://nwhreit.wpengine.com/wp-content/uploads/2022/08/nwh-sustainability-report.pdf>

First "6-star Green Star" Registered building in the Gold Coast Health & Knowledge Precinct

Construction is expected to commence for the strategically located ~A\$140m research innovation hub development in Q1 2023 and complete early/mid 2025.

Upon completion the development will be carbon neutral ready and powered by 100% renewables.



RDX will be Vital's third major development targeting 5-Star Green Star or higher





HY23 highlights

HY23 highlights

DEBT SECURED AND EXTENDED; ACQUISITIONS SLOWED;
CORE PORTFOLIO DELIVERING INCOME GROWTH



Refinance progressing
to deliver no debt
expiry until 2025 ¹



A\$100m

additional debt
limit secured ¹



67%

of debt hedged with
a weighted term
of 2.9 years¹



33.7%

balance sheet gearing



81%

of leases (by income)
linked to CPI



NZ\$157m

property transactions
\$156m acquisitions
& \$1m disposals

¹ Subsequent to 31 December 2022, Vital has accepted credit approved offers from lenders to increase facility limits by A\$100m and extend the duration to 4.2 years, with no expiry until 2025. The credit approved offers are subject to customary terms associated with credit approved offers, and documentation is progressing. Closing, subject to customary conditions, is scheduled to be finalised in March 2023



HY23 highlights (cont'd)

VALUE ADD ACTIVITY FROM PRIOR PERIODS CONTINUES TO DELIVER FOR UNIT HOLDERS



20.3%

increase in underlying
income over CY22
(ex. FX)



3.4%

average rent reviews
completed



17.2 years

WALE; market leading



13 developments

underway with
NZ\$369.0m spend
remaining



NZ\$86m

of development and
capital expenditure
works undertaken¹



>NZ\$200m

asset sales commenced

¹ Includes ~\$83m of developments and ~\$3m of value add capex



Financial results & capital management

Financial performance

PROPERTY EARNINGS GROWTH HAS FACILITATED AFFO GROWTH OVER THE MEDIUM TERM

	ACTUAL HY2023	ACTUAL HY2022	(\$) CHANGE	(%) CHANGE
Net property income	72,068	57,924	14,144	24.4%
Corporate expenses	(2,034)	(2,365)	331	14.0%
Management fees	(16,748)	(14,223)	(2,525)	(17.8%)
Strategic transaction expenses	0	(283)	283	100.0%
Realised transaction gains / (losses)	(14)	475	(489)	(102.9%)
Net finance expenses	(17,384)	(13,713)	(3,671)	(26.8%)
Operating profit before tax and other income	35,888	27,815	8,073	29.0%
Property revaluations and other income	(53,857)	169,610	(223,467)	(131.8%)
Profit before income tax	(17,969)	197,425	(215,394)	(109.1%)
Adjusted funds from operations (AFFO)	37,671	32,035	5,637	17.6%
Adjusted funds from operations (cpu)	5.76	5.91	(0.15)	(2.5%)
Distributions per unit (cpu)	4.88	4.75	0.00	2.6%
All values shown as \$000s				
Average NZD/AUD exchange rate in the period	0.9074	0.9535		

▶ Contribution from structured rent reviews, acquisitions and development rents

▶ Increase primarily due to rising base rates and increased borrowings

▶ \$56m of revaluation losses during HY23¹

▶ Non-cash loss due to property revaluations

▶ Reduction due to equity being raised ahead of full deployment on income earning property acquisitions and developments.

¹ Gain of \$1m on Australian Portfolio. Loss of \$57m on New Zealand Portfolio

Net property income

20.3% NPI GROWTH (EXCL. FX) DUE TO ACQUISITIONS, DEVELOPMENTS AND RENT REVIEWS

Acquisitions – income from late FY22 and HY23 acquisitions

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

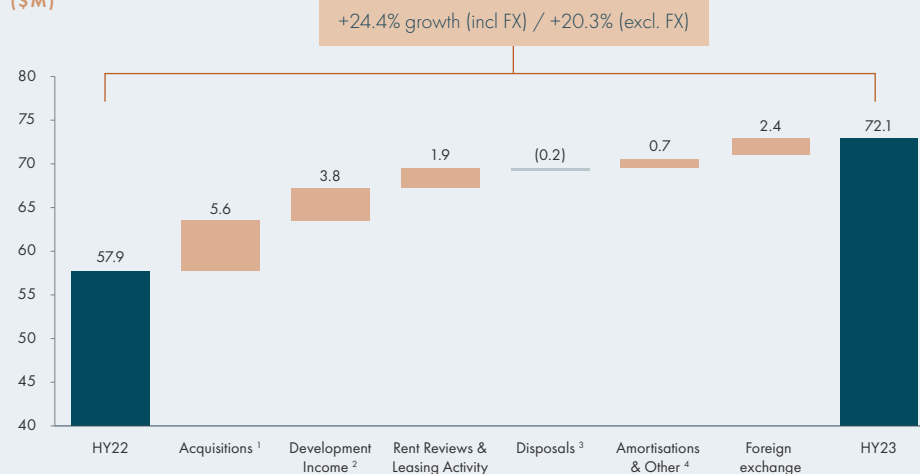
Disposals – Strategic disposal of two non-core strata consulting units in HY23 for ~A\$1m and sale of Gold Coast Surgery Centre for ~A\$13m in FY22 (before selling costs)

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

HY23 property income growth of +3.7% (like-for-like, constant currency basis)

NET PROPERTY INCOME BRIDGE

(\$M)



81% 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, and Kawarau Park Health Hub

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

³ Disposals of non-core assets; two strata units in McCourt St, WA and Gold Coast Surgery Centre in FY22.

⁴ Amortisation, Non-recurring R&M & abatements

Balance sheet

STRENGTHENED BY NEW EQUITY AND DEBT EXTENSION

	ACTUAL HY23	ACTUAL FY22	(\$) CHANGE	(%) CHANGE
Investment properties	3,454,675	3,339,169	115,506	3.5%
Other assets	42,530	60,665	(18,135)	(29.9%)
Bank debt	1,179,007	1,018,777	160,230	15.7%
Other liabilities	235,071	215,180	19,891	9.2%
Debt to gross assets ¹	33.7%	30.0%		12.5%
Unitholder funds	2,083,126	2,165,876	(82,750)	(3.8%)
Units on issue (000s)	657,757	649,155	8,602	1.3%
Net tangible assets (\$/unit)	3.17	3.34	(0.17)	(5.1%)
All values shown as \$000s				
Period end NZD/AUD exchange rate	0.9311	0.9037		

Increase due to:

- ▶ Development and capital works expenditure of ~\$90m²
- ▶ Acquisitions totalling \$156m³
- ▶ Unrealised revaluation loss of (\$56m)
- ▶ Disposals of (\$1m) (after selling costs)
- ▶ F/X impact of (\$74m)

- ▶ Result of raising equity to fund future developments, (unrealised) negative exchange rate movements and (unrealised) fall in property valuations.

