



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

ASX RELEASE

25 September 2026

ANNUAL REPORT 2026

HealthCo Healthcare and Wellness REIT (ASX: HCW) provides the attached Annual Report for the year ended 30 June 2026. It will be dispatched to those unitholders who have elected to receive it.

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

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About HealthCo Healthcare & Wellness REIT

HealthCo Healthcare & Wellness REIT (HCW) 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. HCW is Australia's leading diversified healthcare REIT with a combined portfolio size of \$1.5 billion.

Annual Report

2026

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HCW Funds Management Limited
ACN 104 438 100 | AFSL 239882



'JOURNEY OF CREATION' BY BILLY REYNOLDS

Acknowledgement of Country

HealthCo Healthcare & Wellness REIT 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 and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

HealthCo Healthcare & Wellness is a leading Australian diversified healthcare REIT

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Portfolio

Portfolio statistics

21	Number of properties
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\$1,335m	Portfolio valuation ¹
----------	----------------------------------

~\$500m	Development pipeline ²
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6.06%	WACR ³
-------	-------------------

+4.1%	LFL NOI Growth ⁴
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10.6 years	WALE ⁵
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99%	Occupancy
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100%	Contracted rent collection ⁶
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77%	Triple Net Leases ⁷
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1. Aggregate of HCW portfolio (including Camden Stage 2 & 3) and 49.6% of Unlisted Healthcare & Life Sciences Fund (UHF) portfolio value. UHF is an unlisted real estate fund managed by HMC Capital focused on investing in healthcare property.

2. Total capex for Rouse Hill and Camden stages 2 & 3 on a 100% basis.

3. Weighted Average Capitalisation Rate excludes Camden Stages 2 & 3 and includes 49.6% of UHF portfolio.

4. NOI Growth calculated on a LFL basis, excluding assets divested in FY26, inclusive of market reviews. Excludes expected credit loss (ECL) provision.

5. Blended Weighted Average Lease Expiry by gross income. Includes signed leases and MoUs across all operating assets. Assumes UHF income at 100%.

6. Rent collection for FY26.

7. By gross income. Includes signed leases and MoUs across all operating assets. Assumes 100% of UHF leases in calculation.

Geographic exposure

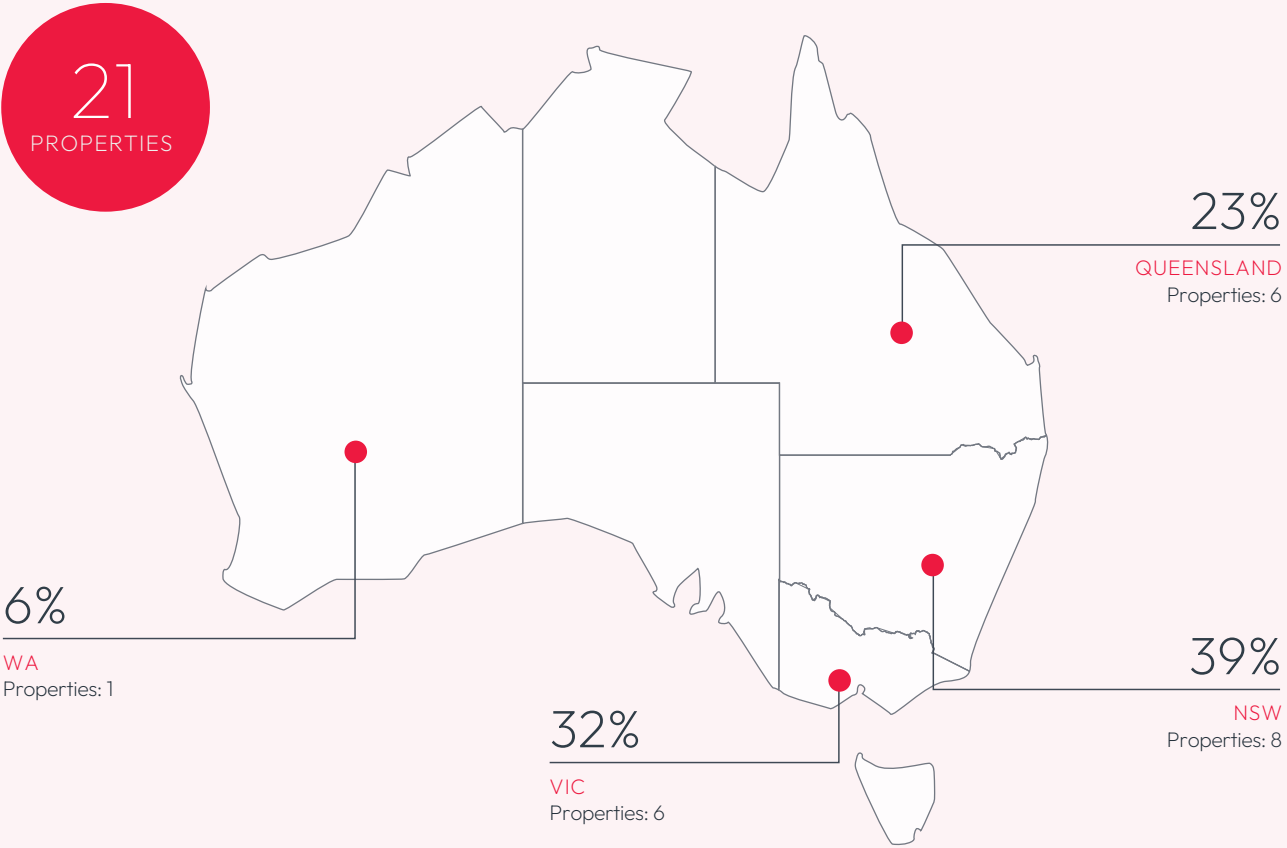
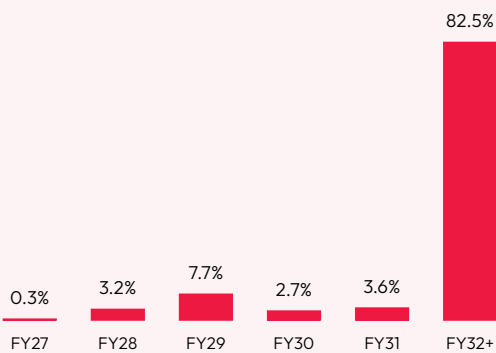
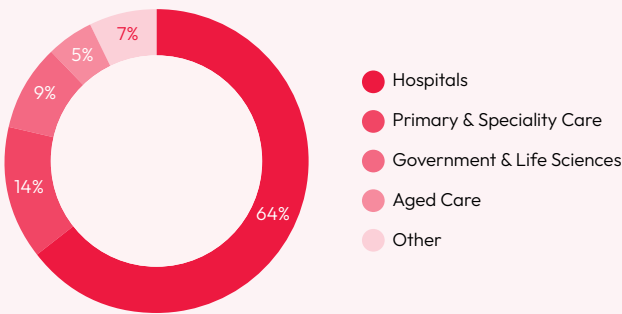


Figure 1: Lease expiry profile¹



Numbers may not add due to rounding.

Figure 2: Portfolio subsectors income split²



1. Lease expiry profile by gross income. Includes signed leases and MoUs across all operating assets.
 2. Aggregate of HCW portfolio (including Camden Stage 2 & 3) and 49.6% of UHF portfolio value. By gross income. Includes signed leases and MoUs across all operating assets.

FY26 Summary

Financial

4.0 cents

FFO/unit

7.7 cents

Underlying FFO/unit¹

\$1.35

NTA/unit

FY26 earnings impacted by UHF retaining cash while progressing the Healthscope situation



PROXIMA (QLD)

Portfolio

\$1.34bn

Portfolio valuation²

6.06%

Portfolio cap rate

10.6

WALE³

Long lease expiry of 10.6 years



SPRINGFIELD (QLD)

Notes:

All metrics as at 30-Jun-26 unless otherwise stated. Includes Camden Stages 2 & 3, HCW's interest in UHF.

1. Underlying FFO includes HCW's 49.6% share of UHF FFO.

2. Aggregate of HCW portfolio and 49.6% of the UHF portfolio value.

3. Blended Weighted Average Lease Expiry by gross income. Includes signed leases and MoUs across all operating assets. Assumes UHF income at 100%.

Operations

100%

Rent collection

99%

Occupancy⁴

+4.1%

LFL NOI growth⁵

Strong operational performance with 100% rent collection and 99% occupancy



THE GEORGE PRIVATE HOSPITAL (NSW)

Capital Management

29.0%

Gearing⁶

\$158m

Cash and undrawn debt

\$77m

Asset recycling proceeds

Strong balance sheet with significant liquidity and gearing below target range



NEPEAN PRIVATE HOSPITAL (NSW)

4. By gross lettable area (GLA). Includes signed leases and MoUs across operating assets. Excludes development assets.

5. NOI Growth calculated on a LFL basis, excluding assets divested in FY26, inclusive of market reviews. Excludes ECL provision.

6. 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.

Chair & Fund Manager's Letter

On behalf of the Board of Directors, we are pleased to present the HealthCo Healthcare & Wellness REIT (HCW) Annual Report for the year ended 30 June 2026 (FY26).

Overview

FY26 was characterised by closely monitoring the Healthscope situation to protect the interests of all unitholders, with disciplined balance sheet management.

During the financial year:

- HCW continued to deliver strong operational performance across its diversified \$1.34bn portfolio of healthcare infrastructure real estate assets, supported by 99% occupancy and 100% cash rent collection.
- HCW strengthened the balance sheet, preserved liquidity and maintained strategic flexibility.
- HCW and the Unlisted Healthcare Fund (UHF), in which HCW has a 49.6% interest, worked proactively to resolve the Healthscope situation.

Healthscope

HCW and UHF own 11 private hospitals leased to Healthscope in metro locations in Sydney, Melbourne, Brisbane and Perth. In May 2025, two Healthscope group entities entered receivership and administration. The counterparties that HCW and UHF contract with have continued to operate and are not in receivership or administration.

During the year, HCW and UHF (together, the Landlords) worked proactively to replace Healthscope as the tenant across the portfolio. The Landlords' priorities were to:

- Ensure continuity of services at all the Hospitals for all patients;
- Ensure that the portfolio is tenanted by well capitalised operators with strong operational track records;
- Maintain jobs for nursing and hospital staff; and
- Maximise long-term value for all unitholders and investors.

