Non-Deal Roadshow Presentation

Delivering on our strategy

27 MAY 2024

Vital HEALTHCARE PROPERTY TRUST
Managed by Northwest

Contents

Presenters

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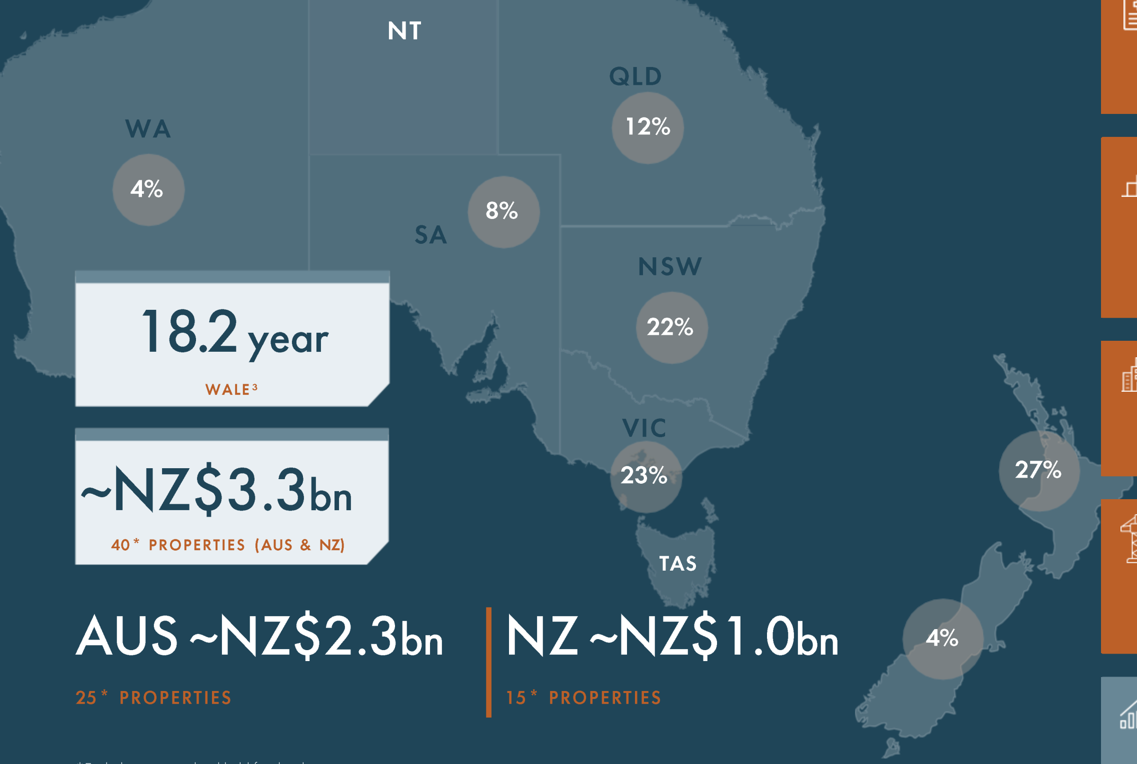
Investing in healthcare property across Australia and New Zealand

VITAL IS THE ONLY SPECIALIST HEALTHCARE LANDLORD LISTED ON THE NZX



18.2 year

WALE[3]

~NZ$3.3bn

40* PROPERTIES (AUS & NZ)

AUS ~NZ$2.3bn

25* PROPERTIES

NZ ~NZ$1.0bn

15* PROPERTIES

DEFENSIVE SECTOR

- Non-discretionary or high priority discretionary spending
- Low impact from economic or business cycles
- Strong demand for healthcare property compared to other property sectors

HIGH DEMAND

- Ageing demographics and growing populations
- Rising life expectancy
- Increased offerings due to technological advances
- Increasing demand from the public sector due to capacity and / or fiscal constraints

HIGH QUALITY PORTFOLIO

- Landlord to leading private healthcare operators and Te Whatu Ora
- 98.4% occupancy
- Average building age[1]: 9.7 years

