

HY25 Report Summary

PROVIDING INCOME SECURITY
FOR OUR UNIT HOLDERS

Vital HEALTHCARE
PROPERTY TRUST
Managed by Northwest

Ormiston Hospital (Stage 1), Auckland

On 20 February 2025, Vital released its interim results for the six months ended 31 December 2024 (HY25). This is a summary of Vital's HY25 results.

HY25 highlights include:

- Net property income increased by 4.0% on a like-for-like, same property and constant currency basis, reflecting rent reviews under existing leases plus the leasing activity referred to below.
- Over 47,000 square metres of space leased, extended or renewed during HY25, representing 18% of Vital's total property portfolio by net lettable area (21% by income) demonstrating the quality of Vital's portfolio as well as our active leasing programme. Leasing helped maintain occupancy at ~98% over HY25, extend Vital's already long WALE to 19.1 years (18.3 years at 30 June 2024) and contribute to the net property income growth noted above.
- NZ\$47.9m of non-core assets were sold. Proceeds have been recycled into Vital's development pipeline as we continue to improve the portfolio across a range of metrics.
- Wakefield Hospital (stage 2A) development in Wellington officially opened and Maitland Private Hospital in Newcastle achieved practical completion, reducing the capital required in future periods to NZ\$77.5m for committed developments which are expected to be substantially complete by September 2025.
- For the second year in a row, Vital was acknowledged as a Sector Leader (the highest possible achievement) for ESG by GRESB for listed healthcare entities globally across performance, management and developments.



4.0%

LIKE-FOR-LIKE PROPERTY
INCOME GROWTH¹



18%

OF VITAL'S NET LETTABLE
AREA LEASED, EXTENDED
OR RENEWED OVER HY25

"Vital remains the leading investable healthcare property investment platform in Australasia with a high-quality portfolio of geographically diversified healthcare assets and a growing net property income stream.

The strength of Vital's portfolio was demonstrated through 18% of the portfolio (by area) being leased, extended or renewed during HY25.

Our well capitalised healthcare operator tenants continue to experience growing demand for their services evidenced by an improving rent:EBITDAR ratio for Vital's hospital tenants (78% of revenue) which reduced from 60% to 53% over CY24, with Australian tenants reducing from 67% to 56% and New Zealand tenants reducing from 46% to 45%.

In addition, we have deliberately sought to diversify our tenant base and no tenant represents more than 19% of Vital's rent."

— Aaron Hockly, Fund Manager
20 FEBRUARY 2025

¹Compared with the prior corresponding period on a same property, constant currency basis.

As part of its sustainability efforts, hard copy Interim Reports will no longer be mailed unless specifically requested by Unit Holders. Instead, this summary document provides an overview of Vital's key results for HY25. As with previous results, the full Interim Report will be emailed to Unit Holders and will be available on the NZX and be posted on Vital's website: <https://www.vitalhealthcareproperty.co.nz/financial-results/>. This initiative saves approximately 252,000 pages of printing per annum and reduces our greenhouse gas emissions both through reducing printing and mailing.

Investors who would like to receive a printed Interim Report can request one by calling Computershare on +64 9 488 8777, emailing enquiry@computershare.co.nz or mailing a request to: Computershare Investor Services Limited, Private Bag 92119, Auckland 1142.

Financial results

Vital again recorded a strong increase in net property income reflecting rent increases and development income. Growth in net property or underlying income was offset by portfolio enhancing asset sales, increased finance costs, higher Australian tax and a timing delay in New Zealand tax deductions.

A\$386m of hedging activity in HY25 at a 3.61% weighted average fixed rate for an average of 3 years.



Wakefield Hospital (Stage 2) official opening by Health Minister Simeon Brown

4.0%
LIKE-FOR-LIKE, SAME PROPERTY INCREASE IN EARNINGS (CONSTANT CURRENCY)

2.6%
INCREASE IN NET PROPERTY INCOME (EX FX). LOWER THAN ABOVE DUE TO NON-CORE ASSET SALES WHICH HAVE IMPROVED THE PORTFOLIO

NZ\$2.58
NET TANGIBLE ASSETS OR NTA PER UNIT

~NZ\$135m
DEBT HEADROOM AVAILABLE UNDER EXISTING FACILITIES; WELL ABOVE DEVELOPMENT COMMITMENTS

40.7%
DEBT TO GROSS ASSETS

Portfolio overview

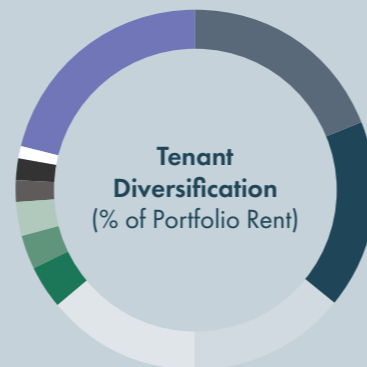
Vital owns 34 income producing properties across Australia and New Zealand (plus strategic land for development).