The Landlords have made substantial progress towards a resolution. In May, agreement was reached to transfer the Mount Private Hospital in Western Australia to Bethesda Healthcare, guaranteed by the WA State Government which will also provide financial and operational support.

As at the date of this report, support has been received from Healthscope's lenders for the assignment of existing leases and transfer of hospital operations to alternative operators across HCW and UHF's remaining 10 hospitals. The proposed transaction remains subject to completion of binding documentation, requisite approvals and other customary conditions.

The new leases will provide for long-term, sustainable lease arrangements, provide significant tenant diversification and extend the weighted average lease expiry across the HCW portfolio.

Financial summary

Funds from operations (FFO) for FY26 were 4.0 cents per unit, impacted by the non-declaration of distributions by UHF. Underlying FFO, including HCW's 49.6% share of UHF's FFO, was 7.7 cents per unit.

HCW did not declare a distribution in FY26 in order to maintain balance sheet flexibility.

Portfolio valuations declined by 4.7% during the year, reflecting a 38bps weighted average capitalisation rate expansion, with all 11 Healthscope hospitals independently valued at June 2026.

Net tangible assets (NTA) per unit was \$1.35, underpinned by HCW's diversified portfolio of high-quality healthcare infrastructure assets.

Capital management

Capital management was a key focus throughout FY26 as HCW sought to preserve liquidity, strengthen the balance sheet and maintain strategic flexibility.

As at 30 June 2026, HCW had cash and undrawn debt of \$158 million. Gearing was 29%, below the 30–40% target range, and 81% of drawn debt was hedged.¹

Subsequent to the end of the financial year, HCW extended its debt facility to December 2027.

1. Pro-forma for new swaps executed post 30 Jun 2026.

Portfolio and operational highlights

HCW has a \$1.34bn portfolio of critical healthcare infrastructure assets in metro locations providing inflation protection and income security. HCW's portfolio comprises private hospitals, cancer care centres, aged care facilities, health hubs and a nursing college. These assets provide essential infrastructure that supports the delivery of healthcare services, with over 97% of the portfolio located in metropolitan areas and more than 80% of income derived from government and national tenants.

Across the broader portfolio, operational performance remained resilient during FY26, with occupancy of 99% and contracted rent collection of 100%, and like-for-like NOI growth of 4.1%, driven by contractual rental escalations.

HCW continues to benefit from long lease duration and CPI-linked income across 81% of the portfolio, which supports income resilience over time.

Developments

HCW has a development pipeline in Sydney of approximately \$500 million which provides future growth opportunities. It is expected that the pipeline will only be progressed once appropriate funding partners have been secured.

Sustainability

HCW continues to make progress on sustainability initiatives and delivering a positive social impact across the portfolio. We remain focused on initiatives that improve environmental performance, support our stakeholders and enhance the resilience and long-term relevance of the portfolio. This includes continuing to pursue practical opportunities to reduce emissions, improve energy efficiency and strengthen the social contribution of our assets and operations.

Outlook

HCW has a strong conviction in healthcare real estate, underpinned by long-term structural demand-drivers including a growing population and ageing demographics.

The new lease at the Mount Private Hospital in Perth will commence in October 2026 and it is expected that transaction completion for the remaining Healthscope hospitals in Sydney, Melbourne and Brisbane will be achieved soon. Once resolved, distributions will be reinstated with FY27 DPU guidance of 6.0 cents having been announced in August 2026.

Strategically, the Board and the management team are focused on positioning HCW for sustainable earnings and distribution growth in the future and narrowing HCW's trading discount to NTA.

On behalf of the Board of Directors and management team, we thank our unitholders, tenant partners and other stakeholders for their ongoing support during a year of significant activity.



A stylized, handwritten signature in black ink.

JOSEPH CARROZZI AM
CHAIR



A stylized, handwritten signature in black ink.

CHRISTIAN SOBERG
HCW FUND MANAGER



THE GEORGE CENTRE



FY26

Directors' Report and Financial Report

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Directors' Report

30 June 2026

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 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 financial year ended 30 June 2026 (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 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

Principal activities

The Trust is a registered managed investment scheme domiciled in Australia. The principal activity of the group is the investment in a portfolio of healthcare property assets including hospitals, aged care, government, life sciences and research, primary care and wellness property assets as well as other healthcare and wellness property adjacencies. The group did not have any employees during the year.

Review of operations and financial performance

The group's financial performance for the financial year was impacted by an asset recycling program which reduced the portfolio from 19 properties as at 30 June 2025 to 13 properties as at 30 June 2026, the group's interest in the HMC Wholesale Healthcare Fund (HWHF), which did not pay any distributions during the year ended 30 June 2026; and net unrealised fair value loss on investment properties, refer to Note 11.

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 (the Hospitals).

In June 2026, HWHF entered into a binding agreement with an alternative tenant for The Mount Private Hospital in Western Australia. For the remaining 10 Hospitals, the Landlords and the alternative tenants have submitted an executable proposal to Healthscope's receiver, to facilitate the orderly transition to the alternative tenants. At the date of this report, commercial discussions are ongoing.

The group did not declare quarterly distributions for the year ended 30 June 2026 to preserve balance sheet liquidity. Further, the group settled on \$76.8 million of asset sales in the period. In August 2026, the group's bank loan which comprises a \$475.0 million senior secured debt facility expiring in November 2026, was extended to December 2027, refer to Note 14 Borrowings for further details.

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

Directors' Report continued

A summary of the group's financial performance for the year ended 30 June 2026 is detailed below.

	Consolidated	
	30 June 2026	30 June 2025
	\$'m	\$'m
Property and interest income	59.0	61.5
Share of loss of equity-accounted investees, net of tax	(20.4)	(30.2)
Loss for the year	(49.7)	(89.3)
Funds from operations (FFO)	21.9	36.5
Weighted average units on issue (million)	550.2	554.8
FFO per unit (cents)	4.0	6.6
Distribution per unit (cents)	-	4.2

The group recorded property and interest income including share of loss of equity-accounted investees of \$38.6 million (30 June 2025: \$31.3 million), a loss of \$49.7 million (30 June 2025: loss of \$89.3 million) and FFO of \$21.9 million (30 June 2025: \$36.5 million) for the financial year ended 30 June 2026.

A reconciliation between profit and FFO for the financial year ended 30 June 2026 is detailed below.

	Consolidated	
	30 June 2026	30 June 2025
	\$'m	\$'m
Loss for the year	(49.7)	(89.3)
Straight lining and amortisation	3.8	4.5
Transaction costs	-	8.6
Rent guarantee income	-	2.4
Net fair value movements	48.0	66.7
Proxima coupon	-	3.9
Share of loss of equity-accounted investees	20.4	30.2
Distribution of profits of equity-accounted investees	-	10.0
Other	(0.6)	(0.5)
FFO	21.9	36.5

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 after tax 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 30 June 2026 is outlined below.

	Consolidated	
	30 June 2026	30 June 2025
	\$'m	\$'m
Assets		
Investment properties	771.3	889.2
Total assets	1,149.9	1,272.8
Net assets	744.4	794.5
Net tangible assets	744.4	794.5
Number of units on issue (million)	550.2	550.2
Net tangible assets (\$ per unit)	1.35	1.44
	Consolidated	
	30 June 2026	30 June 2025
	\$'m	\$'m
Capital Management		
Debt facility limit	475.0	550.0
Drawn debt	372.3	446.8
Cash and undrawn debt	158.3	143.7
Gearing ratio (%) ¹	29.0%	33.0%
Hedged debt (%)	53.7%	83.9%
Cost of debt (%) ²	6.0%	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.

Refer notes 14 and 16 to the consolidated financial statements for further details.

Property portfolio:

As at 30 June 2026, the group owned 13 (30 June 2025: 19) investment properties with a combined value of \$771.3 million (30 June 2025: \$889.2 million).

The movement in investment properties during the financial year was primarily driven by the group's asset recycling program and net unrealised fair value loss, refer to note 11.

At 30 June 2026, 7 investment properties were independently valued with the remaining investment properties being internally valued. The weighted average capitalisation rate of the portfolio was 6.2% (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 year.

Refer to note 11 to the consolidated financial statements for details of the asset sales.

Capital management:

The group had \$158.3 million in cash and undrawn debt as at 30 June 2026 (30 June 2025: \$143.7 million). As at 30 June 2026, 53.7% of drawn debt was hedged (30 June 2025: 83.9%), and the cost of debt was 6.0% per annum (30 June 2025: 5.6%).

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 year ended 30 June 2026.

Distributions

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

In August 2026, the maturity date of the group's \$475.0 million senior secured debt facility was extended from November 2026 to December 2027, refer to Note 14 Borrowings for further details.

The Landlords and the alternative tenants have continued to progress commercial discussions regarding the executable proposal with Healthscope's receiver, to facilitate the orderly transition to the alternative tenants.

No other matter or circumstance has arisen since 30 June 2026 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.

Likely developments and expected results of operations

There are no further developments that the directors of the Responsible Entity are aware of which could be expected to affect the results of the group's operations in subsequent financial years other than the information contained in the operating and financial review.

Group objectives

The group'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 social impact.

A key economic risk for the group relates to interest rate movements and the impact of this on property capitalisation rates and the cost of debt funding. The group seeks to mitigate this risk by investing in quality properties and, maintaining an appropriate capital structure with a target gearing ratio of 30% – 40% (Target Range).

Sustainability and climate-related and environmental risks

Sustainability is a key element of the group's business approach, driven by the belief that sustainable investments are aligned to long-term value creation and should not be dilutive to returns. HMC Capital Limited has established a sustainability subcommittee of the HMC Capital Board that governs HMC Capital's sustainability strategy and initiatives across its managed funds, including the group. HMC Capital are signatory to the United Nations Principles for Responsible Investing (UNPRI) and a Global Real Estate Sustainability Benchmark (GRESB) participating member. These two organisations provide an investment and reporting framework to help shape the group's future strategies and risk framework.

