HealthCo Healthcare and Wellness REIT
Appendix 4D
Half-year report

1. Company details

Name of entity:	HealthCo Healthcare and Wellness REIT
ARSN:	652 057 639
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

This Appendix 4D should be read in conjunction with the attached directors' report which includes details of the results for the period.

	31 Dec 2025 $m	31 Dec 2024 $m	Change $m	Change %
Revenue from ordinary activities	30.5	28.7	1.8	6%
Revenue including income from the share of (losses)/profits of equity-accounted investees	14.7	30.1	(15.4)	(51%)
Loss from ordinary activities after tax attributable to owners of HealthCo and Wellness REIT	(26.9)	(15.4)	(11.5)	75%
Loss for the half-year attributable to owners of HealthCo Healthcare and Wellness REIT	(26.9)	(15.4)	(11.5)	75%
Loss for the half-year including non-controlling interest	(26.8)	(15.3)	(11.5)	75%

Refer to the attached directors' report for detailed commentary on review of operations and financial performance.

3. Distributions

No interim distributions were declared during the financial half-year to preserve balance sheet liquidity, as per ASX announcements on 22 September 2025 and 18 December 2025.

4. Net tangible assets

	31 Dec 2025 $	30 Jun 2025 $
Net tangible assets per unit	1.39	1.44

The net tangible assets calculations above include right-of-use assets, lease liabilities and fair value of derivatives.

5. Details of joint venture entities

Name of joint venture	Reporting entity's percentage holding 31 Dec 2025 %	Reporting entity's percentage holding 30 Jun 2025 %	Contribution to profit/(loss) 31 Dec 2025 $m	Contribution to profit/(loss) 31 Dec 2024 $m
General Medical Precinct Trust	28.0%	27.7%	-	0.4
Life Sciences Medical Precinct Trust	32.4%	32.3%	-	0.1
HMC Wholesale Healthcare Fund (HWHF)	49.6%	49.6%	(15.8)	0.9
Aggregate share of joint venture entities' (loss)/profit				
(Loss)/profit from ordinary activities			(15.8)	1.4

Refer to note 11 to the consolidated financial statements for further details.

6. Information about audit or review

The consolidated financial statements were subject to review by the auditors KPMG. A copy of KPMG's unqualified review report is attached as part of the half-year financial report.

7. Attachments

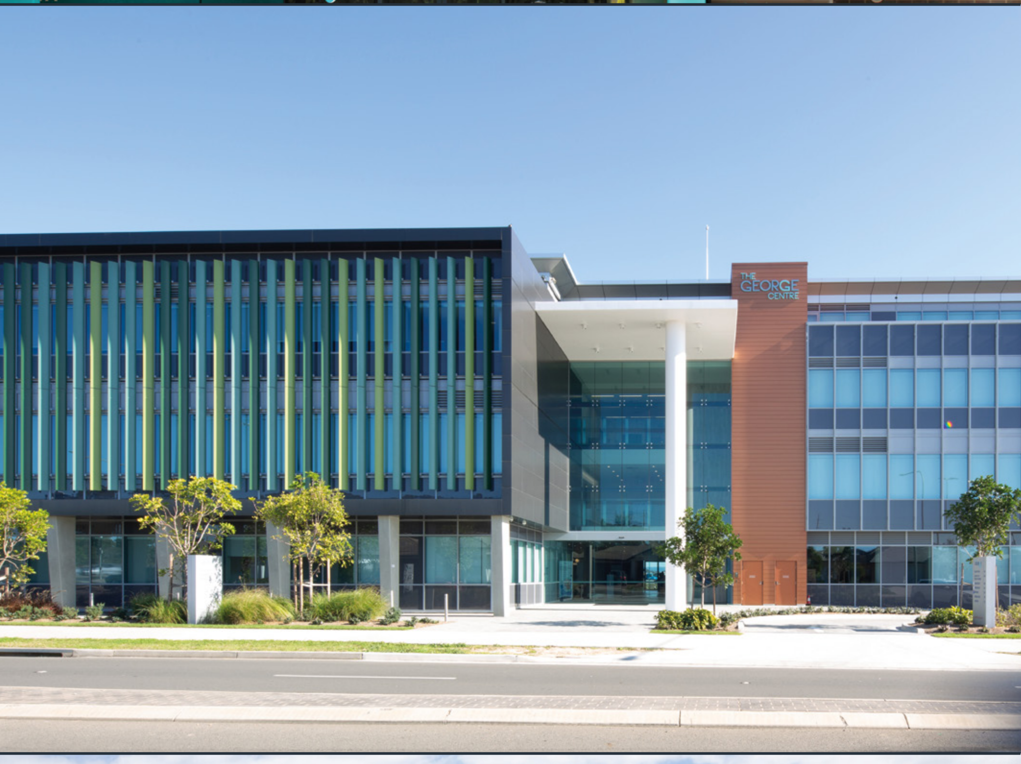
The Interim Report of HealthCo Healthcare and Wellness REIT for the half-year ended 31 December 2025 is attached.

