

INDEPENDENT CHAIR & FUND MANAGER ADDRESS FOR THE ANNUAL MEETING

The following are the addresses of the Independent Chair and the Fund Manager for the Vital Healthcare Property Trust Annual Meeting held on a fully virtual basis through the Computershare Meeting Platform <https://meetnow.global/NZ> on Wednesday, 24 November 2021 commencing at 10.00am.

Slide 1 – Cover slide

GRAHAM:

Welcome to the 2021 Annual Meeting of Vital Healthcare Property Trust.

My name is **Graham Stuart**, and I am the Independent Chair of Vital Healthcare Property Trust. Vital's Supervisor has appointed me as Chair of this meeting.

As you are aware, we are hosting a virtual meeting this year and as this is our first fully virtual meeting, please accept our apologies in advance if we experience any technological issues or if the meeting flow is different from usual.

Today's meeting is being held online via the Computershare Online Meetings platform. This allows Unitholders, proxyholders and guests to attend the meeting virtually. All attendees can watch a live webcast of the meeting and read the associated company documents. In addition, Unitholders and proxies have the ability to ask questions and submit votes.

Slide 2 – Questions Instructions

If you are a unitholder or proxyholder and have a written question to submit during the live meeting, please select the Q&A tab on the right half of your screen anytime. Type your question into the field and press send. Your question will be immediately submitted.

Should you require any assistance, you can type your query into the Q&A tab and one of the Computershare team will assist with the chat function and reply to your query. Alternatively, you can call Computershare on 0800-650-034.

Please note that while you can submit questions from now on, I will not address them until the relevant time in the meeting. Please also note that your questions may be moderated or if we receive multiple questions on one topic, amalgamated. Finally, due to time constraints we may run out of time to answer all your questions. If this happens, we will answer them in due course via email/posting responses on our website.

Voting today will be conducted by way of a poll on all items of business. In order to provide you with enough time to vote, I will shortly open the voting for all resolutions.

Slide 3 – Voting Instructions

If you are eligible to vote at this meeting, you will be able to cast your vote under the Vote tab. Once the voting has opened, the resolutions will allow votes to be submitted. To vote, simply select your voting direction from the options shown on screen. Your vote has been cast when the green tick appears. To change your vote, simply select 'Change Your Vote'. You have the ability to change your vote, up until the time I declare voting closed.

The Notice of Annual Meeting has been circulated to all Unitholders. It sets the scope of what we are scheduled to discuss today and includes the details of the one resolution we are due to consider.

I am pleased to confirm that there is a quorum present and I declare the 2021 Annual Meeting of Unitholders of Vital Healthcare Property Trust open. The resolutions will now be open in the vote tab, please submit

your votes at any time. I will give you a warning before I move to close voting.

Slide 4 – Meeting Agenda

The order for the meeting is as follows:

- ▶ following general introductions, I will give my address;
- ▶ following my address, I will introduce Aaron Hockly to give his Fund Manager's address;
- ▶ Aaron will then table the Annual Financial Statements, following which Aaron will pass back to me to invite questions on any matter regarding the Trust or the presentations other than Andrew Evan's re-election;
- ▶ we then move to the formal business being the proposed resolution that Andrew Evans be re-elected as an Independent Director of NorthWest Healthcare Properties Management Ltd, Vital's Manager, which will include an address by Andrew and any questions on his proposed re-election;
- ▶ after voting is complete, we have an opportunity for general business and I will invite you to ask any other relevant questions you may have;
- ▶ we will then conclude the meeting.

Copies of the minutes of last year's Annual Meeting are available on Vital's website vhpt.co.nz.

Slide 5 – Board of the Manager

I will now introduce to you who we have on-line today. The full Board of the Manager is attending, let me introduce **Paul Dalla Lana, Andrew Evans, Craig Mitchell**, attending his first Unitholders' meeting as a director of the Manager, and **Dr Michael Stanford**.

Slide 6 – In Attendance

I would also like to welcome:

Vital's Fund Manager, **Aaron Hockly**

Along with, **Justine Wealleans** and **Evan Kennerly** from Trustees Executors Limited, the Supervisor of the Trust

Silvio Brunisma from Deloitte, the auditors of the Trust, and

Toby Sharpe from Bell Gully, legal advisers to the Manager.