¹ Calculated in accordance with Vital's Trust Deed

² Includes ~NZ\$83m of developments and ~NZ\$3m of value-add capex

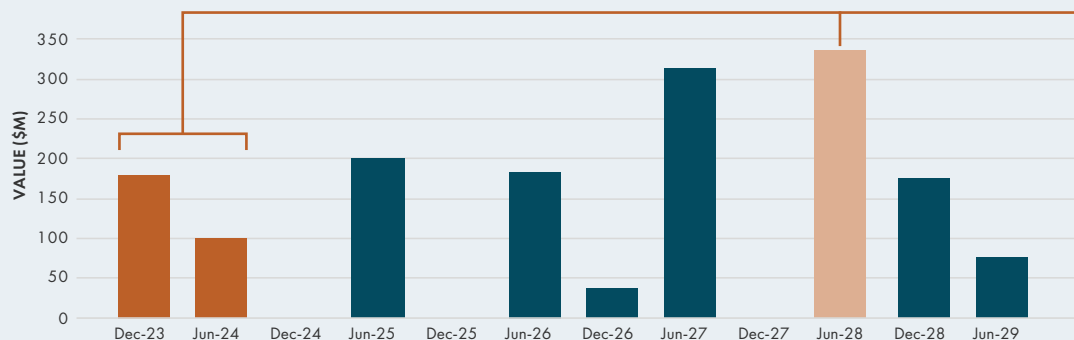
³ Includes acquisition of Kawarau Park Health Hub, Queenstown for NZ\$95m (pre costs) which was agreed prior to 30 June, however settled in 1H FY23.

Debt duration

INCREASED WEIGHTED AVERAGE DEBT DURATION

BANK FACILITIES	31 DEC 2022 ³	31 DEC 2021
Debt to gross assets (Trust Deed) ¹	33.7%	33.2%
Bank loan to value ratio – actual ²	35.5%	35.0%
Bank loan to value ratio – covenant	55.0%	55.0%
Weighted average duration to expiry	4.2 yrs	3.3 yrs
Undrawn facility limit (A\$)	\$229m ³	\$150m

DEBT EXPIRY PROFILE – 31 DECEMBER 2022 (A\$)³



Refinance progressing to increase weighted average debt duration at 4.2 years (pro forma) with no expiries until March 2025³

- Near term debt commitments to be extended through to 2028³

- Credit terms approved to replace debt
- Debt unchanged
- Credit terms approved for new debt

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

³ Subsequent to 31 December 2022, Vital has accepted credit approved offers from lenders to increase facility limits by A\$100m and extend the duration to 4.2 years, with no expiry until 2025. The credit approved offers are subject to customary terms associated with credit approved offers, and documentation is progressing. Closing, subject to customary conditions, is scheduled to be finalised in March 2023

Interest rate hedging profile

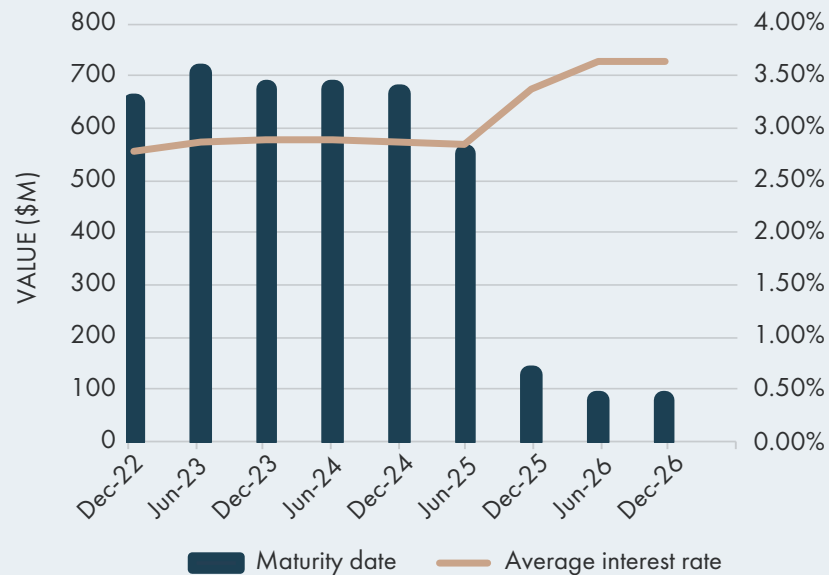
COST OF DEBT WELL HEDGED, MANAGING RISK

RATES	31 DEC 2022	31 DEC 2021
Weighted average cost of debt ¹	4.57%	3.14%
Weighted average fixed rate (excl line and margin) ²	2.91%	2.94%
Weighted average fixed rate duration ²	2.9 yrs	5.0 yrs
% of drawn debt fixed ²	67%	45%

¹ Drawn debt (excludes line fees on undrawn facility)

² Pro forma

HEDGING MATURITY PROFILE (\$A)



NOTE: Fixed rates exclude line fees and margin



Portfolio

Portfolio overview

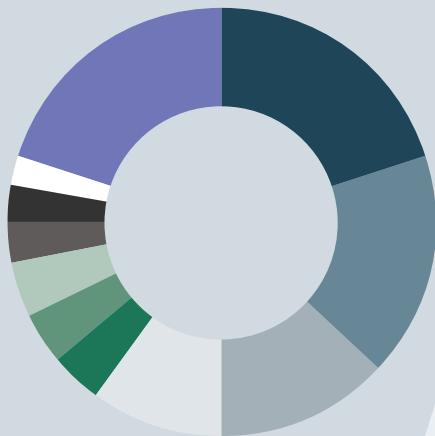
~\$3.5BN INVESTED IN 47 CORE HEALTHCARE PROPERTIES WITH OVER 2,800 BEDS AND OVER 150+ UNIQUE TENANTS

