

# Invesque

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COMPANY OVERVIEW

TSX: IVQ.U



Invesque

# Invesque at a Glance

## MACRO OPPORTUNITY

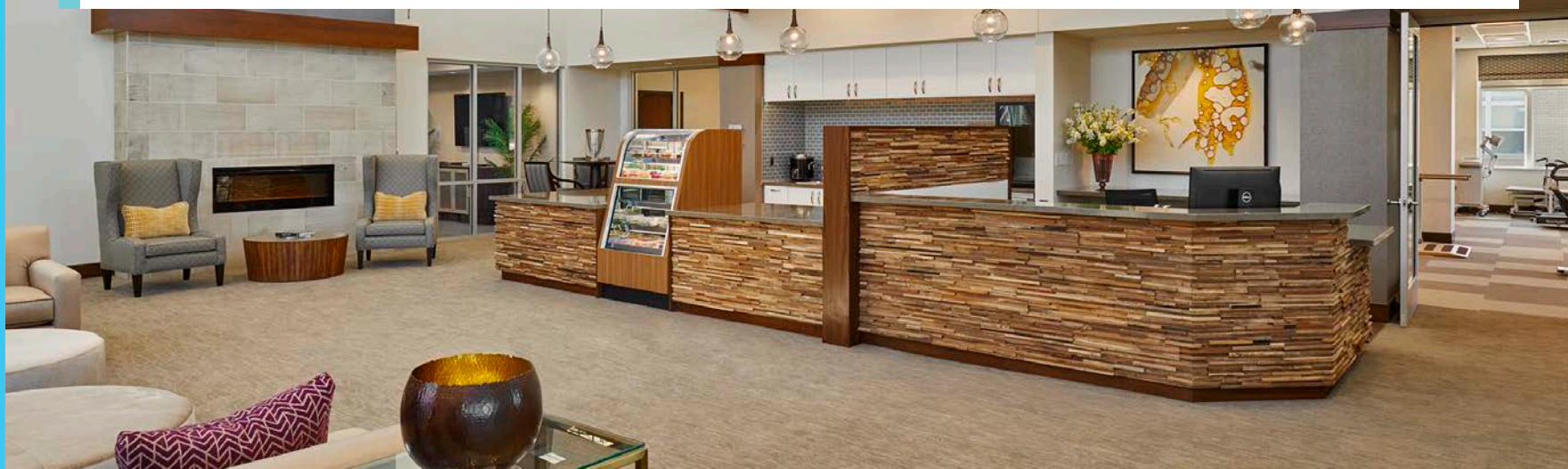
Massive wave of aging baby boomers will utilize greater health care services and spend more dollars on health care. We are just beginning, and **the real growth is ahead.**

## INVESTMENT THESIS

Health care real estate generates long-term, out-paced risk adjusted returns. While any particular asset class may come in and out of favor in any cycle, **long-term, patient investors, will be rewarded.**

## STRATEGY

Build a highly diversified portfolio of income generating health care real estate. Diversify by type of asset, geography, payor source and operator. **Operating partners are the key to our success.**