We also have several of NorthWest's senior executive team attending, including:

Chris Adams, Executive Director - Projects,

Alex Belcastro, Senior Vice President – Medical Precincts

Michael Groth, Chief Financial Officer,

Vanessa Flax, Regional General Counsel and Company Secretary, and

Richard Roos, Executive Director – Portfolio.

Slide 7 – Address of the Independent Chair of the Manager

Following another very successful year for the Trust, it gives me great pleasure to deliver this address as Independent Chair of the Manager.

Slide 8 – Comparative Returns

As shown on the graph in the presentation in front of you, Vital once again outperformed both the NZX50 index and the NZX All Real Estate indices and recorded a 13.2% total return for the 12 months ended 30 September 2021.

This significant outperformance highlights the defensive nature of healthcare real estate compared to other real estate classes and the

resilience of hospital operators, at a time where COVID 19 has impacted the wider economy.

This resilience led to over 99% of rent of being collected over the last 12 months; well above our peers in New Zealand and Australia with a majority of Vital's tenants having recovered to pre-pandemic operating levels.

Despite COVID-19, we were able to raise 157.5 million dollars in October and November 2021 from a significantly oversubscribed equity raising. The capital will be used to fund Vital's strategic objectives which in turn will provide future earnings growth for Unitholders.

Vital paid 8.875 cents per unit in distributions over the 2021 financial year and we have provided guidance of 9.5 cents for the current financial year.

Slide 9 – Key achievements over the last 12 months

The past year has been a very active one for your Board, notwithstanding the impacts of COVID-19, interest rates at historic low levels and large amounts of liquidity in our markets that have intensified competition for quality real estate assets.

Last year we announced our new 5-year portfolio strategy, that included ambitious targets for earnings (AFFO) growth per unit, investment strategy including asset types, asset allocations, development exposure, asset locations and other key quantitative and qualitative factors.

This year the Manager supported by the NorthWest teams in Australasia and Canada has pursued this strategy in a disciplined and focussed manner.

In October and November last year we successfully raised 157.5 million dollars by way of an Institutional Placement and a Unit Purchase Plan, both of which were well oversubscribed.

Since balance date we have successfully raised a further 142.8 million dollars of equity through an oversubscribed 115 million dollar Institutional Placement and a 27.8 million dollar Unit Purchase Plan.

Late last year we announced the 95 million dollar acquisition of Grace Hospital in Tauranga as well as two divestments in NSW and one in Tasmania totalling 100 million dollars.

In February we announced the acquisition of a 5,333m² development site in Box Hill, Melbourne that will accommodate an ambitious expansion of Epworth Eastern private hospital over time.

In June we announced the 83 million dollar acquisition of Epworth Camberwell private hospital in Melbourne.

We also announced the acquisition of three further development properties, one in Brisbane, one on the Gold Coast and one in Auckland. These development properties will support the achievement of our 5-year strategic goals.

These acquisitions and divestments represent a small part of the activity undertaken this past year; Aaron Hockly will provide greater detail in his report.

The Board has also focussed on several key governance and other initiatives over the last 12 months.

I was appointed as Independent Chair at the conclusion of the last Unitholders' meeting in November last year.

Bernard Crotty retired from the Board in June this year and was replaced by Craig Mitchell.

Bernard served on the Board of the Manager for 9 years, a period in which the Trust has seen very significant growth and investment returns consistently above those achieved by the NZX 50 and the NZX All Real Estate indices.

I take this opportunity to thank Bernard for his service.

Craig brings a strong background in real estate and development to the Board. He is the Regional CEO of NorthWest, Australia, and New Zealand, as well as President of NorthWest REIT. His previous roles

include being CEO for one of Australia's largest private construction groups and COO for one of Australia's largest listed property groups.

The Board is coming to the end of a phase of renewal, with myself, Dr Stanford and Craig all being appointed within the past 3 years.

The Board is conscious of the need to balance institutional knowledge and continuity with fresh ideas and new perspectives and will continue to ensure that we have the right mix of skills and experience around the Board table to manage the fund and serve Unitholders' interests well.