DEVELOPMENT UPSIDE

- NZ$171.4m remaining spend on existing developments
- ~NZ$2bn+[2] potential development pipeline
- Vital has an unmatched development team in healthcare property across Australia and New Zealand

EARNINGS GROWTH

- Targeting 2–3% AFFO and DPU growth with a conservative payout ratio
- 97% of leases increase annually by CPI or a fixed %
- Strong underlying NPI growth enhanced by developments

*Excludes strategic land held for development
[1] Average building age = the later of the date of construction or last significant capital works
[2] Development timing and therefore spend expected to be over a staged and lengthy period (at least 10 years)
[3] Inclusive of landlord options

All figures at 31 March 2024

Strategy reaffirmed

IN DECEMBER 2023, VITAL'S MAJORITY INDEPENDENT BOARD APPROVED AN UPDATED STRATEGY

The update is substantially in line with previously announced strategy. Key elements include:

Continuation of core strategy & focus on healthcare real estate

– *Healthcare property continues to be attractive due to the underlying tenant demand and relatively low volatility. Vital is in a unique position to capitalise on this.*

Continued focus on brownfield and greenfield developments in core or emerging healthcare precincts

– *Continued improvement of the portfolio to support security of Unit Holder returns*
– *Retain sector leadership*
– *Reflects our belief in healthcare precincts and developments as a means to enhance returns for Unit Holders*
– *To become committed, potential developments must add value for Unit Holders*

Continued focus on key identified markets notably New Zealand where Vital is supporting the three main private hospital operators as well as the public health system

– *Vital is supporting our home market and the communities where our investors are located.*

Measures to return to AFFO and distribution growth in future periods consistent with targets

– *We have several strategies to return to a growth path for AFFO and distributions in future periods.*

Increased focus on alternative sources of capital

– *Benefits to Vital include enabling the potential development pipeline, adding another way of funding developments and reducing risk (development, tenant and geographic concentration).*

Sustainability / ESG to remain core to everything we do

– *Vital needs to remain relevant, attractive to investors and at the forefront of best practice across all ESG areas.*

Healthcare property is a growing investment class due to its strong underlying tenant demand which is uncorrelated with economic cycles.

Vital is in a unique position to capitalise on this due to its deep understanding on the sector, unmatched sector experience and key relationships benefiting both our Unit Holders and operating partners.

Financial highlights

NZ$2.72 NTA

currently trading at ~30% discount to NTA

39.5% balance sheet gearing

target range 35-45%; covenant 50%

~NZ$146m Net Property Income

CY23

4.1%

HY24 like-for-like, same property earnings growth on a constant currency basis

>NZ$222m of non-core assets sold over CY23

at least NZ$100m targeted for CY24

5.21% WACR

at 31 December 2023 (5.02% Aus; 5.61% NZ)

