

# Annual Report 2025

Driving operational performance







**FY25  
OUTCOMES**

**9.75<sub>cpu</sub>**

Distributions paid to Unit Holders

**\$2.47**

Net Tangible Assets (NTA) per unit

**98.6%**

Occupancy

**3.7%**

Like-for-like Net Property Income (NPI) growth

## AWARDS AND RECOGNITION



GRESB SECTOR LEADER IN DEVELOPMENTS  
FOR LISTED HEALTHCARE GLOBALLY



GOLD AWARD FOR VITAL'S  
ANNUAL REPORT



CIVIC, HEALTH AND ARTS PROPERTY AWARD  
ORMISTON HOSPITAL STAGE 1 EXPANSION



MBA NSW 2024 AWARDS - EXCELLENCE IN  
SUSTAINABILITY – COMMERCIAL CATEGORY  
| MACARTHUR HEALTH PRECINCT STAGE 1  
(GENESISCARE, CAMPBELLTOWN)



2025 NEW ZEALAND COMMERCIAL  
PROJECT AWARDS – GOLD | ORMISTON  
HOSPITAL STAGE 1 EXPANSION



DEVELOPMENT EXCELLENCE AWARDS 2025  
– WINNER – HIGHLY COMMENDED HEALTH  
SOCIAL INFRASTRUCTURE | MACARTHUR  
HEALTH PRECINCT STAGE 1 (GENESISCARE,  
CAMPBELLTOWN)

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All values in this report are in NZ dollars  
unless stated otherwise.

As part of its sustainability efforts, hard copy Annual Reports will no longer be mailed unless specifically requested by Unit Holders. As with previous results, the full Annual Report will be emailed to Unit Holders and will be available on the NZX and be posted on Vital's website: <https://www.vitalhealthcareproperty.co.nz/financial-results/>. This initiative will save approximately 252,000 pages of printing per annum and reduce our greenhouse gas emissions both through reducing printing and mailing.

Investors who would like to receive a printed Annual Report can request one by calling Computershare on +64 9 488 8777, emailing [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz) or mailing a request to: Computershare Investor Services Limited, Private Bag 92119, Auckland 1142.





Northwest (Australia and New Zealand) is the manager of Vital, with over 50 professionals in the region. We have offices in Auckland, Melbourne and Sydney.



TSX listed owner and manager of NZ\$ 10.3b of healthcare infrastructure across four continents.

## Vision

Be the leading global diversified healthcare real estate entity.

## Mission

Provide best in-class real estate solutions to the healthcare industry and deliver exceptional shareholder value to investors.

## Values



### EXCELLENCE

Delivering exceptional outcomes



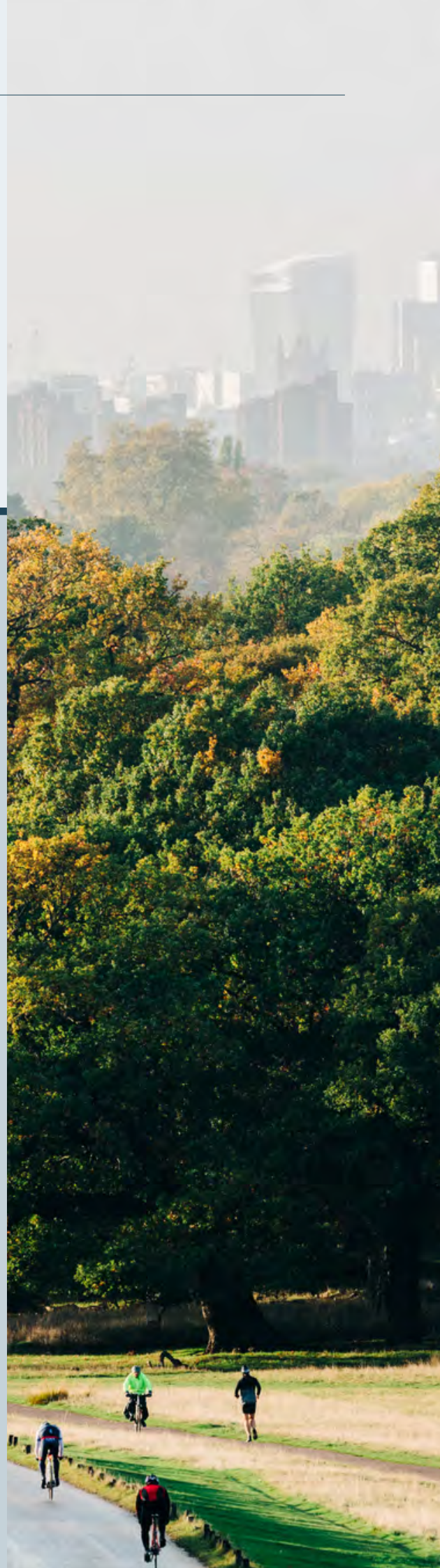
### INTEGRITY

Doing what's right



### PARTNERSHIP

Succeeding together





# Vital

HEALTHCARE  
PROPERTY TRUST

Vital is an NZX listed property trust which owns ~\$3.2b of healthcare property in New Zealand and Australia.

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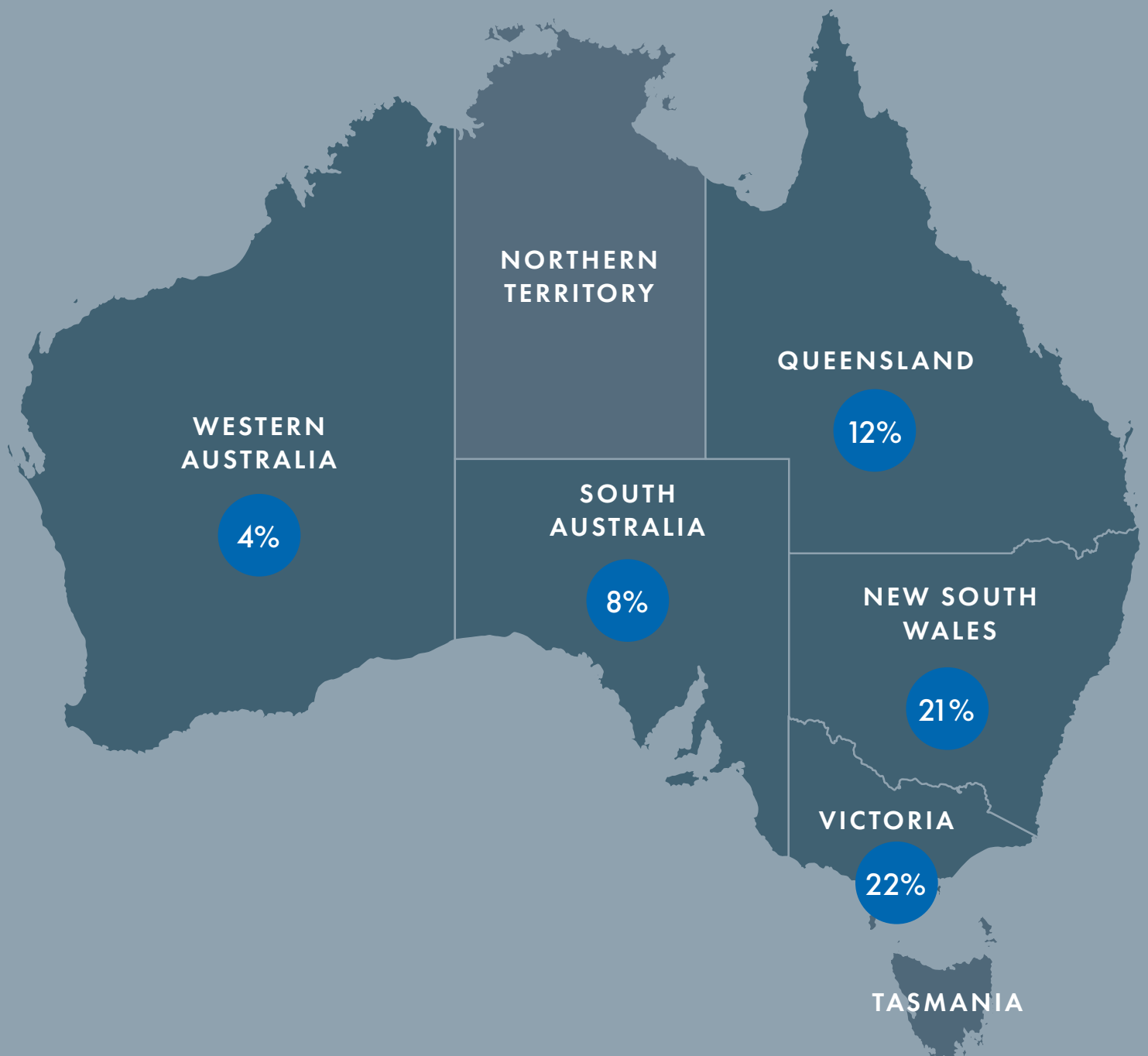
## Vision

To be Australia and New Zealand's leading listed healthcare property fund.

## Mission

Deliver stable and growing total Unit Holder returns, including an attractive risk-adjusted income distribution, sourced from healthcare real estate.

# Overview of Vital<sup>1</sup>

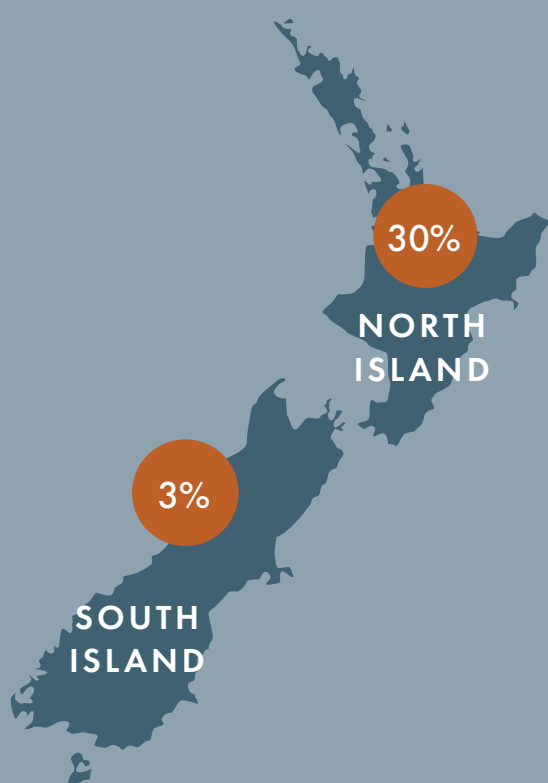


<sup>1</sup> All numbers quoted on this page relate to income producing properties only and exclude strategic land holdings.





Avive Clinic, Melbourne




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**\$3.2b**

PORTFOLIO  
VALUE

---

**5.5%**

WEIGHTED  
AVE CAP RATE

---

**\$148.8m**

NET PROPERTY  
INCOME

---

**18.5 years**

WALE

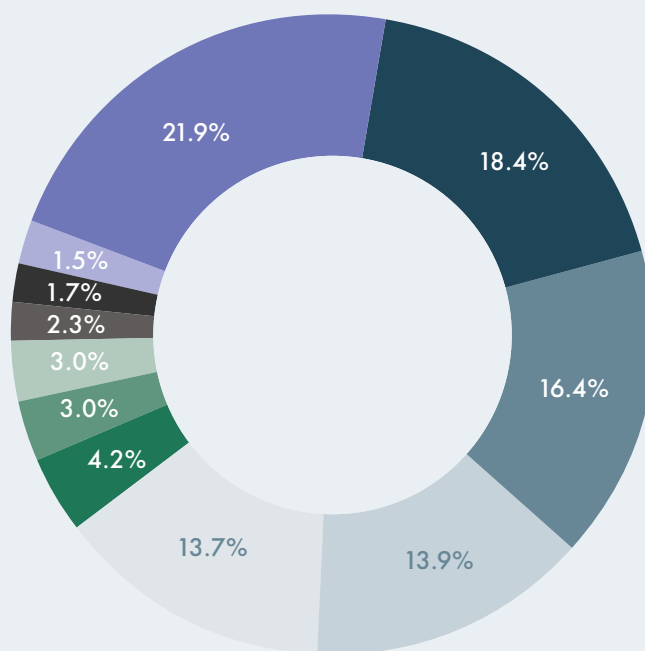
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# Key Numbers

## Tenant diversification

% of Rent

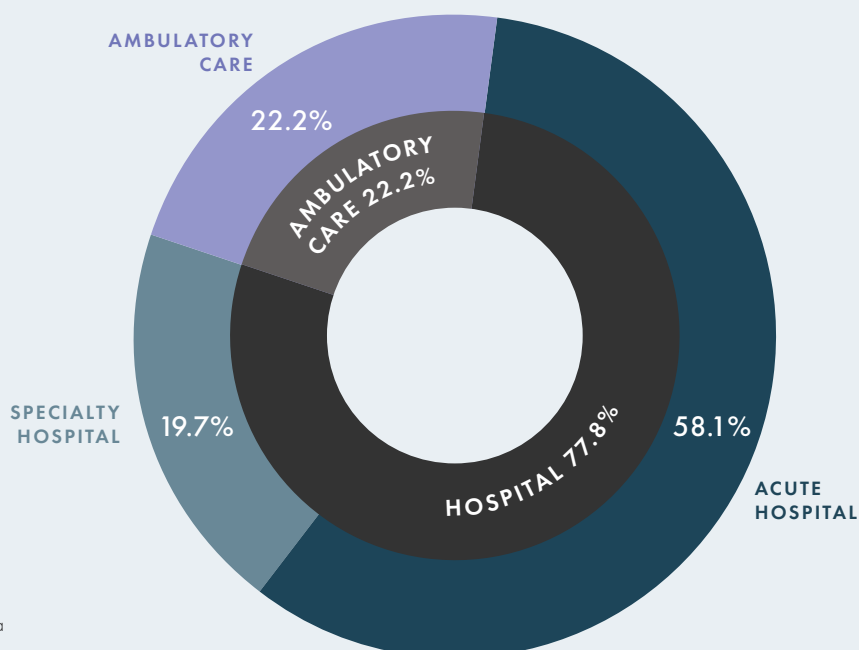
Aurora Healthcare	18.4%
Healthe Care	16.4%
Evolution Healthcare	13.9%
Epworth HealthCare	13.7%
Southern Cross	4.2%
Allevia	3.0%
Burnside	3.0%
GenesisCare	2.3%
Boulcott Hospital	1.7%
Endoscopy Auckland <sup>1</sup>	1.5%
Other	21.9%



## Sub-sector diversification

% of Value

Acute Hospitals	58.1%
Specialty Hospitals (mental health and rehabilitation)	19.7%
Ambulatory Care	22.2%



<sup>1</sup> Joint venture between Evolution Healthcare and Allevia



# 9.75cpu

FY26 DISTRIBUTION  
GUIDANCE

# \$4.9m

LIKE-FOR-LIKE NET PROPERTY  
INCOME GROWTH OVER FY25

# ~\$2.2b

COMMITTED AND POTENTIAL  
DEVELOPMENT PIPELINE



# 2.0%

DISTRIBUTION 10-YEAR CAGR  
PER ANNUM FY15 - FY25



# 42.1%

BALANCE SHEET GEARING



# FY25 Key Events

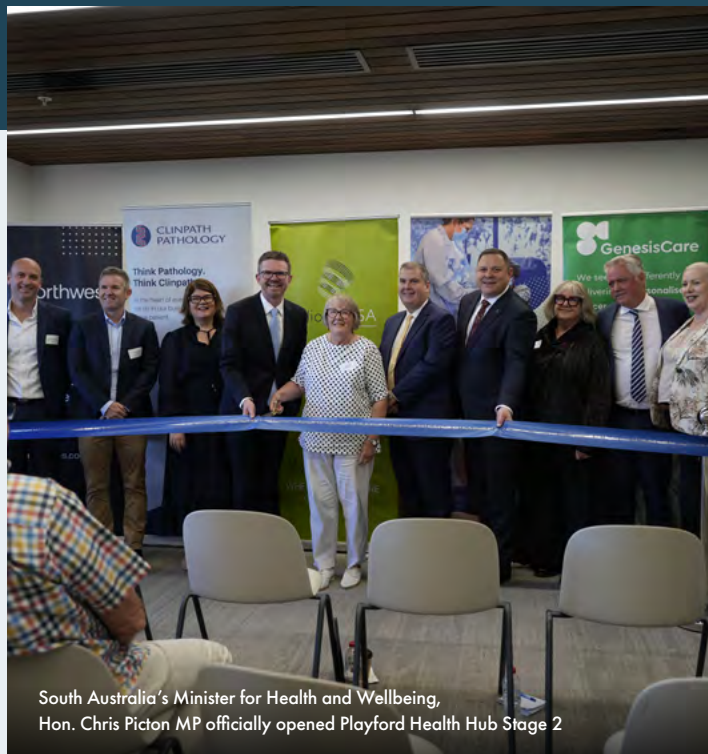
## QUARTER 1

### AUGUST 2024

- Grace Hospital Oropi Day Unit (Stage 4 of 5) reached practical completion.

### SEPTEMBER 2024

- Vital marked 25 years of being listed on the NZX.
- A\$16.0m Maitland Private Hospital expansion reached practical completion.
- PCNZ Property Conference delegates tour of Wakefield Hospital's redevelopment.



South Australia's Minister for Health and Wellbeing, Hon. Chris Picton MP officially opened Playford Health Hub Stage 2

## JULY 2024



Prime Minister Rt Hon. Christopher Luxon opened the Ormiston Hospital Stage 1 Expansion

## QUARTER 2

### OCTOBER 2024

- A\$57.4m Macarthur Health Precinct Stage 1 (GenesisCare Integrated Cancer and Health Centre) achieved Excellence in Sustainability – Commercial Category at the Master Builder's Association NSW 2024 Awards.
- GRESB – Vital was again recognised as a Global Sector Leader for ESG in Developments for listed healthcare globally.
- Prime Minister Rt Hon. Christopher Luxon opened the \$38.1m Ormiston Hospital Stage 1 Expansion, operated by Southern Cross Healthcare.
- Inaugural Climate Related Disclosure was released.





## QUARTER 3

### JANUARY 2025

- GenesisCare Integrated Cancer and Health Centre awarded 6 Star Green Star Design & As Built v1.3 certified rating.
- \$11.5m Level 5 expansion at Wakefield Hospital commenced.\*

### FEBRUARY 2025

- Health Minister Simeon Brown officially opened Wakefield Hospital Stage 2 redevelopment, which is operated by Evolution Healthcare.
- South Australia's Minister for Health and Wellbeing, Hon. Chris Picton MP officially opened the A\$43.4m Playford Health Hub Stage 2 tenanted by Calvary, Sonic Healthcare, GenesisCare, SA Health and Radiology SA.
- Keystone Trust Student awarded the 2025 Vital Healthcare Property Trust Keystone Scholarship.



Health Minister Simeon Brown officially opened Wakefield Hospital Stage 2

## JUNE 2025



Award-winning Ormiston Hospital Stage 1 Expansion

## QUARTER 4

### MAY 2025

- Ormiston Hospital Stage 1 Expansion achieved Gold in the Health category at the New Zealand Commercial Project Awards.
- Playford Health Hub Stage 2 awarded 6 Star Green Star Design & As Built v1.3 certified rating.

### JUNE 2025

- Ormiston Hospital Stage 1 Expansion achieved an Excellence award in Civic, Health and Arts Category at the PCNZ Awards.
- \$1.1b debt refinancing – Vital extended debt maturity to 3.83 years with improved terms and no maturities until March 2027.

\*Funding approved in May 2025.

# Manager's Report

Distributions of 9.75cpu delivered, underpinned by occupancy increasing to 98.6% and structured rent reviews.

## Tēnā koutou,

Northwest Healthcare Properties Management Limited (Northwest), the Manager of Vital Healthcare Property Trust (Vital), is pleased to report Vital's results for the year ended 30 June 2025 (FY25).

## FY25 highlights included:

- Like-for-like net property income (NPI) up 3.7%<sup>1</sup>.
- Enhanced occupancy of 98.6% with over 9,400sqm of vacancy leased, primarily space at recently completed developments.
- Distributions of 9.75cpu (consistent with guidance) delivered on a 93.6% AFFO pay-out ratio.
- Completed \$1.1b debt refinance, delivering improved terms and longer duration.
- Delivered two value enhancing developments:
  - A \$16.0m expansion of Maitland Private Hospital (NSW), completed in September 2024. This expansion provided additional mental health and surgical beds, day oncology chairs, consulting suites and car parking.
  - Stage 2 (\$91.5m) of Vital's \$141.4m investment into the redevelopment of Wakefield Hospital (WGN). This state-of-the-art facility was officially opened by the Hon. Simeon Brown, Minister of Health in February 2025.
- Commenced an \$11.5m capacity expansion of Wakefield Hospital in June 2025.
- Awarded Sector Leader (the highest possible achievement) by GRESB for ESG in healthcare for listed entities globally for development.
- Profitability of our underlying hospital tenants improved with key rental affordability metric increasing to 57% from 51%.<sup>2</sup>

## Our commitment to sustainability

Vital's approach to sustainability is grounded in understanding and addressing the ways our operations affect both people and the environment. We remain committed to actively enhancing our long term sustainability outcomes, both commercially and for the communities in which we operate.

In FY25 we released our first climate-related disclosure, aligned with the Aotearoa New Zealand Climate Standards developed by the External Reporting Board (XRB). This sets out our climate governance, strategic priorities, risk approach and performance measures.

Key highlights this year include:

- Submission to GRESB for the fifth consecutive year, demonstrating continued transparency and performance benchmarking. Results are expected in October 2025.
- Commenced climate-resiliency property assessments to better understand and manage physical climate risks.
- Achieved 6 Star Green Star Design & As Built certifications at Playford Health Hub Stage 2 and the GenesisCare Integrated Cancer Centre, seeking to deliver sustainable design, construction and resilient properties.
- Continued implementation of our Reflect Reconciliation Action Plan (RAP), tracking against key initiatives that support reconciliation and cultural awareness.
- Leveraged an industry-leading modern slavery platform, with suppliers actively participating in risk assessments and transparency efforts.

## Portfolio overview

Active asset management remained a high priority throughout FY25.

Over 51,000sqm of space were leased, extended or renewed during the year, representing 22% of Vital's total income and 20% of the portfolio's lettable area, locking in secure, defensive and long term cashflows for Unit Holders.

These strong leasing outcomes, including over 9,400sqm of new leasing activity, lifted portfolio occupancy from 98.0% to 98.6% and increased weighted average lease expiry (WALE) by 0.2 years to 18.5 years, despite the passage of time.


It is worth noting that Vital's WALE was 18.1 years in FY20, increasing despite five years passing reflecting leasing, developments, divestments, acquisitions and other initiatives undertaken during this time.

The weighted average valuation capitalisation rate on Vital's property portfolio softened to 5.54% at 30 June 2025, resulting in an unrealised value reduction of \$96.7m. Signs have emerged that valuations are stabilising.

<sup>1</sup> On a like-for-like, constant currency basis

<sup>2</sup> Rent cover ratio = Rent / EBITDAR (Earnings before interest, tax, depreciation, amortisation and rent) for last twelve months to 31 March 2025.



 **3.7%**

**INCREASE IN LIKE-FOR-LIKE  
NET PROPERTY INCOME**

 **~\$3.2b**

**PROPERTY  
PORTFOLIO**



**2024 GRESB SECTOR  
LEADER - DEVELOPMENTS**

In conjunction with our highly supportive banking group, \$1.1b of debt extensions were completed in the year resulting in:

- Improved terms, multicurrency flexibility and pricing enhancements
- 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



Playford Health Hub, Adelaide

## Developments

Good progress was made during the financial year in completing Vital's committed developments.

The projects at Maitland Private Hospital and Wakefield Hospital totalling \$108.8m were successfully operationalised in FY25.

New opportunities are being considered on a selective value adding basis and include the commencement of a new \$11.5m capacity expansion project at Wakefield Hospital.

At 30 June 2025, Vital had \$249.9m of developments under way in New Zealand and Australia, with approximately \$36.9m remaining to spend (excluding land costs).

## Acquisitions

No significant acquisitions were made during FY25.

## Divestments

Over FY25, the following assets were divested, realising gross proceeds of \$49.7m:

1. In October 2024, the sale of Hironnelle Private Hospital (NSW) to a private investor settled for A\$24.0m.
2. In December 2024, Epworth Rehabilitation (VIC) was sold with vacant possession to Arcare for A\$19.3m as services ceased at this facility. This sale included two adjacent residential houses.
3. In May 2025, a residential house in Sydney no longer required for expansion of a nearby Vital asset was sold for A\$1.7m.

The above sales were achieved at an average 7.0% discount to book value.

## Net property income

Net property income increased by 3.7% over FY25 (on a like-for-like, constant currency basis), reflecting contributions from the structured rent reviews from the portfolio, improved occupancy and leasing outcomes.

In FY25, approximately 83% of Vital's rent was linked to CPI, with 75% of this having a weighted average annual cap of ~3.6% with the balance being uncapped. This rent review structure is designed to provide Vital's Unit Holders with sustainable income growth opportunities.

## Financial results

Cash from operations (measured by AFFO) was \$70.4m (down 3.5%) and 10.41cpu (down 4.5%). This outcome reflects increased tax expense, following law changes, and interest expense versus growth in net property income after taking into account the impact of completed developments and divested property.

Expenses were \$71.4m, 1.1% higher than FY24 reflecting higher borrowings costs and strategic transaction costs, offset by lower management fees.

Vital's NTA per unit decreased by 7.9% to \$2.47 primarily due to \$96.7m of unrealised property revaluation losses attributable to +23bps portfolio capitalisation rate softening, partially offset by development margin gains, rental growth and leasing. Additionally there were \$28.7m of unrealised fair value losses on the value of derivatives driven by the declining interest rate environment.

## Capital management

Vital's strong balance sheet was maintained throughout FY25, with gearing as at 30 June 2025 of 42.1%, well below financial covenants.

During FY25, with the strong support from Vital's banking partners, over \$1.1b of debt facilities were extended on improved terms and flexibility resulting in a weighted average duration of 3.8 years at 30 June 2025 and no debt maturing until March 2027. 82% of Vital's borrowings were hedged at an average fixed rate of 3.32% at 30 June 2025.

Vital's distribution reinvestment plan remained active for FY25 raising \$6.2m to fund Vital's development opportunities. A 2.0% issue price discount applied on and from the third quarter distribution payment.

## FY26 guidance

The Board and management are pleased to provide FY26 distribution guidance of 9.75cpu (payable quarterly), consistent with FY25 distributions.

Refer to disclaimer on back page of this report for limitations to this guidance.



## New Zealand healthcare sector

New Zealand's private healthcare sector continues to perform well, with strong underlying demand for services being experienced by our key hospital tenants.

Signs have recently emerged of the stabilisation in property valuations and construction costs, although still high, are moderating. We expect demand for new private healthcare infrastructure to emerge over the coming year.

## Australian healthcare sector

The broader Australian healthcare sector is showing signs of emerging from its recent short-term challenges, as pressures from health inflation, private health insurance funding dynamics and higher interest rates begin to moderate.

Hospital operator profitability continues to improve as the impact of recently renegotiated private health insurance rates takes effect, however this has yet to fully translate into broader confidence in the sector.

## Longer term healthcare sector thematic

Over the long-term, sector thematic for New Zealand and Australian healthcare services are unchanged and positive. A strong and viable private healthcare sector remains fundamental to the delivery of healthcare services across both countries.

Ageing and growing populations, rising life expectancies and continued technological advancements in health solutions, combined with public funding capacity constraints underpin Vital's confidence in the sector and its ability to deliver long-term risk adjusted returns for Unit Holders.

## Vital's strategic positioning

Vital's property portfolio is characterised by high-quality, well located healthcare properties with embedded development opportunities that can be activated over time.

This, combined with high income security afforded by a long weighted average lease term (WALE) to a high-quality and diversified tenant mix, provides the expectation for Vital to deliver long term Unit Holder value.

## FY26 outlook

We believe the Vital business is well placed for FY26 and beyond as we begin to see many 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 diversified tenant base and opportunities to leverage the embedded value in the Vital portfolio.

The Board and management remain confident around Vital's strategy for delivering medium-long term returns for our Unit Holders.

We encourage you to join us and look forward to welcoming you to our Annual General Meeting being held on 6 November 2025.

## Nā māua noa, nā



Graham Stuart  
Independent Chair




Chris Adams  
Co-Head A/NZ Region



13 August 2025  
Northwest Healthcare Properties Management Limited,  
the Manager of Vital Healthcare Property Trust

Vital has completed over \$272m of capital recycling initiatives since FY23, including ~\$50m in FY25, investing the proceeds from the sale of these non-core properties into high-quality developments like the recently completed Maitland Private Hospital expansion and the redeveloped

Wakefield Hospital. This focus on actively curating the property portfolio, offers the potential for enhanced Unit Holder return benefits over the medium term, reflecting enhanced property quality, resilience and performance.

