



HealthCo Healthcare and Wellness REIT
ARSN 652 057 639
HCW Funds Management Limited
ACN 104 438 100, AFSL 239882

ASX RELEASE

12 August 2022

FY22 FINANCIAL RESULTS PRESENTATION

HealthCo Healthcare and Wellness REIT (ASX: HCW) provides the attached FY22 Financial Results Presentation.

This announcement is authorised for release by the Board of the Responsible Entity.

For further information please contact:

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About HealthCo Healthcare & Wellness REIT

HealthCo Healthcare & Wellness REIT is a Real Estate Investment Trust listed on the ASX focused on owning healthcare and wellness property assets. The REIT's objective is to provide exposure to a diversified portfolio underpinned by healthcare sector megatrends, targeting stable and growing distributions, long-term capital growth and positive environmental and social impact.



Aurrum Aged Care, Erina (NSW)



Explorers Early Education, Beaconsfield (VIC)



Springfield Health Hub (QLD)



Camden Health Precinct (NSW)



HealthCo REIT
FY22 results presentation
12 August 2022

Acknowledgement of Country

HealthCo acknowledges the Traditional Custodians of country throughout Australia and celebrates their diverse culture and connections to land, sea and community.

We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



Journey Tracks to Sacred Sites
Tony Sorby (2021)
© the artist courtesy Kate Owen Gallery



Agenda

1. Highlights

2. Portfolio overview

3. Investments

4. Financial results

5. Guidance

Presenters



Sam Morris
Senior Portfolio Manager



Christian Soberg
Chief Financial Officer

Health
Co.





Key messages

Our decision to be patient and protect our capital puts HealthCo in a strong position to execute its long-term growth strategy

PROACTIVE PORTFOLIO AND CAPITAL MANAGEMENT

| EXCEEDED IPO PDS FORECAST | COMPELLING GROWTH STORY | PROACTIVE CAPITAL MANAGEMENT |
|--|--|--|
|  |  |  |
| Exceeded upgraded FY22 FFO guidance and delivered FY22 DPU in line with PDS forecast | Significant growth opportunity embedded in the portfolio and development pipeline | Disciplined approach to acquisitions in a competitive environment has preserved balance sheet flexibility Divested St Marys at 71% premium to book Announced on-market unit buy-back |



The George, Camden (NSW)



1. Highlights

AUSTRALIA'S LEADING DIVERSIFIED HEALTHCARE REIT



FY22 highlights

FY22 FFO ahead of guidance, continued development progress and strong balance sheet for value accretive opportunities

| OPERATIONS | GROWTH | FINANCIAL |
|---|--|--|
| 100% CASH RENT COLLECTION | ~\$200m ACQUISITIONS SINCE IPO ⁴ Acquisition WACR of 5.0% ⁵ | 5.1 cpu / \$49.6m FY22 FFO per unit / FY22 Statutory NPAT FY22 FFO per unit +18% versus PDS |
| 99% OCCUPANCY Versus 96% at IPO ^{1,2} | ~\$125m ACTIVE DEVELOPMENTS The George Private Hospital on track for completion in Q1 CY23 | \$2.01 NTA PER UNIT +8% versus \$1.86 at IPO |
| 10.2 year WALE HIGH QUALITY AND SECURE INCOME 3% WARR across 67% of income contracted under fixed escalation leases with remaining 33% of income indexed to CPI ^{1,2,3} | ~\$500m DEVELOPMENT PIPELINE Including Camden Stages 2 and 3 | Net cash⁶ PF GEARING POSITION Strong capital position with \$413m available liquidity |

Notes: 1. By GLA. Includes signed leases, MoUs and rental guarantees across operating assets. Excludes development assets. 2. Includes contracted acquisitions announced October 2021. 3. Weighted Average Rent Review. 4. Includes \$113m of initial acquisitions, estimated incremental cost to complete Proxima Southport and approximate acquisition cost of additional interest in Camden Stage 1 - approximate acquisition cost based on minimum capex funding agreed to by HMC Capital of at least \$40m (in line with HCW) plus land value. Ownership on completion may increase subject to final capex contribution with total funding requirement (between Acurio Health Care, HCW and HMC Capital) of \$80m under fixed price D&C contract. 5. Excludes development assets. 6. As at 30 June 2022 pro forma for \$35.3m St Marys disposal. Does not include impact of contracted acquisitions announced October 2021.



Proactive capital management strategy

HealthCo has remained disciplined and preserved its funding capacity and flexibility

1

Disciplined approach to acquisitions

- Since listing, HealthCo has evaluated over \$2bn of potential acquisitions and transacted on \$200m
- We have remained disciplined and will only deploy capital into opportunities which meet our risk adjusted return hurdles
 - Healthcare acquisition cap rates have tightened to record low levels notwithstanding the rising cost of interest rates in Australia and globally
- HealthCo expected to exercise option to acquire HMC Capital's stake in Camden Stage 1 in FY23 (~\$42m)

2

Progressing \$500m+ development pipeline

- Developments offer attractive risk adjusted returns vs acquisitions in the current market
- HealthCo has made strong progress on our \$500m+ development pipeline with "The George" Private Hospital progressing on time and on budget
- We are actively working with major healthcare operators to establish property partnerships, where HMC Capital / HealthCo can add value and provide development expertise. These partnerships can create off-market opportunities

3

Proactive capital management

- Entered into a binding agreement to sell St Marys for \$35.3m, representing a 71% premium to book value
 - Sale delivers immediate upside in excess of projected development profit and fortifies balance sheet (PF net cash position and \$413m of liquidity)
- As part of HealthCo's commitment to proactive capital management, we are announcing an on-market unit buyback programme

HealthCo is uniquely positioned to capitalise on attractive investment opportunities which are now emerging



Strong embedded growth opportunity

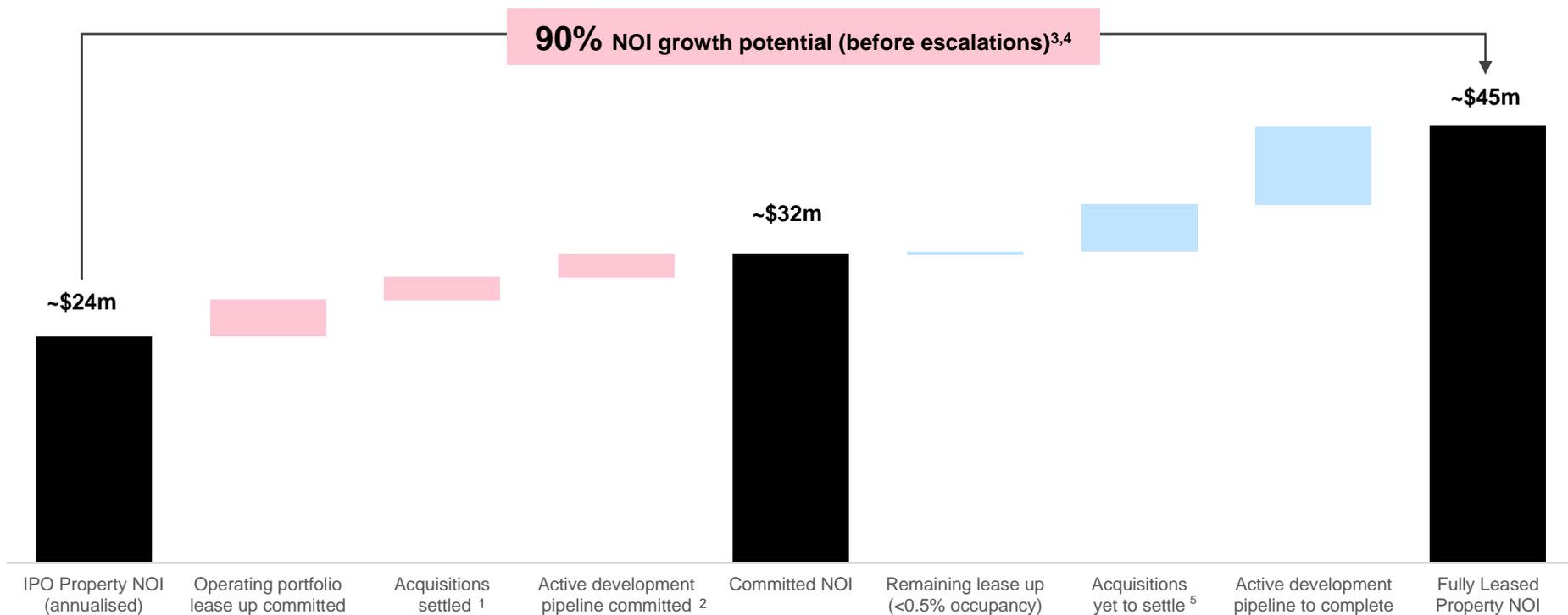
HealthCo is well progressed on unlocking the embedded 90% NOI growth potential within its portfolio across leasing, contracted acquisitions and developments

