180 DUNDAS STREET WEST, SUITE 1100,
TORONTO, ONTARIO, M5G 1Z8

T: 416 366 2000 F: 416 366 2433

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST RELEASES STRONG THIRD QUARTER 2020 RESULTS AND COMPLETION OF $3 BILLION EUROPEAN JOINT VENTURE

TORONTO, November 12, 2020 /CNW/ - NorthWest Healthcare Properties Real Estate Investment Trust (the "REIT") (TSX: NWH.UN), Canada's leading global diversified healthcare real estate investment trust, today announced its results for the three and nine months ended September 30, 2020 and completion of its $3 billion European joint venture.

Commenting on the completion of the REIT's European joint venture, Paul Dalla Lana, Chairman and CEO of the REIT, said:

> *"The completion of the European JV commitment and related seed portfolio sale was an important milestone as it expands our third-party capital management platform beyond Australasia and represents a strong vote of confidence for the attractiveness of healthcare real estate from one of the world's largest institutional investors. The European JV increases committed third party capital to $8.5 billion and undrawn capacity to $4 billion, providing the REIT with the financial flexibility to execute upon a growing acquisition pipeline throughout European and Australian markets."*

Mr. Dalla Lana went on to say:

> *"COVID-19 has highlighted the essential nature of services provided within the REIT's properties and the infrastructure-like characteristics of its portfolio. This has underpinned strong operating and financial performance in Q3 and year to date along with the outperformance of cure-focused healthcare real estate relative to other real estate segments. Across all of our markets we are seeing increasing demand for healthcare real estate assets and corresponding increases in transaction volumes. With the REIT's initial 2020 strategic priorities now complete, we not only continue to remain focused on supporting our global operating partners but also on leveraging our market leading position as a global partner of choice for healthcare real estate."*

2020 Third Quarter Financial and Operational Highlights:

For the three months ended September 30, 2020, the REIT delivered another quarter of strong financial and operating results, highlighting the defensiveness of its healthcare real estate portfolio which is focused on hospital, outpatient and medical office segments of healthcare:

- Net operating income increased by 3.4% to $72.2 million;
- AFFO per unit of $0.23 ($0.92 per unit on an annualized normalized basis);
- AFFO payout ratio of 89% (87% normalized) based on the REIT's $0.80 per unit annual distribution;
- Constant currency cash recurring SPNOI growth of 4.7%, driven primarily by annual rent indexation;
- Portfolio occupancy stable at 97.2%;
- Weighted average lease expiry of 14.5 years increased by 0.8 years, underpinned by hospital and healthcare facilities with a weighted average lease expiry of 20.4 years;

- Total fee bearing assets under management increased to $8.5 billion, including undeployed amounts;
- Net Asset Value per unit of $12.27; and
- Consolidated leverage of 52.6% (including convertible debentures) and 50.5% post quarter-end.

Impact of COVID-19:

The defensive nature of the REIT's healthcare real estate portfolio that is 97.2% occupied with more than 80% of the revenues provided directly or indirectly by public healthcare funding, has resulted in the REIT's operating results and portfolio valuations not being significantly impacted by COVID-19 to date. During Q3, 93.0% of proportionate revenue was collected and 97.6% of the REIT's proportionate revenues were either collected or subject to formal deferral arrangements. In October 2020, the REIT's collections improved further with 98.1% of rents collected or formally deferred. As a result of the strong cash collections and underlying defensiveness of the REIT's tenancy base, the REIT did not recognize any material provisions for uncollected rent as it continues to expect that all deferred rent will be repaid in full.

The impact of COVID-19 continues to affect countries unevenly with some countries progressing through phased re-openings while others struggle to control the pandemic. During Q3, several of our key markets in Europe, the UK and Australia began to re-open and the REIT saw an increase in activity as elective surgeries resumed. Even as some of these markets continue efforts to contain the pandemic, demographic trends coupled with backlogs built up during the initial global lock-down are expected to drive elevated demand for healthcare services, supporting healthcare real estate over the medium term.

Select Financial Information:

(unaudited) *($000's, except unit and per unit amounts)*	*Three months ended* *September 30, 2020*	*Three months ended* *June 30, 2020*
Number of properties	190	183
Gross leasable area (sf)	15.4 million	15.0 million
Occupancy	97.2%	97.3%
Weighted Average Lease Expiry (Years)	14.5	14.5
Net Operating Income	$72,239	$69,902
Net Income (Loss) Attributable to Unitholders	$19,913	$35,962
Funds from Operations ("FFO")	$39,779	$33,910
Adjusted Funds from Operations ("AFFO")	$39,953	$35,568
Debt to Gross Book Value	52.6%	49.6%

Strategic Update:

The REIT has now successfully executed upon each of its 2020 strategic priorities put in place at the beginning of the year in a pre-COVID environment: These achievements included:

- **Growth in asset management platform: $8.5 billion of fee bearing capital commitments**
    - *Completed European seed portfolio sale:* The previously announced $3.1 billion (€2.0 billion) European JV with GIC, Singapore's sovereign wealth fund, acquired an initial portfolio of eight German rehabilitation hospitals and post quarter end completed the

acquisition of three Dutch clinics and two Dutch MOBs (collectively the "European Seed Portfolio") from the REIT for $473 million (€305 million).

  - *Strategic asset sales into capital platforms:* Year to date the REIT has completed dispositions totalling $788 million of directly held assets into its fee bearing capital platforms. In addition to generating $280 million of liquidity to pursue strategic acquisitions and deleveraging activities, these dispositions generate incremental stabilized fee income and are accretive to the REIT's AFFO per unit.