CPI aligned leases support income growth

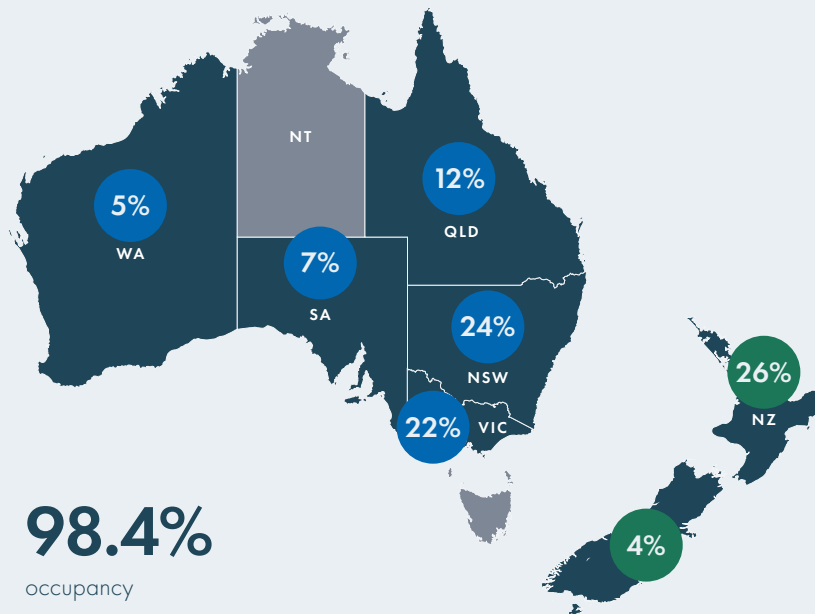
20.3% (excl. FX) growth in net property income; 3.7% growth for same properties on a like-for-like and constant currency basis

TENANT DIVERSIFICATION % OF RENT

Aurora Healthcare	18%
Healthe Care Surgical	15%
Epworth Healthcare	15%
Evolution Healthcare	11%
Norfolk Southern Cross Limited	4%
Hall & Prior	3%
Sportsmed	3%
Bolton Clarke	3%
MercyAscot	3%
Ramsay Health Care	2%
Other	23%



GEOGRAPHIC DIVERSIFICATION (BY VALUE)

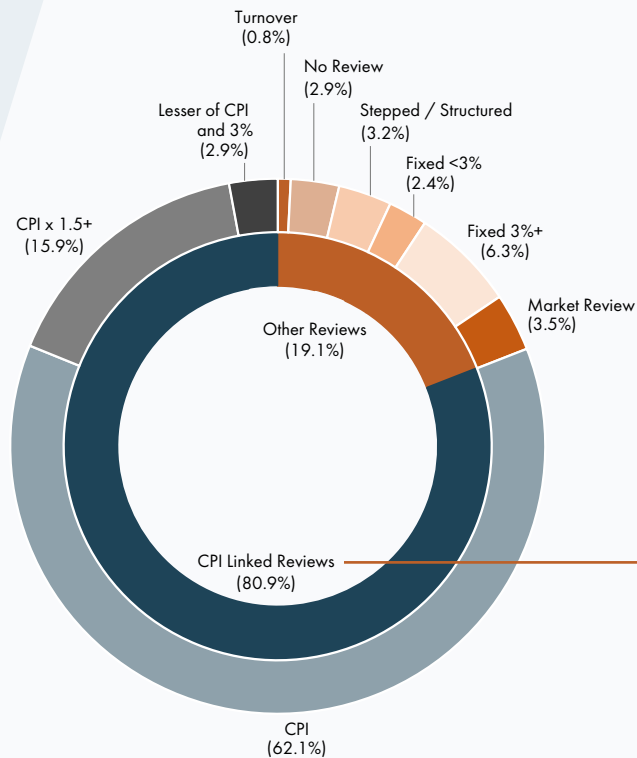


98.4%

occupancy

Portfolio overview (cont'd)

- ▶ ~81% of Vital's rent is linked to CPI of which 60% has a cap with a weighted average of 3.54%
- ▶ 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



BREAKDOWN OF PORTFOLIO CPI REVIEWS

TYPE	%
CPI - Un-Capped	35.6%
CPI - 2.5% Cap	2.9%
CPI - 3% Cap	6.4%
CPI - 3.5% Cap	1.6%
CPI - 4% Cap	29.0%
CPI - 5% Cap	1.1%
CPI + 1% - Un-Capped	0.0%
CPI x 1.5 - Un-Capped	0.8%
CPI x 1.5 - 2.5% Cap	4.6%
CPI x 1.5 - 3% Cap	12.2%
CPI x 1.75 - 5% Cap	2.1%
Lesser of CPI and 3%	3.6%

Disposals

DIVESTMENT STRATEGY UNDERWAY WITH A TARGETED ~NZ\$200M OF PROCEEDS BY 30 SEPTEMBER 2023



1 Australian asset currently held for sale for ~NZ\$31m



11 Australian assets with a total value of ~A\$300m+ being considered for sale



2 New Zealand assets with a total value of ~NZ\$45m being considered for sale



Targeting ~NZ\$200m net proceeds by 30 September 2023



Funding to be used for development pipeline

An aerial photograph of a residential development, overlaid with a semi-transparent blue filter. The image shows a cluster of houses with gabled roofs, a parking lot, and a large, flat, undeveloped area in the foreground. A road with several cars is visible at the bottom. The text 'Developments' is written in white, sans-serif font on the left side, with a short orange horizontal line below it.

Developments

Development strategy



Existing development pipeline on track



Highly selective about additional opportunities to be pursued



Focus on precincts and green buildings



Ability to drive programs and deliver timely outcomes



Early indications of softening of procurement challenges in major markets



Committed development pipeline



NZ\$510m
committed developments ¹



NZ\$369m
remaining to be spent



NZ\$180m
expected to be spent over
the next 12 months
(funded through existing debt
capacity & asset sales)



5.6%
weighted average
development yield



70bps
weighted average
development yield versus in use
or expected completion yield

¹ Including \$100m in fund-through developments



Developments completed or nearing completion



Abbotsford Private Hospital, WA

Asset Type	Mental Health Hospital
Total Cost	A\$18.7m
Net Project Yield	6.1%
Completion Date	Staged PC and COO achieved. Final completion of refurbishment due April 2023
Description	<ul style="list-style-type: none"> ▶ New tower completed, comprising a 5 storey, 47 bed mental health expansion, group therapy rooms, administration facilities and additional car parking ▶ Refurbishment works of existing hospital underway
Asset Value	A\$64m