+35% NOI growth unlocked since the IPO

- **Operating lease up:** portfolio occupancy increase to 99% driven by lease up of Ballarat and Cairns
- **Acquisitions:** 6 Metro Childcare acquisitions have settled in FY22
- **Developments:** Springfield pre-commitments increased to 99% with construction well advanced

Embedded future growth drivers

- **Operating lease up:** remaining lease up on operating portfolio
- **Acquisitions:** Remaining \$60m Metro Childcare acquisitions expected to settle over next 12 months
- **Developments:** Camden Stage 1 and Proxima developments on track for completion in CY23 with HealthCo expected to exercise option to acquire HMC Capital's share of Camden Stage 1 on completion



Notes: 1. Excludes Proxima (50% HMC share) and option to acquire Camden Stage 1 (HMC share) at completion. NOI from these acquisitions included in 'Active development pipeline'. 2. 'Active development pipeline' includes Camden Stage 1 (assuming option to acquire HMC share is exercised), Proxima and Springfield on a fully leased basis. 3. Indicative only and does not represent a forecast. 4. Assumes 100% occupancy. Includes rental guarantees. 5. Acquisition settlement subject to Conditions Precedent.



Think Childcare, Seaford (VIC)



2. Portfolio overview

AUSTRALIA'S LEADING DIVERSIFIED HEALTHCARE REIT



HealthCo overview

HealthCo offers exposure to a high quality and diversified healthcare portfolio

Diversified spectrum of Health & Wellness real estate underpinned by powerful megatrends

Private Hospitals 

Government, Life Sciences & Research 

Aged Care 

Primary Care & Wellness 

Childcare 

39 Properties¹

\$722m Value¹

3.0% WARR^{1,2}

10.2yr WALE¹



The leading ASX-listed diversified healthcare real estate landlord

Proudly Australian owned, operated and managed

Underpinned by megatrends including an ageing population, a growing focus on health & wellness and increasing health spend per capita

Positioned for growth with a \$500m+ development pipeline

Externally managed by HMC Capital (ASX: HMC), a leading alternative asset manager with >\$5bn of FUM

Note: 1. Proforma for contracted pending acquisitions and contracted divestments (St Marys). 2. Weighted Average Rent Review.



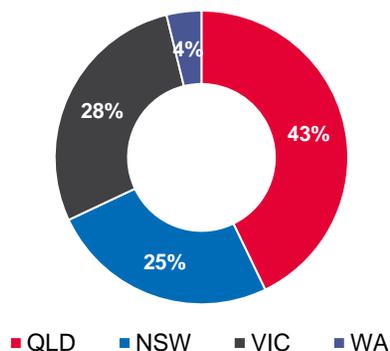
Portfolio update

HealthCo has grown its high quality and diversified healthcare portfolio and enhanced key portfolio metrics

Portfolio statistics¹

| | IPO ¹ | Jun-22 ¹ | Movement |
|------------------------------|------------------|---------------------|--------------------|
| Number of properties | 27 | 39 | 12 |
| Fair value | \$555m | \$722m | +\$167m |
| WACR ² | 5.34% | 4.89% | 45 bps compression |
| WARR | 3.0% | 3.0% | - |
| WALE ³ | 9.4 years | 10.2 years | +0.8 years |
| Occupancy ⁴ | 96% | 99% | +3% |
| Rent collection ⁵ | 99% | 100% | +1% |

Geographic split (by value)¹



Long term target geographic exposure based on state GDP contribution

Portfolio subsectors – income split and key tenants^{1,3,6}

| | | |
|---|-----|--|
| Childcare | 30% | |
| Primary, Specialty Care & Wellness | 23% | |
| Private Hospitals⁷ | 20% | |
| Gov't, Life Sciences & Research | 14% | |
| Aged Care | 7% | |

Notes: 1. Proforma for contracted pending acquisitions and contracted divestments (St Marys). 2. WACR excludes Camden Stages 1-3. 3. By gross income. Includes signed leases and MoUs across all operating and development assets. 4. By GLA. Includes signed leases, Signed MoUs and rental guarantees across operating assets. Excludes development assets. 5. IPO rent collection for the 6 months to 30 June 2021 across existing leases on operating assets. Jun-22 rent collection for period since 31 December 2021 to 30 June 2022. 6. Income from 'Other' subsectors of 6%. 7. Including exercise of the HMC Capital option on Camden Stage 1 this proportion increases to 24% of the portfolio.

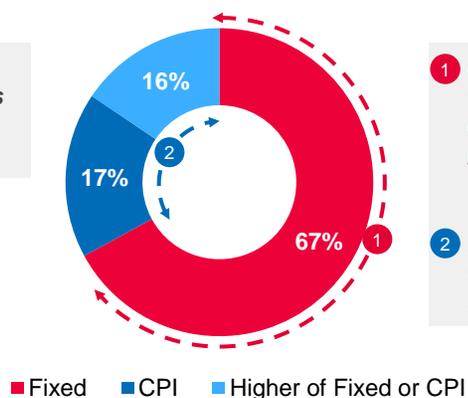


Key portfolio statistics

Long term leases to high quality operators with contracted rental growth are key mitigants against rising inflation and interest rates

Rent composition¹

Contracted rental escalations across 100% of the Portfolio

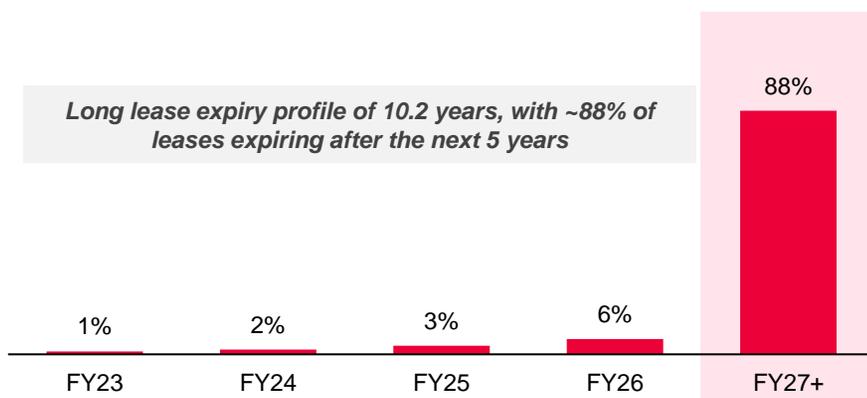


1 67% of portfolio with 3% WARR² contracted growth

2 33% of leases have CPI-linked escalations

Lease expiry profile^{1,3}

Long lease expiry profile of 10.2 years, with ~88% of leases expiring after the next 5 years



