

DETAILS OF THE SCHEME

The Scheme is the Vital Healthcare Property Trust (**Scheme** or **Vital**) which is a managed investment scheme for the purposes of the Financial Markets Conduct Act 2013 (**FMCA**).

The **Scheme** is managed by Northwest Healthcare Properties Management Limited (**Manager**) and supervised by Trustees Executors Limited, a supervisor licensed under the Financial Markets Supervisors Act 2011 (**Supervisor**).

The offer of interests in the Scheme was originally made under the Unit Trust Act 1960. The Scheme transitioned to compliance with the FMCA on 30 November 2016. Accordingly, a Product Disclosure Statement has not been prepared for the Scheme as no regulated offers of units have been made pursuant to the FMCA. The Scheme units are listed on the New Zealand Stock Exchange (NZX code: VHP).

Vital's latest financial statements and the auditor's report for those statements were lodged with the Disclose Register on 13 August 2025.

DESCRIPTION OF THE SCHEME

The Scheme is a unit trust established under the Unit Trust Act 1960 by a Trust Deed dated 11 February 1994, as amended by subsequent Deeds of Variation and Restatement. Vital became a registered Managed Investment Scheme under the Financial Markets Conduct Act 2013 on 29 November 2016.

Vital is a long-term investor in healthcare real estate. This means Vital is focused on investing directly in real property, or in companies or trusts (listed on a recognised stock exchange or unlisted) through financial products, other types of financial instruments or the provision of debt, which themselves own, directly or indirectly, real property with healthcare related qualities.

From time to time, Vital may invest at earlier stages of the development process, including undertaking the design, refurbishment or development of healthcare properties for particular health service operators or entities engaged in health related activities. Vital seeks to earn investment income from the real estate it owns and leases (including by providing ancillary activities such as car parking) to health related tenants who operate the facilities.

INFORMATION ON COMPOSITION OF THE SCHEME

This Annual Report covers the accounting period from 1 July 2024 to 30 June 2025. The number of managed investment products, being units in the Scheme (**Units**) on issue at the start of the accounting period was 671,923,373. The number of Units on issue at the end of the accounting period was 678,896,043.

CHANGES RELATING TO THE SCHEME

Material changes to the nature of the Scheme, the Scheme property, the investment objectives and strategy, or the management of the Scheme over the accounting period are as follows:

TRUST DEED

There have been no amendments to the Trust Deed made during the current accounting period.

A copy of the current version of the Trust Deed is available on Vital's website www.vhpt.co.nz under the section About/Governance. It is also available on the Disclose Register accessible on the Companies Office website at <https://disclose-register.companiesoffice.govt.nz/>.

TERMS OF THE OFFER OF UNITS

Vital continues to be a closed ended fund and does not continuously offer units for subscription. Vital offers units for subscription from time to time to raise equity capital.

During the period 1 July 2024 to 30 June 2025, the following offer was made:

- ▶ an active dividend reinvestment plan whereby all eligible Unit Holders are able to participate, the terms of which remained unchanged during the current accounting period, save that a 2% discount applied to and from the third quarter distribution.

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES (SIPO)

There have been no amendments to the SIPO during the current accounting period.

A copy of the current SIPO is available on Vital's website www.vhpt.co.nz under the section About/Governance.

RELATED PARTY TRANSACTIONS

During the period 1 July 2024 to 30 June 2025 there were no changes to the nature and scale of related party transactions.

There were no related party transactions that were not on arm's-length terms.

Further details of the related party fees paid by Vital to the Manager and its related parties can be found in note 22 of Vital's financial statements which have been lodged with the Registrar.

VALUATION AND PRICING METHODOLOGIES

There was no change to the valuation and pricing methodologies, as outlined in the Trust Deed, for the Scheme during the current accounting period.

FINANCIAL CONDITION AND PERFORMANCE OF THE SCHEME

Active asset management remained a high priority throughout FY25. Over 51,000 square metres of space were leased, extended or renewed during the year, representing 22% of Vital's total income and 20% of the portfolios lettable area, locking in secure, defensive and long term cashflows for Unit Holders.

These strong leasing outcomes, including over 9,400 square metres 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.

Net property income increased by 3.7% over FY24 (on a like-for-like, constant currency basis), reflecting contributions from the structured rent reviews from the portfolio, improved occupancy and leasing outcomes.

Cash from operations (measured by AFFO) were \$70.4 million (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 \$71.4 million, 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 \$96.7 million 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 \$28.7 million of unrealised fair value losses on the value of derivatives driven by the declining interest rate environment.