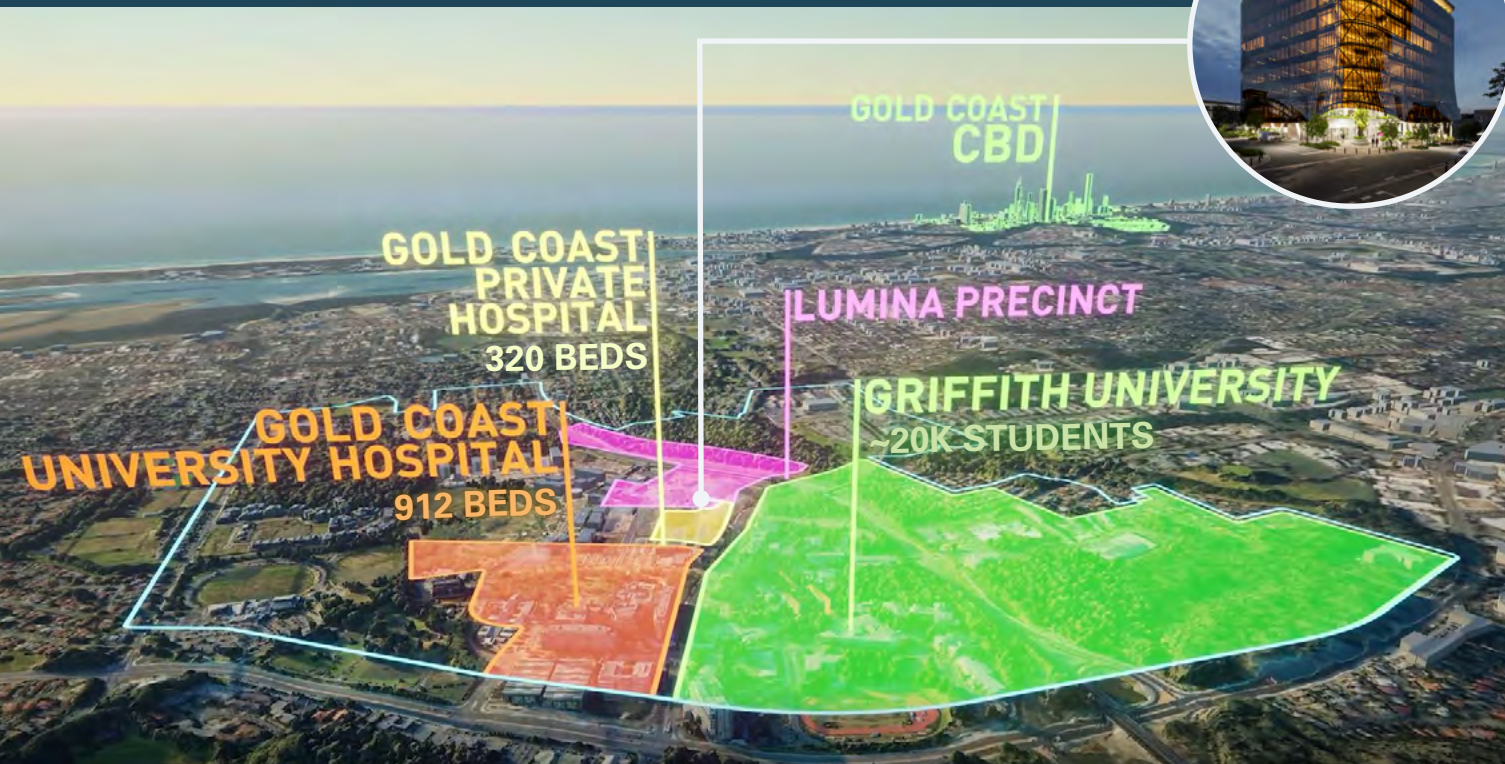


Belmont Private Hospital, QLD

Asset Type	Mental Health Hospital
Total Cost	A\$22.6m
Net Project Yield	5.8%
Completion Date	January 2023
Description	<ul style="list-style-type: none"> ▶ 48 new mental health bed expansion (net 35), 13 private practice and 70 new car parks ▶ Conversion of existing shared accommodation to single ▶ 70 additional carparks
Asset Value	A\$160m

RDX, Gold Coast, Queensland

VITAL'S FIRST LIFE SCIENCES INVESTMENT UNDER DEVELOPMENT



A\$140m

total projected cost¹



~12,000 sqm



**Early 2023
construction
commencement**

¹ Includes land.

Ko ngā tahu ā ō tapuwae ināhi, hei tauira mō āpōpō.

The footsteps we lay down in our past create the paving stones on which we stand today.

Future focus



Outlook & guidance

CONTINUED DELIVERY AND FOCUS ON ADDING VALUE AND EARNINGS GROWTH



- ▶ **FY23 distribution guidance** of 9.75 cpm 1.2% above FY22
- ▶ Conservative **~85% payout ratio retained**



- ▶ Adjusting to market conditions including pausing acquisitions and moderating development pipeline
- ▶ **>NZ\$200m of asset sales underway to part-fund development pipeline**



- ▶ Maintenance of strategy through the cycle
- ▶ Unit Holders benefit from lower risk nature of Vital's portfolio
- ▶ **Targeting maintaining weighted average debt duration >4 years**
- ▶ **Sustainability achievements** to be built on, including ongoing submissions to both CDP and GRESB

An architectural rendering of a modern, multi-story building complex at dusk. The building features a prominent facade with large, rectangular panels and glass windows. The scene is illuminated by a soft, blue light, suggesting twilight. In the foreground, a paved plaza with a grid pattern is visible, with several small figures of people walking and a person on a bicycle. A road with a few cars is on the right side. The background shows a hilly landscape under a dark sky.

