Vital HEALTHCARE PROPERTY TRUST

Managed by NorthWest Healthcare Properties Management Limited

$150M CAPITAL RAISING, NEW DEVELOPMENTS, AND POTENTIAL ACQUISITION

7 October 2020

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- Eligible institutional and other selected investors in respect of the Placement; and
- Eligible unitholders of Vital in respect of the Unit Purchase Plan,

in reliance on clause 19 of Schedule 1 to the Financial Markets Conduct Act 2013 (**FMCA**).

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The Joint Lead Managers and their affiliates (including the underwriters for the Placement (the **Underwriters**)) are full service financial institutions engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Joint Lead Managers, the Underwriters and their affiliates have provided, and may in the future provide, financial advisory, financing services and other services to the Manager and to persons and entities with relationships with Vital or the Manager, for which they received or will receive customary fees and expenses. In the ordinary course of its various business activities, the Joint Lead Managers, the Underwriters and their affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of Vital, the Manager and/or persons and entities with relationships with Vital or the Manager. The Joint Lead Managers, Underwriters and their affiliates may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. One or more entities within one or more Joint Lead Managers' or Underwriters' respective groups may now or in the future act as a derivative counterparty or provide financial accommodation or services to Vital, the Manager, or their affiliates.

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The Joint Lead Managers and Underwriters (and/or their respective affiliates) may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in their capacity as a Joint Lead Manager and/or Underwriter to the Offer.

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CONTENTS

All amounts are in NZD unless otherwise shown

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PORTFOLIO ENHANCING TRANSACTIONS

VITAL ANNOUNCES $150M CAPITAL RAISING TO FUND DEVELOPMENT PIPELINE AND POTENTIAL ACQUISITION

Developments

- Approximately $100m(1) of brownfield developments have been progressed and are either being announced today or are expected to be announced in coming months
- Three new committed developments include:
  - A$22.6m expansion and upgrade of Belmont Private Hospital (details on page 21)
  - A$18.6m expansion of Abbotsford Private Hospital (details on page 22)
  - A$21.7m stage one development of a new health precinct in northern Adelaide to be known as "Playford Health Hub" (details on page 23)
- The remaining ~$33m comprises developments which are still in due diligence but are considered highly likely to proceed
- Developments are driven by tenant demand, and enable Vital to continue to deliver earnings growth and improve the quality of the portfolio

Potential acquisition

- NorthWest Healthcare Properties Management Limited (the Manager), as manager of Vital, is in advanced discussions to acquire a premium private hospital(2) in a metropolitan area for $95m, on a 5.25% year 2 stabilised cap rate
  - The hospital is in a strategic location with strong underlying demographics and leased to a high-quality hospital operator for 30 years
  - Completion of the acquisition remains subject to finalisation of terms, documentation and purchaser due diligence
  - The Manager anticipates being in a position to execute and complete this acquisition during the fourth quarter of calendar year 2020

Asset sales

- An off-market sales process has commenced for the ~$100m of previously signalled asset sales
- Assuming satisfactory completion of due diligence, it is envisaged that these asset sales will complete in early-to-mid 2021

(1) This is part of the $130m pipeline announced as part of Vital's FY20 Annual Results. AUD developments are converted to NZD at FY20 period end NZD/AUD exchange rate of 0.9345

(2) The specific property is not named as the transaction is subject to confidentiality requirements

BALANCE SHEET AND FUNDAMENTALS REMAIN STRONG

$150M CAPITAL RAISING WILL FURTHER STRENGTHEN VITAL'S BALANCE SHEET AND OUTLOOK

Capital raise	Vital is seeking to raise approximately $150m through a $125m underwritten[(1)] Placement and a $25m Unit Purchase Plan (the Offer) - New Units to be issued under the Placement at a fixed price of $2.80 per unit, representing a 6.0% discount to the closing price of $2.98 on 6 October 2020 - The Placement represents 9.8% of units on issue prior to the Placement
Balance sheet	Vital's pro forma debt to gross assets ratio[(2)] as at 30 June 2020 will decrease from 38.7% to 33.0%[(3)] upon completion of the Offer, assuming that Vital completes the proposed $95m strategic acquisition and the ~$100m of previously announced asset sales - If the acquisition does not proceed, the proceeds will initially be used to repay debt and then to fund further acquisition and development opportunities as they arise Vital has received credit approved offers to extend the duration of both the A$125m facility expiring in March 2021 and the A$115m facility expiring in October 2021 from its existing financiers[(4)]
Outlook	**Portfolio:** Rent collection for the first quarter of FY21 has been over 99% with no material, additional rent deferrals to date. Approximately 94% of the rent which had been deferred at 30 June 2020 has also been collected. Following significant lease extensions, Vital's WALE moved from 18.1 years to 18.6 years[(5)] **Strategy:** Acquisition and development initiatives announced today are aligned with Vital's 5-year portfolio strategy **Earnings and distributions:** FY21 distribution guidance of at least 8.75 cents per unit remains in place post capital raising on a conservative pay-out ratio[(6)]

