

NEWS RELEASE
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PLIFE REIT ACHIEVES DPU GROWTH of 3.3% TO 7.29 SINGAPORE CENTS IN 1H 2023

- *Distribution Per Unit (“DPU”) rises on the back of contribution from five nursing homes acquired in September 2022 and higher rent from the Singapore properties under the new master lease agreements which commenced in August 2022*
- *Healthy gearing level of 35.3% and low all-in cost of debt at 1.19%*
- *No long-term debt refinancing needs till February 2024*

Total Portfolio	1H 2023 S\$'000	1H 2022 S\$'000	Variance %
Gross revenue	74,402	60,175	23.6
Net property income	70,084	56,036	25.1
Distributable income to Unitholders (net of amount retained for capital expenditure)	44,084	42,696	3.3
Distribution Per Unit (cents)¹			
- DPU for the period	7.29	7.06	3.3
- Annualised DPU	14.58	14.12	3.3
Annualised distribution yield (%) (based on closing market price of S\$3.90 as at 30 June 2023)	3.74	3.62	3.3

Singapore, 26 July 2023 – Parkway Trust Management Limited (the “Manager”), as manager of Parkway Life Real Estate Investment Trust (“PLife REIT” or the “Group”), one of Asia’s largest listed healthcare REITs, today announced its results for the first half ended 30 June 2023 (“1H 2023”). The Group is pleased to announce a DPU of 7.29 Singapore cents for 1H 2023, representing an increase of 3.3% year-on-year (“Y-O-Y”).

Gross revenue for 1H 2023 increased by 23.6% Y-O-Y to S\$74.4 million, due principally to contribution from the five nursing homes acquired in September 2022 in Japan, as well as

¹ In computing the Distribution per Unit, the number of units in issue as at the end of each period is used.

higher rent from the Group's Singapore properties, partially offset by the depreciation of the Japanese Yen. Property expenses increased by 4.3% to S\$4.3 million in 1H 2023 and consequently, the Group's net property income increased by 25.1% to S\$70.1 million for 1H 2023 from S\$56.0 million in the corresponding period a year ago.

In 1H 2023, the Group registered a realised foreign exchange gain amounting to about S\$3.3 million and S\$1.9 million from the settlement of Japanese Yen forward contracts in 1H 2023 and 1H 2022 respectively. This partially offsets the higher management fees for 1H 2023 of S\$7.3 million which was 9.7% higher than 1H 2022, largely attributed to the increase in net property income. Lower trust expenses were registered for 1H 2023 due to lower professional fees incurred during the period. Finance costs have increased mainly due to funding of capital expenditure and new acquisitions in 2022 and higher interest costs from Singapore dollar debts partially offset by the depreciation in Japanese Yen. Overall, distributable income to Unitholders grew by 3.3% to S\$44.1 million in 1H 2023, as compared with S\$42.7 million in the previous corresponding period.

Prudent capital management and financial position

Amongst the macroeconomic uncertainties and challenges, PLife REIT continues to adhere to a disciplined financial management framework to mitigate any potential refinancing risk as well as actively manage any exposure to interest rate and foreign currency risks on an ongoing basis. Following the redemption in full of the outstanding fixed rate notes due in June 2023, the Group has effectively managed its debt maturity profile with no immediate long-term debt refinancing need till February 2024. To manage foreign currency risk, the Group adopts a natural hedge strategy for its Japanese investments to maintain a stable net asset value and establishing Japanese Yen forward exchange contracts to shield against Japanese Yen currency volatility. With that, the Group has put in place Japanese Yen forward contracts till 1Q 2027.

As at 30 June 2023, PLife REIT has a weighted average debt term to maturity of 2.9 years and interest coverage ratio of 13.8 times. The Group continues to enjoy an effective low all-in cost of debt at 1.19% with about 77% of interest rate exposure hedged. Gearing remains optimal at 35.3% well within the regulatory gearing limit of 50.0%.

Commenting on the results, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: "PLife REIT has delivered a sustained performance of higher distributions for our

Unitholders. The healthcare industry will remain critically essential in a rapidly aging population with greater demand for better quality healthcare and aged care services. Our portfolio of assets places the Group in a good position to benefit from the resilient growth of the healthcare industry in the Asia Pacific region.”

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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 61 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.20 billion² as at 31 December 2022. 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 57 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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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.

² Based on latest appraised values (excludes right-of-use assets).