The geographic diversity of the group's portfolio limits the exposure to physical climate events to localised occurrences. The group also undertakes detailed due diligence on property acquisitions to assess environmental risks including contamination as well as any potential exposure to climate related events.

The group has considered the impact of environmental, social and governance (ESG) risk as well as the volatile economic environment in preparing its consolidated financial statements and in the exercise of critical accounting assumptions and estimates, including impacts occurring during the reporting period and the uncertainty of future effects. The group will continue to monitor these risks and the impact they have on the consolidated financial statements.

The Australian Sustainability Reporting Standards (ASRS), comprising *AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information* – a voluntary standard and *AASB S2 Climate-related Disclosures* – a mandatory standard. *AASB S2 'Climate-related Disclosures'* sets out specific climate related disclosures and applies to entities required to prepare and lodge a financial report with ASIC under Chapter 2M. This mandatory sustainability reporting is expected to be applicable for the group for the first time for the year ending 30 June 2028.

Environmental regulation

The directors of the Responsible Entity are satisfied that adequate systems are in place to manage the group's environmental responsibility and compliance with regulations. The directors of the Responsible Entity are not aware of any material breaches of environmental regulations and, to the best of their knowledge and belief, all activities have been undertaken in compliance with environmental requirements.

Fees paid to and interests held in the group by the Responsible Entity

Fees paid to the Responsible Entity and its associates by the group during the year are disclosed in note 24 to the consolidated financial statements. The Responsible Entity was reimbursed \$0.8 million (2025: \$0.8 million) relating to Non-Executive Directors' remuneration. The number of units in the group held by key management personnel is disclosed below.

Unitholding relating to key management personnel

The number of units in the group held during the year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

Director	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Joseph Carrozzi AM	414,565	-	43,721	-	458,286
Stephanie Lai	368,285	-	-	-	368,285
Natalie Meyenn	135,440	-	53,102	-	188,542
Dr Chris Roberts AO	1,105,259	-	-	-	1,105,259
David Di Pilla	772,553	-	-	-	772,553
The Hon. Kelly O'Dwyer	142,861	-	44,986	-	187,847
	2,938,963	-	141,809	-	3,080,772

Units under option

There were no unissued ordinary units of the Trust under option outstanding at the date of this report.

Units issued on the exercise of options

There were no ordinary units of HealthCo Healthcare and Wellness REIT issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of officers

The Responsible Entity has indemnified the directors of the Trust for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Trust paid a premium in respect of a contract to insure the directors of the Responsible Entity against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Trust has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Trust or any related entity against a liability incurred by the auditor. During the financial year, the Trust has not paid a premium in respect of a contract to insure the auditor of the Trust or any related entity.

Proceedings on behalf of the Trust

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Trust, or to intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or part of those proceedings.

Information on directors

Name:	Joseph Carrozzi AM
Title:	Independent Non-Executive Chair
Experience and expertise:	Joseph is admitted as a barrister and has over 30 years of experience as a managing partner in the Big 4 professional services firms. He has significant experience in infrastructure, health and medical research as well as sectors which are highly regulated. He is currently a Non-Executive Director of HMC Digital Infrastructure Limited (which forms part of DigiCo Infrastructure REIT (ASX: DGT)), the President of Business NSW, the Chair of the Centenary Institute for Medical Research and AKG Group (a private employment services business), as well as a board member of Football Australia. Joseph was formerly Chair of the Sydney Harbour Federation Trust and Deputy Chair of the NSW Institute of Sport and a former board member of Western Sydney University and the National Intermodal Corporation. He has degrees in Laws and Commerce from UNSW and is on the UNSW Dean's Advisory Council for the Faculty of Medicine.
Other current directorships:	Non-Executive Director of HMC Digital Infrastructure Limited (which forms part of DigiCo Infrastructure REIT (ASX: DGT)) (appointed on 20 November 2024)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in units:	458,286 ordinary units
Name:	Stephanie Lai
Title:	Independent Non-Executive Director
Experience and expertise:	Stephanie has over 25 years of experience as a Chartered Accountant and is a former Transaction Services partner of Deloitte and KPMG. She has significant experience providing due diligence and advisory services, including forecast reviews to listed entities, sovereign wealth funds, wealth managers and private equity. Stephanie has a Bachelor of Business from the University of Technology, Sydney and is a Graduate Member of the Australian Institute of Company Directors and a member of Chartered Accountants Australia and New Zealand.
Other current directorships:	Non-Executive Director of HMC Digital Infrastructure Limited (which forms part of DigiCo Infrastructure REIT (ASX: DGT)) (appointed on 20 November 2024), Non-Executive Director of Future Generation Investment Company Limited (ASX: FGX) (appointed on 27 March 2019) and Non-Executive Director of HomeCo Daily Needs REIT (ASX: HDN) (appointed on 16 October 2020)
Former directorships (last 3 years):	Non-Executive Director of Abacus Storage Operations Limited and Abacus Storage Funds Management Limited as Responsible Entity of Abacus Storage Property Trust (ASX: ASK) (retired on 30 September 2024)
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in units:	368,285 ordinary units

Directors' Report continued

Name:	Natalie Meyenn
Title:	Independent Non-Executive Director
Experience and expertise:	Natalie has over 25 years of experience in financial services and investing globally. She was Head and Chair of the Investment Committee for MLC Private Equity, and is currently co-founder of an agriculture investment firm and adviser and/or investment committee member to a small number of asset management, private equity and non-profits including New Energy Nexus and Yielco Investments.
	She worked in investment banking (mergers and acquisitions, capital markets and public finance) for Goldman Sachs and Bear Stearns in New York and Sydney and for the World Bank on micro-credit, project finance and climate impact mitigation in Asia, Africa and the Pacific Islands.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in units:	188,542 ordinary units
Name:	Dr Chris Roberts AO
Title:	Non-Executive Director
Experience and expertise:	Chris has over 40 years of experience in the medical device industry serving a number of senior management positions. He was the former CEO of Cochlear from 2004 to 2015 and is presently a member of the Cochlear Foundation Board and a Non-Executive Director of HMC Capital Limited (ASX: HMC), Sigma Healthcare Limited (ASX: SIG), Clarity Pharmaceuticals Limited (ASX: CU6), Atmo Biosciences Ltd, Centenary Institute of Medical Research and Nutromics Pty Ltd.
	He was also the Executive Vice President of ResMed from 1992 to 2003, and a director until 2017. Chris was a former Chair of Research Australia from 2004 to 2010.
Other current directorships:	Non-Executive Director of HMC Capital Limited (ASX: HMC) (appointed on 27 November 2024), Non-Executive Director of Sigma Healthcare Limited (ASX: SIG) (appointed on 6 October 2023) and Non-Executive Director of Clarity Pharmaceuticals Limited (ASX: CU6) (appointed on 29 March 2016)
Former directorships (last 3 years):	None
Interests in units:	1,105,259 ordinary units

Name: David Di Pilla
Title: Non-Executive Director
Experience and expertise: David led the team that founded the consortium which led to the ultimate establishment of HMC Capital Limited in 2016. Since this time, the HMC Group has grown from its initial Masters portfolio to today being a diversified alternative asset manager with assets under management of approximately \$19 billion.

David has over 30 years of experience in investment banking, strategic advisory and consulting, and corporate leadership as a Director and CEO. During his 20-year investment banking career, David was Managing Director of UBS Investment Bank for over 15 years and during this time led some of Australia's landmark transactions across corporate mergers and acquisitions, and equity and debt capital markets. Prior to his time at UBS, David reached the position of Vice President, Investment Banking at JP Morgan.

Other current directorships: Non-Executive Director of HMC Digital Infrastructure Limited (which forms part of DigiCo Infrastructure REIT (ASX: DGT)) (appointed on 1 November 2024), Executive Director of HMC Capital Limited (ASX: HMC) (appointed on 11 October 2017) and Non-Executive Director of HomeCo Daily Needs REIT (ASX: HDN) (appointed on 18 September 2020)

Former directorships (last 3 years): None

Interests in units: 772,553 ordinary units

Name: The Hon. Kelly O'Dwyer
Title: Non-Executive Director
Experience and expertise: The Honourable Kelly O'Dwyer previously served in the Australian Parliament as a Senior Cabinet Minister holding a number of key economic portfolios including Minister for Jobs and Industrial Relations, Minister for Revenue and Financial Services, Minister for Small Business, and Assistant Treasurer. She also served on the Cabinet's Budget Committee (the Expenditure Review Committee) and held the portfolios of Minister for Women, as well as Minister Assisting the Prime Minister with the Public Service.

Prior to entering Parliament, Kelly worked in law, government and finance and brings insights across a range of sectors including funds management, superannuation, workplace relations, foreign investment, law and banking.

Kelly holds a Bachelor of Laws (Hons) and Bachelor of Arts from The University of Melbourne.

Other current directorships: Non-Executive Director of Magellan Financial Group (ASX: MFG) (appointed 1 July 2026), Non-Executive Director of HMC Digital Infrastructure Limited (which forms part of DigiCo Infrastructure REIT (ASX: DGT)) (appointed on 20 November 2024), Non-Executive Director of EQT Holdings Limited (ASX: EQT) (appointed on 29 March 2021), and Non-Executive Director of HMC Capital Limited (ASX: HMC) (appointed on 18 November 2020)

Former directorships (last 3 years): None

Interests in units: 187,847 ordinary units

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Directors' Report continued

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Andrew Selim joined HMC Capital Limited as a senior executive in 2017 and is Group General Counsel and Company Secretary. He is responsible for all legal, compliance and governance activities of HMC Capital Limited and its managed funds. He was appointed as Company Secretary of the Responsible Entity of HCW on 28 July 2021. Andrew has over 20 years of local and international experience in real estate, funds management and corporate law. Before joining the group, Andrew was Senior Legal Counsel and Company Secretary at GPT Group. Prior to that, he was a Senior Associate at Allens Linklaters. Andrew holds a Master of Laws, Bachelor of Laws (Honours) and Bachelor of Science (Advanced), all from the University of Sydney and is admitted to practice as a solicitor in Australia, England and Wales. He is also a Graduate of the Australian Institute of Company Directors and is a Member of the Governance Institute of Australia and Association of Corporate Counsel Australia. He previously sat on the Law Society of New South Wales In-House Corporate Lawyers Committee and was previously Chair of the Property Council of Australia's Future Leaders Mentoring Program Subcommittee. Andrew has also been recognised by The Legal 500 GC Powerlist, Australasian Lawyer and Doyles Guide as a leading in-house lawyer.

