



HealthCo Healthcare & Wellness REIT

1H FY24 Results
13 February 2024

Acknowledgement of Country

HealthCo acknowledges the Traditional Custodians of country throughout Australia and celebrates their diverse culture and connections to land, sea and community.

We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



Journey Tracks to Sacred Sites
Tony Sorby (2021)
© the artist courtesy Kate Owen Gallery





The George Private Hospital (NSW)

Agenda

- 1** Results overview
- 2** Portfolio overview
- 3** Developments
- 4** Financial results
- 5** Guidance and outlook



Christian Soberg
*Senior Portfolio
Manager*



Sid Sharma
*HMC Capital Group COO
and Head of Real Estate*



Andrew Dodds
*Corporate Finance
and Investor
Relations Manager*



The George Private Hospital (NSW)

1. Results overview



HealthCo's platform for growth

Significant growth in earnings, scale & income quality since IPO with long-term embedded upside

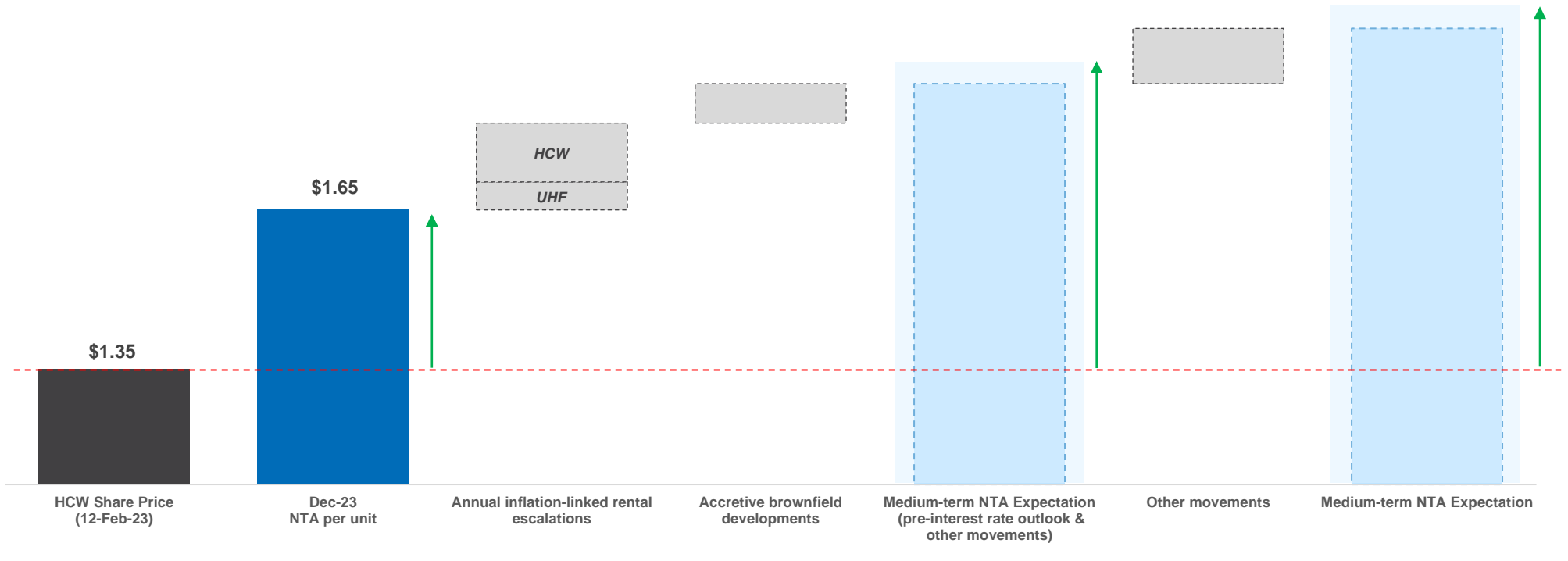
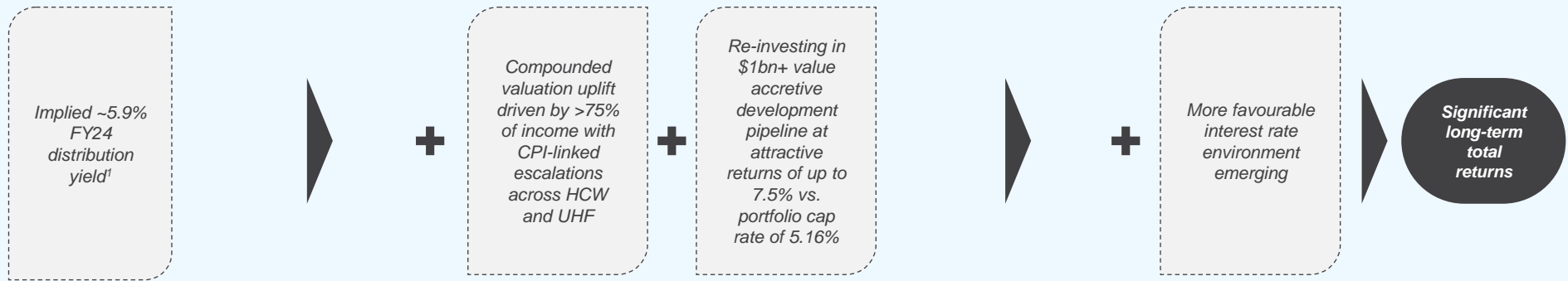
		IPO (Sep-21)	1H FY24 (Dec-23)	Growth
Earnings growth <i>FFO/unit</i>	✓	5.2cpu ¹	8.0cpu ³	▲ +54%
Inflation protection <i>CPI linked leases</i>	✓	30% ²	75%	▲ +45%
WALE <i>Significantly improved income security</i>	✓	9.4 years	12.3 years	▲ +2.9 years
Asset base <i>Materially larger institutional grade healthcare portfolio</i>	✓	\$0.6bn	\$1.6bn ⁴	▲ +\$1.0bn
Index inclusion	✓	-	FTSE EPRA NAREIT S&P ASX300	▲ Increased domestic & global investor base
Development pipeline <i>Long term embedded upside</i>	✓	~\$0.5bn ⁵	~\$1.0bn ⁶	▲ +100%
Capital partners <i>Complementary funding partners for future growth</i>	✓	-	4	▲ 4 major global institutional investors alongside HCW in UHF

Transformative Healthscope private hospital portfolio acquisition providing clear pathway of NTA growth over the medium term driven by underlying earnings growth and HCW's \$1bn+ accretive development pipeline



Clear pathway of NTA growth over the medium-term

Transformative Healthscope portfolio acquisition providing clear pathway of NTA growth over the medium term driven by underlying earnings growth & accretive developments



Notes: Indicative only and does not represent a forecast. 1. Based on FY24 DPU guidance of 8.0 cents.