Slide 10 – Address of the Fund Manager

It is my pleasure to now introduce Aaron Hockly, Vital's Fund Manager.

AARON: Thank you Graham.

Kia ora koutou katoa. Good morning everyone.

I would to start by thanking the Board and staff of Vital's Manager as well the wider NorthWest team both in this region and globally. It has been a very challenging year primarily due to the on-going impacts of COVID-19. As you will be aware, this has continued to have a significant impact people and their families and their day-to-day living including our staff. Most of my colleagues in this region are located in Melbourne, a wonderful city familiar with being the global leader in many things. However, being the most locked down city in the world over the past year has not been a cause of celebration. Our other two key regional offices in Auckland and Sydney have also experienced and continue to experience lockdowns and other significant impacts. My experiences of homeschooling over the last few months have certainly helped me empathize with how much peoples' lives have been upended.

Despite these challenges we have continued to achieve significant success both in the financial and operating results I will touch on shortly but also in setting up the Trust for future success.

Much work has been undertaken across all areas from risk, to branding, to staff development, and most importantly for Unitholders the portfolio itself including leasing, acquisitions, asset sales, developments and sustainability.

I would also like to acknowledge our tenants including hospital operators, aged care operators and other specialist medical, diagnostic, nursing, and therapeutic providers. Lockdowns and other COVID-19 related restrictions have presented significant challenges for healthcare providers. In spite of these challenges, our operating partners have continued to provide outstanding care for communities across Australia and New Zealand. Private healthcare operators play a key role in the healthcare ecosystems of both countries from medical imaging to surgery to caring for people at the start and ends of their lives. These are services which our public systems rely on to function and this has been highlighted through the pandemic.

As a final initial acknowledgement, thank you to public health providers across Australia and New Zealand particularly front-line health workers. As challenging as the last few months have been for all of us, we should be very grateful for the people who kept us safe, worked even longer shifts than normal and who continue to put community needs ahead of their own.

Slide 11 – Operational Highlights

Since I presented to you 12 months ago, Vital has recorded success across all key areas. In FY21, we delivered 11.54 cents per unit in AFFO or cash earnings; 10.4% above FY20. We remain on track to achieve guidance of at least 11.8 cents per unit this financial year which is over 2% year on year growth and within our target of 2-3% growth per unit per annum.

Growth in AFFO has enabled us to continue to grow distributions to Unitholders which we are guiding at 9.5 cents per unit; 7% above the last financial year.

This growth in earnings and distributions per unit is despite raising capital to lower balance sheet gearing to a conservative 34%.

Vital's enviable portfolio of high-quality hospitals and other health and aged care facilities continues to support dependable and growing unitholder returns. Key features include a market-leading weighted average lease expiry term otherwise known as WALE or WALT of over 18 years to some of Australasia's leading healthcare operators. We have continued to enhance the portfolio through the sale of non-core assets and over 60,000 square metres of leasing.

The strong performance of our tenants enabled over 99% of rent to be collected over the last 12 months.

Acquisitions and developments are a key source of future earnings growth for Unitholders, and we are seeking to continue to prudently grow the portfolio. Over 430 million dollars of acquisitions were completed over the last 12 months representing over 20% of the portfolio value. These acquisitions include large income producing assets as well as sites that we will develop for healthcare operators in coming years.

Slide 12 – Property Portfolio

At 31 October, Vital's portfolio was valued at 2.7 billion dollars across 42 assets in New Zealand and Australia. This bulk of this value is comprised of private hospitals but with an important and growing exposure to ambulatory and aged care facilities. We will look to expand across all three of these subsectors potentially adding life sciences should appropriate opportunities become available.

This 2.7-billion-dollar portfolio valuation is before any changes to market capitalisation rates or other revaluations which may be recorded at 31 December, noting that Australia in particular is continuing to see significant cap rate compression for healthcare properties. Our weighted average cap rate of 4.86% compares favourably against many of our peers in Australia and New Zealand.