# Financial Summary

## Financial summary

All figures are in New Zealand dollars (NZD) unless otherwise stated

	FY21	FY22	FY23	FY24	FY25
<b>Financial Performance</b>					
Net property income	109,663	123,018	145,224	144,533	148,834
Revaluation gain/(loss) on investment properties	235,383	244,239	(208,553)	(165,244)	(96,722)
Net interest expense	27,684	28,983	37,770	40,606	45,169
<b>AFFO and distributions</b>					
Adjusted Funds From Operations (AFFO) <sup>1</sup>	57,457	67,824	73,335	72,899	70,369
AFFO (cpu)	11.54	11.92	11.18	10.90	10.41
Cash distribution to Unit Holders (cpu)	8.88	9.63	9.75	9.75	9.75
<b>Financial Position</b>					
Total assets	2,662,560	3,399,834	3,429,712	3,304,759	3,248,092
Borrowings	929,300	1,018,777	1,239,156	1,287,477	1,363,639
Total equity	1,503,451	2,165,876	1,957,383	1,805,126	1,679,515
Debt to total assets ratio (%)	35.0	30.0	36.3	39.1	42.1
Net tangible assets (\$ per unit)	2.89	3.34	2.96	2.69	2.47

## Portfolio metrics

All figures are in New Zealand dollars (NZD) unless otherwise stated

	2021	2022	2023	2024	2025
Investment properties (\$m)	2,634.0	3,339.0	3,381.0	3,240.0	3,212.0
Number of investment properties <sup>1</sup>	41	46	45	36	34
Occupancy (%)	99.2	98.8	98.9	98.0	98.6
Weighted average lease term to expiry (years)	18.7	17.6	17.8	18.3	18.5
12 month lease expiry (% of income)	1.7	1.7	1.8	1.2	1.7

<sup>1</sup> Excludes properties held for development



# Asset Allocation

The indicative target asset allocations listed below provide an indication of how we could move the portfolio over time subject to appropriate acquisition and / or development opportunities becoming available.



## HOSPITALS

### Comprises

Public, private, speciality, rehabilitation and mental health hospitals

### Targeting

Government supported or high private health insurance catchments with growing populations

Indicative target portfolio weighting

# 50 - 70%

(30 June 2025: 78%)

Hospitals are expected to remain the core of Vital's portfolio.



## OUT-PATIENT/AMBULATORY CARE

### Comprises

Administration, diagnostic services and specialist consulting, primary care out-patient facilities

### Targeting

Facilities located in a healthcare precinct<sup>1</sup> and/or from where healthcare is delivered

Indicative target portfolio weighting

# 10 - 20%

(30 June 2025: 18%)

Ambulatory care is expected to be a key growth area in Australia and New Zealand reflecting shifts in healthcare delivery models in both countries.



## AGED CARE

### Comprises

Residential aged care facilities (excluding retirement facilities)

### Targeting

High quality operators with substantial balance sheets and <45.0% rent/EBITDAR and high-quality infrastructure

Indicative target portfolio weighting

# 10 - 20%

(30 June 2025: 0%)

Ageing population in Australia and New Zealand presents continued investment opportunity in aged care. The asset class remains a growth target for Vital subject to identification of suitable opportunities of scale.



## LIFE SCIENCES/RESEARCH

### Comprises

Biotechnology, pharmaceutical, biomedical, university, health education and other research facilities

### Targeting

Specialised facilities and/or facilities located in a healthcare precinct<sup>1</sup>

Indicative target portfolio weighting

# 5 - 15%

(30 June 2025: 4%)

Expected to increase on completion of RDX.

<sup>1</sup> Healthcare precinct = area or hub for healthcare delivery typically including at least two of a public hospital, major private hospital, health teaching facility or health research facility

# Australian Portfolio Overview



## PRIVATE HOSPITALS

- 14 hospitals (acute and specialty – mental health, rehabilitation)
- 5 hospital operators
- 83.0% of AUS portfolio value; 86.0% of AUS portfolio rent
- WALE: 20.7 years



## AMBULATORY CARE

- 6 assets, multiple tenants
- 17.0% of AUS portfolio value; 14.0% of AUS portfolio rent
- WALE: 9.5 years





## SOUTH AUSTRALIA

- Burnside Hospital - Stepney
- Playford Health Hub – MOB, Retail and Carpark
- Tennyson Centre



## QUEENSLAND

- Belmont Private Hospital
- Currumbin Clinic



## NEW SOUTH WALES

- GenesisCare Integrated Cancer and Health Centre
- Hurstville Private Hospital
- Kellyville Private Hospital
- Lingard Day Centre
- Lingard Private Hospital
- Maitland Private Hospital
- Toronto Private Hospital



## WESTERN AUSTRALIA

- Abbotsford Private Hospital
- Marian Centre



## VICTORIA

- 120 Thames Street
- Avive Clinic Mornington Peninsula
- Eker Medical Centre
- Epworth Camberwell
- Epworth Eastern Hospital
- South Eastern Private Hospital

# ~\$2.1b

20<sup>1</sup> PROPERTIES (AUS)

Full details of individual properties are available at:

[www.vitalhealthcareproperty.co.nz/portfolio/](http://www.vitalhealthcareproperty.co.nz/portfolio/)

<sup>1</sup> Income Producing Property (excludes strategic assets)

# New Zealand Portfolio Overview



## NORTH ISLAND

- Ascot
- Ascot Carpark (Right of Use)
- Ascot Central
- Boulcott Hospital
- Bowen Hospital
- Endoscopy Auckland
- Grace Hospital
- Hutt Valley Health Hub
- Kensington Hospital
- Ormiston Hospital
- Royston Hospital
- Wakefield Hospital



## SOUTH ISLAND

- 68 Saint Asaph Street
- Kawarau Park Health Hub



## PRIVATE HOSPITALS

- 9 hospitals (all acute)
- 6 hospital operators
- 84.1% of NZ portfolio value;  
84.3% of NZ portfolio rent
- WALE: 19.2 years



## AMBULATORY CARE

- 5 assets, multiple tenants
- 15.9% of NZ portfolio value;  
15.7% of NZ portfolio rent
- WALE: 10.2 years





Ormiston Hospital Stage 1 Expansion, Auckland

~\$1.1b

14 PROPERTIES (NZ)

Full details of individual  
properties are available at:

[www.vitalhealthcareproperty.co.nz/portfolio/](http://www.vitalhealthcareproperty.co.nz/portfolio/)



# Completed Developments

During FY25, Vital completed two developments with a total development cost of \$108.8m. Details of the completed developments follow on pages 24-25 of this report.









## Wakefield Hospital - Stage 2

Wakefield Hospital has undergone a major transformation to deliver leading healthcare services and is the largest private hospital in Wellington. Vital's contribution capped at a total of \$141.4m all in cost for Stage 1 and 2, was reached in June 2024 with the balance funded by operator Evolution Healthcare.

Spanning 6 storeys across multiple buildings and connected via a spacious atrium, this redevelopment provides a seismically resilient facility with 7 fully digital operating theatres, 2 cardiac catheterisation labs, 10 ICU/ HDU beds, a 37-bed inpatient ward, 3,000sqm specialist medical consulting suite, full radiology unit and new administration and front of house areas.



# ~\$141.4m

TOTAL DEVELOPMENT COST  
(INCLUDING \$91.5M FOR STAGE 2)



## 47

NEW BEDS INCLUDING  
10 HDU/ ICU BEDS



## ~10,000sqm

NLA STAGE 2 ONLY



## 1 km

TO WELLINGTON  
PUBLIC HOSPITAL



## 5.9%

% OF VITAL'S  
PORTFOLIO



## January 2025

OPERATIONS  
COMMENCED



Passive design,  
thermal performance  
and energy efficient  
systems

SUSTAINABILITY  
FEATURES



# Maitland Private Hospital

Located in NSW, servicing the Maitland and greater Hunter region, the two stage expansion increased services capacity for mental health and oncology for operator Healthe Care.

The initial stage of the redevelopment built a new level above the existing mental health ward supporting an increase in the mental health service capacity by 24 beds, including high quality consulting suites, communal areas, group rooms and gymnasium.

The second stage relocated the day oncology unit, providing an increase of 5 chairs to 12, creating an improved space for the provision of services, whilst leveraging the views of the Hunter region.

An additional 67 car parks and improvements to the hospital entry interface and roadways were also completed as part of Stage 2.

 **~A\$16.0m**  
DEVELOPMENT COST



**24**  
NEW MENTAL HEALTH  
BEDS + 4 SURGICAL  
BEDS REFURBISHED



**1,155sqm**  
NLA



**1.8km**  
TO MAITLAND  
HOSPITAL



**4.7%**  
% OF VITAL'S  
PORTFOLIO



**September 2024**  
PRACTICAL COMPLETION  
ACHIEVED



Utilisation of existing  
common plant to  
minimise additional  
infrastructure

SUSTAINABILITY  
FEATURE





# Asset Management Case Study

Wakefield Hospital, acquired by Vital in 2017, has been transformed to provide high quality healthcare in a state-of-the-art private hospital and specialist facility, in partnership with Evolution Healthcare.

- Vital has contributed a total of \$141.4m to the major redevelopment of Wakefield Hospital (Stage 1 and 2).
- The asset is strategically located ~1 km from the Wellington Public Hospital.
- A 30-year lease term will commence from Stage 2b practical completion, forecast for late 2025.
- Level 5 expansion commenced in January 2025 to fitout 34 additional surgical beds, unlocking existing shell space, with a blended net yield of ~7.0%.
- Future operating theatre expansion planning is already under way to meet healthcare demand.

Under Vital’s ownership, the redevelopment has transformed the facility, delivering improved sustainability and seismic resilience, increased rental income, lease duration and property valuation.



	4 MAY 2017 (AT ACQUISITION)	30 JUNE 2025	IMPROVEMENT
Rental Income	~\$1.4m	~\$11.1m	693.0%



# Leasing Highlights



## 68 ST ASAPH STREET

- Renewed car parking agreement - designed to optimise operations and increase income
- New Lease to Basis, improving occupancy to 82%, up from 71.1% in FY24
- Strong interest in remaining unlet space



## 120 THAMES STREET

- Vacancies successfully leased
- Asset occupancy 100.0% post balance date, up from 75.7% in FY24



## TENNYSON CENTRE

- Strong tenant retention with all major tenants renewed, maintaining asset occupancy at 100.0%
- WALE 6 years



## ASCOT HEALTH PRECINCT<sup>1</sup>

- Ascot Central
  - ~4,800sqm GFA
  - 100.0% leased, up from 96.9% in FY24
  - 15 tenants, anchor tenant Fertility Associates
  - WALE ~5.0 years
- Ascot
  - ~11,400sqm GFA
  - 100.0% leased, up from 98.4% in FY24
  - 11 tenants, anchor tenant, Allevia Health
  - WALE ~15 years
- Ascot Carpark
  - 97.3% leased, up from 91.5% in FY24



## PLAYFORD HEALTH HUB

- Strong tenant covenants including being anchored by the South Australian Government (OPERA Clinic and Lyell McEwin Renal Dialysis unit)
- Occupancy increased to 92% since practical completion in May 2024

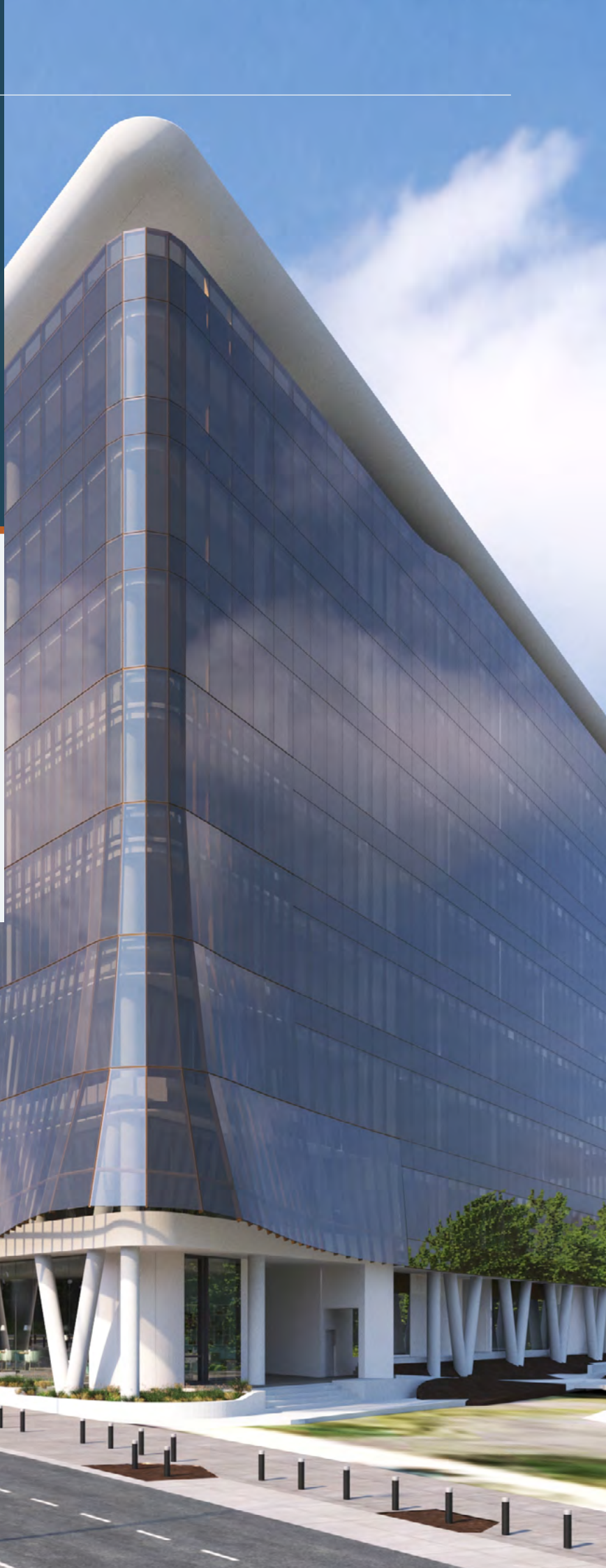
<sup>1</sup> Health Precinct = area or hub for healthcare delivery typically including at least two of a public hospital, major private hospital, health teaching facility or health research facility

# Committed Developments

Vital has five committed developments under way at a total projected cost of \$249.9m with \$36.9m remaining to spend.

Vital's committed and potential development pipeline of ~\$2.2b (assuming strategic land is fully developed)<sup>1</sup> remains extensive with a focus on asset resilience, quality and portfolio growth.

<sup>1</sup> This potential development pipeline is expected to be delivered over a long period of time (~10 years) and is subject to market conditions being supportive and a range of other requirements including minimum tenant precommitments.





# Boulcott Hospital, Wellington

Immediately adjacent to the public Hutt Valley Hospital and Vital owned Hutt Valley Health Hub, Boulcott Hospital is undergoing a refurbishment and expansion to increase theatre capacity and support services, whilst maintaining operational continuity.

This complex refurbishment and expansion includes 2 additional operating theatres, increased capacity within the day stay and recovery units, a new kitchen and associated support services.

Master planning has commenced for future expansion at Boulcott Hospital and Vital's adjacent site at Hutt Valley Health Hub.

## SUSTAINABILITY FEATURES



An Importance Level 3 facility (building code and seismic rating compliance)



Energy efficient systems



Passive design and thermal performance



Reduced embodied carbon



**\$24.8m**

estimated development cost



**~6.0%**

yield on cost



**20.0 years<sup>1</sup>**

WALE



**Mid-25**

forecast completion

<sup>1</sup> Estimated on practical completion



Boulcott Hospital, Wellington (Theatre - under construction)



## Endoscopy Auckland, Epsom

Adjacent to the existing Vital owned Endoscopy Auckland on Gillies Avenue in Epsom, this 1,400sqm new stand alone endoscopy and day surgery facility at 22 Kipling Avenue is under construction and will be operated by a joint venture between Evolution Healthcare and Allevia Health.

This 3-storey facility will provide 4 procedure rooms, a sterile services department, associated support services and basement parking. Construction works are materially progressed with internal fitout works well under way.

Consent for an on grade car park at 24 Kipling Avenue to support the new facility has been granted and works are expected to commence in August 2025.

 **\$32.2m**  
estimated  
development cost

 **~5.4%**  
yield on cost

 **20.0 years<sup>1</sup>**  
WALE

 **Mid-late-25**  
forecast completion

<sup>1</sup> From practical completion

### SUSTAINABILITY FEATURES



An Importance Level 3 facility (building code and seismic rating compliance)



Reduced embodied carbon



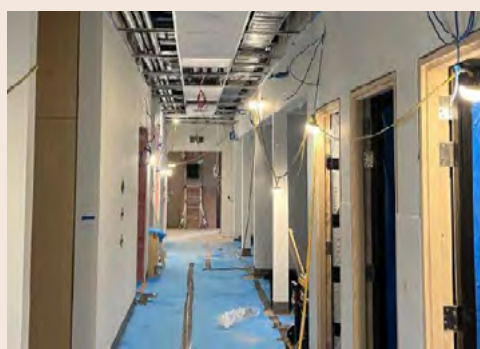
Passive design and thermal performance



Energy efficient systems



5 Star Green Star design review rating has been lodged



Render




# Wakefield Hospital Level 5 Expansion, Wellington


Wakefield Hospital’s new acute services building commenced operations in January 2025. Almost immediately, demand for the future 34-bed ward within the Level 5 shell space triggered the need for expansion.

Fitout works to the ward are under way and will increase the hospital bed capacity to 81-beds (including 10 existing HUD/ ICU beds). Expansion works are a reflection of the significant healthcare demands at Wakefield Hospital and to enable future growth of the facility.


Beds will be commissioned in two phases with first 16-beds operational in late 2025 and the remaining 18-beds operational in mid 2026.




**\$11.5m**  
estimated  
development cost



**~ 7.0%**  
fully let blended yield



**30.0 years<sup>1</sup>**  
WALE



**Late-25**  
forecast completion

<sup>1</sup> From practical completion

## SUSTAINABILITY FEATURES



An Importance Level 3 facility (building code and seismic rating compliance) with the addition of base isolators and accelerometers designed to exceed the latest seismic standards



Building services designed around stepped isolation plane and movement joints



Reduced embodied carbon



Passive design and thermal performance



Energy efficient systems



## RDX, Gold Coast

RDX Lumina is a state-of-the-art health and research focused facility under construction within the Gold Coast Health and Knowledge Precinct (GCHKP). By connecting place and possibility, our aim is to provide real estate solutions for world-class life science occupiers and innovators within RDX's premier facility.

RDX spans 9 storeys and features sustainable design, targeting a 6 Star Green Star rating, a first-in-precinct accomplishment. The building offers a mix of clinical, research, laboratory and specialist consulting spaces, with tenancies available for lease now. Construction is well progressed with practical completion delayed to early 2026 due to inclement weather (Cyclone Alfred) and to accommodate the rework of the feature atrium. Located adjacent to the Gold Coast Private Hospital, RDX offers attractive amenity and convenience for healthcare users and clinicians.



**A\$134.2m**

total cost excl land  
(A\$7.2m)



**~5.6%**

forecast fully let  
blended yield



**Early-26**

forecast completion

### SUSTAINABILITY FEATURES



Reduced embodied  
carbon



End of trip facilities  
and EV charging



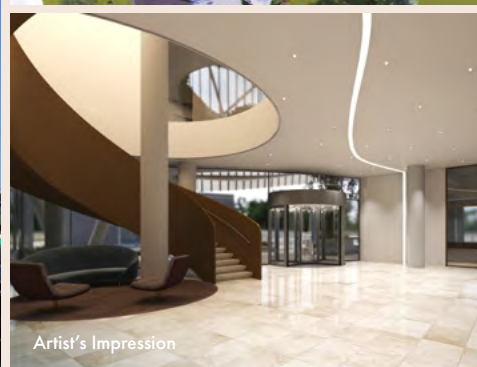
All electric building  
powered by  
renewable energy



Climate scenario  
analysis and  
adaptation  
undertaken



Targeting 6  
Star Green Star  
certification





# Grace Hospital, Tauranga

In partnership with the hospital operator (a joint venture between Evolution Healthcare and Southern Cross), Grace Hospital continues to undergo significant expansion.

A multi staged redevelopment, 4 of 5 works packages are now complete.

Oropi Day Unit endoscopy expansion reached practical completion in August 2024.

The final works package, a 10-bed inpatient unit expansion is currently under construction with internal services and lining under way.

As the only private surgical hospital in the Bay of Plenty, this major refurbishment and expansion of Grace Hospital responds to the healthcare needs of the community.



**\$36.7m**

estimated  
development cost



**~5.5%**

yield on cost



**24.5 years<sup>1</sup>**

WALE



**Mid-26**

forecast completion

<sup>1</sup> Estimated on practical completion

## SEISMIC AND SUSTAINABILITY FEATURES



An Importance Level 3 facility (building code and seismic rating compliance)



Energy efficient systems



Passive design and thermal performance



Reduced embodied carbon



# Sustainability

## Whakataukī Māori proverb

Whāia te iti kahurangi ki te tūohu koe me he maunga teitei.

*Seek the treasure you value most dearly. If you bow your head, let it be to a lofty mountain.*

## Acknowledgement of country

Northwest acknowledges the Traditional Owners of Country throughout Australia, especially the lands on which we live and work, and recognises their continuing connection to lands, waters and communities.

Northwest also acknowledges the Rangatiratanga of Māori as Tangata Whenua and Treaty of Waitangi partners in Aotearoa New Zealand. We pay our respects to all First Nations peoples and to Elders past, present and emerging.

## Sustainability framework

Through the development and revitalisation of healthcare facilities, Vital and Northwest strive to deliver lasting value for our tenants, support the wellbeing of our people, protect the environment and strengthen our communities. This purpose-driven approach informs how we invest and act, underpinning our broader sustainability ambitions.

To support progress across each sustainability pillar, Northwest has established a set of global Key Performance Indicators (KPIs), which are monitored at the regional level. This report outlines the A/NZ region's performance against these KPIs, with results disclosed under each corresponding pillar.



### HEALTHY PLANET

Contributing to a more sustainable future.



### THRIVING PARTNERS

Empowering healthcare providers to deliver better outcomes.



### INCLUSIVE COMPANY

Building a strong and engaged workforce.



### STRONG COMMUNITIES

Investing in the health and vitality of our communities.



### ENABLERS

Advancing our sustainability strategy through strong governance structures and transparency.

Governance

Reporting and Disclosure



## The practicalities of ESG – from framework to action

Having established a clear sustainability framework and robust set of strategic pillars, the real test lies in how these principles translate into day-to-day decision-making, investment choices and stakeholder outcomes. For Vital and Northwest, sustainability is not a peripheral commitment, it is a fundamental lens through which we manage risk, identify opportunities and seek to deliver long-term value for all stakeholders, including our investors, tenants, employees and the communities we serve.

In this sustainability section, we demonstrate how our strategy is embedded into the practical realities of our business operations. From integrating climate resilience into asset management plans, to seeking to drive measurable reductions in energy use, to working closely with partners across our supply chain to ensure ethical and responsible practices.

We also recognise that achieving genuine progress requires moving beyond ambition to accountability. That means disclosing transparently against global reporting standards and holding ourselves to a higher bar year over year. Whilst challenges remain, we continue to integrate sustainability considerations into our business operations to improve risk management, operational performance and long-term planning.



Kapa Haka Group from South Wellington Intermediate School performing during the Wakefield Hospital Stage 2 redevelopment official opening



# Targets and Achievements

## FY25 key ESG highlights



**661**

hours of staff volunteering



**98.1%**

improvement in air quality  
at Tennyson Centre



**27**

assets have a Green Star\*  
Performance rating



**7**

developments are  
targeting a minimum of 5  
Star Green Star\* ratings



**489.4 Mwh**

solar generation across  
Vital assets



**100%**

of landlord controlled  
sites have emergency  
preparedness plans in place



**We buy  
GreenPower™**

**100%**

of landlord controlled base building  
electricity contracts use renewable energy

\* Refer to page 49 for details on Green Star ratings



Certified by the Green Building Council of Australia  
under the Green Star Design & As Built rating tool

## Playford Health Hub - Stage 2

South Australia's first 6 Star Green Star  
certified medical office building

## GenesisCare Integrated Cancer and Health Centre, Sydney

6 Star Green Star



Playford Health Hub, Adelaide



GenesisCare Integrated Cancer and Health Centre, Sydney

## Materiality

In 2024, Northwest, as manager of the Vital portfolio, undertook a comprehensive update of its materiality assessment to ensure we remain focused on the sustainability topics that are most significant, both in terms of their impact on the environment, people and communities, and their financial relevance to our long-term performance.

This updated assessment adopts double materiality principles, recognising that sustainability is multifaceted and requires consideration of:

**1. Impact materiality** – how our activities affect the environment and broader society, and

**2. Financial materiality** – how sustainability-related risks and opportunities may influence business performance and value creation.

The evaluation spanned actual and potential impacts—both positive and negative—across Vital’s operations and value chain, including business relationships and asset lifecycle activities.

Playford Health Hub, Adelaide

## Materiality process

1

### TOPIC IDENTIFICATION

Priority topics were identified through alignment with internationally recognised sustainability frameworks and standards, including:

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- European Sustainability Reporting Standards (ESRS)

In addition, Northwest considered investor expectations, emerging ESG themes and priority issues identified in the previous 2021 materiality assessment.

2

### STAKEHOLDER ENGAGEMENT

Engagement with stakeholders was a core part of the process. Through a combination of interviews and surveys, Northwest gathered input from:

- Management and employees across both Northwest and Vital
- Tenants and healthcare operators
- Suppliers and service providers
- Investors and ESG analysts

This process helped ensure that our sustainability priorities are reflective of the expectations and insights of those most connected to and impacted by our business.



## TIER 1 PRIORITY TOPICS

- Building certifications
- Corporate ethics and governance
- Diversity, equity and inclusion
- Employee health and safety
- Energy management
- Regulatory compliance
- Tenant safety, wellbeing and inclusivity
- Tenant satisfaction and experience
- Waste management

The nine Tier 1 topics identified represent our priority focus, providing clear direction for targeted action and resource allocation. These priorities are subject to review as stakeholder expectations and operating conditions evolve and are supported by other important themes also embedded in our broader strategy.

● Healthy Planet    ● Thriving Partners    ● Inclusive Company    ● Enablers

### 3

## PRIORITISATION OF TOPICS

Each of the 27 sustainability topics evaluated were assessed for both impact and financial significance, and scored using a structured rubric. The topics were then plotted on a materiality matrix to clearly map their relative priority.

### Key outcomes

Nine topics emerged as Tier 1 priorities, representing the highest significance due to their potential for material impact on the environment, society and financial performance.

Tier 2 topics were also recognised for their importance, particularly where they ranked highly from either an impact or financial materiality perspective, such as Climate Adaptation and Corporate Philanthropy and Volunteerism.

### 4

## INTEGRATION OF FINDINGS

Following completion of the assessment, the findings were reviewed and validated by Northwest's Corporate Sustainability Team and Executive Leadership Team. These insights were directly used to:

- Refresh our sustainability strategy
- Update our key performance indicators (KPIs)
- Inform new and evolving sustainability-related commitments
- Restructure our sustainability reporting framework based on the themes and pillars that emerged as top priorities



# Enablers



## Governance of ESG

Vital operates under a robust governance framework that integrates climate and sustainability considerations into decision-making at all levels. The Board holds ultimate responsibility for overseeing climate-related risks and opportunities, ensuring that environmental objectives are embedded in Vital's strategic direction. The Board reviews climate-related disclosures and metrics, including progress toward Vital's net zero 2050 target and maintains visibility through structured quarterly reports, updates from management and dedicated climate-focused sessions held throughout the year. These sessions included targeted training on climate disclosure frameworks and evolving legal obligations for directors.

Supporting this oversight, the Operational Risk Committee (ORC) and Climate Working Group (CWG) play central roles in identifying, assessing and managing material climate risks and opportunities. These bodies report into the Board

via Vital's leadership team, which includes the Heads of the A/NZ Region, CFO and Regional General Counsel. The CWG also collaborates closely with Northwest's Global Sustainability Team to ensure that emerging issues are escalated appropriately. The CWG meets quarterly to assess emerging climate risks, including asset-level vulnerabilities and transition risks, and escalates material issues to the ORC. These insights are incorporated into key business processes, including acquisitions, divestments and developments, where climate considerations are embedded in due diligence checklists and capital planning. Vital's Audit Committee is tasked with reviewing the integrity of climate-related disclosures, verifying compliance with regulatory standards and ensuring that appropriate internal controls and external assurances are in place for climate reporting. This layered structure ensures that sustainability remains a core focus of governance at Vital.