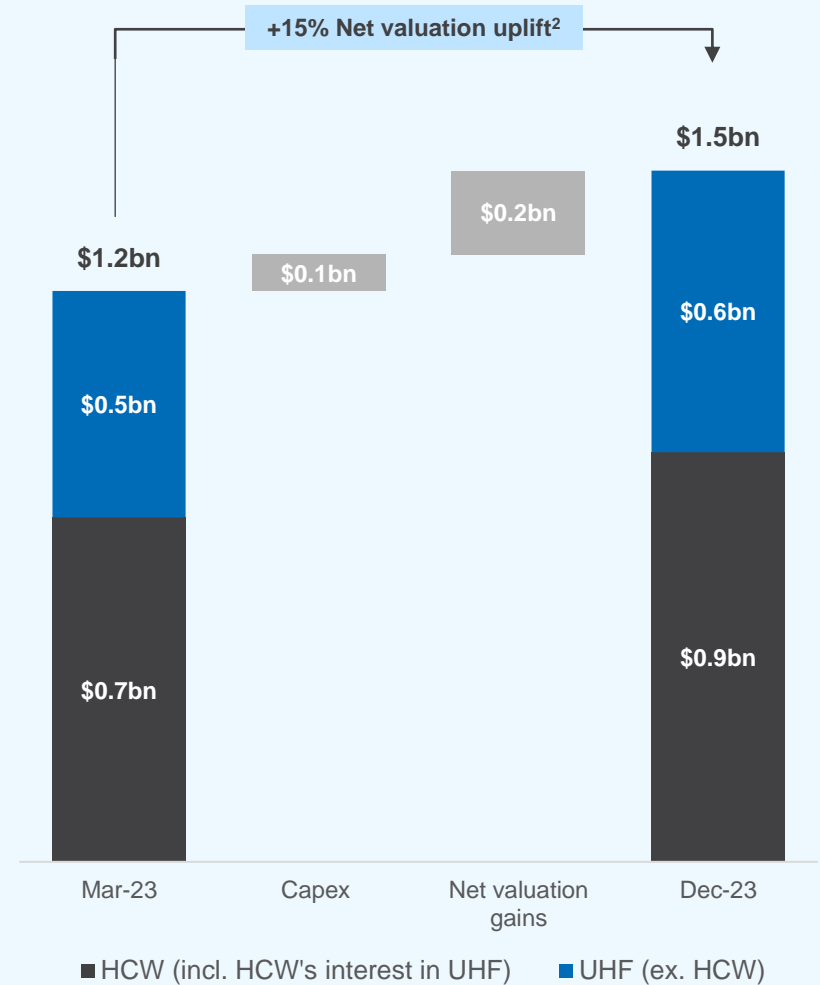
Recognising embedded value in \$1.5bn¹ Healthscope portfolio

+15% Net valuation uplift since acquisition²



**+15%
NET VALUATION GAIN²**

PRIMARILY DRIVEN BY INCOME GROWTH IN <12 MONTHS



Notes: 1. Total Healthscope private hospital portfolio valuation on a 100% basis as at Dec-23. 2. Net gain on a 100% basis.



1H FY24 Highlights

Strong growth in earnings and continued progress on strategic initiatives, including realising significant valuation gains across the Healthscope portfolio

Financial	Operations	Growth
<p>4.0 cents FFO per unit +29% vs. 1H FY23</p>	<p>100% CASH RENT COLLECTION 1H FY24 contracted rent</p>	<p>\$1.3bn UHF FIRST CLOSE⁴ \$650m equity commitments including 4 global institutional investors</p>
<p>4.0 cents DPU +7% vs. 1H FY23</p>	<p>99% OCCUPANCY² In-line with FY23</p>	<p>\$115m ASSET SALES Additional \$50-70m currently in advanced due diligence</p>
<p>+\$38m NET REVALUATION GAIN¹ Including \$28m net valuation gain at Healthscope Nepean Private Hospital</p>	<p>75% CPI LINKED LEASES³ 4.2% WARR</p>	<p>~\$1bn+ ACCRETIVE DEVELOPMENT PIPELINE⁵ Increased funding support through UHF</p>
<p>34% GEARING Lower end of 30-40% target range</p>	<p>75% TRIPLE NET LEASES³ All opex & maintenance capex funded by tenant</p>	<p>ASX300 INDEX INCLUSION Increased investor awareness and daily trading liquidity</p>

Notes: 1. Includes HCW's 49.6% interest in UHF as at Dec-23. Net movements exclude straight lining, amortization and capitalized transaction costs. 2. By GLA. Includes signed leases, MoUs and rental guarantees across operating assets. Excludes development assets. 3. By gross income. Includes signed leases and MoUs across all operating and development assets. Includes EAs. 4. Gross asset value including committed brownfield development projects. 5. Development pipeline represents estimated end value on a 100% basis including UHF's pipeline.