8. Signed

As authorised by the board of directors

Signed ______________________________ Date: 16 February 2026

Joseph Carrozzi AM
Independent Non-Executive Chair



Health Co.

Interim Report

For the half-year ended 31 December 2025

HCW Funds Management Limited
ACN 104 438 100
AFSL 239882

The directors of HCW Funds Management Limited (ABN 58 104 438 100, AFSL 239882) (the Responsible Entity), present their report together with the consolidated financial statements of HealthCo Healthcare and Wellness REIT and the auditor's review report thereon. The consolidated financial statements cover HealthCo Healthcare and Wellness REIT (the Trust or HCW) and the entities it controlled at the end of, or during the period ended 31 December 2025 (collectively referred to as the group).

HCW Funds Management Limited is ultimately owned by HMC Capital Limited (ASX: HMC).

Directors

The following persons were directors of the Responsible Entity during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Joseph Carrozzi AM	Independent Non-Executive Chair
Stephanie Lai	Independent Non-Executive Director
Natalie Meyenn	Independent Non-Executive Director
Dr Chris Roberts AO	Non-Executive Director
David Di Pilla	Non-Executive Director
The Hon. Kelly O'Dwyer	Non-Executive Director

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial half-year.

Review of operations and financial performance

The group's financial performance for the financial half-year was materially influenced by the active undertaking of investment activities, including an asset recycling program which led to a reduction in the portfolio from 19 properties as at 30 June 2025 to 13 properties as at 31 December 2025 and the group's interest in the HMC Wholesale Healthcare Fund (HWHF).

In March 2025, the group and HWHF (collectively referred to as Landlords) announced that they had issued breach notices to one of its major tenants, Healthscope, for failing to pay all rent due for March 2025; and that the Landlords would enforce their legal rights and seek to replace Healthscope's tenancies with other hospital operators in the event the breaches were not remedied.

In May 2025, two entities within the Healthscope group entered into receivership and administration. The group noted that the counterparties to the lease agreements that the Landlords contracted with were not in receivership or administration and that the existing cross default and termination rights under the lease agreements remained in place. The group also announced that the Landlords had entered into a short-term partial rent deferral agreement with Healthscope to pay 100% of all rent due. In September 2025, a one-month extension to the partial rent deferral agreement was provided and 100% of all rent due was paid in October 2025. As at 31 December 2025, 100% of all rent due and payable since the time of the original portfolio transaction in 2023 has been paid.

Healthscope remains compliant with all of its lease obligations and discussions with alternative private hospital operators to replace the Healthscope tenancies are ongoing.

The group did not declare quarterly distributions for the quarters ended 30 September 2025 and 31 December 2025 to preserve balance sheet liquidity.

In July 2025, the group's bank loan which comprises a $550.0 million senior secured debt facility expiring in May 2026, was extended to November 2026. The facility was also reduced from $550.0 million to $475.0 million.

Between September and December 2025, the group settled on the sale of 5 GenesisCare assets (Chermside, Southport, Wembley, Nambour and Shepparton) and Vitality Village, totalling $76.8 million.

The directors consider that the group will continue as a going concern, as explained in note 2 to the consolidated financial statements.

A summary of the group's financial performance for the period ended 31 December 2025 is detailed below.

	Consolidated 31 Dec 2025 $m	Consolidated 31 Dec 2024 $m
Property and other income	30.5	28.7
Share of (losses)/profits of equity-accounted investees, net of tax	(15.8)	1.4
Loss for the half-year	(26.8)	(15.3)
Funds from operations ('FFO')	12.3	23.5
Weighted average units on issue (million)	550.2	559.3
FFO per unit (cents)	2.2	4.2
Distribution per unit (cents)	-	4.2

The group recorded property and other income of $30.5 million (31 December 2024: $28.7 million), a net loss of $26.8 million (31 December 2024: net loss of $15.3 million) and FFO of $12.3 million (31 December 2024: $23.5 million) for the half-year ended 31 December 2025.

A reconciliation between loss and FFO for the period ended 31 December 2025 is detailed below.

	Consolidated 31 Dec 2025 $m	Consolidated 31 Dec 2024 $m
Loss for the half-year	(26.8)	(15.3)
Straight lining and amortisation of rental income	2.0	4.4
Transaction costs	-	8.6
Rent guarantee income	-	1.4
Net fair value movements	21.6	14.2
Proxima coupon	-	1.9
Share of losses/(profits) of equity accounted investees	15.8	(1.4)
Distribution of profits of equity accounted investees	-	10.0
Other	(0.3)	(0.3)
FFO	12.3	23.5

FFO is a financial measure which is not prescribed by Australian Accounting Standards and represents the group's underlying and recurring earnings from its operations and is determined by adjusting the statutory net profit for items that are non-cash, unrealised or capital in nature. The directors consider FFO to represent the core earnings of the group.

