

Market Release

17 December 2019

Update on status of ASX (foreign exempt) listing proposal

Further to the announcement at Vital Healthcare Property Trust's ("Vital") Annual Meeting on 31 October 2019, the Board of Northwest Healthcare Properties Management Limited (the "Manager") wishes to provide a status update on this value-adding initiative.

The Manager is well advanced on consideration of a potential restructuring initiative (the "Proposal") that is expected to consist of:

- A foreign exempt listing on the Australian Securities Exchange (ASX) (with the primary listing to remain on the NZX)
- Related legal and capital structure changes to enable the Proposal and remove structural tax inefficiencies
- An expected increase in distributions and payout ratio for all unitholders.

In broad terms, the Proposal is expected to provide Vital with access to larger and deeper pools of capital, improving its competitive position for future growth opportunities and ensuring it is an internationally competitive investment vehicle.

The Proposal would involve separating Vital's New Zealand properties and Australian properties into separate trusts: "Vital NZ" which would remain a New Zealand managed investment scheme and PIE, and "Vital Australia" which would be an Australian managed investment scheme. Units in those two trusts would be "Stapled" together to form a stapled group, which would continue to own the same assets as Vital does today. The stapled group would remain listed on the NZX main board and add a foreign exempt listing on the ASX.

Tax rulings are being sought in order to deliver certainty to the Proposal and, assuming those rulings are received, the Manager does not expect that material tax costs (including capital gains tax or stamp duty) would be incurred. The Manager and its related parties would not be paid any additional fees for services provided in connection with the Proposal, the Manager incentive fee will be unaffected by the transaction and the Manager's recently approved fee structure and governance changes will remain unchanged.

The evaluation and preparation process for the Proposal remains ongoing and involves detailed interaction with multiple regulators in both New Zealand and Australia, as well as Vital's Supervisor. On the basis that these discussions and related workstreams are supportive, and no unforeseen obstacles arise, the Board expects to seek unitholder approval of the Proposal by the end of the first quarter of calendar 2020. The Proposal would require approval by unitholders by way of a special resolution, meaning at least 75% of unitholders' votes would need to be in support of the Proposal. While interactions with regulators and the Supervisor have been supportive to date, there can be no assurance that the Proposal will proceed.

Adopting best practice, the Board has appointed Grant Samuel to assess the Proposal as the independent adviser.

- ENDS -

ENQUIRIES

Craig Mitchell, Chief Executive Officer, ANZ Region
[NorthWest Healthcare Properties Management Ltd, Phone +61 3 8609 8418, Email cmitchell@nwHPM.com.au](mailto:cmitchell@nwHPM.com.au)

Aaron Hockly, Fund Manager, Vital
[NorthWest Healthcare Properties Management Ltd, Phone +64 9 973 7301, Email ahockly@nwHPM.com.au](mailto:ahockly@nwHPM.com.au)

Jason Kepecs, Director, Investments & Investor Relations
[NorthWest Healthcare Properties Management Ltd, Tel +64 9 973 7303, Email jkepecs@nwHPM.com.au](mailto:jkepecs@nwHPM.com.au)

About Vital Healthcare Property:

Vital Healthcare Property Trust is an NZX-listed fund that invests in high-quality health and medical-related properties in New Zealand and Australia. Our tenants are hospital and healthcare operators who provide a wide range of medical and health services.

With a core focus on healthcare real estate, we understand and accommodate the needs of our healthcare tenants. We operate in a niche segment of the property market, characterised by long weighted average lease terms and high occupancy rates and with an ageing population across both countries, it's also one that's growing.

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