Vital's strong balance sheet was maintained throughout FY25, with gearing at 30 June 2025 of 42.1%, well below the Trust Deed covenant.

During FY25, with the strong support from Vital's banking partners, over \$1.1 billion 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.

FY25 Highlights

- ▶ Like-for-like net property income (NPI) up 3.7%¹.
- ▶ Enhanced occupancy of 98.6% with over 9,400 square metres of vacancy leased, primarily space at recently completed developments.
- ▶ Distributions of 9.75cpcu (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 2025. 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 developments.
- ▶ Profitability of our underlying hospital tenants improved with key rental affordability metric improving to 51% from 57%².

As at 30 June 2025 Vital had net assets of \$1,679.5 million (2024: \$1,805.1 million), comprising total current assets of \$69.1 million (2024: \$59.4 million), total non-current assets of \$3,179.0 million (2024: \$3,245.4 million) and total liabilities of \$1,568.6 million (2024: \$1,499.6 million).

Total comprehensive income for the 12-month period to 30 June 2025 was a loss of \$65.6 million (2024: loss \$101.5 million), and total Unit Holder distributions paid were \$66.1 million (2024: \$66.4 million), representing 9.75 cents per Unit (2024: 9.75 cents per Unit).

You can find a copy of Vital's financial statements, including information on distributions made by the Scheme on the Disclose Register at: <https://disclose-register.companiesoffice.govt.nz/disclose> Scheme number SCH11214. Further information on the financial results is provided in Vital's Annual Report at: www.vhpt.co.nz.

¹ On a like-for-like, constant currency basis

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

FEES

The following fees and expenses were charged in respect of the Scheme in dollars and as a percentage of the Scheme's property for the 12-month period to 30 June 2025.

	2025 \$000s	Percentage of Scheme's Property ¹
Total fees and expenses incurred		
Management fees	17,652	0.54%
Manager's incentive fee	-	-
Leasing / Licensing fees	146	0.00%
Property management fees	2,444	0.08%
Disposal fees	86	0.00%
AFSL fee	1,284	0.04%
	21,612	0.67%
Service fees capitalised		
Acquisition fees	15	0.00%
Leasing / Licensing fees	2,605	0.08%
Project management fees	-	-
Development management fees	1,400	0.04%
Other services	126	0.00%
Total fees charged by the Manager and associated persons	25,632	0.79%
Auditor's remuneration	214	0.01%
Supervisor's fees	564	0.02%
Other operating income/expenses	6,362	0.20%
Total fees & expenses	32,772	1.01%

1: Totals may not add due to rounding

MANAGER'S FEES

Remuneration of the Manager

Vital pays fees to the Manager in accordance with the arrangements set out in the amended Trust Deed approved by Unit Holders on 31 October 2019.

Current Fee Arrangements Base Fee

The Base Fee structure is as follows:

- ▶ 0.65% per annum of the gross value of the assets of the Scheme up to \$1 billion;
- ▶ 0.55% per annum of the gross value of the assets of the Scheme between \$1 billion and \$2 billion;
- ▶ 0.45% per annum of the gross value of the assets of the Scheme between \$2 billion and \$3 billion; and
- ▶ 0.40% per annum of the gross value of the assets of the Scheme over \$3 billion.

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

The Activity Fee structure is as follows:

a) Leases or licences

Vital pays the Manager leasing or licence fees where the Manager has negotiated leases or licences instead of, or alongside, a real estate agent. These 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.

b) Property management

Vital pays the Manager property management fees where the Manager acts as the property manager instead of, or alongside, a real estate agent. 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.

c) Facilities management

Vital pays the Manager a facilities management fee where the Manager acts as the property facilities manager. These fees are charged at market rates and may be recovered from tenants if permitted under lease agreements.

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.

Additional Costs

The Additional Costs structure is as follows:

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 real estate agent. These fees are charged at 1.5% of the purchase price and related capitalised acquisition costs.

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 real estate agent. These fees are charged at 1% of the contracted sale price of the relevant investment or property actually received, provided that, if a real estate 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.

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, the fee payable to the Manager will be reduced by the non-rentalisable third party costs paid.

Manager may engage related persons

Clause 24.4 of the Trust Deed provides as follows:

The Manager may, subject to the Listing Rules and sections 146 and 172 to 175 of the FMC Act, on behalf of the Trust engage any Person who is a Related Company of the Manager, or who is otherwise associated with the Manager, to provide services to the Trust (including, without limitation, as a property manager, agent or consultant) provided that the fees to be charged do not exceed then prevailing market rates.