Investment strategy

HealthCo's objective is to deliver growing distributions and long-term capital growth

STRONG OPERATIONAL FUNDAMENTALS



~85%
National & government tenants¹

>99%
Occupancy²

~75% triple net leases
By income¹

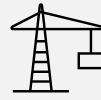
75% CPI
Linked income
providing inflation protection¹

12.3 year
WALE³

100%
Rent collection

*Irreplaceable real estate and tenant quality
underpinning income security*

ACCRETIVE DEVELOPMENT PIPELINE



\$1bn+
Accretive development pipeline⁴
to be funded alongside UHF

~\$400m
Committed projects &
work in progress⁴

**Higher of 6% or
10-yr ACGB yield + 300bps**
Healthscope development capex
funding mechanism

*Reinvesting in high quality critical
healthcare infrastructure at attractive
returns*

LONG-TERM STRUCTURAL DEMAND DRIVERS



**Supported by ageing
population & demographic
megatrends**

**Increased health &
government spending**

**Record Private Health
Insurance hospital
coverage**

**Low correlation to broader
economic cycle**

*Powerful megatrends driving healthcare real
estate outperformance*



Knox Private Hospital (VIC)

2. Portfolio overview

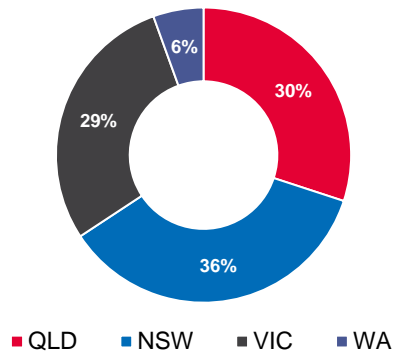


Portfolio overview

Strong portfolio fundamentals and organic growth underpinned by national healthcare tenants benefiting from long-term structural megatrends

Portfolio statistics ¹	Jun-23 ¹	Dec-23 ¹	Movement
Number of properties	36	37	+1
Portfolio valuation	\$1,634m	\$1,637m	+\$3m
WACR ²	5.03%	5.16%	+13bps
WARR ³	4.2%	4.2%	-
WALE (years) ⁴	12.0	12.3	+0.3
Occupancy ⁵	99%	99%	-
Rent collection ⁶	100%	100%	-

Geographic split (by value)¹



Long term target geographic exposure based on state GDP contribution



Notes: Numbers may not add due to rounding. 1. Includes Camden Stage 2 & 3. Dec-23 includes HCW's share in UHF owned properties and excludes assets held for sale. 2. Weighted Average Capitalisation Rate excludes Camden Stages 2-3. 3. Weighted Average Rent Review by gross income. Includes CPI-linked escalations set over 1H24. 4. Blended Weighted Average Lease Expiry by gross income. Includes signed leases and MoUs across all operating and development assets. 5. By GLA. Includes signed leases, MoUs and rental guarantees across operating assets. Excludes development assets. 6. Dec-23 rent collection for period since 30-Jun-23 to 31-Dec-23.



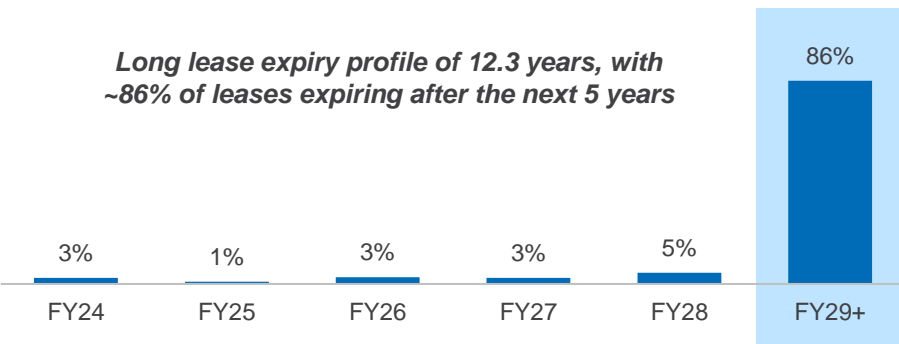
Portfolio update

Long term leases to high quality national operators with 75% CPI linked income and a WARR of 4.2%¹

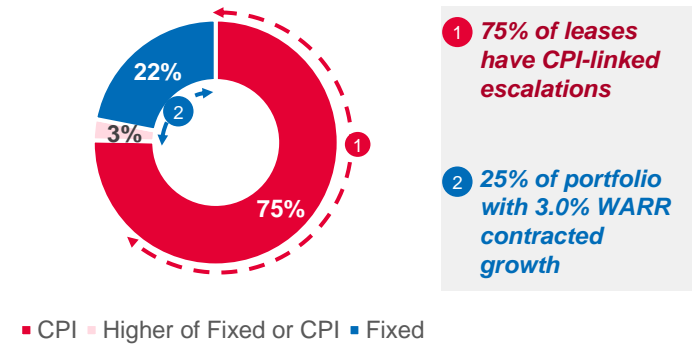
Portfolio subsectors – income split and key tenants^{2,4}



Lease expiry profile^{2,3}



Rent composition (Dec-23)²



Notes: 1. Weighted Average Rent Review by gross income. Includes CPI-linked escalations set over 1H24. 2. Includes HCW's share in UHF and excludes assets held for sale. 3. Blended Weighted Average Lease Expiry by gross income. Includes signed leases and MoUs across all operating and development assets. 4. Income from 'Other' subsectors of 5% 11



\$200m Asset recycling program

Continuing to execute on asset sales¹ to maintain gearing at lower end of 30-40% target range



Cairns (QLD)



Chadstone (VIC)



Armadale (VIC)



Croydon (VIC)



Yallambie (VIC)



Avondale Heights (VIC)



Tarneit (VIC)



Greystanes (NSW)



Five Dock² (NSW)

Confidential assets currently in advanced due diligence

Additional targeted asset sales
Additional \$50-70m currently in advanced due diligence

\$115m

Sold or contracted for sale at ~5% discount to book value¹

\$85m

Total asset disposal target

\$200m



The George (NSW)

3. Developments



Development track record

Strong brownfield and greenfield development capability, completing >\$250m of projects since IPO in Sep-21¹

The George Private Hospital, Camden (NSW)²

Greenfield 78-bed private hospital development



Knox Private Hospital (VIC)³ – stage 1

Brownfield private hospital expansion



Nepean Private Hospital (NSW)³

Brownfield private hospital expansion



Springfield (QLD)²

Health hub development anchored by Mater





Significant embedded growth

\$1bn+ accretive development pipeline¹ underpins long term growth outlook and builds on strong track record of brownfield and greenfield projects

Current projects

~\$200m

WORK IN PROGRESS ACROSS 3 MAJOR PROJECTS¹



Future projects

\$800m+

NEAR TERM & FUTURE PIPELINE¹

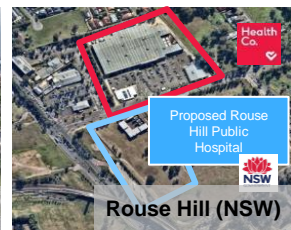
~\$200m
NEAR TERM PIPELINE



+ Other Healthscope projects & critical infrastructure works

Various completion dates over next 24-36 months

\$600m+
FUTURE PIPELINE



+ Future Healthscope brownfield opportunities under review



(Confidential)

Increased funding support to unlock large scale development opportunities through establishment of UHF

Notes: 1. Development pipeline represents estimated end value on a 100% basis including UHF's exposure. 2. Ownership / HCW % share.