Meetings of directors

The number of meetings of the Trust's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Joseph Carrozzi AM	8	8	4	4
Stephanie Lai	8	8	4	4
Natalie Meyenn	8	8	4	4
Dr Chris Roberts AO*	8	8	-	-
David Di Pilla*	7	8	-	-
The Hon. Kelly O'Dwyer*	8	8	-	-

Held: represents the number of meetings held during the time the director held office.

* Dr Chris Roberts AO, David Di Pilla and The Hon. Kelly O'Dwyer have standing invitations to attend Audit and Risk Committee meetings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Trust who are former partners of KPMG

Stephanie Lai was appointed as a director of the company on 1 August 2021. She is a former partner of KPMG, the current auditor, having been a partner until 2009.

Rounding of amounts

The Trust is of a kind referred to in *Corporations Instrument 2026/183*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest hundred thousand dollars, unless otherwise stated.

Auditor's independence declaration

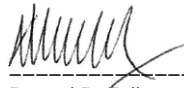
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Joseph Carrozzi AM
Independent Non-Executive Chair



David Di Pilla
Non-Executive Director

17 August 2026

Auditor's Independence Declaration



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 audit of the financial report of
HealthCo Healthcare and Wellness REIT for the financial year ended 30 June 2026 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature of the KPMG representative, appearing as 'KPMG' in a stylized, cursive script.

KPMG

A handwritten signature of Jessica Davis, appearing as 'J Davis' in a cursive script.

Jessica Davis
Partner

Sydney
17 August 2026

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	Consolidated	
		30 June 2026 \$m	30 June 2025 \$m
Income			
Property income	5	57.2	60.4
Interest income		1.8	1.1
Share of loss of equity-accounted investees, net of tax	10	(20.4)	(30.2)
Net change in assets at fair value through profit or loss	6	(48.0)	(66.7)
Expenses			
Property expenses		(7.3)	(10.6)
Corporate expenses		(3.2)	(3.0)
Management fees	24	(5.5)	(6.3)
Transaction costs	7	-	(8.6)
Finance costs	7	(24.3)	(25.4)
Loss for the year		(49.7)	(89.3)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(49.7)	(89.3)
Loss for the year is attributable to:			
Non-controlling interest	26	-	(0.5)
Owners of HealthCo Healthcare and Wellness REIT		(49.7)	(88.8)
		(49.7)	(89.3)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest	26	-	(0.5)
Owners of HealthCo Healthcare and Wellness REIT		(49.7)	(88.8)
		(49.7)	(89.3)
		Cents	Cents
Basic earnings per unit	27	(9.03)	(16.00)
Diluted earnings per unit	27	(9.03)	(16.00)

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

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	Consolidated	
		30 June 2026	30 June 2025
		\$m	\$m
Assets			
Current assets			
Cash and cash equivalents	8	55.6	40.5
Trade and other receivables	9	1.7	1.7
Derivative financial instruments	12	0.8	0.3
Other assets		0.5	1.5
Total current assets		58.6	44.0
Non-current assets			
Investments accounted for using the equity method	10	319.9	339.6
Investment properties	11	771.3	889.2
Other assets		0.1	-
Total non-current assets		1,091.3	1,228.8
Total assets		1,149.9	1,272.8
Liabilities			
Current liabilities			
Trade and other payables	13	30.9	14.6
Borrowings	14	371.5	445.2
Lease liabilities	15	0.2	0.2
Derivative financial instruments	12	-	0.2
Total current liabilities		402.6	460.2
Non-current liabilities			
Trade and other payables	13	-	14.8
Lease liabilities	15	2.9	2.9
Derivative financial instruments	12	-	0.4
Total non-current liabilities		2.9	18.1
Total liabilities		405.5	478.3
Net assets		744.4	794.5
Equity			
Contributed equity	16	927.1	927.1
Accumulated losses		(188.8)	(139.1)
Equity attributable to the owners of HealthCo Healthcare and Wellness REIT		738.3	788.0
Non-controlling interest	26	6.1	6.5
Total equity		744.4	794.5

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	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 for the year	-	(88.8)	(0.5)	(89.3)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	(88.8)	(0.5)	(89.3)
<i>Transactions with owners in their capacity as owners:</i>				
Non-controlling interests (note 26)	-	-	(0.3)	(0.3)
Share buy-back (note 16)	(12.5)	-	-	(12.5)
Distributions paid (note 17)	-	(23.3)	-	(23.3)
Balance at 30 June 2025	927.1	(139.1)	6.5	794.5
	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 for the year	-	(49.7)	-	(49.7)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	(49.7)	-	(49.7)
<i>Transactions with owners in their capacity as owners:</i>				
Non-controlling interests (note 26)	-	-	(0.4)	(0.4)
Balance at 30 June 2026	927.1	(188.8)	6.1	744.4

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	Consolidated	
		30 June 2026	30 June 2025
		\$m	\$m
Cash flows from operating activities			
Receipts from tenants (inclusive of GST)		60.8	58.7
Payments to suppliers (inclusive of GST)		(19.5)	(18.0)
Interest received		1.7	0.4
Interest and other finance costs paid		(23.7)	(22.8)
Net cash from operating activities	28	19.3	18.3
Cash flows from investing activities			
Proceeds from disposal of investment properties		76.8	79.8
Payment for capital expenditure		(4.3)	(10.7)
Payments attributable to investment in joint ventures	10	(0.7)	(0.3)
Dividends from joint ventures and associates		-	15.1
Net cash from investing activities		71.8	83.9
Cash flows from financing activities			
Proceeds from borrowings	28	-	14.0
Repayment of borrowings	28	(74.5)	(48.5)
Borrowing costs paid		(1.3)	(0.2)
Payments for units bought back	16	-	(12.1)
Distributions paid	28	-	(34.6)
Repayment of lease liabilities		(0.2)	(0.2)
Net cash used in financing activities		(76.0)	(81.6)
Net increase in cash and cash equivalents		15.1	20.6
Cash and cash equivalents at the beginning of the financial year		40.5	19.9
Cash and cash equivalents at the end of the financial year	8	55.6	40.5

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

Notes to the Consolidated Financial Statements

30 June 2026

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 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

A description of the nature of the group's operations and its principal activities is included in the directors' report, which is not part of the consolidated financial statements.

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 17 August 2026.

Note 2. Material accounting policy information

The accounting policies that are material to the group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, which are applicable to the group. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group for the financial year.

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.

At 30 June 2026, the group was in a net asset position of \$744.4 million and net current liability position of \$344.0 million. The net current liability position was driven by the classification of the \$372.3 million loan which was due to expire in November 2026. As set out in Note 29 Events after the reporting period, the term of the debt facility has subsequently been extended to December 2027, refer to Note 14 Borrowings for further details.

At 30 June 2026, cash and cash equivalents were \$55.6 million. Net operating cash inflows for the period was \$19.3 million. Net investing cash inflows for the period was \$71.8 million and net financing cash outflows for the period was \$76.0 million.

Cash and cash equivalents and undrawn debt at 30 June 2026 were \$158.3 million. To preserve balance sheet liquidity, the group did not declare quarterly distributions during the year. The group also settled on \$76.8 million of asset sales during the year ended 30 June 2026.

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 11 hospitals currently tenanted by Healthscope and owned by the Landlords (the Hospitals).

In June 2026, HWHF entered into a binding agreement with an alternative tenant for The Mount Private Hospital in Western Australia. For the remaining 10 Hospitals, the Landlords and the alternative tenants have submitted an executable proposal to Healthscope's receiver, to facilitate the orderly transition to the alternative tenants. At the date of this report, commercial discussions are ongoing.

Healthscope continues to operate and remains compliant with all of its lease obligations as at 30 June 2026, and at the date of this report. In the event Healthscope were to become noncompliant with these obligations and alternative tenant arrangements are not in place, 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.

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 expects to comply with all covenants associated with the extended facility for the next 12 months after the reporting date.

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 2. Material accounting policy information (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These consolidated financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of investment properties and derivative financial instruments at fair value through profit or loss.

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 3.

Parent entity information

In accordance with section 295(2)(b) of the *Corporations Act 2001*, these financial statements present the consolidated results of the group. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of HealthCo Healthcare and Wellness REIT ('Trust', 'HCW' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Note 2. Material accounting policy information (continued)

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'), which is the Board of Directors of the Responsible Entity. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The group recognises revenue as follows:

Property rental income

Property rental income is recognised on a straight-line basis over the lease term for leases with fixed rate or guaranteed minimum rent review clauses, net of incentives.

Other property income

Other property income represents direct and indirect outgoings recovered from tenants. The group recognises direct and indirect outgoings based on actual costs incurred in accordance with the terms of the related leases. Actual costs reflect the service provided. The amount of recoveries revenue is determined by the actual cost incurred and the terms in the lease. The outgoings recovered are recognised over the period the services are provided.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Leasing costs and tenant incentives

Leasing costs

Leasing costs are costs that are directly associated with negotiating and arranging an operating lease (including commissions, fees and costs of preparing and processing documentation for new leases). These costs are capitalised and amortised on a straight-line basis over the term of the lease.

Tenant incentives

Incentives such as cash, rent-free periods, lessee or lessor owned fit-outs may be provided to lessees to enter into a lease. These incentives are capitalised and are amortised on a straight-line basis over the term of the lease as a reduction of rental income. The carrying amount of tenant incentives is reflected in the fair value of investment properties.

Management fees and other expenses

All expenses are recognised on an accrual basis. Management fees are recognised as the services are rendered. The services relate to property and fund management roles provided by the Property Manager and Investment Manager collectively known as the Manager(s). Management fees are charged in accordance with the management fee arrangements.

Note 2. Material accounting policy information (continued)

Income tax

The Trust is intended to be treated as a 'flow-through' entity for Australian income tax purposes under the Attribution Managed Investment Trust rules such that the net income of the Trust will be taxable in the hands of the unitholders on an attribution basis.

