Australian Dual Listing Proposal

December 2024

Vital HEALTHCARE PROPERTY TRUST
Managed by Northwest

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Proposed Dual Listed Trust (DLT) restructure

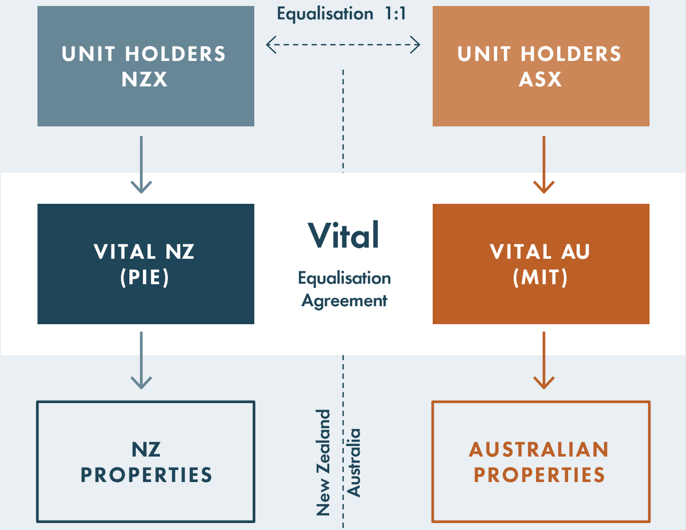
VITAL HAS ANNOUNCED A CONSULTATION PROCESS REGARDING A PROPOSAL TO SEPARATE INTO TWO LEGAL ENTITIES, WHILE FUNCTIONING AS A SINGLE ECONOMIC ENTITY THROUGH EQUALISATION ARRANGEMENTS

DLT structure overview

The DLT structure addresses various inefficiencies such that:

- Vital NZ remains a NZ PIE Fund with Vital's NZ assets listed on the NZX
- Vital AU, an Australian Managed Investment Trust, to list Vital's Australian assets on the ASX
- Higher AFFO and distributions achieved through the removal of inefficiencies at entity and Unit Holder level
- Unit Holders retain economic exposure to all of the assets of Vital NZ and Vital AU investors via Equalisation arrangements
- An exchange facility is expected to result in potential liquidity event for new ASX investors
- ASX listing expected to improve Vital's access to capital and liquidity through access to a larger range of investors, ASX index inclusion and broader analyst and broker coverage
- Index implications:
  - Vital NZ maintains S&P/NZX50 inclusion
  - Vital AU to be eligible for S&P/ASX 300 index which is expected to generate demand from Australian and offshore investors

Vital's proposed DLT structure[1]



Why invest in Vital

25-year business experience in Australian & NZ health system

NZ$3.2bn high quality, pure healthcare portfolio diversified across NZ & Aus

Diversified tenant base (largest tenant 20% by income) and low capex portfolio (ave. building age 9.5yrs)

Strong ESG Leadership

Experienced and stable management team with majority independent board

Long term valuation and revenue stability due to defensive sector and Vital's market-leading 19.4yr WALE

~NZ$2b potential development pipeline (split one third NZ & two thirds Aus)

Current Unit Price trading at a ~29% discount to 30 September 2024 NTA of $2.60 per unit

Vital Healthcare Property Trust (Vital) is:

- Externally managed by a subsidiary of Toronto-listed, global healthcare real estate owner and manager, Northwest Healthcare Properties REIT (TSX ticker: NWH);
  - Northwest is highly aligned with investors with a 28.4% stake in Vital.
- Underpinned by rental income that tracks inflation with ~84% 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.

All values are in NZ dollars and as of 30 September unless stated otherwise.

FY24 Highlights

NON-CORE ASSET SALES AND DEVELOPMENTS HAVE HELPED IMPROVE THE RESILIENCE OF THE PORTFOLIO

18.3

year WALE versus 18.1years in FY20 despite 5 years passing; increased further to 19.4 years at 30 Sept 2024

NZ$251m

asset sales over FY24 at a 7.5% discount to book value

3.7%

increase in like-for-like net property income[2]

NZ$225m

of development and capital expenditure works undertaken in FY24[1]

5

Developments completed for a total cost of ~NZ$197m

1st

place for listed healthcare (both globally & in Oceania) in developments

Avive Clinic, VIC

[1] Includes ~$220.5m of developments and ~$3.7m of value add capex
[2] On a same property, constant currency basis

Portfolio overview

AUSTRALASIA'S HIGHEST QUALITY LISTED HEALTHCARE PORTFOLIO

CPI aligned leases support income growth

3.7% growth over FY24 for same properties on a like-for-like and constant currency basis.