Summary of financial position

A summary of the group's financial position as at 31 December 2025 is outlined below.

	Consolidated 31 Dec 2025 $m	Consolidated 30 Jun 2025 $m
Assets		
Investment properties	796.6	889.2
Total assets	1,176.5	1,272.8
Net assets	767.4	794.5
Net tangible assets	767.4	794.5
Number of units on issue (million)	550.2	550.2
Net tangible assets ($ per unit)	1.39	1.44

	Consolidated 31 Dec 2025 $m	Consolidated 30 Jun 2025 $m
Capital management		
Debt facility limit	475.0	550.0
Drawn debt	372.3	446.8
Cash and undrawn debt	155.2	143.7
Gearing ratio (%)[1]	28.5%	33.0%
Hedged debt (%)	47.0%	83.9%
Cost of debt (% per annum)[2]	5.6%	5.6%

(1) Gearing is defined as borrowings (excluding unamortised debt establishment costs) less cash and cash equivalents divided by total assets less cash and cash equivalents and right-of-use assets.
(2) Cost of debt excludes undrawn commitment fees.

Property portfolio:
At 31 December 2025, the group owned 13 (30 June 2025: 19) investment properties with a combined value of $796.6 million (30 June 2025: $889.2 million).

The movement in investment properties during the period was primarily driven by the group's asset recycling program and net unrealised fair value loss, refer to note 12.

At 31 December 2025, 7 investment properties, representing 54% by number and 51% by value, were independently valued with the remaining investment properties being internally valued. The weighted average capitalisation rate of the portfolio was 5.9% (30 June 2025: 5.8%).

Asset recycling program:
As part of the group's asset recycling program, the group settled on the sale of 6 properties for a total consideration of $76.8 million in the period ended 31 December 2025.

Refer to note 12 to the consolidated financial statements.

Capital management:
The group had $155.2 million in cash and undrawn debt as at 31 December 2025. At 31 December 2025, 47.0% of drawn debt was hedged (30 June 2025: 83.9%) and the cost of debt was 5.6% per annum (30 June 2025: 5.6% per annum).

On-market unit buy-back
In April 2024, the Responsible Entity announced an on-market unit buy-back of fully paid ordinary units in HCW for up to $50.0 million of units. The Responsible Entity will only buy back units at such times as are considered beneficial to the efficient capital management of the group, and the Responsible Entity reserves the right to suspend or terminate the buy-back at any time. The Responsible Entity has purchased 18.2 million units on issue since the announcement. No units were purchased in the period ended 31 December 2025.

Distributions
Consistent with the group's ASX announcements on 22 September 2025 and 18 December 2025, no distributions were declared during the financial half-year to preserve balance sheet liquidity.

Matters subsequent to the end of the financial half-year
No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Rounding of amounts
The Trust is of a kind referred to in ASIC Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that instrument to the nearest hundred thousand dollars, unless otherwise stated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors.

Joseph Carrozzi AM	David Di Pilla
Independent Non-Executive Chair	Non-Executive Director

16 February 2026

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of HCW Funds Management Limited, the Responsible Entity of HealthCo Healthcare and Wellness REIT

I declare that, to the best of my knowledge and belief, in relation to the review of HealthCo Healthcare and Wellness REIT for the half-year ended 31 December 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

J.Davis

Jessica Davis

Partner

Sydney

16 February 2026

HealthCo Healthcare and Wellness REIT
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	Consolidated 31 Dec 2025 $m	31 Dec 2024 $m
Income			
Property income	5	29.6	28.3
Interest income		0.9	0.4
Share of (losses)/profits of equity-accounted investees, net of tax		(15.8)	1.4
Net change in assets/liabilities at fair value through profit or loss	6	(21.6)	(14.2)
Expenses			
Property expenses		(3.3)	(5.2)
Corporate expenses		(1.3)	(1.5)
Management fees	22	(2.8)	(3.2)
Transaction costs	7	-	(8.6)
Finance costs	7	(12.5)	(12.7)
Loss for the half-year		(26.8)	(15.3)
Other comprehensive income for the half-year		-	-
Total comprehensive loss for the half-year		(26.8)	(15.3)
Loss for the half-year is attributable to:			
Non-controlling interest		0.1	0.1
Owners of HealthCo Healthcare and Wellness REIT		(26.9)	(15.4)
		(26.8)	(15.3)
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		0.1	0.1
Owners of HealthCo Healthcare and Wellness REIT		(26.9)	(15.4)
		(26.8)	(15.3)
		Cents	**Cents**
Basic earnings per unit	23	(4.88)	(2.76)
Diluted earnings per unit	23	(4.88)	(2.76)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