Sustainability at HealthCo

HealthCo is serving Australian communities by facilitating access to essential health and wellbeing services that deliver a positive social impact¹

Environmental

- ✓ On track with Net Zero Energy Roadmap targets with 30% reduction in Scope 1 & 2 carbon emissions in FY24²
- ✓ Solar PV now active at 6 HCW sites, with a further installation being implemented at Proxima
- ✓ Continuing the roll out of the smart Energy Management Systems (EMS) on assets where we have operational control, with Morayfield scheduled for installation later this quarter
- ✓ Portfolio average of 5.9 Star NABERS Energy & 5.2 Star NABERS Water rating achieved
- ✓ LED Lighting roll out progressing across feasible HealthCo sites

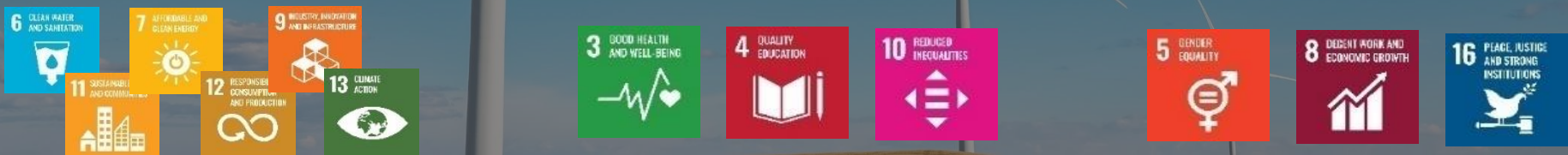
Social

- ✓ 50% gender diversity achieved organisation-wide and for the HealthCo Board, ahead of FY25 target
- ✓ Ensuring responsible investment practices and advancing positive social impact through considered selection of assets, operators and services delivered
- ✓ HealthCo has targeted our social needs program to support youth under 18 years of age, which is being supported by the National Partnership between HMC Capital and Eat Up
- ✓ *Reflect* Reconciliation Action Plan endorsed by Reconciliation Australia with Group RAP initiatives underway

Governance

- ✓ Clear and transparent governance processes established for HealthCo
- ✓ FY24 ESG KPIs established for leadership team
- ✓ Responsible investment Due Diligence standards adopted for all acquisitions
- ✓ HealthCo representative invited to each meeting of the HMC Capital Sustainability Committee

Our impact themes are aligned with several UN SDGs and their relevant targets or indicators:



Notes: 1. Refer to <https://www.hmccapital.com.au/our-commitment/> for further information about HMC Capital's ESG strategy and commitments. 2. Scope 1 and 2 in managed real estate assets within managed funds. Acquisitions and divestments since FY22 baseline formed, and assets where the tenant is responsible for electricity consumption are excluded from the current dataset. Assets where the tenant is responsible for electricity consumption are excluded from review.



Northpark Private Hospital (VIC)

4. Financial results



Earnings summary

1H FY24 FFOpu of 4.0c and DPU of 4.0c in line with guidance

\$m	1H FY23	1H FY24
Property NOI	15.6	35.2
UHF Distribution	-	4.7
Responsible entity fees	(2.4)	(4.2)
Other corporate expenses	(1.2)	(1.5)
EBITDA	12.1	34.2
Net interest expense ¹	(2.1)	(11.7)
FFO	10.0	22.6
Units on issue (m) (weighted average)	325.6	566.4
FFO per unit (cents)	3.1	4.0
Distribution per unit (cents)	3.75	4.0
DPU FFO coverage	83%	100%

FFO

- 1H FY24 FFO of 4.0 cpu consistent with FY24 guidance
 - Represents +29% growth vs. 1H FY23, driven by the accretive impact of the Healthscope portfolio acquisition and the opening of Camden and Springfield developments

Distribution

- 1H FY24 distribution of 4.0 cpu consistent with FY24 guidance
 - Distribution 100% FFO covered

UHF deconsolidation

- Following the successful first close of UHF in Sep-23, HealthCo's interest in the fund was reduced to 49.6%
- HealthCo's interest in UHF was subsequently deconsolidated and recognised as an Investment in Associate



Balance sheet

Net valuation gain of \$38m, representing a +2.5% net increase on the Jun-23 pro-forma portfolio value

\$m	Jun-23	Dec-23
Cash and cash equivalents	7.6	4.7
Trade and other receivables	6.1	8.2
Other assets	10.2	9.7
Assets held for sale ¹	41.4	9.6
Total current assets	65.3	32.2
Investment Properties ²	1,625.7	1,045.6
Investment in Associate ³	11.9	376.7
Derivative financial instruments ⁴	21.6	3.2
Total non-current assets	1,659.2	1,425.5
Total assets	1,724.5	1,457.7
Trade and other payables	51.2	16.7
Distribution payable	11.3	11.4
Total current liabilities	62.5	28.1
Borrowings ⁵	700.6	488.6
Lease liabilities	3.1	3.1
Total liabilities	766.2	519.8
Net assets	958.3	937.9
Contributed equity	939.9	947.2
Retained profits	11.3	(16.3)
Non-controlling interest	7.1	7.0
Total equity	958.3	937.9
Units on issue (m)	562.8	568.3
NTA per unit (\$) ⁶	1.70	1.65