- ~84% of Vital's rent is linked to CPI of which 70% has a cap with a weighted average of 3.59%
- AFFO lags CPI increases due to:
  - CPI being a backward measure for future rent; and
  - Vital's rent reviews are weighted towards the second half of the financial year

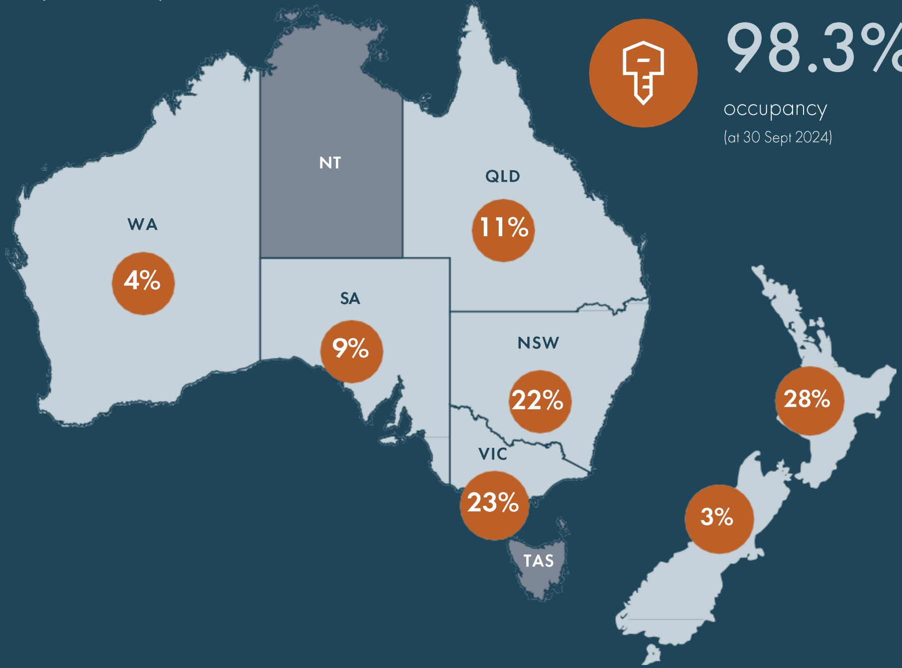
TOP TEN TENANTS

Aurora Healthcare	20%
Healthe Care Surgical	16%
Epworth Healthcare	15%
Evolution Healthcare	14%
Southern Cross	4%
Burnside	3%
Mercy Ascot	3%
GenesisCare	2%
Boulcott Hospital	2%
I-Med Radiology Network	1%
Other	20%

Vital's tenants include some of the largest healthcare operators across Australia and New Zealand

GEOGRAPHIC DIVERSIFICATION (BY VALUE)

98.3%
occupancy
(at 30 Sept 2024)



Portfolio continues to be strengthened

CONTINUING TO BUILD A RESILIENT PORTFOLIO THROUGH THE SALE OF NON-CORE ASSETS

Non-core asset sales

NZ$59m	+	NZ$251m	+	NZ$180m	=	NZ$490m
FY23		FY24		In due diligence		Since March 2023

- Enhanced focus on core metro and precinct locations
- Concentration of relationships with operators at their core hospitals
- Maximise investment in the highest performing assets with significant opportunities for growth

Sales have helped achieve:

BUILDING AGE	WALE	RENT COLLECTION
1.9 years ↓	0.9 years ↑	99.99%

Avive Clinic, VIC

Vital's development pipeline

CURRENT COMMITTED DEVELOPMENTS ARE ON TRACK; NEW DEVELOPMENTS WILL ONLY TO BE COMMITTED TO WHERE MARKET CONDITIONS ARE SUPPORTIVE

NZ$106.1m
remaining to be spent on committed development pipeline

5.6%
weighted average development yield
(current committed developments)

~NZ$2b
potential development pipeline on existing land holdings

Why are developments important?

- Delivers incremental unitholder value (income and capital)
- Newer buildings with reduced operating and maintenance expenses
- Enhanced tenant covenants
- Greener, more sustainable, and resilient assets
- Increased exposure to core and emerging healthcare precincts
- Support operator partners by enhancing & growing their businesses

Vital's development performance (last 3 years)[1]

NZ$330.1m
Total development spend

17.4%
Development IRR

5.8%
Yield on cost on completed projects

20.2%
Development margin

Macarthur Health Precinct (Stage 1), NSW

[1] Development performance on completed projects from October 2021 to September 2024

Health Sector Overview

Ormiston Hospital Expansion, Auckland, NZ

Australian Private Healthcare Landscape

PRIVATE HEALTHCARE PLAYS AN ESSENTIAL, AND GROWING ROLE, IN THE DELIVERY OF HEALTHCARE IN AUSTRALIA

The Australian Healthcare System delivers some of the best healthcare outcomes in the world

The healthcare sector is adequately resourced; however, it comes at a high cost, and there is limited availability of beds.

