

13 October 2021

Vital announces acquisition and \$140m capital raising

NorthWest Healthcare Properties Management Limited (the **Manager**), as manager of Vital Healthcare Property Trust (**Vital**), today announced the acquisition of The Tennyson Centre, and the intention to raise approximately \$140m of new equity capital, through a \$115m underwritten⁽¹⁾ placement of new units (the **Placement**) and a ~\$25m Unit Purchase Plan (**UPP**)⁽²⁾ (the **Offer**).

The net proceeds of the Offer provide Vital funding capacity to continue to support its acquisition and development pipeline.

Tennyson Centre acquisition

The Tennyson Centre is one of Adelaide's leading "Cancer Centres of Excellence", comprising high quality tenants who operate within the identification, assessment and treatment of cancer through oncology, radiotherapy, imaging and consulting services.

Strategic objectives

The acquisition of Tennyson Centre is aligned with Vital's 5-year portfolio strategy:

- Supports AFFO target growth of 2-3% per annum
- Increases investment allocation to ambulatory care
- Further enhances tenant diversification
- Creates new or expanded relationships with a number of leading national providers of allied health services.

Vital's Fund Manager, Aaron Hockly, said:

"This acquisition is our first cancer centre of excellence and our third significant property investment in Adelaide, South Australia. It adds several established healthcare operators to Vital's tenant base and is expected to provide on-going AFFO growth for Vital's unitholders. We will look to expand the centre on the development land acquired as part of this transaction."

Capital raising

The \$115m Placement will be conducted during the course of today, with new units issued at a fixed price of \$2.90 per unit, representing a 3.7% discount to the closing price of \$3.01 on 12 October 2021. NorthWest⁽³⁾ has committed to participate in the Placement

by subscribing for at least \$37.4m of new units, representing its pro rata 26.7% stake in Vital.

The UPP will allow all eligible unitholders with a registered address in New Zealand on the record date to apply for up to \$15,000 of new units in Vital. The issue price of the new units under the UPP will be the lower of the Placement price and a 2.5% discount to the volume weighted average price of Vital units traded on the NZX during the five trading days up to, and including, the end of the UPP offer period.

The Offer has been structured to be as fair as possible to all existing unitholders, and enables almost all unitholders to participate through either the Placement or the UPP (except where restricted due to legal constraints), and should scaling be required, it will be by reference to existing unitholdings on the record date.

The UPP offer opens on 19 October 2021, with the offer document and application form also being available from that date.

The new units issued under the Offer will rank equally with existing Vital units on issue and will be eligible for the FY22 first quarter distribution payable in December.

The Placement is underwritten⁽¹⁾ by Forsyth Barr Group Limited and Goldman Sachs New Zealand Limited.

Balance sheet impact

Vital's pro forma gearing will be 33.6%⁽⁴⁾ upon completion of the Offer, the Tennyson Centre acquisition and previously announced transactions, an improvement of 1.4% over 30 June 2021. This provides Vital with funding capacity to continue to support its acquisition and development pipeline.

Outlook

The Board reconfirms Vital's previously released distribution guidance of 9.50 cents per unit for the FY22 financial year, on a conservative pay-out ratio⁽⁵⁾.

For further information in respect of the Offer, please refer to the capital raising presentation attached to this announcement.

– ENDS –

ENQUIRIES

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About Vital (NZX code VHP):

Vital Healthcare Property Trust is an NZX-listed fund that invests in high-quality healthcare properties in New Zealand and Australia including private hospitals (~85% of portfolio value), ambulatory care (~10% of portfolio value) and aged care (~5% of portfolio value).

Vital is the leading specialist listed landlord of healthcare property in Australasia and currently has a portfolio valued at over \$2.7 billion.

Vital is managed by NorthWest Healthcare Properties Management Limited, a subsidiary of Toronto Stock Exchange listed NorthWest Healthcare Properties REIT, a global owner and manager of healthcare property.

For more information, visit our website: www.vhpt.co.nz

Disclaimer

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

Note: All amounts are in NZD unless otherwise shown

¹ NorthWest Healthcare Properties REIT has committed, on behalf of its owned and controlled entities, to participate in the Placement by subscribing for \$37.4m of new units, representing its pro rata stake in Vital across the \$140m Offer. The balance of the Placement is underwritten by Forsyth Barr Group Limited and Goldman Sachs New Zealand Limited

² The Manager may decide to accept additional applications at its discretion

³ NorthWest Healthcare Properties REIT on behalf of its owned and controlled entities

⁴ Calculated in accordance with Vital's Trust Deed

⁵ Guidance provided on the basis of a number of assumptions including no prolonged continuation of lockdowns or significant changes in COVID-19 in Australia or New Zealand