

## NEWS RELEASE

**PLIFE REIT MAKES ITS MAIDEN INVESTMENT  
IN EUROPE FOR €111.2 MILLION**

- *Acquisition of 11 nursing home properties in France from DomusVi Group (“DomusVi”), the third largest aged care operator in Europe*
- *Transaction in a sale & leaseback arrangement, where DomusVi will continue to operate the nursing homes*
- *Expansion of Investment Mandate Positions PLife REIT for the Next Phase of Growth and Strategically Diversify PLife REIT’s Portfolio*
- *Yield-accretive acquisition with favourable lease terms to enhance portfolio resiliency and income diversification*
- *Strong Demand for Nursing Homes Supported by Aging Population, collaboration with a leading Pan-European operator to foster strategic partnership and drive growth in Europe*

**Singapore, 22 October 2024** – 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, is pleased to announce its maiden entry into Europe through its acquisition of 11 nursing homes (the “**Properties**”) in a sale and leaseback arrangement, from DomusVi (the “**Acquisition**”) for a total purchase consideration of €111.2 million<sup>1</sup> (approximately S\$159.9 million<sup>2</sup>) (the “**Purchase Price**”).

HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT, has through its wholly-owned Singapore subsidiary, Parkway Life Nova Pte. Ltd., entered into definitive agreements to acquire the Properties from DomusVi subject to the completion of condition precedents. The Properties<sup>3</sup> will continue to be leased<sup>4</sup> to

---

1 A rounded Purchase Price figure has been used for this press release. The exact Purchase Price is €111,241,178.

2 Based on the exchange rate of €1 to S\$1.43728 (the “**Exchange Rate**”). Unless otherwise stated, all conversions of € amounts to S\$ in this announcement will be based on the Exchange Rate.

3 The Properties are freehold.

4 Lease terms of the Properties include indexed rent escalations.

DomusVi upon completion of the Acquisition. The Acquisition is expected to complete by the fourth quarter of 2024. Post Acquisition, PLife REIT's portfolio will grow to 75 properties with a total value of approximately S\$2.42 billion<sup>5</sup>.

### **Expansion of Investment Mandate Positions PLife REIT for the Next Phase of Growth and Strategically Diversify PLife REIT's Portfolio**

The Acquisition will mark PLife REIT's maiden entry into a third key market, enhancing its geographical and tenant diversification, while maintaining a primary focus on its core market of Singapore. France, one of the largest nursing home real estate markets in Europe has a sizeable private nursing home real estate value of €19 billion<sup>6</sup> that is poised for further growth. This portfolio optimisation strategy will not only enable PLife REIT to mitigate potential regional and operator-level risks but also capitalises on different economic cycles and growth opportunities in each market, ensuring stable and robust returns for PLife REIT's unitholders.

### **Strong Demand for Nursing Homes Supported by Aging Population**

France has an ageing population, with over 22% of its residents being over 65 years old in 2023<sup>7</sup>. Driven by this demographic shift, the nursing home sector in France presents significant growth potential, supported by its regulated and resilient care system and the nation's comprehensive statutory health insurance system. The increase in health and aged care-related expenditure and the shortage in supply of aged care facilities to satisfy the growing needs of the ageing demographic will continue to boost the demand for quality nursing home properties. The highly-regulated market entry with no new nursing beds expected to be authorised until 2028 and stringent regulations of aged care business establishment, further drives the demand and at the same time helps to ensure quality of the industry. Leveraging the favourable fundamentals of the French aged care sector, the Acquisition will enable PLife REIT to set its foothold in an established and mature new market.

---

<sup>5</sup> Based on the latest appraised values of the existing portfolio (translated at prevailing exchange rates) and the Properties.

<sup>6</sup> Elderly Care Homes Real Estate Investment French Market Review, Candestic, June 2024.

<sup>7</sup> World Bank's World Development Indicators as of 2023, <https://databank.worldbank.org/source/world-development-indicators>.

### **Collaboration with a Leading Operator in the European Elderly Care Market**

The Acquisition will see PLife REIT working with DomusVi, the third largest aged care operator in Europe. With more than 40 years of track record, DomusVi has established significant presence across Western Europe. The group currently operates close to 600 nursing homes and assisted living homes and also 100 home care agencies in Europe with France being its largest geographical presence. The Acquisition will enable PLife REIT to harness on their expertise and foster business synergy with the established Pan-European operator for future collaborations.