Top 20 tenants^{1,3}

| Rank | Tenant | Subsector | % of income |
|--------------|----------------------------------|-----------------------------------|-------------|
| 1 | GenesisCare | Private Hospitals | 12% |
| 2 | Explorers Early Learning | Childcare | 9% |
| 3 | Commonwealth Government | Gov't, Life Sciences and Research | 7% |
| 4 | Queensland Government | Gov't, Life Sciences and Research | 7% |
| 5 | Nido Early Learning | Childcare | 5% |
| 6 | Acurio Health Group ⁴ | Private Hospitals | 5% |
| 7 | Aurum Aged Care | Aged Care | 5% |
| 8 | Morayfield Health Hub Doctors | Primary Care & Wellness | 4% |
| 9 | Guardian Childcare | Childcare | 4% |
| 10 | Springfield Anchor Tenant | Private Hospitals | 3% |
| 11 | Amart ⁵ | Other | 2% |
| 12 | The Uniting Church | Aged Care | 2% |
| 13 | Busy Bees Childcare | Childcare | 2% |
| 14 | Story House Early Learning | Childcare | 2% |
| 15 | EMF (Fitness Centre) | Primary Care & Wellness | 2% |
| 16 | Go Health Medical Centre | Primary Care & Wellness | 2% |
| 17 | Endeavour Early Education | Childcare | 2% |
| 18 | Sanctuary Childcare | Childcare | 2% |
| 19 | QML Pathology | Primary Care & Wellness | 2% |
| 20 | G8 Education | Childcare | 1% |
| Total | | | 78% |

Notes: 1. By gross income. Includes signed leases and MoUs across all operating and development assets. Includes pending and committed acquisitions. Excludes St Marys. 2. Weighted Average Rent Review. Including the option on Camden, this proportion moves to 63% Fixed and 37% CPI-linked. 3. Values may not add due to rounding. 4. Annualised gross income post completion of Camden Stage 1 in Q1 CY23 – If HMC Capital call option exercised this increases to 10%. 5. Excludes Amart tenancy at Cairns (1% of gross income) which is considered a non-core holding over the long term.



Sustainability at HealthCo

HealthCo's purpose is to serve Australian communities by increasing access to health and wellbeing services

FY22 ESG progress



Environmental

- Progressing toward Net Zero by 2028
 - Implementation of the Smart Energy Management Strategy (EMS) where we have operational control, including Rouse Hill, Ballarat and Cairns in CY22
 - Solar PV roll-out to commence following the EMS roll-out at Ballarat, Cairns and Rouse Hill
 - Green star ratings achieved at Ballarat and Rouse Hill
 - WELL Building ratings underway at current developments



Social

- Promoting responsible business practices and furthering positive social impact through careful selection of assets, operators and services delivered
- HealthCo has defined the Social need across our Portfolio as a focus on Youth Under 18
- Partnerships being examined to ensure measurable outcomes in our communities



Governance

- Clear and transparent governance processes established for HealthCo
- ESG KPIs established for leadership team
- Gender diversity targets across HMC Capital's workforce and the HealthCo board are on track

Case study: Ballarat Health Hub



- Ballarat is a prime example of how HealthCo has put its health and wellness focus into action
- By constructing a tenant mix based on community needs, the centre promises to deliver positive social impact and a strong financial outlook

Case study: Aurrum Kids



- HealthCo has worked with Aurrum Kids to service an immediate need amplify their impact
- Aurrum Kids centres offer economical meals for families to purchase – providing care and convenience for busy families

Note: 1. Refer to <https://www.hmccapital.com.au/our-commitment/> for further information about HMC Capital's ESG strategy and commitments.



The George Private Hospital, Camden (NSW)



3. Investments

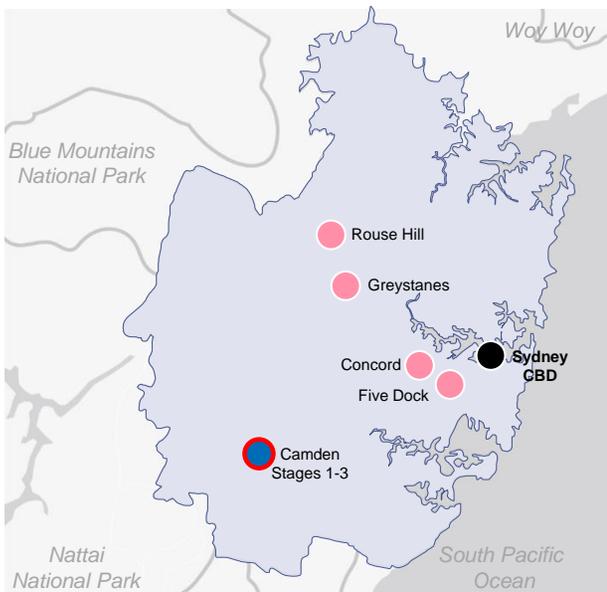
AUSTRALIA'S LEADING DIVERSIFIED HEALTHCARE REIT



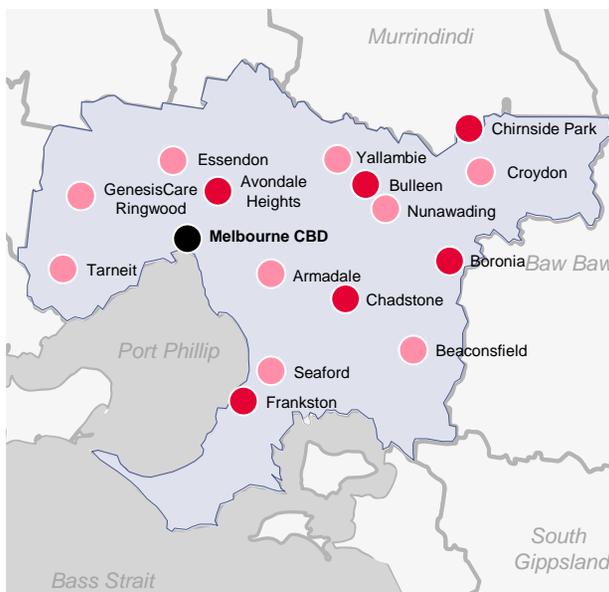
Investments in Australia's growth corridors

A key part of HealthCo's strategy is to pursue accretive acquisitions and developments in Australia's leading metropolitan markets and growth corridors