- **European Expansion:**
  - *Achieving regional scale:* Year to date the REIT has completed $719 million of European acquisitions including entry into the UK market through the acquisition of two hospital portfolios totalling $620 million (£358 million).
  - *UK asset management:* Potential $85 million value creation opportunity as portfolio acquisition cap rate stabilizes to market generating an estimated 150bps of compression and is realized through: (i) tenant diversification and focus on top 5 UK private hospital operators, (ii) major market concentration, and (iii) lease optimization. During the quarter, the REIT's largest UK tenant, Aspen Healthcare, outperformed expectations as a result of NHS support related to COVID-19 which was recently extended through March 2021.

- **Balance Sheet Stability:**
  - *Deleveraging:* Over the last twelve months the REIT has reduced leverage by 500bps to 55.5% and its net debt to EBITDA ratio by 0.7x to 9.5x on a proportionate basis. Post-completion of its planned UK JV and executing upon its asset management plan while also completing $200 million of committed developments in 2021, the REIT is expecting to achieve its target proportionate leverage of below 50% and 8.0x net debt to EBITDA.
  - *Maintaining Liquidity:* The REIT's current $200 million of liquidity, including proceeds from the recently completed European Seed Portfolio disposition, is expected to increase to $460 million upon completion of its planned UK JV, enabling the REIT to further execute on its deleveraging strategy through repayment of corporate debt maturing in 2021..

Reinstatement of Distribution Reinvestment Plan ("DRIP"):

Since suspending its DRIP on March 24, 2020, the REIT's units have appreciated by 96% and are currently trading in line with its IFRS net asset value per unit. Commencing with the November 2020 distribution (payable on or about December 15, 2020 to Unitholders of record on or about November 30, 2020) Unitholders can elect to participate in the REIT's DRIP. Eligible investors registered in the DRIP will have their monthly cash distributions used to purchase trust units and will also receive bonus units equal to 3% of their monthly cash distributions. Unitholders that were previously enrolled in the DRIP at the time of its suspension and remain enrolled at the time of its reinstatement will automatically resume participation in the DRIP.

Q3 2020 Conference Call:

The REIT invites you to participate in its conference call with senior management to discuss our third quarter 2020 results on Friday, November 13, 2020 at 9:00 AM (Eastern).

The conference call can be accessed by dialing 416-764-8609 or 1 (888) 390-0605. The conference ID is 92368188#. Audio replay will be available by dialing 416-764-8677 or 1 (888) 390-0541. The reservation number is 368188#.

In conjunction with the release of the REIT's third quarter 2020 financial results, the REIT will post a current investor update presentation to its website where additional information on the REIT's investments and operating performance may be found. Please visit the REIT's website at www.nwhreit.com/Investors/Presentations

Vital Healthcare Property Trust

On November 10, 2020, Vital Trust also announced its financial results for the quarter ended September 30, 2020 and confirmed its distribution guidance for NZ$0.0875 per unit for the financial year. Details on Vital Trust's financial results are available on Vital Trust's website at www.vitalhealthcareproperty.co.nz

About NorthWest Healthcare Properties Real Estate Investment Trust

NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN) (NorthWest) is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. As at September 30, 2020, the REIT provides investors with access to a portfolio of high quality international healthcare real estate infrastructure comprised of interests in a diversified portfolio of 190 income-producing properties and 15.4 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Europe, Australia and New Zealand. The REIT's portfolio of medical office buildings, clinics, and hospitals is characterized by long term indexed leases and stable occupancies. With a fully integrated and aligned senior management team, the REIT leverages over 200 professionals across nine offices in 5 countries to serve as a long-term real estate partner to leading healthcare operators.

For further information, please contact Paul Dalla Lana, CEO at (416) 366-8300 x 1001.

Non-IFRS Measures

Some financial measures used in this press release, such as Net Operating Income, adjusted same-property NOI (“SPNOI”), FFO, AFFO (including on a normalized annualized basis), Net Asset Value per Unit, net debt to EBITDA ratio, portfolio occupancy and weighted average lease expiry, are used by the real estate industry to measure and compare the operating performance of real estate companies, but they do not have any standardized meaning prescribed by IFRS. As such, they are unlikely to be comparable to similar measures presented by other real estate companies. These non-IFRS measures are more fully defined and discussed in the REIT's Management's Discussion and Analysis ("MD&A") for the third quarter ending September 30, 2020, which is available on the SEDAR website at www.sedar.com. Also on SEDAR are the condensed consolidated unaudited interim financial statements of the REIT for the three months ended September 30, 2020.

Forward-Looking Statements

This press release may contain forward-looking statements with respect to the REIT, its operations, strategy, financial performance and condition, including statements relating to the REIT’s growing acquisition pipeline, a potential $85 million UK value creation opportunity, the planned UK JV, the REIT’s asset management plan, completion of committed developments and expectations regarding the REIT’s target proportionate leverage, net debt to EBITDA and future liquidity position. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "normalized", "annualized", or "stabilized" or the negative thereof or similar variations. The REIT's actual results and performance discussed herein could differ materially from those expressed or implied by such statements. Such statements are based on certain assumptions, including that the transactions and plans contemplated herein are completed and that COVID-19 will continue to not have a material impact on the business. Such statements are also qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, the impact of COVID-19 on the REIT's operations, general economic and market factors, competition, changes in government regulations and the factors described under "Risks and Uncertainties" in the REIT's Annual Information Form and the risks and uncertainties set out in the MD&A which are available on www.sedar.com. These cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and, except as expressly required by applicable law, the REIT assumes no obligation to update such statements.