(1) NorthWest Healthcare Properties REIT has committed, on behalf of its owned and controlled entities, to participate in the Placement by subscribing for $31.9m of new units, representing its pro rata holding in Vital, with the balance of the Placement underwritten by Forsyth Barr Group Limited and Goldman Sachs New Zealand Limited
(2) Calculated in accordance with Vital's Trust Deed
(3) Refer to page 20 for pro forma balance sheet
(4) Both credit approved offers are capable of acceptance (subject to customary terms associated with credit approved offers) and work is continuing on executing Vital's capital management strategy to diversify financiers and introduce longer duration debt facilities to Vital
(5) Pro forma as at 30 June 2020 following leasing announcements contained in Vital's market announcement dated 18 September 2020
(6) Guidance provided on the basis of a number of assumptions including no significant change in COVID-19 in Australia or New Zealand

STRATEGIC DEPLOYMENT OF PROCEEDS

TRANSACTIONS WILL IMPROVE PORTFOLIO QUALITY, REDUCE GEARING, AND PROVIDE HEADROOM FOR FUTURE EARNINGS ENHANCING ACQUISITIONS AND DEVELOPMENTS

Portfolio improvement

- Approximately $100m of new developments are expected to return a weighted average yield on cost of ~6.0%. Developments are driven by tenant demand, and enable Vital to continue to deliver earnings growth and improve the quality of the portfolio
- Proposed $95m premium private hospital acquisition enhances the portfolio through its metropolitan location with strong underlying demographics, a high-quality tenant, proposed 30 year lease term and potential future developments
- The combination of the developments, potential acquisition, and targeted asset sales would improve key portfolio metrics including an extended WALE and improved tenant profile

Capital management to fund growth pipeline

- Capital will be released through the ~$100m of previously signalled asset sales, with proceeds expected to be deployed for other earnings enhancing acquisitions and developments
- Pro forma FY20 gearing[(1)] is expected to decrease from 38.7% to 33.0%[(2)] upon completion of the Offer[(3)]

(1) Debt to Gross Assets calculated in accordance with Vital's Trust Deed
(2) Refer to page 20 for pro forma balance sheet
(3) Assuming that Vital completes the proposed $95m strategic acquisition and the ~$100m of previously announced asset sales

DELIVERING ON THE 5-YEAR PORTFOLIO STRATEGY

THE PORTFOLIO TRANSACTIONS ANNOUNCED ARE ALIGNED WITH VITAL'S 5-YEAR PORTFOLIO STRATEGY

Execution of Vital's strategy

- ✓ Developments and acquisition support AFFO target growth of 2-3% per annum
- ✓ Portfolio WALE is expected to increase from 18.6 to 19.4 years[(1)]
- ✓ Further tenant and geographic diversification

(1) Pro forma at 30 June 2020 adjusted for the impact of the proposed strategic $95m acquisition and ~$100m asset sales

COMMITTED DEVELOPMENTS

BROWNFIELD DEVELOPMENTS ENHANCE EARNINGS GROWTH AND IMPROVE ASSET QUALITY

All values shown in $m	Development Cost	Spend to date(1)	Cost to complete	Forecast Income Return	Forecast Completion Date
Epworth Eastern (VIC)	A$126.2	A$37.7	A$88.5	6.0%	Late 2021
South Eastern Private (VIC)	A$9.9	A$6.0	A$3.9	6.0%	Early 2021
Eden Rehab (QLD)	A$12.4	A$1.2	A$11.2	6.0%	Mid 2022
North West Private (TAS)	A$3.5	A$0.0	A$3.5	7.0%	Mid 2021
Belmont Private (QLD)(2)	A$22.6	A$0.0	A$22.6	6.0%	Mid 2022
Abbotsford Private (WA)(2)	A$18.6	A$0.0	A$18.6	6.3%	Early 2022
Playford Health Hub (SA)(2)(3)	A$21.7	A$0.4	A$21.3	6.6%	Late 2021
Total Australian Projects	**A$214.9**	**A$45.3**	**A$169.6**	**6.1%**	
Wakefield Hospital (Wellington, NZ)(4)	NZ$98.0	NZ$37.8	NZ$60.2	6.3%	Staged 2021 - 2023
Royston Hospital (Hastings, NZ)	NZ$19.1	NZ$10.0	NZ$9.1	6.3%	Late 2021
Total New Zealand Projects	**NZ$117.1**	**NZ$47.8**	**NZ$69.3**	**6.3%**	
Total projects in NZD(5)	**NZ$347.1**	**NZ$96.3**	**NZ$250.8**	**6.2%**	