# Invesque Portfolio Snapshot



**99**

Properties



**12 years**

Average age of portfolio



**~2.3%**

avg. annual rental escalators<sup>(1)</sup>



**20**

Partnerships with high-quality operators



**8,500+**

Beds/Suites

**577,000**

MOB ft<sup>2</sup>



Triple-net lease and joint venture structure provides **stable cash flow**



**~12 yrs**

Weighted average lease maturity



Geographically diversified across

**19 states**

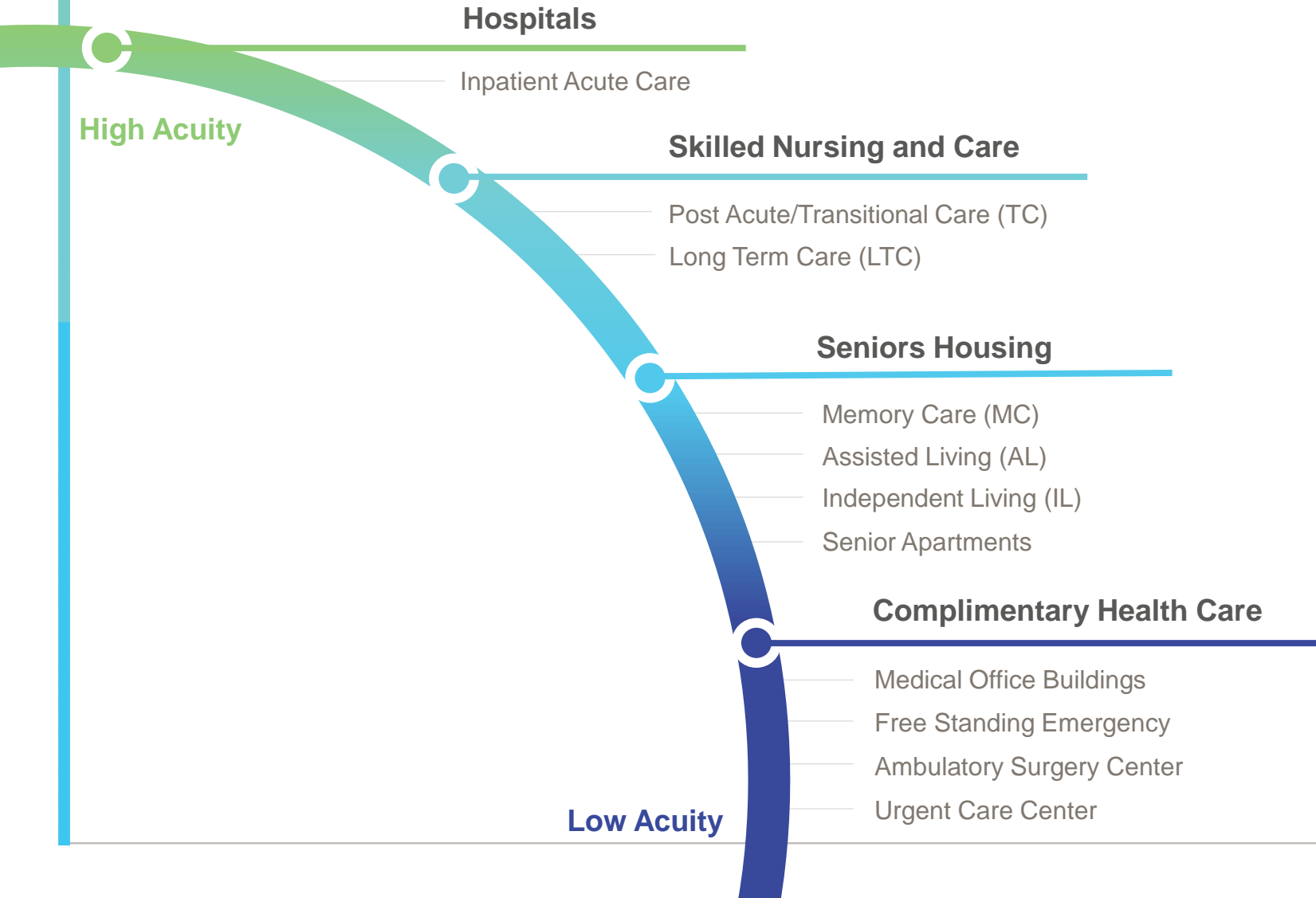
**&**

**2 Canadian Provinces**

(1) Triple net lease portfolio