## ESG working groups

In addition to the Climate Working Group and Operational Risk Committee, Vital has established dedicated working groups focused on key ESG priorities, including Modern Slavery, Sustainable Development, Operations and Facilities Management, and Reconciliation and Māori Culture. These groups provide subject matter expertise, support implementation of initiatives and ensure cross-functional alignment on sustainability-related matters.



## Leases

We have updated our leasing practices to ensure that new leases and renewals involving negotiated terms now include clauses in leases which govern the collaboration with tenants on energy efficiency, data sharing and sustainability initiatives.

Given the long weighted average lease expiry across our portfolio, the adoption of these clauses is expected to grow progressively over time as leases come up for renewal.

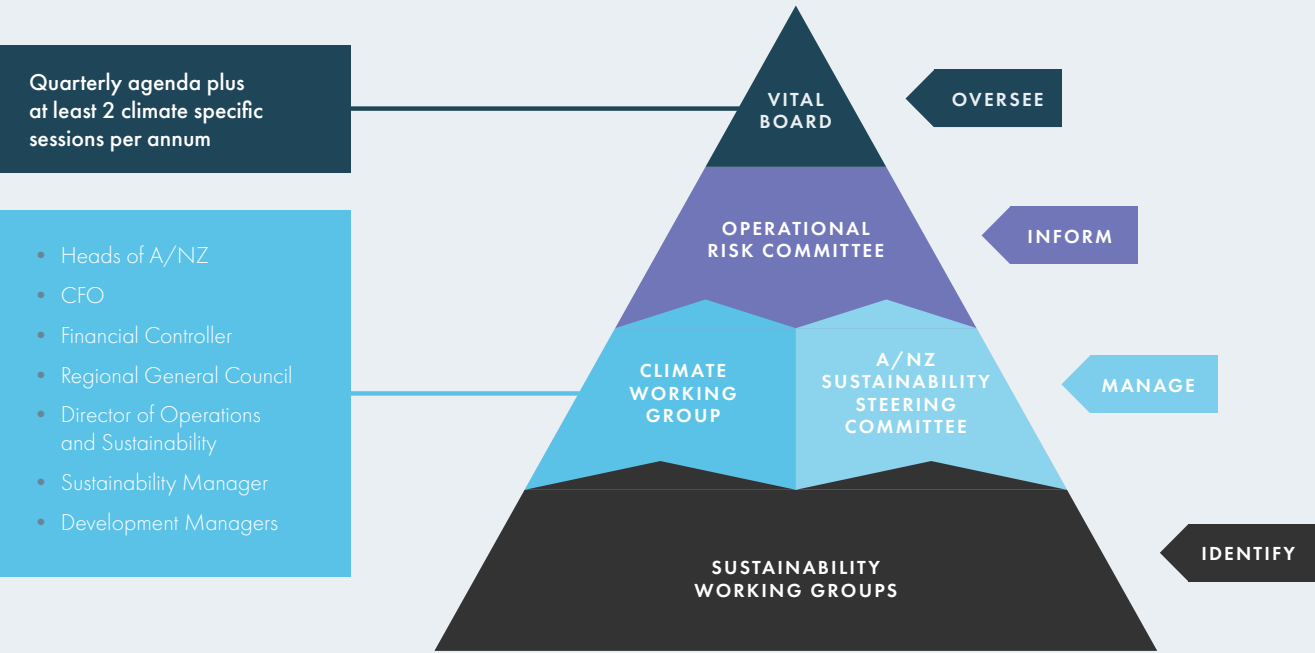


## Integrating sustainability into investments

By embedding sustainability into our investment processes, we seek to create long-term value and mitigate risks related to environmental and social factors.



## Governance structure







## Reporting and disclosure

### CLIMATE CHANGE AND RISK MANAGEMENT

Vital is a Climate Reporting Entity (CRE) and is required to provide Climate-Related Disclosure (CRD). Vital released its inaugural CRD in October 2024, in alignment with the Aotearoa New Zealand Climate Standards (CS1, CS2, and CS3). This disclosure included detailed reporting across governance, strategy, risk management and emissions metrics. Vital is preparing to release its second CRD before 31 October 2025, with an enhanced focus on the transition plan aspects of our strategy.

To support transparent and credible reporting, limited assurance has been achieved over Vital's GHG inventories since CY22, covering full Scope 1, Scope 2, and Scope 3 categories. For FY25, we are targeting reasonable assurance for Scope 1 and 2, and limited assurance for Scope 3. Inventories have been developed using the GHG Protocol, with material Scope 3 categories determined via a scoping boundary assessment aligned with a 1% materiality threshold. The outcomes of our FY25 inventory and related scenario analysis will be reflected in our next disclosure.

Vital's Climate Related Disclosures can be found on our [website](#).

### GRESB

Vital submitted to the Global Real Estate Sustainability Benchmark (GRESB) for the fifth consecutive year in 2025, reinforcing our ongoing commitment to transparency, accountability and continuous improvement. GRESB remains a key global standard for real estate sustainability benchmarking, enabling Vital to evaluate and compare our performance across key environmental, social and governance indicators. Participation also helps identify opportunities for enhancement across the portfolio.

2024 results saw Vital maintain Sector Leader status for Developments against listed healthcare peers globally.

- 2024 Standing Investment Score: 82/100 (75 global average)
- 2024 Development Score: 99/100 (85 global average)

Results of the 2025 submission are expected to be released in October 2025.



### GRESB

## Sector Leader



### CDP

## B



### MSCI

## BBB



### Forsyth Barr

## B



### Sustainalytics

## 14.9



### ISS ESG

## C-



### Craigs Investment Partners

## 4.1





## Human rights and modern slavery

Human rights represent the fundamental freedoms, protections and standards of treatment that every individual is entitled to. Vital and Northwest are committed to respecting the human rights of all people and upholding internationally recognised standards, including those set out in the Universal Declaration of Human Rights, the International Bill of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. These frameworks guide our approach to ethical business conduct and responsible engagement across our operations and supply chains.

In line with this commitment, we assess and manage modern slavery and human rights-related risks, particularly in high-risk areas such as construction. This includes annual modern slavery training for all Australian and New Zealand employees, with specialised training for key staff and the Modern Slavery Working Group.

To support responsible sourcing, we have a Supplier Code of Conduct which is issued at the commencement of supplier engagement and use the Informed 365 platform to distribute supplier questionnaires, track responses and assess modern slavery risk. Contracts are regularly reviewed to ensure alignment with modern slavery legislation. These efforts are part of a broader approach to embed sustainable procurement approaches, reinforce our governance practices and uphold internationally recognised human rights standards.

Northwest's Modern Slavery Statement can be found on our [website](#).



## Data privacy and cybersecurity

Northwest remains committed to protecting sensitive information and strengthening our cybersecurity. In FY25, Northwest enhanced system security through improved identity verification, access controls, cloud-based infrastructure and upgraded network protections. Threat detection, data loss prevention and server security were also strengthened, alongside the introduction of new data retention and backup protocols.

To support ongoing readiness, Northwest expanded its cybersecurity team, launched mandatory employee training and conducted regular phishing simulations. A new device tracking system and disaster recovery framework have been implemented.



## Industry engagement

Vital continues memberships across relevant industry bodies to ensure we are abreast of evolving regulatory standards, sustainability frameworks and industry best practices. In FY25, our team again actively participated in working groups, roundtables and committees facilitated by the Property Councils of New Zealand and Australia, as well as the Green Building Councils in both countries. These engagements support collaboration on topics such as sustainable development, climate disclosure and legislative preparedness.

We are also members of Sustainable Healthcare Aotearoa (SHA), a national network of healthcare professionals focused on advancing low-emission, environmentally sustainable healthcare in Aotearoa New Zealand through collaboration, knowledge sharing and advocacy.





# Thriving Partners



In progress



On track



Substantially complete



Complete



Formalise "Places for Quality Care" program		Material topic(s)
✓	Complete air quality testing at 100% of landlord-controlled portfolio.	Energy Pollution and Air Quality
✓	Update disaster and recovery planning at properties and business units.	
⬢	Deploy online tenant engagement portal to one additional region.	
Enhance tenant satisfaction		Tenant Safety, Wellbeing, and Inclusivity
✓	Deploy annual tenant satisfaction survey.	Business Continuity
⬢	Complete property-specific action plans to address survey results for 75% of properties.	Tenant Satisfaction and Experience

Ormiston Hospital Stage 1 Expansion, Auckland

## Places for quality care program

### AIR QUALITY TESTING

100% of landlord-controlled assets within the Vital portfolio have completed air quality testing, reinforcing our commitment to maintaining healthy indoor environments across our healthcare facilities. Air quality testing is conducted every two years.

### DISASTER AND RECOVERY PLANNING

Vital maintains comprehensive emergency preparedness plans across all landlord-properties, tailored to the specific risks and operational requirements of each site. These plans address a broad range of potential scenarios, including natural disasters, utility outages and critical incident responses. Each plan is monitored, reviewed and updated to reflect new information, operational changes or emerging risks, ensuring they remain current and effective. This proactive approach supports business continuity, safeguards tenant wellbeing and reinforces the resilience of our healthcare infrastructure.

### TENANT PORTAL

Northwest is currently exploring the adoption of Prism, a digital tenant engagement and building performance portal, across the A/NZ portfolio, following its successful implementation across Northwest's assets in Europe. The platform streamlines maintenance workflows, enhances tenant communication and supports data-driven sustainability management. Prism enables real-time tracking of building performance, document management and preventative maintenance, whilst also helping to identify opportunities for improved efficiency and reduced environmental impact.



## Project revitalise - Ascot lobby upgrade

In Q3 and Q4 in collaboration with Allevia Hospital Ascot and other valued tenants, Vital undertook a major refurbishment of the main ground floor lobby at Ascot as part of its ongoing commitment to elevating healthcare environments. Branded as Project Revitalise, the initiative aimed to enhance the comfort, functionality and aesthetics of the shared space. The project was guided by core priorities including minimising disruption, maintaining cost certainty and delivering an inviting, sustainable and well-connected environment for patients, visitors and staff.

The completed upgrade includes:

- repositioned admissions area for Allevia Hospital Ascot
- improved wayfinding and security services with a new concierge desk near the main entry
- comprehensive interior refresh including new flooring, ceiling features, acoustic treatments and feature lighting
- digital signage, in-built planting and expanded soft seating areas
- new café operator, providing convenient, nutritious and high-quality food and drink options

These improvements streamline the patient journey whilst also creating a more welcoming and efficient environment for tenants and staff.



## Tenant satisfaction

### TENANT ENGAGEMENT SURVEY

In 2024, Vital tenants participated in a refreshed tenant satisfaction survey to better understand their perspectives on property management, communication and sustainability priorities. The survey uses a standardised metric to track satisfaction year over year and provides valuable insights to guide service improvements.

Informed by the results, we are working to develop targeted action plans. The goal is to complete these plans across 75% of properties by the end of 2025. Going forward, the survey will be conducted annually towards the end of the year, supporting our commitment to continuous improvement and an enhanced tenant experience.

## Tenant advisory committees

As part of our commitment to proactive tenant engagement, we have introduced tenant engagement meetings across our medical office buildings in Australia and New Zealand. These meetings, held annually and often aligned with site visits, offer a structured forum to address a range of operational and strategic matters including cleaning, maintenance, security, leasing requirements and capital works planning.

By inviting a representative cross-section of tenants, we ensure a robust and inclusive dialogue. These meetings also present an opportunity to go beyond traditional satisfaction surveys by fostering deeper, recurring engagement that builds trust over time.

We will continue to adapt the format based on tenant feedback, including rotating committee members periodically to maintain fresh perspectives and high participation.



# Healthy Planet



In progress



On track






Substantially complete



Complete



Establish building utility performance metrics		Material topic(s)
	Efficiently collect, track, analyse and report energy and utility data to meet and refine targets.	Energy Management Waste Management Water Management Building Certifications and Performance
Formalise energy management plan		
	Create regional specific 3-year capital budget roadmaps to implement energy conservation measures identified from energy audits in line with reduction targets.	
Establish environmental building certifications program		
	Evaluate development of global plan for pursuing certifications, including for tenant-controlled properties.	

## Building utility performance metrics

Our new third-party data collection platform streamlines data capture by extracting consumption information directly from utility invoices, receiving data from retail providers and integrating building management systems into a centralised portal. This transition builds on the data collection methods developed in previous years; however, collecting tenant utility data continues to present challenges. We are actively engaging with tenants to reinforce the importance of this data in supporting our sustainability goals and regulatory reporting obligations.



Maitland Private Hospital, Maitland

## After-hours operational performance review

Our optimisation strategy is centred on reducing energy consumption and carbon emissions by targeting inefficiencies in building operations during low-occupancy periods. One core initiative is the implementation of after-hours operational performance reviews to assess real-time system behaviour against expected low-load performance benchmarks. These reviews are instrumental in uncovering unnecessary overnight energy use such as excessive lighting, non-scheduled air conditioning operation and misconfigured BMS logic, contributing greater insight into both avoidable costs and emissions.

Each finding is translated into practical interventions such as lighting automation, smarter ventilation schedules and BMS reprogramming. This approach is designed not only to seek measurable reductions in electricity usage but also to contribute to our decarbonisation roadmap.

## Decarbonisation roadmap

As part of our commitment to reducing operational emissions, we have undertaken a detailed analysis of energy efficiency upgrade opportunities across the portfolio. These upgrades have been prioritised using a structured approach that considers asset end-of-life timelines, emissions reduction potential and alignment with key capital projects. This ensures that decarbonisation efforts are strategically sequenced and supported by appropriate capital allocation, enabling us to maximise environmental impact whilst maintaining operational and financial efficiency.

## Environmental building certifications program

### GREEN STAR

Vital is committed to delivering high-performing, sustainable healthcare assets by pursuing Green Star certification through both the New Zealand Green Building Council (NZGBC) and the Green Building Council of Australia (GBCA). Green Star is a leading internationally recognised rating system that evaluates the environmental design, construction and operations of buildings.

### GREEN STAR – PERFORMANCE RATINGS

In 2024, 31 assets within the Vital portfolio were eligible for a Green Star Performance rating, a framework that evaluates the operational sustainability of buildings on a scale from 1 Star (Minimum Practice) to 6 Star (World Leadership).

Of the assets assessed, 27 assets achieved the following ratings:

<b>14</b>	<b>11</b>	<b>2</b>
<b>assets</b>	<b>assets</b>	<b>assets</b>
<b>1 STAR - MINIMUM PRACTICE</b>	<b>2 STAR - AVERAGE PRACTICE</b>	<b>2 STAR - GOOD PRACTICE</b>

Green Star Performance certification renewals are scheduled for Q1 of FY26.

### GREEN STAR – DEVELOPMENTS

In alignment with our sustainability strategy and Board-approved environmental targets, Vital is committed to a minimum 5 Star Green Star rating for all new developments and major refurbishments, as defined by GRESB, reflecting our ambition to deliver sustainable outcomes across energy, water, materials, indoor environment quality and emissions. Some earlier projects proceeded prior to this commitment and are therefore not rated. All applicable future projects will target at least 5 Stars.

Vital has achieved 6 Star Green Star certification for:

- Playford Health Hub – Stage 2, Adelaide; and
- GensisCare Integrated Cancer Centre, Sydney.
- RDX Centre of Excellence, Gold Coast has achieved a 6 Star Design certification.

Vital is targeting 5 Star Green Star design and as built ratings for:

- Kipling Avenue, Auckland
- Coomera Health Precinct - Stage 1, Gold Coast
- Logan Private Hospital, Meadowbrook
- Buranda Health Hub, Woolloongabba
- St Asaph St, Christchurch
- 61-71 Park Road, Auckland



## Tennyson Centre Plasma Shield Project – results

In 2024, a plasma air purification project was implemented at the Tennyson Centre in Adelaide, South Australia. The initiative aimed to enhance indoor air quality through advanced filtration technology.

As part of the project, the site permanently adopted the ASHRAE 241 Infection Risk Management Mode, a standard designed to minimise airborne infection risks in shared spaces. Following implementation, testing confirmed a 98.1% improvement in air quality, marking a significant outcome in terms of environmental health and safety. The project has contributed to a cleaner indoor environment for building occupants, including staff, tenants and visitors.





## Sustainable Development Guidelines

In FY25, we undertook a comprehensive review and update of our Sustainable Development Guidelines, which provide a consistent framework for embedding environmentally sustainable design (ESD) principles across all new developments and major refurbishments. The revision aligns the guidelines with the latest commitments in Northwest's Sustainability Policy, updated Green Star requirements and GRESB definitions, ensuring our approach remains both current and practical. The review process involved extensive consultation across regional development, asset management and facilities management teams.



Enhanced guidance  
on climate resilience



Reaffirmation of our target to  
achieve a minimum 5 Star Green  
Star rating on all major projects



Revised project classification  
system aligned with  
GRESB standards

Key updates include enhanced guidance on climate resilience, reaffirmation of our target to achieve a minimum 5 Star Green Star rating on all major projects, and a revised project classification system aligned with GRESB standards. The guidelines also reflect practical adjustments, such as replacing the previously required NABERS certification—currently not applicable to private healthcare facilities—with alternative pathways through Green Star Performance tools. Other changes clarify expectations around low-emission technologies and consolidate ESG reporting obligations into a single reference point for project teams.

A summary of our Sustainable Development Guidelines can be found on our [website](#).



GenesisCare Integrated Cancer and Health Centre, Sydney



# Strong Communities



In progress



On track



Substantially complete



Complete



Strengthen community engagement		Material topic(s)
	Increase employee participation in community volunteering programs to foster local engagement and support.	Corporate Philanthropy and Volunteerism
	Develop and implement a Reconciliation Action Plan (RAP) in Australia to promote partnerships, respect and opportunities with Indigenous communities.	Community Engagement Human Rights Urban Design and Impact on Public Spaces
	Launch initiatives aimed at improving local biodiversity at existing assets.	Biodiversity and Environmental Rehabilitation



## Keystone Trust

Vital is proud to continue its partnership with Keystone Trust, an organisation dedicated to supporting young people pursuing careers in property and construction. In FY25, we strengthened this relationship through a range of initiatives aimed at fostering industry talent and increasing access to professional opportunities.

This year, two internship placements were offered to Keystone students across the Vital and Northwest teams, providing valuable on-the-job experience and exposure to real-world property management and development projects. We also continued our annual scholarship support, helping alleviate financial barriers for students pursuing tertiary education. In addition, our team remains actively involved in mentoring

programmes, offering guidance and industry insight to help students build confidence and prepare for successful careers.

Vital also hosted 22 Keystone students for a site visit to Endoscopy Auckland, offering a unique behind-the-scenes look at both an operational hospital and a major new development under way. The students toured the existing facility and gained exposure to the construction of a new 1,400 sqm endoscopy suite, a \$32.0m project scheduled for completion in late 2025.

Our engagement with Keystone Trust reflects Vital's ongoing commitment to investing in the next generation of property professionals and promoting greater equity within the sector.



## Volunteering

Throughout FY25, Northwest team members across Australia and New Zealand actively participated in a range of volunteering initiatives, supporting local communities and organisations aligned with social wellbeing and equity. In Auckland, staff contributed to the Middlemore Hospital Mental Health Unit, beginning the day with a mihihi in the marae before revitalising overgrown gardens to help create a more calming outdoor space for patients.

In Australia, our Melbourne employees supported Foodbank Australia, helping to combat food insecurity through food relief programs that support over 2,800 frontline charities and more than 3,300 school breakfast programs nationwide. Volunteers also lent their time at the Magpie Nest Café in Melbourne, which provides free meals and a welcoming space for individuals facing homelessness, mental health challenges and social exclusion.

The Sydney team also joined forces with ReLove, a not-for-profit that furnishes homes for people transitioning out of crisis. Volunteers took on a variety of hands-on roles from assembling and cleaning donated furniture, to walking alongside clients as they selected household items and helping move and set up furnishings in new homes. These full-day volunteering sessions not only provided practical support but also offered dignity and choice to people rebuilding their lives.



Bees Up Top rehomed a swarm with Sophie Benfell-Brinsden - Asset Manager and Liz Ingram - Sustainability Manager



Bracelet weaving for National Reconciliation week

## Biodiversity

In support of local biodiversity, Vital initiated a beekeeping project at Ascot in Auckland. The project was launched in 2023 to enhance urban pollination and support New Zealand's bee population and involves the installation and management of beehives on site. Following a successful natural hive expansion during the 2024 swarming season, the site now hosts two active beehives. In addition to fostering biodiversity, the hives produce honey, which is shared with on-site tenants. Following the success of this initiative, discussions are under way to expand beehive installations across additional Vital assets in New Zealand.

## Reconciliation and cultural awareness

Northwest remains committed to reconciliation and has been progressing commitments within our [Reflect Reconciliation Action Plan \(RAP\)](#) and making a meaningful contribution. Throughout the year, our focus has been on supporting First Nations peoples/ businesses' participation on our construction projects and providing services to support our standing investments. We have worked with our development team to review our construction contract documentation and updated them to incorporate minimum participation rate requirements across our projects. We have also been working with our asset management and facilities management team to identify opportunities to engage First Nations suppliers across our standing asset portfolio. In addition, we have explored ways and provided opportunities for our staff to engage in cultural and knowledge sharing activities throughout the year.

The Reconciliation Working Group continues to work and deliver on the goals we have set for ourselves within our RAP.



# Inclusive Company



In progress



On track



Substantially complete



Complete

8

DECENT WORK AND  
ECONOMIC GROWTH



Enhance employee satisfaction and performance		Material topic(s)
	Deploy employee satisfaction survey.	Employee Satisfaction and Retention  Employee Training and Development
Deploy sustainability education		
	Have a sustainability-engaged and educated workforce.	
Enhance social connections and culture		
	Enhance employee engagement through actively connecting people globally through both formal and informal programs.	

## Employee engagement pulse check

Throughout 2024, Northwest experienced significant organisational changes, reinforcing the importance of employee engagement.

As part of an ongoing commitment towards an engaging and responsive workplace, an employee pulse survey was conducted in Q3 of FY25 in partnership with TalentMap, an employee engagement and benchmarking specialist. The survey provided valuable insights across five key dimensions: Organisational Engagement, Leadership, Growth and Development, Organisational Culture, and Change and Transformation. Whilst Organizational Culture scored highest (66), followed by Leadership (61), Engagement (54) and Change and Transformation (55) showed room for improvement,

particularly when benchmarked against external comparators.

Encouragingly, the A/NZ team expressed strong confidence in leadership visibility, recent change initiatives and career development opportunities. Positive views were also shared about the increased representation of women in leadership, diverse project work and optimism tied to recent transitions.

The survey also highlighted communication from leadership as the most significant opportunity for improvement, alongside challenges in workload distribution and office environment. These insights are helping shape targeted actions to strengthen internal communications, support wellbeing and enhance the employee experience across the organisation.



Auckland team volunteering at Ambury Park Farm for Riding Therapy



## Training

We are committed to fostering a culture of continuous learning and professional growth across all levels of the business. Our training framework includes both role-specific development and organisation-wide programs, ensuring employees are equipped with the knowledge and tools needed to succeed in their roles whilst upholding the company's values and compliance obligations.

In 2024, we introduced mandatory onboarding training for all new hires covering essential topics such as diversity and inclusion, mental health and wellbeing and sustainability. Through our partnership with LinkedIn Learning, employees gained access to over 20,000 courses, enabling both microlearning and formal certification on topics ranging from technical skills to ESG fundamentals. A dedicated sustainability module was required for all new employees, focusing on the strategic importance of sustainability and how individuals can contribute to our goals.

We also deliver region-wide training in critical areas such as cybersecurity, modern slavery and privacy, alongside ongoing access to industry webinars and events, particularly for employees engaged in ESG-related reporting.

## Global mobility and career growth

We are committed to creating a rewarding employee experience that supports both personal and professional growth. Our inclusive culture and global platform provide opportunities for staff to thrive across regions and explore diverse career pathways. In FY25, we were proud to see two team members from the A/NZ region transfer to Northwest offices abroad, reflecting our focus on internal mobility and cross-regional development.

WORKFORCE BREAKDOWN	FY24	FY25
Australia and New Zealand	56	53
Turnover rate (voluntary)	11.1%	16.0%
Turnover rate (involuntary)	4.7%	12.5%

AGE	FY24	FY25
>20	0.0%	0.0%
21-30	13.0%	11.0%
31-40	43.0%	49.0%
41-50	21.0%	13.0%
51-60	21.0%	25.0%
61-64	2.0%	2.0%
65+	0.0%	0.0%

GENDER	FY24		FY25	
	M	F	M	F
Gender (workforce)	43.0%	57.0%	47.0%	53.0%
Middle management <sup>1</sup>	47.0%	53.0%	72.0%	29.0%
Senior leadership <sup>2</sup>	67.0%	33.0%	60.0%	40.0%

TRAINING	FY24	FY25
ESG training completion rate	100.0%	100.0%

VOLUNTEERING	FY24	FY25
Total hours of volunteer time by employees	258	661

HEALTH AND SAFETY	FY24	FY25
Absentee Rate <sup>3</sup>	0.7%	0.9%
Injury Rate	0	0
Fatalities	0	0

<sup>1</sup> People leader, VP and below

<sup>2</sup> C-Suite, Regional Heads, SVP

<sup>3</sup> The absentee rate is the ratio of employees with absences to total salaried employment



# Our Board

The Board comprises five highly qualified directors based in Auckland, Toronto, Sydney\* and Melbourne, three of whom are independent. Their executive experience includes healthcare, property and finance.



## Graham Stuart

**Independent Chair and  
Member of the Audit Committee**  
(68, Auckland)

Graham Stuart is an experienced corporate director with an established track record of performance in governance and in prior executive roles. He is currently a Director of Ravensdown Limited and Director of Dairy Goat Co-operative (N.Z.) Limited.

He was previously the CEO of Sealord Group from 2007 to 2014 and Director, Strategy and Growth and CFO of Fonterra Co-operative Group from 2001 to 2007, Independent Chair of EROAD Limited and an Independent Director and Chair of the Audit Committee at Tower Limited.

Graham is a Fellow of Chartered Accountants Australia & New Zealand (CAANZ) and has a Master of Science degree from Massachusetts Institute of Technology and a Bachelor of Commerce with first class honours from the University of Otago.



## Mike Brady

**Non-Independent Director**  
(58, Toronto)

Mike Brady was appointed global President of Northwest Healthcare Properties REIT (TSX: NWH.UN) in 2023 after serving as global Executive Vice President, General Counsel and Board Secretary since joining the REIT in 2006. He has extensive experience in real estate investments and finance, transaction management, global leadership, governance and legal matters.

Mike has played a significant commercial and legal role in the strategic direction and growth of the REIT, most recently leading the team to complete a €2.0 billion pan-European joint venture fund, a \$435 million UK hospital portfolio, and a \$2 billion joint venture fund and acquisition of a \$1.25 billion hospital portfolio in Australia.

Prior to joining the corporate real estate world, Mike was a corporate law partner at two Toronto-based law firms, where he developed his real estate practice. He has a Bachelor of Arts (Economics) and a joint LL.B./Masters of Business Administration from Dalhousie University, Halifax.



## Angela Bull

**Independent Director and  
Member of the Audit Committee**  
(50, Auckland)

Angela Bull is an independent director of Channel Infrastructure Ltd (NZX: CHI), Property For Industry Limited (NZX: PFI), Foodstuffs South Island Ltd and Foodstuffs NZ Ltd. She is also on the Trust Board of St Cuthbert's College and an independent director of Bayleys Corporation Board (NZ) and recently joined the Board of Fulton Hogan as an independent director.

Angela is a former Chief Executive of Tramco Group, a large New Zealand owned property investment company which specialises in large scale land holdings, notably the Viaduct Harbour precinct in Auckland and Wairakei Estate in the Waikato; a former Board member of the Property Council of New Zealand; and a former independent director of the Real Estate Institute of New Zealand and realestate.co.nz.

She holds a Bachelor of Laws and a Bachelor of Arts (Political Science) and practised property and environmental law prior to her executive career. Previously, Angela held a number of senior positions over a 10-year period with Foodstuffs Auckland and Foodstuffs North Island Ltd, most recently being General Manager Property Development for Foodstuffs North Island.



