


**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST RELEASES
STRONG SECOND QUARTER 2021 RESULTS INCLUDING ANNUAL PER UNIT AFFO AND NAV
GROWTH OF 8% AND 6%, RESPECTIVELY**

TORONTO, August 12, 2021 /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 months and six months ended June 30, 2021.

Commenting on the quarter, Paul Dalla Lana, CEO of the REIT, said:

"Q2 was another strong quarter for NorthWest with NAV per unit up 6.3% on strong revaluation gains in Australia and a rebounding Brazilian Real. The REIT sees potential for further NAV growth from a combination of continued revaluation gains, the execution of the REIT's UK value creation initiatives, growth in its global asset management platform, and a growing development pipeline.

The REIT's UK value creation strategy took a major step forward with the acquisition of Aspen Healthcare and the planned sale of its eight operating hospitals that will allow the REIT to diversify and enhance its tenant base, expand its UK portfolio with two new high-quality hospitals and position for its planned Joint Venture which is on track for closing in 2021.

During this moment of intense focus on the global healthcare industry, the REIT has been working with its operating partners to deliver real estate solutions to meet evolving demands. In this context, NorthWest is particularly focused on the trend of decanting services out of hospitals and along with its capital partners is executing on ambulatory care and healthcare precinct strategies to drive value-add development opportunities, which now exceed \$1 billion.

For the balance of the year, the REIT is exceptionally well positioned to execute on its strategic priorities while delivering on both substantial earnings and net asset value growth."

2021 Second Quarter Financial and Operational Highlights:

For the three months and six month ended June 30, 2021, the REIT delivered strong financial and operational performance with an increasingly conservative balance sheet across an expanded 190 property, 16.1 million square foot defensive acute healthcare real estate portfolio underpinned by long-term inflation indexed leases. Key highlights are as follows:

- Q2 2021 revenue was stable at \$90.1M with improved cash collection of 98.8% up 20 bp quarter over quarter;
- Year over year AFFO per unit increased by 7.8% to \$0.22 in Q2 2021 (\$0.92 per unit on an annualized normalized basis) as a result of accretive acquisitions, increased management fees, reduced interest expense through deleveraging and same property net operating income ("SPNOI") growth;
- AFFO payout ratio of 93% (87% normalized) based on the REIT's \$0.80 per unit annual distribution;
- Constant currency adjusted SPNOI growth of 2.9% in Q2 2021 as compared to Q2 2020, driven primarily by annual rent indexation;

- Strong portfolio occupancy of 96.7% with the international portfolio holding stable at 98.2%;
- Weighted average lease expiry of 14.2 years is underpinned by the international portfolio's Hospital and Health Care Facility Assets' weighted average lease expiry of 17.4 years;
- Total assets under management "AUM" increased 20.9% year over year to \$8.3 billion;
- Total capital deployed in fee bearing vehicles was \$5.1 billion up 32.3 as compared to Q2 2020. Undeployed capital in existing fee bearing vehicles totals \$3.7 billion;
- Net asset value ("NAV") per unit increased by 6.2% year over year to \$13.14 driven by fair value gains across the portfolio;
- Consolidated leverage of 43.1% has decreased 650 bp year over year and is expected to decrease by a further 820 bp through the planned UK portfolio repositioning and seeding of the new UK JV as well as the conversion of in the money convertible debentures.

Selected Financial Information:

(unaudited)

(\$000's, except unit and per unit amounts)

Three months ended June 30, 2021 Three months ended June 30, 2020

	Three months ended June 30, 2021	Three months ended June 30, 2020
Number of properties	190	183
Gross leasable area (sf)	16,086,368	15,017,229
Occupancy	96.7%	97.3%
Weighted Average Lease Expiry (Years)	14.2	14.5
Net Operating Income	\$69,826	\$69,902
Net Income (Loss) attributable to unitholders	\$81,090	\$35,962
Funds from Operations ("FFO")	\$42,293	\$33,910
Adjusted Funds from Operations ("AFFO")	\$43,236	\$35,568
Debt to Gross Book Value - Declaration of Trust	39.7%	44.3%
Debt to Gross Book Value - Including Convertible Debentures	43.1%	49.6%