HealthCo Healthcare and Wellness REIT
Consolidated statement of financial position
As at 31 December 2025

	Note	Consolidated 31 Dec 2025 $m	Consolidated 30 Jun 2025 $m
Assets			
Current assets			
Cash and cash equivalents	8	52.5	40.5
Trade and other receivables	9	1.6	1.7
Derivative financial instruments	13	0.4	0.3
Other assets	10	1.0	1.5
Total current assets		55.5	44.0
Non-current assets			
Other assets	10	0.3	-
Investments accounted for using the equity method	11	324.1	339.6
Investment properties	12	796.6	889.2
Total non-current assets		1,121.0	1,228.8
Total assets		1,176.5	1,272.8
Liabilities			
Current liabilities			
Trade and other payables	14	21.1	14.6
Borrowings	16	370.6	445.2
Derivative financial instruments	13	-	0.2
Lease liabilities	15	0.2	0.2
Total current liabilities		391.9	460.2
Non-current liabilities			
Trade and other payables	14	14.3	14.8
Lease liabilities	15	2.9	2.9
Derivative financial instruments	13	-	0.4
Total non-current liabilities		17.2	18.1
Total liabilities		409.1	478.3
Net assets		767.4	794.5
Equity			
Contributed equity	17	927.1	927.1
Accumulated losses		(166.0)	(139.1)
Equity attributable to the owners of HealthCo Healthcare and Wellness REIT		761.1	788.0
Non-controlling interest		6.3	6.5
Total equity		767.4	794.5

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Contributed equity $m	Accumulated losses $m	Non-controlling interest $m	Total equity $m
Balance at 1 July 2024	939.6	(27.0)	7.3	919.9
(Loss)/profit for the half-year	-	(15.4)	0.1	(15.3)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive (loss)/income for the half-year	-	(15.4)	0.1	(15.3)
Transactions with owners in their capacity as owners:				
Share buy-back	(12.2)	-	-	(12.2)
Non-controlling interests	-	-	(0.2)	(0.2)
Distributions paid (note 18)	-	(23.3)	-	(23.3)
Balance at 31 December 2024	927.4	(65.7)	7.2	868.9

Consolidated	Contributed equity $m	Accumulated losses $m	Non-controlling interest $m	Total equity $m
Balance at 1 July 2025	927.1	(139.1)	6.5	794.5
(Loss)/profit for the half-year	-	(26.9)	0.1	(26.8)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive (loss)/income for the half-year	-	(26.9)	0.1	(26.8)
Transactions with owners in their capacity as owners:				
Non-controlling interests	-	-	(0.3)	(0.3)
Balance at 31 December 2025	927.1	(166.0)	6.3	767.4

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

HealthCo Healthcare and Wellness REIT
Consolidated statement of cash flows
For the half-year ended 31 December 2025

	Consolidated	
	31 Dec 2025 $m	**31 Dec 2024 $m**
Cash flows from operating activities		
Receipts from tenants (inclusive of GST)	32.1	29.8
Payments to suppliers (inclusive of GST)	(11.9)	(7.6)
Interest received	0.8	0.2
Interest and other finance costs paid	(7.7)	(9.8)
Net cash from operating activities	13.3	12.6
Cash flows from investing activities		
Proceeds from sale of investment properties	76.8	46.5
Payments for capital expenditure	(1.9)	(8.0)
Payments attributable to investment in joint ventures	(0.3)	(0.1)
Dividends from equity-accounted investees	-	10.1
Net cash from investing activities	74.6	48.5
Cash flows from financing activities		
Proceeds from borrowings	-	3.0
Repayment of borrowings	(74.5)	(43.5)
Borrowing costs paid	(1.3)	(0.2)
Payments for units bought back	-	(11.7)
Distributions paid	-	(23.0)
Repayment of lease liabilities	(0.1)	(0.1)
Net cash used in financing activities	(75.9)	(75.5)
Net increase/(decrease) in cash and cash equivalents	12.0	(14.4)
Cash and cash equivalents at the beginning of the financial half-year	40.5	19.9
Cash and cash equivalents at the end of the financial half-year	52.5	5.5

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The consolidated financial statements cover HealthCo Healthcare and Wellness REIT (the Trust or HCW) as a consolidated entity consisting of HealthCo Healthcare and Wellness REIT and the entities it controlled at the end of, or during, the half-year (collectively referred to hereafter as the group). The consolidated financial statements are presented in Australian dollars, which is the group's functional and presentation currency.