UHF deconsolidation

- All UHF assets and liabilities derecognised at the time of deconsolidation with HealthCo's 49.6% interest in UHF accounted for as Investment in Associate

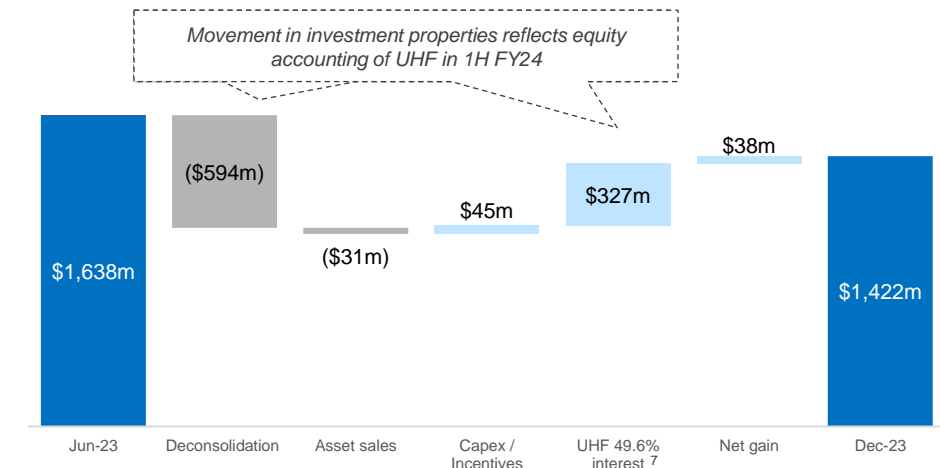
Net valuation gain

- Net valuation gain of \$38.3m, representing a +2.5% net increase on the Jun-23 pro-forma portfolio value, comprised of:
 - \$0.5m net gain realised on HCW's investment property portfolio
 - \$37.9m net gain realised on HCW's equity accounted investments, driven by a \$28.2m net gain at Nepean Private Hospital (HCW share of UHF uplift)

NTA

- NTA of \$1.65/unit as at Dec-23
 - Movement in the period impacted by net valuation gains offset by loss on UHF deconsolidation

Investment Properties / Investment in Associate bridge



Notes: Numbers may not add due to rounding. 1. Five Dock as at Dec-23. 2. Investment properties includes value of Right Of Use Asset and excludes interest in Camden Stages 2/3. Jun-23 includes HCW's interest in UHF assets (previously 100% owned) which were deconsolidated at Dec-23. 3. Interest in Camden Stages 2 & 3, and HCW's interest in UHF. 4. Interest rate swaps. 5. Net of amortised borrowing costs. 6. Inclusive of Non-controlling interest. 7. Net of transaction costs and UHF statutory profit post deconsolidation.



Capital management

Gearing at the lower end of the 30-40% target range with 76% of debt hedged

Debt facilities summary (\$m)

Liquidity

	Jun-23 ¹	Dec-23
Senior facilities undrawn	68.2	57.2
Cash at bank	6.1	4.7
Total liquidity²	74.3	61.9

Debt summary

	May-26	May-26
Maturity	May-26	May-26
Limit	550.0	550.0
Drawn	481.8	492.8

Key debt metrics

Gearing³	29%⁴	34%⁵
Interest coverage ratio (ICR covenant: 1.75x)	2.4x	2.3x
% of debt hedged¹	78%	76%
Hedged debt tenor (years) ¹	2.9	2.4
Weighted avg. debt cost (% p.a.) ^{1,6}	5.4%	5.6%

