



HealthCo Healthcare and Wellness REIT
ARSN 652 057 639
HCW Funds Management Limited
ACN 104 438 100, AFSL 239882

ASX RELEASE

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PRESENTATION – MORGANS CONFERENCE 2022

HealthCo Healthcare and Wellness REIT (ASX: HCW) provides the attached presentation which will be delivered to the Morgans Conference 2022 today.

This announcement is approved for release by the Board of the Responsible Entity.

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About HealthCo Healthcare & Wellness REIT

HealthCo Healthcare & Wellness REIT is a Real Estate Investment Trust listed on the ASX focused on owning healthcare and wellness property assets. The REIT's objective is to provide exposure to a diversified portfolio underpinned by healthcare sector megatrends, targeting stable and growing distributions, long-term capital growth and positive environmental and social impact.



Aurrum Aged Care, Erina (NSW)



Explorers Early Education, Beaconsfield (VIC)



Springfield Health Hub (QLD)



Camden Health Precinct (NSW)



HealthCo REIT
Morgans Conference
October 2022



Only ASX-listed Diversified Healthcare REIT

HealthCo provides investors with a unique exposure to a diversified spectrum of Health & Wellness real estate underpinned by powerful megatrends

Proudly Australian owned, operated and managed

Underpinned by powerful **megatrends** including an ageing population, a growing focus on health & wellness and increasing health spend per capita

\$500m+ value enhancing development pipeline

Externally managed by **HMC Capital (ASX: HMC)**, a leading alternative asset manager

HealthCo targets five health & wellness subsectors:

Private Hospitals



Government, Life Sciences & Research



Aged Care



Primary Care & Wellness



Childcare



39

Properties¹

\$722m

Value¹

3.0%

WARR^{1,2}

10.2yr

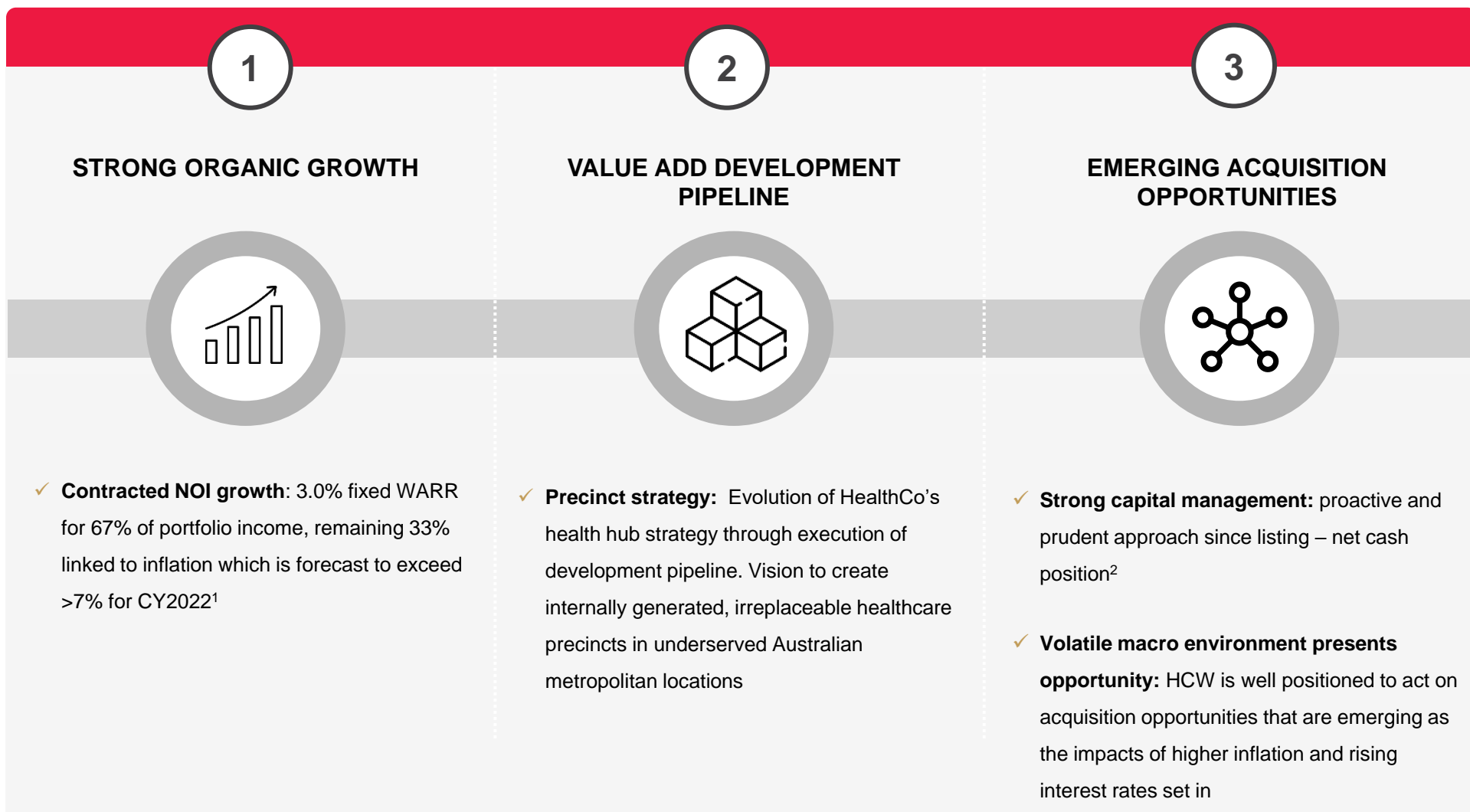
WALE¹



Note: 1. Proforma for contracted pending acquisitions and contracted divestments (St Marys). 2. Weighted Average Rent Review.

Multiple Growth Levers

Strong balance sheet to capitalise on value add development pipeline and emerging growth opportunities to maintain a strong growth trajectory



Notes: 1. Australian Headline CPI. Per RBA speech Sep-22 2. Pro forma Jun-22 net cash position post sale of St Marys.

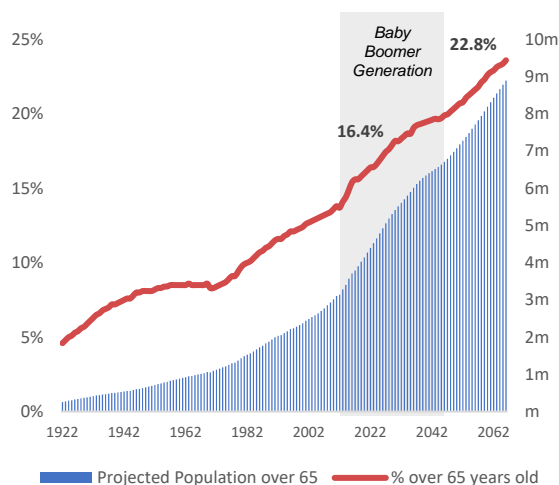


Attractive Investment Fundamentals

Healthcare real estate provides attractive risk adjusted returns underpinned by powerful megatrends which support long-term demand for healthcare services

Powerful megatrends

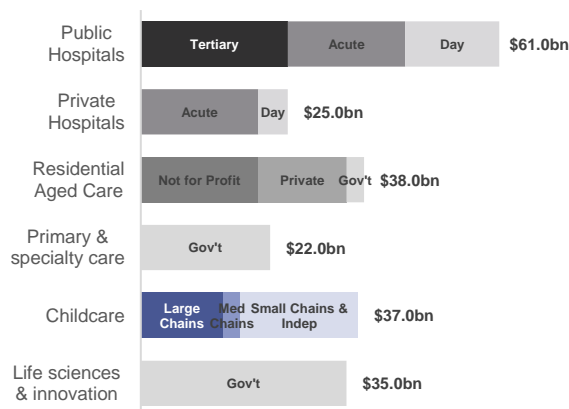
Percentage of population aged 65+



- Medical advancements are driving greater life expectancy and health spending per capita
- Australia's population is ageing rapidly, with the number of people aged over 65 doubling and over 85 tripling over the next 40 years¹
- The > 65 years old cohort spend c. 3-5x more on healthcare compared to the < 65 years old cohort²

Scalable market opportunity

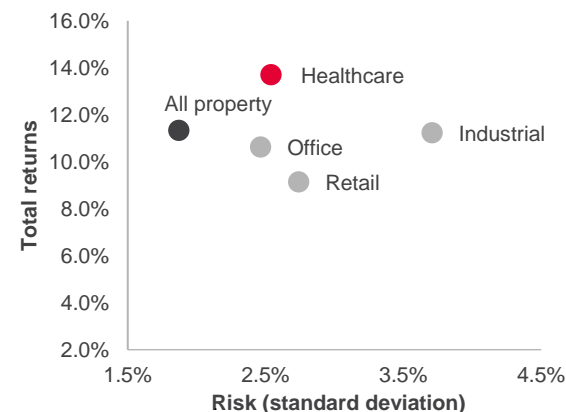
Installed healthcare infrastructure (\$bn)