Current and non-current classification

Assets and liabilities are presented in the consolidated statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses. Debts that are known to be uncollectable are written off when identified.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Movements in fair value are recognised directly in profit or loss. Derivatives are classified as current or non-current depending on the expected period of realisation.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Note 2. Material accounting policy information (continued)

The group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in the joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately. The consolidated statement of profit or loss reflects the group's share of the results of operations of the joint venture. Any change in other comprehensive income ('OCI') of those investees is presented as part of the group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the group and the joint venture are eliminated to the extent of the interest in the joint venture. The financial statements of the joint venture are prepared using the same accounting policies and for the same reporting period as the group.

Investment properties

Investment properties comprise of freehold investment properties held at fair value through profit or loss.

Freehold properties are held for long-term rental yields and capital appreciation. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured to fair value at each reporting date. Movements in fair value are recognised directly to profit or loss. Investment properties are derecognised when disposed of or when the investment property is permanently withdrawn from use and there is no future economic benefit expected from its disposal. Gains or losses resulting from the disposal of freehold property are measured as the difference between the carrying value of the asset and disposal proceeds at the date of disposal and are recognised when control over the property has been transferred.

The group recognises the right-of-use asset as investment property. Right-of-use assets are measured at fair value which reflects the expected cash flows, including variable lease payments that are expected to become payable. The value of any recognised lease liability is then added back to the fair value to determine the carrying value of the investment property.

Rental guarantees

Rental guarantees income relating to investment property are capitalised in the consolidated statement of financial position. They are measured at fair value, equal to the net present value of expected future cash flows under the guarantee arrangements. The guarantee payments relating to the property are recorded in FFO as an adjustment to net profit over the period of the guarantee.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and amortised over the period of the facility to which it relates.

Note 2. Material accounting policy information (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; the certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For reoccurring and non-recurring fair value measurements, external valuers may be used with all investment properties having an external valuation at least once every two years. External valuers are selected based on market knowledge and reputation. Under the group's valuation policy, where there is a significant change in the fair value of an asset or liability from one period to another, an analysis is undertaken, which includes verification of major inputs applied to the latest valuation and comparison, where applicable with external sources of data.

Contributed capital

Units issued by the Trust are classified as equity.

Incremental costs directly attributable to the issue of new units or options are shown in equity as a deduction from the proceeds.

Note 2. Material accounting policy information (continued)

Distributions

Distributions are recognised when declared during the financial year and no longer at the discretion of the Trust.

Earnings per unit

Basic earnings per unit

Basic earnings per unit is calculated by dividing the profit attributable to the owners of HealthCo Healthcare and Wellness REIT, excluding any costs of servicing equity other than ordinary units, by the weighted average number of ordinary units outstanding during the financial year, adjusted for bonus elements in ordinary units issued during the financial year.

Diluted earnings per unit

Diluted earnings per unit adjusts the figures used in the determination of basic earnings per unit to take into account the effect of interest and other financing costs associated with dilutive potential ordinary units and the weighted average number of units assumed to have been issued for no consideration in relation to dilutive potential ordinary units.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Trust is of a kind referred to in *Corporations Instrument 2026/183*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest hundred thousand dollars, unless otherwise stated.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2026. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

Note 2. Material accounting policy information (continued)

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 will replace *AASB 101 Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change;
- Management-defined performance measures (MPMs) are disclosed in a single note to the consolidated financial statements; and
- Enhanced guidance is provided on how to group information in the consolidated financial statements.

The group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the group's consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as 'other'.

AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments

AASB 2024-2 is applicable for annual reporting periods beginning from 1 January 2026, with early adoption permitted. This standard makes amendments to *AASB 9 'Financial Instruments'* and *AASB 7 'Financial Instruments: Disclosures'* to clarify how the contractual cash flows from financial assets should be assessed in determining how they should be classified. AASB 2024-2 amendments are not expected to have a significant impact on the group's consolidated financial statements.

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. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Measuring fair value of investment property

The fair value assessment of investment property as at 30 June 2026 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 the assets currently tenanted by Healthscope. Key inputs into the valuation included the discount rate, terminal yield, capitalisation rate, expected vacancy rates and rental growth rates. 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.

Note 4. Operating segments (continued)

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 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 financial year ended 30 June 2026, approximately 34.1% (30 June 2025: 26.7%) of the group's external revenue was derived from rental income from one main tenant (30 June 2025: One tenant).

Segment results

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
Funds from operations (FFO)	21.9	36.5
Straight lining and amortisation	(3.8)	(4.5)
Transaction costs	-	(8.6)
Rent guarantee income	-	(2.4)
Net fair value movements	(48.0)	(66.7)
Proxima coupon	-	(3.9)
Share of loss of equity-accounted investees	(20.4)	(30.2)
Distribution of profits of equity-accounted investees	-	(10.0)
Other	0.6	0.5
Loss for the year	(49.7)	(89.3)

Note 5. Property income

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
Property rental income	50.5	53.0
Other property income	6.7	7.4
Property income	57.2	60.4

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 at fair value through profit or loss

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
Net unrealised fair value loss on investment properties	(49.0)	(61.1)
Net fair value loss on investment properties - leasehold	(0.1)	(0.1)
Net unrealised fair value gain/(loss) on derivatives	1.1	(5.5)
	(48.0)	(66.7)

Note 7. Expenses

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
Loss includes the following specific expenses:		
Transaction costs	-	8.6
<i>Finance costs</i>		
Interest and finance charges on borrowings	22.1	23.4
Interest and finance charges on lease liabilities	0.2	0.2
Amortisation of capitalised borrowing costs	2.0	1.8
Finance costs expensed	24.3	25.4

Note 8. Cash and cash equivalents

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
<i>Current assets</i>		
Cash at bank	55.6	40.5

Note 9. Trade and other receivables

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
<i>Current assets</i>		
Trade receivables	1.9	2.2
Less: Allowance for expected credit losses	(1.7)	(1.8)
	0.2	0.4
Other receivables	1.3	1.1
GST receivable	0.2	0.2
	1.7	1.7

Note 10. 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	
		30 June 2026	30 June 2025
		%	%
General Medical Precinct Trust*	Australia	28.3%	27.7%
Life Sciences Medical Precinct Trust*	Australia	32.8%	32.3%
HMC Wholesale Healthcare Fund (HWHF)	Australia	49.6%	49.6%

* Collectively referred as Camden Trusts

Summarised financial information

The tables below provide summarised information about the financial position of the joint venture and associate entities as a whole as at 30 June 2026, not the group's proportionate share.

Note 10. Investments accounted for using the equity method (continued)

	Camden Trusts		HWHF	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	\$m	\$m	\$m	\$m
<i>Summarised statement of financial position</i>				
Current assets	0.1	0.2	46.4	13.0
Non-current assets	47.3	47.0	1,112.8	1,177.6
Total assets	47.4	47.2	1,159.2	1,190.6
Current liabilities	-	0.6	544.2	7.5
Non-current liabilities	-	-	-	527.3
Total liabilities	-	0.6	544.2	534.8
Net assets	47.4	46.6	615.0	655.8
<i>Summarised statement of profit or loss and other comprehensive income</i>				
Revenue	-	-	88.2	76.4
Net unrealised (loss)/gain from fair value adjustments	(0.6)	2.3	(98.7)	(99.1)
Expenses	-	-	(30.3)	(39.5)
(Loss)/profit	(0.6)	2.3	(40.8)	(62.2)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income	(0.6)	2.3	(40.8)	(62.2)
<i>Commitments</i>				
	Camden Trusts		HWHF	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	\$m	\$m	\$m	\$m
<i>Committed at the reporting date but not recognised as liabilities:</i>				
Capital expenditure	-	-	-	-
<i>Reconciliation of the group's carrying amount</i>				
Opening carrying amount	14.3	13.5	325.3	366.0
Additions during the year	0.7	0.3	-	-
Share of net (loss)/profit after income tax for the year	(0.2)	0.5	(20.2)	(30.7)
Share of distributions received and receivable*	-	-	-	(10.0)
Closing carrying amount	14.8	14.3	305.1	325.3

* In the year ended 30 June 2026, no distributions were received by HCW (30 June 2025: \$10.0 million). At 30 June 2026, no distributions were receivable by HCW (30 June 2025: nil).

Note 11. Investment properties

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
<i>Non-current assets</i>		
Investment properties – at fair value	771.3	889.2
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	889.2	1,004.0
Disposals	(76.8)	(66.6)
Straight lining and amortisation of incentives	(1.6)	(2.4)
Capitalised expenditure (including transaction costs)	9.6	15.4
Net unrealised loss from fair value adjustments	(49.0)	(61.1)
Right-of-use asset	(0.1)	(0.1)
Closing fair value*	771.3	889.2

* Included in the closing fair value of investment property at 30 June 2026 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.

All investment properties generate rental income and are disclosed in note 5 and the direct property expenses are disclosed in the consolidated statement of profit or loss. The investment properties are leased to tenants under operating leases with varying lease terms and rentals payable monthly. Lease payments for contracts include CPI increases and fixed percentage increases.

Lease commitments receivable (undiscounted)

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
Minimum lease commitments receivable but not recognised in the consolidated financial statements:		
1 year or less	47.9	50.0
Between 1 and 2 years	48.3	50.7
Between 2 and 3 years	44.0	50.7
Between 3 and 4 years	40.0	45.8
Between 4 and 5 years	37.3	41.5
Over 5 years	224.3	271.7
	441.8	510.4

Note 12. Derivative financial instruments

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
<i>Current assets</i>		
Derivatives - interest rate swap contracts	0.8	0.3
<i>Current liabilities</i>		
Derivatives - interest rate swap contracts	-	(0.2)
<i>Non-current liabilities</i>		
Derivatives - interest rate swap contracts	-	(0.4)
	0.8	(0.3)

The interest rate swap contract requires settlement of net interest receivable or payable on a quarterly basis.

Refer to note 18 for further information on financial instruments.

