

Vital HEALTHCARE
PROPERTY TRUST

Managed by NorthWest

Annual Meeting

1 DECEMBER 2022

Questions

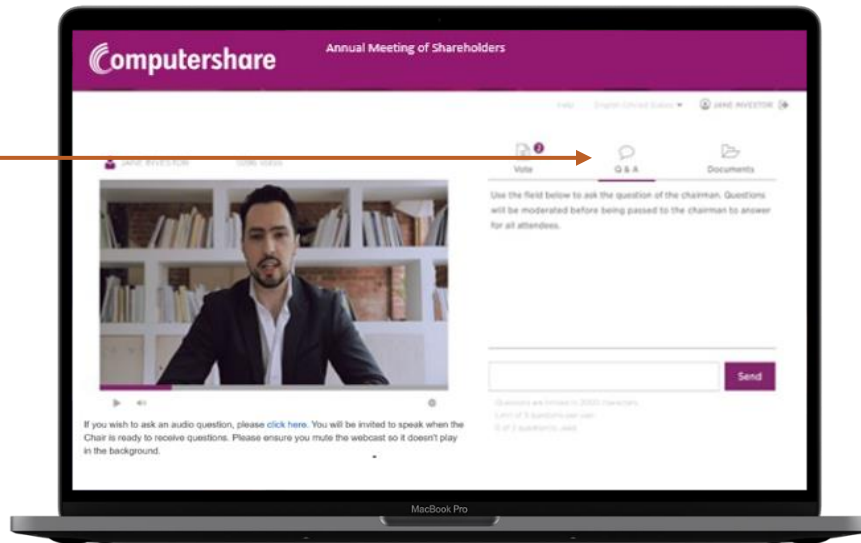
ASKING QUESTIONS

WRITTEN QUESTIONS

Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

HELP

The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



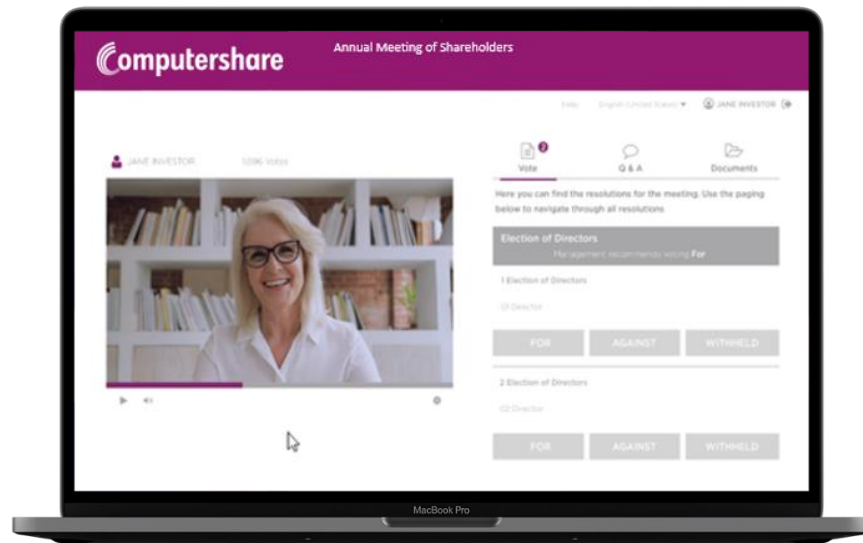
Voting

SHAREHOLDER AND PROXYHOLDER VOTING

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



Meeting Agenda

- ▶ Introduction from the Independent Chair of the Meeting
- ▶ Address of the Independent Chair of the Manager
- ▶ Address of the Fund Manager
- ▶ Adoption of Annual Financial Statements
- ▶ Questions
- ▶ Election of Angela Bull
- ▶ General Business
- ▶ Closing Remarks
- ▶ Refreshments

Presented by:

Graham Stuart
Independent Chair

Aaron Hockly
Fund Manager

Board of the Manager

VITAL'S MANAGER HAS A MAJORITY OF INDEPENDENT DIRECTORS



Graham Stuart

Independent Chair



Angela Bull

Independent Director



Paul Dalla Lana

Director*



Craig Mitchell

Director



Dr. Michael Stanford

Independent Director*

*attending virtually

In Attendance

IN PERSON OR VIRTUALLY

MANAGEMENT TEAM

Aaron Hockly

Fund Manager – Vital

Michael Groth

Chief Financial Officer*

Chris Adams

Executive Director, Projects

Vanessa Flax

Regional General Counsel and Company Secretary¹

Richard Roos

Executive Director, Portfolio

SUPERVISOR, AUDIT AND LEGAL

Justine Wealleans

Trustees Executors Limited

Evan Kennerley

Trustees Executors Limited

Silvio Bruinsma

Deloitte

Andrew Boivin

Deloitte

Rebecca Clark

Deloitte

Toby Sharpe

Bell Gully



Address by the Independent Chair of the Manager

Graham Stuart
Independent Chair

Review of Previous 12 Months

GOVERNANCE AND OTHER INITIATIVES THAT BENEFIT UNITHOLDERS



Retirement of Andrew Evans as an Independent Director and appointment of Angela Bull as an Independent Director



Three year Keystone Scholarship Partner programme through an annual scholarship, mentoring and support to a student from the University of Auckland



Governance policies reviewed and modernised including revised Statement of Investment Policy and Objectives



Continued investment in, and development of, healthcare real estate through COVID-19

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



\$379m of new equity capital raised primarily from existing unitholders



Distribution growth



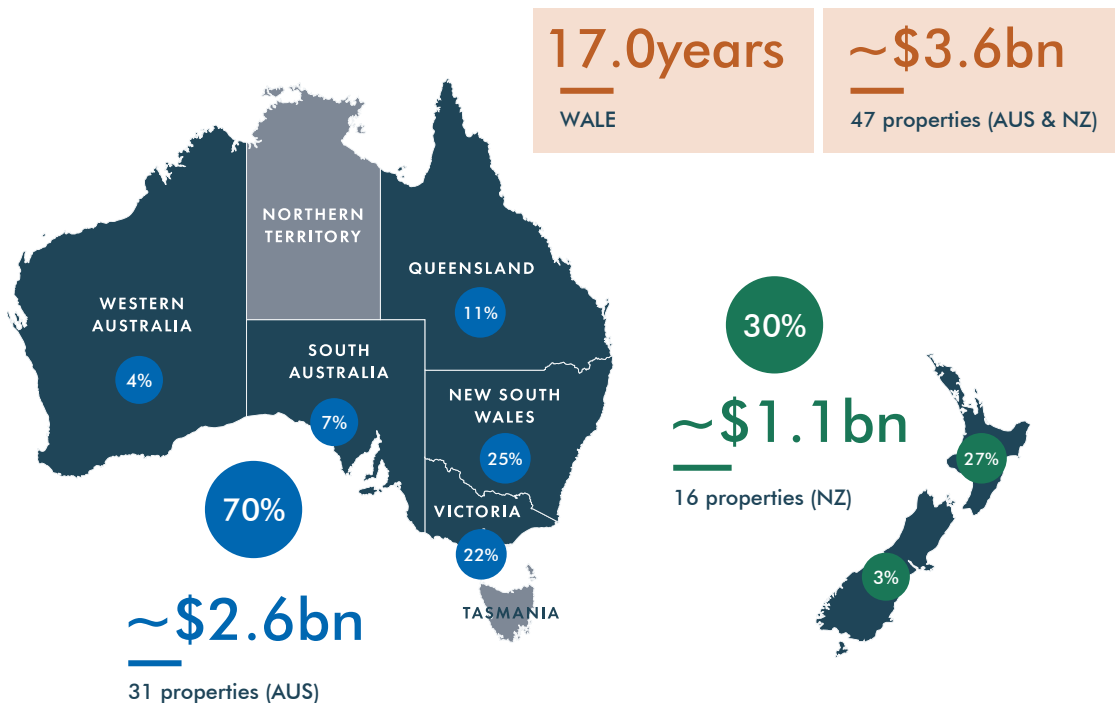


Address by the Fund Manager

Aaron Hockly
Fund Manager - Vital

Overview of Vital

VITAL IS THE ONLY SPECIALIST HEALTHCARE LANDLORD LISTED ON THE NZX



Vital Healthcare Property Trust (Vital) is:

- ▶ Third largest NZX listed property group;
- ▶ Externally managed by a subsidiary of Toronto-listed, global healthcare real estate owner and manager, NorthWest Healthcare Properties REIT (TSX ticker: NWH);
- ▶ Underpinned by rental income that tracks inflation with ~80% of lease income indexed to CPI in some way; and
- ▶ Targeting 2–3% AFFO and DPU growth per annum over the medium term, whilst retaining a conservative pay-out ratio.