*Directors are based in Auckland (x2), Toronto, Sydney\* and Melbourne. Their current and prior executive experience includes healthcare, property and finance.*



### **Craig Mitchell**

**Non-Executive Director and Member of the Audit Committee**  
(57, Sydney)

*(Zachary Vaughan replaced Craig Mitchell on the Board effective 12 August 2025)*

Craig Mitchell is a professional manager with an inclusive leadership style. Craig has more than 20 years of experience specialising in the property industry. His previous roles include Northwest CEO (ceased 30 June 2025) and Executive Director and Chief Operating Officer of Dexus, an ASX top 50 listed REIT.

Craig has a Master of Business Administration (Executive) from the Australian Graduate School of Management, a Bachelor of Commerce and a Fellow of CPA Australia. He has also completed the Advanced Management Program at Harvard University, Boston.



### **Dr Michael Stanford AM**

**Independent Director and Chair of the Audit Committee**  
(66, Melbourne)

Dr Michael Stanford has more than 30 years' experience in the health sector in either Group CEO or Board roles. Michael's current Board roles include Chair of Nexus Hospitals, a leading provider of specialist day and short stay private hospital based care; and Board member of the Royal Australian College of General Practitioners as well as Board member of Healius (ASX:HLS).

Michael was the Group CEO of St John of God Healthcare, Australasia's third largest private hospital provider, for 16 years during which time the company increased revenue fivefold through organic and M&A growth plus more than A\$1 billion greenfield and brownfield developments. Michael's other Managing Director roles included the ASX listed Australian Hospital Care and two public hospital networks in Victoria. Michael holds an MBA from Macquarie University and Bachelor of Medicine and Bachelor of Surgery from UNSW. He is a Fellow of the Australian Institute of Company Directors.

In 2018 Michael was awarded a Member of the Order of Australia for significant service to the health sector through executive roles, to tertiary education and the WA community, in 2010 he received the WA Citizen of the Year Award – Industry and Commerce category.



### **Zachary Vaughan**

**Non-Independent Director**  
**(Appointed 12 August 2025)**  
(48, Toronto)

Zachary Vaughan was appointed Chief Executive Officer of Northwest Healthcare Properties REIT in July 2025. He brings over 20 years of experience in real estate investment and asset management, with a strong track record of leadership across global markets.

Prior to joining Northwest, Zachary served as Global Head and Chief Investment Officer of Real Estate at Arrow Global, where he led the firm's real estate strategy. He remains a Non-Executive Director at Arrow. Before Arrow, he held several senior roles at Brookfield Asset Management, including Managing Partner and Head of European Real Estate, Head of Multifamily Investments, and CEO of Brookfield REIT.

Earlier in his career, Zachary was a Director in the Real Estate Investment team at the Canada Pension Plan Investment Board (CPPIB), and Director of Acquisitions at International Property Corporation/Reichmann International.

Zachary holds an Honours Bachelor of Economics from Western University. He is now based in Toronto, where he leads Northwest's global healthcare real estate platform spanning North America, Brazil, Europe, and Australasia.

Zachary was appointed as a Non-Independent Director to the board of the Manager on 12 August 2025.

\* As of 12 August 2025, with the replacement of Craig Mitchell by Zachary Vaughan, two directors are based in Toronto and no directors are based in Sydney

# Our Executive Team

Northwest has over 240 employees globally, including more than 50 real estate professionals in New Zealand and Australia. The Vital Executive Team is made up of property professionals with extensive experience in New Zealand, Australia and beyond.



## Chris Adams

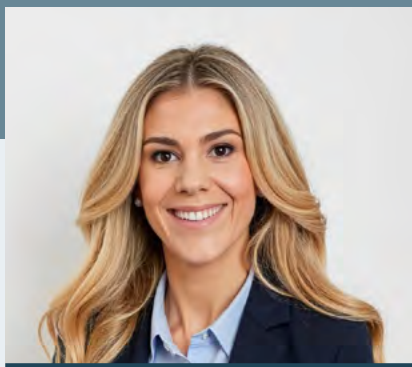
**Co-Head A/NZ Region**  
(55, Melbourne)

Chris Adams jointly leads the Northwest business in Australia and New Zealand, and manages Northwest's NZX-listed Vital Healthcare Property Trust, which he has been part of the leadership team since 2017.

He has extensive experience in the property industry in Australia, New Zealand and the United Kingdom, including over 25 years' direct experience in health property.

Chris was one of the founding Executives at ASX-listed Generation Healthcare REIT which was acquired by Northwest in 2017. Prior to that he established Vital Healthcare Property Trust's presence in Australia in 1999 following various roles with the group in New Zealand.

Chris holds a Bachelor of Property from the University of Auckland.



## Alex Belcastro

**Senior Vice President,  
Developments and Precincts**  
(37, Sydney)

Alex Belcastro, formerly the Chief Business Development Officer at Ramsay Health Care managing a multi-billion-dollar hospital asset portfolio, joined our team in 2021.

Alex leads precinct transactions, leasing and developments. She also provides strategic leadership to the development and leasing divisions and heads our Strategy and Research function.

With over 18 years of specialised experience in social infrastructure, she has facilitated large-scale transactions and developments across public and private sectors.

Her diverse background spans advisory, operational and ownership roles, adding valuable real estate expertise to our platform.

Holding a Master of Construction Management and a Bachelor of Planning and Design from the University of Melbourne, Alex has also honed her skills through executive education at Harvard Business School.



## Kirsty Bowyer

**Vice President, Development**  
(40, Auckland)

Kirsty Bowyer joined the team in New Zealand in 2023 and is responsible for overseeing the planning, design and construction of Vital's development projects across New Zealand. With more than 15 years of experience in the construction and property industry including major healthcare infrastructure projects, Kirsty brings a deep and practical understanding of the complexities of healthcare development, combining technical expertise with strategic leadership.

Before joining Northwest, Kirsty spent 13 years at Johnstaff, one of Australia's leading property and construction consultancies. During her time there, she held various senior roles, leading the end to end delivery of capital works programmes across both Australia and New Zealand.

Over the course of her career, Kirsty has delivered more than \$2.5 billion worth of healthcare real estate. Her leadership is characterised by a strong commitment to clinical user engagement, operational efficiency and design excellence.

Kirsty is also a committee member of the New Zealand Health Design Council, where she contributes to national discourse on health infrastructure innovation.



Kawarau Park, Queenstown



### Vanessa Flax

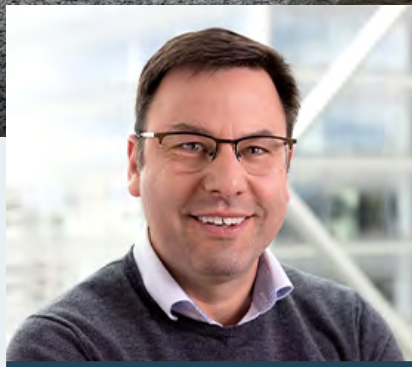
**Vice President, Regional General Counsel and Company Secretary**  
(54, Melbourne)

Vanessa Flax joined the team in 2019, prior to which she was a special counsel at Ashurst Australia.

Vanessa has 25 years of deep and broad ranging property law experience in Australia and New Zealand, including acting as primary legal adviser (for approximately 15 years) for Vital and Northwest.

Vanessa's legal experience covers all aspects of real estate property transactions, including acquisitions, divestments and sales, leasing and Crown leasing, development transactions and due diligence.

Vanessa has a Bachelor of Arts and Bachelor of Laws from the University of Witwatersrand, South Africa.



### Michael Groth

**Chief Financial Officer**  
(51, Melbourne)

Michael Groth has over 18 years' experience as a senior finance executive in the listed and unlisted property funds and funds management industry. Prior to joining the team in 2019, Michael's most recent position was as Group Chief Financial Officer of the Melbourne based and ASX-listed real estate fund manager, APN Property Group Limited.

Michael has extensive experience in financial management and reporting, taxation, treasury and capital management, corporate structuring, acquisitions, disposals and equity raisings in the listed and unlisted property and funds management industry.

Michael holds a Bachelor of Commerce and Bachelor of Science and has been a member of the Chartered Accountants Australia and New Zealand since 2000.



### Richard Roos

**Co-Head A/NZ Region**  
(60, Melbourne)

Richard Roos jointly leads the Northwest business in Australia and New Zealand. He has over 25 years' experience in commercial real estate financing, acquisitions and property management, of which the last 17 years have been in healthcare real estate in senior roles for Northwest in Canada and Australia.

Richard is responsible for asset management, transactions, people and culture, and ESG. He is also focused on building and expanding strong relationships with Northwest's operator partners.

# Corporate Governance

Vital Healthcare Property Trust and Northwest Healthcare Properties Management Limited. All information as at 30 June 2025, unless otherwise stated.

## The Board of Directors

The role of the Board of Directors is to set the strategic direction of Vital and to support management in monitoring the delivery of this against specific performance objectives. The Board also ensures all business risks are appropriately identified and managed and compliance with all applicable regulatory, statutory, financial, health and safety and social responsibilities of the Manager. The Board also plays an important role of overseeing risks and opportunities associated with environmental (including climate), social and governance (ESG) factors, the preparation of climate statements and compliance with any other applicable ESG reporting or broader regulatory requirements.

## Board composition

The Manager is committed to having an effective Board providing a balance of independent skills, knowledge, experience and perspectives.

All Directors bring a significant breadth and depth of expertise and have the composite skills to optimise the financial and portfolio performance of Vital and returns to Unit Holders.

Attendance at Board meetings	Attended / Eligible to attend	Date of appointment
Graham Stuart	8/8	12 November 2018 (Appointed Chair 17 November 2020)
Michael Stanford	8/8	19 November 2019
Craig Mitchell	8/8	29 June 2021
Angela Bull	8/8	26 April 2022
Mike Brady**	7/8	9 August 2023

The Board does not impose any specific restriction on the tenure of any Director as it considers such a restriction may lead to the loss of experience and expertise. However, as noted below, the Board does have regard for best practice around tenure when assessing the independence of directors. In addition, there has been on-going renewal of the Board and the longest serving director has served for less than 7 years (as at the date of this report).

\*\* Mike Brady does not sit on the Audit Committee

The table below shows all relevant interests of Directors and Officers in units, which include legal and beneficial interests in Vital units as at 30 June 2025.

Directors	Holdings (number of units) non-beneficial	Holdings (number of units) beneficial
Graham Stuart	-	87,561
Angela Bull	-	5,571
<b>Officers</b>		
Aaron Hockly <sup>1</sup>	-	87,561

<sup>1</sup> Aaron Hockly, former Fund Manager, has previously made a voluntary disclosure that, in addition to his personal holdings, members of his immediate family own an additional 114,461 units in Vital although he does not control or impact any investment decisions in relation to such holdings.

## Independent Directors

Further information about the Board's assessment of the independence of Directors is contained in Recommendation 2.4 of the NZX Corporate Governance Code on page 64 of this report.

## Audit Committee

The Audit Committee is responsible for overseeing the financial and reporting practices of Vital.

At financial year end and at the date of this report, the Audit Committee assists the Board in fulfilling its corporate governance and disclosure responsibilities with particular reference to financial matters, and internal and external audit, and is specifically responsible for:

- Reviewing proposed climate, sustainability and ESG disclosures and advising the Board whether in the Committee's view that disclosure complies with applicable standards and legislative requirements and ensuring that appropriate controls and assurance processes are undertaken for the preparation, review, verification and approval of climate, sustainability and ESG related disclosure reporting;
- Recommending to the Board the appointment / removal of Vital's external auditor; and
- Reviewing the performance of the external auditor.

Attendance at Audit Committee meetings	Attended / Eligible to attend	Date of appointment
Graham Stuart	4/4	12 November 2018
Michael Stanford	4/4	19 November 2019
Craig Mitchell	4/4	29 June 2021
Angela Bull	4/4	26 April 2022

## Australian Subsidiary of Vital

Northwest Healthcare Australian Property Limited (**NWHAPL**) is an Australian company which acts as trustee of the two Australian wholly owned subsidiaries of Vital Healthcare Property Trust, namely Vital Healthcare Investment Trust and Vital Healthcare Australian Property Trust. The directors of NWHAPL as at 30 June 2025 are Mike Brady, Chris Adams, Richard Roos and Miles Wentworth. Chris Adams replaced Craig Mitchell on and from 30 June 2025.

## Management contract

Northwest manages Vital in accordance with Vital's Trust Deed in return for which Northwest receives management fees. From these management fees, Northwest pays salaries and other related costs (including taxes, rent, IT, travel and training) to or for its employees, approximately 30 of whom are solely or majority engaged with managing Vital, as well as the Directors not appointed by all Unit Holders (two at the date of this report). As a result, the details in this section relate to Northwest's employees rather than Vital's employees (as there are none).

## Remuneration

As noted above, Vital does not have any direct employees. Instead, Northwest receives management fees to manage Vital from which it provides remuneration to employees. As a result, there is no reporting on individual employee salaries.

Notwithstanding the above, the following is provided to enhance transparency:

1. Details of the holdings in Vital by Directors and officers as at 30 June 2025 is provided on the previous page.
2. As at the date of this report, the Independent Chair of the Manager and Angela Bull (a New Zealand resident Independent Director) own units. Currently the tax regime for Vital makes it uneconomic for the offshore based Directors and officers to hold units in Vital.
3. Details of the costs of Independent Directors appointed by Unit Holders and, as a result, paid by Vital are included in note 22 to the accounts in this report.
4. All Northwest's executive bonuses globally are linked to Northwest's unit price as the long-term component of these bonuses is paid in Northwest units or calculated with reference to the value of Northwest units. In addition to being Vital's Manager, Northwest is Vital's largest investor, holding an aggregate shareholding of >28% as at 30 June 2025.
5. The following clawback / malus provisions are included in the bonus plans for all Northwest executives globally (including key Vital personnel):
  - Where the Participant (i) has been terminated for cause, or (ii) voluntarily resigns from his or her position with the Trust then any Deferred Units granted on a discretionary basis pursuant to Section 7.04 of the Northwest Healthcare Properties Real Estate Investment Trust Omnibus Equity Incentive Plan (2022) which have not yet vested at the time of the termination for cause or voluntary resignation, shall be immediately forfeited by such Participant.

## Directors' remuneration

Director	Base	Audit Committee Member	Chair	Total
<b>Graham Stuart</b> Independent Director, Board Chair and Audit Committee member	\$90K	\$10K	\$80K (Board)	\$180K
<b>Angela Bull<sup>1</sup></b> Independent Director and Audit Committee member	\$90K	\$10K	-	\$100K
<b>Craig Mitchell<sup>2</sup></b> Director and Audit Committee member	N/A	-	-	-
<b>Michael Stanford</b> Independent Director and Audit Committee Chair	A\$90K	-	A\$20K (Audit Committee)	A\$110K
<b>Mike Brady<sup>2</sup></b> Non-Independent Director	N/A	-	-	-
(\$280K paid by Unit Holders, and A\$110K paid by the Manager)				

<sup>1</sup> Paid by the Manager from management fees.

<sup>2</sup> Executive of Northwest and, in the case of Craig Mitchell, a Non-Executive Director from 30 June 2025. No separate director's fees are payable. Mr Mitchell resigned as a Non-Executive Director on 12 August 2025.

## Manager's fees

For the fees paid to the Manager by Vital, please see note 22 to the accounts in this report.

## Joint Investment Policy

Under the terms of the Joint Investment Policy, which applies to Northwest Healthcare Properties REIT (**NWH REIT**) and its owned and controlled entities (including the Manager), an Investment Committee has been established to avoid, manage and resolve actual or perceived conflicts of interests between members of the NWH REIT group in a manner which complies with any relevant legal obligations and is equitable to each party. The Joint Investment Policy can be found on Vital's website.

## Modern slavery

In 2024, the Australian manager of the Vital trusts, Northwest Healthcare Australian Property Limited again published a statement under the Australian Modern Slavery Act 2018, which underpinned Vital's philosophical approach and commitment to ensuring our operations have sufficient risk mitigation strategies to address supply-chain risks. Vital committed to training employees to identify these risks.

Our entire organisation has engaged with tenants and suppliers to conduct further and ongoing due diligence to identify possible modern slavery supply chain risks. Vital will continue to assess the potential modern slavery risks in our operations and develop and review company policies on these possible impacts.

As part of our ongoing commitment to ethical business practices and sustainability, we continue to implement a Supplier Code of Conduct for all new suppliers. The purpose of this code is to



ensure that our suppliers align with our values and principles and to promote responsible business conduct throughout our supply chain. By implementing this code we aim to mitigate risks, uphold our reputation and contribute to positive social and environmental impacts.

We have also committed to reviewing supplier contracts to ensure they contain terms consistent with the principles underlying the Act.

## Board diversity and relevant skills

At a Board level, diversity of experience is critical to ensure a healthy exchange of ideas and opinions to deliver higher quality decision making and outcomes. All Board appointments are always based on merit and diversity (including gender and ethnicity).

A majority of the Directors are members of professional organisations such as the Institute of Directors (or equivalent) or other industry specific and relevant organisations which support the ongoing education and training of professional directors.

Healthcare real estate is a specialised sector and the Board believes it is important to have members with a diverse range of backgrounds, skills and experience to ensure robust discussion. It is also important to balance skills and knowledge gained through length of tenure and the value of fresh ideas in decision making. The table below summarises the skills, experience and length of service of the current Board.

Skills and Experience	Graham Stuart	Angela Bull	Craig Mitchell	Michael Stanford	Mike Brady
Accounting/Finance/Economics	•	◦	•	◦	◦
Commercial Real Estate/Asset Management/Valuation	•	•	•	◦	◦
Corporate Governance	•	•	•	•	•
Legal/Regulatory	◦	•	◦	◦	•
Healthcare Operator				•	
Sustainability/ESG including Climate Related Matters	◦	◦	◦	◦	◦

## NZX Corporate Governance Code

The NZX Corporate Governance Code (**NZX Code**) applies to all issuers of Equity Securities listed on the NZX Main Board.

The NZX Code does not apply to Vital Healthcare Properties Trust (**Vital**), as it is an issuer of Fund Securities under the NZX Listing Rules.

Notwithstanding the foregoing, the Board of Northwest Healthcare Properties Management Limited (Manager) considers it important from a governance perspective to identify how, as at 30 June 2025, Vital and the Manager comply with the NZX Code dated January 2025.

The NZX Code is structured around eight principles. The table sets out each principle and an explanation as to if, and how, Vital and the Manager comply with the recommendations in the NZX Code.

Reference	Recommendation	Approach
<b>Principle 1 – Code of ethical standards</b>		
1.1	<p>The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics).</p> <p>The code of ethics and where to find it should be communicated to the issuer's employees. Training should be provided regularly. The standards may be contained in a single policy document or more than one policy.</p> <p>The code of ethics should outline internal reporting procedures for any breach of ethics, and describe the issuer's expectations about behaviour, namely that every director and employee:</p> <ol style="list-style-type: none"> <li>acts honestly and with personal integrity in all actions;</li> <li>declares conflicts of interest and proactively advises of any potential conflicts;</li> <li>undertakes proper receipt and use of corporate information, assets and property;</li> <li>in the case of directors, gives proper attention to the matters before them;</li> <li>acts honestly and in the best interests of the issuer, shareholders and stakeholders and as required by law;</li> <li>adheres to any procedures around giving and receiving gifts (for example, where gifts are given that are of value in order to influence employees and directors, such gifts should not be accepted);</li> <li>adheres to any procedures about whistleblowing (for example, where actions of a whistle blower have complied with the issuer's procedures, an issuer should protect and support them, whether or not action is taken); and</li> <li>manages breaches of the code</li> </ol>	<p>In recognition of Vital's role in the communities in which we operate, and where our investors live, we continue to implement and refine policies and practices which encourage responsible investment practices and compliance with all legal and regulatory requirements.</p> <p>All of Vital's Directors and employees must abide by Vital's Code of Conduct and Business Ethics (refreshed in May 2024), which documents policies on conflicts of interest, fair dealing, compliance with applicable laws and regulations, maintaining confidentiality of information, dealing with Vital's assets and use of Vital's information.</p> <p>The Code recognises the importance of a work environment which actively promotes best practice and does not compromise business ethics or principles and the Code's purpose is to uphold the highest ethical standards, acting in good faith and in the best interests of Unit Holders at all times.</p> <p>Following the review of the Code, employees will be provided with training in relation to the Code and Vital has committed to refreshing that training at least once every 3 years.</p> <p>The Code is on Vital's website <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a> and a copy was provided to staff following the review in May 2024. All new starters are provided with a link to the Code and are required to confirm their acceptance of its terms.</p> <p>The Code is supplemented by a number of other policies including the Joint Investment Policy and Whistleblower Policy which are available on the website at <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a>.</p>
1.2	<p>An issuer should have a financial product dealing policy which applies to employees and directors</p>	<p>Vital's Directors, officers and employees, their families and related parties must comply with the Security Trading Policy. A copy of the Security Trading Policy is on Vital's website <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a></p> <p>The Manager is committed to ensuring compliance with legal and regulatory requirements with respect to insider trading and restricted persons trading. To assist with such compliance, the Manager's Security Trading Policy identifies circumstances where Directors, officers and other restricted persons are permitted to trade or are prohibited from trading units in Vital. Compliance with these policies is monitored by the Board. In addition, all trading by Directors and senior managers of the Manager is required to be reported to NZX in accordance with the Financial Markets Conduct Act 2013. The holdings of Directors of the Manager are disclosed on page 60.</p> <p>Before trading in Vital units, a restricted person must get consent in writing from the Chief Financial Officer of the Manager. Vital has set black-out periods for Directors and staff throughout the year. Also, blackout periods can be invoked when specific events occur.</p> <p>Emails are periodically sent to Directors and employees providing information as to the status of the trading window in relation to the black-out periods.</p>

Reference	Recommendation	Approach
<b>Principle 2 – Board composition and performance</b>		
2.1	The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.	<p>The Board has adopted a formal Board Charter which is available on Vital's website at <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a>.</p> <p>The Charter sets out the roles and responsibilities of the Board, including in relation to distinguishing between the respective roles and responsibilities of the Board and management.</p> <p>The terms of a Director's appointment are contained in the Board Charter. The Charter reaffirms that Directors must comply with their duties as set out in the Manager's Constitution (which is also available on Vital's website <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a>) and also on the Companies Act 1993, including to act in good faith, together with other duties which include (but are not limited to) conducting themselves in an honest, ethical and responsible manner.</p> <p>The Board's specific responsibilities include approving the Manager's strategic objectives, including those applicable to Vital and ensuring that effective risk management procedures for the Manager and Vital are in place and are being observed.</p>
2.2	Every issuer should have a procedure for the nomination and appointment of directors to the board.	<p>Vital partially complies with this recommendation as the process for appointment of directors is different for a listed managed investment scheme. Vital is a trust and does not have directors. Its supervisor is Trustees Executors Limited, which is also the trustee of the Vital Healthcare Property Trust.</p> <p>The Manager has a Board of Directors, which, subject to the below, is appointed by its sole shareholder, NWI Healthcare Properties LP.</p> <p>Two Independent Directors are appointed to the Manager's Board by Unit Holders in the manner described in the Trust Deed. A copy of the Trust Deed is available on Vital's website (<a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a>) and also on the Disclose Register through the Companies Office <a href="https://companies-register.companiesoffice.govt.nz/">https://companies-register.companiesoffice.govt.nz/</a>.</p> <p>Unit Holders have the opportunity to appoint two of the Independent Directors of the Manager. Unit Holders may nominate and vote on one Independent Director of the Manager each year. The nominee receiving the most votes will be approved as a Director of the Manager by the Manager's shareholders.</p>
2.3	An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.	The Manager enters into a written agreement with each newly appointed director setting out the terms of their appointment, including expectations of the director in his or her role, remuneration entitlements and indemnity and insurance arrangements.
2.4	Every issuer should disclose information about each director in its annual report or on its website, including: <ul style="list-style-type: none"> <li>a. a profile of experience, length of service and ownership interests;</li> <li>b. the director's attendance at board meetings; and</li> <li>c. the board's assessment of the director's independence, including a description as to why the board has determined the director to be independent if one of the factors listed in table 2.4 applies to the director, along with a description of the interest, relationship or position that triggers the application of the relevant factor</li> </ul>	<p>Vital's Annual Report includes a profile of experience, length of service, and ownership interest of each Director. The Annual Report also sets out the attendance of each Director at Board meetings and Audit Committee meetings.</p> <p>A profile of each director is also included on Vital's website <a href="https://www.vitalhealthcareproperty.co.nz/board-management/">https://www.vitalhealthcareproperty.co.nz/board-management/</a>.</p> <p>The Board considers that at the date of this Annual Report, the Independent Directors are independent, including by virtue of the following factors listed in table 2.4:</p> <p>None of the Independent Directors:</p> <ul style="list-style-type: none"> <li>• is currently, or was within the last three years, employed in an executive role by the Manager;</li> <li>• is currently deriving, or within the last 12 months, derived a substantial portion of his or her revenue from the Manager or the Trust;</li> <li>• is currently, or was within the last 12 months, in a senior role in a provider of material professional services to the Manager or the Trust or any of their subsidiaries;</li> <li>• is currently, or was within the last three years, employed by the external auditor to the Manager or the Trust or any of their subsidiaries;</li> <li>• currently has, or did have within the last three years, a material business relationship (e.g. as a supplier or customer) with the Manager or the Trust or any of their subsidiaries;</li> <li>• is a substantial product holder of the Trust, or a senior manager of, or person otherwise associated with, a substantial product holder of the Trust;</li> <li>• is currently, or was within the last three years, in a material contractual relationship with the Manager or the Trust or their subsidiaries, other than as a director;</li> <li>• has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed above; and</li> <li>• has been a director of the Manager for a period of 12 years or more.</li> </ul>
2.5	An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. An issuer within the S&P/NZX20 Index at the commencement of its reporting period should have a measurable objective for achieving gender diversity in relation to the composition of its board, that is to have not less than 30% of its directors being male, and not less than 30% of its directors being female, within a specified period. An issuer should disclose its diversity policy or a summary of it.	<p>This recommendation has not been adopted due to our structure.</p> <p>We continue to improve diversity on the Board and in Management, in line with the REIT's diversity policy introduced in April 2022. The number of women in the organisation is almost 50% of the total number employed and our focus on gender diversity at a Board level continues.</p>



Reference	Recommendation	Approach
2.6	Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.	The Manager provides formal training to Directors during the year and Directors undertake additional training through professional bodies.
2.7	The board should have a procedure to regularly assess director, board and committee performance.	Assessment of the Board and each director's performance is determined by the Chair and takes into account overall attendance, contribution, training and experience of each member concerned.
2.8	A majority of the board should be independent directors.	The Board of the Manager is comprised of a majority of Independent Directors.
2.9	An issuer should have an independent chair of the board.	The Board of the Manager is chaired by an Independent Director.
2.10	The chair and the CEO should be different people.	The functions of chair of the Board of the Manager and CEO are fulfilled by different people.

