

The following are the addresses of the Independent Chair and the Fund Manager for the Vital Healthcare Property Trust Annual Meeting held as a hybrid of a physical meeting at the Tuhono Room, Ground Lobby, HSBC Tower, 188 Quay Street, Auckland CBD and a virtual meeting through the Computershare Meeting Platform <https://meetnow.global/nz> on Thursday, 9 November 2023 commencing at 9.30am.

Slide 1 – Cover slide

GRAHAM:

Tena kotou, tena kotou, tena kotou katoa.

Welcome to the 2023 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 holding this meeting in person in Auckland as well via Computershare's virtual meeting platform. Unit Holders, proxy holders and guests can attend the meeting in person or virtually. All attendees can watch a live webcast of the meeting and read the associated company documents.

Holding this meeting in person and online provides our Unit Holders with the maximum ability to participate in this meeting from wherever they are located.

Slide 2 – Questions

During the meeting I will invite questions in relation to three formal addresses, Vital's FY23 accounts, the proposed re-election of Dr Stanford as an Independent Director and general business.

If you are a Unit Holder or proxy holder attending in person and wish to ask a question, please wait until the relevant time and raise your hand. Please wait until you have been provided a microphone to ensure those attending virtually can hear your question.

If you are a Unit Holder or proxy holder and are attending virtually you can submit a written question 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.

If you require any assistance, you can type your query into the Q&A tab and Computershare will assist you via the chat function. Alternatively, you can call Computershare on 0800-650-034.

Whilst you can submit questions from now on, I will not address them until the relevant time in the meeting. Your questions may be moderated or, if we receive multiple questions on one topic, amalgamated.

If we run out of time to answer any questions, we will answer them in due course via email or posting responses on our website.

Voting today will be conducted by way of a poll. Voting will shortly be opened online.

Computershare will collect voting forms from those attending in person and will collate results from both voting methods.

Results of the poll will be released to the NZX later today.

Slide 3 – Voting

The Notice of Annual Meeting has been circulated to all Unit Holders. 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 2023 Annual Meeting of Unit Holders of Vital Healthcare Property Trust open.

If you are eligible to vote at this meeting, you are now able to cast your vote under the vote tab. 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 can change your vote until I declare voting closed.

I will give you a warning before I move to close voting.

Slide 4 – Meeting Agenda

The order for the meeting is as follows:

First, the three formal presentations:

- ▶ my address as Independent Chair;
- ▶ followed by Aaron Hockly who leads Vital's executive team; and
- ▶ finally, Stuart Howard from Trustees Executors, the Trust's Supervisor.

I will then table the Annual Financial Statements and invite questions on any matter regarding the Trust or the presentations other than Michael Stanford's re-election.

We then move to the formal business being the proposed resolution that Michael Stanford be re-elected as an Independent Director of Northwest Healthcare Properties Management Ltd, Vital's Manager and then I will invite 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

The full Board of the Manager is in attendance today with all of my Board colleagues attending virtually.

Slide 6 – In Attendance

I would also like to welcome:

- ▶ Vital's executive team, some in person on stage with me and the balance attending virtually;
 - ▶ Stuart Howard and Raveen Kaur from the Supervisor of the Trust;
 - ▶ Andrew Boivin and Rebecca Clark from the auditors of the Trust; and
 - ▶ Toby Sharpe from the legal adviser to the Manager.
-

Slide 7 – Address by the Independent Chair of the Manager

It has been another busy year for the Trust, and it gives me great pleasure to deliver this address as Independent Chair of the Manager.

Slide 8 – Key Events over FY23 and FY24 to date

The operating performance of the Trust continues to be strong however the sharp rise in interest rates has impacted property values and funding costs.

We have responded to the changed economic environment by divesting a number of non-core properties to reduce debt levels, and by deferring, and in some cases cancelling, developments planned at a time when interest rates were more favourable.

