

MARKET RELEASE

13 August 2025

Focus on Fundamentals: Driving Operational Performance

Northwest Healthcare Properties Management Limited (**the Manager**), the manager of Vital Healthcare Property Trust (**Vital**), has today released its results for the 12 months ended 30 June 2025 (**FY25**).

Vital is pleased to report that distributions of 9.75 cents per unit (**cpu**) were paid to Unit Holders in FY25, consistent with guidance, funded from Adjusted Funds from Operations (**AFFO**) of 10.41cpu.

Strong progress was made during the year at a portfolio level. New and renewal leasing successes lifted occupancy to 98.6% (from 98.0%). In addition, the profitability of Vital's diverse underlying hospital tenants continued to improve. Vital's strong balance sheet was further enhanced as improved terms and pricing from a major debt refinance were secured. Vital's next debt maturity is now not until March 2027.

Chris Adams Co Head of the A/NZ Region said: "We continue to drive further enhancement in the quality of the Vital portfolio; the result of developments having completed, disposal of non-core assets and asset management initiatives. The major refinancing of debt facilities is also a testament to the quality of the Vital portfolio, banking relationships and strength of defensive cashflows from a high quality and diversified tenant base."

FY25 outcomes:

Financial

Vital's pre-tax operating earnings were up 4.8% to \$77.4 million versus the year ended 30 June 2024 (**FY24**), driven by strong like-for-like rental growth, additional income from completed developments and lower management fees. In FY25 Unit Holders received distributions of 9.75cpu, consistent with FY24. Net Tangible Assets (**NTA**) were \$2.47 per unit as at 30 June 2025, impacted by unrealised property valuation changes, the mark-to-market of interest rate swaps and a weaker Australian Dollar exchange rate.

Key outcomes include:

- Operating earnings (pre-tax) up 4.8% to \$77.4 million
- AFFO of 10.41cpu versus 10.90cpu in the prior comparative period (**pcp**)
- Distributions of 9.75cpu, consistent with guidance, on a 93.6% AFFO pay-out ratio
- NTA per unit of \$2.47, down from \$2.69 in the pcp

Operational performance

The underlying property portfolio performance was pleasing, with strong leasing outcomes achieved – an endorsement of Vital's high quality and well-located properties, accompanied by a proactive leasing strategy. Occupancy further improved to 98.6% with this momentum carrying over into positive early leasing outcomes for the year ended 30 June 2026 (**FY26**). Together with leasing renewals and extensions, like-for-like Net Property Income¹ (**NPI**) increased by 3.7% and Weighted Average Lease Expiry (**WALE**) was up to 18.5 years.

Key outcomes include:

- Like-for-like NPI up 3.7% versus FY24
- Occupancy further increased to 98.6%, up 0.6% versus pcp, reflecting over 9,400sqm of new leasing executed
- WALE up from 18.3 years to 18.5 years
- Diversified and high-quality tenant mix maintained,
- Key hospital operator profitability (portfolio basis) further improved versus pcp, to almost two times rent cover²
- Weighted average capitalisation rate of the property portfolio softened 23bps to 5.54%, resulting in an unrealised value reduction of \$96.7 million - signs are now emerging that property valuations have begun to stabilise

Development

Good progress was made in delivering Vital's committed development pipeline with two projects totalling \$108.8 million being completed, substantially on time and budget. At 30 June 2025 only \$36.9m remains to be deployed.

Subject to achieving hurdle earnings and value accretion outcomes for Unit Holders and available capital, the focus for FY26 and beyond is the activation of the embedded value in Vital's robust development pipeline.

Key outcomes include:

- Completed the delivery of the:
 - A \$16.0 million expansion of Maitland Private Hospital (NSW), on a project yield of 6.0%; and
 - \$91.5 million Stage 2 of the \$141.4m redevelopment of Wakefield Hospital (WGN), on a project yield of 5.7%
- Initiated a \$11.5 million capacity expansion project at Wakefield Hospital in June 2025, on a project yield of ~7.0%
- Awarded Sector Leader by GRESB for ESG in healthcare for listed entities globally for developments

Capital management

With strong support from Vital's banking group in FY25, Vital extended \$1.1 billion of debt facilities (75% of total facility limits) on enhanced terms and pricing. Vital's defensive, diversified and long dated cashflows support current gearing at 42.1%, with material headroom to bank covenants.

¹ Determined on a constant currency basis

² Measured as Rent/EBITDAR (earnings before interest, tax, depreciation, amortisation and rent) for the last twelve months to 31 March

The continued focus on disciplined capital management and deployment resulted in select non-core asset recycling initiatives totalling \$50 million, with the proceeds deployed to fund Vital's remaining committed development projects.

Key outcomes include:

- \$1.1 billion debt refinance completed, delivering improved terms, pricing and an extended maturity profile
- Strong balance sheet maintained – Gearing³ at 42.1%, up from 39.1% in the pcip
- Weighted average debt duration extended to 3.8 years with no debt maturing until March 2027
- Interest rate hedging cover increased to 82% with a weighted average duration of 3.2 years and weighted average hedged rate of 3.55% for FY26
- \$50 million realised from non-core asset sales, with the proceeds reinvested into funding Vital's high quality committed development projects.

Outlook and guidance:

Vital is well placed for FY26 and beyond as a number of the headwinds that have impacted healthcare property and the real estate sector more generally begin to abate, including higher interest rates, operator challenges in Australia, and a risk off position from investors.

The recovery in New Zealand is further advanced than Australia, with continued strong operator performance and a stabilisation of property valuations and moderation in construction costs observed.

The continuation of this trend will allow the fundamentals of the Vital business to again emerge including strong demand for health services, an attractive income return from a high-quality diversified tenant base and opportunities to leverage the embedded value within the Vital portfolio.

The Board and management are confident with Vital's strategy to deliver attractive risk adjusted returns over the medium to long term for our Unit Holders.

Distributions totalling 9.75cpc (payable quarterly) are forecast for FY26.

Conference call and webcast:

A conference call and webcast are scheduled for 10:00 am (NZST) on Wednesday, 13 August 2025. Participants are encouraged to pre-register for the event to avoid delays.

Conference call

Participants can register for the conference call by navigating to: <https://sl.c-conf.com/diamondpass/10043436-iyng8gk.html>

Please note that registered participants will receive a pin upon registration allowing direct entry to the call.

³ Trust Deed Gearing Ratio – calculated as total borrowings to gross asset value of the Trust. Bank Loan to Value ratio was 43.6% (covenant: 55.0%) at 30 June 2025.

Webcast

Presentation slides and audio can be viewed by copying the following URL into your internet browser: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=LzAZ47i2>

You will be required to input your name, email address and company name to register for the webcast.

A copy of the webcast will be available on Vital's website later in the day at: www.vhpt.co.nz

– 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 (~78%* of portfolio value), ambulatory care facilities (~18%* of portfolio value) and life science facilities (~4%* of portfolio value).

Vital is the leading specialist listed landlord of healthcare property in Australasia.

Vital is managed by Northwest Healthcare Properties Management Limited, a subsidiary of Toronto Stock Exchange listed Northwest Healthcare Properties REIT (TSX: NWH-UN.TO), a global investor and manager of healthcare infrastructure.

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

For more information about Northwest, please visit: www.nwhreit.com

* All figures are as at 30 June 2025, NZD/AUD exchange rate of 0.9275.