### Principle 3 – Board committees

3.1	An issuer's audit committee should operate under a written charter. An audit committee should only comprise non-executive directors of the issuer. One member of the committee should be both independent and have an adequate accounting or financial background. The chair of the audit committee should be an independent director and not the chair of the board.	<p>The Board has adopted a formal written Audit Committee Charter which is available on Vital's website at <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a>.</p> <p>The minimum number of members on the Audit Committee is three Directors with a majority being Independent Directors and at least one member with an adequate accounting or financial background.</p> <p>The audit committee of the Manager is comprised of four members of which three are independent. The fourth member is an executive director and, as a result, the composition does not comply with the recommendation that the audit committee is only comprised of non-executive directors. The Chair of the audit committee is an independent Director and is not the same person as the Chair of the Board.</p>
3.2	Employees should only attend audit committee meetings at the invitation of the audit committee.	Directors and officers have a standing invitation to attend audit committee meetings. Other employees may attend on invitation only.
3.3	An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.	<p>This recommendation has not been adopted due to Vital's structure.</p> <p>A key feature of the external management structure under which Vital operates is that remuneration of management is the responsibility of the Manager, not Vital. As Vital Unit Holders are not economically exposed to employment remuneration costs, a remuneration committee is not considered necessary by the Board at this time.</p>
3.4	An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.	<p>This recommendation has not been adopted due to Vital's structure.</p> <p>Given its structure and the terms of the Trust Deed, the process for nomination of directors to the Board of the Manager is not the same as for a listed company.</p>
3.5	An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.	<p>From time to time the Board establishes Due Diligence Committees (DDC) under a formal process memorandum to report on the due diligence process in relation to any potential transaction for Vital of material size or complexity. An example would be the capital raisings undertaken by Vital in recent years. A DDC would normally be comprised of an Independent Director, executive director, relevant management staff and external consultants appropriate for the transaction.</p>
3.6	The board should establish appropriate protocols that set out the procedure to be followed if there is a "control transaction" for the issuer including the procedure for any communication between the issuer's board and management and the bidder. The board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent control transaction committee, and the likely composition and implementation of an independent control transaction committee.	<p>This recommendation has not been fully adopted due to Vital's structure and the composition of its unit register.</p> <p>The Takeovers Code does not apply to Vital, as a listed managed investment scheme. Vital's Trust Deed does include some provisions which would regulate takeover-like transactions relating to units in Vital. Given the REIT's ownership of the Manager and cornerstone holding of Vital units, a "control transaction" is considered unlikely.</p> <p>As a result of the above, the Board of the Manager has not established protocols that set out the procedure to be followed if there is a "control transaction" for Vital units.</p>

### Principle 4 – Reporting and disclosure

4.1	An issuer's board should have a written continuous disclosure policy.	<p>It is important that the market and investors feel confident in the timing or manner of any buying or selling of Vital units. As a NZX issuer, the Manager is acutely aware of the need to ensure the market, investors and regulators remain fully informed of any material or price sensitive information relevant to Vital. The Board, management and employees are aware of the NZX Continuous Disclosure requirements and Vital has internal procedures in place to ensure compliance.</p> <p>The Continuous Disclosure Policy can be found on Vital's website at <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a>.</p>
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Reference	Recommendation	Approach
4.2	An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.	A copy of all relevant policies noted in this document can be viewed on Vital's website <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a> . In addition, the website includes the Privacy Policy, the Whistleblower Policy and the Modern Slavery Statement, all of which are endorsed by the Board.
4.3	Financial reporting should be balanced, clear and objective.	We provide disclosures of financial matters in our Annual Report. In addition, disclosures are provided quarterly to keep the market updated as to the financial matters impacting Vital. The Manager maintains and regularly reviews a risk management framework as part of its compliance assurance programme. Reports are provided to both the Audit Committee and Board along with an annual risk assessment.
4.4	An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.	Vital's Annual Report includes non-financial disclosures, including environmental, economic and social sustainability factors and practices. In this regard see page 38 onwards in the sustainability section for an outlay of ESG related achievements and forward-looking targets, and page 52 onwards in the sustainability section for references to regulatory non-financial ESG disclosures to which Vital is committed.

### Principle 5 – Remuneration

5.1	An issuer should have a remuneration policy for the remuneration of directors. An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.	This recommendation has not been adopted due to Vital's structure. Vital is a trust and does not have directors. Subject to the below, the remuneration costs of the Manager's directors are borne by the Manager. As a result, Vital Unit Holders are not economically exposed to those costs. Vital's Trust Deed provides that the costs associated with the two Independent Directors appointed to the Board of the Manager by Unit Holders are reimbursed out of the trust fund. Directors are paid a flat fee for each service provided (currently a base director fee and additional fees for being the Chair, Audit Committee Chair and / or Audit Committee Member). Such fees are market based by reference to other NZX listed entities; this is assessed annually. Accordingly, the Board considers that it is unnecessary for Vital to maintain a remuneration policy. Refer to page 61 of this Annual Report for details of Director remuneration.
5.2	An issuer should have a remuneration policy for remuneration of executives which outlines the relative weightings of remuneration components and relevant performance criteria.	This recommendation has not been adopted due to Vital's structure. As noted above, all officers' remuneration is paid by the Manager not Vital. Accordingly, the Board considers that it is unnecessary for Vital to maintain a remuneration policy.
5.3	An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short term incentives and long term incentives and the performance criteria used to determine performance based payments.	This recommendation has not been adopted due to Vital's structure. Vital does not have any employees as it is externally managed by the Manager. The remuneration of executives is not paid by Vital but by the Manager or its related parties.

### Principle 6 – Risk management

6.1	An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed	The Board of Directors maintains a sound understanding of key risks faced by Vital. Effective management of all financial and non-financial risks is fundamental to the delivery of the Board's strategy. In addition, the Manager will engage other external advisers as appropriate to deal with specific risks. The Manager has a risk management framework that is integrated into day-to-day operations. As part of this framework, the Board and Audit Committee work closely with management and external auditors to support the identification, management and reporting of risks. This risk management framework is part of Vital's compliance assurance requirements under the FMCA. Higher risk groups are reviewed yearly with lower risk groups reviewed biennially. The risk management framework/Compliance Assurance Programme is reviewed on an annual basis and approved by the Board. The Manager has currently identified the following key risk categories: <ul style="list-style-type: none"> <li>• Fund manager risk</li> <li>• Development risk;</li> <li>• Acquisition of Investment risk</li> <li>• Asset and facilities management risk</li> <li>• Information, data security/cybersecurity risk</li> <li>• Energy/carbon efficiency of assets and operations risk;</li> <li>• Talent recruitment, retention and succession planning;</li> <li>• Reputation (social responsibility, brand and stakeholder relationships)</li> <li>• Access to capital risk</li> <li>• Compliance risk</li> <li>• Governance risk</li> <li>• Fraud/Misconduct risk</li> <li>• Climate-related risk</li> </ul>
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Reference	Recommendation	Approach
6.2	An issuer should disclose how it manages its health and safety risks and should report on their health and safety risks, performance and management	<p>The Directors and Manager are committed to ensuring that as far as practical, a safe and healthy working environment is provided for all employees, tenants, contractors and others who may visit our properties. The Trust's Health and Safety Policy aims to reflect this commitment.</p> <p>We have a Risk Management Framework meaning we employ a systematic approach to identifying, evaluating and managing safety risks.</p> <p>We have regular training to ensure employees are knowledgeable about our safety practices. A register is maintained to track participation and ensure compliance.</p> <p>The Operational Risk Committee oversees our safety protocols and implements strategies to address operational risks.</p> <p>Safety expectations are integrated into our supplier contracts and tender/ RFI procedures to ensure consistency across all external arrangements.</p>

### Principle 7 – Auditors

7.1	<p>The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures:</p> <ul style="list-style-type: none"> <li>a. for sustaining communication with the issuer's external auditors;</li> <li>b. to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;</li> <li>c. to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and</li> <li>d. to provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.</li> </ul>	<p>The Board has established an Audit Committee with a majority of Independent Directors. A copy of the Audit Committee Charter can be found on Vital's website <a href="https://www.vitalhealthcareproperty.co.nz/governance/">https://www.vitalhealthcareproperty.co.nz/governance/</a>.</p> <p>The Audit Committee Charter sets out the procedures to be followed to ensure the independence of the Trust's external auditor. The Audit Committee is responsible for recommending the appointment of the external auditor and maintaining procedures for the rotation of the external audit engagement partner.</p> <p>Under the Audit Committee Charter, the external audit engagement partner must be rotated at least every five years.</p> <p>The Committee will only recommend to the Board the approval of an external auditor if that external auditor would be regarded, by a reasonable investor, with full knowledge of all the relevant facts and circumstances, as capable of exercising objective and impartial judgement on all issues encompassed within the auditor's engagement. The continued appointment of Vital's external auditors is confirmed annually by the Committee following its review of the external auditor's performance. One of the duties of the Committee is ensuring that the external auditor or lead audit partner is changed at least every five years in accordance with relevant audit independence guidelines and the Audit Committee Charter.</p> <p>Vital's auditors annually confirm their compliance with professional standards and ethical guidelines of Chartered Accountants Australia and New Zealand to evidence their competencies, as well as attend Vital's annual meeting to answer question from investors in relation to the audit. Deloitte, Vital's current auditor, was first appointed in 2008 and the current engagement partner, Andrew Boivin was appointed in 2023.</p> <p>The Audit Committee Charter covers provision of non-audit services with the general principle being that the external auditor should not have any involvement in the production of financial information or preparation of financial statements such that they might be perceived to be auditing their own work.</p> <p>The Board facilitates regular and full interface between its Audit Committee, the external auditors and management as reflected in the Audit Committee charter.</p>
7.2	The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.	<p>To maximise the effectiveness of communication at the Annual Meeting, the Manager also requires its external auditors to attend the meeting and be prepared to answer Unit Holders' questions about the conduct of the audit, as well as the preparation and content of the independent auditor's report.</p> <p>Vital undertakes an annual audit engagement with its external auditor. As part of the process the Audit Committee identifies any key areas of focus and reporting required of the auditors. Management is required to attend the meeting to discuss the findings of the report and respond to queries. Any recommendations for improvement are discussed and management is required to agree a timetable for the implementation of the changes.</p>
7.3	Internal audit functions should be disclosed.	<p>The Manager's ultimate parent has an internal audit programme that includes an annual global internal control review. The scope of this programme encompasses both the Manager and Vital.</p> <p>In addition, Vital has a Supervisor who undertakes oversight functions on behalf of Unit Holders, including in relation to conduct and the payment of management fees / expenses.</p>

### Principle 8 – Shareholder rights and relations

8.1	An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.	<p>Vital's website <a href="https://www.vitalhealthcareproperty.co.nz">www.vitalhealthcareproperty.co.nz</a> enables Unit Holders to access financial and operational information and key corporate governance information about Vital. The website allows key stakeholders to access and navigate important information with ease.</p>
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Reference	Recommendation	Approach
8.2	An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing shareholders the option to receive communications from the issuer electronically.	<p>A key focus of investor relations is to ensure the market and investors are informed of all details necessary to assess their investment and Vital's performance as specified by NZX Listing Rules. The Board aims to foster constructive communications and encourages all stakeholders to engage with Vital.</p> <p>A key element of corporate communication is the Trust's website at <a href="http://www.vitalhealthcareproperty.co.nz">www.vitalhealthcareproperty.co.nz</a>. Vital's website is designed to make it easier for Unit Holders to locate and understand key information. The website enables all existing and potential Unit Holder to view information including: an overview of the business and corporate structure, a history of financial and investment performance, key calendar dates and the ability to access and download all NZX announcements, presentations and investor forms.</p> <p>The website also includes key corporate governance documents including the Board Charter, Statement of Investment Policies and Objectives (SIPO) and other key policy documentation.</p> <p>The Manager also actively encourages engagement through a communication strategy which includes:</p> <ul style="list-style-type: none"> <li>• The Annual Meeting for the Unit Holders to meet with and ask questions of the Board, the Supervisor, management and external auditors;</li> <li>• Any other meetings called to obtain approval for the Manager's action as appropriate;</li> <li>• Results webcasting providing all investors with the ability to listen and ask questions of Management; and</li> <li>• Various investor communications including Annual Reports and Interim Reports.</li> </ul> <p>Through Vital's external registrar investors have the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.</p> <p>There is a NZ toll free number 0800 225 264 and email address <a href="mailto:enquiry@vhpt.co.nz">enquiry@vhpt.co.nz</a> to which general enquiries can be directed.</p> <p>To further enhance Unit Holder engagement, the format of Vital's annual meetings is a 'hybrid' meeting, allowing investors to attend in-person or virtually by attending the meeting online. Where one format of meeting may be more appropriate in the circumstances, the Directors will take into account the competing interests, cognisant of the importance of Unit Holder participation. The Directors have at the forefront, when making this decision, the importance of ensuring that all Unit Holders are adequately informed about the format of these meetings as well as the rules applicable to voting and participation generally.</p>
8.3	Quoted equity security holders should have the right to vote on any major decisions which may change the nature of the issuer in which they are invested.	<p>The Manager respects the views of Unit Holders and seeks to foster constructive relationships that encourages engagement.</p> <p>Our Unit Holders are entitled to vote to replace the supervisor or the Manager, which would be the two key decisions which would change the nature of Vital, given its structure as a listed managed investment scheme. In addition, Unit Holders have the right to appoint two independent directors to the board of the Manager at each annual meeting.</p> <p>As a managed investment scheme regulated by the FMCA, investment objectives, investment philosophy, investment strategy and categories of authorised investments are required to be set out in the SIPO. A copy of Vital's SIPO is available here: <a href="https://www.vitalhealthcareproperty.co.nz/app/uploads/2021/02/SIPO_Vital_New.pdf">https://www.vitalhealthcareproperty.co.nz/app/uploads/2021/02/SIPO_Vital_New.pdf</a></p> <p>Changes to the SIPO may only be made in accordance with section 165 of the FMCA after having given written notice to Vital's supervisor, Trustees Executors Limited. Depending on the nature of the changes, prior notice to Unit Holders or Unit Holder approval may be required.</p>
8.4	If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holder of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.	<p>Vital's most recent equity capital raising was implemented in April and May 2022 as an accelerated entitlement offer. Eligible Unit Holders were entitled to subscribe for 1 new unit for every 8.54 units held at the record date. This structure allowed existing Unit Holders to participate on a pro rata basis, on no less favourable terms (subject to certain exceptions, like for Unit Holders outside New Zealand).</p> <p>Vital has an active dividend reinvestment plan (DRP) under which all eligible Unit Holders are able to participate. The terms of the DRP remained unchanged during the current accounting period save that a 2% discount applied from the third quarter.</p>
8.5	The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 days prior to the meeting.	<p>Under Vital's Trust Deed at least 14 days' notice is required for notices of meeting to be sent by post. Vital will continue to follow the Trust Deed when determining the period of notice to be given. Having said that, the Notices of Meeting for Vital's annual meeting since 2020 were provided at least 20 days prior to the meeting, as was the Notice of Meeting for the special meeting of Unit Holders held in 2021.</p> <p>The notice of meeting is released on the NZX and included on Vital's website.</p>



# Financial Statements





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# Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

	Note	2025 \$000s	2024 \$000s
Gross property income from rentals		154,908	150,978
Gross property income from expense recoveries		22,193	17,810
Property expenses		(28,267)	(24,255)
<b>Net property income</b>	4	<b>148,834</b>	<b>144,533</b>
Other expenses	7	(23,355)	(30,003)
Strategic transaction expenses		(2,872)	-
Finance income		1,738	2,645
Finance expense	11.b	(46,907)	(43,251)
<b>Operating profit</b>		<b>77,438</b>	<b>73,924</b>
<b>Other gains/(losses)</b>			
Valuation (loss)/gain on investment property	6.a	(96,722)	(165,244)
Net (loss)/gain on disposal of investment property		(2,376)	(5,702)
Fair value (loss)/gain on foreign exchange derivatives		487	(284)
Fair value (loss)/gain on interest rate derivatives		(28,681)	(10,540)
Realised (loss)/gain on foreign exchange		(11)	(87)
Unrealised (loss)/gain on foreign exchange		2,072	(270)
		(125,231)	(182,127)
<b>(Loss)/Profit before income tax</b>		<b>(47,793)</b>	<b>(108,203)</b>
Taxation benefit/(expense)	5	(3,427)	592
<b>(Loss)/Profit for the year attributable to Unit Holders of the Trust</b>		<b>(51,220)</b>	<b>(107,611)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit and loss:</b>			
Movement in foreign currency translation reserve		(14,391)	6,076
<b>Total other comprehensive (loss)/income after tax</b>		<b>(14,391)</b>	<b>6,076</b>
<b>Total comprehensive (loss)/income after tax</b>		<b>(65,611)</b>	<b>(101,535)</b>
<b>Earnings per unit</b>			
Basic and diluted earnings per unit (cents)	9	(7.58)	(16.09)

The notes on pages 74 to 110 form part of and are to be read in conjunction with these financial statements.

# Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 \$'000s	2024 \$'000s
<b>Non-current assets</b>			
Investment properties	6	3,170,566	3,213,689
Derivative financial instruments	13	294	17,720
Other non-current assets	18	8,097	13,980
<b>Total non-current assets</b>		<b>3,178,957</b>	<b>3,245,389</b>
<b>Current assets</b>			
Investment properties held for sale	6	41,294	26,284
Cash and cash equivalents	16	15,642	18,934
Trade and other receivables	17	3,318	10,081
Other current assets	18	7,422	3,888
Derivative financial instruments	13	1,459	183
<b>Total current assets</b>		<b>69,135</b>	<b>59,370</b>
<b>Total assets</b>		<b>3,248,092</b>	<b>3,304,759</b>
<b>Unit Holders' funds</b>			
Units on issue	8	1,217,684	1,204,977
Reserves		(25)	20,966
Retained earnings		461,856	579,183
<b>Total Unit Holders' funds</b>		<b>1,679,515</b>	<b>1,805,126</b>
<b>Non-current liabilities</b>			
Borrowings	11	1,363,639	1,287,477
Lease liability - ground lease		9,268	9,982
Derivative financial instruments	13	9,066	1,856
Deferred tax	5	144,591	158,762
<b>Total non-current liabilities</b>		<b>1,526,564</b>	<b>1,458,077</b>
<b>Current liabilities</b>			
Trade and other payables	19	29,553	32,171
Income in advance		1,788	1,653
Derivative financial instruments	13	4,870	94
Lease liability - ground lease		620	123
Taxation payable		5,182	7,515
<b>Total current liabilities</b>		<b>42,013</b>	<b>41,556</b>
<b>Total liabilities</b>		<b>1,568,577</b>	<b>1,499,633</b>
<b>Total Unit Holders' funds and liabilities</b>		<b>3,248,092</b>	<b>3,304,759</b>

For and on behalf of the Manager, Northwest Healthcare Properties Management Limited



G Stuart, Independent Chair  
13 August 2025



M Stanford,  
Independent Director

The notes on pages 74 to 110 form part of and are to be read in conjunction with these financial statements.



# Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Units on issue \$000s	Retained earnings \$000s	Translation of foreign operations \$000s	Foreign exchange hedges \$000s	Share based payments \$000s	Total Unit Holders' funds \$000s
<b>For the year ended 30 June 2024</b>						
Balance at the start of the period	1,180,922	753,220	(55,121)	63,411	14,951	1,957,383
Changes in Unit Holders' funds	24,055	-	-	-	(14,951)	9,104
Manager's incentive fee	-	-	-	-	6,600	6,600
Profit/(loss) for the period	-	(107,611)	-	-	-	(107,611)
Distributions to Unit Holders	-	(66,426)	-	-	-	(66,426)
<b>Other comprehensive income for the period</b>						
Movement in foreign currency translation reserve	-	-	6,076	-	-	6,076
<b>Balance at the end of the year</b>	<b>1,204,977</b>	<b>579,183</b>	<b>(49,045)</b>	<b>63,411</b>	<b>6,600</b>	<b>1,805,126</b>
<b>For the year ended 30 June 2025</b>						
Balance at the start of the period	1,204,977	579,183	(49,045)	63,411	6,600	1,805,126
Changes in Unit Holders' funds	12,707	-	-	-	(6,600)	6,107
Profit/(loss) for the period	-	(51,220)	-	-	-	(51,220)
Distributions to Unit Holders	-	(66,107)	-	-	-	(66,107)
<b>Other comprehensive income for the period</b>						
Movement in foreign currency translation reserve	-	-	(14,391)	-	-	(14,391)
<b>Balance at the end of the year</b>	<b>1,217,684</b>	<b>461,856</b>	<b>(63,436)</b>	<b>63,411</b>	<b>-</b>	<b>1,679,515</b>

The notes on pages 74 to 110 form part of and are to be read in conjunction with these financial statements.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$'000s	2024 \$'000s
<b>Cash flows from operating activities</b>			
Property income		155,291	151,043
Recovery of property expenses		21,979	17,711
Interest received		911	1,289
Property expenses		(23,874)	(23,637)
Management and trustee fees		(19,500)	(19,994)
Interest paid		(44,759)	(41,080)
Tax paid		(17,793)	(20,006)
Other trust expenses		(3,847)	(3,881)
<b>Net cash provided by/(used in) operating activities</b>		<b>68,408</b>	<b>61,445</b>
<b>Cash flows from investing activities</b>			
Receipts from foreign exchange derivatives		202	12,255
Payments for foreign exchange derivatives		(260)	(12,479)
Capital additions on investment properties		(155,685)	(250,760)
Purchase of properties		(1,436)	(10,679)
Proceeds from disposal of properties		51,034	239,403
Fitout loans to tenants		4,028	(11,374)
Strategic transaction expenses		(1,977)	(455)
<b>Net cash provided by/(used in) investing activities</b>		<b>(104,094)</b>	<b>(34,089)</b>
<b>Cash flows from financing activities</b>			
Debt drawdown		358,056	316,327
Repayment of debt		(264,022)	(277,227)
Issue of units		(57)	-
Loan issue costs		(1,640)	(1,084)
Costs associated with new equity raised		(83)	(100)
Distributions paid to Unit Holders		(59,860)	(57,223)
<b>Net cash from/(used in) financing activities</b>		<b>32,394</b>	<b>(19,307)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,292)</b>	<b>8,049</b>
Cash and cash equivalents at the beginning of the period		18,934	10,885
<b>Cash and cash equivalents at the end of the year</b>		<b>15,642</b>	<b>18,934</b>

The notes on pages 74 to 110 form part of and are to be read in conjunction with these financial statements.

# Notes to the Consolidated Financial Statements

## About this Report

### 1. Reporting Entity

Vital Healthcare Property Trust ("VHP" or the "Trust") is a unit trust established under the Unit Trusts Act 1960 by a Trust Deed dated 11 February 1994 (as subsequently amended and replaced), domiciled in New Zealand. The Trust is managed by Northwest Healthcare Properties Management Limited (the "Manager"), with its registered office at Level 17, HSBC Tower, 188 Quay Street, Auckland Central 1010.

The consolidated financial statements of VHP for the year ended 30 June 2025 comprise VHP and its subsidiaries (together referred to as the "Group"). VHP is listed on the New Zealand Stock Exchange (NZX) and is a FMC reporting entity for the purpose of the Financial Markets Conduct Act 2013. The Group's principal activity is the direct and/or indirect investment in, and management of, high quality real estate in good locations primarily used by healthcare operators or used for healthcare, life sciences and related purposes.

These consolidated financial statements were approved by the Board of Directors of the Manager on 13 August 2025.

### 2. Basis of Preparation

#### (a) Statement of compliance

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with New Zealand equivalents to IFRS Accounting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate to profit-oriented entities. These financial statements comply with NZ IFRS and IFRS Accounting Standards ("IFRS").

#### (b) Basis of consolidation

The Group's financial statements incorporate the financial statements of the Trust and entities controlled by the Trust (its subsidiaries) as set out in Note 20. Control is achieved where the Trust has power over the investees; is exposed, or has rights to variable returns from its involvement with the investees; and has the ability to use its power to affect its returns. The results of subsidiaries are included in the consolidated financial statements from the date of acquisition to the date of disposal. All intra-group transactions, balances, cashflows, income and expenses are eliminated on consolidation.

#### (c) Basis of measurement

The Group uses the historical cost basis except for derivative financial instruments and investment properties which are measured at fair value. Historical cost is based on the fair value of the consideration given or received in exchange for assets or liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

#### (d) Functional and presentation currency

These financial statements are presented in New Zealand Dollars (\$), which is the Trust's functional and presentation currency. All information has been rounded to the nearest thousand dollars (\$000), unless stated otherwise.

In preparing the financial statements, transactions in currencies other than the Trust's functional currency (i.e. a foreign currency transaction) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency denominated monetary items are retranslated at the rate of exchange prevailing at that time. Exchange differences are recognised in profit or loss in the period in which they arise, except for exchange differences on transactions entered into to hedge foreign currency exposure.

The assets and liabilities of the Group's foreign operations are translated to New Zealand Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and the foreign currency translation reserve.



**(e) Changes in accounting policy and presentation**

All accounting policies have been applied on a basis consistent with the prior year's financial statements.

**(f) Standards and Interpretations in issue not yet effective**

At the date of authorisation of these financial statements, the Group has not applied new and revised NZ IFRS standards and amendments that have been issued but are not yet effective. It is not expected that the adoption of these standards and amendments will have a material impact on the financial statements of the Group except as outlined below.

In May 2024, NZ IFRS 18 Presentation and Disclosure in Financial Statements (effective for reporting periods beginning on or after 1 January 2027) was issued. This standard replaces NZ IAS 1 Presentation of Financial Statements. Management are still assessing the impact and note this may change the presentation of primary statements.

**(g) Climate-related disclosures**

Vital is a Climate Reporting Entity (CRE) and is required to comply with the Financial Sector Amendment Act 2021 to provide climate-related disclosures. In accordance with the External Reporting Board (XRB) Aotearoa New Zealand Climate Standards, Vital expects to release its second report in October 2025.

**(h) Material accounting policy information**

Material accounting policies that summarise the measurement basis used and are relevant to an understanding of the consolidated financial statements are provided throughout the notes to the consolidated financial statements. Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current period.

**(i) Fair value hierarchy**

The valuation technique inputs used to determine the value of an asset or liability are classified into Levels 1 to 3 based on the degree to which the fair value inputs are observable. A description of the levels of fair value hierarchy are as follows:

**Level 1** fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

**Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

**Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**(j) The notes to the consolidated financial statements**

The following notes include information required to understand these financial statements that is relevant and material to the operations, financial position and performance of the Group. The notes have been collated into sections to help users find and understand inter-related information. Information is considered material and relevant if, for example:

- the amount is significant by virtue of its size or nature;
- it is important to understand the results of the Group;
- it helps explain the impact of significant changes in the Group's business; or
- it relates to an aspect of the Group's operations that is important to its future performance.

### 3. Material Accounting Policies

#### Critical accounting estimates and judgements

In the application of NZ IFRS, the Board and management are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors that are believed to be reasonable under the circumstances, however actual results may differ from these estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical judgements, estimates and assumptions made in the current period are contained in the following notes:

Note	Description
Note 5	Current and deferred taxation
Note 6	Valuation of investment properties
Note 22	Related party transactions

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## Performance

This section shows the results and performance of the Group and its reporting segments and includes detailed information in respect to its revenues, expenses and profitability. It also provides information on the investment properties that underpin the Group's performance.

### 4. Segment Information

The Group's principal activity is the investment in, and management of, high quality real estate in good locations primarily used by healthcare operators or used for healthcare, life sciences and related purposes. Segment profit represents the profit earned by each segment including an allocation of identifiable administration costs, finance costs and gains/(losses) on disposal of investment properties. This is the measure reported to the Board, who are the chief operating decision makers for the purposes of resource allocation and assessment of segment performance. The Group operates in both Australia and New Zealand.

The following is an analysis of the Group's results by reportable segment.

	Australia \$000s	New Zealand \$000s	Total \$000s
<b>Segment profit/(loss) for the year ended 30 June 2025:</b>			
Gross property income from rentals	101,688	53,220	154,908
Gross property income from expense recoveries	8,438	13,755	22,193
Property expenses	(12,893)	(15,374)	(28,267)
<b>Net property income</b>	<b>97,233</b>	<b>51,601</b>	<b>148,834</b>
Other expenses	(14,789)	(8,566)	(23,355)
Strategic transaction expenses	-	(2,872)	(2,872)
Net finance expense	(38,309)	(6,860)	(45,169)
<b>Operating profit</b>	<b>44,135</b>	<b>33,303</b>	<b>77,438</b>
Fair value (losses) on interest rate derivatives	(25,002)	(3,679)	(28,681)
Valuation gains/(losses) on investment properties	(106,338)	9,616	(96,722)
Net losses on disposal of investment property	(2,244)	(132)	(2,376)
Other foreign exchange gains/(losses)	211	2,337	2,548
<b>Total segment profit/(loss) before income tax</b>	<b>(89,238)</b>	<b>41,445</b>	<b>(47,793)</b>
Taxation expense / (benefit)			(3,427)
<b>Profit/(loss) for the year</b>			<b>(51,220)</b>
<b>Segment profit/(loss) for the year ended 30 June 2024:</b>			
Gross property income from rentals	101,463	49,515	150,978
Gross property income from expense recoveries	7,280	10,530	17,810
Property expenses	(11,966)	(12,289)	(24,255)
<b>Net property income</b>	<b>96,777</b>	<b>47,756</b>	<b>144,533</b>
Other expenses	(15,636)	(14,367)	(30,003)
Net finance expense	(38,341)	(2,265)	(40,606)
<b>Operating profit</b>	<b>42,800</b>	<b>31,124</b>	<b>73,924</b>
Fair value (losses) on interest rate derivatives	(7,643)	(2,897)	(10,540)
Revaluation (losses) on investment properties	(133,505)	(31,739)	(165,244)
Net losses on disposal of investment property	(4,523)	(1,179)	(5,702)
Other foreign exchange gains/(losses)	(210)	(431)	(641)
<b>Total segment profit/(loss) before income tax</b>	<b>(103,081)</b>	<b>(5,122)</b>	<b>(108,203)</b>
Taxation expense / (benefit)			592
<b>Profit/(loss) for the year</b>			<b>(107,611)</b>



Net property income comprises rental income and expense recoveries from tenants less property expenses. The Group has three Australian tenants and one New Zealand tenant that in aggregate contributed \$100.2m of gross property income (2024: three Australian tenants and one New Zealand tenant that contributed \$100.5m).

There were no inter-segment sales during the year (2024: nil).