Operational Highlights

SIGNIFICANT ACHIEVEMENTS IN FY22 AND SUBSEQUENTLY



Financial

- ▶ 3.3% increase in AFFO per unit (FY22)
- ▶ FY23 distribution guidance of 9.75 cpu; 1.2% above FY22
- ▶ 2.9% per annum growth in distributions over last 3 years
- ▶ 12.8% increase in net property income over FY22 (ex forex)
- ▶ >99% of rent collected for FY22 and subsequently



Acquisitions and Developments

- ▶ \$287m of acquisitions completed in FY22
- ▶ 10 developments and 2 fund through developments underway with ~\$257m left to complete
- ▶ Any new developments to reflect market conditions

Targeting 2-3% AFFO and distribution growth per unit per annum over the medium term

Operational Highlights (cont'd)

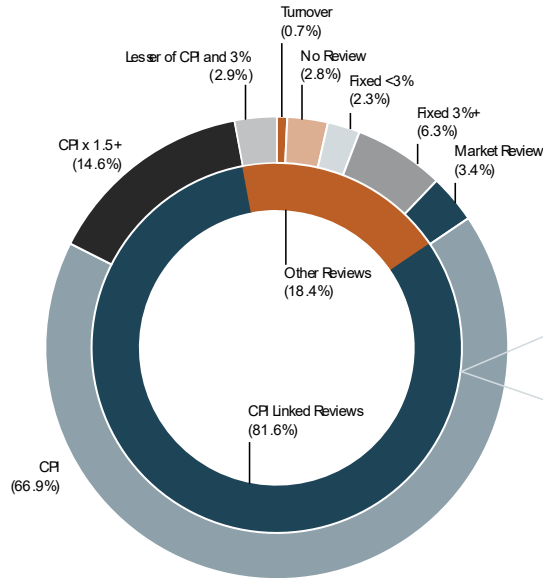
SIGNIFICANT ACHIEVEMENTS IN FY22 AND SUBSEQUENTLY



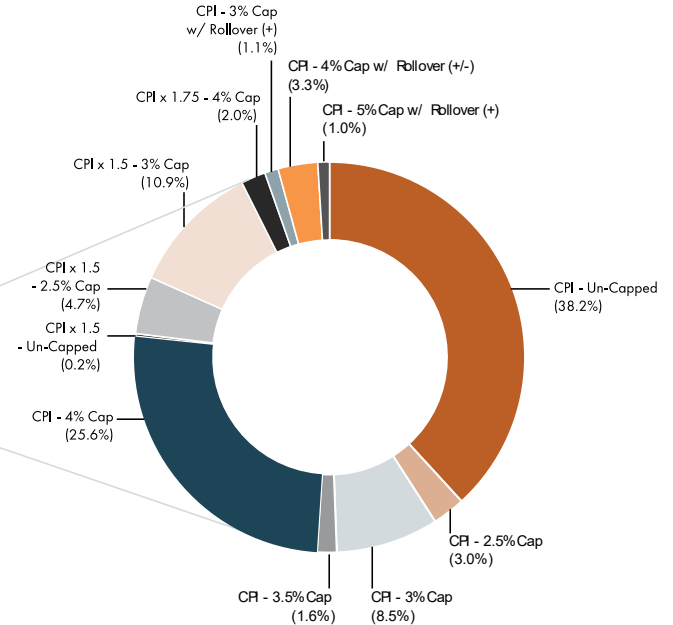
Portfolio

- ▶ Long 17.0-year WALE maintained
- ▶ Non-core asset sales continue to be considered in line with Vital's 5yr Strategy
- ▶ Over 80% of rent reviews are linked to CPI
- ▶ If inflation remains above 4%, over 70% of the CPI linked reviews will achieve a 4% or higher review this year

Rent Review Breakdown¹



CPI Linked Reviews



Sustainability

5-STAR ESG RATING; RANKED IN TOP QUARTILE GLOBALLY FOR LISTED HEALTHCARE REAL ESTATE



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

Vital's GRESB results include top quartile in listed healthcare.