Commenting on this collaboration, **Mr. Sylvain Rabuel, Chief Executive Officer of DomusVi**, said: “We are pleased to partner with Parkway Life REIT. This transaction marks the start of our win-win collaboration that underscores our shared commitment to long-term growth and we look forward to exploring new opportunities together in the European market.”

### **Properties with Positive Attributes and Favorable Lease Terms**

The Properties are well-located in the residential areas of different key cities in France, as shown below.

<b>S/N</b>	<b>Property</b>	<b>Region</b>	<b>City</b>
1	Résidence d'Automne	Bourgogne-Franche-Comté	Champs-sur-Yonne
2	Résidence La Boétie & Résidence Montaigne	Nouvelle-Aquitaine	Le Taillan-Médoc
3	Les Cinq Sens	Occitanie	Garons
4	Résidence Ducale	Grand Est	Villers-Semeuse
5	Résidence du Pyla-sur-Mer	Nouvelle-Aquitaine	La Teste-de-Buch
6	La Demeure du Bois Ardent	Normandie	Saint-Lô
7	Résidence du Champ de Courses	Auvergne-Rhône-Alpes	La Tour-de-Salvagny
8	Les Jardins de Creney	Grand Est	Creney-près-Troyes
9	Les Jardins de Saintonge	Nouvelle-Aquitaine	Saint-Genis-de-Saintonge
10	Le Clos Rousset	Auvergne-Rhône-Alpes	Saint-Marcel-lès-Valence
11	Résidence La Barillière	Normandie	Saint-Désir

The lease arrangement of the Properties entails a long lease term of 12 years<sup>8</sup>. The favourable attributes of the lease structure will continue to solidify PLife REIT's income stability and resilience against any inflationary linked cost increase and interest rate fluctuations<sup>9</sup>.

Commenting on the acquisition, **Mr. Yong Yean Chau, Chief Executive Officer of the Manager**, said: "We are delighted to be making our first acquisition into France by partnering with DomusVi, a well-established aged care operator with a strong and extensive track record. Through this acquisition, PLife REIT will extend our growth into a new market with strong fundamentals – ageing population with mature health and aged care sectors. This will allow PLife REIT to optimise its investment exposure and further diversify the geographical risks within its portfolio, thereby enhancing risk-adjusted returns for its unitholders."

### **Acquisition Funding**

PLife REIT intends to fully finance the Acquisition via an equity fund raising by way of a private placement. The Acquisition is expected to be 1.6% distribution per Unit ("DPU") and 4.4% net asset value ("NAV") per Unit accretive to Unitholders<sup>10</sup>. For funding details, please refer to the announcement titled "Launch of Equity Fund Raising By Way Of a Private Placement to Raise Gross Proceeds of No Less Than Approximately S\$180 million".

As of 30 June 2024, the gearing ratio of the PLife REIT is approximately 35.3% and will reduce to approximately 33.3%<sup>11</sup> following the Acquisition, which is well within the 50% gearing limit allowed under the Property Funds Appendix issued by Monetary Authority of Singapore.

**– End –**

---

<sup>8</sup> Lease terms of the Properties include indexed rent escalations.

<sup>9</sup> Following completion of the Acquisition, the proportion of revenue that will be backed by indexed-linked rental adjustments is expected to increase from 62.6% to 65.6%.

<sup>10</sup> Based on the proposed method of financing and the pro forma financial effects of the Acquisition on DPU and NAV per Unit for PLife REIT assuming the Acquisition was completed on 1 January 2023 and held and operated the Properties through 31 December 2023, b) the Acquisition was funded based on a funding structure of 100% equity, and c) the Manager elects to receive its management fees for the Acquisition fully in units.

<sup>11</sup> Inclusive of one Japan nursing home acquired in August 2024.

## **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 64 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.25 billion as at 30 September 2024. 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 60 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.

### **For media queries, please contact:**

#### **H/Advisors Klareco**

Sherilyn Yang – sherilyn.yang @h-advisors.global / (65) 98440714

Chung Mei Shan – meishan.chung@h-advisors.global / (65) 9724 0257

**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.