Additional inpatient capacity (net increase of 35 beds), 13 additional consulting suites and 70 new car parks as well as updating and modernising some of the older wards

47 additional inpatient beds as well as additional therapy rooms, administration facilities and car parking

Stage 1 is expected to comprise a mixture of consulting, parking for the public health department and ancillary retail. Future stages are expected to comprise a major medical office building and private hospital

(1) To 30 September 2020
(2) New committed developments
(3) Includes A$2.2m of works for Stage 2. Forecast income return is post car park ramp up
(4) Stage 1 has a forecast development cost of $37m and is well progressed, Stage 2 for $61m is forecast to start mid-2021
(5) Based on NZD/AUD exchange rate as at 30 June 2020 of 0.9345

EQUITY RAISING AND CAPITAL MANAGEMENT

EQUITY RAISE DETAILS

Offer structure	• Underwritten[1] Placement to eligible investors • Unit Purchase Plan to all eligible unitholders with a registered address in New Zealand on the record date, under which each eligible unitholder can apply for up to $50,000 of New Units • The Offer is structured to be as fair as possible for all existing unitholders. Almost all unitholders (unless restricted due to legal constraints) will be able to participate (through the Placement or Unit Purchase Plan). If scaling is required for the Unit Purchase Plan, it will be by reference to existing unitholdings on the record date for the Unit Purchase Plan

Gross proceeds	• $150m through a:
	  • Placement of $125m, which is 9.8% of the pre-Placement units on issue
	  • Unit Purchase Plan of $25m (the Manager may decide to accept additional applications at its discretion)

Offer price	• New Units under the Placement will be issued at a fixed price of $2.80, which represents a discount of:
	  • 6.0% to the last close on 6 October 2020 of $2.98
	  • 6.1% to the VWAP[2] of Vital units traded on the NZX during the five days up to, and including 6 October 2020, of $2.981
	• New Units under the Unit Purchase Plan will be issued at the lower of:
	  • The Placement price
	  • A 2.5% discount to the VWAP[2] of Vital units traded on the NZX during the five trading days up to, and including, the end of the UPP offer period

Ranking	• New Units will rank equally with Vital units on issue at the date of issue of the New Units • The New Units under both the Placement and Unit Purchase Plan will be entitled to any future distributions declared by Vital after the relevant allotment date (including the FY21 first quarter distribution payable in December)
Underwriting	• The Placement is underwritten[1] by Forsyth Barr Group Limited and Goldman Sachs New Zealand Limited
NorthWest	• NorthWest has committed to participate in the Placement by subscribing for at least $31.9m of new units, representing its pro rata 25.5% stake in Vital

(1) NorthWest Healthcare Properties REIT has committed, on behalf of its owned and controlled entities, to participate in the Placement by subscribing for $31.9m of new units, representing its pro rata holding in Vital, with the balance of the Placement underwritten by Forsyth Barr Group Limited and Goldman Sachs New Zealand Limited

(2) Volume weighted average price

CAPITAL MANAGEMENT

PRO FORMA FY20 GEARING(1) IS EXPECTED TO REDUCE FROM 38.7% TO 33.0% POST THE OFFER, ACQUISITION AND ASSET SALES(2)