Figures are as at 31 March 2024 unless otherwise stated

Portfolio overview

AUSTRALASIA'S HIGHEST QUALITY INVESTABLE HEALTHCARE PORTFOLIO

CPI aligned leases support income growth

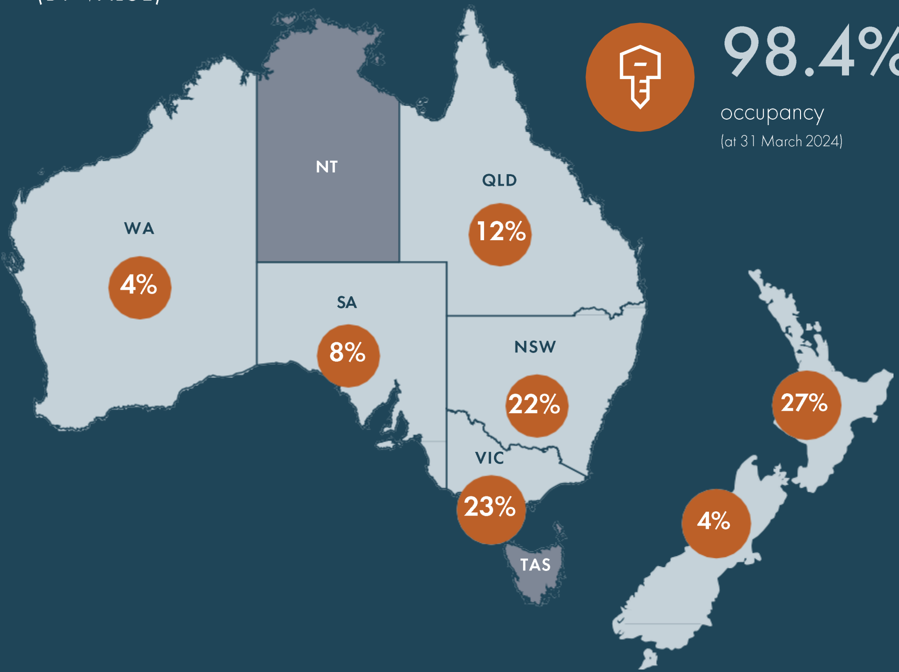
4.1% growth over HY24 for same properties on a like-for-like and constant currency basis; 1.8% (excl. FX) growth in net property income after allowing for disposals

- ~86% 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: 1-CPI being a backward measure for future rent; and 2-Vital's rent reviews are weighted towards the second half of the financial year

Aurora Healthcare	19%
Evolution Healthcare	17%
Healthe Care Surgical	16%
Epworth Healthcare	16%
Southern Cross	4%
Burnside	3%
Mercy Ascot	3%
Bolton Clarke	3%
Te Whatu Ora	2%
I-Med Radiology Network	1%
Other	17%

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

GEOGRAPHIC DIVERSIFICATION
(BY VALUE)



98.4%
occupancy
(at 31 March 2024)

Vital's development pipeline

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

NZ$171.4m
remaining to be spent on committed development pipeline

5.7%
weighted average development yield

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

Macarthur Health Precinct

Why are developments important?

- Capital growth
- 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$324.1m
Total development spend

21.4%
Development IRR

6.2%
Yield on cost

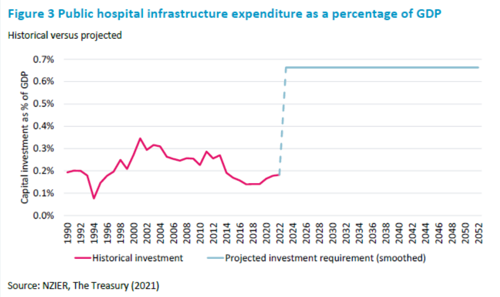
28.3%
Development margin

[1] Development performance tracked from 1 April 2020 to 31 March 2023

New Zealand Hospital Landscape

PRIVATE HOSPITALS ARE BECOMING AN INCREASINGLY IMPORTANT ASSET FOR HEALTHCARE DELIVERY IN NEW ZEALAND FOR BOTH PUBLIC AND PRIVATELY FUNDED PATIENTS

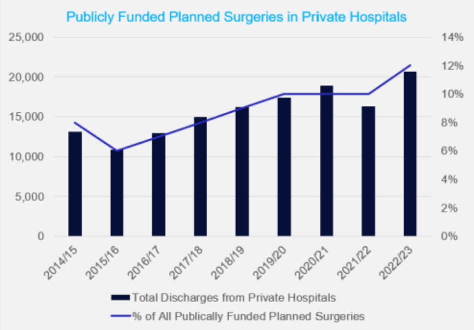
The NZ Public Hospital System requires significant capital expenditure to correct for decades of under-investment



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.

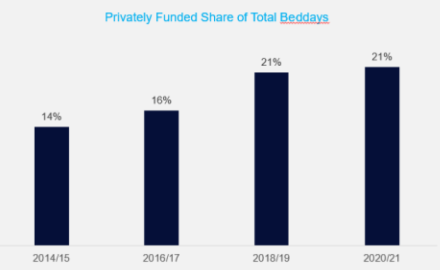
As a result of aged infrastructure, there is an increasing reliance on the private sector to serve public patients

The share of public-funded inpatient surgeries performed in the private sector has doubled since 2015 (from 6% to 12%).