These moves ensure that the Trust continues to maintain a high-quality property portfolio, with a sound capital structure and a sustainable growth strategy. This gives the Trust the resilience needed for a more challenging economic environment and the ability to sustain a strong distribution flow.

By remaining disciplined with our investment decisions and staying focused on our tenant relationships, the Trust will continue to benefit from the positive dynamic that the healthcare sector enjoys. We have a high proportion of our leases indexed to CPI, quality tenants and a weighted average lease term of 19.4 years.

Vital is a long-term investor. While economic changes such as we have seen in the past 24 months may require some course corrections, the overall thrust of our strategy remains the same. We look through market cycles and focus on investing in high quality healthcare properties in attractive locations and with strong and stable tenants. We have confidence this strategy will continue to deliver superior returns over time.

Vital paid 9.75 cents per unit in distributions over the 2023 financial year up 1.3% on the prior year. We have provided guidance of at least 9.75 cents for the current financial year.

The past 12 months have been an active period for your Board. The sharp rise in interest rates and the volatility in capital markets has underscored the importance of having a disciplined approach to capital and investment. Early in the year we embarked in a divestment programme targeting at least \$200 million of asset sales. To date \$155 million of sales have been completed with a further \$70m contracted and several more in the pipeline.

This year, the Manager, supported by the Northwest teams in New Zealand, Australia and Canada, has continued to pursue our strategy in a disciplined and focussed manner.

In July 2022, we commenced construction of Stage II of the Playford Health Hub. In October we commenced construction on the Ormiston Hospital expansion.

In December we completed a \$96.5 million development of consulting suites at Epworth Eastern Hospital and approved a \$A140.7 million 6 Star Green Star development in Queensland, the RDX facility.

In March this year we completed bank debt refinancing extending our facility limits and term and we have no facilities expiring before Q1 in 2025.

Pleasingly, last month the Trust was recognised as the leading listed Healthcare Property fund globally by ESG benchmark provider GRESB. This assessment is an investor driven global ESG benchmark and reporting framework for property and infrastructure companies, and our top rating confirms that we are on the right track in meeting global standards of Environmental, Social and Governance practices.

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

In July Paul Dalla Lana was replaced as a Northwest appointee on the Vital Board, by Mike Brady. I would like to take this opportunity to acknowledge Paul's vast contribution to Vital and to wish him the best for the future.

Slide 9 – Address by the Fund Manager

It is my pleasure to now introduce Vital's Fund Manager and Senior Vice President for Northwest, Aaron Hockly.

AARON:

Ata marie e te whanau.

It gives me great pleasure to present to this my fourth Annual Meeting as the Trust's Fund Manager.

Slide 10 – Overview of Vital

As Graham has highlighted Vital's strategy has not changed and I believe is well-understood – we buy, own and develop healthcare property across Australia and New Zealand as a means to provide income returns and capital growth for Vital's Unit Holders. We are adjusting our tactics in light of changing market conditions but our strategy remains the same.

At 30 September 2023, Vital owned NZ\$3.3 billion dollars of real estate comprising 43 income producing healthcare properties across Australia and New Zealand as well as strategic land.

Approximately 70% of Vital's assets are located in Australia and 30% in New Zealand with a focus on major existing and emerging healthcare precincts in both countries.

The income producing properties have a weighted average lease expiry term of 19.4 years, the longest in our sector.

We are targeting growing AFFO and distributions by 2-3% per unit per annum over the medium term. This target is supported by a strong linkage between Vital's rent reviews and CPI, evidenced through like-for-like net property income growing by 5.3% for the 2023 financial year. This has

continued in FY24 with quarter 1 results showing like-for-like income growth of over 4% versus the prior comparative quarter (after excluding some one-off items).

Slide 11 – Portfolio Highlights

Over the last two decades, Vital's team has acquired and developed a high-quality portfolio of healthcare real estate from Ascot Hospital here in Auckland developed over 20 years ago by Vital to Wakefield Hospital in Wellington which is in the final stretch of a 5 year rebuild.