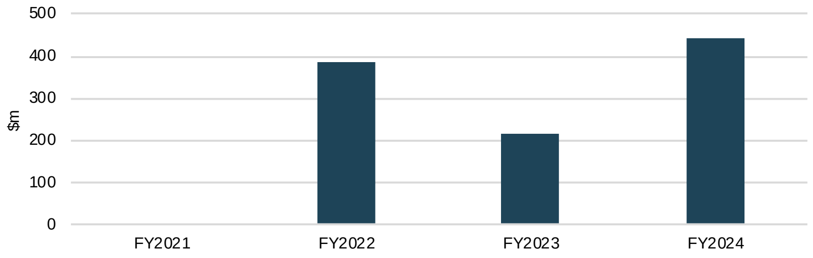
Overview

- Vital's pro forma debt to gross assets ratio as at 30 June 2020 will decrease from 38.7% to 33.0%(2) assuming that Vital completes the proposed $95m strategic acquisition and the ~$100m of previously announced asset sales
  - Pro forma headroom of $337m provides sufficient liquidity to support Vital's development pipeline
- In addition, Vital has received credit approved offers to extend the duration of both the A$125m facility expiring in March 2021 and the A$115m facility expiring in October 2021 from its existing financiers
  - Pricing is in line with current market conditions
  - Acceptance of the offers would result in a pro forma 30 June 2020 weighted average duration to expiry of 2.4 years
  - Both credit approved offers are capable of acceptance (subject to customary terms associated with credit approved offers) and work is continuing on executing Vital's capital management strategy to diversify financiers and introduce longer duration debt facilities to Vital

Debt metrics

	Pro forma 30 June 2020(2)	Audited 30 Jun 2020
Drawn debt	$703m	$815m
Headroom available	$337m	$225m
Debt to gross assets (Trust Deed)	33.0%	38.7%
Bank LVR(3)	34.1%	40.2%
Bank LVR – covenant(3)	50.0%	50.0%
Weighted average duration to expiry(4)	2.4 years	1.8 years

Debt maturity schedule(4)



(1) Debt to Gross Assets calculated in accordance with Vital's Trust Deed
(2) Refer to page 20 for pro forma balance sheet
(3) Bank covenant LVR is based on total borrowings as a percentage of the secured property value as determined by external valuers
(4) Assuming acceptance of the outlined credit approved offers. Based on exchange rate as at 30 June 2020 of 0.9345

EQUITY RAISE TIMETABLE

Placement	
Announcement of Offer and cleansing notice released to the NZX	7 October 2020
Vital enters trading halt and bookbuild undertaken	7 October 2020
Trading halt lifted	8 October 2020
Placement settlement date, allotment of New Units under the Placement and trading commences on the NZX	13 October 2020

Unit Purchase Plan	
Unit Purchase Plan Record Date (5pm NZ time)	6 October 2020
Expected release of the Unit Purchase Plan offer document and application form, Unit Purchase Plan opens	13 October 2020
Unit Purchase Plan closing date (5pm NZ time)	28 October 2020
Unit Purchase Plan price announced	29 October 2020
Unit Purchase Plan settlement date, allotment of New Units under the Unit Purchase Plan and trading commences on the NZX	4 November 2020

KEY RISKS

KEY RISKS (1/4)

Vital's business activities are subject to a number of risks which may, individually or in combination, affect the future operating performance of Vital and the value of an investment in Vital. Investors should carefully consider, and make their own assessment of these risks, including the risk factors described below, before deciding whether to invest in New Units in Vital. This section does not set out all the risks related to an investment in Vital and has been prepared without reference to your personal circumstances. Some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material. You should seek independent advice before deciding whether to participate in the Placement or the Unit Purchase Plan.

Impact of COVID-19 and macroeconomic risks	**Unit price uncertainty**: Events relating to COVID-19 have resulted in significant national and global market turbulence and have created volatility, including in the prices of securities trading on the NZX Main Board. There is uncertainty as to the ongoing impact of COVID-19, including in relation to the respective responses of the Australian and New Zealand Governments, work stoppages, lockdown, quarantines, travel restrictions and unemployment. Any of these events and resulting fluctuations (as well as other factors) may adversely impact the market price of Vital's units, impacting the price at which investors are able to sell Vital units, if at all. None of the Manager, its Board, the Joint Lead Managers, or any other person guarantees the market performance of the New Units, and no assurances can be given that the New Units will trade at or above the offer price under the Placement or the Unit Purchase Plan. **Economic downturn:** In light of COVID-19 and other recent Australian, New Zealand and global macroeconomic events, Australia and/or New Zealand may experience an economic downturn of uncertain severity and duration, which may materially affect Vital's tenants or leasing demand for healthcare properties. Whilst healthcare operators have received a high level of Government support and healthcare spending is high-priority, an economic downturn may have an adverse impact on hospitals and aged care facilities and, therefore, the rental income received by Vital and/or its ability to lease premises. **Development and construction delays:** Further waves of COVID-19 lockdowns and work stoppages may have a material adverse effect on Vital's development schedule. The potential impacts could include site shutdowns, renegotiation of, or claims relating to, the contractual arrangements in place for Vital's developments, interruptions to supply chains, insolvency of counterparties, reduced rentals or lower property valuations. Any continuing delay may also increase development costs. If, in the Manager's opinion, the cost to complete a development will not provide an acceptable return for unitholders, the Manager may seek to exit the development which may result in further additional costs. The Manager may also not be able to realise the development at a price which reflects Vital's total investment in the development.
Foreign exchange risk	Vital is a New Zealand registered managed investment scheme with unitholders who are mostly in New Zealand, but a portfolio of property assets that are predominantly located in Australia. Vital is exposed to foreign exchange risk in relation to its net investment in, and net income from, its Australian properties as Vital reports and makes distribution payments in New Zealand dollars. Fluctuations in exchange rates, particularly the AUD$/NZD$ exchange rate, may impact Vital's earnings and asset values, to the extent that they are not hedged or forecast.