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

Note 13. Trade and other payables

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
<i>Current liabilities</i>		
Trade payables	17.5	1.5
Rent received in advance	1.1	1.2
Accrued expenses	4.7	3.9
Interest payable	4.5	5.5
Other payables	3.1	2.5
	30.9	14.6
<i>Non-current liabilities</i>		
Trade payables	-	13.4
Accrued expenses	-	1.4
	-	14.8

Refer to note 24 for further information on non-current liabilities.

Refer to note 18 for further information on financial instruments.

Note 14. Borrowings

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
<i>Current liabilities</i>		
Bank loans	372.3	446.8
Capitalised borrowing costs	(0.8)	(1.6)
	<u>371.5</u>	<u>445.2</u>

In July 2025, the group's bank loan, a \$550.0 million senior secured debt facility which was due to expire in May 2026, was extended to November 2026. The facility limit was also reduced from \$550.0 million to \$475.0 million. In August 2026, the maturity date of the group's \$475.0 million senior secured debt facility was extended from November 2026 to December 2027.

Under the terms of the bank loan agreement, the group is required to comply with financial covenants such as loan to value ratios at all times and interest coverage ratios at the end of each reporting period. The group has complied with all covenants throughout the reporting period and expects to comply with all covenants associated with the extended facility for the next 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 loans are 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.

Refer to note 18 for further information on financial instruments.

Financing arrangements

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

	Consolidated	
	30 June 2026	30 June 2025
	\$m	\$m
Total facilities		
Bank loans	<u>475.0</u>	<u>550.0</u>
Used at the reporting date		
Bank loans	<u>372.3</u>	<u>446.8</u>
Unused at the reporting date		
Bank loans	<u>102.7</u>	<u>103.2</u>

Note 15. Lease liabilities

	Consolidated	
	30 June 2026 \$m	30 June 2025 \$m
<i>Current liabilities</i>		
Lease liability	0.2	0.2
<i>Non-current liabilities</i>		
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-year terms remaining with 8 by 5-year options and 7 by 5-year options to extend, respectively.

Note 16. Contributed equity

	Consolidated			
	30 June 2026 Units	30 June 2025 Units	30 June 2026 \$m	30 June 2025 \$m
Ordinary class units – fully paid	550,175,919	550,175,919	927.1	927.1

Movements in ordinary units

Details	Date	Units	\$m
Balance	1 July 2024	561,707,970	939.6
Units cancelled pursuant to on-market buy-back announced in April 2024	1 July 2024 to 2 July 2024	(705,000)	(0.8)
Units cancelled pursuant to on-market buy-back announced in April 2024	2 October 2024 to 31 December 2024	(10,457,051)	(11.3)
Units cancelled pursuant to on-market buy-back announced in April 2024	2 January to 3 January 2025	(370,000)	(0.4)
Balance	30 June 2025	550,175,919	927.1
Balance	30 June 2026	550,175,919	927.1

All units in the Trust are of the same class and carry equal rights to capital and income distributions. The fully paid units have no par value and the Trust does not have a limited amount of authorised capital.

On a show of hands every unitholder present at a meeting in person or by proxy shall have one vote and upon a poll each unit shall have one vote.

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 year ended 30 June 2026.

Note 16. Contributed equity (continued)

Capital risk management

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for unitholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may adjust the amount of distributions paid to unitholders, return capital to unitholders, issue new units or sell assets to reduce debt.

The group is subject to certain covenants on its financing arrangements and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the prior year.

Note 17. Distributions

Distributions declared during the financial year were as follows:

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

Note 18. Financial instruments

Financial risk management objectives

The group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

Risk management is carried out by the Responsible Entity. These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. The Responsible Entity identifies, evaluates and hedges financial risks within the group's operating units.

The financial instruments of the group consist of cash and cash equivalents, including deposits with banks, borrowings, trade and other receivables and trade and other payables and other assets which include prepaid deposits.

Note 18. Financial instruments (continued)

Market risk

Foreign currency risk

The group is not exposed to any significant foreign currency risk.

Price risk

The group is not exposed to any significant price risk.

Interest rate risk

The group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the group to interest rate risk.

As at the reporting date, the group had the following variable rate borrowings outstanding:

Consolidated	30 June 2026		30 June 2025	
	Weighted average interest rate %	Balance \$m	Weighted average interest rate %	Balance \$m
Bank loans - variable rate	6.0%	372.3	5.5%	446.8
Derivatives - interest rate swap contracts (notional principal)		(200.0)		(375.0)
Net exposure to cash flow interest rate risk		172.3		71.8

An analysis by remaining contractual maturities is shown in 'liquidity risk' section below.

Interest rate sensitivity

An official increase/decrease in interest rates of 50 (2025: 50) basis points would have an adverse/favourable effect on the profit for the year of \$0.9 million (2025: \$0.4 million) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Derivatives interest rate swap

The group has entered into interest rate swap contracts with notional/principal value as at 30 June 2026 of \$200.0 million (2025: \$375.0 million). The interest rate swaps contract hedges the group's risk against an increase in variable interest rate. Refer to note 12 for further details of outstanding interest rate swap contracts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. The group does not hold any collateral.

Note 18. Financial instruments (continued)

The group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Refer to note 14 for details of unused borrowing facilities at the reporting date.

Remaining contractual maturities

The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the consolidated statement of financial position.

	1 year or less \$m	Between 1 and 2 years \$m	Between 2 and 5 years \$m	Over 5 years \$m	Remaining contractual maturities \$m
Consolidated - 30 June 2026					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	17.5	-	-	-	17.5
Other payables	3.1	-	-	-	3.1
<i>Interest-bearing - variable</i>					
Bank loans	382.4	-	-	-	382.4
<i>Interest-bearing - fixed rate</i>					
Lease liability	0.2	0.2	0.6	8.1	9.1
Total non-derivatives	403.2	0.2	0.6	8.1	412.1

Note 18. Financial instruments (continued)

Consolidated - 30 June 2025	1 year or less \$m	Between 1 and 2 years \$m	Between 2 and 5 years \$m	Over 5 years \$m	Remaining contractual maturities \$m
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	1.5	13.4	-	-	14.9
Other payables	2.5	-	-	-	2.5
<i>Interest-bearing - variable</i>					
Bank loans	470.5	-	-	-	470.5
<i>Interest-bearing - fixed rate</i>					
Lease liability	0.2	0.2	0.5	8.4	9.3
Total non-derivatives	474.7	13.6	0.5	8.4	497.2

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 19. Fair value measurement

Fair value hierarchy

The following table details 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 - 30 June 2026	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<i>Assets</i>				
Investment properties	-	-	771.3	771.3
Derivative financial instruments	-	0.8	-	0.8
Total assets	-	0.8	771.3	772.1
<i>Consolidated - 30 June 2025</i>	<i>Level 1 \$m</i>	<i>Level 2 \$m</i>	<i>Level 3 \$m</i>	<i>Total \$m</i>
<i>Assets</i>				
Investment properties	-	-	889.2	889.2
Derivative financial instruments	-	0.3	-	0.3
Total assets	-	0.3	889.2	889.5
<i>Liabilities</i>				
Derivative financial instruments	-	(0.6)	-	(0.6)
Total liabilities	-	(0.6)	-	(0.6)

There were no transfers between levels during the financial year.

Note 19. Fair value measurement (continued)

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.

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)	Range (weighted average)
		30 June 2026	30 June 2025
Investment properties	(i) Capitalisation rate	5.3% to 7.8% (6.2%)	5.1% to 7.0% (5.8%)
	(ii) Discount rate	6.5% to 9.5% (7.4%)	6.5% to 8.3% (7.0%)
	(iii) Terminal yield	5.5% to 8.8% (6.7%)	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 \$30.9 million (30 June 2025: \$36.5 million) and a 25 basis point decrease in capitalisation rate would result in an increase in the fair value of investment properties by \$33.6 million (30 June 2025: \$39.8 million).

Note 20. Key management personnel disclosures

Fees paid or payable for services provided by directors, were borne by HCW Funds Management Limited, the Responsible Entity. The Responsible Entity was reimbursed \$0.8 million (30 June 2025: \$0.8 million) relating to Non-Executive Director's remuneration. Refer to note 24 for further details of payments made to the Responsible Entity.

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by KPMG, the auditor of the Trust:

	Consolidated	
	30 June 2026 \$'000	30 June 2025 \$'000
<i>Audit services - KPMG</i>		
Audit and review of the consolidated financial statements	316	296
<i>Other assurance services - KPMG</i>		
Compliance plan audit	13	12
	329	308

Note 22. Contingent liabilities

The group had no contingent liabilities as at 30 June 2026 (2025: \$nil).

Note 23. Commitments

The group had no capital commitments as at 30 June 2026 (2025: \$nil).

Note 24. Related party transactions

Responsible entity

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

Investment Manager and Property Manager

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).

Parent entity

HealthCo Healthcare and Wellness REIT is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Joint ventures

Interests in joint ventures are set out in note 10.

Note 24. Related party transactions (continued)

Transactions with related parties

Responsible Entity fees:

Under the constitution, the Responsible Entity is entitled to be paid a fee equal to 1.0% per annum (plus GST) of the gross asset value (GAV) of the Trust and its subsidiaries but will not be paid this fee whilst the Investment Manager is receiving the fees under the Management Agreements. The fee will be calculated on a pro-rata basis for any part period. The Responsible Entity will also be reimbursed for all expenses incurred, including those in connection with the establishment, promotion and operation of the Trust, in properly performing its duties.

Following is a summary of fees paid to the Responsible Entity, Investment and Property Managers:

Type of fee	Method of fee calculation	Consolidated	
		30 June 2026 \$'000	30 June 2025 \$'000
Base management fees*	0.65% per annum of Gross Asset Value ('GAV') up to \$0.8 billion 0.55% per annum of GAV thereafter	5,549	6,257
Property management fees	3.0% of gross property income	1,247	1,468
Leasing fees*	15.0% on new leases 7.5% of year 1 gross income on renewals	299	401
Development management fees*	5.0% of project spend up to \$2.5 million 3.0% of project spend thereafter	186	288
Disposal fees*	0.5% of sale price	384	399
Reimbursement of Responsible Entity expenses*	Cost recovery	769	777

* At 30 June 2025, all management fees payable were classified as non-current following the Investment Manager's agreement to defer settlement until at least 1 July 2026. At 30 June 2026, all management fees payable, including fees accrued for the year then ended, have been classified as current.