Metric	AUS	OECD Average
Average Healthcare Expenditure	$6,370 USD per Capita	$4,910 USD per Capita
Below Average Bed Supply	3.8 Beds per 1000	4.3 Bed per 1000
High Demand Driven by Older Population and High Comorbidities	17% Aged +65 31% Obesity	18.0% Aged +65 25% Obesity

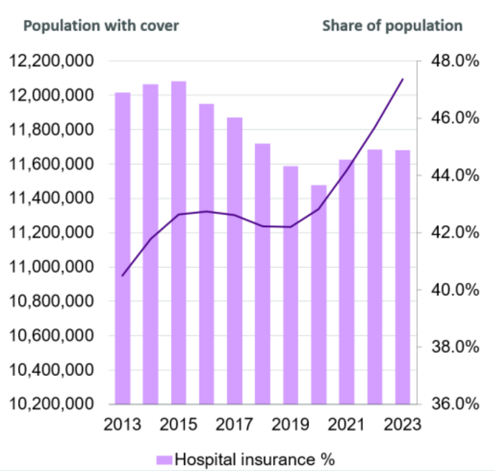
However, Australians are living longer lives

Highest Quality Outcomes	3.3 (30-Day Acute Care Mortality Rate)	OECD Avg: 6.0 (30-Day Acute Care Mortality Rate)

Source: OECD

45% of Australia's population have private health insurance coverage with hospital cover

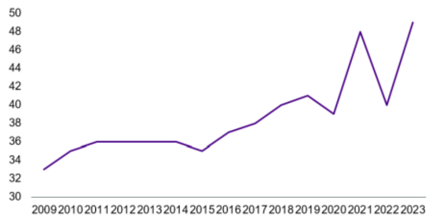
Hospital Insurance coverage



Source: APRA

The pressure on the system is mounting, with future demand outpacing supply

Public hospital waitlists have surged to unprecedented levels, indicating a system under strain. This overflow tends to naturally shift towards the more efficient private sector.



Source: AIHW

Governments are adding capacity to the system, but investment lags population growth & demand

5%	10%
2030 Bed Supply Uplift	2030 Population Growth

Available **beds per 1,000 people will further decrease**

Source: CBRE

Market Dynamics in Australian Private Hospitals

DESPITE THE RECENT PRESSURES, WE REMAIN OPTIMISTIC ABOUT THE LONGER-TERM PROSPECTS OF THE AUSTRALIAN PRIVATE HOSPITAL SECTOR

Market Context

- During and post COVID the financial pressure of lower-than-expected admissions growth, compounded by limited growth in private health insurance rebates (increasing by 2% each year since 2019) and rising operating costs, primarily driven by higher nursing salaries and increased reliance on agency staff.
- Despite these challenges, the sector has reasons to be confident about its longer-term prospects, especially for larger, well-located assets with high quality tenants.

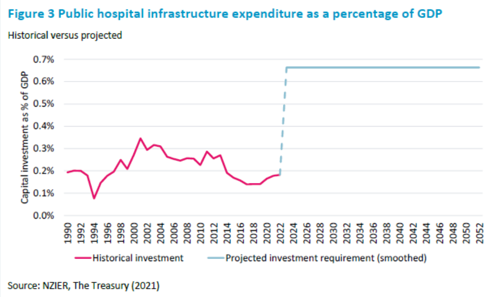
Positive signs

Strong demand fundamentals	Australians 65+ projected to reach 6.7 million by 2042; nearly 50% report chronic disease; 1 million more have private health insurance post-pandemic.
Recovered demand pipeline	GP consultations grew 1% in H1 2024, reversing a 3% decline in H2 2023; specialist visits increased.
Growth in private hospital admissions	Admissions rose by 4% in FY24, after a 5% increase in FY23; growth in every FY24 quarter.
Public sector struggles to meet demand	Public sector growth rates are declining due to funding cuts, labour issues, and productivity drops.
Private health sector profitability	Record profits for insurers driven by membership growth and reduced payouts; $4 billion in member rebates.
Positive pricing trends in private health	Hospital treatment benefits up 8% in FY24 vs. FY23, indicating faster pricing growth than CPI.
Hospitals are still in demand over same day	Day surgeries in multi-day facilities grew 2.9% vs. 1.9% in day-only facilities, driven by doctor preferences.