HCW is a listed for-profit managed investment scheme, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 31
Gateway
1 Macquarie Place
Sydney NSW 2000

HCW Funds Management Limited (ABN 58 104 438 100) (AFSL 239882) ('Responsible Entity') is the responsible entity of the Trust.

The Responsible Entity has appointed HMC Property Management Pty Ltd (the 'Property Manager') and HMC Investment Management Pty Ltd (the 'Investment Manager') to provide certain asset management, investment management, development management, leasing and property management services to the group in accordance with the Investment Management Agreement and Property Management Agreement ('Management Agreements'). The Responsible Entity, Property Manager and Investment Manager are ultimately owned by HMC Capital Limited (ASX: HMC).

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 16 February 2026.

Note 2. Material accounting policy information

These general purpose consolidated financial statements for the interim half-year ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose consolidated financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, these consolidated financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Critical accounting estimates
The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

New or amended Accounting Standards and Interpretations adopted
The only new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that is mandatory for the financial half-year ended 31 December 2025 and full financial year ending 30 June 2026 is AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability. This standard is not relevant to the group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Material accounting policy information (continued)

Going concern
The consolidated financial statements have been prepared on a going concern basis.

As at 31 December 2025, the group was in a total net asset position of $767.4 million (30 June 2025: total net asset position of $794.5 million) and net current liability position of $336.4 million (30 June 2025: net current liability position of $416.2 million). For the period ended 31 December 2025, the group incurred a loss of $26.8 million (31 December 2024: loss $15.3 million).

Cash and cash equivalents at 31 December 2025 were $52.5 million (31 December 2024: $5.5 million). Net operating cash inflow for the period was $13.3 million (31 December 2024: $12.6 million). Net investing cash inflow for the period was $74.6 million (31 December 2024: $48.5 million) and net financing cash outflow for the period was $75.9 million (31 December 2024: $75.5 million).

Cash and cash equivalents and undrawn debt at 31 December 2025 were $155.2 million (30 June 2025: $143.7 million).

The net current liability position as at 31 December 2025 was driven by the classification of the $372.3 million loan which is expiring in November 2026. The group is expecting to extend the facility upon resolution of the Healthscope matters noted below. The group continues to provide timely and comprehensive updates to its lenders regarding the ongoing situation.

In May 2025, two entities within the Healthscope group entered into receivership and administration. The group noted that the counterparties to the lease agreements that HCW and HWHF (the Landlords) contracted with were not in receivership or administration and that the existing cross default and termination rights under the lease agreements remained in place.

In December 2025, the group announced that the Landlords had entered into conditional agreements with alternative tenants for all the 11 hospitals currently tenanted by Healthscope and owned by the Landlords. These agreements include detailed commercial terms which are acceptable to the Landlords. The Landlords will look to enter into binding lease agreements with these alternative tenants in the event the current Healthscope sale process does not result in one or more proposed assignees and lease arrangements which the Landlords consent to.

Healthscope continues to operate and remains compliant with all of its lease obligations as at 31 December 2025, and at the date of this report. In the event Healthscope were to become noncompliant with these obligations, there is a possibility of negative impacts to the group's operating cashflow and increased risk of not meeting debt covenants. The effect of this would represent a material uncertainty as to whether the group would continue as a going concern.

The group did not declare quarterly distributions for the periods ended 30 September 2025 and 31 December 2025 to preserve balance sheet liquidity. Further, the group settled on $76.8 million of asset sales in the period ended 31 December 2025.

Management has prepared cashflow forecasts that support the going concern basis of preparation and that the group can pay its debts as and when they become due and payable. The forecasts assume that the assets remain tenanted and those tenants remain compliant with their lease obligations. The group is compliant with all its debt covenants.

The going concern basis presumes that a combination of the above funding and operational solutions, as deemed appropriate by the directors, will be achieved and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

The directors of the HCW Funds Management Limited, as Responsible Entity for the group, consider that the group will continue to fulfil all obligations as and when they fall due for the foreseeable future and accordingly consider that the group's consolidated financial statements should be prepared on a going concern basis.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy
The group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value assessment of investment property as at 31 December 2025 has been conducted using the information available at the time of the preparation of the consolidated financial statements and best estimates of future performance including the continued performance of Healthscope assets. As noted in Note 2. Going concern, the group is in discussion with alternative tenants for all 11 of the hospitals currently tenanted by Healthscope and owned by the Landlords, there is a risk that commercial terms agreed with these tenants could materially impact the fair value of these investment properties. Refer to note 19 for details of valuation techniques used.

Note 4. Operating segments

The group's operating segments are based on the internal reports that are reviewed and used by the board of directors of the Responsible Entity (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The directors of the Responsible Entity have determined that there is one operating segment being its Australian operations.