Normal Course Investment Activity: During Q2 2021 and subsequent to quarter end, the REIT completed \$321.1 million of accretive acquisitions and \$7.1 million of dispositions:

- **Europe:** The REIT completed the acquisition of the previously portfolio of four on-campus Dutch Medical Office Buildings ("MOB") for \$175.6 million (€117.3 million) at a weighted average capitalization rate of 5.1%. Post quarter end the REIT completed the acquisition of two UK hospitals located in Sheffield and Edinburgh which were acquired as part of the acquisition of Aspen and related transactions.
- **Australasia:** NWH as the manager of Vital Trust completed the acquisition of a rehabilitation and mental health hospital located in Camberwell, Australia for \$67.8 million (A\$72.7 million) at a 4.8% capitalization rate and a \$10.6 million (A\$11.4 million) greenfield development site in the Princess Alexandra Hospital Precinct of Brisbane, Australia.
- **Canada:** The REIT acquired its first Life Science asset in Canada for \$15.1 million at a weighted average capitalization rate of 6.1% during the quarter. The property is located in close proximity to Montreal's Technoparc and is 100% occupied with a 11 year weighed average remaining lease term. The REIT completed the sale of one non-core MOB for an aggregate sale price of \$7.1 million at a weighted average capitalization rate of 6%.
- **Developments:** The REIT continues to progress earnings and NAV accretive development projects with \$320 million currently under construction and an additional \$27 million of approved projects with expected completion dates between Q4-2021 and Q4-2023.

On-Going Strategic Initiatives:

UK Portfolio Repositioning and JV Formation

On June 19, 2021, the REIT entered into an agreement to acquire Aspen Healthcare UK Limited (“Aspen”), an independent healthcare provider situated in the UK that prior to acquisition was a tenant of the REIT at four of its UK investment properties. On August 6, 2021, the REIT completed the acquisition of Aspen for an equity purchase price of approximately \$38.0 million.

As result of the transaction, the REIT will assume Aspen’s interest in two hospital properties located in Sheffield and Edinburgh. The REIT will also obtain control over the operations of eight hospitals located throughout the UK. The REIT intends to dispose of all of the Aspen operating businesses with sales processes underway and expected to close later in 2021.

Through a combination of an opportunistic market entry into the UK in February 2020, subsequent strategic portfolio acquisitions and the planned on-sale of the Aspen operating businesses, the REIT expects to materially diversify its UK tenant roster and generate significant value for Unitholders.

As the REIT executes on the final stages of its UK portfolio repositioning, it is now shifting focus to delivering on its UK JV initiative through seeding its expanded \$770 million UK portfolio into \$1.7 billion of capital commitments in the region by year-end.

Update on Offer to Acquire Australian Unity Healthcare Property Trust (“AUHPT”)

As previously announced, the REIT together with a capital partner (the “Bidding Consortium”), had called a meeting of AUHPT unitholders to vote on the Bidding Consortium’s proposal to acquire all of the outstanding units of AUHPT at a price of A\$2.70 per wholesale unit. This offer has now been withdrawn by the REIT.

Separately, the Bidding Consortium offered to acquire up to \$375M (A\$400M) of AUHPT units at A\$2.70 per wholesale unit (the “Premium Cash Offer” or “PCO”). Through a combination of units tendered under the PCO (which has now expired), additional put/call options, the remaining Hume option as well as AUHPT’s entitlement offer, the Bidding Consortium will be AUHPT’s largest unitholder with an ownership interest of 17.3%.