New Zealand Hospital Landscape

PRIVATE HOSPITALS ARE AN IMPORTANT ASSET FOR HEALTHCARE DELIVERY IN NEW ZEALAND FOR BOTH PUBLIC AND PRIVATELY FUNDED PATIENTS AS THE PUBLIC SYSTEM UNDERGOES THE SECOND MAJOR HEALTH REFORM IN TWO YEARS

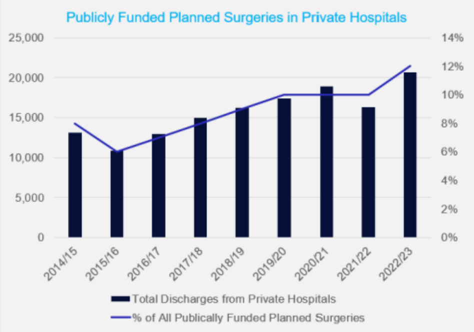
The NZ Public Hospital System requires significant capital expenditure to correct for decades of under-investment



The projected investment to replace and renew assets and meet population demand continues to grow. The estimated average annual requirement for new hospital buildings is almost equivalent to a new c.NZ$1.4bn, 400-bed hospital every year from 2033 to 2052.

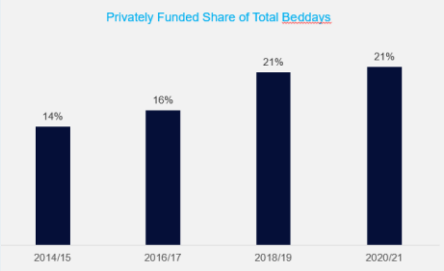
As a result of aged infrastructure, a lack of capital investment and pressures on workforce there is an increasing reliance on the private sector to serve public patients

The share of public-funded inpatient surgeries performed in the private sector has doubled since 2015 (from 6% to 12%). To achieve the Government's better health services targets in the reduction of elective, cancer and ED wait times, expanded contract services agreements for additional services and higher volumes are likely between public and private.



Source: Te Whatu Ora

Kiwis are also electing to privately fund care in lieu of the public system at a growing rate



Source: Ministry of Health – Manatū Hauora

- Private Health Insurance is becoming increasingly popular with 37% of Kiwis reported having health insurance in 2023, up 5% from 32% in 2022.
- Share of total hospital activity funded that is privately funded is increasing – from 14% in 2014/15 to 21% in 2020/21.

Indicative Timetable

Macarthur Health Precinct (Stage 1), NSW

Indicative timetable

VITAL IS TARGETING PRESENTING A FORMAL PROPOSAL TO UNIT HOLDERS IN Q1 2025 AND IF APPROVED BY UNIT HOLDERS, IMPLEMENTING THE DLT STRUCTURE IN MAY 2025

	INDICATIVE TIMING
Initial investor discussions and feedback sought	November – December 2024
Various regulatory discussions (including ASIC, ASX, FMA, NZX, and tax rulings)	November 2024 – February 2025
DLT proposal documentation released to Unit Holders	February / March 2025
Unit Holder vote[1] and unit election process	April 2025
Implementation of DLT structure if approved by Unit Holders	**May 2025**

Macarthur Health Precinct, NSW (Artist's impression)

(1) DLT structure implementation subject to Unit Holder approval (75% threshold of those voting) and the Manager is not permitted to vote

Appendices

Kawarau Park Health Hub, Queenstown, NZ

Appendices
Additional property information

Avive Clinic, VIC

Investment properties

AS AT 30 SEPTEMBER 2024

~NZ$3.2B PORTFOLIO OF HEALTHCARE REAL ESTATE COMPRISING 36 INVESTMENT PROPERTIES AND 2,800+ BEDS

Click on one of the underlined properties to see a fly-through of that property

Western Australia (2)
- Abbotsford Private Hospital
- Marian Centre

Queensland (2)
- Belmont Private Hospital
- Palm Beach Currumbin Clinic

New South Wales (8)
- Hirondelle Private Hospital
- Hurstville Private Hospital
- Kellyville Private Hospital
- Lingard Day Centre
- Lingard Private Hospital
- Macarthur Health Precinct Stage 1 – GenesisCare Integrated Cancer & Health Centre
- Maitland Private Hospital
- Toronto Private Hospital

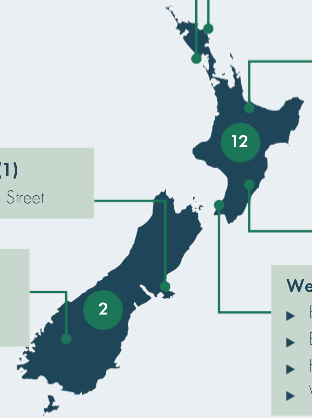
South Australia (3)
- Playford Health Hub – Retail & Carpark
- Sportsmed Hospital, Clinic, Consulting & Office
- Tennyson Centre