The following other transactions occurred with related parties:

	Consolidated	
	30 June 2026 \$'000	30 June 2025 \$'000
Payment for goods and services:		
Payments to Home Consortium Developments Pty Limited and HMC Capital Limited	373	224
Other transactions:		
Rental income from other director-related entities	23	2,497
Cash transfer for development related capital expenditure paid to joint venture (Camden Trusts)	666	317
HMC Capital Limited's share of distributions declared as a unitholder of HCW	-	5,246

Note 24. Related party transactions (continued)

Refer to note 10 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	
	30 June 2026 \$'000	30 June 2025 \$'000
Current payables:		
Trade and other payables to the Investment, Development and Property Manager	17,336	217
Non-current payables:		
Trade and other payables to the Investment, Development and Property Manager	-	14,987

Loans to/from related parties

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

	Consolidated	
	30 June 2026 \$'000	30 June 2025 \$'000
Current receivables:		
Loan receivable from joint venture (Camden Trusts)	17	16

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2026 \$m	30 June 2025 \$m
Profit/(loss)	(111.3)	(12.1)
Total comprehensive income/(loss)	(111.3)	(12.1)

Note 25. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2026	30 June 2025
	\$m	\$m
Total current assets	98.0	73.4
Total assets	1,481.4	1,555.2
Total current liabilities	20.5	16.9
Total liabilities	777.7	740.2
Equity		
Contributed equity	927.1	927.1
Accumulated losses	(223.4)	(112.1)
Total equity	703.7	815.0

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Distributions received from subsidiaries are recognised as other income by the parent entity.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2026 %	30 June 2025 %
HomeCo (Erina) Property Trust	Australia	100.0%	100.0%
HomeCo (Concord) Property Trust	Australia	100.0%	100.0%
HomeCo (Five Dock) Property Trust	Australia	100.0%	100.0%
HomeCo (Rouse Hill) Property Trust	Australia	100.0%	100.0%
HomeCo (St Marys) Property Trust	Australia	100.0%	100.0%
HomeCo (Tarneit) Property Trust	Australia	100.0%	100.0%
HomeCo (Ballarat) Property Trust	Australia	100.0%	100.0%
HomeCo (Essendon) Property Trust	Australia	100.0%	100.0%
HomeCo (Armadale) Property Trust	Australia	100.0%	100.0%
HomeCo (Nunawading) Property Trust	Australia	100.0%	100.0%
HomeCo (Everton Park) Property Trust	Australia	100.0%	100.0%
HomeCo (Woolloongabba) Property Trust	Australia	100.0%	100.0%
HomeCo (Morayfield HH) Property Trust	Australia	100.0%	100.0%
HomeCo (Cairns) Property Trust	Australia	100.0%	100.0%
HomeCo (Springfield) Property Trust	Australia	100.0%	100.0%
HomeCo (Southport) Property Trust	Australia	100.0%	100.0%
HomeCo (Beaconsfield) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Shepparton) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Ringwood) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Nambour) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Chermside) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Southport) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Wembley) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Wembley Salvado) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Bundaberg) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Urraween UC) Property Trust	Australia	100.0%	100.0%
HomeCo (GC Urraween SSR) Property Trust	Australia	100.0%	100.0%
HomeCo (Avondale Heights) Property Trust	Australia	100.0%	100.0%
HomeCo (Boronia) Property Trust	Australia	100.0%	100.0%
HomeCo (Bulleen) Property Trust	Australia	100.0%	100.0%
HomeCo (Chadstone) Property Trust	Australia	100.0%	100.0%
HomeCo (Chirnside Park) Property Trust	Australia	100.0%	100.0%
HomeCo (Croydon) Property Trust	Australia	100.0%	100.0%
HomeCo (Frankston) Property Trust	Australia	100.0%	100.0%
HomeCo (Melton) Property Trust	Australia	100.0%	100.0%
HomeCo (Ormond) Property Trust	Australia	100.0%	100.0%
HomeCo (Seaford) Property Trust	Australia	100.0%	100.0%
HomeCo (Yallambie) Property Trust	Australia	100.0%	100.0%
HomeCo (Maylands) Property Trust	Australia	100.0%	100.0%
HCW (Bundoora) Property Trust	Australia	100.0%	100.0%
HCW (Clyde North) Property Trust	Australia	100.0%	100.0%
HCW (Donnybrook) Property Trust	Australia	100.0%	100.0%
HCW (Forest Hill) Property Trust	Australia	100.0%	100.0%
HCW (Junction Village) Property Trust	Australia	100.0%	100.0%
HCW (Mitcham) Property Trust	Australia	100.0%	100.0%
HCW (Reservoir) Property Trust	Australia	100.0%	100.0%

Note 26. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2026 %	30 June 2025 %
HCW (Sunshine) Property Trust	Australia	100.0%	100.0%
HCW (View B) Property Trust	Australia	100.0%	100.0%
HomeCo (HCW First) Property Trust	Australia	100.0%	100.0%
HomeCo (Vitality Village) Property Trust	Australia	100.0%	100.0%
HomeCo (HCW Third) Property Trust	Australia	100.0%	100.0%
HomeCo HCW Finance Pty Ltd	Australia	100.0%	100.0%
HCW (Geelong) Property Trust	Australia	100.0%	100.0%
HCW (Northpark) Property Trust	Australia	100.0%	100.0%
HCW (Pine Rivers) Property Trust	Australia	100.0%	100.0%
HCW (Victorian Rehab Centre) Property Trust	Australia	100.0%	100.0%
HCW (WHF) Trust	Australia	100.0%	100.0%
HCW No.1 Property Trust	Australia	100.0%	100.0%
HCW No.2 Property Trust	Australia	100.0%	100.0%
HCW No.3 Property Trust	Australia	100.0%	100.0%

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest 30 June 2026 %	Ownership interest 30 June 2025 %	Ownership interest 30 June 2026 %	Ownership interest 30 June 2025 %
The George Trust	Australia	Property investment	91.5%	91.5%	8.5%	8.5%

Note 26. Interests in subsidiaries (continued)

Summarised financial information

Summarised financial information of the subsidiary with non-controlling interests that are material to the group are set out below:

	The George Trust	
	30 June 2026	30 June 2025
	\$m	\$m
<i>Summarised statement of financial position</i>		
Current assets	1.2	0.7
Non-current assets	95.0	100.0
Total assets	96.2	100.7
Current liabilities	1.5	1.0
Total liabilities	1.5	1.0
Net assets	94.7	99.7
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue and other income	4.5	4.4
Expenses	(0.5)	(0.5)
Net change in assets at fair value through profit or loss	(3.8)	(9.8)
Profit/(loss)	0.2	(5.9)
Other comprehensive income	-	-
Total comprehensive income/(loss)	0.2	(5.9)
<i>Statement of cash flows</i>		
Net cash from operating activities	5.1	3.7
Net cash used in investing activities	-	(0.1)
Net cash used in financing activities	(4.7)	(3.1)
Net increase in cash and cash equivalents	0.4	0.5
<i>Other financial information</i>		
Net assets attributable to non-controlling interests	8.1	8.5
Loss attributable to non-controlling interests	-	(0.5)
Accumulated non-controlling interests at the end of reporting period	6.1	6.5

Note 27. Earnings per unit

	Consolidated	
	30 June 2026 \$m	30 June 2025 \$m
Loss for the year	(49.7)	(89.3)
Non-controlling interest	-	0.5
Loss attributable to owners of HealthCo Healthcare and Wellness REIT	(49.7)	(88.8)
	Number	Number
Weighted average number of units used in calculating basic earnings per unit	550,175,919	554,770,575
Weighted average number of ordinary units used in calculating diluted earnings per unit	550,175,919	554,770,575
	Cents	Cents
Basic earnings per unit	(9.03)	(16.00)
Diluted earnings per unit	(9.03)	(16.00)

Note 28. Cash flow information

Reconciliation of loss to net cash from operating activities

	Consolidated	
	30 June 2026 \$m	30 June 2025 \$m
Loss for the year	(49.7)	(89.3)
Adjustments for:		
Share of loss of equity-accounted investees	20.4	30.2
Net unrealised loss from fair value adjustments	48.0	66.7
Finance costs - non-cash	1.2	(0.1)
Straight lining and amortisation of rental income	(2.2)	(11.1)
Other	-	7.6
Change in operating assets and liabilities:		
Movement in trade and other receivables	-	5.2
Movement in other assets	0.8	0.6
Movement in trade and other payables	0.9	8.6
Movement in deferred revenue	(0.1)	(0.1)
Net cash from operating activities	19.3	18.3

Note 28. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Bank loans \$m	Distributions payable \$m	Lease liabilities \$m	Total \$m
Balance at 1 July 2024	481.3	11.2	3.1	495.6
Net cash used in financing activities	(34.5)	-	-	(34.5)
Distribution declared during the year	-	23.3	-	23.3
Payments relating to current year	-	(23.3)	-	(23.3)
Payments relating to prior year	-	(11.2)	-	(11.2)
Balance at 30 June 2025	446.8	-	3.1	449.9
Net cash used in financing activities	(74.5)	-	-	(74.5)
Balance at 30 June 2026	372.3	-	3.1	375.4

Note 29. Events after the reporting period

In August 2026, the maturity date of the group's \$475.0 million senior secured debt facility was extended from November 2026 to December 2027, refer to Note 14 Borrowings for further details.

The Landlords and the alternative tenants have continued to progress commercial discussions regarding the executable proposal with Healthscope's receiver, to facilitate the orderly transition to the alternative tenants.

No other matter or circumstance has arisen since 30 June 2026 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.

Directors' Declaration

30 June 2026

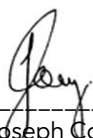
In the opinion of the directors of HCW Funds Management Limited, the Responsible Entity of HealthCo Healthcare and Wellness REIT (the Trust):

- the attached consolidated financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the consolidated financial statements;
- the attached consolidated financial statements and notes give a true and fair view of the group's financial position as at 30 June 2026 and of its performance for the financial 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.

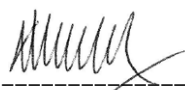
The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer of the Responsible Entity for the year ended 30 June 2026.