First "6-star Green Star" registered Medical Office Building in South Australia

Construction has commenced for Stage 2 of the ~A\$165 million Playford Health Hub in Adelaide, South Australia.

The development will be South Australia's first 6-star Green Star registered Medical Office Building, and when complete will be powered by 100% renewable energy.



First "Green Star Communities" Registered Health Precinct

Vital's Macarthur Health Precinct in Campbelltown, NSW is targeting a 5-Star Green Star Communities rating. The Precinct is the first health precinct in Australia to have registered with Green Star Communities.



During FY22, Vital and NorthWest joined the New Zealand Green Building Council and the Green Building Council of Australia



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

Development Case Study - Epworth Eastern Precinct

NORTHWEST HAS A LONGSTANDING PARTNERSHIP WITH EP WORTH HEALTHCARE
HELPING VITAL DEVELOP THIS PRECINCT OVER 20 YEARS



Having identified the opportunity within the Box Hill Health and Education Precinct to co-locate a private hospital with the existing public hospital, Epworth Eastern Private Hospital completed in 2005, consisting of 208 beds, eight operating theatres, associated radiology, pathology and consulting suites.

Subsequent expansion of the Epworth Eastern Tower was announced in 2018 responding to the precinct's growth requirements.



\$97m

total cost



~5.8%

fully let blended yield



20.5 years

WALE



March 2022

completion

Development Case Study - Grace Hospital

IN LATE 2020 VITAL ANNOUNCED THAT IT HAD ACQUIRED GRACE HOSPITAL

As part of the acquisition, Vital committed to funding masterplanned works at Grace Hospital over five years from settlement of the transaction.

The development spend is forecast to increase the value of Grace Hospital by over 25%.



\$31.7m

project value



\$6.9m¹

spend to date



5.3%

yield



Late 2023

expected completion

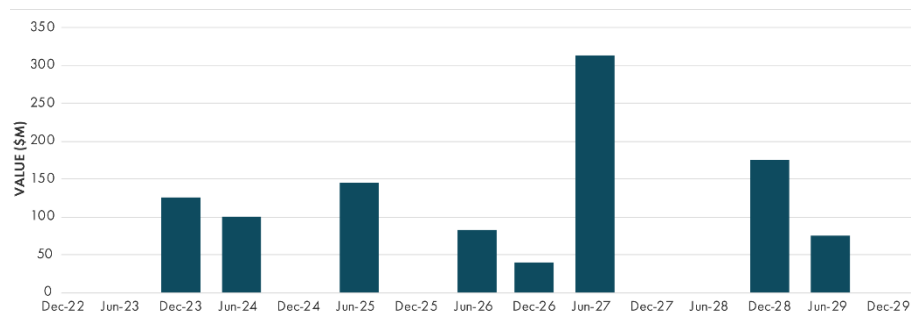


Debt Position as at 30 September 2022

INCREASED WEIGHTED AVERAGE DEBT DURATION AND AVAILABLE HEADROOM FOR UTILISATION

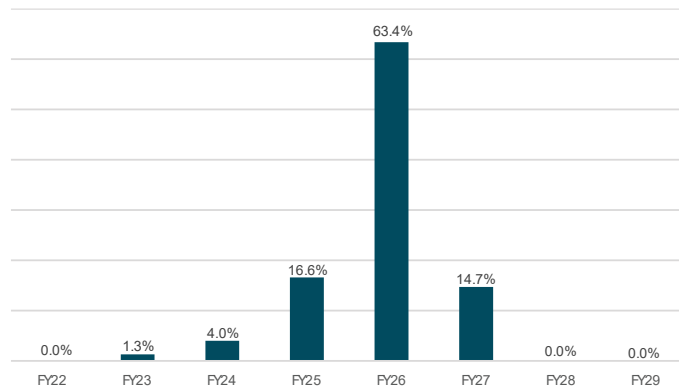
Bank Facilities	30 September 2022	30 September 2021
Debt to gross assets (Trust Deed) ¹	32.9%	36.6%
Bank loan to value ratio - actual ²	35.4%	39.7%
Bank loan to value ratio - covenant	55.0%	55.0%
Weighted average duration to expiry	3.6 yrs	2.5 yrs
Undrawn facility limit (A\$)	\$164.7m	\$141.8m