- Large addressable market opportunity with over \$218bn of healthcare real estate in Australia³
- \$87bn of additional healthcare infrastructure required to meet demand over next 20 years³ representing +39% growth
- Over \$200bn of total healthcare expenditure in 2019-20 representing over 10% of total GDP²

Attractive investment characteristics

Total property returns (15 year ending Dec-21)⁴



- Defensive and non-cyclical demand drivers for most healthcare services
- Long-term double or triple net leases with fixed or CPI-linked escalations
- Track record of strong relative total returns with below average volatility

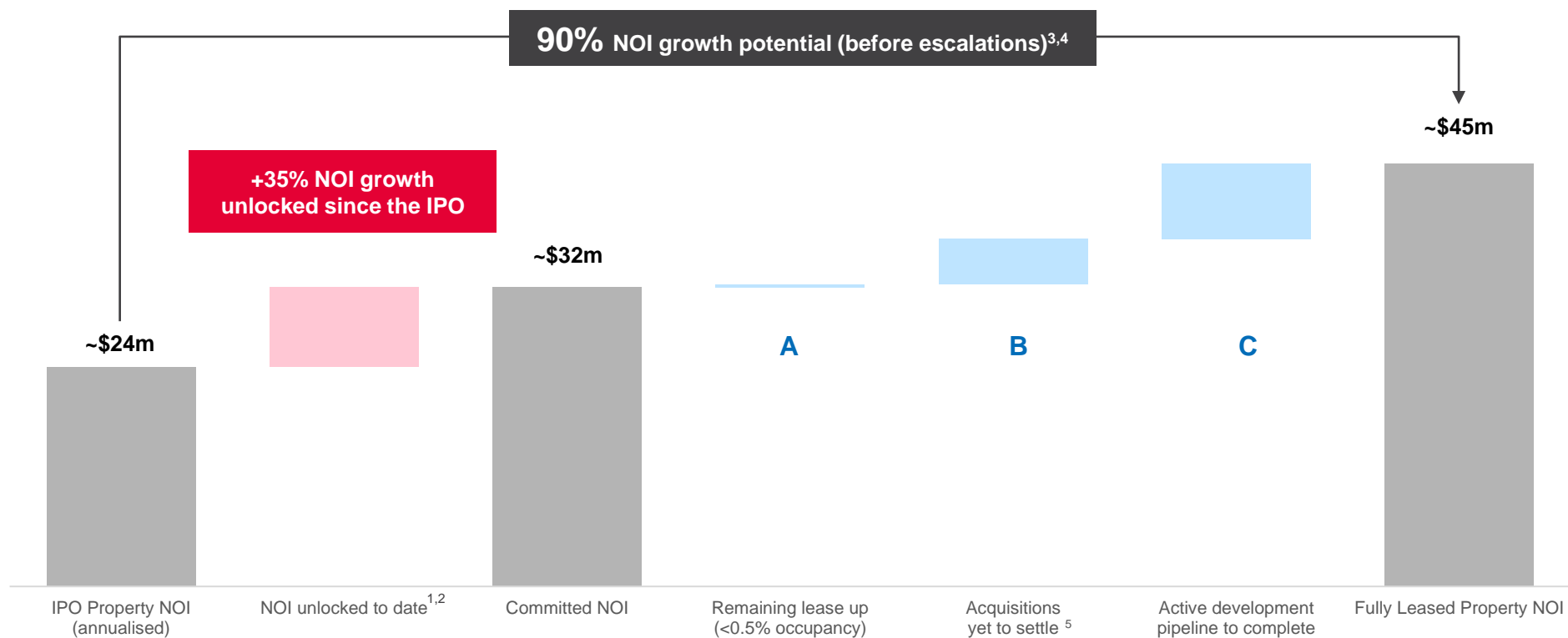


Strong Embedded Growth Opportunity

HealthCo is well progressed on unlocking the embedded 90% NOI growth potential within its portfolio across leasing, contracted acquisitions and developments

Embedded future growth drivers

- A. Operating lease up:** remaining lease up on operating portfolio
- B. Acquisitions:** Remaining \$60m Metro Childcare acquisitions expected to settle over next 12 months
- C. Developments:** Camden Stage 1 and Proxima developments on track for completion in CY23 with HealthCo expected to exercise option to acquire HMC Capital's share of Camden Stage 1 on completion



Notes: 1. Excludes Proxima (50% HMC share) and option to acquire Camden Stage 1 (HMC share) at completion. NOI from these acquisitions included in 'Active development pipeline'. 2. 'Active development pipeline' includes Camden Stage 1 (assuming option to acquire HMC share is exercised), Proxima and Springfield on a fully leased basis. 3. Indicative only and does not represent a forecast. 4. Assumes 100% occupancy. Includes rental guarantees. 5. Acquisition settlement subject to Conditions Precedent.