Liquidity

- \$62m of liquidity as at Dec-23

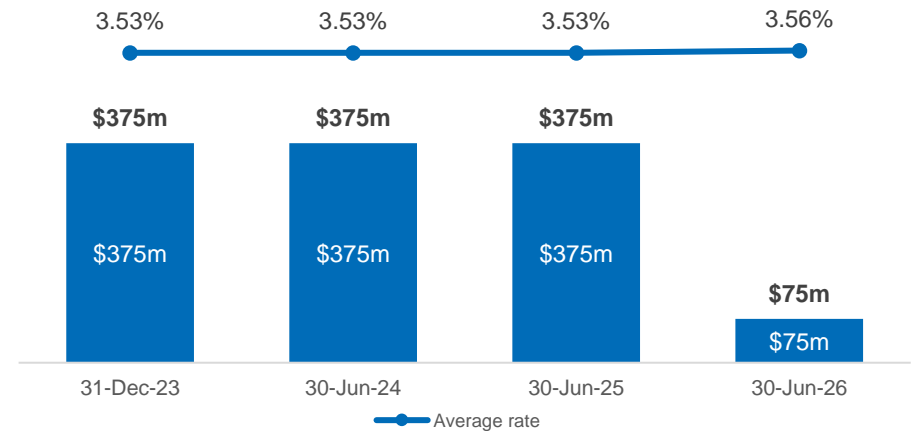
Gearing

- HCW balance sheet gearing of 34%
- In compliance with all debt covenants

Hedging

- 76% hedged with average hedged debt tenor of 2.4 years

Interest hedge book





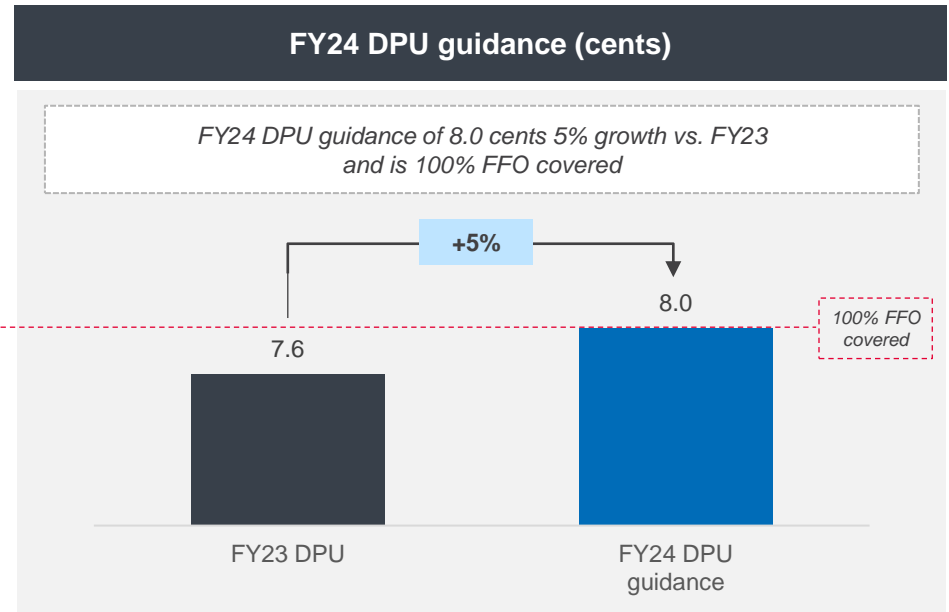
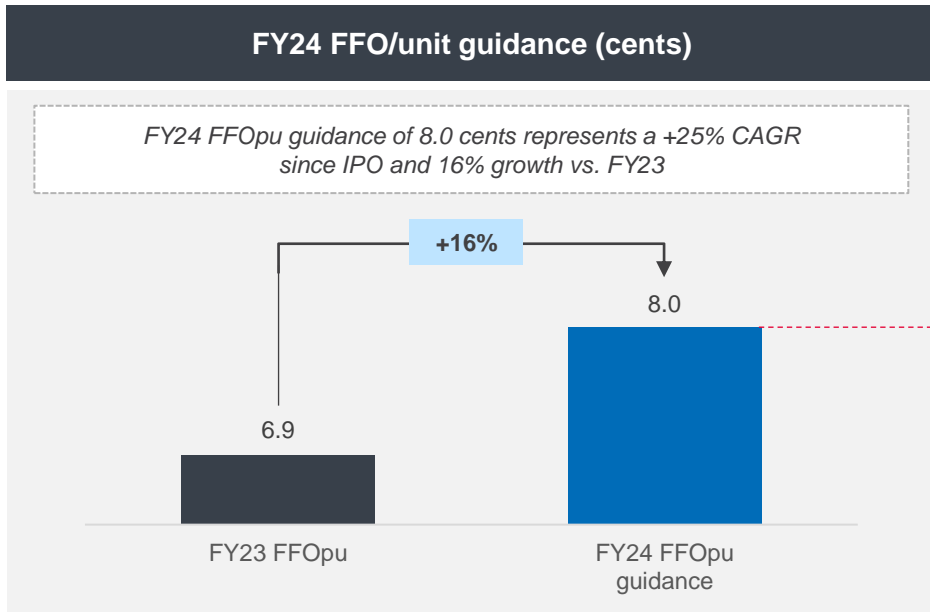
Springfield (NSW)

5. Guidance and outlook



Guidance and outlook

FY24 guidance of 16% FFO per unit growth and 5% DPU growth reaffirmed



- | | | |
|---|---|---|
| 1 | Guidance reaffirmed | <ul style="list-style-type: none"> FY24 FFO/unit guidance of 8.0 cents¹ and distribution guidance of 8.0 cents per unit is reaffirmed |
| 2 | Demographic megatrends underpin growth outlook | <ul style="list-style-type: none"> Attractive demographic fundamentals underpin long-term demand for healthcare services |
| 3 | Large scale embedded growth pipeline | <ul style="list-style-type: none"> Value accretive \$1bn+ development pipeline will continue to transform portfolio scale and quality |

Transformative Healthscope private hospital portfolio acquisition providing clear pathway of NTA growth over the medium term driven by underlying earnings growth and HCW's \$1bn+ accretive development pipeline

Note: 1. Assumes average BBSY of 4.4% over 2H FY24.



Northpark Private Hospital (VIC)

Appendix - Supplementary information



HealthCo portfolio – key metrics

High quality and diversified portfolio with a total value of \$1.6bn¹

#	Asset	State	Classification	Fair Value (\$m)	Cap Rate (%)	Site Area (sqm)	WALE (by income) ²	Occupancy ³
Hospitals								
1	The George Camden	NSW	Operating	104.3	4.50%	49,534	14.0	100%
2	The Geelong Clinic	VIC	Operating	43.8	5.38%	14,935	15.3	100%
3	Northpark Private Hospital	NSW	Operating	116.5	5.13%	19,630	14.3	100%
4	Pine Rivers Private Hospital	QLD	Operating	53.0	5.50%	9,346	16.3	100%
5	The Victorian Rehabilitation Centre	VIC	Operating	65.7	5.25%	39,408	15.3	100%
Primary & Specialist Medical								
6	Ballarat	VIC	Operating	38.0	6.00%	39,390	6.1	100%
7	GenesisCare - Chermside	QLD	Operating	11.2	5.25%	1,080	12.6	100%
8	GenesisCare - Nambour	QLD	Operating	13.7	5.63%	3,456	2.6	100%
9	GenesisCare - Ringwood	VIC	Operating	8.2	5.00%	835	7.9	100%
10	GenesisCare - Shepparton	VIC	Operating	8.4	5.25%	1,370	7.6	100%
11	GenesisCare - Southport	QLD	Operating	12.8	5.25%	1,236	12.6	100%
12	GenesisCare – Urraween ⁴	QLD	Operating	6.4	6.00%	860	12.7	100%
13	GenesisCare - Wembley	WA	Operating	16.2	5.25%	2,459	5.6	100%
14	Macquarie Park	NSW	Operating	81.0	5.50%	9,731	3.0	98%
15	Morayfield Health Hub	QLD	Operating	110.6	5.00%	58,164	5.2	100%
16	Rouse Hill	NSW	Operating	73.3	5.00%	36,100	4.8	100%
17	Springfield	QLD	Operating	37.6	5.38%	31,030	9.2	99%
18	Vitality Village	QLD	Operating	29.3	6.25%	4,636	3.8	96%
Childcare								
19	Beaconsfield	VIC	Operating	8.8	4.75%	2,448	12.5	100%
20	Concord	NSW	Operating	13.6	5.00%	1,657	10.4	100%
21	Essendon	VIC	Operating	8.8	5.25%	1,911	7.3	100%
22	Everton Park	QLD	Operating	19.7	5.13%	2,629	11.3	100%
23	Frankston	VIC	Operating	8.6	5.25%	2,567	13.7	100%
24	Maylands	WA	Operating	8.1	5.25%	1,978	18.4	100%
25	Nunawading	VIC	Operating	13.8	5.00%	2,139	12.6	100%
26	Seaford	VIC	Operating	7.1	5.25%	1,251	18.3	100%
27	Woolloongabba	QLD	Operating	14.8	5.00%	1,237	9.3	100%
Aged Care								
28	Erina	NSW	Operating	43.5	5.88%	33,280	6.7	100%
Gov't, Life Sciences & Research								
29	Proxima	QLD	Development	66.0	5.75%	3,040	n.a.	n.a.
Total owned properties (Dec-23)				1,042.7	5.26%	377,337	9.5	99%
Equity Accounted Investments⁵								
30	Camden Trust 2 & 3	NSW	Operating	12.0	n.m.	41,400	n.a.	n.m.
31-37	UHF ⁶	Various	Operating	582.3	4.98%	112,858	15.3	100%
Total HCW Portfolio (incl. investments in JV)				1,637.0	5.16%	531,595	12.3	99%