KEY RISKS (2/4)

Tenants and rental income	Vital's financial performance is dependent on the maintenance of its tenancies and their success. Vital is exposed to counterparty risk where its tenants are unable to fulfil their contractual obligations, including the payment of rent, which may be heightened in the current economic environment. A failure by Vital's tenants to fulfil their contractual obligations could affect the operating and financial performance of Vital. Risks associated with counterparty exposure can be compounded given the leases of a number of Vital's properties are concentrated with a single tenant hospital operator (47% of rent with Healthe Care for the year to 30 June 2020). The severity of this risk is heightened by the COVID-19 pandemic and Government regulations implemented to mitigate the spread of the virus. Restrictions on elective surgeries, the general movement of people and access to premises, increased uncertainty and economic downturn, as well as other unforeseeable factors, may adversely affect the financial position of tenants and, in turn, their ability to comply with their contractual lease obligations. In some cases, Vital's ability to manage tenant performance issues could be adversely affected by moratorium legislation restricting the ability of landlords to manage tenant performance impacted by COVID-19 or limiting the recourse of landlords to tenants for defaults. As a result, it may not be possible for Vital to recover unpaid rent or replace tenants on terms where Vital can achieve the same lease terms, including rental and tenure. These factors may materially affect the operating and financial performance and prospects of Vital.
Property valuations	Valuations ascribed to any property are influenced by a number of factors including: • Supply and demand for property (in Vital's case, typically healthcare properties); • General property market conditions; and • The ability to attract and implement economically viable rental arrangements. Vital's investment properties are carried at fair value. This fair value is determined by external valuations conducted by independent experts in reliance on market evidence and underlying assumptions at the time of the valuations. The market evidence relied on, and the assumptions made, at the time of the valuations may not reflect current market conditions. Due to COVID-19, Vital's 30 June 2020 valuations have been reported on the basis of 'material valuation uncertainty' and, as a result, less certainty and a higher degree of caution should be attached to the valuations. As changes in valuations of investment properties are required to be reflected in Vital's income statement, any decreases in value will have a negative impact on Vital's income statement. A valuation fall would also impact the price at which Vital would be able to sell the property in the market (which may be below the price paid for the property or the current market value) and could affect Vital's ability to raise funds or its ability to comply with its banking covenants. In addition, while the independent valuations represent the best estimate of the independent valuers, they may not reflect the actual price a property would realise if sold.

KEY RISKS (3/4)

Funding	Vital's ability to raise funds on favourable terms, or at all, for future activities is dependent on a number of factors including general economic, political, capital and credit market conditions (including as a result of the uncertainty and downturn in economic conditions arising from the COVID-19 pandemic). This includes Vital's ability to be able to refinance its existing debt facilities on terms which are no less favourable than the current terms. Vital has received credit approved offers to extend the duration of both the A$125 million facility expiring in March 2021 and the A$115 million facility expiring in October 2021 from its existing financiers, both subject to customary terms and conditions associated with credit approved offers. However, beyond that Vital will continue to have facilities continuing to expire and needing to be refinanced. If Vital is unable to raise funds on favourable terms, or at all, Vital's ability to acquire or develop new properties or refinance its existing debt may be adversely affected. Fluctuations in interest rates, to the extent that they are not hedged or forecast, may also increase Vital's operating costs and impact its financial performance.
Reliance on management services and key personnel	Vital is a managed investment scheme registered under the Financial Markets Conduct Act 2013. As a result, Vital does not engage or employ any directors or employees of its own. Instead, Vital is reliant upon the management services provided by its manager. These services include the day-to-day management of Vital's portfolio of properties and assets, negotiating the acquisition and disposal of assets, development and construction planning and management, treasury and funding management, ensuring Vital meets its financial, reporting and other statutory and regulatory obligations and communicating with unitholders and the market. If the management services provided by the Manager were terminated for whatever reason, and Vital was unable to find a replacement manager, Vital may not be able to operate and/or perform its contractual obligations. Vital is also subject to key personnel risk to the extent that the quality of the management services that it receives drive its financial performance. If Vital was unable to obtain high quality management services from an experienced manager with a wide range of expertise, the growth of Vital and the rate of return it delivers to its investors may decline.

