

NEWS RELEASE
FOR IMMEDIATE RELEASE

PLIFE REIT DELIVERS RECORD DPU OF 14.08 CENTS FOR FY 2021

- Including 4Q 2021 DPU of 3.57 cents, FY 2021 DPU up 2.1% to record 14.08 cents
- Enhanced Japan portfolio with further acquisition of a nursing home with net property yield of 5.9% in December 2021
- Achieved a full year portfolio revaluation surplus of S\$239.2 million, predominantly valuation uplift from the Singapore Portfolio arising from the renewal of master leases for the Singapore Hospitals
- Strengthened capital and financial position with successful terming out of short term loan drawn down for acquisitions

Total Portfolio	4Q 2021 S\$'000	4Q 2020 S\$'000	Variance %	FY 2021 S\$'000	FY 2020 S\$'000	Variance %
Gross revenue	30,606	30,566	0.1	120,705	120,892	(0.2)
Net property income	28,505	28,459	0.2	111,234	112,528	(1.1)
Amount available for distribution (net of amount retained for capital expenditure)	21,117	20,687	2.1	84,702	83,887	1.0
Distributable income to Unitholders (net of amount retained/released for capital expenditure and COVID-19 related relief measures ¹)	21,593	21,592	-	85,178	83,409	2.1
Distribution Per Unit (cents)² - DPU for the period - Annualised DPU	3.57 14.28	3.57 14.28	-	14.08	13.79	2.1
Annualised distribution yield (%) (based on closing market price of S\$5.13 as at 31 December 2021)	2.78	2.78	-	2.74	2.69	2.1

Singapore, 24 January 2022 – Parkway Trust Management Limited (the “Manager”), as manager of Parkway Life Real Estate Investment Trust (“PLife REIT” or the “Group”), one of

¹ Part of the S\$1.7 million COVID-19 related relief measures for tenants announced in 1Q 2020.

² In computing the Distribution per Unit, the number of units in issue as at the end of each period is used.

Asia's largest listed healthcare REITs, is pleased to announce a Distribution per Unit ("DPU") of 3.57 Singapore cents for the fourth quarter ended 31 December 2021 ("4Q 2021"), consistent year-on-year ("Y-O-Y"); and 14.08 Singapore cents for the full year ended 31 December 2021 ("FY 2021"), representing an increase of 2.1% Y-O-Y.

Gross revenue rose 0.1% in 4Q 2021 to S\$30.6 million due to contribution from nursing homes acquired in December 2020, July 2021 and December 2021, as well as higher rent from the Singapore properties. The higher rent was partially offset by the divestment of P-Life Matsudo on 29 January 2021 and depreciation of the Japanese Yen.

Gross revenue for the year dipped 0.2% year-on-year to S\$120.7 million largely attributed to the divestment as mentioned above and the depreciation of Japanese Yen. This was offset by revenue contribution from the acquisitions in 2020 and 2021 as well as higher rent from the hospitals in the Singapore portfolio.

Overall, Distributable Income ("DI") to Unitholders for 4Q 2021 was comparable with 4Q 2020. DI grew by 2.1% Y-O-Y to S\$85.2 million for 2021 taking into consideration the income contribution from acquisitions, a one-off allowance for doubtful debts, lower financing costs arising from the loan refinancing initiative, lower interest costs for Singapore dollar borrowings and one-off COVID-19 related relief measures for tenants in 2020.

Strengthened Capital and Financial Position

The Group's ongoing management of its capital structure has placed it in good stead to deliver stable and sustainable distributions to Unitholders. The Group has put the JPY net income hedge in place till 3Q 2026 and also hedged its interest rate exposure. As at 31 December 2021, there was no long-term debt refinancing needs till June 2023. On 29 December 2021, the Group has executed a 5-year up to JPY7.71 billion (approximately S\$91.6 million³) committed loan facility which will be drawn down in March 2022 to term out the short term loans ("STL"). The JPY7.71 billion STL has been drawn down earlier to fund the acquisitions of three nursing homes in Japan in second half of the year. Post terming out, the weighted average debt term will improve from 3.4 years (as at 31 December 2021) to 3.9 years. As at 31 December 2021, the Group continues to enjoy an effective low all-in cost of debt at 0.52%. Gearing remains optimal at 35.4%, and interest cover of 21.5 times.

In December 2021, the Group has further enhanced resiliency of PLife REIT's portfolio by acquiring a nursing home in Japan at JPY3.2 billion (approximately S\$37.9 million⁴), about

³ At an exchange rate of S\$1.00 = JPY84.17

⁴ Reference is made to PLife REIT's acquisition announcement dated 10 December 2021

7.0% below valuation, with net property yield of 5.9%. Following the acquisition, the Group has an enlarged portfolio of 56 quality healthcare and healthcare-related properties in Singapore, Japan and Malaysia. In addition, the independent valuation performed for all properties brought about a portfolio revaluation gain of S\$239.2m (inclusive of S\$239.1m reported in 3Q 2021) largely from the Singapore properties, an increase of 11.7% in the total portfolio value.

Commenting on the results, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: “Although economic uncertainties persisted, we are pleased to have achieved uninterrupted growth in distributions to our unitholders. This was underpinned by greater certainty from the business continuity and sustained rental income stream accrued from the renewal of master lease agreements for our Singapore Hospitals. We also strengthened our Japan portfolio with three nursing home acquisitions in 2021. Healthcare expenditure in Asia remains favourable given demographic trends and PLife REIT will stay prudent and focused on evaluating opportunities that create value for our Unitholders, even as we foster strategic partnerships for collaborative growth and expansion.”

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About Parkway Life REIT

Parkway Life Real Estate Investment Trust (“PLife REIT”) is one of Asia’s largest listed healthcare REITs by asset size. It invests in income-producing real estate and real estate related assets that are used primarily for healthcare and healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices).

PLife REIT owns a well-diversified portfolio of 56 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.29 billion⁵ as at 31 December 2021. It owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 52 assets of high-quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialist Clinics Kuala Lumpur in Malaysia.

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⁵ Based on latest appraised values (excludes right-of-use assets).

Important Notice

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Parkway Life Real Estate Investment Trust (“PLife REIT” and the units in PLife REIT, the “Units”).

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as Manager of PLife REIT, or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of PLife REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of PLife REIT or the Manager is not necessarily indicative of the future performance of PLife REIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.