	Australia \$000s	New Zealand \$000s	Total \$000s
<b>Segment assets at 30 June 2025:</b>			
Investment properties	2,106,360	1,064,206	3,170,566
Other non-current assets	3,198	5,193	8,391
Current assets	59,287	9,848	69,135
<b>Consolidated assets</b>	<b>2,168,845</b>	<b>1,079,247</b>	<b>3,248,092</b>
<b>Segment assets at 30 June 2024:</b>			
Investment properties	2,213,762	999,927	3,213,689
Other non-current assets	25,030	6,670	31,700
Current assets	47,261	12,109	59,370
<b>Consolidated assets</b>	<b>2,286,053</b>	<b>1,018,706</b>	<b>3,304,759</b>
<b>Segment liabilities at 30 June 2025:</b>			
Borrowings	1,095,540	268,099	1,363,639
Other liabilities	172,288	32,650	204,938
<b>Consolidated liabilities</b>	<b>1,267,828</b>	<b>300,749</b>	<b>1,568,577</b>
<b>Segment liabilities at 30 June 2024:</b>			
Borrowings	1,107,629	179,848	1,287,477
Other liabilities	178,632	33,524	212,156
<b>Consolidated liabilities</b>	<b>1,286,261</b>	<b>213,372</b>	<b>1,499,633</b>

All assets and liabilities have been allocated to reportable segments.

Net finance expense and borrowings are allocated against the borrowers segment. In accordance with the Group's finance facilities, comprising a common terms deed and bi-lateral facility agreements (refer note 11.a), financing arrangements are cross collateralised across the Group's investment properties and other assets and are managed on an aggregate basis.

## 5. Taxation

### Income tax recognised in the consolidated statement of comprehensive income

	2025 \$000s	2024 \$000s
Profit/(loss) before tax for the period	(47,793)	(108,203)
Taxation (charge)/credit - 28% on profit before income tax	13,382	30,297
Effect of different tax rates in foreign jurisdictions	(11,601)	(13,431)
Tax exempt income / (Non-deductible expense)	4,054	(1,339)
Foreign tax credits	3,024	1,559
Tax charges on overseas investments	(12,559)	(13,058)
Over/(under) provided in prior periods	(1,403)	1,228
Other adjustments	1,676	(4,664)
<b>Taxation benefit/(expense)</b>	<b>(3,427)</b>	<b>592</b>
The taxation (charge)/credit is made up as follows:		
Current taxation	(15,546)	(19,046)
Deferred taxation	12,119	19,638
<b>Taxation benefit/(expense)</b>	<b>(3,427)</b>	<b>592</b>

The key assumptions used in the preparation of the Group's tax calculation are as follows:

#### Tax rate:

The Group is subject to New Zealand tax on assessable income, including assessable Foreign Investment Fund ("FIF") income attributed from its Australian subsidiaries (applying either the Fair Dividend Rate ("FDR") method or the attributable FIF method), at a rate of 28%. Its Australian subsidiaries are subject to Australian withholding tax on assessable income at a rate of 10% for interest income or 15% for 'fund payment' amounts as they are Australian Managed Investment Trusts (MIT). A New Zealand tax credit is generally available for Australian withholding tax.

## Deferred Tax balances

	Interest rate swaps \$000s	Revaluation of investment properties \$000s	Borrowings \$000s	Other \$000s	Total \$000s
<b>At 1 July 2024</b>	(292)	(158,383)	(223)	136	(158,762)
Charge to profit and loss for the year	3,227	7,704	855	333	12,119
Change in exchange rate	(53)	2,139	(27)	(7)	2,052
<b>At 30 June 2025</b>	<b>2,882</b>	<b>(148,540)</b>	<b>605</b>	<b>462</b>	<b>(144,591)</b>
<b>At 1 July 2023</b>	(7,359)	(170,190)	(174)	197	(177,527)
Charge to profit and loss for the year	7,071	12,718	(49)	(102)	19,638
Change in exchange rate	(4)	(911)	-	41	(874)
<b>At 30 June 2024</b>	<b>(292)</b>	<b>(158,383)</b>	<b>(223)</b>	<b>136</b>	<b>(158,762)</b>

## Imputation credits

	2025 \$000s	2024 \$000s
Imputation (deficit)/credits at end of year	(4,295)	(4,306)

## Recognition and measurement

Income tax comprises current and deferred tax. It is recognised in the consolidated profit or loss unless it relates to items recognised in other comprehensive income, in which case the current or deferred tax is recognised in other comprehensive income.

### Current tax

Current tax is the expected tax payable on the taxable income for the financial year, determined using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates, and any adjustments to tax payable in respect of previous financial years. Management periodically evaluates positions taken in tax returns where the applicable tax regulation is subject to interpretation and establishes appropriate provisions on the basis of amounts expected to be paid to the tax authorities.

### Deferred tax

Deferred tax is provided using the balance sheet liability method, recognising temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their amounts for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and carried forward tax losses, to the extent that it is probable that taxable profit will be available to utilise them.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to utilise them.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the forecast circumstances and the period(s) when the asset or liability giving rise to them are realised or settled, based on the tax rates and laws enacted or substantively enacted at balance date.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off, they relate to the same taxation authority, and the Group intends to settle its obligations on a net basis.



### Unrecognised deferred tax assets

Deferred tax assets totalling \$10.3m (2024: \$0.7m) relating to debt deductions in Australia that have not been recognised. These tax losses can be carried forward 15 years and utilised in future periods subject to specific conditions.

### Uncertain tax positions

The Group is in the process of revising tax depreciation claims in relation to the financial years ended 30 June 2021 to 2024 in relation to Australian and New Zealand investment properties (currently estimated at \$1.9m). This tax depreciation and therefore current tax benefit has not been recorded as the required tax return amendments / positions are subject to the Commissioner of Inland Revenue's discretion or determination, which has currently been assessed as not probable.

### Significant estimates and judgements

Significant estimates and judgements made in the determination of deferred tax include:

- Deferred tax on fixtures and fittings: It is assumed that all fixtures and fittings will be sold at their tax book value.
- Deferred tax on depreciation: Deferred tax is provided for in respect of New Zealand properties for the depreciation expected to be recovered on the sale of investment property, using an estimated split between land and buildings as determined by registered valuers.
- Deferred tax on changes in fair value of investment properties: Deferred tax for Australian properties is provided on the capital gain that is expected from the sale of investment properties based on their fair value. The tax rate used when measuring the deferred tax position is either 15% (FDR method which applies the Australian 'fund payment' withholding tax rate) or 28% (Attributed FIF method which applies the New Zealand tax rate) based on the Group's actual FIF income attribution method election and/or its intention to 'opt-in' to the FDR method.

## 6. Investment Properties

Investment properties comprise real estate predominately leased, or targeted to be leased, to health, life sciences and related sector tenants that is held for either deriving rental income, for capital appreciation or both. The following information excludes Investment Property reclassified to Investment Properties held for sale.

### (6.a) Reconciliation of Carrying Amounts

	2025 \$000s	2024 \$000s
<b>Carrying value of investment property at the beginning of the year</b>	<b>3,213,689</b>	<b>3,288,356</b>
Acquisition of properties	1,187	13,183
Capitalised costs	127,060	212,949
Capitalised interest costs	24,870	26,480
Net capitalised incentives	(2,130)	7,159
Disposal of properties	(23,275)	(161,317)
Classified as held for sale	(41,294)	(26,284)
Foreign exchange translation difference	(32,819)	12,174
Revaluation gain/(loss) on investment property	(76,602)	(165,244)
Carrying value gain/(loss) on investment property under construction	(20,120)	-
Right of use asset recognised	-	6,233
<b>Carrying value of investment property at the end of the year</b>	<b>3,170,566</b>	<b>3,213,689</b>

The Group owns the freehold title to all properties except the car parks at the rear of Ascot Hospital and Ascot Central ("Ascot") and the GenesisCare Integrated Cancer and Health Centre ("GenesisCare") which are the subject of ground leases ("right-of-use" asset). These ground leases have a weighted average term remaining of 13.8 and 53.7 years respectively (2024: 14.8 and 54.7 years). As at reporting date the fair value of the right-of-use assets are \$3.5m and \$6.3m respectively (2024: 3.7 and \$6.4). The ground lease at the Ascot carpark has a 20 year option to extend the term commencing 8 April 2039. The ground lease at the GenesisCare property has two 15 year options to extend the term commencing 28 February 2079 and 28 February 2094.

### (6.b) Acquisition of Property

During the period the Group:

- acquired Beck Court Road, Noble Park, VIC for A\$1.0m. The road is located adjacent to South Eastern Hospital and other strategic land holdings, and improves the overall development of the proposed brownfield expansion of the South Eastern Hospital.

### (6.c) Disposal of Property

During the year the Group:

- divested Hironde Private Hospital in Chatswood, NSW Australia for A\$24.0m (excluding transaction costs) on 23 October 2024.
- divested Epworth Rehabilitation and the land at 10-14 Alverna Grove in Brighton, VIC Australia for A\$19.3m (excluding transaction costs) on 3 December 2024.
- divested 6a Millet Street, Hurstville, NSW Australia for A\$1.7m (excluding transaction costs) on 2 May 2025.

### (6.d) Leasing Arrangements

Investment properties are leased to tenants predominately under long term operating leases. Rent is receivable from tenants monthly. Minimum lease payments to be received under non-cancellable operating leases not recognised in the consolidated financial statements as receivable are as follows:

	2025 \$000s	2024 \$000s
Not later than one year	163,106	148,990
Later than one year and not later than five years	608,496	568,910
Later than five years	1,535,173	1,474,202
	<b>2,306,775</b>	<b>2,192,102</b>

### (6.e) Contractual arrangements

The Group is a party to contracts to purchase and construct property, provide incentives and amortising fitout loans to tenants which are not recognised in the financial statements, unless otherwise noted, for the following amounts:

	2025 \$000s	2024 \$000s
Capital expenditure commitments	39,030	140,422

The Group has committed to:

- providing up to A\$2.0m for air conditioning replacement works at Sportsmed Hospital, Clinic and Consulting suites (incorporated into the valuation of this property).
- capital expenditure and property acquisition commitments relating to development projects' cost to complete.
- reimbursing 50% of a tenants costs (up to A\$0.6m) should the agreement for lease be terminated by the Group at any time before commencement of the developments construction.
- acquire and rentalise additional development works previously undertaken by Avive at the Mt Eliza Clinic, totalling A\$1.74 million, contingent on the tenant achieving a defined performance hurdle before the sunset date of 31 December 2027.

### (6.f) Individual Valuations and Carrying Amounts

The details of the New Zealand and Australian investment property portfolio, including its location, sub sector, fair value, market capitalisation rate, occupancy and weighted average lease expiry term are as follows:



Properties	Location	Sub sector	Major Tenant
<b>Australia</b>			
<b>New South Wales</b>			
Lingard Private Hospital	Merewether, New South Wales	Hospital (Acute)	Healthe Care
Maitland Private Hospital	East Maitland, New South Wales	Hospital (Acute/Mental Health/Rehab)	Healthe Care
Hurstville Private Hospital	Hurstville, New South Wales	Hospital (Acute)	Healthe Care
Kellyville Private Hospital	Kellyville, New South Wales	Hospital (Mental Health)	Aurora
GenesisCare Integrated Cancer & Health Centre	Campbelltown, New South Wales	Hospital (Ambulatory Care)	GenesisCare
Lingard Day Centre	Merewether, New South Wales	Ambulatory Care	Healthe Care
Toronto Private Hospital <sup>1</sup>	Toronto, New South Wales	Hospital (Mental Health/Rehab)	Aurora
<b>Victoria</b>			
Epworth Eastern Hospital	Box Hill, Victoria	Hospital (Acute)	Epworth Foundation
South Eastern Private Hospital	Noble Park, Victoria	Hospital (Mental Health/Rehab)	Aurora
Epworth Camberwell	Camberwell, Victoria	Hospital (Mental Health/Rehab)	Epworth Foundation
Eker Medical Centre	Box Hill, Victoria	Ambulatory Care	Imaging Associates
Avive Clinic - Mornington Peninsula	Mount Eliza, Victoria	Hospital (Mental Health)	Avive
120 Thames Street	Box Hill, Victoria	Ambulatory Care	Newlife IVF
Epworth Rehabilitation <sup>2</sup>	Brighton, Victoria	Hospital (Rehab)	Epworth Foundation
<b>Queensland</b>			
Belmont Private Hospital	Carina Heights, Queensland	Hospital (Mental Health)	Aurora
Palm Beach Currumbin Clinic	Currumbin, Queensland	Hospital (Mental Health)	Aurora
<b>Western Australia</b>			
Abbotsford Private Hospital	West Leederville, Western Australia	Hospital (Mental Health)	Aurora
Marian Centre	Wembley, Western Australia	Hospital (Mental Health)	Aurora
<b>South Australia</b>			
Playford Health Hub – MOB, Retail and Carpark	Elizabeth Vale, South Australia	Ambulatory Care	SA Health
Tennyson Centre	Kurralt Park, South Australia	Ambulatory Care	ICON Cancer Care
Burnside Hospital Stepney, Clinic & Cons.	Stepney, South Australia	Hospital (Acute)	Burnside Hospital Foundaton
<b>Total Australia</b>			

<sup>1</sup> Classified as investment property held for sale at 30th June 2025

<sup>2</sup> This property was divested in Dec24

Latest independent valuation	Fair value		Market capitalisation rate		Occupancy		WALE	
	\$M	\$M	%	%	%	%	Years	Years
Date	Jun-25	Jun-24	Jun-25	Jun-24	Jun-25	Jun-24	Jun-25	Jun-24
Jun-25	191.9	205.4	5.3	4.9	100.0	100.0	25.7	21.7
Jun-25	149.9	146.5	5.6	5.5	100.0	100.0	22.0	18.1
Dec-24	91.1	91.4	6.0	6.0	100.0	100.0	21.8	17.8
Dec-24	50.4	55.3	5.6	5.0	100.0	100.0	22.0	23.0
Jun-25	47.6	50.7	5.4	4.9	100.0	100.0	13.7	14.7
Jun-25	40.2	44.9	5.3	4.9	100.0	100.0	25.7	18.1
Jun-24	-	42.9	-	6.5	-	100.0	-	21.7
Jun-25	414.0	428.2	5.0	4.6	98.6	97.2	22.7	23.5
Dec-24	89.5	86.7	5.5	5.5	100.0	100.0	15.7	16.7
Jun-25	77.8	83.2	5.4	5.0	100.0	100.0	19.0	20.0
Jun-25	36.0	37.2	6.3	5.8	97.8	97.8	4.1	4.1
Dec-24	30.7	31.2	5.5	5.3	100.0	100.0	23.3	24.3
Jun-25	12.0	12.6	6.8	6.3	75.7	75.7	3.9	4.6
n.a	-	16.4	-	n.a.	-	100.0	-	0.1
Dec-24	145.6	164.3	5.4	4.8	100.0	100.0	20.2	21.2
Jun-25	62.5	74.5	5.6	5.0	100.0	100.0	10.2	11.2
Dec-24	59.0	61.9	5.3	5.0	100.0	100.0	16.6	17.6
Dec-24	58.8	62.4	5.4	5.0	100.0	100.0	19.1	10.1
Jun-25	90.9	88.2	5.4	5.3	92.2	73.6	9.3	6.8
Jun-25	88.9	94.8	5.6	5.3	100.0	100.0	6.0	6.0
Jun-25	77.1	89.0	7.1	6.1	100.0	100.0	21.3	22.3
	1,813.9	1,967.8	5.5	5.2	99.0	99.1	19.0	18.1

Properties	Location	Sub sector	Major Tenant
<b>New Zealand</b>			
Wakefield Hospital	Newtown, Wellington	Hospital (Acute)	Evolution Healthcare
Ascot	Greenlane, Auckland	Hospital (Acute)	Ascot Hospital and Clinics Limited
Grace Hospital	Tauranga, Bay of Plenty	Hospital (Acute)	Evolution Southern Cross Limited
Royston Hospital	Hastings, Hawkes Bay	Hospital (Acute)	Evolution Healthcare
Ormiston Hospital	Flatbush, Auckland	Hospital (Acute)	Ormiston Surgical and Endoscopy Limited
Kawarau Park	Lake Hayes, Queenstown	Hospital (Acute)	Southern Cross CLT Limited
Boulcott Hospital	Lower Hutt, Wellington	Hospital (Acute)	Boulcott Pulse Health Limited
Bowen Hospital	Crofton Downs, Wellington	Hospital (Acute)	Evolution Healthcare
Endoscopy Auckland	Epsom, Auckland	Hospital (Acute)	Evolution Healthcare
Ascot Central	Greenlane, Auckland	Ambulatory Care	Fertility Associates Limited
68 Saint Asaph St	Christchurch Central, Christchurch	Ambulatory Care	Health New Zealand - Canterbury
Hutt Valley Health Hub	Lower Hutt, Wellington	Ambulatory Care	Ropata Health Limited
Kensington Hospital	Whangarei, Northland	Hospital (Acute)	Kensington Hospital Limited
Ascot Carpark (right of use asset)	Greenlane, Auckland	Hospital (Acute)	Ascot Hospital and Clinics Limited
<b>Total New Zealand</b>			
<b>Properties held for development</b>			
<b>Investment properties - non current</b>			
<b>Investment properties held for sale</b>			
<b>TOTAL FAIR VALUE OF</b>			
<b>INVESTMENT PROPERTIES</b>			

Latest independent valuation	Fair value		Market capitalisation rate		Occupancy		WALE	
	\$M	\$M	%	%	%	%	Years	Years
	Jun-25	Jun-24	Jun-25	Jun-24	Jun-25	Jun-24	Jun-25	Jun-24
Jun-25	188.7	183.3	5.5	5.5	100.0	100.0	22.4	23.4
Dec-24	125.0	125.0	5.4	5.4	100.0	98.4	14.4	14.2
Dec-24	122.2	109.4	5.5	5.4	100.0	100.0	25.5	26.5
Dec-24	95.0	86.3	5.8	5.5	100.0	100.0	24.4	25.4
Jun-25	86.1	83.4	5.4	5.4	92.3	100.0	15.6	14.9
Jun-25	72.0	69.5	5.8	5.6	100.0	94.1	6.2	7.1
Dec-24	67.9	59.4	5.9	5.9	100.0	100.0	13.0	14.0
Jun-25	67.7	66.0	5.5	5.5	100.0	100.0	24.4	25.4
Jun-25	48.6	31.7	5.5	5.5	100.0	100.0	16.9	17.9
Jun-25	39.8	38.5	5.9	6.0	96.9	96.9	4.6	5.5
Jun-25	39.5	39.4	5.8	5.8	82.2	71.1	8.3	8.8
Dec-24	34.0	34.0	5.5	5.5	100.0	100.0	11.0	11.8
Dec-24	24.7	23.6	6.1	6.3	100.0	100.0	21.0	22.0
Dec-24	8.4	8.4	11.4	11.7	97.3	91.5	11.5	11.9
	1,019.6	957.7	5.6	5.6	97.9	97.0	17.8	18.6
	337.1	288.2						
	3,170.6	3,213.7						
	41.3	26.3						
	3,211.9	3,240.0	5.5	5.3	98.6	98.0	18.5	18.3



## **(6.g) Recognition and Measurement**

### **Recognition and measurement**

#### **Investment Property**

Investment properties are initially measured at cost, including any related transaction costs. Expenditure is capitalised to a property's carrying value only when its cost can be measured reliably and it is probable that future economic benefits will flow to the Group. All other repairs and maintenance expenditure is charged to the statement of comprehensive income.

Subsequent to initial recognition, investment properties, including investment properties held for sale, are measured at fair value (inclusive of adjustments for straight line rental revenue recognition, unamortised lease incentives and costs, and capital expenditure obligations) with any gains or losses arising on re-measurement recognised in profit or loss.

#### **Lessee arrangements and Right-of-Use assets**

On inception of a lease arrangement (where the Group is a lessee), the lease liability is initially measured as the aggregate of fixed lease payments due (net of incentives receivable), expected residual value guarantees and the exercise price of purchase options (if reasonably certain to be exercised) and expected lease termination payments, discounted using the interest rate implicit in the lease, or if this cannot be determined, the Group's incremental cost of borrowing.

Subsequent to initial recognition, lease payments are allocated between finance costs (which is expensed to the consolidated statement of comprehensive income over the term of the lease using the effective interest rate method) and a reduction of the initial lease liability recognised. Refer to Note 12 for the lease liabilities recognised by the Group.

Right-of-Use assets are initially measured at cost, comprising the aggregate of the initial measurement of the lease liability (net of incentives received), lease payments made before commencement date, initial direct costs and restoration costs and are classified as Investment Property.

Subsequent to initial recognition right-of-use assets are measured at fair value.

#### **Development of investment property**

Investment property that is being developed is measured at cost until either its fair value becomes reliably measurable or the development reaches practical completion. Borrowing costs are capitalised from when activities to prepare the property for development commence, until the property is ready for use.

As at 30 June 2025, the carrying value of RDX, QLD (a property currently under construction and expected to achieve practical completion in early 2026 - therefore held at cost) was reassessed, resulting in a reduction of \$20.1m. This primarily reflects required carrying value adjustments due to actual and forecast costs to complete, updated market observations and broader trends affecting healthcare properties (and commercial real estate more generally) since construction commenced in late 2022. The adjustment relied on assumptions and estimates as at 30 June 2025, informed by independent advice, forecast costs to complete estimates, and leasing considerations. The actual fair value of RDX on completion may differ from the current carrying amount.

#### **Rental income**

Rental income from investment properties is comprised of lease components (including base rent, recovery of property taxes and insurance) and non-lease components (including property outgoing recoveries). Rental income is recognised at the fair value of consideration receivable (excluding GST).

Rental income relating to lease components is recognised on a straight-line basis over the term of the lease for the period where the rental income is fixed and determinable. For leases where the rental income is determined based on unknown future variables such as inflation, market reviews or other factors, rental income is recognised on an accruals basis in accordance with the terms of the lease.

Rental income from property outgoing recoveries is recognised as the costs are incurred, which is typically when the services are provided.

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Rental income not received at reporting date is reflected in the consolidated statement of financial position as a receivable or, if paid in advance, as income in advance.

### **Lease incentives, commissions and other costs**

Lease incentives provided to tenants, such as fit-outs or rent free periods, and leasing commissions and other costs incurred when entering into a lease are recognised as a reduction of net property income on a straight-line basis over the non-cancellable term of the lease.

### **Derecognition**

An investment property is derecognised upon disposal or when no future economic benefits are expected from use. The gain or loss arising on derecognition of the property is measured as the difference between the net proceeds from disposal and the carrying amount at disposal date and is recognised in the consolidated statement of comprehensive income in the period in which the property is derecognised.

### **Valuation process**

The purpose of the valuation process is to ensure that investment properties are held at fair value. In accordance with the Group's valuation policy, external valuations are performed by independent professionally qualified valuers who hold a recognised and relevant professional qualification and have specialised expertise in the type of investment property being valued. The valuation policy requires that a valuer may not value the same property for more than two consecutive valuations. All valuations are reviewed by the Manager and approved by the Board.

The fair value of investment property as at 30 June 2025 was determined through independent professional valuers for approximately 64% of the portfolio with the balance of the investment property portfolio subject to independent valuation at 31 December 2024. Manager's valuations are used to determine the balance of the portfolio at each reporting date and are informed by market data and valuation advice provided by independent valuers, comparable transactional evidence and current period leasing activities. The valuers of properties which have been independently valued at 30 June 2025 included: Ernst & Young, Colliers International, Cushman & Wakefield, Jones Lang LaSalle Australia, Savills, CBRE, Urbis, Valued Care, and Absolute Value. The properties which have been independently valued at 30 June 2025 are disclosed above in Note 6.f.

The methods used for assessing the fair value of investment property are the Direct Comparison, Discounted Cash Flow (using a risk adjusted discount rate), Capitalisation of Contract and Market Income approaches and are unchanged from the prior year. The principal factors that influence a valuation include the market capitalisation / discount rates, occupancy, market rent assessments and the weighted average lease term to expiry (WALE).

### **Climate change**

The Group continues to assess the impact of climate change on its business and its real estate assets. While valuers have made no explicit adjustments to the fair value of investment property in respect of climate change matters, it is anticipated that climate change may have a greater influence on valuations in the future as investment markets place a greater emphasis on climate change and a property's / tenants environmental resilience and credentials.

### **Fair Value Hierarchy**

Investment properties are classified as Level 3 under the fair value valuation hierarchy.

### **Estimates and judgements**

The key inputs used in the valuation of investment property are tenant quality, occupancy, rental growth rates, weighted average lease duration, capitalisation rates, discount rates and terminal yields.

Generally, as:

- tenant quality, occupancy, rental growth rates and/or weighted average lease durations increase, yields firm, resulting in increased fair values for investment properties, and vice versa;
- capitalisation, discount rates and/or terminal yields used in the valuation approaches decrease (firm), the fair values for investment properties increase, and vice versa.

## 7. Other Expenses

### (7.a) Other Expenses

	2025 \$000s	2024 \$000s
<b>Other Expenses</b>		
Manager's fees	17,652	18,084
Manager's incentive fee	-	6,600
Trustee fees	564	569
Other operating expenses	4,922	4,533
Total other expenses	23,138	29,786

### (7.b) Fees Paid To Auditor

	2025 \$000s	2024 \$000s
<b>Fees Paid To Auditor</b>		
<i>Auditor's remuneration:</i>		
<b>Audit and review of financial statements</b>		
Statutory audit of the consolidation financial statements	168	168
Review of the condensed consolidated interim financial statements	46	46
<b>Other services</b>		
AGM scrutineering	3	3
Total fees paid to auditor	217	217

## Capital Structure, Financing and Risk Management

This section outlines how the Group manages its capital structure and related financing activities and presents the resultant returns delivered to Unit Holders via distributions and earnings per unit.

### 8. Units on Issue

	2025 \$000s	2024 \$000s
Balance at the beginning of the year	1,204,977	1,180,922
Issue of units under Distribution Reinvestment Plan	6,247	9,203
Issue of units to satisfy Manager's incentive fee	6,600	14,951
Issue costs of units	(140)	(99)
<b>Balance at the end of the year</b>	<b>1,217,684</b>	<b>1,204,977</b>

	2025 000s	2024 000s
<b>Reconciliation of number of units</b>		
Balance at the beginning of the year	671,923	661,014
Issue of units under the Distribution Reinvestment Plan	3,327	4,492
Units issued to satisfy Manager's incentive fee	3,646	6,417
<b>Balance at the end of the year</b>	<b>678,896</b>	<b>671,923</b>

Distributions for the financial year were 9.75 cents per unit (2024: 9.75 cents per unit) including the final quarter distribution of 2.4375 cents per unit (2024: 2.4375 cents per unit) declared subsequent to the reporting date. Refer Note 21.

There have been no equity raise activities outside of the units issued under the distribution reinvestment plan, and the payment of the manager's incentive fee in units.

### Recognition and measurement

#### Issued capital

Issued and paid up units are recognised at the fair value of the consideration received by the Group, net of directly incurred transaction costs. Fully paid ordinary units carry one vote per unit and the right to distributions.

Distributions are recognised as a liability in the Group's financial statements in the period in which the distribution is declared.



### Share based payments (Managers incentive fee)

Subject to the Trust Deed, the Manager is entitled to an incentive fee that is settled in newly issued units (i.e. a share based payment). As such, the incentive fee expense is recognised in the share based payment reserve as the services are provided until such a time as it is settled via the issuance of new units, at which point the amount is reclassified to units on issue.

On 21 August 2024, 3,645,936 units were issued against the 2024 Manager's incentive fee of \$6.6 million (2024: 6,417,684 units were issued against the 2023 Manager's incentive fee of \$14.9 million).

### Capital risk management

The Manager's objective when managing the capital of the Group is to ensure compliance with the capital requirements under the Trust Deed (i.e. total borrowings do not exceed 50% of the gross value of the Trust Fund), borrowings arrangements (refer note 11.a) and that the Group will be able to continue as a going concern while maximising the return to investors through the optimisation of the Group's cost of capital. The Manager maintains or adjusts the capital of the Group through various methods including by adjusting the quantum of distributions paid, raising or repaying debt, issuing or buying back units, or buying or selling assets.

As at reporting date, the Group's total borrowings to the Gross Value of the Group (as defined in the Trust Deed) was 42.1% (2024: 39.1%).

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of the Manager. There have been no material changes in the Group's overall capital risk management strategy during the year.

## 9. Earnings per Unit

	2025	2024
Profit/(loss) attributable to Unit Holders of the Trust (\$'000s)	(51,220)	(107,611)
Weighted average number of units on issue ('000's of units)	675,899	668,753
<b>Basic and diluted earnings per unit (cents)</b>	<b>(7.58)</b>	<b>(16.09)</b>

### Recognition and measurement

Basic and diluted earnings per unit is calculated by dividing the profit attributable to Unit Holders of the Trust by the weighted average number of ordinary units on issue during the year.