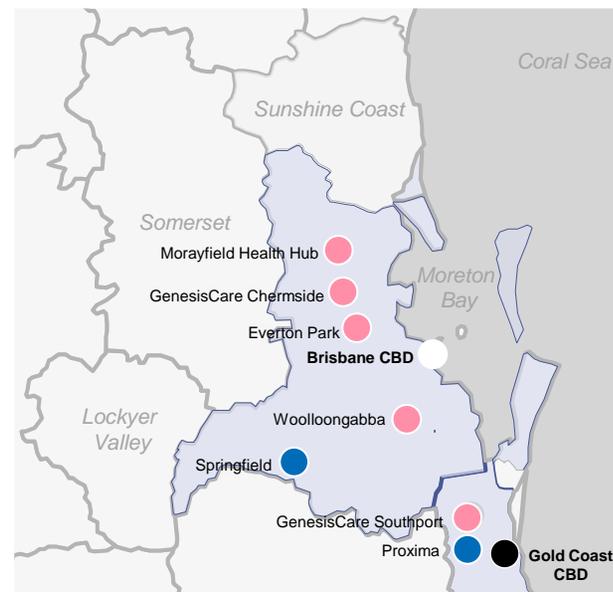
Sydney



Melbourne



Brisbane & Gold Coast



● Operating assets ● Acquisitions ● Developments

\$139m
Total value¹

19%
of total portfolio^{1,2}

\$154m
Total value¹

21%
of total portfolio^{1,2}

\$216m
Total value¹

30%
of total portfolio^{1,2}

Significant portfolio weighting (74%)³ to metropolitan markets and critical healthcare infrastructure real estate

Notes: 1. Calculated by fair value of properties as at 30-Jun-22. Excludes St Marys. 2. Percentage of total group portfolio. 3. Includes \$28m of WA properties (4%).



Acquisitions and disposals

~\$200m¹ of accretive healthcare acquisitions since IPO have further enhanced Healthco's portfolio characteristics

| Asset | Description | Transaction Value | Comments |
|--|--|--|--|
| Acquisitions and investments | | | |
|  | <p>Metro Childcare Portfolio (VIC, NSW and WA)</p> <ul style="list-style-type: none"> High quality portfolio of 13 newly constructed metropolitan childcare centres | <p>\$108m (\$48m settled, \$60m remaining)</p> | <ul style="list-style-type: none"> Acquisition terms <ul style="list-style-type: none"> 5.00% acquisition cap rate 17.6 year portfolio WALE Settlement update: <ul style="list-style-type: none"> 6 settled out of portfolio of 13 sites² Jun-22 revaluations for settled sites resulted in average uplift of 3.6% vs acquisition price |
|  | <p>Proxima Southport (QLD) (50% HMC share)</p> <ul style="list-style-type: none"> Fund-through health hub in the emerging Gold Coast Health and Knowledge precinct | <p>\$5m</p> | <ul style="list-style-type: none"> \$7.5m Jun-22 valuation 5.5% Jun-22 cap rate 10.7 year WALE |
|  | <p>Camden Stage 1 (NSW) (25% HMC share)</p> <ul style="list-style-type: none"> 78 bed private hospital, specialising in paediatrics and maternity | <p>Option to acquire at 5% discount</p> | <ul style="list-style-type: none"> \$28.6m Jun-22 valuation 5.0% Jun-22 cap rate 15.7 year WALE (100% pre-leased to Acurio Health Care on triple net lease) |
| Divestment | | | |
|  | <p>St Marys (NSW)</p> <ul style="list-style-type: none"> Health hub development located 45km west of Sydney CBD | <p>\$35m</p> | <ul style="list-style-type: none"> HealthCo has entered into an unconditional agreement to sell St Marys at a 71% premium to Book Value following receipt of an unsolicited proposal from Centennial Property Group The transaction crystallises a trading profit higher than the forecast development profit and is FFO accretive in FY23 |

Notes: 1. Includes \$113m of initial acquisitions, estimated incremental cost to complete Proxima Southport and approximate acquisition cost of additional interest in Camden Stage 1. Approximate acquisition cost based on minimum capex funding agreed to by HMC Capital of at least \$40m (in line with HCW) plus land value. Ownership on completion may increase subject to final capex contribution with total funding requirement (between Acurio Health Care, HCW and HMC) of \$80m under fixed price D&C contract. 2. Settled properties includes Greystanes, Croydon, Armadale, Yallambie, Seaford and Maylands.



Developments summary

HealthCo is well progressed with its \$125m committed development pipeline with a total future development pipeline in excess of \$500m

| Brownfield development projects | Planning approval | Pre-commitments ¹ | Practical completion | Est. investment | Target returns |
|--|-------------------|---|----------------------|--|---------------------|
| Current developments | | | | | |
| Camden – Stage 1 (NSW) <ul style="list-style-type: none"> 78 bed private hospital, specialising in paediatrics and maternity | ✓ | 100% | Q1 CY23 | ~\$40m HCW REIT share (\$27m remaining) ² | >5% yield on cost |
| Proxima Southport (QLD) <ul style="list-style-type: none"> Fund-through health hub in the emerging Gold Coast Health and Knowledge precinct | ✓ | 65% ³ | Q3 CY23 | ~\$70m (\$62m remaining) ⁴ | 5.65% yield on cost |
| Springfield (QLD) <ul style="list-style-type: none"> Diversified health hub including childcare, medical centre, chemist and gym | ✓ | 99% | Stage 2: CY22 | ~\$15m (\$12m remaining) | >6% yield on cost |
| Development pipeline | | | | | |
| Camden – Stage 2 (NSW) <ul style="list-style-type: none"> Significant private hospital | ✓ SSDA | In advanced discussions with leading hospital operators | FY25 | Estimate >\$250m ⁵ | >5% yield on cost |
| Camden – Stage 3 (NSW) <ul style="list-style-type: none"> Health research facility | ✓ SSDA | Planning in progress | FY25 | Planning in progress | >5% yield on cost |
| Rouse Hill (NSW) <ul style="list-style-type: none"> Expanded health hub to include hospital development opposite new public hospital development | Pending | n/a | FY27 | Planning in progress | >5% yield on cost |
| Total | | | | >\$500m | |

Notes: 1. Pre-commitments includes signed leases, signed MOU's and issued MOU's. 2. Total cost to complete \$80m on 100% basis under fixed price D&C contract. 3. 1 year rental guarantee. 4. Proxima cost to complete now reflect 100% ownership. 5. Subject to agreement with preferred operating partner and finalisation of design - investment includes HMC share.

Camden Precinct overview

HealthCo is creating a \$500m+ Health & Innovation Precinct in Camden, the fastest growing LGA in Australia¹



- ✓ **+\$500m+ total** projected cost of all stages
- ✓ **~40,000sqm of NLA** to be delivered across all stages
- ✓ **>700 private hospital bed deficit** in the catchment
- ✓ Catchment **benefits from higher than average private health insurance coverage** vs NSW average and Campbelltown
- ✓ Catchment **population growth** to be **supported by Australia's largest infrastructure project** - Western Sydney International Airport

| | | |
|----------|---------------------------------|--|
| 1 | The George | 78 ² bed private hospital specialising in paediatrics and maternity |
| 2 | Camden Private Hospital | Up to 250 bed general medical and surgical hospital, with co-located comprehensive cancer centre |
| 3 | Health Research Facility | ~10,000 sqm facility built to house clinical trails (including a phase 1 unit) and translational research to complement both hospitals |



Notes: 1. 2019 NSW Government population projections. 2. 57 overnight beds and 21 day beds

The George Private Hospital update

The George Private Hospital is on track to be completed in Q1 CY23

The George Private Hospital



Hospital overview

- Modern mixed-use 78¹ beds facility providing paediatric, maternity and day surgery services
- 100% pre-committed to Acurio, who currently operate four industry-leading hospitals, clinics and research centres located across Sydney

Development metrics

- \$80m construction cost (fixed price D&C contract)
- >5% ROIC
- On track to open in H1 CY2023

Key lease terms

- 15 year lease term with options
- CPI rent escalations

Camden Advertiser (June 2022)

The George's topping out

BY FINN COLEMAN

TO CELEBRATE the topping out of the George Centre, the project's stakeholders and partners held a ceremony at the Gregory Hills site last week.