The CODM monitors the performance of the business on the basis of Funds from Operations (FFO). FFO represents the group's underlying and recurring earnings from its operations and is determined by adjusting the statutory net profit or loss for items which are non-cash, unrealised or capital in nature. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the consolidated financial statements.

The information reported to the CODM is on a quarterly basis.

Refer to the consolidated statement of financial position for segment assets and liabilities.

Major customers
During the half-year ended 31 December 2025, approximately 32.5% (31 December 2024: 27.4% and 10.3%, totalling 37.7%) of the group's external revenue was derived from rental income from one main tenant (31 December 2024: two tenants).

Note 4. Operating segments (continued)

Segment results

	Consolidated	
	31 Dec 2025 $m	31 Dec 2024 $m
Funds from operations (FFO)	12.3	23.5
Straight lining and amortisation of rental income	(2.0)	(4.4)
Transaction costs	-	(8.6)
Rent guarantee income	-	(1.4)
Net fair value movements	(21.6)	(14.2)
Proxima coupon	-	(1.9)
Share of (losses)/profits of equity-accounted investees	(15.8)	1.4
Distribution of profits of equity-accounted investees	-	(10.0)
Other	0.3	0.3
Loss for the half-year	(26.8)	(15.3)

Note 5. Property income

	Consolidated	
	31 Dec 2025 $m	31 Dec 2024 $m
Property rental income	26.1	24.4
Other property income	3.5	3.9
Property income	29.6	28.3

Disaggregation of revenue
Revenue from property rental is recognised on a straight-line basis over the lease term. Other property income is recognised over time as services are rendered.

Note 6. Net change in assets/liabilities at fair value through profit or loss

	Consolidated	
	31 Dec 2025 $m	31 Dec 2024 $m
Net unrealised fair value loss on investment properties	(22.3)	(11.3)
Net unrealised fair value gain/(loss) on derivatives	0.7	(2.9)
	(21.6)	(14.2)

Note 7. Expenses

	Consolidated 31 Dec 2025 $m	31 Dec 2024 $m
Loss includes the following specific expenses:		
Transaction costs	-	8.6
Finance costs		
Interest and finance charges on borrowings	11.3	11.6
Interest and finance charges on lease liabilities	0.1	0.1
Amortisation of capitalised borrowing costs	1.1	1.0
Finance costs expensed	12.5	12.7

Note 8. Cash and cash equivalents

	Consolidated 31 Dec 2025 $m	30 Jun 2025 $m
Current assets		
Cash at bank	52.5	40.5

Note 9. Trade and other receivables

	Consolidated 31 Dec 2025 $m	30 Jun 2025 $m
Current assets		
Trade receivables	1.4	2.2
Less: Allowance for expected credit losses	(1.2)	(1.8)
	0.2	0.4
Other receivables	1.2	1.1
GST receivable	0.2	0.2
	1.6	1.7

Note 10. Other assets

	Consolidated 31 Dec 2025 $m	30 Jun 2025 $m
Current assets		
Prepayments	0.2	0.6
Security deposits	0.6	0.6
Other current assets	0.2	0.3
	1.0	1.5
Non-current assets		
Other non-current assets	0.3	-

Note 11. Investments accounted for using the equity method

Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2025 %	Ownership interest 30 Jun 2025 %
General Medical Precinct Trust*	Australia	28.0%	27.7%
Life Sciences Medical Precinct Trust*	Australia	32.4%	32.3%
HMC Wholesale Healthcare Fund (HWHF)	Australia	49.6%	49.6%

* Collectively referred as Camden Trusts

	Camden Trusts 31 Dec 2025 $m	Camden Trusts 30 Jun 2025 $m	HWHF 31 Dec 2025 $m	HWHF 30 Jun 2025 $m
Reconciliation of the group's carrying amount				
Opening carrying amount	14.3	13.5	325.3	366.0
Additions during the half-year	0.3	0.3	-	-
Share of net profit/(loss) after income tax for the half-year/year	-	0.5	(15.8)	(30.7)
Share of distributions received	-	-	-	(10.0)
Closing carrying amount	14.6	14.3	309.5	325.3

Note 12. Investment properties

	Consolidated 31 Dec 2025 $m	Consolidated 30 Jun 2025 $m
Non-current assets		
Investment properties - at fair value	796.6	889.2

Reconciliation

Reconciliation of the fair values at the beginning and end of the current financial half-year are set out below:

	Consolidated 31 Dec 2025 $m
Opening fair value	889.2
Disposals	(76.8)
Straight-lining and amortisation of incentives	(0.7)
Capitalised expenditure (including transaction costs)	7.3
Net unrealised loss from fair value adjustments	(22.3)
Right of use asset	(0.1)
Closing fair value*	796.6

* Included in the closing fair value of investment property at 31 December 2025 is $2.8 million (30 June 2025: $2.9 million) relating to leasehold improvements and right-of-use assets of a leasehold property.