NZ\$479m of non-core asset sales, coupled with the development pipeline, has improved and will continue to improve the resilience of Vital's portfolio across a range of metrics including income security, average building age, tenant quality and several environmental measures.

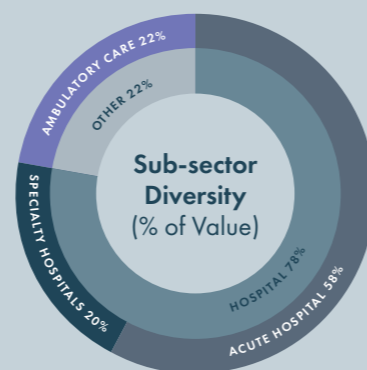
Vital has NZ\$225m of assets in due diligence or being actively considered for sale. Additional asset sales are also being considered to reduce balance sheet gearing.

MAJOR TENANTS % OF PORTFOLIO INCOME

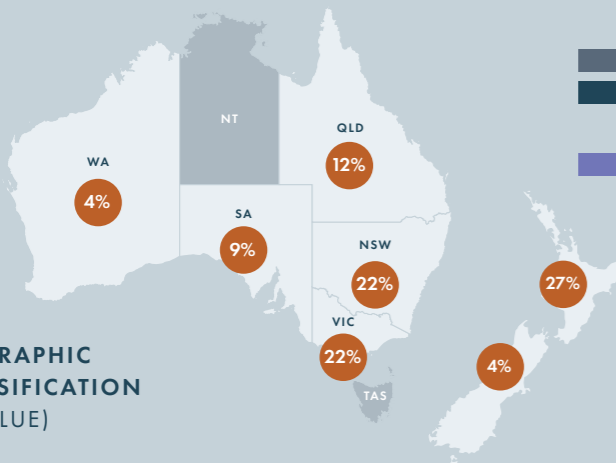
Aurora Healthcare	19%
Health Care Surgical	17%
Epworth Healthcare	14%
Evolution Healthcare	14%
Southern Cross	4%
Burnside	3%
Mercy Ascot	3%
GenesisCare	2%
Boulcott Hospital	2%
I-MED Radiology Network	1%
Other	21%



Acute Hospitals	58%
Specialty Hospitals (mental health and rehabilitation)	20%
Ambulatory Care	22%



GEOGRAPHIC DIVERSIFICATION (BY VALUE)



19.1 years
WALE*

~NZ\$3.2 billion
PORTFOLIO (~NZ\$2.2B AUSTRALIA AND ~NZ\$1.0B NEW ZEALAND)

97.7%
OCCUPANCY

*Inclusive of landlord options

Development update



Our development team comprises 10 experts in healthcare real estate which is unmatched in Australia or New Zealand. Our precinct strategy will help create new opportunities for Vital to build out assets in health-related precincts where public, private, education, aged care and research uses are closely agglomerated and interrelated.

NZ\$77.5m

OF COMMITTED DEVELOPMENT SPEND REMAINING ON FOUR DEVELOPMENTS

~NZ\$74.2m

SPENT ON CAPITAL WORKS IN HY25 INCLUDING DEVELOPMENTS FULLY COVERED BY ASSET SALES

Sustainability

Climate Related Disclosure

To assist Vital's stakeholders to better understand Vital's strategy and investments, Vital's first Climate Related Disclosure was released in October 2024.

The disclosure provides:

- Three plausible but challenging potential futures across short, medium and long-term horizons based on relevant industry scenarios.
- Details on Vital's governance framework, business model and sustainability strategy, risk management and emissions profile.

First 6 Star Green Star certified development

GenesisCare Integrated Cancer Centre (Campbelltown, NSW) has achieved a 6 Star Design & As Built v1.3 certified rating from the Green Building Council of Australia.

- First property in the Vital portfolio to achieve the certification and confirms our commitment to taking a leading position on sustainability.
- Master Builder's Association award recognising project's achievement in sustainability.
- 6 Star Green Star As Built certification underway for Playford Health Hub - Stage 2 (Elizabeth Vale, SA).



GRESB

Vital was again acknowledged as a Sector Leader in October 2024, for developments in listed healthcare both globally and in oceania.



LISTED HEALTHCARE (BOTH GLOBALLY & IN OCEANIA) IN DEVELOPMENTS



PERFORMANCE SCORE WITHIN LISTED HEALTHCARE (GLOBALLY)



GLOBAL SECTOR LEADER IN DEVELOPMENT BENCHMARK



5 STAR DEVELOPMENT RATING

CDP

Vital submitted to CDP again in 2024, achieving a score of B. This marks an improvement from the B- score received in the previous year and reflects Vital's continued focus on climate risk management, emissions reductions, and transparency in environmental reporting.