# Spectrum of Care



# Attractive & Stable Industry Dynamics

Highly fragmented industry focused on a need-driven, cost-effective care model

## HIGHLY FRAGMENTED INDUSTRY

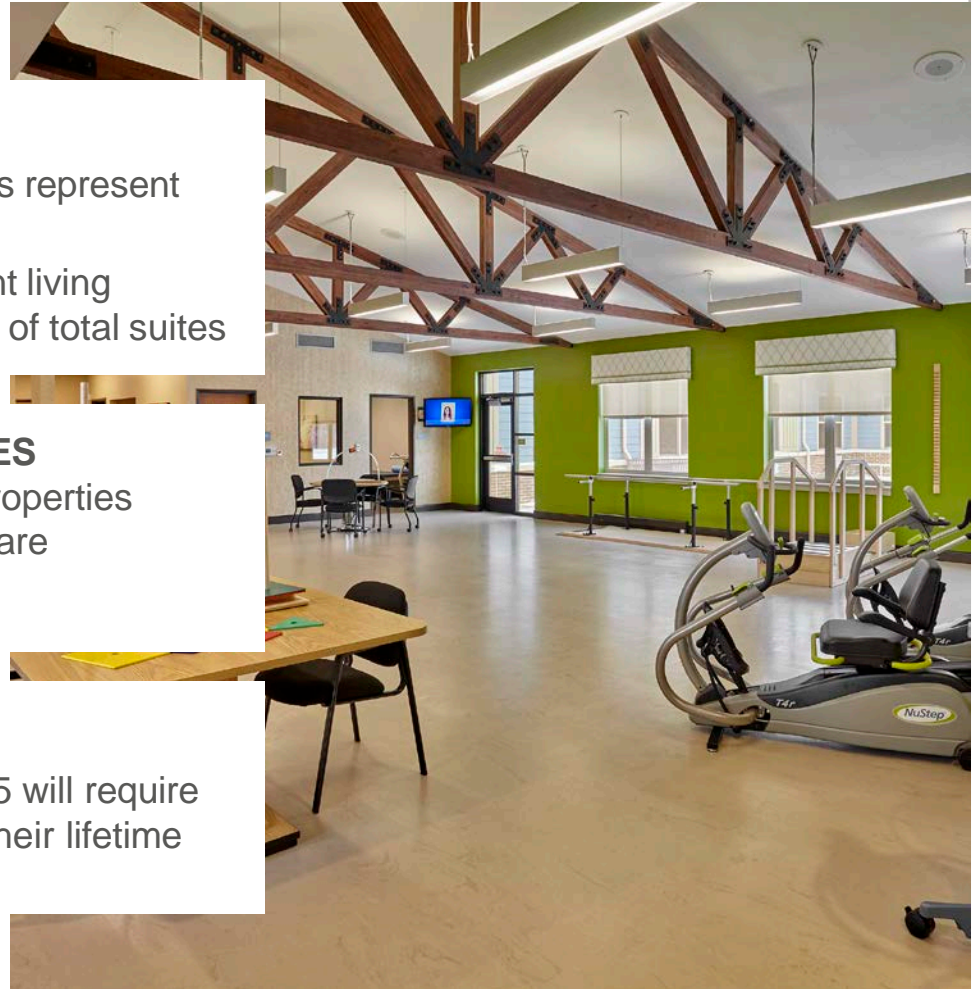
- Top 10 skilled nursing facility owners represent ~17% of total beds
- Top 10 assisted living & independent living community owners represent ~27% of total suites

## COST-EFFECTIVE CARE ALTERNATIVES

Transitional Care and Long Term Care properties provide some of the most cost-effective care alternatives for third-party payer sources

## NEED-DRIVEN SERVICES

Approximately 70% of people over age 65 will require some type of senior care service during their lifetime