Victoria (7)
- 120 Thames Street
- Avive Clinic, Mornington Peninsula
- Ekera Medical Centre
- Epworth Camberwell
- Epworth Eastern Hospital
- Epworth Rehabilitation Hospital
- South Eastern Private Hospital

Auckland (5)
- Ascot Carpark (Right of Use)
- Ascot Central
- Ascot Hospital & Clinics
- Endoscopy Auckland
- Ormiston Hospital

Northland (1)
- Kensington Hospital

Bay of Plenty (1)
- Grace Hospital



Christchurch (1)
- Saint Asaph Street

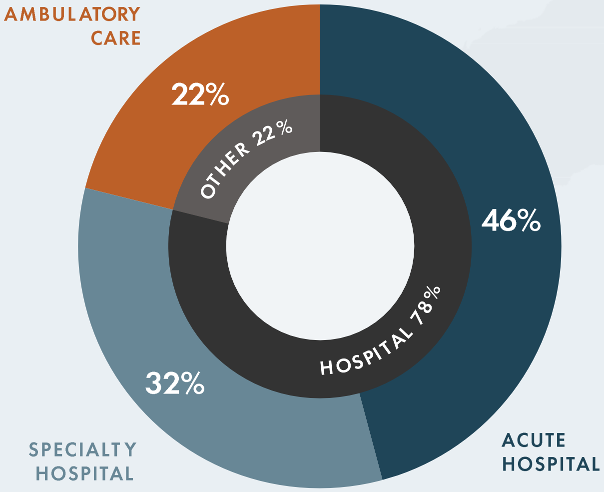
Hawke's Bay (1)
- Royston Hospital

Queenstown (1)
- Kawarau Park Health Hub

Wellington (4)
- Boulcott Hospital
- Bowen Hospital
- Hutt Valley Health Hub
- Wakefield Hospital

~NZ$2.2b Australian portfolio overview

PRECINCT FOCUSED PORTFOLIO WITH A DIVERSE TENANT BASE



SUBSECTOR DIVERSITY (BY VALUE)

20.0 years

WALE [1]

PRIVATE HOSPITALS

- 17 hospitals (acute and specialty – mental health, rehabilitation)
- 5 hospital operators
- 78% of AUS portfolio value; 89% of AUS rent
- WALE: 21.3 years

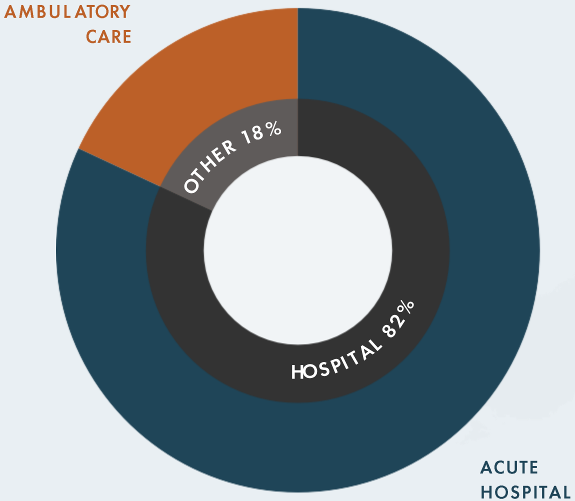
AMBULATORY CARE

- 5 assets, multiple tenants
- 22% of AUS portfolio value; 11% of AUS rent
- WALE: 9.9 years

[1] Inclusive of landlord options

~NZ$1.0b New Zealand portfolio overview

STRONG GROWTH IN NZ PORTFOLIO OVER LAST 5 YEARS
REFLECTING POSITIVE CONDITIONS FOR PRIVATE OPERATORS



SUBSECTOR DIVERSITY (BY VALUE)

18.3 years

WALE [1]

PRIVATE HOSPITALS

- 9 hospitals (all acute)
- 6 hospital operators
- 82% of NZ portfolio value; 85% of NZ rent
- WALE: 19.7 years

AMBULATORY CARE

- 5 assets, multiple tenants
- 18% of NZ portfolio value; 15% of NZ rent
- WALE: 10.0 years

[1] Inclusive of landlord options

Rent reviews undertaken in FY24

HIGH PERCENTAGE OF TOTAL RENT IS REVIEWED ANNUALLY WITH STRUCTURED[1] REVIEW MECHANISMS

FY24

		#	Jun-23 Rent p.a. (NZD)	Jun-24 Rent p.a. (NZD)	Increase (NZD)	Annualised Growth (Stable currency)
Australia	AUS	83	87,229,486	91,344,228	4,114,742	4.7%
New Zealand	NZ	74	46,992,366	49,448,510	2,456,144	5.2%
Total		**157**	**134,221,852**	**140,792,737**	**6,570,885**	**4.9%**