Appendices

Committed developments – Australia & New Zealand

DEVELOPMENTS ENHANCE EARNINGS GROWTH AND IMPROVE ASSET QUALITY

ALL VALUES SHOWN IN \$M	DESCRIPTION OF WORKS	DEVELOPMENT COST	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	3.2	130.4	5.6%	Mid-25	Project commenced with building contract executed
Playford Health Hub Stage 2 (SA)	Specialist Medical Centre - Radiology, Oncology, Radiotherapy & Consulting	39.3	12.5	26.8	7.3% ¹	Early-24	Basement works are well advanced with piles and capping beams completed, access ramps removed, shotcrete walls and inground services commenced.
Abbotsford Private (WA)	47 beds, parking, therapy rooms and admin	18.6	17.5	1.1	6.1%	Early-23	Stage 1 (new facility) has achieved staged completion and awaiting final occupancy approval from WA accreditation authority. Stage 2 (refurbishment of existing facility) commencing early 2023.
South Eastern Refurb (VIC)	Conversion of Oncology to Dialysis Unit, kitchen and rehabilitation room reimbursement	2.4	0.1	2.3	4.9%	Early-23	Refurbishment & conversion works commenced Nov-22
Total Australian Developments A\$		193.9	33.3	160.6	6.0%		
Total Australian Developments NZ\$		208.3	35.8	172.5			
New Zealand							
Wakefield Stage 2 (WGN)	Second stage of hospital rebuild delivering 8 operating theatres, 42 beds, new Day Surgery Unit and additional expansion capacity	91.5	41.8	49.6	5.6%	Late-24	Structure well advanced for 50% of the site and in ground slab pouring commenced for the balance.
Ormiston Stage 1 (AKL)	Stage 1 - 3 level expansion of existing hospital and consulting	38.1	9.5	28.6	5.1%	Mid-24	Foundations and ground beams fully excavated with reinforcement placed and 40% of the ground beams poured.
Grace Stage 1 (TRG)	Fitout of two theatres, new endoscopy room, additional 10 beds and redevelopment of existing clinical areas	31.7	7.2	24.6	5.3%	Staged, Late-24	Defect rectification of theatres complete and detailed design phase for the Western extension and Oropi Day Surgery centre ongoing.
Endoscopy Auckland (AKL)	4 dedicated endoscopy procedure rooms, 15 car parks, reception/waiting areas	22.6	2.6	20.0	5.1%	Mid-24	Early contractor involvement ongoing with contractor established on site for early works.
Royston Stage 2 (HAS)	Fitout of two theatres and reconfiguration of pre and post operative clinical areas	8.9	7.2	1.7	5.3%	Early-23	Works to theatres nearing completion & final services being fitted off. Inward goods expansion foundations completed and blockwork being laid.
Bowen OTS (WGN)	Fitout of one theatre, new sterile stores and expansion of consulting suites	8.9	3.3	5.6	5.3%	Late-23	Stage 1 of the ward ensuite upgrade commenced and demolition completed.
Boulcott (LH)	Two new theatres, PACU expansion and conversion of double rooms to singles	TBC	0.0	TBC	TBC	TBC ²	Full pricing to be obtained from contractor prior to awarding contract. Revised business case to be submitted once pricing is received.
Total New Zealand Developments NZ\$		201.7	71.7	130.0	5.2%		
Total Developments in NZ\$³		410.0	107.5	302.5	5.6%		

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	SPEND TO DATE	COST TO COMPLETE	FORECAST NET RETURN	FORECAST COMPLETION DATE	STATUS
Australia							
Campbelltown Stage 1 (NSW)	Four storey comprehensive cancer centre with 2 bunkers, 10 medical oncology chairs, wellness centre & 61 on grade car parks.	64.4	17.7	46.7	4.3%	Mid-24	Ground floor blinding slab poured and reinforcement to bunkers installed.
Mt Eliza (VIC)	Conversion of 60 bed Aged Care to 61 bed Mental Health Facility including internal refurbishment and external landscaping enhancements	28.5	13.3	15.2	4.8%	Mid-23	Early works to commence in Feb-23. Main works forecast to begin Mar-23 with 5 month construction duration.
Total Australian Fund-through Developments A\$		92.9	30.9	62.0	4.5%		
Total Fund-through Developments in NZ\$ ⁴		99.8	33.2	66.5			
Total Committed developments including fund-through developments in NZ\$ ⁵		509.7	140.8	369.0			

¹ Stabilised 3 year yield

² Subject to review of final business case

³ Excluding Land

⁴ Fund-through developments including land & operator costs

⁵ A\$ converted at 31 December 2022 spot rate 0.9311

Adjusted funds from operations (AFFO)

CONSERVATIVE PAYOUT RATIO

	HY2023	HY2022	(\$) CHANGE	(%) CHANGE
Operating profit before tax and other income	35,888	27,815	8,073	29.0%
Add/(deduct):				
Current tax expense	(7,916)	(4,352)	(3,564)	(81.9%)
Incentive fee	7,510	6,823	687	10.1%
Realised and unrealised fx on borrowings (net of tax)	73	(118)	191	(161.9%)
Amortisation of borrowing costs	809	555	254	45.8%
Amortisation of leasing costs & tenant inducements	1,529	1,238	292	23.6%
Strategic transaction expenses	-	283	(283)	(100.0%)
IFRS 16 operating lease accounting	(84)	(81)	(3)	(3.7%)
Funds from operations (FFO)	37,809	32,163	5,647	17.6%
Add/(deduct):				
Actual repairs and maintenance from continuing operations	(138)	(128)	(10)	(7.9%)
Adjusted funds from operations (AFFO)	37,671	32,035	5,637	17.6%
AFFO (cpu)	5.76c	5.91c	(0.15c)	(2.5%)
Distribution per unit (cpu)	4.88c	4.75c	0.13c	2.6%
AFFO payout ratio	85%	80%		
All values shown in NZ\$000's				
Units on issue (weighted average, 000s)	653,798	541,878		

Net Tangible Assets

REVALUATION LOSS HAS LED TO SMALL NTA DECLINE PER UNIT

NTA PER UNIT BRIDGE (HY23)

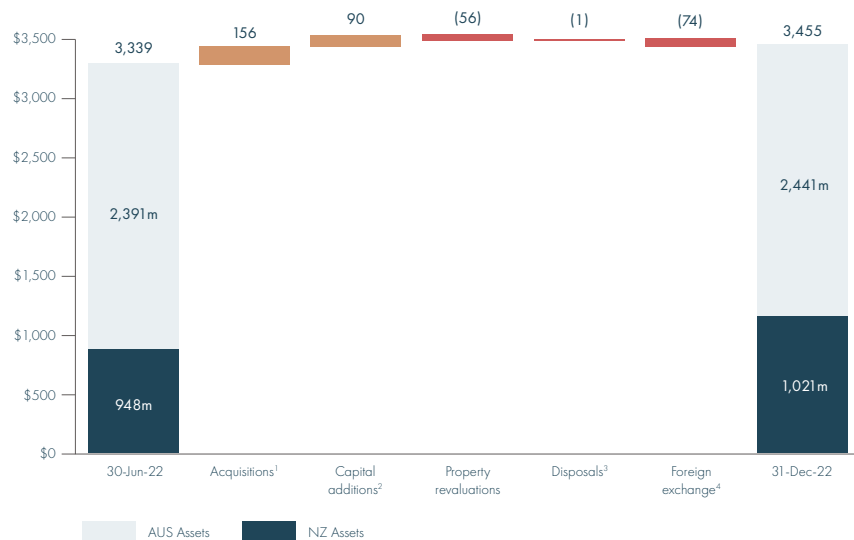


▶ NZ\$56m or 1.7% reduction from June 2022

Movement in investment property

STRONG CPI LINKED HEALTHCARE PORTFOLIO OFFSETS CAP RATE SOFTENING

TOTAL PORTFOLIO VALUE BRIDGE (1H FY23) (NZ\$ MILLIONS)



¹ \$156m of acquisitions, including \$95m for Kawarau Park Health Hub, Queenstown, and the balance for strategic / development sites.