We have focused on a number of targeted portfolio enhancing initiatives over the last year, notably the sale of non-core assets with around NZ\$220 million sold or under contract to date. Sales proceeds are used to initially repay debt and ultimately fund Vital's development pipeline. The combination of asset sales and developments will enhance the age, diversity, quality and resilience of Vital's property portfolio which should lead to enhanced returns for Unit Holders in future periods.

We have continued to focus on leasing extensions for potential expiries in future years to 'lock-in' our defensive and predictable cash flows over the medium to long term.

We were proud to be ranked in first place by GRESB globally for listed healthcare and third place for all listed entities in Oceania for standing investments. GRESB is the benchmark for over US\$7.2 trillion of investments and the leading global benchmarking tool for sustainability for real estate and infrastructure entities. These significant achievements reflect the efforts of our facilities and asset management teams in improving the environmental monitoring and performance of Vital's assets. Here in New Zealand this has included 10 assets being rated for Green Star Performance and all assets having undertaken energy audits to identify energy efficiency measures.

Slide 12 – Development Highlights

Work continued on Vital's 11 committed developments across Australia and New Zealand. These included Ormiston Hospital in Auckland, Grace Hospital in Tauranga and Wakefield Hospital in Wellington.

At 30 September 2023, Vital had NZ\$258m left to be spent on committed developments of which ~NZ\$200m is expected to be spent by 31 December 2024 and the balance over the 2025 calendar year. This committed development pipeline is expected to be funded by asset sales and existing debt headroom.

In addition to this committed pipeline, Vital has significant strategic land holdings which provide a potential development pipeline of around NZ\$2 billion. Whilst we continue to work on this potential pipeline, including obtaining development approvals, new developments will **only** be committed to where they add value for Unit Holders.

We were pleased to be ranked first place by GRESB for healthcare development globally and second place for all listed entities in the Oceania region. For the second year in a row, Vital was awarded a 5-Star rating for development. These achievements reflect work undertaken by our sustainability and development teams.

Slide 13 – Financial Highlights

Debt tenure, capacity and hedging have all been enhanced over the last 12 months. At 30 September 2023, Vital's balance sheet gearing was 36.6% with 78% of drawn debt hedged and NZ\$193 million of debt headroom available.

Vital has no debt expiring until March 2025 and we are well within our banking covenant requirements.

We were honoured to be a finalist for the INFINZ 2022 equity raising of the year reflecting our on-going efforts to both strengthen Vital's balance sheet and respond to investor feedback.

Slide 14 – Governance Highlights

In our 2023 Annual Report, Vital again disclosed our compliance with the NZX Corporate Governance Code despite the code not applying to us as a Fund Issuer. Unit Holders will note that Vital complied with all relevant principles of the Code and we have clearly explained why some principles are not applicable.

We continued to improve our overall corporate governance through enhancements to our policies and procedures such as revisions to our Code of Conduct and the release of our third modern slavery statement and as well as continuing to undertake investor engagements across several cities and towns in New Zealand as well as in Melbourne, Sydney, Hong Kong and Singapore.

We were proud to be a finalist for the communication award as part of the Australasian Reporting Awards and to be awarded silver overall for our 2022 Annual Report. This reflects work undertaken over the last four years to improve our communication with investors.

Slide 15 – Sustainability Highlights

A number of sustainability initiatives have been introduced over the last 3 years across environmental, social and governance areas.

Initiatives include:

- ▶ energy audits;
- ▶ increased Green Star accreditation;
- ▶ solar power;
- ▶ climate change assessments;
- ▶ educational scholarships provided via Keystone;
- ▶ donations to children's hospitals in Auckland and Christchurch and a hospice in Auckland; and
- ▶ staff volunteering across Australia and New Zealand.

These initiatives were recognised last month with Vital being named sector leader for listed healthcare globally by GRESB.

We are now working our way through short, medium and long-term sustainability targets including a commitment to Net Zero emissions by 2050 and the release of our first Climate-related Disclosure report in October 2024.