		#	Jun-23 Rent p.a. (NZD)	Jun-24 Rent p.a. (NZD)	Increase (NZD)	Annualised Growth (Stable currency)
CPI	CPI	103	119,261,141	125,026,410	5,765,270	4.8%
Fixed	Fixed	40	12,513,450	13,190,398	676,948	5.4%
Market	Market	13	1,254,890	1,335,582	80,692	6.4%
Turnover	Turnover	1	1,192,372	1,240,346	47,975	4.0%
Total		**157**	**134,221,852**	**140,792,737**	**6,570,885**	**4.9%**

Rent reviews have been completed for 157 leases in FY24

Structured reviews represent 98%[1] of leases by income

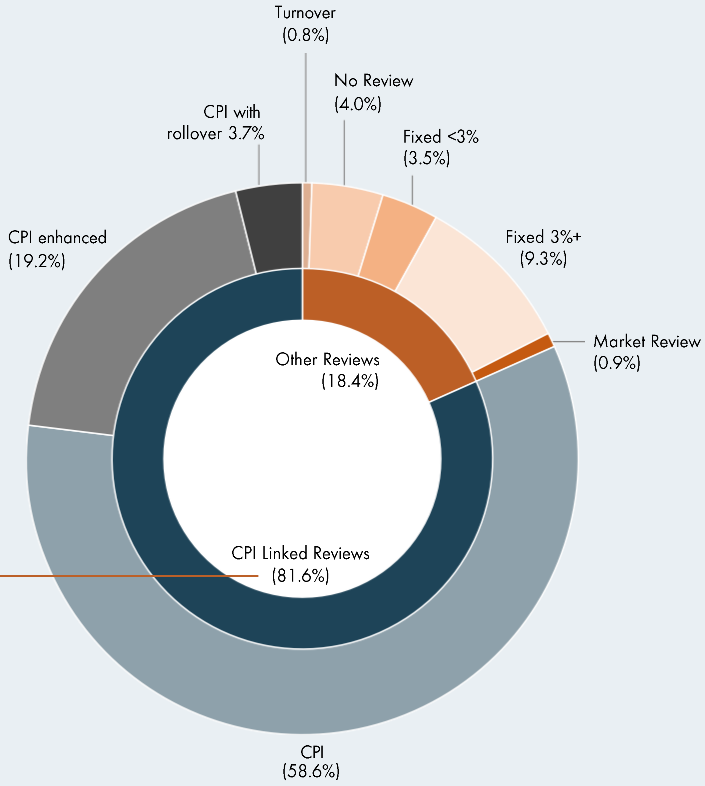
Significant uplift via market and CPI rent reviews

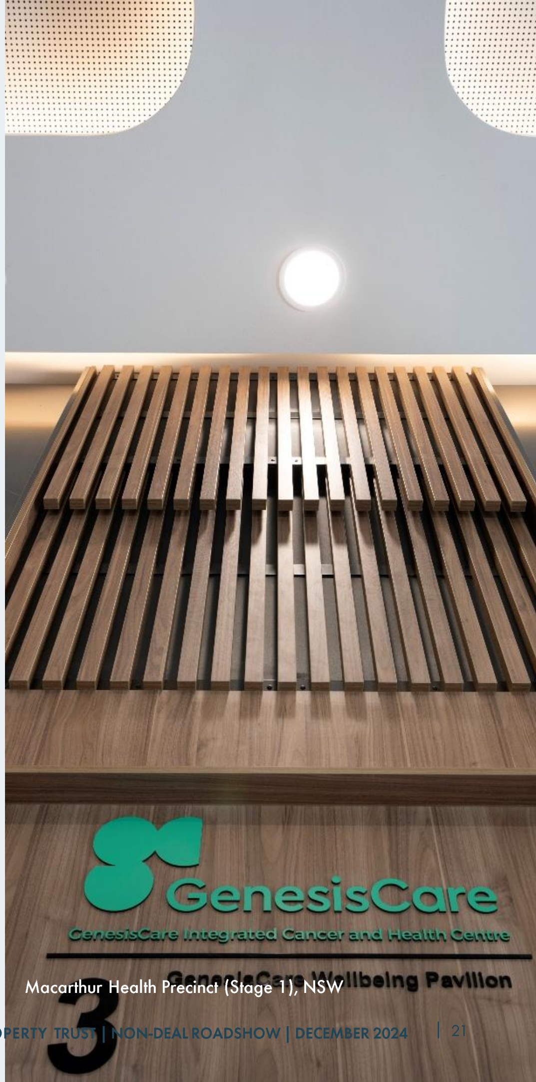
[1] Includes fixed percentage and CPI reviews