## 10. Distributable Income

Statutory profit attributable to Unit Holders is determined in accordance with NZ GAAP and includes a number of non-cash items including fair value movements, straight line lease accounting adjustments and amortisation of borrowing and leasing costs and incentives.

The Manager uses Adjusted Funds from Operations ("AFFO") and AFFO per unit as the Group's key performance metric, representative of the Group's underlying performance, and as a guide to informing the Group's distribution policy. AFFO adjusts statutory operating profit for certain items that are non-cash, unrealised, capital in nature or are one-off or non-recurring (i.e. outside the Group's ordinary operations or not reflective of its underlying performance). As AFFO is a non GAAP measure it may not be directly comparable with AFFO presented by the Group's peers.

A reconciliation of statutory operating profit to AFFO and AFFO per unit is as follows:

	2025 \$000s	2024 \$000s
<b>Adjusted funds from operations</b>		
Operating profit before tax and other gains and losses	77,438	73,924
<b>Add/(deduct):</b>		
Current tax expense	(15,546)	(19,046)
Incentive fee	-	6,600
Strategic transaction expenses	2,848	-
Current tax on translation of foreign currency funding transactions	(59)	(48)
Current tax on interest rate swap restructure and property disposals	1,214	6,536
Amortisation of borrowing costs	2,094	2,009
Amortisation of leasing costs & tenant inducements	3,604	3,423
IFRS 16 Operating lease accounting	(117)	(157)
<b>Funds from operations ("FFO")</b>	<b>71,476</b>	<b>73,241</b>
<b>Add/(deduct):</b>		
Actual maintenance capex from continuing operations	(1,108)	(342)
<b>Adjusted funds from operations (AFFO)</b>	<b>70,368</b>	<b>72,899</b>
<b>AFFO (cpu)</b>	<b>10.41</b>	<b>10.90</b>
<b>Distribution per unit (cpu)</b>	<b>9.750</b>	<b>9.750</b>
<b>AFFO payout ratio</b>	<b>94%</b>	<b>89%</b>
Units on issue (weighted average, 000s)	675,899	668,753

## 11. Borrowings

	2025 \$000s	2024 \$000s
AUD denominated loans	1,156,532	1,145,753
NZD denominated loans	211,917	146,900
Borrowing costs	(4,810)	(5,176)
<b>Total borrowings</b>	<b>1,363,639</b>	<b>1,287,477</b>
Current liability	-	-
Non current liability	1,363,639	1,287,477
<b>Total borrowings</b>	<b>1,363,639</b>	<b>1,287,477</b>

	2025 \$000s	2024 \$000s
Total borrowings at the beginning of the year	1,287,477	1,239,156
Drawdowns during the year	358,056	316,327
Repayments during the year	(264,022)	(277,227)
Additional facility refinancing fee	(1,640)	(1,084)
Facility refinancing fee amortised during the year	2,094	2,009
Foreign exchange movement	(18,326)	8,296
<b>Total borrowings at the end of the year</b>	<b>1,363,639</b>	<b>1,287,477</b>

### Recognition and measurement

Borrowings are initially measured at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest rate method. Gains and losses on derecognition are recognised in the consolidated statement of comprehensive income in the period in which they arise. The carrying values of these balances are approximately equivalent to their fair values because the loans have floating rates of interest that generally reset every 90 days.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the facility for at least 12 months as at year-end.

### (11.a) Summary of Borrowing Arrangements

The Group has a club financing arrangement governed by a common terms deed and bi-lateral facility agreements. Currently there are eight financiers (2024: 8 financiers) that provide facilities to the Group. The facilities' expiry profile and undrawn limits are as follows:

	Jun-25			Jun-24		
	A\$m Limit	A\$m Undrawn	Expiry	A\$m Limit	A\$m Undrawn	Expiry
<b>Common Terms Deed - AUD</b>						
Facility A1	50.0	15.5	May-30	100.0	42.2	Oct-28
Facility A2	25.0	-	May-28	50.0	-	Mar-27
Facility A4	75.0	30.0	May-32	75.0	75.0	Mar-29
Facility D2	75.0	-	Mar-27	75.0	-	Mar-27
Facility D3	50.0	-	Apr-28	25.0	-	Mar-26
Facility K1	70.1	-	Mar-28	70.1	-	Mar-28
Facility K2	21.0	-	Mar-29	21.0	-	Mar-29
Facility K3	13.0	-	Mar-28	13.0	-	Mar-28
Facility L	75.0	-	Sep-28	75.0	-	Sep-28
Facility M1	19.0	-	Mar-29	19.0	-	Mar-29
Facility M2	12.0	-	Mar-28	12.0	-	Mar-28
Facility O	50.0	-	May-30	50.0	-	Mar-28
<b>Total AUD Facility</b>	<b>535.1</b>	<b>45.5</b>		<b>960.1</b>	<b>117.2</b>	
<b>Common Terms Deed - NZD</b>						
	NZ\$m Limit	NZ\$m Undrawn	Expiry	NZ\$m Limit	NZ\$m Undrawn	Expiry
Facility A	50.0	-	May-28	50.0	-	Mar-27
Facility B	75.0	5.0	Mar-28	75.0	19.6	Mar-28
<b>Total NZD Facility</b>	<b>125.0</b>	<b>5.0</b>		<b>125.0</b>	<b>19.6</b>	
<b>Common Terms Deed - Multicurrency (A\$/NZ\$)</b>						
	A\$m Limit	A\$m Undrawn	Expiry	A\$m Limit	A\$m Undrawn	Expiry
Facility A5	150.0	0.2	May-29	75.0	5.0	Mar-27
Facility B1	50.0	-	May-28	50.0	2.1	Mar-27
Facility C1	62.5	-	May-28	62.5	-	Mar-27
Facility C2	62.5	-	May-29	62.5	-	Mar-27
Facility C3	125.0	-	May-30	125.0	-	Mar-29
Facility D1	100.0	-	Apr-29	125.0	-	Mar-27
Facility N	125.0	6.7	Mar-28	125.0	1.7	Mar-28
<b>Total Multicurrency Facility</b>	<b>675.0</b>	<b>6.9</b>		<b>250.0</b>	<b>8.8</b>	

In addition to the above, the Group has available a A\$5.0m (2024: A\$5.0m) bank guarantee facility of which A\$0.4m (2024: A\$0.7m) has been utilised at the reporting date.

The facilities provided are secured and cross collateralised over the Group's mortgaged investment properties (by first ranking real property mortgages) and other assets (via a first ranking general 'all assets' security agreement).

The common terms deed contains both financial and non-financial covenants and undertakings that are customary for secured facilities of this nature. The key financial covenants (being defined terms in the common terms deed) are as follows:

	Covenant	2025 Actual	2024 Actual
<b>Banking Covenants</b>			
Loan to value ratio	< 55%	43.6%	40.4%
Interest cover	> 2.00x	3.02	3.07
Total EBITDA of Obligors v total EBITDA of Group	Not < 95%	100%	100%
Total assets of Obligors v total assets of Group	Not < 95%	100%	100%
Total value of unmortgaged properties v total assets of Group	Not > 10%	0.9%	0.9%



## (11.b) Finance Expense

	2025 \$000s	2024 \$000s
<b>Expenses</b>		
Interest expense	71,777	69,731
Borrowing costs capitalised	(24,870)	(26,480)
Total finance expenses	46,907	43,251

The effective interest rate on borrowings, incorporating interest rate swaps, as at the reporting date was 4.90% per annum (2024: 5.06%).

## Recognition and measurement

Interest expense is recognised in the consolidated statement of comprehensive income using the effective interest rate method except where it is incurred in relation to a qualifying asset, where it is capitalised during the period of time that is required to hold, complete and/or prepare the asset for its intended use.

The effective interest rate method calculates the amount to be recognised over the relevant period at the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount on initial recognition.

## 12. Lease Liabilities

The Group holds a ground lease over the car parks at the rear of Ascot Hospital and Ascot Central and the GenesisCare Integrated Cancer Centre. The weighted average terms remaining are 13.8 and 53.7 years respectively (2024: 14.8 and 54.7 years) noting that Vital has options to extend the ground leases (refer Note6.a).

## 13. Derivative Financial Instruments

### (13.a) Interest Rate Swaps

The Group has exposure to debt facilities that are subject to floating interest rates. The Group uses derivative financial instruments, on a portfolio basis, to manage its exposure to interest rates such as interest rate swaps (to lock-in fixed interest rates), interest rate swaptions (interest rate swaps for a fixed period of time, which are extendable at the counterparties election for a fixed period of time at the same interest rate) and/or interest rate caps (to limit exposure to rising interest rates). At the reporting date, 82.3% of borrowings were fixed using derivative financial instruments (2024: 77.0%). Refer Note 14.c for further information on the Group's exposure to interest rate risk.

All interest rate derivative providers receive the benefit of pari-passu security and cross collateralisation rights over the Group's mortgaged investment properties (via first registered real property mortgages) and other assets (via a first ranking general 'all assets' security agreement).

Generally, interest rate contracts settle on a quarterly basis coinciding with the dates on which the interest is payable on the underlying debt. The floating rate incurred on the debt is based on New Zealand BKBM - Bid or Australian BBSY. The difference between the fixed and floating interest rate is generally settled on a net basis by the relevant counterparty. The interest rate contracts have not been identified as hedging instruments and any movements in their fair value are recognised immediately in the consolidated statement of comprehensive income.

	2025 \$000s	2024 \$000s
<b>Current assets</b>		
Interest rate derivative assets	1,085	149
<b>Non-current assets</b>		
Interest rate derivative assets	231	17,704
<b>Current liabilities</b>		
Interest rate derivative liabilities	(4,870)	-
<b>Non-current liabilities</b>		
Interest rate derivative liabilities	(9,066)	(1,850)
<b>Total</b>	<b>(12,620)</b>	<b>16,003</b>

During the period the Group recognised a fair value loss of \$28.7m (2024: \$10.5m loss) on interest rate contracts. The Group's interest rate swaps outstanding and the corresponding floating interest rates at the reporting date are as follows:

	2025 \$000s	2024 \$000s
Notional value of interest rate swaps - AUD	905,630	863,630
Notional value of interest rate swaps - NZD	150,000	45,655
Average fixed interest rate A\$	3.26%	3.52%
Average fixed interest rate NZ\$	3.73%	4.63%
Floating rates based on AUD BBSY	3.75%	4.39%
Floating rates based on NZD BKBM	3.36%	5.68%

Interest rate derivatives mature over the next four years and have fixed interest rates ranging from 2.50% to 4.37% (2024: from 2.50% to 4.63%).

At balance date the Group had six A\$ forward start swaps with a total notional value of A\$300m with fixed rates ranging from 2.89% to 3.60% (2024: one swap, A\$50m notional value at 3.54%), and one \$50m forward start swap with a fixed rate of 3.15% (2024: one swap, \$50m notional value at 4.63%). The start dates for these swaps range from September 2025 to March 2026 with tenors ranging between one and three and a half years (2024: December 2024 start date and a three year tenor).

The Group also had five A\$ callable swaptions (at the counterparty's option) with a notional value of A\$348.5m with fixed rates ranging from 2.89% to 3.92% (2024: three swaptions, A\$200m notional value, with rates ranging from 3.54% to 3.92%), and one \$50m callable swaption with a fixed rate of 2.99% (2024: nil). The exercise dates on the callable swaptions range from March 2026 to March 2028 with tenors ranging between one and three years (2024: exercise dates ranging from March 2026 to June 2027 with tenors between two and three years).

During the year, the Group entered into a NZ\$50m cross-currency basis swap for a 1-year term, maturing in March 2026. This transaction settles quarterly with VHP paying BKBM and receiving BBSY which in June 2025 were 3.36% and 3.76% respectively. At 30 June 2024, the Group had no cross-currency basis swaps.

## Recognition and measurement

Interest rate derivatives are categorised as financial instruments at fair value through profit or loss and are initially recognised and subsequently measured at fair value derived from independent 3rd party valuations, discounting the estimated future cashflows and using market interest rates for a substitute instrument at the measurement date. The resulting gain or loss is recognised immediately in profit or loss in the consolidated statement of comprehensive income as hedge accounting has not been applied.

### (13.b) Forward Exchange Contracts

The Group has exposure to foreign currency risk arising from owning investment property in Australia. Derivative financial instruments, such as forward exchange contracts, may be used to reduce the exposure to foreign exchange risk by locking in the conversion of Australian dollar denominated income (transaction hedging) or net assets (translation hedging) to New Zealand dollars. Refer Note 14.c for further details on the Group's exposure to foreign exchange risk.

Transaction hedging arrangements generally settle on a quarterly basis while translation hedging arrangements settle on a periodic basis depending on the term of the contract. At reporting date forward exchange contracts have not been designated as hedging instruments and any movements in the fair value are recognised immediately in profit or loss in the consolidated statement of comprehensive income.

	2025 \$000s	2024 \$000s
<b>Current assets</b>		
Foreign exchange derivative assets	374	34
<b>Non-current assets</b>		
Foreign exchange derivative assets	63	16
<b>Current liabilities</b>		
Foreign exchange derivative liabilities	-	(94)
<b>Non-current liabilities</b>		
Foreign exchange derivative liabilities	-	(6)
<b>Total</b>	<b>437</b>	<b>(50)</b>

During the period the Group recognised a fair value gain of \$0.49m (2024: \$0.28m loss) on forward exchange contracts. The Group's forward exchange contracts outstanding at the reporting date are as follows:

	2025 \$000s	2024 \$000s
Nominal value of foreign exchange contracts - AUD	20,001	22,750
Average foreign exchange rate	0.9121	0.9110

### Recognition and measurement

Foreign exchange derivatives are categorised as financial instruments at fair value through profit or loss and are initially recognised and subsequently measured at fair value derived from counterparty bank valuations. Counterparty bank valuations are tested for reasonableness by using a valuation model based on the applicable forward price curves derived from observable forward prices. As hedge accounting has not been applied any resulting gain or loss is recognised immediately in profit or loss in the consolidated statement of comprehensive income.

### (13.c) Fair value hierarchy

The Group has determined that interest rate swaps and foreign exchange contract derivatives are valued using Level 2 inputs (observable prices of similar instruments). There have been no reclassifications between levels in the current year (2024: nil).

## 14. Financial and Risk Management

The Group's activities expose it primarily to credit risk, market risk (interest rate risk and foreign exchange risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses financial derivatives to manage market risks. The use of financial derivatives is governed

by the Group's policies approved by the Board of the Manager, which provide written principles that are consistent with the Group's risk management strategy and appetite. The Group does not use derivative financial instruments for speculative purposes.

### (14.a) Financial Instruments

The Group has the following financial instruments:

- cash and cash equivalents;
- receivables (including loans);
- payables;
- borrowings; and
- derivative financial instruments.

Transactions in these instruments expose the Group to a variety of financial risks including market risk (which includes interest rate risk, foreign exchange risk and other price risks), credit risk and liquidity risks.

### Categories of financial instruments

The Group's financial instruments are classified as:

	Financial assets at amortised cost \$000s	Financial liabilities at amortised cost \$000s	Financial assets at fair value through profit or loss \$000s	Financial liabilities at fair value through profit or loss \$000s
30 June 2025	33,198	(1,403,080)	1,753	(13,936)
30 June 2024	42,995	(1,329,752)	17,903	(1,950)

### Cash, cash equivalents, trade and other receivables (including loans), trade and other payables and borrowings

The carrying values of these financial instruments approximate their fair values because of their short terms to maturity, frequency of interest rate reset dates and/or pricing based on counterparty credit ratings.

### (14.b) Credit Risk

The Group is subject to credit risk (the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group) predominately through its trade and other receivables (including loans), derivatives and cash exposures. The maximum exposure to credit risk at a reporting date is the carrying value of each financial asset as disclosed in the applicable note to the financial statements.

Credit risk is managed by:

- ensuring that at the time of entering into a contractual arrangement or acquiring a property, counterparties or tenants are of appropriate credit worthiness, provide appropriate security or other collateral and/or do not show a history of default;
- seeking to optimise tenant diversity by actively managing the property portfolio composition and leasing arrangements; and
- only entering into derivative financial instruments and placing cash and deposits with high credit quality financial institutions.

The Group applies an expected credit losses (ECL's) model (simplified approach) that uses historical experience, external indicators and forward looking information to calculate the expected lifetime credit loss for financial assets carried at amortised cost.

The expected lifetime credit loss of trade receivables is assessed on a collective basis (grouped based on days past due), reflecting shared credit characteristics, and is determined based on the forecast shortfalls in contractual cash flows considering the potential for default at any point during the life of the financial instrument. Details of the expected credit loss recognised in relation to trade receivables is disclosed in Note 17.a.



### (14.c) Market Risk

The Group is subject to market risk (the risk that borrowings or derivatives are repriced to different interest rate margins on refinance or renewal arising from changes in the debt markets), interest rate risk (the risk of a change in interest rates may impact the Group's profitability, cashflows and/or financial position) and foreign exchange risk (the risk of a change in foreign exchange rates on translation of foreign currency denominated assets, liabilities, revenue and expenses) predominantly through its investment property, borrowings, derivatives and cash exposures.

The interest rates applicable to each category of financial instrument are disclosed in the relevant note to the financial statements.

#### Interest rate risk

Loans have floating rates of interest that are generally reset every 90 days. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rates by the use of interest rate swaps. The following table indicates the effective interest rates and the earliest period in which financial instruments reprice.

	Weighted effective interest rate %	Less than 1 year \$000s	1-2 years \$000s	2-3 years \$000s	3+ years \$000s	Total \$000s
<b>30 June 2025</b>						
Cash and cash equivalents (floating rates)	3.70%	15,642	-	-	-	15,642
Borrowings (floating rates)	5.18%	(242,029)	-	-	-	(242,029)
Borrowings (fixed rates) <sup>1</sup>	4.80%	(508,361)	(357,951)	(160,108)	(100,000)	(1,126,420)
		(734,748)	(357,951)	(160,108)	(100,000)	(1,352,807)
<b>30 June 2024</b>						
Cash and cash equivalents (floating rates)	4.54%	18,934	-	-	-	18,934
Borrowings (floating rates)	5.47%	(296,831)	-	-	-	(296,831)
Borrowings (fixed rates) <sup>1</sup>	4.22%	(10,952)	(573,464)	(306,648)	(104,759)	(995,823)
		(288,849)	(573,464)	(306,648)	(104,759)	(1,273,720)

<sup>1</sup> Fixed rate balances are presented with the effect of hedging derivatives.

#### Interest rate sensitivity

The Group's sensitivity to interest rate risk can be expressed in two ways:

#### Fair value sensitivity

A change in interest rates impacts the fair value of the Group's fixed rate financial instruments. Fair value changes impact profit or loss or equity only where the instruments are carried at fair value. Accordingly, the fair value sensitivity to a 100 bps movement in interest rates (based on the financial instruments held at reporting date) is:

	Impact on profit/(loss) 2025 \$000s	Impact on Unit Holders' funds 2025 \$000s	Impact on profit/(loss) 2024 \$000s	Impact on Unit Holders' funds 2024 \$000s
If interest rates had been 100 bps higher:	23,504	23,504	18,013	18,013
If interest rates had been 100 bps lower:	(27,375)	(27,375)	(19,807)	(19,807)

Instruments included in the fair value sensitivity are the Group's interest rate swaps.

### Cash flow sensitivity analysis

A change in interest rates impacts interest income and expense on the Group's interest bearing floating rate financial instruments.

Accordingly, the one-year cash flow sensitivity to a 100 bps movement in interest rates (based on the financial instruments held at reporting date) is:

	Impact on profit/(loss) 2025 \$000s	Impact on unit holders' funds 2025 \$000s	Impact on profit/(loss) 2024 \$000s	Impact on unit holders' funds 2024 \$000s
If interest rates had been 100 bps higher:	(2,420)	(2,420)	(2,968)	(2,968)
If interest rates had been 100 bps lower:	2,420	2,420	2,968	2,968

Instruments included in the cash flow sensitivity are the Group's interest rate swaps and its borrowings.

### Foreign exchange risk

The following table presents the foreign currency risk that the Group is exposed to arising from Australian dollar (AUD) denominated assets and liabilities:

	2025 \$000s	2024 \$000s
<b>Non-financial instrument assets and liabilities denominated in Australian dollars</b>		
Investment properties	2,106,359	2,213,762
Other assets	50,401	28,848
Deferred tax	(139,858)	(148,160)
<b>Total non-financial instrument assets and liabilities</b>	<b>2,016,902</b>	<b>2,094,450</b>
<b>Non-derivative financial instruments</b>		
Cash and cash equivalents	7,780	12,764
Trade and other receivables	2,970	12,805
Trade and other payables	(19,238)	(22,430)
Borrowings	(1,156,532)	(1,107,630)
Lease liabilities	(6,349)	(6,381)
<b>Total exposure from non-derivative financial instruments</b>	<b>(1,171,369)</b>	<b>(1,110,872)</b>
<b>Derivative financial instruments</b>		
Foreign exchange derivatives	437	(50)
Interest rate swaps	(12,620)	16,003
<b>Total exposure from derivative instruments</b>	<b>(12,183)</b>	<b>15,953</b>
<b>Net exposure to currency risk</b>	<b>833,350</b>	<b>999,531</b>

### Foreign currency sensitivity

A change in the New Zealand dollar (NZD) / AUD exchange rate impacts profit after tax and equity on the conversion of AUD denominated assets, liabilities, revenue and expenses. A 10% change in the exchange rate (2024:10%), based on year end exposures, has the following effect:

	2025 \$000s	2024 \$000s
If the New Zealand Dollar versus the Australian Dollar was 10% higher for the year:		
Profit and loss	5,957	2,742
Other comprehensive income	(80,161)	(91,783)
Unit Holders' funds	(74,204)	(89,041)
If the New Zealand Dollar versus the Australian Dollar was 10% lower for the year:		
Profit and loss	(7,280)	(3,352)
Other comprehensive income	97,974	112,179
Unit Holders' funds	90,694	108,827

#### (14.d) Liquidity Risk

The Group is subject to liquidity risk (the risk that the Group will not be able to meet its contractual or other operating obligations).

Liquidity risk is managed by continuously monitoring forecast and actual cash flows, maintaining appropriate head room under debt facilities and matching the maturity profiles of financial assets and liabilities. To help reduce liquidity risks the Group:

- has readily accessible unutilised credit facilities and other funding arrangements;
- seeks a debt maturity profile that limits the total debt maturing in any one 12-month period; and
- seeks to maintain sufficient loan covenant headroom to ensure that the Group can withstand downward movements in investment property valuations, a reduction in revenue and/or an increase in interest rates without breaching loan facility covenants.

#### Liquidity risk exposure

The following table details the Group's exposure to liquidity risk based on the contractual undiscounted cash flows relating to financial liabilities, foreign exchange contracts and interest rate derivatives:

	Carrying value \$000s	Contractual cash flows \$000s	Less than 1 year \$000s	1-2 years \$000s	2-3 years \$000s	3+ years \$000s
<b>30 June 2025</b>						
<b>Non-derivative financial instruments</b>						
Borrowings (excluding borrowing costs)	(1,368,449)	(1,624,773)	(66,438)	(142,592)	(485,168)	(930,575)
Trade and other payables	(29,553)	(29,553)	(29,553)	-	-	-
Lease liability - ground lease	(9,888)	(28,254)	(620)	(626)	(631)	(26,377)
	(1,407,890)	(1,682,580)	(96,611)	(143,218)	(485,799)	(956,952)
<b>Derivative financial instruments</b>						
Interest rate swaps	(12,620)	(8,628)	(3,598)	(3,675)	(1,058)	(297)
Foreign exchange derivatives	437	437	437	-	-	-
	(12,183)	(8,191)	(3,161)	(3,675)	(1,058)	(297)
<b>30 June 2024</b>						
<b>Non-derivative financial instruments</b>						
Borrowings (excluding borrowing costs)	(1,292,653)	(1,295,831)	(259,487)	(226,706)	(372,821)	(436,817)
Trade and other payables	(32,171)	(32,171)	(32,171)	-	-	-
Lease liability - ground lease	(10,105)	(9,389)	(123)	29	(143)	(9,151)
	(1,334,929)	(1,337,390)	(291,780)	(226,677)	(372,964)	(445,969)
<b>Derivative financial instruments</b>						
Interest rate swaps	16,003	19,151	12,520	5,035	1,406	190
Foreign exchange derivatives	(50)	(50)	(50)	-	-	-
	15,953	19,101	12,470	5,035	1,406	190

### (14.e) Hedge Accounting

The Group is exposed to foreign exchange risk on its net investment in its AUD functional currency subsidiaries and seeks to hedge this risk using AUD-denominated borrowings and foreign exchange derivatives (net investment hedges).

#### Recognition and measurement

For a financial instrument to be classified and accounted for as an effective hedge there must be:

- an economic relationship between the hedged item and the financial instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the financial instrument that the Group actually uses to hedge that quantity of hedged item.

The Group documents its hedging relationships at their inception in accordance with the requirements of NZ IFRS 9 and the Board approved risk management strategy.

Hedge effectiveness is determined by the Group at the inception of the hedge relationship, and through semi-annual prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the financial instrument. That portion of the foreign exchange differences arising on the financial instruments determined to be an effective hedge is recognised directly in other comprehensive income. Any ineffective portion is recognised in profit or loss.

On disposal of the foreign operation, the cumulative value of such gains or losses recognised in other comprehensive income is reclassified to the profit and loss in the statement of comprehensive income.

No foreign exchange derivatives currently held are designated as hedging instruments (2024: Nil).

## 15. Commitments and Contingencies

Other than the contractual obligations disclosed in Note 6.e and Note 15.a, there are no other commitments and contingencies in effect at the reporting date (2024: nil).

### (15.a) NZX Bank Bond

As a condition of listing on the New Zealand Stock Exchange (NZX), NZX requires all issuers to provide a bank bond to NZX under NZX/DX Listing Rule 1.23.2. The bank bond required by the Group for listing on the NZX is \$75,000.



## Efficiency of Operations

This section presents the Group's working capital position and the efficiency in which it converts operating profits into cash available for Unit Holders or reinvestment back into the operations of the Group.

### 16. Statement of Cash Flows Reconciliation from Operating Activities

	2025 \$000s	2024 \$000s
<b>Cash and cash equivalents</b>		
Australian financial institutions	7,780	12,764
New Zealand financial institutions	7,862	6,170
<b>Cash at bank</b>	<b>15,642</b>	<b>18,934</b>
<b>Reconciliation of profit after income tax to net cash flows from operating activities</b>		
<b>Profit after tax for the year</b>	<b>(51,220)</b>	<b>(107,611)</b>
<i>Adjustments for non-cash items</i>		
Change in fair value of investment properties	96,722	165,244
Fair value (gain)/loss on derivative financial instruments	28,194	10,824
Unrealised foreign exchange (gain)/loss	(2,072)	270
Deferred taxation	(12,119)	(19,638)
Income in advance	135	127
Strategic transaction costs	2,872	-
Manager's incentive fee	-	6,600
Other	2,179	2,224
<b>Operating cash flow before changes in working capital</b>	<b>64,691</b>	<b>58,040</b>
Change in trade and other payables	3,557	(1,136)
Change in taxation payable	(2,333)	(1,174)
Change in trade and other receivables	117	13
Items classified as investing activities	2,376	5,702
<b>Net cash from operating activities</b>	<b>68,408</b>	<b>61,445</b>

Excluded from investing and financing activities are distributions paid during the year of \$6.2m (2024: \$9.2m) that have been reinvested under the Distribution Reinvestment Plan (DRP).

### Recognition and measurement

Cash and cash equivalents comprise cash at bank and call deposits, net of outstanding bank overdrafts.

The statement of cash flows is prepared on a GST exclusive basis. The GST component of cash flows arising from investing and financing, which is recoverable from/payable to, the taxation authority, is classified as part of operating cash flows.

## 17. Trade and Other Receivables

	2025 \$000s	2024 \$000s
Trade receivables	1,232	5,615
Loss allowance	(473)	(552)
	759	5,063
Other receivables	2,559	4,075
Tenant fitout loans	-	943
<b>Total trade and other receivables</b>	<b>3,318</b>	<b>10,081</b>

### (17.a) Ageing of receivables Past Due

	2025 \$000s	2024 \$000s
0-30 days past due	465	4,735
31-60 days past due	67	307
61-90 days past due	40	177
beyond 90 days past due	660	396
	1,232	5,615

	2025 \$000s	2024 \$000s
<b>Movement in the loss allowance</b>		
Balance at the beginning of the year	552	388
(Decrease)/increase in allowance recognised in profit or loss	(79)	164
<b>Balance at the end of the year</b>	<b>473</b>	<b>552</b>

During the year the Group recognised bad debt write offs of \$9,000 (2024: \$18,000) in the statement of comprehensive income.