Refer to note 19 for further information on fair value measurement.

Note 13. Derivative financial instruments

	Consolidated	
	31 Dec 2025 $m	30 Jun 2025 $m
Current assets		
Derivatives - interest rate swap contracts	0.4	0.3
Current liabilities		
Derivatives - interest rate swap contracts	-	(0.2)
Non-current liabilities		
Derivatives - interest rate swap contracts	-	(0.4)
	0.4	(0.3)

The interest rate swap contracts require settlement of net interest receivable or payable on a quarterly basis.

Refer to note 19 for further information on fair value measurement.

Note 14. Trade and other payables

	Consolidated	
	31 Dec 2025 $m	30 Jun 2025 $m
Current liabilities		
Trade payables	0.9	1.5
Rent received in advance	2.1	1.2
Accrued expenses	3.4	2.7
Interest payable	9.4	5.5
Capital expenditure accruals	2.7	1.2
Other payables	2.6	2.5
	21.1	14.6
Non-current liabilities		
Trade payables	13.8	13.4
Accrued expenses	0.5	1.4
	14.3	14.8

Refer to note 22 for further information on non-current liabilities.

Note 15. Lease liabilities

	Consolidated	
	31 Dec 2025 $m	30 Jun 2025 $m
Current liabilities		
Lease liability	0.2	0.2
Non-current liabilities		
Lease liability	2.9	2.9

Lease liability mainly represents 2 head lease agreements (ground leases) for the GC Urraween property. Both leases have 3.5-year terms remaining with 8 by 5-year options and 7 by 5-year options to extend, respectively.

Note 16. Borrowings

	Consolidated 31 Dec 2025 $m	30 Jun 2025 $m
Current liabilities		
Bank loans	372.3	446.8
Capitalised borrowing costs	(1.7)	(1.6)
	370.6	445.2

In July 2025, the group's bank loan, a $550.0 million senior secured debt facility expiring in May 2026, was extended to November 2026. The facility limit was also reduced from $550.0 million to $475.0 million.

Under the terms of the bank loan agreement, the group is required to comply with financial covenants such as a loan to value ratios at all times and interest coverage ratios at the end of each reporting period. The group has complied with these covenants throughout the reporting period and expects to comply with the covenants within 12 months after the reporting date.

The interest comprises a base rate plus a variable margin, determined by the prevailing loan to valuation ratio. The bank loan is secured by first mortgages over the group's investment properties.

The fair value of borrowings approximates their carrying value as the interest payable on borrowings reflects current market rates.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 31 Dec 2025 $m	30 Jun 2025 $m
Total facilities		
Bank loans	475.0	550.0
Used at the reporting date		
Bank loans	372.3	446.8
Unused at the reporting date		
Bank loans	102.7	103.2

Note 17. Contributed equity

	Consolidated 31 Dec 2025 Units	30 Jun 2025 Units	31 Dec 2025 $m	30 Jun 2025 $m
Ordinary class units - fully paid	550,175,919	550,175,919	927.1	927.1

Note 18. Distributions

Distributions declared during the financial half-year were as follows:

	Consolidated	
	31 Dec 2025 $m	31 Dec 2024 $m
Interim distribution for the year ending 30 June 2026 of nil cents (2025: 2.100 cents) per unit	-	11.8
Interim distribution for the year ending 30 June 2026 of nil cents (2025: 2.100 cents) per unit	-	11.5
	-	23.3

Note 19. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2025	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Investment properties	-	-	796.6	796.6
Derivative financial instruments	-	0.4	-	0.4
Total assets	-	0.4	796.6	797.0
Liabilities				
Derivative financial instruments	-	-	-	-
Total liabilities	-	-	-	-

Consolidated - 30 Jun 2025	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Investment properties	-	-	889.2	889.2
Derivative financial instruments	-	0.3	-	0.3
Total assets	-	0.3	889.2	889.5
Liabilities				
Derivative financial instruments	-	(0.6)	-	(0.6)
Total liabilities	-	(0.6)	-	(0.6)

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Derivative financial instruments have been valued using observable market inputs. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Note 19. Fair value measurement (continued)

The basis of valuation of investment properties is fair value. Independent valuations are obtained on a rotational basis to ensure each property is valued at least once every 24 months by an independent external valuer. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. The discounted cash flow method and the capitalisation method are also considered for determining fair value. For properties not independently valued during a reporting period, a directors' valuation is carried out to determine the appropriate carrying value of the property as at the date of the report. Where directors' valuations are performed, the valuation methods include using the discounted cash flow method and the capitalisation method.