The George Centre is an innovative health and well-being facility - specialising in maternity and paediatrics - that will be centerpiece of a new family-focused health campus for the South West region.

Members of the Acurio Group - including CEO Scott Fowler, Buildcorp, Healthco and other stakeholders in the medical centre attended the ceremony on Wednesday, June 15.

The opening speech and introduction for the event was done by Mr Fowler, while Buildcorp managing



the development and ownership of the land and physical infrastructure.

The decision to invest came as HealthCo wants to deliver on its purpose to create "healthier communities" by increasing access to critical health and wellbeing services and infrastructure in areas of need.

"We do that through the development and acquisition of quality health infrastructure that meets the needs of the community," a HealthCo spokesperson said.

"We identified Acurio as a quality health operator in the region. We formed a partnership with Acurio to develop an integrated health precinct at Gregory Hills, with the George to be stage one.

"The George Centre and the broader health precinct ... will provide much need-

In just over eight months, the project has seen 6000m³ of concrete poured, 700 tonnes of reinforcement and 2000m² of glass installed.

There were over 1100 workers inducted, representing over 82,122 hours of construction work - with an estimate of 25-30 per cent of the workforce coming from South West Sydney.

Mr Sukkar said it was a huge achievement to construct the George Centre on program, given the adversities in the industry, particularly labour shortages, materials delays and excessive weather disruptions.

"As a family-owned and family-values led business, Buildcorp is strongly aligned to the values and beliefs of The George Centre," he said.

"The services provided by The George Centre will be a

Construction update (August 2022)



Development pipeline update

Progress made on Camden stages 2 and 3, with value-add development opportunity for health precinct at Rouse Hill

Camden Stages 2 & 3 (NSW)



Property overview

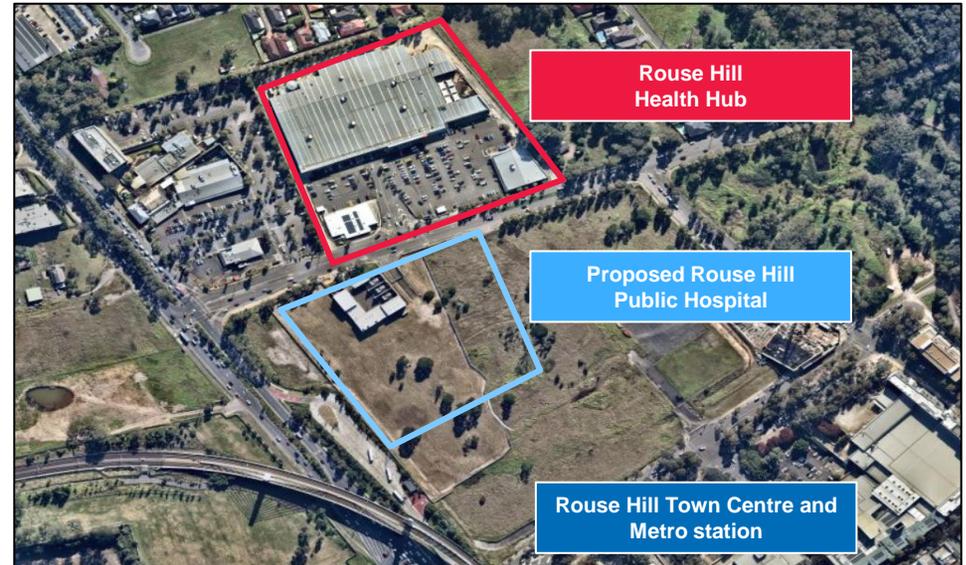
- \$500m+ Camden Health and Innovation Precinct – Stages 2 & 3

Development status

- **Stage 2:** HCW is in advanced discussions with a number of leading national hospital operators as well as leading cancer care operators for the co-located Comprehensive Cancer Centre
- **Stage 3:** Health Research Facility – interest received from the short-listed hospital and cancer care operators, as well as clinical trial providers

Stages 2 & 3 will operate synergistically with The George (Stage 1) to provide much needed health infrastructure to Sydney's SW

Rouse Hill (NSW)



Property overview

- The Rouse Hill Health Hub is situated in Sydney's north-west growth corridor, 43km from the Sydney CBD

Development status

- Potential for future private hospital development as part of the existing HealthCo - Health Hub opposite the recently announced +\$300m Rouse Hill Public Hospital development
- Currently in planning and discussions with health operators

Value add development opportunity to include a co-located private hospital to complement planned public hospital development

Development pipeline update

Strong progress has been made HealthCo's development pipeline in Queensland

Springfield – Health Hub (QLD)