As noted previously, we have continued to replenish our development pipeline. Committed developments currently totals 460.2 million dollars with 276 million dollars or work left to complete. We are targeting having 10-15% of the portfolio under development at any time allowing us to continue to deliver market-leading healthcare facilities particularly as models of care evolve and community expectations around sustainability increase.

Slide 13 – 5 Year Portfolio Strategy

We have continued to deploy Vital's 5-year portfolio strategy which at its core seeks to continue to deliver earnings and valuation growth for our Unitholders. 18 months ago we had been targeting increasing the portfolio's value to around 3 billion dollars over 5 years. This seemed ambitious at the time, however we have made and continue to make substantial progress on delivering this. Importantly, the portfolio strategy does not seek growth for growth's sake but growth to enhance unitholder returns and includes the sale of assets to improve the overall portfolio. To this end, over \$100m of assets were sold over the last 12 months at a premium to book value.

In addition to the 286 million dollars of acquisitions completed over FY21, we recently acquired Tennyson Centre in Adelaide for 93 million Australian dollars. Tennyson Centre is one of South Australia's leading cancer centres of excellence and we have already agreed to extend the lease of one of the core tenants by 10 years.

We are also in the process of acquiring Hutt Valley Health Hub in Wellington for approximately 46.5 million dollars with pricing dependent on the amount of development land included. This asset is adjacent to Vital's existing asset Boulcott Hospital and forms part of the Hutt Hospital precinct. We will look to master plan these sites, including the development land we own here, in conjunction with the hospital operator.

Finally, we sold Gold Coast Surgical Centre for 13 million Australian dollars; approximately 5% above its book value. This removed several existing and potential vacancies from the portfolio.

Slide 14 – New Zealand Hospital Developments

We are fortunate to have exceptional relationships with hospital operators. In New Zealand, this includes the three largest private hospital operators who together. We have recently agreed terms with two of these, Evolution Healthcare and Southern Cross, to undertake 74 million dollars of additional developments at their existing facilities including:

- ▶ Grace Hospital in Tauranga which we acquired in late 2020,
- ▶ Royston Hospital and the neighbouring day surgery unit in Hastings, and
- ▶ Wakefield and Bowen Hospitals in Wellington.

All of these expansions are supported by very favourable business cases and the strength and closeness of our relationship with these operators means that we can adjust our support as required. An example of this is Wakefield Hospital where we are building not just for immediate use but with significant expansion capacity in light of the strong and growing demand for Evolution's services. Our relationship with Evolution is built on trust and transparency and is one of our key and growing relationships.

Slide 15 – Delivering Value for Unitholders

Playford Health Hub is an example of what Vital is known best for – development and delivery of world-class healthcare precincts.

Acquired in two stages, this property was originally a dilapidated shopping centre. Its location next to one of South Australia's main public hospitals as well as NorthWest's significant development

expertise made it an excellent acquisition and development target consistent with our precinct and portfolio strategies.

Construction of the first stage of this development, primarily carparking for the public hospital majority leased to the South Australian government completed this month at a total cost of 24 million Australian dollars.

We will commence construction of stage two, a 49 million Australian dollar specialist medical centre 60% pre-leased, in mid-2022.

Earlier today, we announced that we have signed an MoU with Calvary Healthcare, one of Australia's leading catholic hospital and aged care operators, to lease and operate a new 93 million Australian dollar private hospital which will comprise stage 3 of this development. Vital's investment in this precinct will be in excess of 130 million dollars with healthcare operators, notably Calvary, also investing significant capital in the precinct.

Slide 16 – Activating Sustainability within Precincts

It goes without saying that sustainability is growing in importance globally. To date, healthcare and healthcare property has lagged other sectors in terms of sustainable development. However, this is rapidly changing. We note the sustainability commitments by governments and hospital operators as well as growing demands from our Unitholders and other stakeholders.

Vital participated in the Carbon Disclosure Project or CDP for the second time this year. We expect to participate in the Global Real Estate Sustainability Benchmark or GRESB in 2022. We are using the learnings and results of these external benchmarks to improve our sustainability performance particularly in relation to the environmental impact of our buildings.

The most meaningful contribution we can make is our developments particularly those where we retain operational control of the building as will be the case for stage two of Playford Health Hub. This specialist

medical centre is targeting a 6 star green star rating, will be fully electric and will have a zero operational energy carbon footprint.