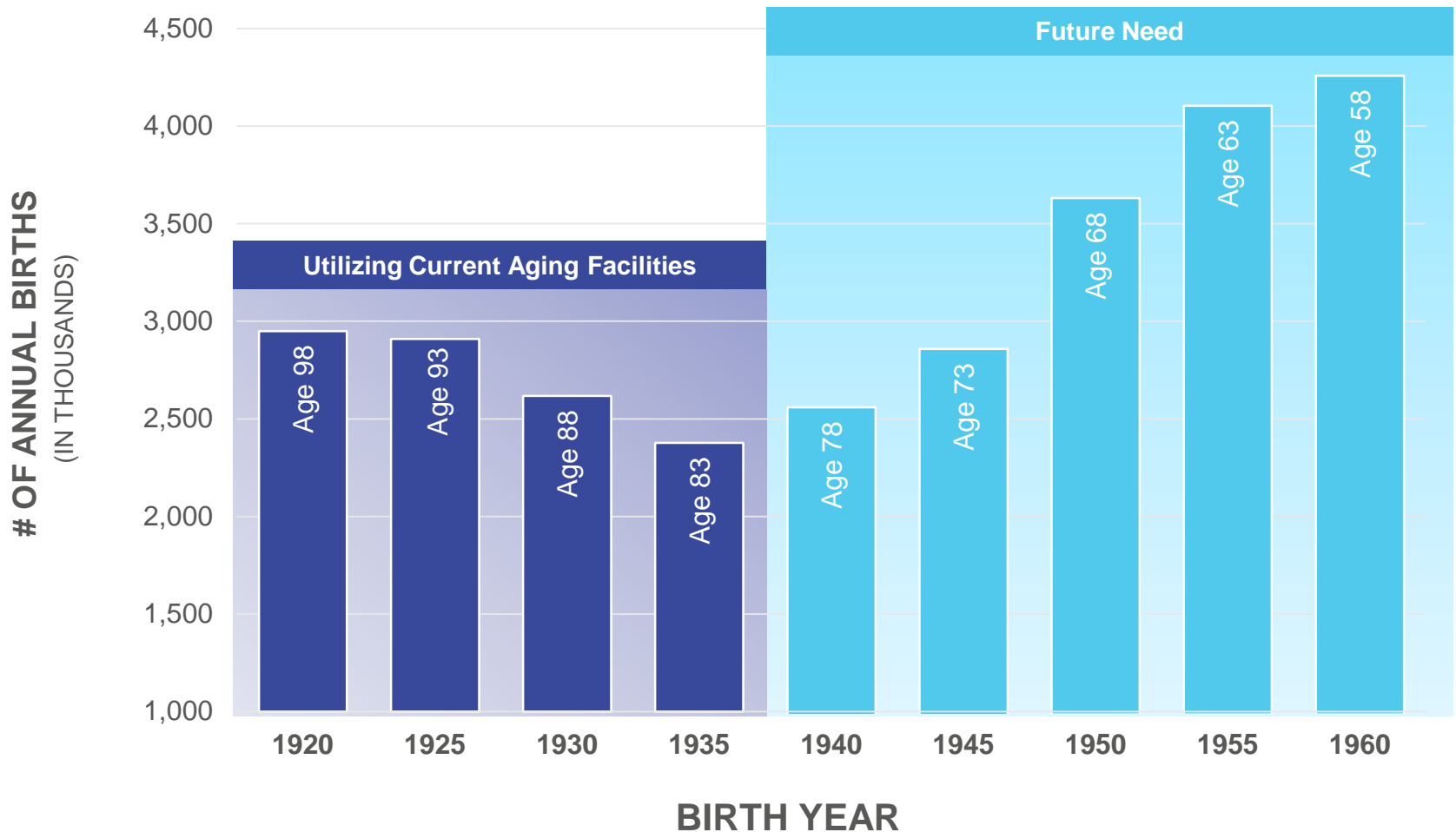
Data Source: National Investment Center for Seniors Housing & Care (NIC)