Rent review profile

BREAKDOWN OF PORTFOLIO CPI REVIEWS

TYPE	%
CPI - Un-Capped	23.1%
CPI - 2% Cap	0.1%
CPI - 2.5% Cap	1.5%
CPI - 3% Cap	4.1%
CPI - 3.5% Cap	1.7%
CPI - 4% Cap	42.9%
CPI x 1.5 - 2.5% Cap	6.0%
CPI x 1.5 - 3% Cap	16.9%
CPI x 1.75 - 4% Cap	3.5%
Greater of CPI and 1%	0.2%





Macarthur Health Precinct (Stage 1), NSW

Core portfolio metrics

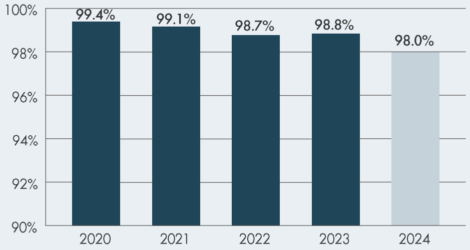
5 YEAR TRENDS HIGHLIGHT PORTFOLIO STRENGTH AND UNDERPIN LONG-TERM PERFORMANCE

Long-term track record of maintaining

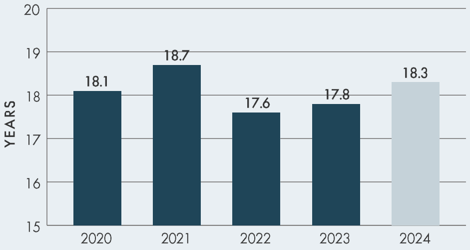
>98% Occupancy

High degree of confidence that future expiries will be renewed or replaced with new tenants in advance of expiry

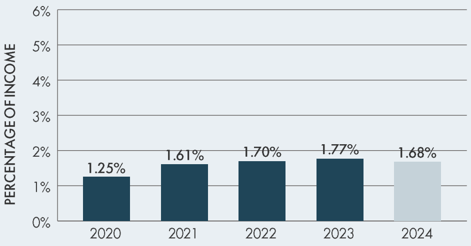
OCCUPANCY



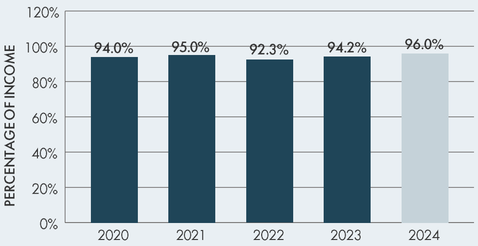
WALE



AVERAGE 10 YR LEASE EXPIRY[1]



TOTAL INCOME SUBJECT TO STRUCTURED RENT REVIEWS



[1] Reflects the average % of total portfolio income that expires over the next 10 years