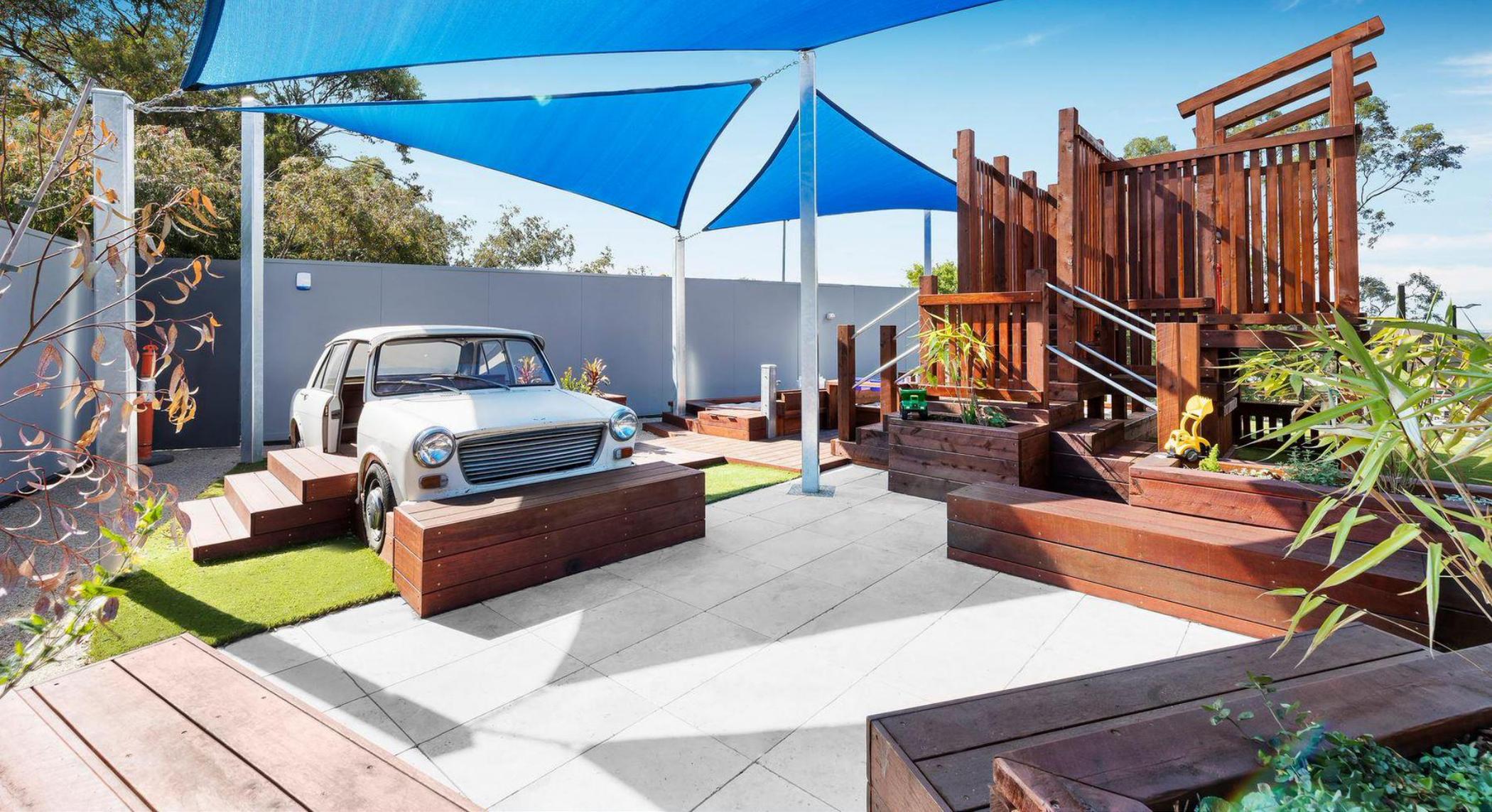


- Pre-commitments at HealthCo's integrated health hub at Springfield have increased to 99%¹ and construction is well progressed
- These pre-commitments have supported a material independent valuation increase of \$10.8m

Proxima – Gold Coast Health & Innovation Precinct (QLD)



- The Proxima health hub development in the emerging Gold Coast Health and Knowledge precinct is well progressed with an expected completion date in Q3 CY23
- Pre-commitments exceed 65%, including from the Queensland Government, Griffith University, Sanctuary Early Learning, Mater Pathology and Queensland's first privately owned integrated Cancer Imaging and Therapy Clinic (CITC)



Think Childcare, Yallambie (VIC)



4. Financial results



Earnings summary

FY22 FFO of 5.1 cpu exceeded upgraded guidance

| \$m | FY22 |
|--|-------------|
| Property revenue | 29.1 |
| Property expenses | (4.6) |
| Responsible entity fees | (3.5) |
| Other corporate expenses | (1.9) |
| Operating EBITDA | 19.1 |
| Net unrealised fair value gain – investment properties | 35.1 |
| Acquisition and transaction costs | (1.3) |
| EBITDA | 52.9 |
| Net interest expense | (3.3) |
| Profit | 49.6 |
| Reconciliation to FFO: | |
| Net unrealised fair value gain – investment properties | (35.1) |
| Straight lining and amort. of lease incentives | (1.9) |
| Acquisition and transaction costs | 1.3 |
| Amortisation of borrowing costs | 0.9 |
| Rent guarantee income | 1.0 |
| Proxima coupon | 0.6 |
| FFO | 16.4 |
| Units on issue (m) (weighted average) | 325.2 |
| FFO per unit (cents) | 5.1 |
| Distribution per unit (cents) | 7.5 |

FFO

- FY22 FFO of 5.1 cpu, which exceeded PDS forecast by 18% and previous guidance of 5.0cpu
- The result was underpinned by strong operating performance – 100% rent collection and 99% occupancy at the end of the period

Profit

- HealthCo recorded statutory profit of \$49.6m in FY22
- The result was impacted by positive Fair Value movement of \$35.1m

Distribution

- FY22 distribution of 7.5 cpu in line with PDS guidance
- A Distribution Reinvestment Plan was made available to unitholders for the March 2022 and June 2022 distributions at no discount



Balance sheet

June 2022 NTA of \$2.01 per unit, representing an 8% increase vs PDS forecast

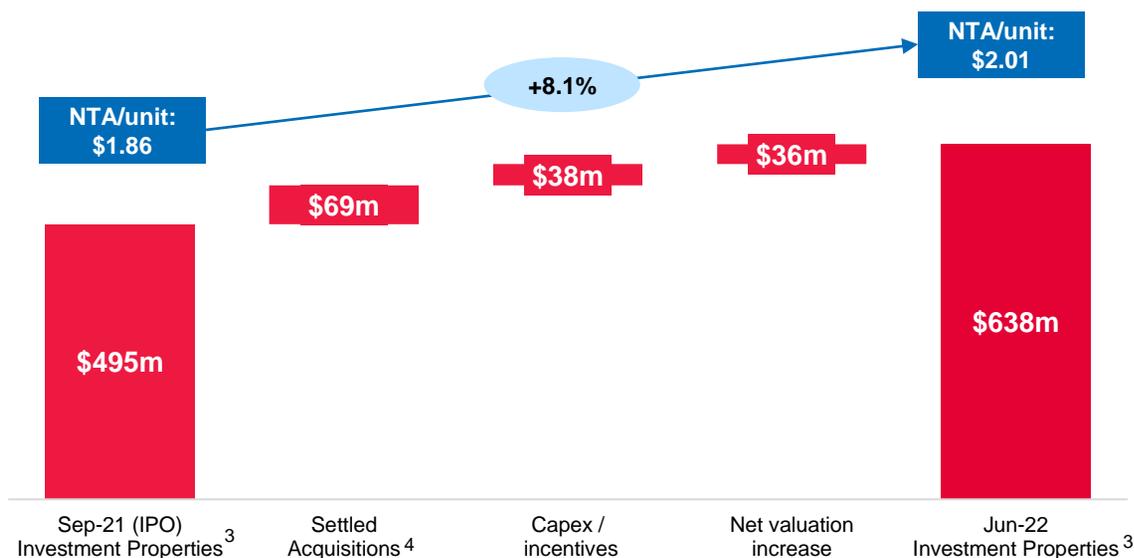
| \$m | 30 Jun-22 |
|----------------------------------|--------------|
| Cash and cash equivalents | 2.7 |
| Trade and other receivables | 2.1 |
| Other asset | 15.9 |
| Assets held for sale | 35.3 |
| Total current assets | 56.0 |
| Investment Properties | 609.0 |
| Investment in JV | 28.6 |
| Other assets | - |
| Total non-current assets | 637.6 |
| Total assets | 693.6 |
| Trade and other payables | 9.9 |
| Distribution payable | 7.3 |
| Total current liabilities | 17.2 |
| Borrowings ¹ | 22.3 |
| Total liabilities | 39.5 |
| Net assets | 654.1 |
| Contributed equity | 628.9 |
| Retained profits | 25.2 |
| Total equity | 654.1 |
| Units on issue (m) | 325.4 |
| NTA per unit (\$) | 2.01 |

NTA

- NTA of \$2.01 per unit as at 30 June 2022
- +8.1% increase versus PDS of \$1.86 per unit

Investment properties

- Investment properties of \$638m as at 30 June 2022
 - Inclusive of HealthCo's investment in Camden and excludes St Marys
 - 5 previously announced acquisitions settled in H2 FY22
- Portfolio net valuation increase of +5.3% versus H1 FY22²



Notes: 1. Borrowings net of \$2.7m capitalised debt establishment costs. 2. Increase from 4.1% per ASX Announcement 7th June 2022 due to St Marys sale price. 3. Investment Properties includes "Investment in JV" (Camden). Excludes pending and committed acquisitions of \$84m. 4. Settled acquisitions over the period includes Greystanes, Beaconsfield, Yallambie, Croydon, Seaford, Maylands and GenesisCare Portfolio.