# Preparing for Unprecedented Growth

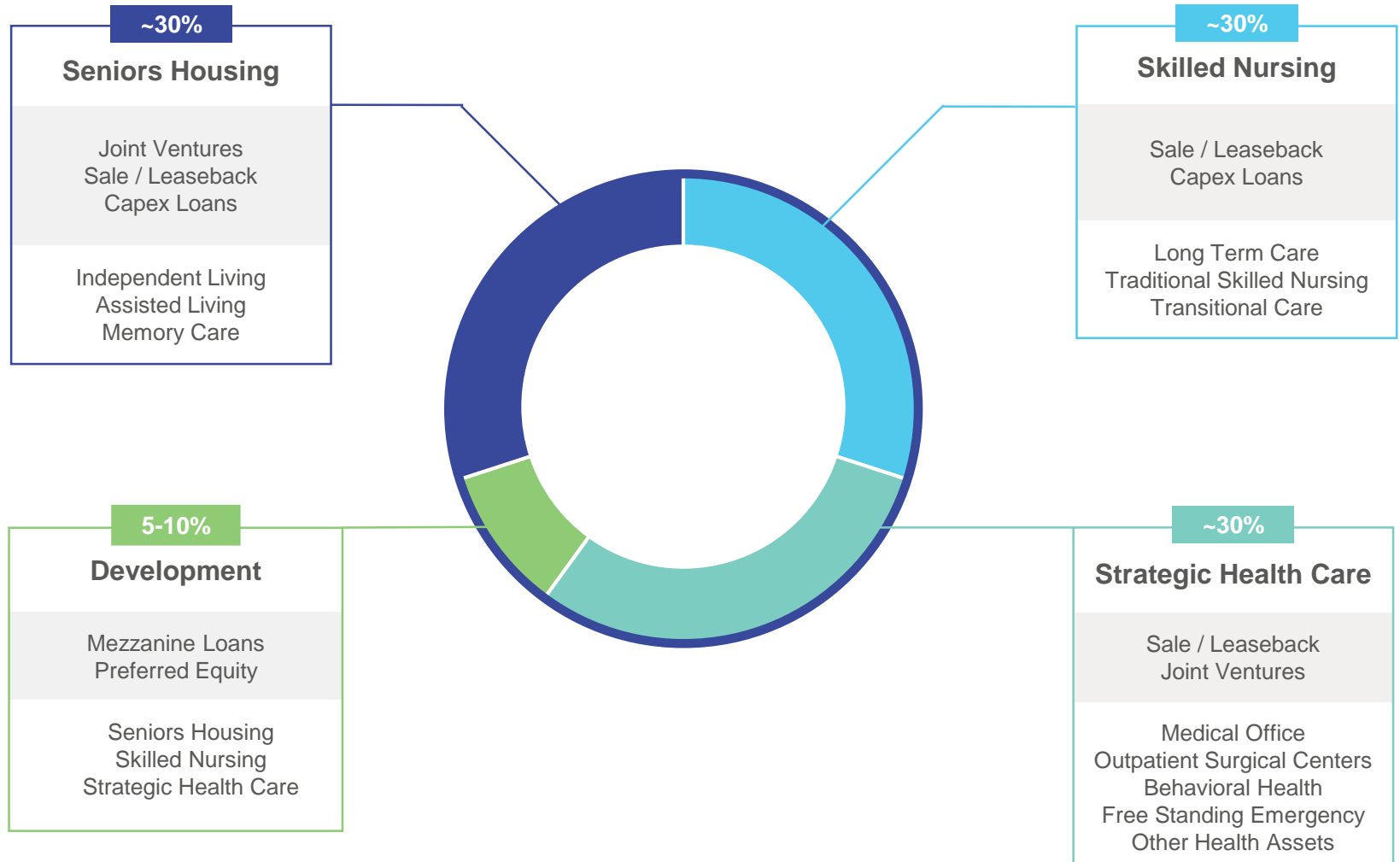
We are at the leading edge of the aging baby boom demographic



Data Source: United States Census Bureau



# Building a Diversified Portfolio



# Clear Pathway to Growth

Focused, Disciplined and Accretive Growth Strategy



## Current Operating Portfolio

Triple-net leases with annual contractual rental escalators of approximately 2.3%

Expansion opportunities with current operating partners



## Acquisition Pipeline

Experienced management team with access to unique pipeline of acquisitions from its deep network of owner, operator, developer, lender and broker relationships