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 0.9037 at 30 June 2022 to 0.9311 at 31 December 2022

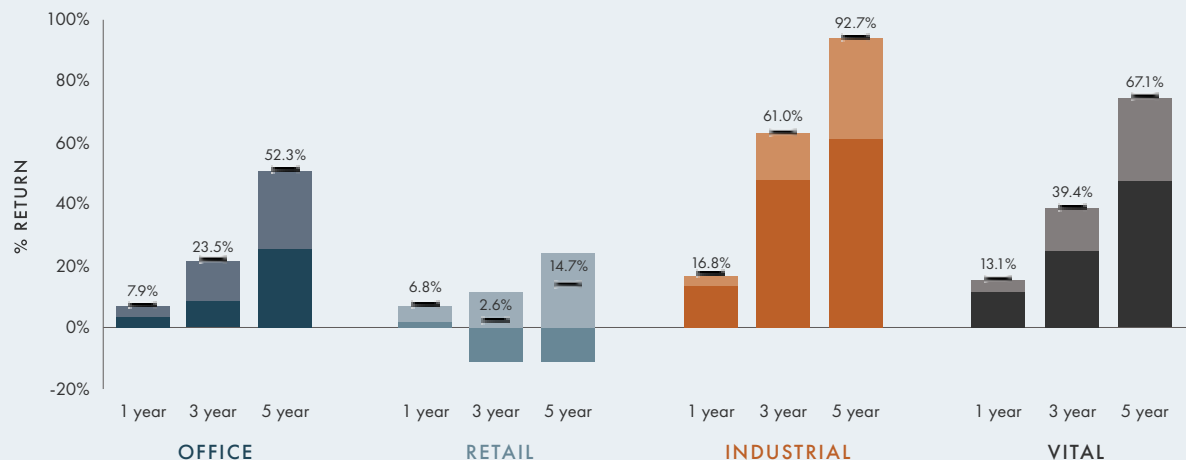
KEY HY22 RESULTS

- ▶ ~55% of Vital's portfolio independently valued (by value) at 31 December 2022
- ▶ Revaluation loss includes ~NZ\$110m from 16 basis points of Cap Rate softening since 30 June 2022 and other valuation adjustments. This headline loss was partly offset by ~NZ\$60m of revaluation gains from rental increases, leasing activity and development margins

Real estate returns

HEALTHCARE REAL ESTATE CONTINUES TO PERFORM STRONGLY AGAINST CORE PROPERTY INVESTMENT SECTORS

Returns by real estate asset class in Australia versus Vital's real estate level returns (non-compounding) year ended 30 September 2022



- ▶ Vital continues to outperform Retail and Office real estate asset classes in Australia over the proceeding 1 year, 3 year and 5 year periods.

Source: MSCI & Vital, September 2022

Returns shown are on a nominal, unlevered "all asset" basis (inclusive of development and transaction activity). Vital's returns include Australian and New Zealand Portfolio

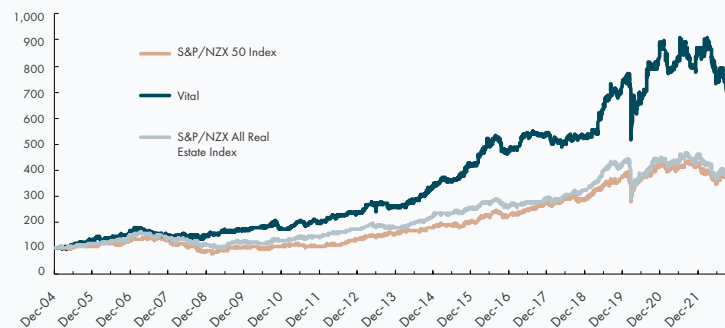
Comparative returns

VITAL MAINTAINS LONG-TERM OUTPERFORMANCE VS BENCHMARK ON A TOTAL RETURN¹ BASIS

TOTAL RETURN ¹ TO 31 DECEMBER 2022	1YR	5YR (P.A.)	10YR (P.A.)	SINCE 2004 (P.A.) ²
Vital	-26.0%	3.5%	10.4%	10.9%
S&P/NZX All Real Estate Index	-22.3%	3.8%	7.5%	7.3%
S&P/NZX 50 Index	-12.0%	6.4%	10.9%	7.6%
Vital's performance vs NZX REIT	(3.7%)	(0.3%)	2.9%	3.6%
Vital's performance vs NZX50	(14.0%)	(2.9%)	(0.5%)	3.3%

- ▶ 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



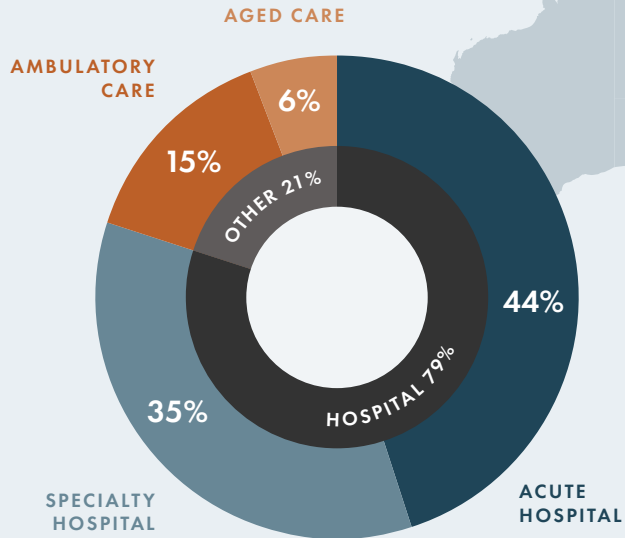
Source: Forsyth Barr

¹Total returns measured by change in unit price plus post-tax distributions to 31 December 2022

²S&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)

16.6 years

WALE



PRIVATE HOSPITALS

- ▶ 17 hospitals (acute and specialty – mental health, rehabilitation)
- ▶ Four hospital operators
- ▶ 78% of AUS portfolio value; 79% of AUS rent
- ▶ WALE: 18.4 years



AMBULATORY CARE

- ▶ 6 assets, multiple tenants
- ▶ 16% of AUS portfolio value; 12% of AUS rent
- ▶ WALE: 6.5 years