Capital management

Net cash and total liquidity of \$413m as at 30 June 2022

| \$m | 30-Jun-22 | PF 30-Jun-22 |
|--|--------------|-----------------|
| Liquidity | | |
| Senior facility undrawn | 375.0 | 400.0 |
| Cash at bank | 2.7 | 13.0 |
| Total liquidity | 377.7 | 413.0 |
| Senior secured facility summary | | |
| Maturity | Aug-24 | Aug-24 |
| Limit | 400.0 | 400.0 |
| Drawn | 25.0 | - |
| Key debt metrics | | |
| Gearing¹ | 3.2% | Net cash |

Liquidity

- Strong liquidity position of \$413m as at 30 June 2022 pro forma for the sale of St Marys for \$35.3m

Debt facility

- HealthCo entered into a \$400 million, 3-year senior secured syndicated debt facility at the time of the IPO
- HealthCo is compliant with all financial covenants

Hedging

- To manage interest rate risk, HealthCo may choose to have a portion of its total borrowings on a fixed interest rate basis
- In deciding the appropriate level of interest rate hedging, HealthCo will monitor market conditions on a regular basis



Proxima, Gold Coast (QLD)



5. Guidance



FY23 outlook and guidance

Continued earnings growth and portfolio expansion in FY23

FY23 guidance

6.8 cents

FY23 FFO/unit¹

+10% growth on FY22 (annualised)²

7.5 cents

FY23 DPU

- Consistent with HealthCo's proactive capital management response to the current environment, the HealthCo Board has decided to set the FY23 distribution at 7.5 cents. The Board believes this provides a sustainable base for growth as the balance sheet is deployed into value accretive investment opportunities including the committed development pipeline
- FY23 guidance assumes all developments in progress and contracted acquisition settlements are completed in line with current expectations



Genesis Care, Nambour, QLD



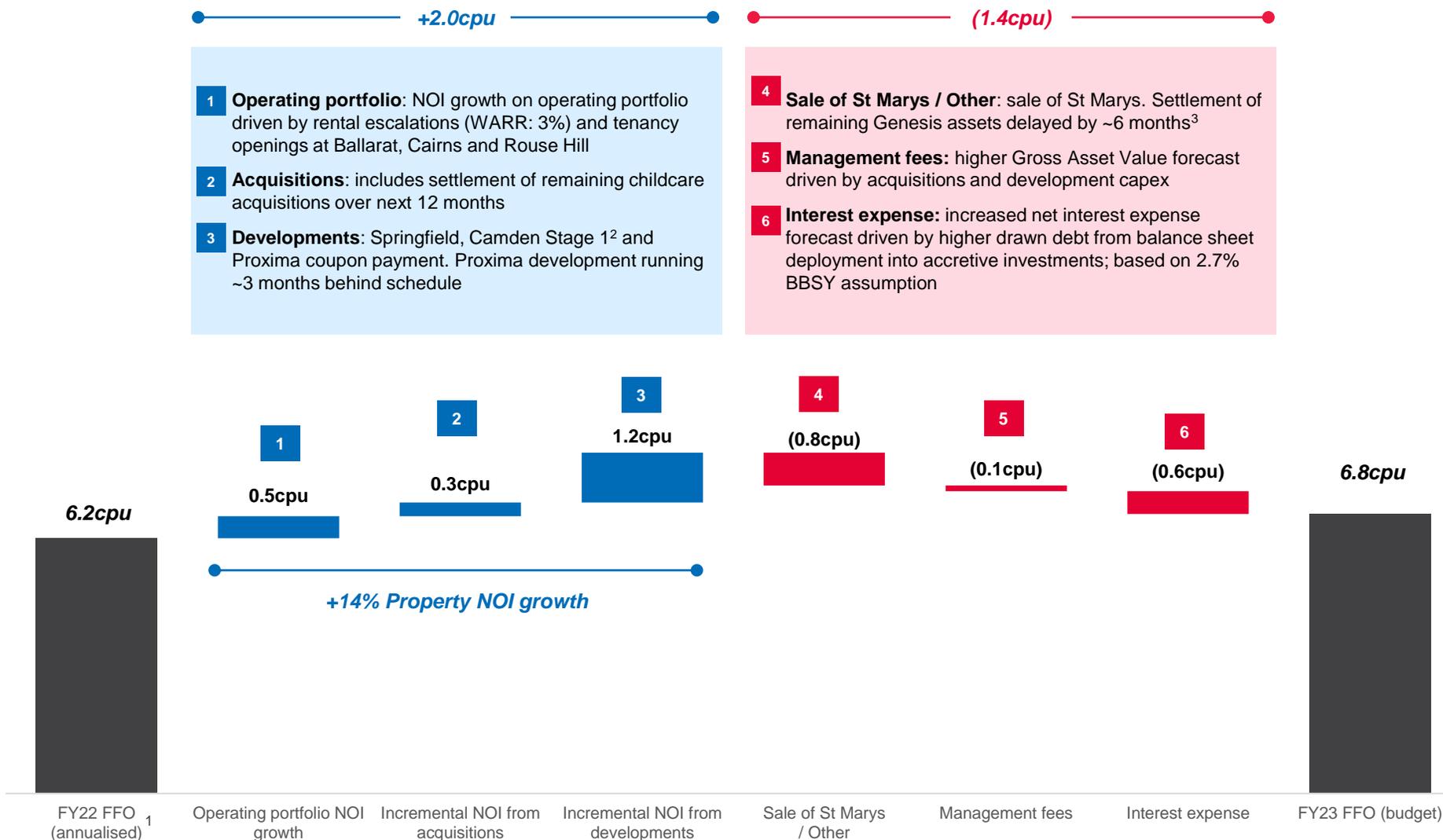
Appendix - Supplementary information

AUSTRALIA'S LEADING DIVERSIFIED HEALTHCARE REIT



FY23 FFO guidance bridge

FY23 Guidance FFO/unit of 6.8 cents represents +10% growth from FY22¹



Notes: 1. Annualised based on period from 6-Sep-2021 IPO date to 30-Jun-22. 2. Development NOI contribution from Camden Stage 1 assumes both HCW's share and the exercises of HCW's option to acquire HMC's share of Camden Stage 1. 3. Genesis Bundaberg and Genesis Urraween IPO rental guarantee expired Jun-22.