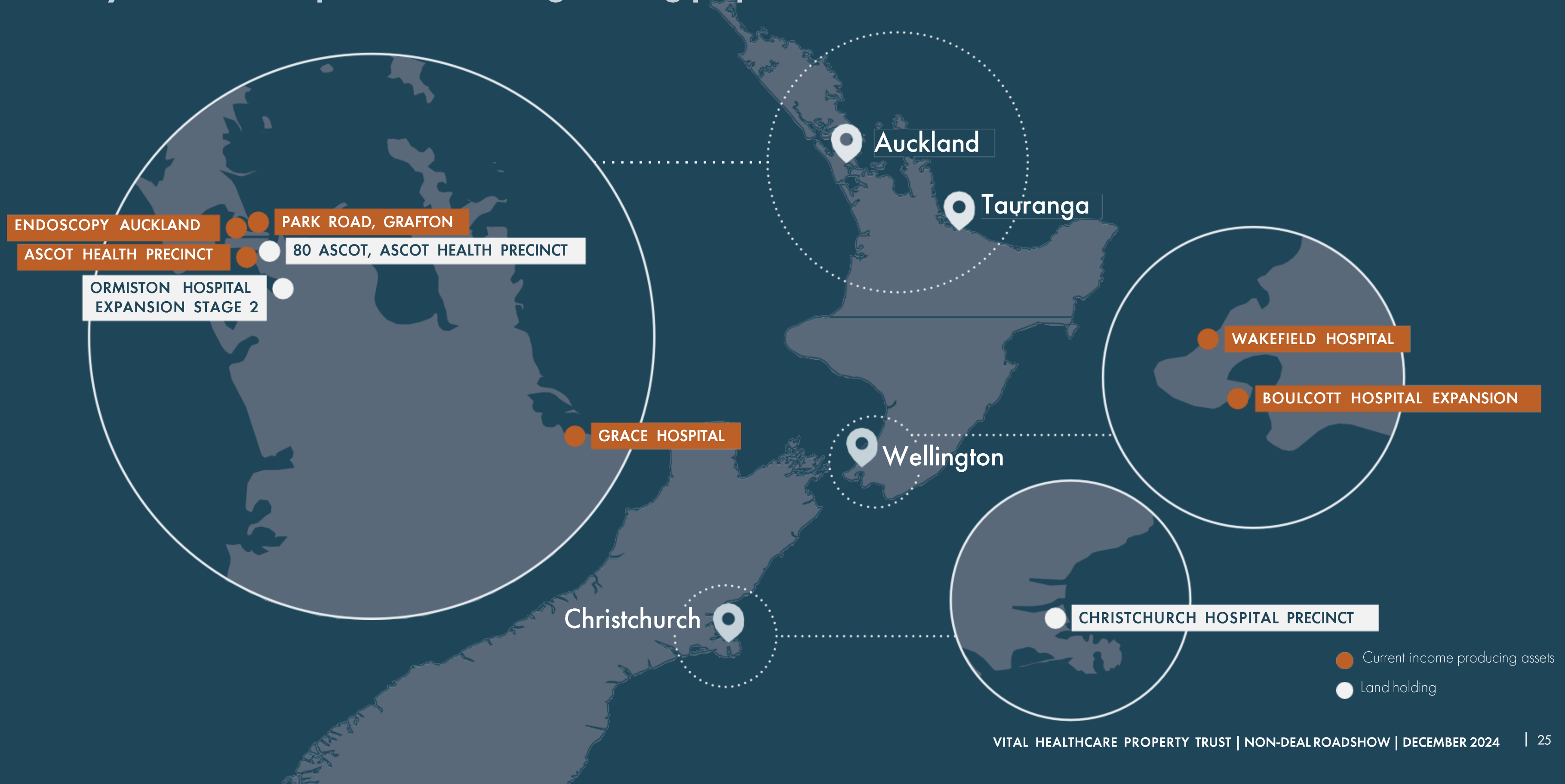
Appendices

Additional development information

Epworth Eastern, VIC

Current and potential Australian development pipeline in key healthcare precincts with growing populations

Current and potential New Zealand development pipeline in key healthcare precincts with growing populations



Appendices

Current structure vs. proposed DLT

RDX, QLD
(Artist's impression)

Current structure vs. proposed DLT

THE PROPOSED DLT STRUCTURE ALLOWS UNIT HOLDERS TO RETAIN THE SAME ECONOMIC EXPOSURE TO VITAL WHILST ENHANCING THE TAX, GOVERNANCE AND LISTING ARRANGEMENTS FOR THE BENEFIT OF ALL UNIT HOLDERS

	VITAL TODAY	NZX UNIT HOLDER IMPACT	VITAL NZ	VITAL AU
Listing	Primary NZX	IMPROVED	Primary NZX	Primary ASX
Index	NZX50	IMPROVED	NZX50	Free float market capitalisation above the current threshold for ASX300 inclusion
Governance	Single board and trans-Tasman management team	UPDATED	Board of NZ Manager and Board of Vital AU Responsible Entity to retain an Independent Chair and majority Independent board Continue to have the same management team Required to comply with ASX and NZX listing rules and change to an Equity Issuer	
Tax structure	PIE tax treatment	IMPROVED	**PIE tax treatment** NZ investors can continue to benefit from the PIE regime	**Managed Investment Trust ("MIT") regime** [1] Investors can benefit from the MIT regime (including tax pass through tax treatment)
Economic exposure	Assets across Australia and NZ	UNCHANGED	Assets across Australia and NZ	

[1] NZ Unit Holders that hold Vital AU units will be subject to tax on the investment in Vital AU units under the Foreign Investment Fund (FIF) regime, which includes the fair dividend rate (FDR) method, or taxed on distributions if the FIF regime does not apply.

Disclaimer

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All references to $ are to New Zealand dollars unless otherwise indicated.

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The information in this document is of general background and does not purport to be complete. It should be read in conjunction with Vital's market announcements lodged with NZX, which are available at **www.nzx.com/companies/VHP**.

December 2024

Thank you

www.vhpt.co.nz

Playford Health Hub (Stage 2), SA
(Artist's impression)

Vital HEALTHCARE PROPERTY TRUST
Managed by Northwest