



**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST  
ANNOUNCES FINALIZATION OF ITS UK JOINT VENTURE, COMPLETION OF INITIAL  
NON-CORE ASSET SALES, TSX APPROVAL OF A NORMAL COURSE ISSUER BID AND  
SUSPENSION OF ITS DISTRIBUTION REINVESTMENT PLAN**

TORONTO, June 7, 2023 /CNW/ - Northwest Healthcare Properties Real Estate Investment Trust (the "REIT") (TSX: NWH.UN), announces that its UK healthcare real estate joint venture will close in June 2023, the completion of the sale of its Bakersfield Hospital on May 31<sup>st</sup>, approval from the Toronto Stock Exchange (the "TSX") to acquire up to 10% of its public float under a normal course issuer bid and the suspension of its distribution reinvestment plan beginning with the upcoming June 2023 distribution.

**UK Joint Venture ("UK JV")**

On June 7, 2023, the REIT and an institutional investor (the "Investor") waived conditions and finalized terms on the previously disclosed UK JV including an investment into the REIT's existing UK structure which holds a portfolio of 14 UK hospitals. The transaction, which is in line with the REIT's Q1-2023 IFRS value, includes the assumption of associated debt and other customary adjustments resulting in net consideration of approximately \$276 million (£165.8 million). The UK JV will be owned 70% by the Investor and 30% by the REIT and will be externally managed by the REIT for market-based management fees.

**Update on Non-Core Asset Sales**

On May 31, 2023 the REIT closed the sale of Bakersfield Hospital located in California, USA for \$76 million (US\$56 million) at a 6.5% capitalization rate. Bakersfield hospital is a high-quality property but was considered non-core owing to it being the only acute care hospital in the REIT's US portfolio. This sale represents the first sale from the REIT's previously disclosed \$340 million non-core asset sale program that is expected to be substantially completed in Q3-2023.

Collectively, the sale of 70% of the REIT's UK assets and the sale of Bakersfield Hospital will generate net equity for the REIT of approximately \$300 million. Proceeds will be used to repay debt with a weighted average interest rate of 8.2% and result in proportionate leverage decreasing from 57.6% to 53.1%.

**Normal Course Issuer Bid ("NCIB")**

The TSX has approved the REIT's intention to acquire up to a maximum of 22,224,257 trust units ("Units"), or approximately 10% of its public float of Units as of May 31, 2023, for cancellation over the next 12 months. As of May 31, 2023, the REIT had 242,494,222 issued and outstanding Units.

The REIT is committed to its accretive deleveraging strategy but expects net proceeds from the sale of the UK assets and its \$340 million non-core sale process to generate excess liquidity beyond the amounts that can be used to accretively de-lever in the near term. In the REIT's view,

the current unit price does not reflect the fundamental value of the REIT's high quality, defensive healthcare real estate portfolio or the value of its global asset management platform. As a result, the REIT believes deploying excess capital towards acquiring Units under the NCIB is the most accretive use of capital at the current unit price.

Purchases under the NCIB will be made through the facilities of the TSX or through Canadian alternative trading systems and in accordance with applicable regulatory requirements at a price per Unit representative of the market price at the time of acquisition. The number of Units that can be purchased pursuant to the NCIB will be subject to a daily maximum of 187,046 Units (which is equal to 25% of 748,186 Units, being the average daily trading volume of the Units from December 1, 2022 through to May 31, 2023), subject to the REIT's ability to make one block purchase of Units per calendar week that exceeds such limits. All Units purchased under the NCIB will be cancelled upon their purchase. The REIT intends to fund the purchases out of its available resources.

The REIT may begin to purchase Units on June 12, 2023 and the NCIB will terminate on June 7, 2024, or such earlier time as the REIT completes its purchases pursuant to the NCIB or provides notice of termination. The REIT believes that the repurchase by the REIT of a portion of outstanding Units is an appropriate use of resources and is in the best interests of the REIT.

The REIT intends to adopt an automatic securities purchase plan ("ASPP") in connection with its NCIB that contains strict parameters regarding how its Units may be repurchased during times when it would ordinarily not be permitted to purchase Units due to regulatory restrictions or self-imposed blackout periods. The ASPP is expected to be effective in July 2023.

### **Distribution Reinvestment Plan ("DRIP")**

The REIT also announced today that it has suspended its DRIP until further notice. Commencing with the June 2023 distribution (payable on or about July 15, 2023), unitholders enrolled in the DRIP will receive distribution payments in cash. If the REIT elects to reinstate the DRIP in the future, unitholders that were 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.

Commenting on these developments Paul Dalla Lana, Chairman and CEO of the REIT said:

*"The completion of the UK JV and related portfolio sale is important as it brings added resources to the important UK market, expands our third-party capital management platform and represents a strong vote of confidence for the attractiveness of healthcare real estate from one of the world's largest institutional investors. Today Northwest has committed third party capital of \$12.0 billion and undrawn capacity of \$4.0 billion, providing the REIT with strong financial flexibility. Together with the non-core asset sales which are progressing, the REIT will have more than \$150 million of excess liquidity to be redeployed to further reduce leverage and acquire units under the NCIB."*

## **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 March 31, 2023, 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 233 income-producing properties and 18.6 million square feet of gross leasable area located throughout major markets in Canada, the United States, 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 300 professionals in ten offices in eight countries to serve as a long-term real estate partner to leading healthcare operators.

## **Forward Looking Information**

Certain statements contained in this news release constitute forward-looking information within the meaning of applicable securities laws. In some cases, forward-looking information can be identified by such terms such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue”, “likely”, “schedule”, or the negative thereof or other similar expressions concerning matters that are not historical facts. Some of the specific forward-looking statements in this news release include, but are not limited to, statements with respect to the closing of the UK JV, completion of the REIT's non-core asset sale program, accretive use of liquidity, the number of Units to be acquired under the NCIB and other related matters.

The REIT has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, financial performance, business strategy and financial needs.

Although the forward-looking statements contained in this news release are based upon assumptions that management of the REIT believe are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond the REIT's control, including, among other things, the risks that the transactions referenced in this news release may not be completed on the terms proposed, and other risks identified in materials filed under the REIT's profile at [www.sedar.com](http://www.sedar.com) from time to time. The forward-looking statements made in this news release relate only to events or information as of the date hereof. Except as required by applicable Canadian securities laws, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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