Slide 16 – Comparative Returns

Like all investors, our Unit Holders seek a return on their investment in Vital so it is always disappointing when positive returns are not achieved. Although Vital's long-term performance remains ahead of both the REIT index and NZX 50 Index, we remain focussed on improving these returns.

As you would all appreciate, there are some things we cannot fully control particularly Vital's unit price which has a high correlation with the local 10-year Government bond rate.

However, there are a number of things we can do and which we are focussed on doing to deliver returns for Unit Holders including:

1. continuing to deliver on asset management, the core of our business, including maintaining high occupancy, undertaking lease extensions well in advance of their expiry and remaining the landlord of choice to the leading healthcare providers across Australia and New Zealand;
2. maintaining a strong and prudent balance sheet underpinned by a high level of interest rate hedging and weighted average debt maturities of around 4 years;
3. focusing on net cash flows with the aim of increasing earnings and distributions by 2-3% per unit per annum over the medium term – this in turn should support Vital's unit price;
4. embedding sustainability across all parts of our business which is expected to support future valuations and reduce future costs;
5. continuing the sale of non-core assets to reduce debt, fund the development pipeline and improve the quality of the property portfolio;
6. committing to new developments only where they add value for Unit Holders as well as looking at alternative ways of funding developments which could include the partial sale of existing core assets;
7. being accessible to Unit Holders in a variety of locations and through a variety different methods – in person, online and in print; and
8. continuing to provide a transparent picture of past results and our future strategy to help current and potential Unit Holders understand the true value of an investment in Vital.

As I noted at the start of this address, the above is in the context of continuing our strategy of owning and developing quality healthcare real estate albeit whilst adjusting tactics to align with market conditions.

Thank you for your ongoing support for Vital.

Slide 17 – Address from Trustee Executors Limited

GRAHAM:

Thank you, Aaron.

As requested by one of Vital's largest, long-term Unit Holders, we have asked Vital's Supervisor to present on their role and so I am pleased to introduce Stuart Howard of Trustees Executors.

Slide 18 – The Role of the Supervisor

Slide 19 – About Trustees Executors

Slide 20 – Our Role

Slide 21 – Who do we supervise?

Slide 22 – Financial Market Supervisors Act 2011

Slide 23 – Empowered Frontline Supervisor

Slide 24 – The Supervisory Framework for Northwest

Slide 25 – What clients expect of the supervisor?

Slide 26 – What do we expect of our supervised entities?

Slide 27 - Annual Financial Statements

GRAHAM:

Thank you, Stuart. The Annual Report and Financial Statements for the year ended 30 June 2023 have been circulated to all Unit Holders and are now formally tabled at the meeting.

If there are any questions relating to the Trust or the presentations now is the opportunity to raise them. Only Unit Holders or proxy holders are permitted to ask questions.

You may ask questions through the Computershare platform if attending virtually or raise your hand if in the room and wait for a microphone to be given to you.

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 Unit Holders, 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 again.

[Pause for questions]

Thank you for your questions and comments.

Slide 28 – Re-election of Michael Stanford

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

The vote will be conducted by poll comprising the proxies lodged in advance of the meeting and votes lodged through the forms for those in the room and via the Computershare platform for those attending virtually.

Michael's nomination has the unanimous support of the Board.

Slide 29 – Voting

GRAHAM:

The details of the proxies received on this 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.

If you are attending virtually, please 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 can change your vote until I declare voting closed, and a reminder will be given 10 seconds on screen before I close voting. Once voting has closed, you will not be able to amend your vote.

If you are attending in person, please pass your completed form to a Computershare representative.

[PAUSE FOR VOTING]

Voting has now closed. The results of these votes will be released to the NZX later today.

Slide 30 – General Business

I will now open the meeting for any general business.

Slide 31 – Closing Remarks

There being no further business, I declare the meeting over.

Thank you for attending the meeting today.

[End of meeting]