Reinvesting in healthcare infrastructure at attractive returns

\$1bn+ development pipeline¹ with UHF as a complementary development partner

Project	HCW ownership	HCW/UHF total funding commitment (\$m)	HCW share of cost to complete (\$m)	Target returns (% p.a.)	Completion timing ⁹		
					FY24	FY25	FY26+
CURRENT PROJECTS & NEAR-TERM PIPELINE							
Knox Private Hospital (VIC) Brownfield expansion of hospital	50%	\$20m (HCW share ~\$10m)	\$0m ⁸	Greater of 6% or 10yr Aus govt bond yield + 300bps			
Northpark Private Hospital (VIC) Expanded mental health inpatient bed facilities	100%	\$10m	\$1m	Greater of 6% or 10yr Aus govt bond yield + 300bps			
Proxima (QLD) Health hub development in the Gold Coast Health & Knowledge Precinct ²	100%	\$70m	\$13m	5.65% yield on cost			
Healthscope Portfolio additional projects CSSD ³ + Critical Infrastructure works	Various	\$50m	\$21m	Greater of 6% or 10yr Aus govt bond yield + 300bps			
Mount Private Hospital (WA) Refurbishment and regulatory upgrade including CSSD ³	50%	\$19m (HCW share ~\$10m)	\$7m	Greater of 6% or 10yr Aus govt bond yield + 300bps			
Total			\$42m				
FUTURE PIPELINE (Medical precinct and hospital development pipeline)							
Future Healthscope Brownfield opportunities ▪ Various projects currently under varying stages of review	Various	Estimate \$100m ⁴	n/a	Greater of 6% or 10yr Aus govt bond yield + 300bps			
Camden – Stages 2 & 3 (NSW)^{6,7} ▪ Significant private hospital & Health research facility		Stage 2 Estimate \$250m ^{5,6} Stage 3 Estimate \$90m ^{5,6}	n/a	6-7% yield on cost			
Rouse Hill (NSW) ▪ Expansion to include hospital development		Planning in progress	n/a	6-7% yield on cost			

Notes: 1. Development pipeline represents estimated end value on a 100% basis including UHF's exposure. 2. 1 year rental guarantee in place. 3. Central sterile supply department. 4. Cost to complete on a 100% basis. Remaining as at 31-Dec-23. 5. On a 100% basis. 6. Subject to pre-commitment. 7. HCW interests in Stages 2 and 3 are 25% and 31% respectively. 8. Knox Stage 2 is on track for completion in FY24 with the remainder of the project funded by Healthscope. 9. Estimated completion timing.



Strategic investment in Unlisted Healthcare Fund

HMC Capital secured \$650m of equity commitments for UHF in 1H FY24, including 4 global institutional investors

UHF update



Successful first close of the Unlisted Healthcare Fund

- HMC Capital secured \$650m of equity commitments for UHF in 1H FY24
 - \$328m raised from 4 major global and domestic institutional investors; and
 - \$322m from HCW (49.6% interest in UHF)
- UHF has a 100% interest in 7 private hospitals leased to Healthscope, Australia's second largest private hospital operator
- UHF's 'Develop-to-core' strategy focusing on large-scale healthcare opportunities including developments
 - Provides HealthCo with exposure to higher total return investment opportunities

Attractive development returns

- Healthscope brownfield projects funded at a funding rate of higher of 6% or 10-year Australian Government bond yield +300bps

Investment mandates



Subsectors

Private Hospitals	✓	✓
Life Sciences	✓	✓
Primary Medical / Childcare / Aged care	✓	✗

Key features

Investment objective	Stable, growing distributions	Total returns
Investment strategy	Diversified healthcare real estate to deliver secure & growing distributions	'Develop-to-core' strategy focusing on large-scale healthcare opportunities including developments
Right of first offer (ROFO)	Hospital & life sciences opportunities up to \$100m and any Unlisted Fund asset sales	Hospital and life sciences opportunities >\$100m
Target gearing	30-40%	40-50%

Complementary partner to assist HCW in accessing and funding a larger pool of accretive investment and development opportunities



HealthCo's top 10 tenants by income

Significant exposure to high quality national and government tenants who account for 85% of total NOI

Top 10 tenants by income^{1,2}



Top 10 tenants spread across all subsectors account for 78% of total portfolio income



Income statement and FFO reconciliation

H1 FY24 FFO of 4.0cpu in line with guidance

\$m	1H FY23	1H FY24
Funds from operations (FFO)	10.0	22.6
<i>FFO adjustments:</i>		
Loss on deconsolidation	-	(26.4)
Fair value movements - investment properties	(6.4)	(7.9)
Fair value movements – derivatives	-	(6.5)
Share of profits of equity accounted investees	-	21.0
Distributions from equity accounted investees	-	(4.7)
Other movements	(2.1)	(3.2)
Statutory loss	1.5	(5.1)