Value Add - Development Strategy

The delivery of HealthCo's development pipeline will drive a step change in the nature, quality and scale of the portfolio

Capital invested

'Health Hub' to 'Health Precinct' Strategy

- ✓ Evolution of successful health hub strategy which provides co-located diversified healthcare exposure in metropolitan growth corridors
- ✓ Augmented valuation impact driven by co-location synergies creating irreplaceable health & knowledge precincts
- ✓ Introduce third party capital partners to accelerate growth and scale
- ✓ Leverage operator/tenant partnerships and expand those networks

Health Hub strategy to date *Listed capital from IPO (Sep-21)*



Ballarat Health Hub



Morayfield Health Hub



Rouse Hill Health Hub



Springfield Health Hub

Health Precinct strategic vision *Listed + Third Party Capital Partnerships*



Camden Stages 1-3 Medical Precinct (render)

Time

Future Development Pipeline

Progress made on Camden stages 2 and 3, with value-add development opportunity for health precinct at Rouse Hill

Camden Stages 2 & 3 (NSW)



Property overview

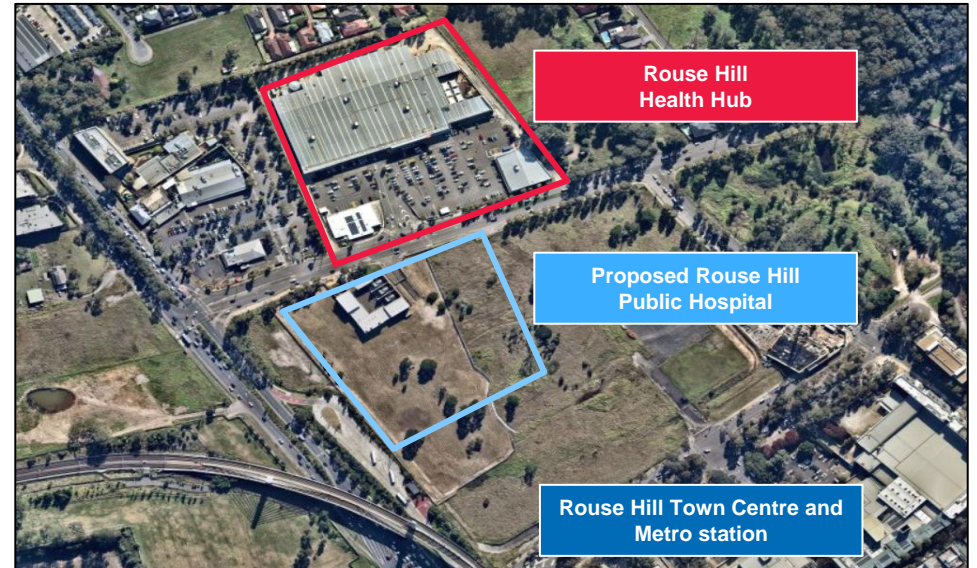
- \$500m+ Camden Health and Innovation Precinct – Stages 2 & 3

Development status

- **Stage 2:** HCW is in advanced discussions with a number of leading national hospital operators as well as leading cancer care operators for the co-located Comprehensive Cancer Centre
- **Stage 3:** Health Research Facility – interest received from the short-listed hospital and cancer care operators, as well as clinical trial providers

Stages 2 & 3 will operate synergistically with The George (Stage 1) to provide much needed health infrastructure to Sydney's SW

Rouse Hill (NSW)



Property overview

- The Rouse Hill Health Hub is situated in Sydney's north-west growth corridor, 43km from the Sydney CBD

Development status

- Potential for future private hospital development as part of the existing HealthCo - Health Hub opposite the recently announced +\$300m Rouse Hill Public Hospital development
- Currently in planning and discussions with health operators

Value add development opportunity to include a co-located private hospital to complement planned public hospital development



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