B Score
2024 CDP CLIMATE CHANGE SCORE



Outlook

Vital remains in a strong position and whilst our returns have been below our target, primarily due to interest rate headwinds, we remain optimistic about the medium term trajectory for Vital noting:

The earnings stability and growth of our well-capitalised tenants.

Vital's high-quality and diversified portfolio.

The engagement we had with Unit Holders and other stakeholders through our consultation on the DLT.

Most of all, the ongoing support from Unit Holders despite a volatile, and at times unfavourable, equity market.

DLT Proposal



What have we done?

Consultation on a proposal to restructure Vital into separate New Zealand and Australia trusts with independently traded primary listings on the NZX and ASX commenced in late November 2024.

Consultation undertaken with Vital's largest institutional Unit Holders, retail investor representatives including NZSA and several wealth managers.

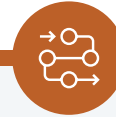


What have we heard?

Positive feedback particularly for the objectives of providing earnings accretion, a broader investor base and governance enhancements.

Stakeholders also supported retaining Vital's PIE status, NZX listing, strategy, portfolio and development pipeline.

Although Unit Holders generally support the end state of the DLT, concerns were raised around transitional matters, including the ASX units issued as part of this proposal, given current market conditions. The Manager also heard concerns from Unit Holders regarding the impact of the DLT proposal on Vital's NZX-listed entity's scale, liquidity and index weighting.



What happens next?

Not proceeding with DLT proposal at this time.

Will continue to consider ways to create a more attractive and efficient investment vehicle, including potentially a DLT structure, over the course of 2025.

Any future proposal, including the DLT, would only be undertaken with significant Unit Holder support.



Why are we doing this?

DLT was expected to be earnings accretive at an entity level. Further, improving Vital's structure, including facilitating international capital investment into Vital to drive improved Unit Holder returns, remains a strategic priority.

Additional capital sources are also required to help unlock the significant embedded value for Unit Holders from Vital's development pipeline across the in-demand New Zealand and Australian healthcare sectors.

More details

On 20 November 2024, we announced commencement of Unit Holder consultation regarding a DLT proposal which would involve restructuring Vital into separate New Zealand and Australian trusts with independently traded primary listings on the NZX and the ASX, while continuing to operate as a single economic entity.

Since the announcement, extensive consultation has occurred with Vital's largest institutional Unit Holders, retail investor representatives including the New Zealand Shareholders' Association and several wealth managers as well as with Vital's Supervisor.

Feedback was positive, particularly in relation to the Manager's objectives to provide earnings accretion, a broader investor base and governance enhancements to make Vital a more attractive investment vehicle and improve its access to, and cost of, capital. Stakeholders also supported retaining Vital's PIE status, NZX listing, strategy, portfolio and development pipeline. They also expressed appreciation of the consultation process itself and the way it was undertaken.

Although Unit Holders generally support the end state of the DLT, concerns were raised around transitional matters, including the ASX units issued as part of this proposal, given current market conditions. Unit Holders were also concerned about the impact of the DLT proposal on Vital's NZX-listed entity's scale, liquidity and index weighting.

As a result of the feedback received and current market conditions, we have decided not to proceed with the DLT proposal at this time.

Feedback from stakeholders indicates that the transitional risk for the DLT cannot be adequately addressed in the current market.

We are grateful for the positive engagement we have had with Unit Holders and will continue to consider ways of improving Vital's structure. Stakeholder feedback has been valuable and will help us continue to improve Vital for our Unit Holders.

We will continue to consider ways to create a more attractive and efficient investment vehicle, including potentially a DLT structure, over the course of 2025. During this time we will continue to consult with Unit Holders on ways to achieve these objectives. There remains no guarantee that the DLT or any alternative proposal will be put to Unit Holders or be implemented.

Improving Vital's structure, including facilitating international capital investment into Vital to drive improved Unit Holder returns, remains a strategic priority. We also continue to consider that additional capital sources are required to help unlock the significant embedded value for Unit Holders from Vital's development pipeline across the in-demand New Zealand and Australian healthcare sectors.

Whilst important, the DLT is only a small part of the Board's focus on enhancing returns for Unit Holders as you can see from the balance of this report.

Disclaimer:

This document has been prepared by Northwest Healthcare Properties Management Limited (the **Manager**) as manager of the Vital Healthcare Property Trust (the **Trust**) and provides high-level summary information only.

This document does not contain all the information in the Trust's Interim Report which is available on www.nzx.com/companies/VHP and <https://www.vitalhealthcareproperty.co.nz/announcements/> and is not intended to replace the Interim Report.

This document 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.

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vhpt.co.nz