It is also important to note that Playford Health Hub, like most of our facilities, will play a key role in the health and wellbeing of the community's residents. The project is being delivered in conjunction with partners such as SA Health and Calvary who are positively contributing to community wellbeing.

Slide 17 – Balance Sheet Strengthened

Finally, to our capital providers including Unitholders and debt providers without whom we obviously could not exist and who supported a significant strengthening of our balance sheet over the last 12 months.

Our debt funders, currently all banks, increased from two to five during the year with debt maturities extended. We have also reset our debt facilities to enable a long-term debt capital markets issuance and are aiming to undertake our first issuance this financial year.

We undertook a 115 million dollar Placement in October 2021 almost solely to existing Unitholders.

The issue price was 2 dollars and 90 cents; slightly above NTA and a 3.7% discount to the previous trading price representing one of the tightest discounts of any recent equity raising.

The Placement was nearly two times oversubscribed and was scaled back based on unitholder holdings on the record date.

NorthWest committed to taking up at least its pro-rata and the balance was fully underwritten by Goldman Sachs and Forsyth Barr.

To enable retail holders not represented by a sharebroker to participate in the capital raising, we undertook a follow-on unit purchase plan or UPP at a slight discount to the placement. The initial 25 million dollars we had allocated for the UPP was oversubscribed so we elected to increase this to 27.8 million dollars reflecting the full amount of the

oversubscription. This enabled 100% of Unitholders who elected to participate to do so at the full amount of their application. Nearly 5,000 individual Unitholders participated in the UPP, the vast majority of whom were retail holders.

The 142.8 million dollars raised through the Placement and the UPP has reduced balance sheet gearing to approximately 34% although the proceeds will ultimately be used to fund Vital's development pipeline.

Thank you to our institutional and retail investors as well as our debt providers for your on-going support.

Slide 18 – Annual Financial Statements

The Annual Report and Financial Statements for the year ended 30 June 2021 have been circulated to all Unitholders and are now formally tabled at the meeting.

I will now pass back to our Chair Graham Stuart.

Slide 19 – Questions

GRAHAM:

Thank you, Aaron.

If there are any questions relating to the Trust or the presentations now is the opportunity to raise them. Only Unitholders or proxyholders are permitted to ask questions. You may ask questions through the Computershare platform. Questions will be moderated by **Independent Director, Dr Michael Stanford** who will read questions aloud for all to hear.

Those wanting to ask a question online, please do so as early as possible to ensure it is received and answered.

In consideration for other Unitholders, we ask that any questions that relate to your personal situation or unitholding be dealt with outside of the meeting with management via email or phone.

Repeated questions or questions that have already been answered may not be put to the meeting.

Thank you for your questions and comments.

Slide 20 – Re-election of Andrew Evans

I would now like to move to the formal business of the Meeting, the proposed re-election of Andrew Evans.

The vote will be conducted by poll comprising the proxies lodged in advance of the meeting and votes lodged through the Computershare platform.

I would like to invite Andrew to address the meeting.

ANDREW: [Andrew's address]

Slide 21 – Voting

GRAHAM:

Thank you, Andrew. The details of the proxies received on this re-election are on the screen. If I am appointed as proxy to vote and not directed on how to vote, I will vote in favour of this resolution.

Please can I ask you now to cast your vote by clicking “for”, “against” or “abstain” through the Computershare platform. Your vote has been cast when the green tick appears. To change your vote, simply select ‘Change Your Vote’. You have the ability to change your vote, up until the time I declare voting closed, and a reminder will be given 20 seconds on screen before I close voting. Once voting has closed, you will not be able to amend your vote.

While votes are being cast, we welcome you to watch a flythrough of the Playford Health Hub precinct.

[Playford Health Hub Flythrough]

Voting is now closed.

The results of these votes will be released to the stock exchange later today.

Slide 22 – General Business

I will now open the meeting for any general business.

Slide 23 – Closing Remarks

There being no further business, may I wish you all a merry and COVID-free festive season and a healthy and prosperous New Year.

Thank you for attending the meeting today.