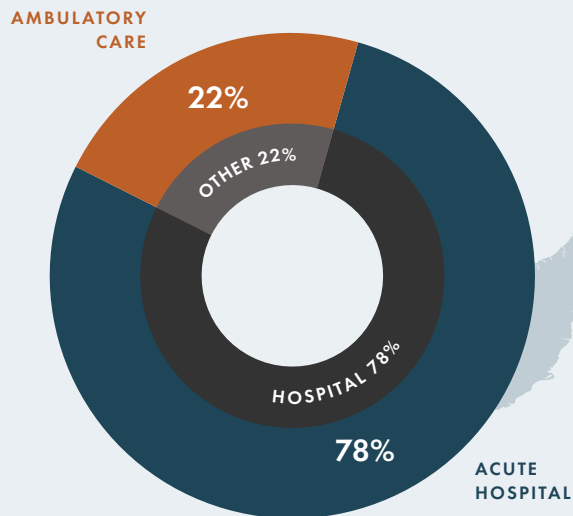


AGED CARE

- ▶ 8 facilities (all in AUS)
- ▶ 2 operators
- ▶ 6% of AUS portfolio value; 9% of AUS rent
- ▶ WALE: 13.5 years

~NZ\$1.0bn New Zealand portfolio overview

KEY NEW ZEALAND MARKET PERFORMING STRONGLY



SUBSECTOR DIVERSITY (BY VALUE)



PRIVATE HOSPITALS

- ▶ 9 hospitals (all acute)
- ▶ 6 hospital operators
- ▶ 78% of NZ portfolio value; 79% of NZ rent
- ▶ WALE: 20.7 years

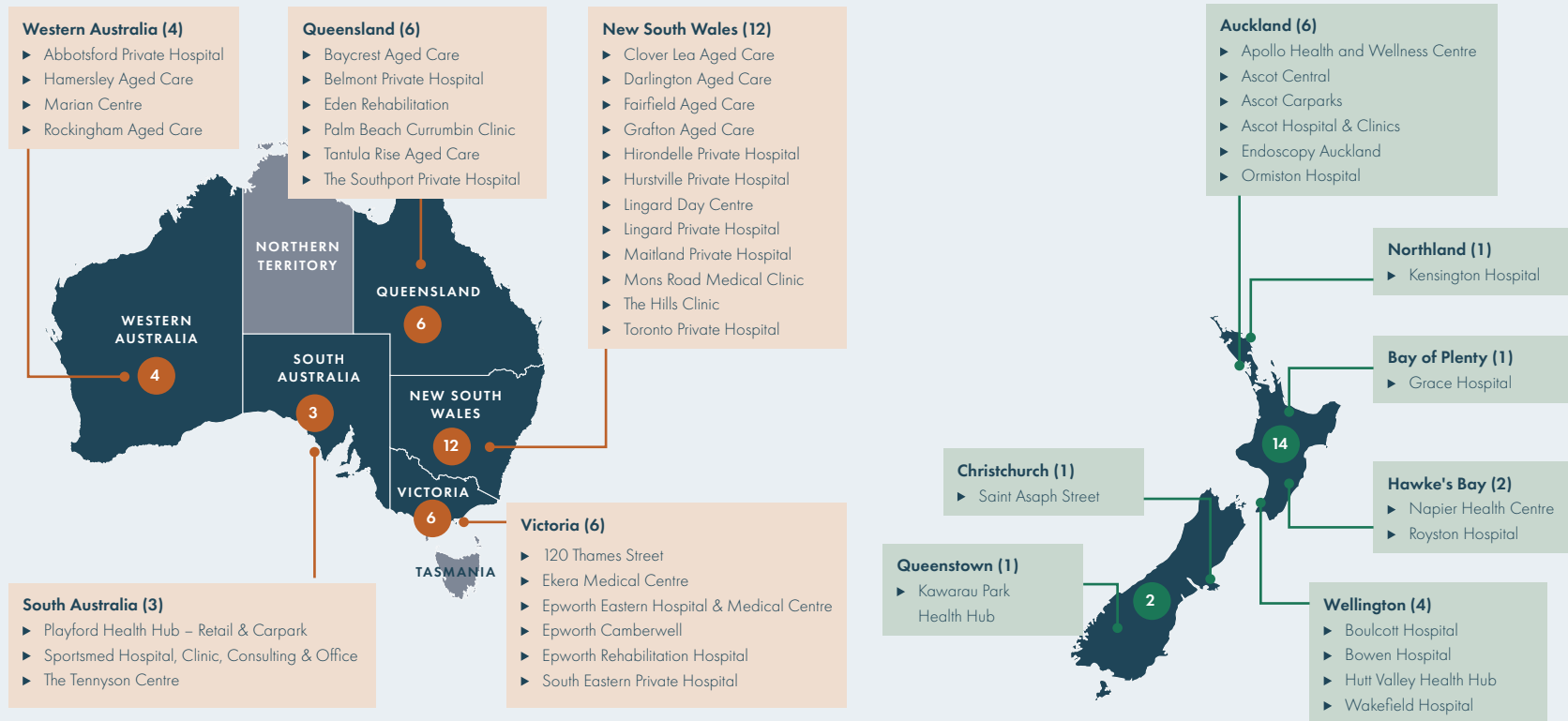


AMBULATORY CARE

- ▶ 7 assets, multiple tenants
- ▶ 22% of NZ portfolio value; 21% of NZ rent
- ▶ WALE: 9.9 years

Investment properties AS AT 31 DECEMBER 2022

~NZ\$3.5BN PORTFOLIO OF HEALTHCARE REAL ESTATE COMPRISING 47 INVESTMENT PROPERTIES AND 2,800+ BEDS



Lease expiry profile

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

1

- ▶ 2.0% of this has signed extensions or heads of agreement

2

- ▶ Ormiston Hospital, terms pre-agreed for a 20 year extension on completion of hospital expansion