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.

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

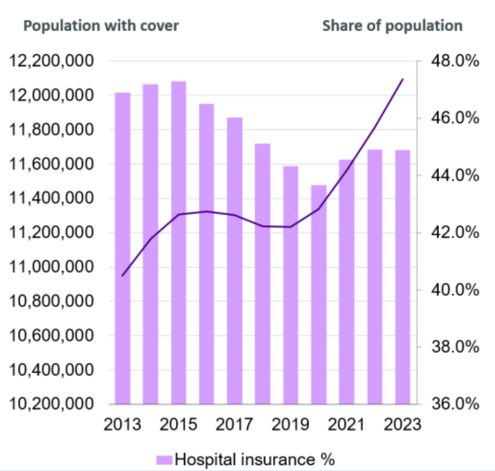
However, Australians are living longer lives

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

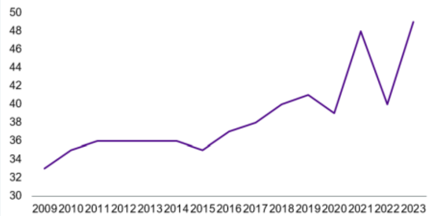
Hospital Insurance coverage



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 1000 people will further decrease**

Source: CBRE

Market Dynamics in Australian Private Hospitals

INSURERS AND OPERATORS EXIST IN A CODEPENDENT ECONOMIC CYCLE, WHICH IS CURRENTLY OFF-BALANCE WITH HIGH PROFITS FOR INSURERS AND LOW PROFITS FOR OPERATORS

Market Context

- COVID provided a significant windfall to health fund via reduced claims; operators bore brunt with closure of elective surgery and sustained loss of volumes
- Workforce and procurement inflation, and high interest costs have reduced hospital operating margins
- Health fund revenue rate indexation to operators for procedures, not meeting cost inflationary pressures – reducing profitability

Current Market Dynamic

Codependency between private hospital operators and insurers (cyclical in nature)

50% of operator revenue conditional on health funds (AUS)

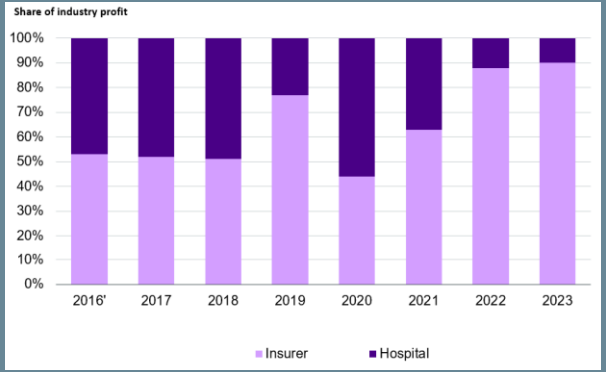
Insurer drivers

- Seeking reduced length of stay, and re-admission
- Move towards lower cost of care settings; stop funding care with limited clinical benefits
- Preventative care and increase in outpatient and day services

Operator response

- Significant lobbying of government to hold insurers to account re. profits
- Public spotlight, including via media
- HSO seeking radical restructure to include banks and landlords
- Focusing on owning the patient journey

As a result, we are likely seeing the bottom of the profitability cycle for hospital operators



Source: APRA, ABS

Why invest in Vital

25-year business experience in Australian & NZ health system

High quality, pure healthcare portfolio diversified across all mainland Australian States and New Zealand

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

Majority independent board; experienced & stable management team

Committed development pipeline of NZ$171.4m at 31 March 2024; expected to be majority funded from asset sales

~NZ$2b potential development pipeline

Strong ESG Leadership

Current Unit Price trading at a ~28% discount to 31 March 2024 NTA of $2.72 per unit

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.

27 May 2024

Thank you

www.vhpt.co.nz

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