

Acquisition of multi-stage development site in South West Sydney

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Transaction details

- ▶ Acquisition¹ of ~27,840 sqm 85-year² ground lease in Campbelltown, Sydney
- ▶ Expected to comprise three separate development stages providing up to 32,000sqm of gross floor area
- ▶ Total consideration of A\$76.6m (including stage 1 development fund-through costs)



~32,000 sqm

of potential gross floor area



Located in the heart of Campbelltown,
~20kms south-west of Liverpool



Close to or in the broader health precinct that includes Campbelltown Hospital and Western Sydney University Medical School

COMMITTED STAGE 1	<ul style="list-style-type: none"> ▶ Terms agreed with GenesisCare, one of the largest independent providers of cancer care globally, to fund-through the development of a 4 storey cancer centre of excellence with 2,713 sqm of NLA ▶ Total acquisition price and development costs for Stage 1 <ul style="list-style-type: none"> ▶ A\$52m ▶ Construction estimated to take 16 months from early 2022 ▶ 15-year initial lease term to GenesisCare with 3% annual fixed increases ▶ Additional development capacity expected to be available post-construction completion given low site coverage
IN NEGOTIATION STAGE 2	<ul style="list-style-type: none"> ▶ Discussions underway with one of Australia's largest hospital operators to develop a day surgery and mental health facility on ~10,000 sqm of land ▶ Acquisition price for full ~23,000 sqm metres of leasehold land across stages 2 & 3 is ~A\$24.6m
FUTURE POTENTIAL STAGE 3	<ul style="list-style-type: none"> ▶ ~13,000 sqm of land in key health precinct; development options to be considered over time ▶ Options for this development land include new research & education uses, medical consulting and aged care

¹ The acquisition is subject to the satisfaction of conditions precedent, including finalisation of DA conditions and Council approval of the leaseholder interest transfer.

² includes options; leasehold term for ~27,840sqm of land commences on practical completion of development.

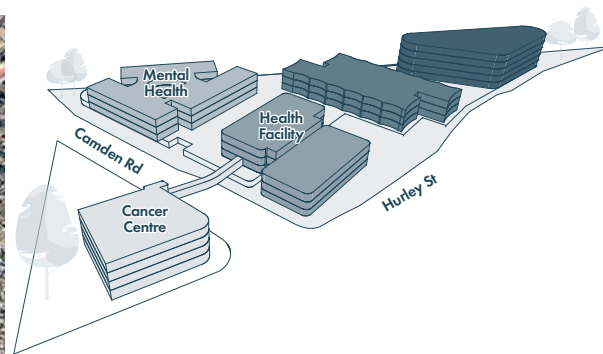
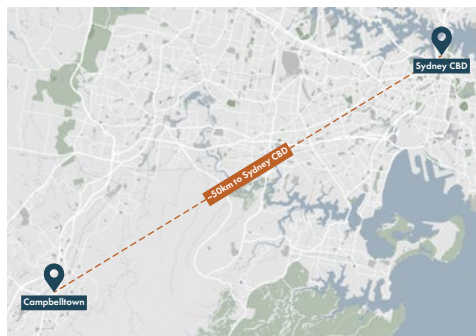
Key healthcare location for new precinct



Last large land holding

available in Campbelltown for healthcare precinct development

- ▶ The acquisition provides Vital with the opportunity to deliver a new healthcare precinct expected to comprise a Cancer Centre (terms agreed), day surgery and mental health facility and other ancillary health and health education uses
- ▶ The location supports a large and growing catchment and is close to both a large public hospital and a large medical teaching and research provider



Artist's Impression

Cancer care



Cancer care is a growing stand-alone field including imaging, radiation, oncology and consulting



Funding comes from a mixture of government, private health insurance rebates and patients



There are two key providers in Australia: GenesisCare and ICON Cancer



Artist's Impression
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One of the largest independent providers of cancer care globally with 350 clinics across the US, UK, Australia and Spain providing treatment to ~440,000 patients per annum



Largest private provider of integrated cancer care in Australia



Global annual revenue in excess of A\$800m



Artist's Impression

Strategic rationale

- ▶ Opportunity to build on existing relationships with key healthcare tenants notably GenesisCare
- ▶ Significant development potential:
 1. Immediate: fund-through
 2. Medium-term: strong interest from hospital operator to develop new mental health and ambulatory care facilities
 3. Longer-term: range of health and education uses
- ▶ Only prime located land available for healthcare development in catchment
- ▶ Catchment under-serviced with growing demand



Increase NSW exposure
(25% to 27%)*



Increase ambulatory care exposure
(13% to 15%)*



*pro-forma, based on total consideration of \$76.6m

Funding the transaction

- ▶ ~A\$76.6m purchase price, tenant incentive and fund-through costs to come from available bank facilities
- ▶ Initial payments (~A\$76.6m) are expected to increase Vital's balance sheet gearing* by ~1.7% on a stand-alone basis over the stage 1 development period
- ▶ HY22 property revaluations are expected to reduce balance sheet gearing* by ~1.8% on a stand-alone basis (to be confirmed on 24 February 2022)
- ▶ Funding for future development (stages 2 and 3) will depend on the actual development cost and its timing

*Balance sheet gearing includes a range of assumptions, including but not limited to, no significant changes in market conditions, and should be read in conjunction with the disclaimer on the back page of this document.



Thank You

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