KEY RISKS (4/4)

Future distributions	Distributions made by Vital are largely dependent on the rents received from tenants across the portfolio and expenses incurred during operations, which may be affected by a number of factors, including: • overall economic conditions; • the financial performance of tenants (both now and in the future); • the ability to negotiate lease extensions or replace outgoing tenants with new tenants; • the occurrence of rental arrears or any vacancy periods; • reliance on a tenant which leases a material portion of Vital's portfolio; • an increase in unrecoverable outgoings; and • supply and demand in the property market. Any negative impact on rental income (including as a result of a failure of existing tenants to perform existing leases in accordance with their terms) has the potential to decrease the value of Vital and have an adverse impact on distributions or the value of units or both. The Board has provided its view on the distributions that it expects Vital to be able to declare for the FY21 financial year of at least 8.75 cents per unit. That view is based on Vital's business plan and internal forecasts, taking into account the currently expected effect on net rental income and total expenses of COVID-19. The Board believes the assumptions underlying this guidance are reasonable given its discussions with tenants, the high level of Government support for healthcare operators, the high-priority nature of healthcare spending and Vital's contractual position, but may be impacted by further waves of COVID-19 lockdown restrictions. Distributions for FY21 or any other period are not certain and distributions remain payable at the discretion of the Board. No return is guaranteed by the Manager, its Board or any other person.
Growth opportunities may not proceed	The Offer is designed to position Vital to pursue certain growth opportunities currently being assessed by the Manager, including further brownfield developments, a potential acquisition and the sale of several regional assets. The details of a number of the opportunities remain subject to contract and there can be no guarantee that the Manager will proceed with these opportunities. In particular, transaction documents have not been entered into regarding the potential acquisition referred to in this presentation and there is a risk that it does not proceed. A decision not to proceed with an opportunity may occur for various reasons, including matters identified during the due diligence phase, an inability to negotiate and agree acceptable terms and conditions, and a failure to obtain any necessary approvals on acceptable terms. Further COVID-19 lockdowns and work stoppages may also make it difficult to conduct due diligence, obtain valuations or satisfy any conditions precedent in accordance with the relevant timetable. As a result, the completion of a proposed opportunity may be deferred or delayed, or may not occur at all.

APPENDICES

PRO FORMA BALANCE SHEET

(in 000s of $NZ, except per unit amounts)	Audited 30 June 2020	Acquisition, leasing, distributions, & incentive fee[(2)]	Pro forma 30 June 2020	Offer[(3)]	Potential strategic acquisition	Proposed asset sales	Pro forma post Offer, potential acquisition, & asset sales
Investment properties	2,086,309	39,473	2,125,782	-	95,000	(100,000)	2,120,782
Other assets	18,909	(6,078)	12,831	-	-	-	12,831
Bank debt	814,537	39,141	853,678	(147,871)	96,473	(98,950)	703,329
Other liabilities	211,702	-	211,702	-	-	-	211,702
Debt to gross assets[(1)]	**38.7%**		**39.9%**				**33.0%**
Unitholder funds	1,078,979	(5,746)	1,073,233	147,871	(1,473)	(1,050)	1,218,581
Units on issue (000s)	453,783	3,984	457,767	53,571	-	-	511,388
Net tangible assets ($/unit)	**2.38**		**2.34**				**2.38**
NZD/AUD exchange rate as at 30 June 2020	*0.9345*						