Level 3 assets

Description	Unobservable inputs	Range (weighted average) 31 Dec 2025	Range (weighted average) 30 Jun 2025
Investment properties	(i) Capitalisation rate	5.3% to 6.5% (5.9%)	5.1% to 7.0% (5.8%)
	(ii) Discount rate	6.5% to 8.3% (7.2%)	6.5% to 8.3% (7.0%)
	(iii) Terminal yield	5.5% to 7.0% (6.3%)	5.5% to 7.8% (6.2%)

A higher capitalisation rate, discount rate or terminal yield will lead to a lower fair value. A higher growth rate will lead to a higher fair value. The weighted average capitalisation rate is the most significant input into the valuation of investment properties and therefore most sensitive to changes in valuation. A 25 basis point increase in capitalisation rate would result in a decrease in the fair value of investment property by $32.9 million and a 25 basis point decrease in capitalisation rate would result in an increase in the fair value of investment properties by $35.8 million.

Note 20. Contingent liabilities

The group had no contingent liabilities as at 31 December 2025 and 30 June 2025.

Note 21. Commitments

The group had no capital commitments as at 31 December 2025 and 30 June 2025.

Note 22. Related party transactions

Following is a summary of fees paid to the Responsible Entity:

Type of fee	Method of fee calculation	Consolidated 31 Dec 2025 $'000	Consolidated 31 Dec 2024 $'000
Base management fees*	0.65% per annum of Gross Asset Value ('GAV') up to $0.8 million 0.55% per annum of GAV thereafter	2,848	3,190
Property management fees	3.0% of gross property income	654	744
Leasing fees*	15.0% on new leases 7.5% of year 1 gross income on renewals	299	230
Development management fees*	5.0% of project spend up to $2.5 million 3.0% of project spend thereafter	145	111
Disposal fees*	0.5% of sale price	384	232
Reimbursement of Responsible Entity expenses*	Cost recovery	378	361

* The Investment Manager deferred all management fees payable for the financial years ended 30 June 2025 and 30 June 2026, as disclosed in the year ended 30 June 2025.

Note 22. Related party transactions (continued)

The following other transactions occurred with related parties:

	Consolidated	
	31 Dec 2025 $'000	31 Dec 2024 $'000
Payment for goods and services:		
Payments to Home Consortium Developments Pty Limited and HMC Capital Limited	79	34
Other transactions:		
Rental income from other director-related entities	23	1,616
Cash transfer for development related capital expenditure paid to joint venture (Camden Trusts)	262	82
HMC Capital Limited's share of distributions declared as a unitholder of HCW	-	5,246

Refer to note 11 for further information on transactions related to Investments accounted for using the equity method.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 Dec 2025 $'000	30 Jun 2025 $'000
Current payables:		
Trade and other payables to the Investment, Development and Property Manager	512	217
Non-current payables:		
Trade and other payables to the Investment, Development and Property Manager	14,252	14,987

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 Dec 2025 $'000	30 Jun 2025 $'000
Current receivables:		
Loan receivable from joint venture (Camden Trusts)	17	16

Note 23. Earnings per unit

	Consolidated	
	31 Dec 2025 $m	31 Dec 2024 $m
Loss for the half-year	(26.8)	(15.3)
Non-controlling interest	(0.1)	(0.1)
Loss attributable to owners of HealthCo Healthcare and Wellness REIT	(26.9)	(15.4)
	Number	**Number**
Weighted average number of units used in calculating basic earnings per unit	550,175,919	559,287,438
Weighted average number of ordinary units used in calculating diluted earnings per unit	550,175,919	559,287,438

Note 23. Earnings per unit (continued)

	31 Dec 2025 Cents	31 Dec 2024 Cents
Basic earnings per unit	(4.88)	(2.76)
Diluted earnings per unit	(4.88)	(2.76)

Note 24. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

In the opinion of the directors of HMC Funds Management Limited, the Responsible Entity of HealthCo Healthcare and Wellness REIT (the Trust):

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached consolidated financial statements and notes give a true and fair view of the group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of the Responsible Entity, HCW Funds Management Limited, made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity.

Joseph Carrozzi AM
Independent Non-Executive Chair

David Di Pilla
Non-Executive Director

16 February 2026

Independent Auditor's Review Report

To the unitholders of HealthCo Healthcare and Wellness REIT

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of HealthCo Healthcare and Wellness REIT (the Group).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of HealthCo Healthcare and Wellness REIT does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2025 and of its performance for the ***Interim Period*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2025;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 24 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises HealthCo Healthcare and Wellness REIT (the Trust) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The ***Interim Period*** is the 6 months ended on 31 December 2025.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 2, "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the HCW Funds Management Limited as the Responsible Entity of the Trust are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

J Davis

Jessica Davis

Partner

Sydney

16 February 2026