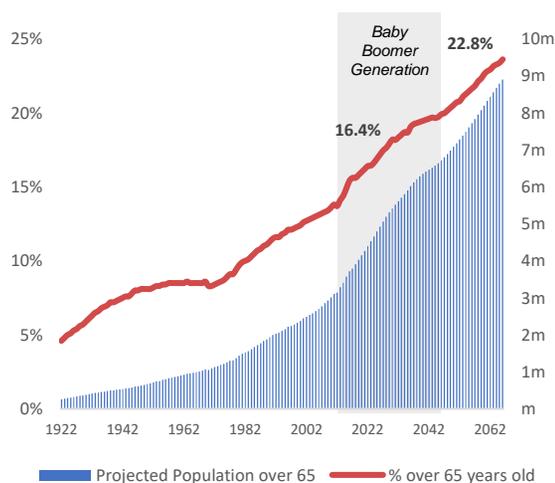


Healthcare sector real estate opportunity

Healthcare real estate provides attractive risk adjusted returns underpinned by attractive megatrends which support long-term demand for healthcare services

Powerful megatrends

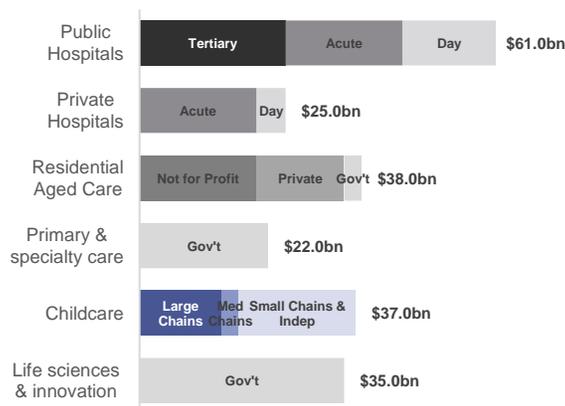
Percentage of population aged 65+



- Medical advancements are driving greater life expectancy and health spending per capita
- Australia's population is ageing rapidly, with the number of people aged over 65 doubling and over 85 tripling over the next 40 years¹
- The > 65 cohort spend c. 3-5x more on healthcare compared to the under 65 cohort²

Scalable market opportunity

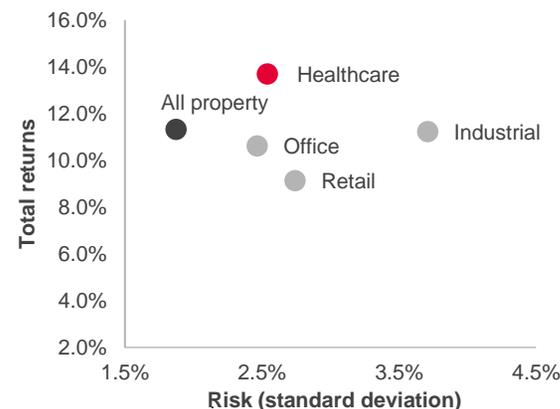
Installed healthcare infrastructure (\$bn)



- Large addressable market opportunity with over \$218bn of healthcare real estate in Australia³
- \$87bn of additional healthcare infrastructure required to meet demand over next 20 years³ representing +39% growth
- Over \$200bn of total healthcare expenditure in 2019-20 representing over 10% of total GDP²

Attractive investment characteristics

Total property returns (15 year ending Dec-21)⁴



- Defensive and non-cyclical demand drivers for most healthcare services
- Long-term double or triple net leases with fixed or CPI-linked escalations
- Track record of strong relative total returns with below average volatility



Portfolio summary metrics

Current portfolio value at \$722m

| # | Asset | State | Classification | Fair Value (\$m) | Cap rate (%) | Site Area (sqm) | WALE (by income) ² | Occupancy ³ |
|---|--|-------|----------------|------------------|--------------|-----------------|-------------------------------|------------------------|
| Aged Care | | | | | | | | |
| | Erina | NSW | Operating | 39.0 | 5.75% | 33,280 | 8.2 | 100% |
| Childcare | | | | | | | | |
| | Armadale | VIC | Operating | 20.3 | 4.50% | 2,525 | 14.6 | 100% |
| | Beaconsfield | VIC | Operating | 9.2 | 4.50% | 2,448 | 14.4 | 100% |
| | Concord | NSW | Operating | 15.5 | 4.25% | 1,657 | 11.9 | 100% |
| | Croydon | VIC | Operating | 8.5 | 5.00% | 2,626 | 14.9 | 100% |
| | Essendon | VIC | Operating | 9.6 | 4.50% | 1,911 | 8.8 | 100% |
| | Everton Park | QLD | Operating | 20.5 | 4.75% | 2,629 | 12.5 | 100% |
| | Five Dock | NSW | Operating | 12.1 | 5.00% | 1,391 | 3.3 | 100% |
| | Greystanes | NSW | Operating | 11.0 | 4.50% | 1,503 | 8.9 | 100% |
| | Maylands | WA | Operating | 8.3 | 5.00% | 1,978 | 20.0 | 100% |
| | Nunawading | VIC | Operating | 15.0 | 4.50% | 2,139 | 14.1 | 100% |
| | Seaford | VIC | Operating | 7.3 | 5.00% | 1,251 | 20.0 | 100% |
| | Tarneit | VIC | Operating | 8.9 | 4.50% | 2,907 | 12.6 | 100% |
| | Woolloongabba | QLD | Operating | 15.2 | 4.75% | 1,237 | 10.8 | 100% |
| | Yallambie | VIC | Operating | 5.3 | 5.00% | 1,210 | 19.6 | 100% |
| Primary Medical | | | | | | | | |
| | Ballarat HCW | VIC | Operating | 40.0 | 5.75% | 39,390 | 7.6 | 99% |
| | Cairns | QLD | Operating | 37.9 | 6.25% | 27,200 | 9.3 | 96% |
| | Morayfield Health Hub | QLD | Operating | 118.0 | 4.50% | 58,164 | 5.9 | 100% |
| | Rouse Hill | NSW | Operating | 72.0 | 5.00% | 36,100 | 5.9 | 100% |
| | Springfield | QLD | Development | 34.0 | 5.25% | 31,030 | 9.1 | n.m. |
| Hospitals | | | | | | | | |
| | Camden | NSW | Development | 28.6 | 5.00% | 49,534 | 15.7 | n.m. |
| | GenesisCare - Chermshire | QLD | Operating | 13.6 | 3.88% | 1,080 | 14.1 | 100% |
| | GenesisCare - Nambour | QLD | Operating | 17.8 | 4.25% | 3,456 | 4.1 | 100% |
| | GenesisCare - Ringwood | VIC | Operating | 9.9 | 3.88% | 835 | 9.4 | 100% |
| | GenesisCare - Shepparton | VIC | Operating | 10.3 | 4.00% | 1,370 | 9.1 | 100% |
| | GenesisCare - Southport | QLD | Operating | 15.4 | 3.88% | 1,236 | 14.1 | 100% |
| | GenesisCare - Wembley | WA | Operating | 19.5 | 4.00% | 2,459 | 14.2 | 100% |
| Gov't Life Sciences & Research | | | | | | | | |
| | Proxima | QLD | Development | 14.9 | 5.50% | 3,040 | 10.7 | n.m. |
| Total owned properties (Dec-21) | | | | 637.6 | 4.87% | 315,586 | 10.2 | 99% |
| | Metro Childcare Portfolio ¹ | VIC | Operating | 60.3 | 5.00% | 27,995 | n.a. | 100% |
| | GenesisCare - Bundaberg | QLD | Operating | 14.2 | 5.25% | 1,310 | 7.1 | 100% |
| | GenesisCare - Urraween | QLD | Operating | 9.7 | 5.00% | 860 | 7.1 | 100% |
| Pending acquisitions | | | | 84.2 | 5.04% | 30,165 | 7.1 | 100% |
| Total HCW Portfolio (incl. pending acquisitions and investments in JV) | | | | 721.8 | 4.89% | 345,751 | 10.2 | 99% |

Notes: 1. Armadale, Croydon, Maylands and Seaford settled in 2H FY22. 2. By gross income. Includes signed leases and MoUs across all operating and development assets. 3. By GLA. Includes signed leases, MoUs and rental guarantees across operating assets. Excludes development assets.



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