The Group holds \$0.8m security or other collateral (2024: \$0.2m) in respect of rent receivables past due. The Group does not have significant credit risk exposure to any single counterparty or counterparties having similar characteristics in respect of rent receivables past due (2024: nil). There are no significant financial assets that have had renegotiated terms that would otherwise have been past due (2024: nil).

## Recognition and measurement

### Rent receivables

Rent receivables are recorded initially at fair value (including GST) and subsequently at amortised cost.

### Loan receivables

Loan receivables are initially measured at fair value and subsequent at amortised cost using the effective interest rate method.

### Impairment of financial assets

Loss allowances for financial assets (other than those measured at fair value through profit and loss) are measured using the simplified approach based on a lifetime expected loss allowance. Refer Note 14.b for further details.

## 18. Other Assets

	2025 \$000s	2024 \$000s
<b>Current</b>		
GST refundable	178	197
Tenant fitout loans	6,141	-
Other	1,103	3,691
<b>Total Current</b>	<b>7,422</b>	<b>3,888</b>
<b>Non-Current</b>		
Tenant fitout loans and other receivables	8,097	13,980
<b>Total Non-current</b>	<b>8,097</b>	<b>13,980</b>

The Group has provided unsecured amortising fitout loans to two tenants totaling \$8.4m and \$5.9m. These loans amortise over 10 and 15 years from inception and are currently subject to interest at 8.00% and 6.45% respectively.

### Recognition and measurement

#### Rent receivables

Other assets are recorded initially at fair value (including GST) and subsequently at amortised cost.

#### Loan receivables

Loan receivables are initially measured at fair value and subsequent at amortised cost using the effective interest rate method.

#### Impairment of financial assets

Loss allowances for financial assets (other than those measured at fair value through profit and loss) are measured using the simplified approach based on a lifetime expected loss allowance. Refer Note 14.b for further details.

## 19. Trade and Other Payables

	2025 \$000s	2024 \$000s
<b>Current liabilities</b>		
Interest accrued on borrowings	5,007	3,952
Other creditors and accruals	24,546	28,219
<b>Total trade and other payables</b>	<b>29,553</b>	<b>32,171</b>

### Recognition and measurement

Trade and other payables are recognised initially at fair value (inclusive of GST) and subsequently measured at amortised cost using the effective interest method. The average credit term on purchases is generally 30 days and they are non-interest bearing. The Group has management policies in place to ensure that all amounts are paid within the applicable credit terms.

## Other Notes

### 20. Investment in Subsidiaries

The Trust has control over the following subsidiaries.

Name of subsidiary	Principal activity	Place of incorporation and operation	Holding	
			2025	2024
Vital Healthcare Australian Property Trust	Property investment	Australia	100%	100%
Vital Healthcare Investment Trust	Property investment	Australia	100%	100%
Vital Healthcare Property Limited	Property investment	New Zealand	100%	100%
Colma Services Limited	Holding company	New Zealand	100%	100%

All subsidiaries have the same reporting date as the Trust.

### 21. Subsequent Events

On 13 August 2025 a final cash distribution of 2.4375 cents per unit was announced. The Record Date for the final distribution is 4 September 2025 and is payable to Unit Holders on 18 September 2025. Imputation credits of 0.6327 cents per unit will be attached to the distribution.

### 22. Related Party Transactions

#### The Manager

Vital is managed by Northwest Healthcare Properties Management Limited (the "Manager"), a wholly owned subsidiary of NWI Healthcare Properties LP (NWI LP).

The ultimate parent of NWI LP is Toronto listed Northwest Healthcare Properties Real Estate Investment Trust (NWH REIT) that, as at reporting date, holds a 28.2% (2024: 28.4%) interest in Vital. NWH REIT and its controlled entities (including the Manager) are considered related parties to Vital and its controlled entities by virtue of common ownership and/or directorships.

Other related parties by virtue of common ownership and/or directorship to the Manager of Vital include Australian Properties Limited and Northwest Healthcare Australian Properties Limited.

#### Remuneration of the Manager

Vital pays fees to the Manager in accordance with the Trust Deed. The aggregate of Base Fees, Incentive Fees and Activity Fees is capped at 1.75% per annum of Vital's Gross Asset Value (GAV) as at the end of a financial year.

#### Current fee arrangements

##### Base Fee

The Base Fee structure is as follows:

- 65 bps per annum up to \$1bn of GAV;
- 55 bps per annum from \$1bn to \$2bn of GAV;
- 45 bps per annum from \$2bn to \$3bn of GAV; and
- 40 bps per annum over \$3bn of GAV.



**Incentive Fee**

The Incentive Fee is determined as 10% of the average annual increase in Vital's Net Tangible Assets ("NTA") (being a defined term in the Trust Deed) over the respective financial year and the two preceding financial years, with payment being made by way of subscribing for new units. The incentive fee calculations are also subject to a "three year High Watermark Net Tangible Asset" requirement (being a defined term in the Trust Deed), such that for the purpose of determining the increase in NTA for a Financial Year, the annual NTA increase for that Financial Year will reduce to zero if the actual NTA does not exceed the High Watermark Net Tangible Asset requirement.

**Activity Fees****a. Leases or licences**

Vital pays the Manager leasing or licence fees where the Manager has negotiated leases or licences. The fees are charged at 11% of the aggregate annual rental for terms less than 3 years, 12% of the aggregate annual rental for terms of 3 years, and 12% plus an additional 1% for each full year (pro rata for part years) for terms greater than three years (to a maximum of 20%), subject to a minimum fee of \$2,500.

Lease or licence renewals are charged at 50% of a new lease or licence fee.

Leasing or licence fees are capitalised to the respective investment or property in the consolidated statement of financial position and amortised over the term of the lease.

**b. Property management**

Vital pays the Manager property management fees where the Manager acts as the property manager. These fees are charged at 1% - 2% of gross income depending on the number of tenants at the property and may be recovered from tenants if permitted under lease agreements.

Property management fees, net of recoveries from tenants, are expensed through the consolidated statement of comprehensive income in the year in which they arise.

**c. Facilities management**

Vital pays the Manager a facilities management fee where the Manager acts as a property facilities manager based on the market rate (referenced to a reputable and high-quality third party service provider) for similar services at similar properties. This fee may be recovered from tenants if permitted under lease agreements.

Facilities management fees are expensed, net of recoveries from tenants, through the consolidated statement of comprehensive income in the year in which they arise.

**d. Project management**

Vital pays project management fees to the Manager for managing capital expenditure projects where the purpose of the project is to upgrade, repair or otherwise extend the life of the property, including via the replacement or repair of major plant and equipment, structural items and building envelope.

Project management fees for projects with a budget of between \$0.2m and \$2.5m are 2% of the committed spend where the Manager is the project lead and 1% of committed spend where the Manager has an oversight role, increasing to 4% and 2% respectively for projects with a budget greater than \$2.5m.

Project management fees are capitalised to the respective property in the consolidated statement of financial position.

**Additional Costs****a. Acquisitions**

Vital pays fees to the Manager for managing the due diligence, financing, legal aspects and settlement of the purchase of an investment or property instead of, or alongside, a third party agent. These fees are charged at 1.5% of the capitalised cost of the relevant investment or property, being the contracted price payable, excluding any deductions netted off the settlement price (such as rates), together with other related capitalised acquisition costs.

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Acquisition fees are capitalised to the respective investment or property in the consolidated statement of financial position.

### **b. Disposals**

Vital pays fees to the Manager for managing the due diligence, legal aspects and settlement of the sale of an investment or property instead of, or alongside, a third party agent. These fees are charged at 1% of the contracted sale price of the relevant investment or property actually received, provided that, if a third party agent has been engaged to provide services for the disposal, then the fee payable to the Manager will be net of the third party agent's costs and commissions.

Disposal fees are expensed through the consolidated statement of comprehensive income in the year in which they arise.

### **c. Development Management**

Vital pays fees where the Manager acts as a development manager on Vital developments. These fees are charged at 4% of the committed spend (excluding land) approved by the Board of the Manager provided that, if a third party agent has been engaged to provide development management services, then the fee payable to the Manager will be reduced by the non-rentalisable third party costs paid.

Development management fees are capitalised to the respective property in the consolidated statement of financial position.

### **Other Services**

Vital has entered into an agreement with Northwest Healthcare Australian Properties Limited to receive Level 2 energy audit and climate risk assessment services for its Australian and New Zealand properties under clause 24.4 of the Trust Deed. The fees for these services do not exceed prevailing market rates.

## **Other Related Parties**

On 30 December 2022 the Group entered into an agreement with Northwest Healthcare Australia RE Limited as trustee for Northwest Healthcare Australia Lumina Trust ("Lumina") under which Vital purchased the land at 15 Nexus Way, Southport, Queensland Australia (Land) to facilitate the development of a new state of the art, 6-Star Green Star health, research and innovation building to be known as "RDX". Consideration paid, based on an independent valuation by Jones Lang LaSalle of the Land, totalled A\$6.9m, including A\$4.3m payable to Lumina.

In conjunction with the purchase of the Land:

- Lumina has agreed to guarantee the net operating income of RDX will not be less than A\$3.712m for the 12 months from practical completion of RDX; and
- the Group has agreed to pay Lumina 50% of the actual net operating income in excess of A\$3.712m plus 50% of any outperformance against the leasing assumptions, capped at A\$2.0m.

Other than the above there have been no transactions that occurred during the reporting period or remain outstanding at the reporting date with other related parties.

## Transactions with related parties

Amounts charged by the Manager and related parties and owing are as follows:

	30 June 2025 \$000s				30 June 2024 \$000s			
	Statement of Comprehensive Income	Statement of Financial Position	Total	Amounts Owing/ (Receivable)	Statement of Comprehensive Income	Statement of Financial Position	Total	Amounts Owing/ (Receivable)
Base fee	17,652	-	17,652	-	18,084	-	18,084	-
Incentive Fee <sup>1</sup>	-	-	-	-	6,600	-	6,600	6,600
<b>Activity Fees:</b>	-	-	-	-	-	-	-	-
Leasing/licensing <sup>2</sup>	146	2,605	2,751	246	247	2,544	2,791	238
Property management <sup>3</sup>	2,444	-	2,444	349	2,299	-	2,299	320
Facilities management <sup>3</sup>	-	-	-	-	-	-	-	-
Project management <sup>4</sup>	-	-	-	-	-	55	55	-
Other services <sup>5</sup>	-	126	126	125	-	-	-	-
AFSL fee	1,284	-	1,284	-	1,341	-	1,341	-
	21,526	2,731	24,257	720	28,571	2,599	31,170	7,158
<b>Additional Costs:</b>								
Acquisitions <sup>6</sup>	-	15	15	-	-	(180)	(180)	274
Disposals <sup>7</sup>	86	-	86	-	789	-	789	485
Development management <sup>8</sup>	-	1,400	1,400	1,213	-	3,745	3,745	1,543
	86	1,415	1,501	1,213	789	3,565	4,354	2,302
<b>Other Amounts:</b>								
Reimbursement of third party expenses:								
Other expenses	104	-	104	-	120	-	120	-
Amounts paid to directors: <sup>9</sup>								
Graham Stuart	117	-	117	-	65	-	65	-
Angela Bull	44	-	44	-	100	-	100	-
Michael Stanford	121	-	121	-	76	-	76	-
	386	-	386	-	361	-	361	-
	21,998	4,146	26,144	1,933	29,721	6,164	35,885	9,460

<sup>1</sup> Manager's incentive fee outstanding at 30 June 2025 of nil (Jun 24: \$6.6m) is payable to Northwest Healthcare Properties Management Limited

<sup>2</sup> Amounts outstanding at 30 June 2025 are: Northwest Healthcare Properties Management Limited Nil (Jun 24: \$0.2m); Northwest Healthcare Australian Property Limited \$0.2m (Jun 24: \$0.1m)

<sup>3</sup> Property Management and Facilities Management fees, exclusive of recoveries from tenants, incurred by the Trust totalled \$2.4m and nil respectively for the 30 June 2025 year (Jun 24: \$2.3m and nil respectively).

Amounts outstanding at 30 June 2025 are: Northwest Healthcare Properties Management Limited \$0.1m (Jun 24: \$0.1m); Northwest Healthcare Australian Property Limited \$0.2m (Jun 24: \$0.2m)

<sup>4</sup> Amounts outstanding at 30 June 2025 are: Northwest Healthcare Properties Management Limited Nil (Jun 24: \$0.1m) Northwest Healthcare Australian Property Limited Nil (Jun 24: Nil)

<sup>5</sup> Amounts outstanding at 30 June 2025 are: Northwest Healthcare Properties Management Pty Ltd \$0.1m (2024: Nil)

<sup>6</sup> Amounts outstanding at 30 June 2025 are: Northwest Healthcare Properties Management Limited Nil (Jun 24: Nil); Northwest Healthcare Australian Property Limited Nil (Jun 24: \$0.3m)

<sup>7</sup> Amounts outstanding at 30 June 2025 are: Northwest Healthcare Properties Management Limited Nil (Jun 24: \$0.2m); Northwest Healthcare Australian Property Limited Nil (Jun 24: \$0.3m)

<sup>8</sup> Amounts outstanding at 30 June 2025 are: Northwest Healthcare Properties Management Limited \$0.5m (Jun 24: \$0.9m); Northwest Healthcare Australian Property Limited \$0.7m (Jun 24: \$0.7m)

<sup>9</sup> Directors' fees for Graham Stuart are currently paid by the Manager

## Independent Auditor's Report

### To the Unitholders of Vital Healthcare Property Trust

#### Opinion

We have audited the consolidated financial statements of Vital Healthcare Property Trust and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 70 to 110, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2025, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than our capacity as auditor, we perform other assurance services in relation to the Group's quarterly reporting pack to the Group's Parent. We also carry out other assignments for the Group as independent AGM vote scrutineer. These services have not impaired our independence as auditor of the Group. The firm has no other relationships with, or interests in, the Group.

#### Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be \$3.87 million.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of Investment Properties</b></p> <p>The Group's investment properties (including those held for sale) consist of health sector properties totalling \$3,212 million as at 30 June 2025. Valuation losses on the Group's investment properties for the year ended 30 June 2025 totalled \$97 million, which includes a \$20 million carrying value adjustment relating to investment property under development. Further details on the Group's property portfolio and valuation are provided in Note 6.</p> <p>Investment properties are carried at fair value. Where development is in progress at a property, this is carried at cost, until either its fair value becomes reliably measurable or the development reaches practical completion.</p> <p>The valuation of investment property is highly dependent on forecasts and estimates including a number of unobservable inputs to take into account property-specific attributes.</p> <p>Independent registered valuers determined the fair value of approximately 64 percent of the investment properties at 30 June 2025, and the Manager determined the fair value of the remaining properties.</p> <p>The valuation methods used for assessing the fair value include a combination of direct comparison, discounted cash flow, capitalisation of contract and market income approaches.</p> <p>The external valuers and the Manager, amongst other matters, take into consideration occupancy rates, weighted average lease term to expiry ('WALE') and capitalisation rates.</p> <p>The valuation of investment properties is a key audit matter due to the subjective judgements and assumptions in the valuation models.</p>	<p>We have evaluated the appropriateness of the valuation of investment property by performing the following:</p> <ul style="list-style-type: none"> <li>• Reviewing the external valuers' valuation reports and the valuation reports prepared by the Manager. <ul style="list-style-type: none"> <li>• We evaluated the key metrics, including capitalisation rate, market rent and contract rent on a property and portfolio basis for year on year movements and assessed whether, in our judgement, the movements represented outliers to investigate.</li> <li>• We held discussions, on a sample basis, with the valuers and separately, with representatives of the Manager and challenged assumptions, including the possible outliers identified.</li> <li>• We agreed property specific information supplied to the external valuer and used in the Manager's valuations, including occupancy data, current rentals, and lease terms, to the underlying records held by the Group, on a sample basis.</li> <li>• We involved our valuation specialists to consider and challenge, on a sample basis, the reasonableness of the assumptions and valuation methodology applied, including comparing assumptions to market data where available.</li> </ul> </li> <li>• Evaluating the objectivity, independence and expertise of the external valuers.</li> <li>• Evaluating the expertise of the Manager.</li> <li>• With respect to significant property developments: <ul style="list-style-type: none"> <li>• Where the Group has determined the development has reached practical completion, obtaining evidence supporting the Group's estimates of the expected future rental cash flows that will apply upon completion and the costs to complete the development.</li> <li>• Where property developments are carried at cost, testing the cost incurred to date on a sample basis.</li> <li>• Where the Group has recorded a carrying value adjustment to property under development, we reviewed management's assessment of the carrying value of the property by evaluating the assumptions and estimates made as at 30 June 2025 (including forecast costs to complete estimates, and leasing considerations), as well as the independent advice received by management.</li> </ul> </li> </ul>

## Other information

The Board of Directors of the Manager is responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report, and the Climate Statement. The Climate Statement is expected to be made available to us after the date of the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

When we read the Climate Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors of the Manager and consider further appropriate actions.

**Board of Directors' responsibilities for the consolidated financial statements**

The Board of Directors of the Manager is responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the Manager is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Group's unitholders, as a body. Our audit has been undertaken so that we might state to the Group's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

**Andrew Boivin, Partner  
for Deloitte Limited**  
Auckland, New Zealand  
13 August 2025

# Unit Holder statistics

## Analysis of unit holders as at 30 June 2025

Holding Range	Number of Unit Holders	Total units	% of total units issued
1 - 499	239	43,546	0.01
500 - 999	90	62,634	0.01
1,000 - 1,999	202	284,942	0.04
2,000 - 4,999	740	2,535,407	0.37
5,000 - 9,999	915	6,469,051	0.95
10,000 - 49,999	1,826	40,361,259	5.95
50,000 - 99,999	272	18,200,577	2.68
100,000 - 499,999	143	25,712,717	3.79
500,000 - 999,999	11	8,202,871	1.21
1,000,000 Over	28	577,023,039	84.99
<b>Total</b>	<b>4,466</b>	<b>678,896,043</b>	<b>100</b>

## Substantial unit holders as at 30 June 2025

Unit Holders	Date of notice	Number of units	% of total units issued <sup>1</sup>
FORSYTH BARR INVESTMENT MANAGEMENT LIMITED	13-May-25	79,641,347	11.76
ACCIDENT COMPENSATION CORPORATION	30-Apr-25	46,778,309	6.91
NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST	6-Sep-24	191,708,036	28.38
ANZ NEW ZEALAND INVESTMENTS LTD	21-Mar-22	26,304,841	5.06

<sup>1</sup> On date notice filed

## Twenty largest unit holders as at 30 June 2025

Unit holders	Total	% of units
NZGT SECURITY TRUSTEE LIMITED	191,481,804	28.20
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	94,542,010	13.93
CUSTODIAL SERVICES LIMITED <A/C 4>	50,930,791	7.50
ACCIDENT COMPENSATION CORPORATION - NZCSD <ACCI40>	44,127,410	6.50
BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD <BPSS40>	30,194,974	4.45
HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD <HKBN90>	25,436,609	3.75
TEA CUSTODIANS LIMITED CLIENT PROPERTY TRUST ACCOUNT - NZCSD <TEAC40>	19,680,062	2.90
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	16,473,035	2.43
ANZ WHOLESALE TRANS-TASMAN PROPERTY SECURITIES FUND - NZCSD <PNTT90>	15,807,171	2.33
FNZ CUSTODIANS LIMITED	11,050,881	1.63
JBWERE (NZ) NOMINEES LIMITED <NZ RESIDENT A/C>	9,872,066	1.45
ADMINIS CUSTODIAL NOMINEES LIMITED	9,626,584	1.42
FORSYTH BARR CUSTODIANS LIMITED <ACCOUNT 1 E>	8,060,123	1.19
INVESTMENT CUSTODIAL SERVICES LIMITED <A/C C>	7,502,239	1.11
CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD <CNOM90>	7,302,753	1.08
SIMPLICITY NOMINEES LIMITED - NZCSD	6,045,437	0.89
MFL MUTUAL FUND LIMITED - NZCSD <MFLA90>	4,519,001	0.67
HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET -NZCSD <HKBN45>	4,073,300	0.60
NZX WT NOMINEES LIMITED <CASH ACCOUNT>	3,263,245	0.48
PT (BOOSTER INVESTMENTS) NOMINEES LIMITED	3,250,000	0.48
<b>Top 20 holders of Units</b>	<b>563,239,495</b>	<b>82.96</b>
<b>Total Remaining Holders Balance</b>	<b>115,656,548</b>	<b>17.04</b>



# Vital's structure

Vital benefits from being managed by a global healthcare property owner and manager.

## About Vital

Vital Healthcare Property Trust (Vital, the Trust) is an NZX-listed investment fund (NZX:VHP) that invests in high-quality healthcare properties in New Zealand and Australia. The Trust is externally managed by Northwest Healthcare Properties Management Limited.

Vital's portfolio of 34 properties is valued at ~\$3.2b with 67.0% (by value) located in Australia and the balance in New Zealand. The portfolio has over 143 tenants and over 2,100 beds.

Vital's tenants include hospital operators and healthcare providers who deliver a wide range of services across the full spectrum of health services.

Further information is available at [vhpt.co.nz](http://vhpt.co.nz)

## About the Manager

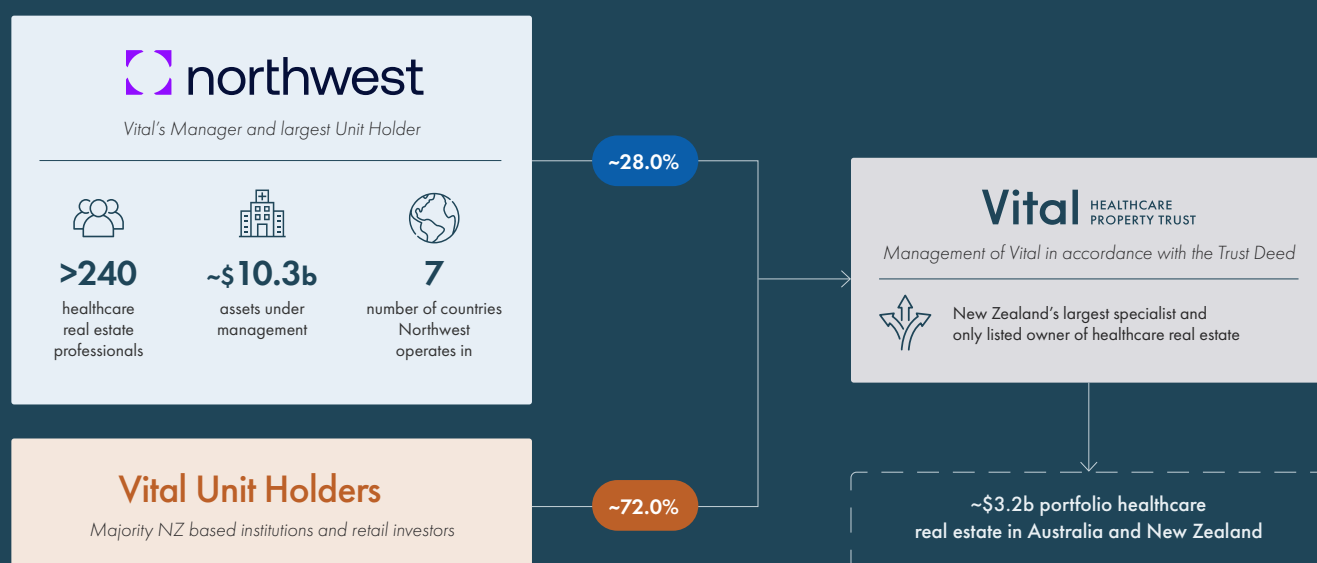
Northwest Healthcare Properties Management Limited (NWHPM, the Manager) is an external manager that provides management services to Vital and its Unit Holders.

The Manager's primary responsibilities include the day-to-day administration of Vital, portfolio management, sourcing new opportunities and conducting due diligence on potential acquisitions. The Manager is also responsible for providing specialist property management, project management, development management and leasing services to the Trust.

The Manager's Board of five comprises three independent directors and two Northwest appointees. Refer to page 54 for more details.

Vital's leadership team is led by Chris Adams (Co-Head, A/NZ Region), and draws on the skills and experience of over 50 real estate professionals across New Zealand and Australia with offices in Auckland, Melbourne and Sydney. Refer to page 56 for more details.

## OUR STRUCTURE – A UNIT TRUST





Ormiston Hospital Stage 1 Expansion, Auckland



Vital is the only NZX listed specialist landlord of healthcare property and the fourth largest NZX listed property vehicle.



*In Australia and New Zealand, Northwest has a 50+ team of healthcare property professionals.*

#### **Northwest**

The Manager is a subsidiary of Toronto Stock Exchange-listed Northwest Healthcare Properties REIT (Northwest REIT). Northwest REIT operates across seven countries in four continents.

Northwest REIT has ~\$10.3b of assets under management globally and over 240 real estate professionals.

# Driving operational performance

## Directory

### MANAGER

#### Northwest Healthcare Properties Management Limited

Level 17, HSBC Tower  
188 Quay Street  
Auckland 1010

Telephone: 0800 225 264 (NZ freephone);  
+64 9 973 7300  
Email: [enquiry@vhpt.co.nz](mailto:enquiry@vhpt.co.nz)

#### Northwest Healthcare Properties Management – Australia

Level 45, Rialto South Tower  
525 Collins Street  
Melbourne 3000

#### Sydney Office

Northwest Healthcare Properties REIT  
Level 2, 285 George Street  
Sydney, NSW 2000, Australia

### BOARD AND OFFICERS OF THE MANAGER

Graham Stuart – Independent Chair  
Mike Brady - Non-Independent Director  
Angela Bull – Independent Director  
Craig Mitchell – Non-Executive Director (resigned 12 August 2025)  
Dr Michael Stanford – Independent Director  
Zachary Vaughan - Non-Independent Director (appointed 12 August 2025)  
Chris Adams - Co-Head, A/NZ Region  
Michael Groth – Chief Financial Officer  
Vanessa Flax – Regional General Counsel and Company Secretary





## AUDITOR

### Deloitte Limited

Deloitte Centre  
1 Queen Street  
Auckland 1010

Private Bag 115-033  
Auckland 1140  
Telephone: +64 9 303 0700  
Facsimile: +64 9 303 0701

## LEGAL ADVISERS TO THE TRUST AND THE MANAGER

### Bell Gully

Deloitte Centre  
Level 14, 1 Queen Street  
PO Box 4199  
Auckland 1140

Telephone: +64 9 916 8800  
Facsimile: +64 9 916 8801

### Ashurst Australia

Level 16, 80 Collins Street  
South Tower,  
GPO Box 4958  
Melbourne, Victoria 3001  
Telephone: +61 3 9679 3000

## SUPERVISOR

### Trustees Executors Limited

Level 9, Spark Central  
42-52 Willis Street  
Wellington 6011  
PO Box 4197  
Auckland 1140

Telephone: +64 9 308 7100

## BANKERS TO THE TRUST

### ANZ Bank New Zealand Limited

ANZ Centre  
23–29 Albert Street  
Auckland 1010

### Australia and New Zealand Banking Group Limited

ANZ Centre Melbourne, Level 9  
833 Collins Street, Docklands  
Victoria 3008, Australia

### Bank of New Zealand

80 Queen Street  
Auckland 1010

### Westpac Banking Corporation

Westpac Place  
275 Kent St  
Sydney NSW 2000  
Australia

### The Hongkong and Shanghai Banking Corporation Limited

International Towers  
100 Barangaroo Avenue  
Sydney NSW 2000  
Australia

### The Hongkong and Shanghai Banking Corporation, incorporated in the Hong Kong SAR, acting through its New Zealand Branch

HSBC Tower  
188 Quay Street  
Auckland 1010  
New Zealand

### Industrial and Commercial Bank of China Limited – Australia

International Towers  
100 Barangaroo Avenue  
Sydney NSW 2000  
Australia

### Industrial and Commercial Bank of China Limited – New Zealand

2 Queen Street  
Auckland CBD  
Auckland 1010  
New Zealand

### Credit Agricole CIB Australia Limited

Aurora Place  
88 Phillip Street  
Sydney NSW 2000  
Australia

### Bank of China Limited

140 Sussex Street  
Sydney NSW 2000  
Australia

### Commonwealth Bank of Australia Limited

Tower One, Collins Square  
727 Collins Street  
Docklands VIC 3008  
Australia

## UNIT REGISTRAR

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