Loss on deconsolidation (\$m)	
Net assets of UHF (100%)	702.4
Share of net assets disposed by HCW (\$702.4m x 50.4%)	(354.1)
Consideration paid by external investors (equity raised) for 50.4% interest	327.1
HCW loss on deconsolidation	26.4
<i>Units in UHF issued to new third party investors at a unit price consistent with the original purchase price of the assets acquired by UHF.</i>	
Fair value movements – investment properties (\$m)	
Net valuation movement – HCW investment properties	0.0
Asset sale revaluations	(4.2)
Other adjustments	(3.7)
Net unrealised fair value loss	(7.9)
Share of profits of equity accounted investees (\$m)	
Net revaluation gain – UHF Investment Properties	37.9
Transaction costs, stamp duty and other costs	(21.5)
Statutory profit of UHF post deconsolidation	4.6
Share of profits of equity accounted investees	21.0



Healthcare real estate is an attractive and resilient asset class

Favourable long-term structural demand drivers have driven outperformance



Low correlation to broader economic cycle

Non-discretionary nature of healthcare expenditure limits exposure to economic downturns



Supported by demographic megatrends

The number of people aged over 65 is expected to double and over 85 expected to triple over the next 40 years¹



Supported by increased health and Government spending

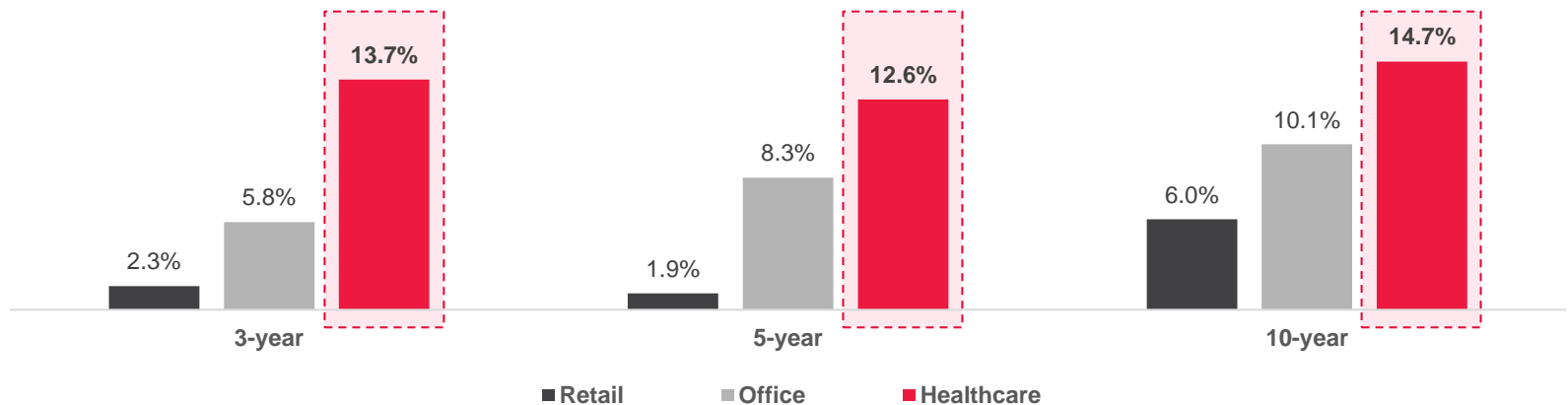
The over 65 cohort's expenditure on healthcare is 3-5x more compared to the under 65 cohort²



Record Private Health Insurance hospital coverage

Broad based growth, with 11.8m insured persons (Australian record), underwrites private hospital utilisation and growth³

Australian total returns by real estate sub-sector⁴



Healthcare real estate has materially outperformed traditional real estate sub-sectors over a 3, 5 and 10-year horizon



Investors and Analysts

Media



Andrew Dodds
HMC Capital
Corporate Finance & IR Manager

+61 423 810 851
andrew.dodds@hmccapital.com.au



Christian Soberg
HealthCo
Senior Portfolio Manager

+61 450 417 712
christian.soberg@hmccapital.com.au



John Frey
Corporate communications
HMC Capital

+61 411 361 361
john@brightoncomms.com.au



Disclaimer

This presentation (**Presentation**) has been prepared by HCW Funds Management Limited (ABN 58 104 438 100, AFSL 239882) (**Responsible Entity**) as responsible entity of HealthCo Healthcare & Wellness REIT (652 057 639).

Summary information

This Presentation contains summary information about the current activities of HealthCo Healthcare & Wellness REIT and its subsidiaries as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the *Corporations Act 2001* (Cth). This Presentation is subject to change without notice and the Responsible Entity and HealthCo Healthcare & Wellness REIT may in their absolute discretion, but without being under any obligation to do so, update or supplement the information in this Presentation. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of the Responsible Entity, HealthCo Healthcare & Wellness REIT or their respective representatives have independently verified any such market or industry data provided by third parties or industry or general publications. The information in this presentation should be read in conjunction with HealthCo Healthcare & Wellness REIT's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. To the maximum extent permitted by law, the Responsible Entity, HealthCo Healthcare & Wellness REIT and their respective subsidiaries, affiliates, related bodies, directors, corporates, officers, employees, partners, agents and advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability, reasonableness or completeness of the information in this Presentation and disclaim all responsibility and liability for the information (including without limitation, liability for negligence).

Past Performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance or reasonableness of any forward looking statements, forecast financial information or other forecast. Actual results could differ materially from those referred to in the Presentation.

Forward Looking Statements

This Presentation contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" "outlook", "guidance", "continue", "potential" and other similar expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of HealthCo Healthcare & Wellness REIT. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Responsible Entity or HealthCo Healthcare & Wellness REIT, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Neither the Responsible Entity, HealthCo Healthcare & Wellness REIT, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. The forward looking statements are based on information available to the Responsible Entity and HealthCo Healthcare & Wellness REIT as at the date of this Presentation. To the maximum extent permitted by law, the Responsible Entity and its directors, officers, partners, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Except as required by law or regulation (including the ASX Listing Rules), the Responsible Entity undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.