Balance Sheet Initiatives:

On June 18, 2021, the REIT completed a \$201 million (including the full exercise of the overallotment option) offering of 16.0 million units at \$12.60 per unit (the “June Offering”). On July [22], 2021 the REIT closed a \$25 million private placement with NorthWest Value Partners on the same terms as the June Offering (the “Private Placement”). On May 10, 2021, the REIT redeemed its NWH.DB.E 5.25% debentures (the “Series E Debentures”) maturing July 31, 2021. Prior to the redemption date and at the election of debenture holders, debentures totaling \$60.9 million were converted to 4.82 million REIT units. The remaining \$13.8 million of Series E Debentures were redeemed for cash. Primarily, as a result of the June Offering, the REIT’s proportionate leverage declined by 110 bp QoQ to 49.6%.

The REIT’s balance sheet continues to present organic deleveraging opportunities through the conversion of “in-the-money” NWH.DB.F 5.25% debentures maturing December 31, 2021 (the “Series F Debentures”) which have a conversion price of \$12.80 per Unit. Assuming full conversion of the Series F Debentures to equity, completion of the UK portfolio repositioning and seeding of the planned UK JV, the REIT’s pro-forma consolidated and proportionate leverage would further decline by approximately 820 bp and 870 bp, respectively.

Update on Rent Collection

The REIT's portfolio of healthcare infrastructure assets continues to perform well through the COVID-19 pandemic with all properties open and operational. For the three months and six months ended June 30, 2021 the REIT collected 98.8% of rent (including those subject to formal deferral arrangements), which is a 24 basis points improvement from the 98.6% collected in Q1 2021. Excellent rent collection during the pandemic illustrates the defensiveness of the REIT's portfolio, the essential nature of its tenant base and commitment from governments to ensure access to critical healthcare services. The pandemic has created a growing back log of non-essential treatments and surgeries which is expected to increase demand for healthcare services and support private hospital system volumes over the mid- to long-term.

Q2 2021 Conference Call:

The REIT invites you to participate in its conference call with senior management to discuss our second quarter 2021 results on Friday, August 13, 2021 at 10:00 AM (Eastern).

The conference call can be accessed by dialing 416-764-8609 or 1 (888) 390-0605. The conference ID is 77170206#.

Audio replay will be available from August 13, 2021 through August 20, 2021 by dialing 416-764-8677 or 1 (888) 390-0541. The reservation number is 170206#.

In conjunction with the release of the REIT's second quarter 2021 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 August 4, 2021 Vital Trust also announced its financial results for the year ended June 30, 2021. 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 June 30, 2021, 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 16.1 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 230 professionals in nine offices in five 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, SPNOI, FFO, AFFO, NAV, AUM, 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 three and six months ending June 30, 2021, which is available on the SEDAR website at www.sedar.com.

Forward-Looking Statements

This press release may contain forward-looking statements with respect to the REIT, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "normalized", "contracted", or "continue" or the negative thereof or similar variations. Examples of such statements in this press release may include statements concerning the REIT's position as a leading healthcare real estate asset manager globally, geographic expansion, ESG initiatives, expanding AUM, balance sheet optimization arrangements, the proposed U.K. joint venture and potential acquisitions, dispositions and other transactions, including a potential UK joint venture and a potential transaction involving Australian Unity. The REIT's actual results and performance discussed herein could differ materially from those expressed or implied by such statements. The forward-looking statements contained in this press release are based on numerous assumptions which may prove incorrect and which could cause actual results or events to differ materially from the forward-looking statements. Such assumptions include, but are not limited to (i) assumptions relating to completion of anticipated acquisitions, dispositions, development, joint venture, deleveraging and other transactions (some of which remain subject to completing documentation) on terms disclosed; (ii) the REIT's properties continuing to perform as they have recently, (iii) the REIT successfully integrating past and future acquisitions, including the realization of synergies in connection therewith; (iv) various general economic and market factors, including exchange rates remaining constant, local real estate conditions remaining strong, interest rates remaining at current levels, the impacts of COVID-19 on the REIT's business ameliorating or remaining stable; and (vii) the availability of equity and debt financing to the REIT. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, 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.