Debt Duration Profile – 30 September 2022 (A\$)



70.9% of drawn debt is hedged (fixed for a weighted term of 3.6 years)³

Hedging Profile³



16 ¹ Trust Deed debt ratio is based on total borrowings to gross asset value of the Trust
² Bank LVR is based on total indebtedness to secured property value as determined by external valuers
³ An additional A\$90m in forward dated interest rate swaps have been transacted lifting proforma hedging from 63.4% to 70.9%

Financial Position at 30 September 2022



\$3.6bn

Investment properties

656.1m

Units on issue

\$1.2bn

Debt

32.9%

Debt to gross assets

\$3.38

NTA per unit

Valuations and Recent Transactions

TRANSACTION EVIDENCE

A number of key healthcare transactions have settled or are nearing completion in the current economic environment, highlighting the continued strong investment appetite for the sector.

Overview of key transactional evidence on the following slide provides support for Vital's current valuations with a weighted average cap rate of 4.58% and a range of 4.3-8.8% (both at 30 June 2022).

Modest downward adjustments of healthcare property valuations expected

1

High proportionate volume of new development and capital partnering opportunities

2

Yields ranging from 4.00% - 4.65% (excluding aged care)

3

Aged Care transaction of ~5.25%, reflects near record yield for sector

4

Larger transactions are being competed for by Australia's largest institutional investors, some with no previous healthcare exposure

Healthcare real estate is very different to other property sectors

Resilience of Healthcare Assets



Strong ongoing demand for healthcare real estate



Premium healthcare assets not exposed to level of technological disruption as office, retail and other sectors



Growing rents due to higher CPI



Healthcare operator earnings are not correlated to business or economic cycles

Distribution guidance of 9.75cpu is unchanged. Also unchanged is our core goal of growing AFFO by 2-3% per unit per annum over the medium term



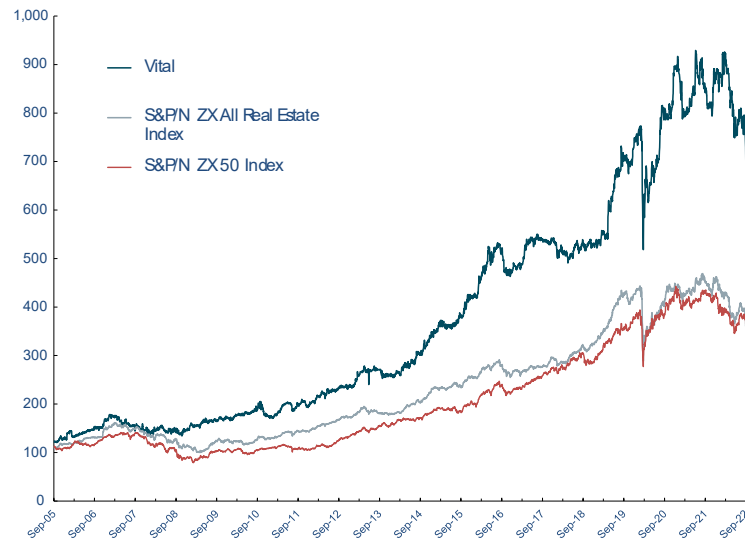
Comparative Returns

DESPITE RECENT NEGATIVE RETURNS DUE TO FALLING SHAREMARKETS (GLOBALLY)

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

TOTAL RETURN TO 30 SEPTEMBER 2022 P.A.	1YR	5YR	10YR	SINCE INCEPTION ²
VHP	-13.9%	6.4%	12.1%	12.4%
S&P/NZX All Real Estate Index	-19.9%	5.3%	8.0%	7.8%
S&P/NZX 50	-16.6%	6.9%	11.2%	7.8%
Vital's performance vs NZX REIT	6.1%	1.0%	4.1%	4.6%
Vital's performance vs NZX 50	2.8%	-0.5%	1.0%	4.6%