(1) Calculated in accordance with Trust Deed
(2) Adjusted for the A$7.2m acquisition (NZ$8.2m converted at the NZD/AUD exchange rate of 0.9100 prevailing at the time of the acquisition) of the remaining 50% interest in Elizabeth Vale Shopping Centre in Adelaide, South Australia (refer to Vital's market announcement dated 18 September 2020), Healthe Care leasing activity (refer to Vital's market announcement dated 18 September 2020), settlement of NorthWest's FY20 incentive fee (2.6m units) and final FY20 distribution (cash payment of $10.0m less $4.2m DRP take-up (1.4m units issued))
(3) Assumes $125m of proceeds from the underwritten placement and $25m from the unit purchase plan, less estimated costs of the Offer

BELMONT DEVELOPMENT

SIGNIFICANT EXPANSION AND UPGRADE OF BELMONT PRIVATE HOSPITAL, LOCATED ADJACENT TO BRISBANE'S CBD, PROVIDING ADDITIONAL CAPACITY

Project Summary

- A$22.6m expansion and upgrade of Belmont Private Hospital, a 150-bed specialist mental health facility approximately 12kms from Brisbane's CBD
- Leased to Healthe Care for 25 years
- The development will provide additional inpatient capacity (net increase of 35 beds), 13 additional consulting suites and 70 new car parks as well as updating and modernising some of the older wards

Construction

- The project has Development Approval from the local council
- Design documents are being prepared to issue for tender in November to five or six local contractors
- Tender award and construction start date is forecast for January 2021 with a completion mid 2022

Belmont Private Hospital Value on Completion	A$135m

ABBOTSFORD DEVELOPMENT

SPECIALIST MENTAL HEALTH AND ADDICTION TREATMENT FACILITY LOCATED 3KM FROM PERTH'S CBD

Project Summary

- A$18.6m expansion of Abbotsford Private Hospital, a 30-bed specialist mental health and addiction treatment facility approximately 3kms from Perth's CBD
- Leased to Healthe Care for 21 years
- The development will provide 47 additional inpatient beds as well as additional therapy rooms, administration facilities and car parking

Construction

- The project has Development Approval from the local planning authority
- The project was tendered to local contractors and a preferred tenderer has been selected
- Construction will commence in October 2020 with completion in early 2022

Abbotsford Private Hospital Value on Completion	**A$51m**

PLAYFORD (STAGE 1) DEVELOPMENT

STRATEGICALLY LOCATED OPPOSITE THE MAJOR TERTIARY PUBLIC HOSPITAL LYELL MCEWIN, IN ELIZABETH VALE NORTHERN ADELAIDE, WITHIN SOUTH AUSTRALIA'S HIGHEST POPULATION GROWTH AREA

Project Summary

- A$21.7m stage one development of a new health precinct in northern Adelaide to be known as "Playford Health Hub“
- Playford Health Hub is strategically located opposite one of South Australia's largest public hospitals, Lyell McEwin
- Stage 1 is expected to comprise a mixture of consulting suites, parking for the public health department and ancillary retail
- Future stages are expected to comprise a major medical office building and private hospital

Construction

- Development Approval from local planning authority received
- Preferred builder Ahrens currently operating under a Letter of Intent
- Construction commencement forecast end October subject to satisfaction of conditions, with completion anticipated late 2021

OTHER NEW DEVELOPMENTS AND ASSET SALES

VITAL IS WORKING ON OTHER DEVELOPMENTS WITH A COST OF APPROXIMATELY $33M. AN OFF-MARKET SALES PROCESS HAS COMMENCED FOR THE ~$100M OF PREVIOUSLY SIGNALLED ASSET SALES

Other new developments

- In addition to the new committed developments outlined on pages 21-23, there are ~$33m of developments which are still in due diligence but are considered highly likely to proceed
- All new developments are of Vital's existing properties, and are expected to return a weighted average yield on cost of ~6.0% and respond to tenant driven demand

Asset sales

- Vital's 5-year portfolio strategy, which was approved by the Board in June 2020, provides a framework for divestment of non-core assets
- As part of the initial review under the framework, up to four assets have been identified that may be suitable for immediate divestment
- As such we have commenced an off market expressions of interest process to a select group of bidders who had previously approached Vital with interest in these or similar assets
- The total book value of the assets is ~$100m, and based on current market demand for healthcare assets, they are expected to transact at or above book value during the second half of FY21
- Sales proceeds to be reinvested into assets which align better with Vital's 5-year portfolio strategy

WHY INVEST IN VITAL

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

DEFENSIVE SECTOR

Private healthcare is typically a non-discretionary or high priority discretionary spend

Less impacted by economic or business cycles than other property sectors

HIGH DEMAND

Ageing demographics and growing population in both Australia and New Zealand

Rising life expectancy

Improvements in science, technology and healthcare increase service offerings

HIGH QUALITY PORTFOLIO

Landlord to some of New Zealand and Australia's leading private healthcare operators