3

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

4

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

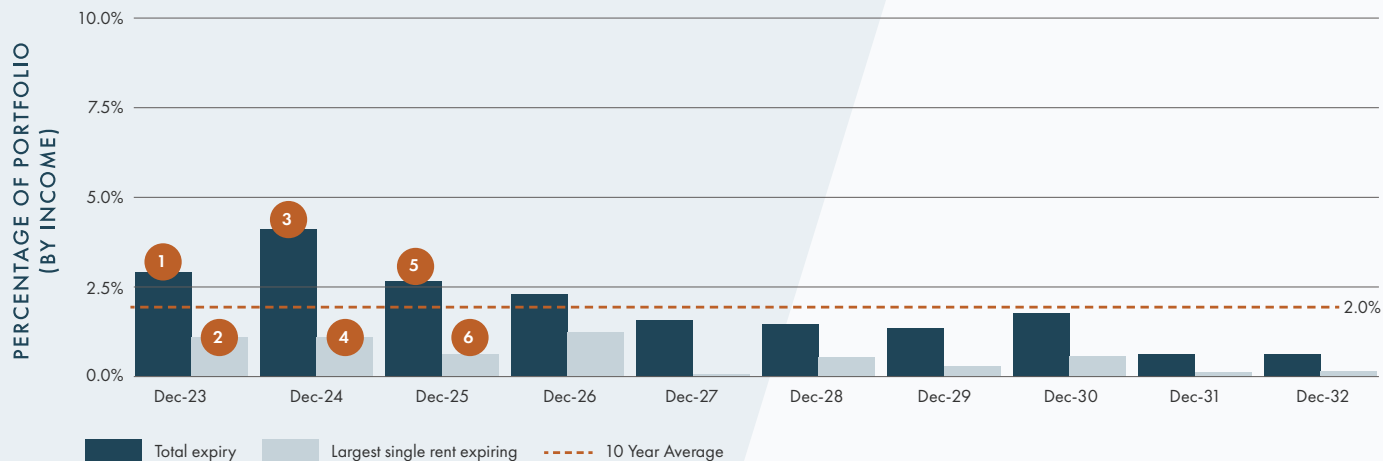
5

- ▶ 1.5% proposed to be divested, 0.7% has renewal terms agreed or being discussed

6

- ▶ Asset being considered for divestment

10-year average annual lease expiry of only 2.0% (as % of total portfolio income)



CY23 EXPIRIES

- ▶ Total potential expiries of NZ\$4.5m or 3.0% of annual rent through to December 2023

Rent reviews

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

Rent reviews – HY23

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

		#	Jun-22 Rent p.a. (NZD)	Dec-22 Rent p.a. (NZD)	Increase (NZD)	Annualised Growth (Stable currency)
Australia	AUS	23	12,926,588	13,463,910	537,322	4.2%
New Zealand	NZ	33	33,126,541	34,148,616	1,022,075	3.1%
Total		56	46,053,130	47,612,526	1,559,396	3.4%

		#	Jun-22 Rent p.a. (NZD)	Dec-22 Rent p.a. (NZD)	Increase (NZD)	Annualised Growth (Stable currency)
CPI	CPI	29	39,634,891	40,945,856	1,310,965	3.3%
Fixed	Fixed	21	4,408,543	4,522,951	114,408	2.6%
Market	Market	5	956,851	999,336	42,485	4.4%
Turnover	Turnover	1	1,052,844	1,144,383	91,539	8.7%
Total		56	46,053,130	47,612,526	1,559,396	3.4%

¹Includes fixed percentage and CPI reviews



Rent reviews have been completed for 56 leases in FY23 to date



Structured reviews represent 96%¹ of leases by income as at 31 December 2022



Significant uplift via market and CPI rent reviews

Core portfolio metrics

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



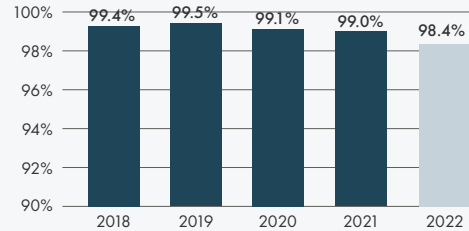
Long-term track record of maintaining

>98% Occupancy

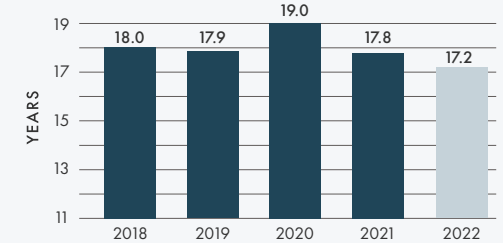


High degree of confidence that future expiries will be renewed or replaced with new tenants in advance of expiry

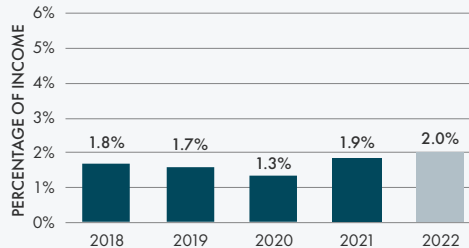
OCCUPANCY



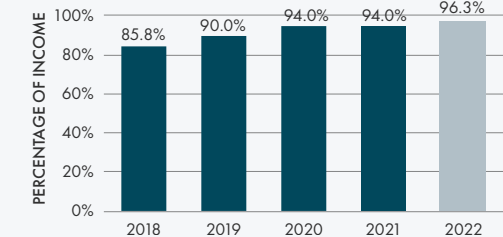
WALE



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

Vital's structure



Vital's Manager and largest Unit Holder



>250

healthcare
real estate
professionals



~NZ\$11bn

assets under
management



7

number of
countries in which
Northwest operates

~28%

Vital Unit Holders

Majority NZ based institutions and retail investors

~72%

Vital HEALTHCARE PROPERTY TRUST

Management of Vital in accordance with the Trust Deed








New Zealand's largest specialist and
only listed owner of healthcare real estate

**~NZ\$3.5 billion portfolio healthcare
real estate in AUS and NZ**

Why invest in vital

VITAL IS THE ONLY SPECIALIST NZX-LISTED OWNER OF HEALTHCARE PROPERTY; NO ASX-LISTED EQUIVALENT

 DEFENSIVE SECTOR	 HIGH DEMAND	 HIGH QUALITY PORTFOLIO	 EARNINGS GROWTH	 DEVELOPMENT UPSIDE
<p>Private healthcare is typically a non-discretionary or high priority discretionary spend</p> <p>Considered to be less impacted by economic or business cycles than other property sectors</p>	<p>Ageing demographics and growing population in both Australia and New Zealand</p> <p>Rising life expectancy</p> <p>Improvements in science, technology and healthcare increase service offerings</p>	<p>Landlord of New Zealand and Australia's leading private healthcare operators</p> <p>~NZ\$3.5bn portfolio</p> <p>98.4% occupancy</p> <p>WALE: 17.2 years</p> <p>Average building age¹: 11.1 years</p>	<p>Targeting 2–3% AFFO and DPU growth with a conservative payout ratio</p> <p>96% of leases increase by CPI or fixed %</p> <p>Embedded earnings growth enhanced by acquisitions and developments</p>	<p>NZ\$369m of remaining spend on existing developments to be funded from existing debt facilities and asset sales and ~\$1.9bn⁺² of identified, potential pipeline which can be converted to committed developments when market conditions support them</p> <p>Weighted average project yield of 5.6%; provide value creation and earnings growth</p>

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

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)

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 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

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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.

23 February 2023

Vital HEALTHCARE
PROPERTY TRUST
Managed by Northwest

Thank you

www.vhpt.co.nz

RDX, Gold Coast, Australia
Artist's Impression