EXPENSES CHARGED BY THE MANAGER & ASSOCIATED PERSONS

The Manager and the Supervisor are entitled to be reimbursed by Vital for all expenses, costs or liabilities incurred in acting as Manager or Supervisor as the case may be. Certain services are provided by the Manager in lieu of using external providers.

Any changes to fees and expenses charged by any person in respect of the Scheme during the accounting period require the approval of the Supervisor (or in certain circumstances, Unit Holders) and would be advised to Unit Holders via the NZX.

For more information in respect to the Fees, please refer to Vital's financial statements, on the Disclose register at <https://disclose-register.companiesoffice.govt.nz/disclose>, scheme number SCH11214.

SCHEME PROPERTY

The table below contains the assets of the Scheme extracted from the Consolidated Statement of Financial Position:

	2025 \$000s	2024 \$000s
Non-current assets		
Investment Properties	3,170,566	3,213,689
Derivative financial instruments	294	17,720
Other non-current assets	8,097	13,980
Total non-current assets	3,178,957	3,245,389
Current assets		
Non-current assets classified as held for sale	41,294	26,284
Cash and cash equivalents	15,642	18,934
Trade and other receivables	3,318	10,081
Other current assets	7,422	3,888
Derivative financial instruments	1,459	183
Total current assets	69,135	59,370
Total assets	3,248,092	3,304,759

CHANGES TO PERSONS INVOLVED IN THE SCHEME

On 7 November 2024 Graham Stuart was re-elected as an Independent Director of the Manager. There have been no other changes to the Manager involved in the Scheme during the accounting period.

On 12 August 2025 Craig Mitchell resigned as Non-Executive Director of the Manager and, on Mr Mitchell's resignation, Zachary Vaughan was appointed as Non-Independent Director of the Manager.

The following changes to the Supervisor involved in the Scheme during the accounting period have occurred:

- ▶ The following person was appointed to be a director of the Supervisor during the accounting period:
 - Stuart Mearns MCLAREN

There have been no changes to the Registrar or the auditors involved in the Scheme during the accounting period.

HOW TO FIND FURTHER INFORMATION

Copies of documents relating to the Scheme, such as the Trust Deed, SIPO and the annual financial statements are available on the Disclose Register at <https://disclose-register.companiesoffice.govt.nz/disclose>, scheme number SCH11214, on Vital's website www.vhpt.co.nz or on request from the Manager.

You have the right, free of charge and during normal office hours, to inspect that part of the Unit Register that relates to your Units on giving written notice to the Manager in accordance with the Financial Markets Conduction Regulations 2014.

You also have the right, free of charge, on giving written notice and during normal office hours, to inspect a copy of the Trust Deed, SIPO and annual financial statements at the Manager's registered office, which is located at: HSBC Tower, Level 17, 188 Quay Street, Auckland Central. Alternatively, you can obtain a copy free of charge by writing to us at: PO Box 6945, Victoria Street West, Auckland 1142.

CONTACT DETAILS AND COMPLAINTS

Manager

Northwest Healthcare Properties Management Limited
PO Box 6945, Victoria Street West, Auckland 1142
Attn: Company Secretary
Telephone: 0800 225 265
Email: enquiry@vhpt.co.nz
Website: www.vhpt.co.nz

Trustee and Supervisor

Trustees Executors Limited
Level 9, Spark Central,
42-52 Willis Street,
Wellington, 6011,
New Zealand
Telephone: +64 9 308 7100

Making Complaints:

Write to us:
Trustees Executors Complaint Register
PO Box 4197
Auckland 1140
New Zealand
Email: complaints@trustees.co.nz
Phone: +64 9 308 7100
Attention: Client Manager – Trustees Corporate Supervision

Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Takapuna 0622
Private Bag 92119, Auckland 1142
Telephone: +64 9 488 8777
Email: vital@computershare.co.nz

Complaints

Complaints may be made to the Manager or the Supervisor at the contact details above. In addition, as a financial service provider registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008, the Manager is a member of an approved dispute resolution scheme (registration number FSP33302) to which complaints may be made.

Insurance & Financial Services Ombudsman Scheme Inc.

Level 2, Solnet House
70 The Terrace
Wellington 6143
Telephone: +64 4 499 7612 or 0800 888 202
Email: info@ifso.nz

There will be no fee charged to any complainant in connection with investigation or resolution of a complaint.