$2.12B portfolio(1)

99.4% occupancy(1)

WALE: 19.4 years(1)

Average building age(1),(2): 12.1yrs

EARNINGS GROWTH

Targeting 2-3% AFFO and DPU growth with a conservative pay-out ratio

92% of leases increase by CPI or fixed %

Embedded earnings growth enhanced by acquisitions and developments

DEVELOPMENT UPSIDE

NZ$347m committed developments ($280m previously announced and $67m newly committed) funded by capital raise, asset recycling and existing debt facilities

Weighted average project yield of 6.2%(3); provide value creation and earnings growth

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

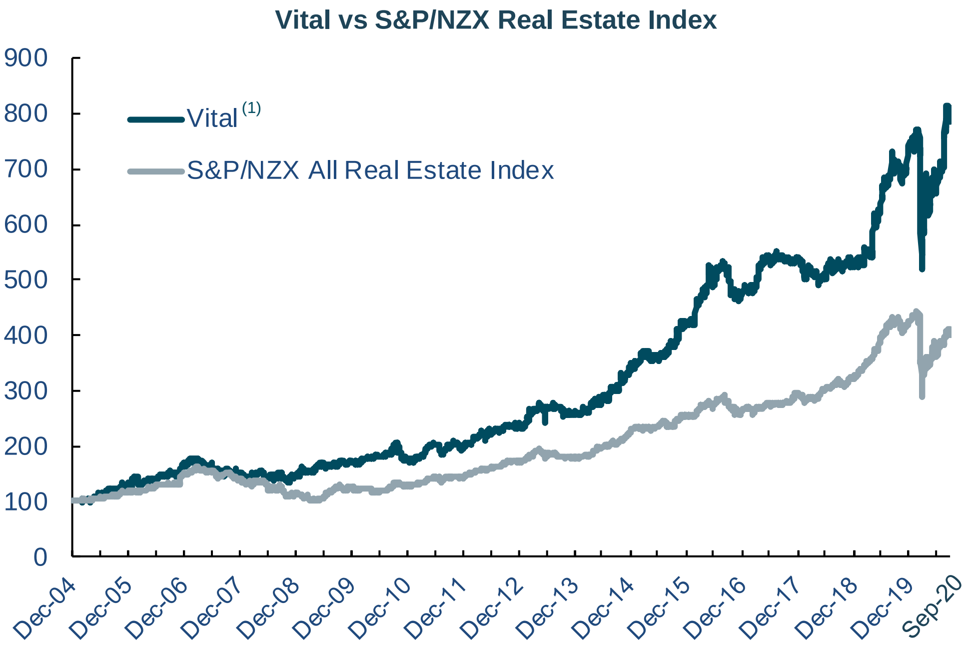
(1) Pro forma as at 30 June 2020 following leasing announcements contained in Vital's market announcement dated 18 September 2020 and the impact of the potential $95m strategic acquisition and ~$100m asset sales
(2) Average building age = the later of the date of construction or last significant capital works
(3) Weighted average includes new developments

COMPARATIVE RETURNS

VITAL HAS OUTPERFORMED THE INDEX ON A TOTAL RETURN[(1)] BASIS

- Outperformance against the S&P/NZX All Real Estate Index since inception
- 17.1% outperformance versus benchmark over last 12 months
- Outperformance highlights the defensive nature of healthcare real estate compared to other real estate classes

Total return to 30 September 2020	1yr	5yr (p.a.)	10yr (p.a.)	Index Inception (p.a.)[(2)]
Vital	12.7%	16.2%	15.6%	14.1%
S&P/NZX All Real Estate Index	-4.3%	11.9%	12.5%	9.4%
Vital's outperformance	**17.1%**	**4.3%**	**3.1%**	**4.8%**



Source: Forsyth Barr
(1) Total returns measured by change in unit price adjusted for reinvestment of post-tax distributions to 30 September 2020
(2) S&P/NZX All Real Estate Index data from 31 December 2004. Index includes re-investment of post-tax distributions

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This document has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**) and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 of Singapore (the SFA) in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. Vital is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the New Units are not allowed to be offered to the retail public.

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Neither this document nor any other offering or marketing material relating to the offering, Vital or New Units have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Units will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**) or any Licensed Review Body according to the FinSA. The offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (**CISA**) or under the FinSA. Accordingly, the investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the New Units.