This declaration is made in accordance with a resolution of the directors of the Responsible Entity, HCW Funds Management Limited.

On behalf of the directors of the Responsible Entity



Joseph Carrozzi AM
Independent Non-Executive Chair



David Di Pilla
Non-Executive Director

17 August 2026

Independent Auditor's Report



Independent Auditor's Report

To the unitholders of HealthCo Healthcare and Wellness REIT

Opinion

We have audited the **Financial Report** of HealthCo Healthcare and Wellness REIT (the Trust).

In our opinion, the accompanying Financial Report of the Trust gives a true and fair view, including of the **Group**'s financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2026;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes, including material accounting policies;
- Directors' Declaration.

The **Group** consists of the Trust and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Trust and HCW Funds Management Limited (the Responsible Entity) 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 the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to Note 2 "Going Concern" in the Financial Report. The events or conditions 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 Financial Report. Our opinion is not modified in respect of this matter.

In concluding that there is a material uncertainty relating to going concern, we evaluated the extent of uncertainty regarding events or conditions casting significant doubt on the Group's assessment of going concern. Our approach to this involved:

- Assessing the Group's cash flow forecasts for incorporation of the Group's operations and plans to address going concern, in particular in light of the recent history of announcements regarding the Healthscope tenancy;
- Evaluating the Group's rights under existing lease arrangements to terminate those leases and replace the existing tenant, Healthscope;
- Evaluating the feasibility and the timing of the possibility to replace the existing tenant, Healthscope, with alternative hospital operators, including evaluating the executable proposal submitted to Healthscope's receiver;
- Obtaining and inspecting the debt facility extension agreement which was extended from November 2026 to December 2027; and
- Determining the completeness of the Group's going concern disclosures for the principal matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters and the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

Valuation of investment properties (\$771.3m), including investment properties in equity accounted investments (\$319.9m)

Refer to accounting policy Note 2, Notes 10, 11 and 19 to the Financial Report

The key audit matter

The Group owns a portfolio of healthcare properties measured at fair value. The portfolio includes:

- Directly held properties included in the Consolidated Statement of Financial Position as investment properties (\$771.3m); and

How the matter was addressed in our audit

Our procedures included:

- Obtaining an understanding of the Group's investment property valuation process, including its valuation policy;
- Assessing the consistency of valuation

- Indirectly held investment properties through the Group's share of investments accounted for using the equity method (\$319.9m). The valuation of these properties requires significant judgement and is based on assumptions not directly observable in the market. Key assumptions include capitalisation rate, discount rate, terminal yield and future rental income. These assumptions are influenced by market and economic conditions, which may change over time. At each reporting date, the Directors of the Responsible Entity determine the fair value of the investment property portfolio in accordance with the Group's valuation policy. The policy requires each property to be externally valued by an independent valuation expert at least once every two years. Between external valuations, properties are valued using an internal valuation model. The valuation of investment property was a key audit matter because: - Investment properties, including the Group's share of investment properties held in investments accounted for using the equity method, is a significant balance in the Consolidated Statement of Financial Position. These assets represent 95% of the Group's total assets. - Changes in property valuations can have a significant impact on the Group's total comprehensive income for the year. - Property valuations involve significant judgement and are sensitive to changes in key assumptions. - The valuation methodology incorporates unobservable inputs, increasing the level of estimation uncertainty. In assessing this key audit matter, we involved our real estate valuation specialists, who understand the Group's investment property portfolio and business and the economic environment it operates in.	methodologies adopted by the Group with accounting standards, industry practice and the Group's policies; - Assessing the competence, capabilities and objectivity of the external valuers engaged by the Group, as well as internal valuers involved in the valuation process; - Working with our real estate valuation specialists, we read published reports and industry commentary to gain an understanding of prevailing property market conditions; - Enquiring with management regarding the specifics of the investment property portfolio including, amongst other things, any significant leasing activity, capital expenditure or vacancies impacting the portfolio; - Working with our real estate valuation specialists, we performed a risk assessment over the Group's investment property portfolio to identify higher risk properties. Our risk assessment was informed by our understanding of each property, key valuation assumptions including capitalisation rate, discount rate, terminal yield and future rental income, and our understanding of current market conditions; - For properties identified as higher risk, we performed the following procedures, where relevant: - Testing, on a sample basis, the mathematical accuracy of the valuation methodologies; - Enquiring, on a sample basis, with the external valuers to understand the valuation methodologies and key assumptions applied in the external valuations; - With the assistance of our real estate valuation specialists, challenged key assumptions, including capitalisation rate, discount rate, terminal yield and future rental income. We did this by comparing them to industry data, recent market transactions, historical asset performance and property-specific characteristics such as location, condition, land area and passing income. We also applied our industry knowledge and experience, with a focus on outlier
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	assumptions; • We also tested, on a sample basis, other key inputs to the investment property valuations such as rent, occupancy rate, lease terms, for consistency to existing lease contracts; • Assessing the disclosures in the Financial Report using our understanding obtained from our testing, and against accounting standards.
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Other Information

Other Information is financial and non-financial information in HealthCo Healthcare and Wellness REIT's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of HCW Funds Management Limited (the Responsible Entity) are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Unitholder Information and Corporate Directory. The Portfolio Statistics, FY26 Summary, and Chair and Fund Manager's Letter are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report, we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of HCW Funds Management Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Trust or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/media/bwvicgre/ar1_2024.pdf This description forms part of our Auditor's Report.

KPMG

Jessica Davis

Partner

Sydney

17 August 2026

Unitholder Information

The unitholder information set out below was applicable as at 10 July 2026.

Distribution of equitable units

Analysis of number of equitable unit holders by size of holding:

	Number of holders	Ordinary units % of total units issued
1 to 1,000	647	0.07
1,001 to 5,000	1,185	0.64
5,001 to 10,000	987	1.44
10,001 to 100,000	2,983	16.88
100,001 and over	304	80.97
	6,106	100.00

Equity unit holders

	Number held	Ordinary units % of total units issued
Home Consortium Developments Limited	89,871,409	16.34
J P Morgan Nominees Australia Pty Limited	71,135,319	12.93
Citicorp Nominees Pty Limited	47,545,907	8.64
HSBC Custody Nominees (Australia) Limited	45,353,689	8.24
Home Consortium Limited	35,034,393	6.37
BNP Paribas Noms Pty Ltd	22,925,864	4.17
BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd)	9,032,662	1.64
HSBC Custody Nominees (Australia) Limited – A/C 2	7,483,913	1.36
Netwealth Investments Limited (Wrap Services A/C)	7,142,324	1.30
Friday Investments Pty Limited (Goldburg Family Account)	3,484,900	0.63
Mr Bradley John Newcombe	2,900,000	0.53
Netwealth Investments Limited (Super Services A/C)	2,870,635	0.52
LJ CS JK Duncan Pty Ltd (Duncan Family S/F Account)	2,498,502	0.45
BNP Paribas Nominees Pty Ltd (IB AU NOMS RETAILCLIENT)	2,441,257	0.44
Mr David Edward Ogden + Mrs Amanda Jay Ogden (D & A Ogden Family A/C)	2,403,833	0.44
Certane CT Pty Ltd (Newmark Prop Income Fund AC)	2,266,346	0.41
O & S Coulon Pty Ltd (O & S Coulon Super A/C)	2,044,384	0.37
Warbont Nominees Pty Ltd (Unpaid Entrepot A/C)	1,900,448	0.35
D & W Family Super Pty Ltd (D & W SF A/C)	1,900,000	0.35
Brazil Farming Pty Ltd	1,800,000	0.33
	362,035,785	65.81

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Trust are set out below:

	Ordinary units	Ordinary units % of total units issued
	Number held	
HMC Capital Limited*	124,905,802	22.70

* This includes all subsidiaries.

Voting rights

The voting rights attached to ordinary units are set out below:

Ordinary units

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each unit shall have one vote. There are no other classes of equity units.

Restricted securities

There are no restricted securities.

Corporate Directory

Directors	Joseph Carrozzi AM Stephanie Lai Natalie Meyenn Dr Chris Roberts AO David Di Pilla The Hon. Kelly O'Dwyer
Responsible Entity	HCW Funds Management Limited Level 31, Gateway 1 Macquarie Place Sydney NSW 2000
Company secretary	Andrew Selim
Registered office and Principal place of business	Level 31, Gateway 1 Macquarie Place Sydney NSW 2000
Share register	MUFG Corporate Markets (AU) Limited (formerly Link Market Services Limited) Liberty Place Level 41, 161 Castlereagh Street Sydney NSW 2000 Telephone: 1300 554 474
Auditor	KPMG Level 38, Tower 3 International Towers Sydney 300 Barangaroo Avenue Sydney NSW 2000
Stock exchange listing	HealthCo Healthcare and Wellness REIT units are listed on the Australian Securities Exchange (ASX code: HCW)
Corporate Governance Statement	The directors of the Responsible Entity are committed to conducting the business of HealthCo Healthcare and Wellness REIT in an ethical manner and in accordance with the highest standards of corporate governance. HealthCo Healthcare and Wellness REIT has adopted and has fully complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent that they are applicable to an externally managed listed entity. The group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and HealthCo Healthcare and Wellness REIT's other corporate governance policies and charters can be found on its website at https://www.hmccapital.com.au/investment-strategies/real-estate/healthco-healthcare-wellness-reit/

This Annual Report has been prepared and issued by HCW Funds Management Limited ACN 104 438 100 (AFSL 239882) as responsible entity for the HealthCo Healthcare and Wellness REIT ARSN 652 057 639 ("HCW"), and is for general information purposes only. It is not intended to be and does not constitute an offer or a recommendation to acquire any securities in HCW. This report does not take into account the personal objectives, financial situation or needs of any investor. Past performance should not be taken as an indicator of future performance. Any forward-looking statements contained in this report are not guarantees or predictions of future performance and, by their very nature, are subject to uncertainties and contingencies, many of which are outside the control of HCW. Readers are cautioned not to place undue reliance on any forward-looking statements. All information contained within this report is current as at 30 June 2026 unless otherwise stated. All references to dollars (\$) or A\$ are to Australian Dollars, unless otherwise stated.