- ▶ Outperformance over the last 12 months, highlighting the defensive nature of healthcare real estate versus other real estate classes
- ▶ 4.1% outperformance versus NZX REIT benchmark over the past 10 years, and outperformance of 1.0% versus NZX 50
- ▶ Long-term outperformance versus both the NZX and the NZX Real estate Index highlights the resilience of healthcare property



Source: Forsyth Barr

¹ Total returns measured by change in unit price plus post-tax distributions to 30 September 2022

² S&P/NZX All Real Estate Index and S&P/NZX 50 Index data from 31 December 2004, being the inception date of the NZX All Real Estate Index



Annual Financial Statements

Kawarau Park Health Precinct
Queenstown, NZ



Election of Angela Bull

Angela Bull
Independent Director

Voting

RESOLUTION 1 – THAT ANGELA BULL BE APPOINTED AS AN INDEPENDENT DIRECTOR OF NORTHWEST HEALTHCARE PROPERTIES MANAGEMENT LIMITED, THE MANAGER OF VITAL HEALTHCARE PROPERTY TRUST

Vote Type	Units Voted	% of Units Voted	% of Total Units
For	386,137,151	97.66%	58.85%
Against	40,816	0.01%	0.01%
Discretionary	9,216,226	2.33%	1.4%
Abstain	14,153	n.a.	0%



General Business



Closing Remarks

THANK YOU FOR ATTENDING
TODAY'S ANNUAL MEETING

Ascot Hospital
Auckland, NZ

Appendix

TRANSACTION EVIDENCE – 2H CY22

Hospitals	Asset Type	Location	Date	Value (\$m)	Mkt Equated Yield	WALE (yrs)	Purchaser	Comments
Metro area	Hospital / Dev / MOB	NSW	TBC	~A\$450.0 m	~4.25%	~20	TBC	~34,110sqm of health and associated accommodation, including a private hospital (90 beds + 5 theatres), clinic /medical, research, education, retail and commercial uses and a five storey basement carpark with capacity for ~600 car spaces.
Regional town	Hospital / Dev	TAS	TBC	~A\$150.0 m	~4.25%	~30	TBC	40-day surgery spaces and 128 overnight beds, 172 underground carparks, 10 operating theatres, 2 cardiac catheterisation labs, 2 procedure rooms and 8-day oncology / infusion units, within a building totaling 25,737sqm over 7-storeys.
Peninsula Private Hospital	Hospital	QLD	Sep-22	A\$47.7m	4.65%	20	NorthWest	Single level acute surgical and rehabilitation hospital of ~3,557sqm GBA, situated on a 14,600sqm site, located ~27kms north-east of the Brisbane CBD and ~1km from the 250 bed Redcliffe Public Hospital. Peninsula Private has 70 beds, two theatres and one procedure room.
MOB, Aged Care & Life Science	Asset Type	Location	Date	Value (\$m)	Mkt Equated Yield	WALE (yrs)	Purchaser	Comments
UNSW Health Translation Hub, Randwick	Dev / Education / Life Science	NSW	Sep-22	~A\$600.0 m	~4.00%	~13	Plenary / ISPT / UniSuper	17-storey health, education and research building with a total GFA of 40,017sqm and an NLA of up to 33,357sqm. UNSW as major anchor tenant will lease ~20,000sqm of NLA (~60%), with the landlord responsible for leasing the balance.
Bolton Clarke Aged Care Portfolio	Aged Care	SA	Sep-22	A\$241.0m	~5.25%	20	Australian Unity	9 aged care assets, predominantly located in Adelaide metropolitan area.
Cornerstone Portfolio ¹	MOB / Dev	AUS (Various)	Sep-22	~A\$158.0 m	~4.65%	9.1	TBC	Four recently completed MOB healthcare assets and access to a pipeline of further development opportunities currently under planning / construction to be completed over the next 12 to 24 months.

Disclaimer

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1 December 2022