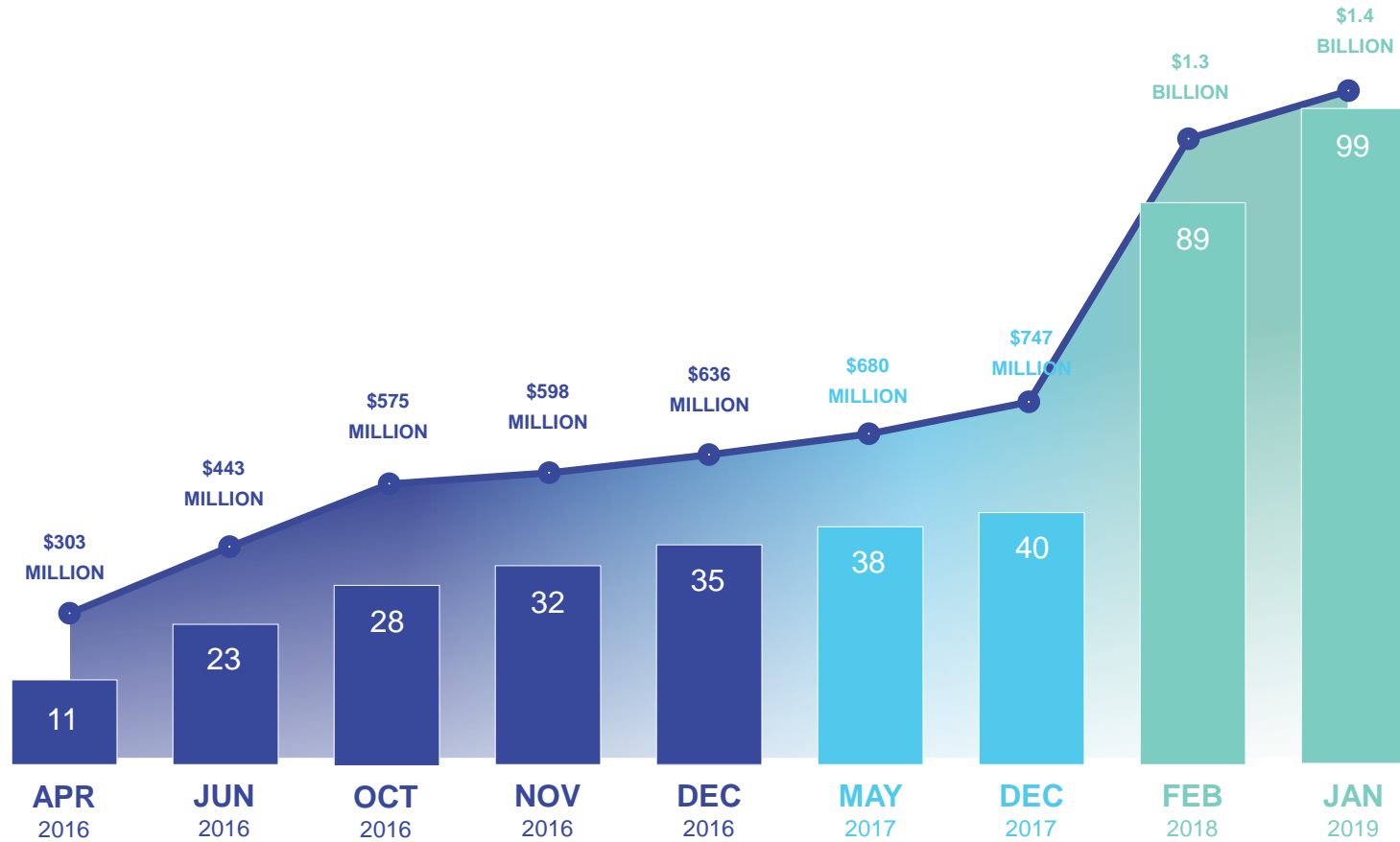
## Development Partnerships

Invesque has arrangements with sought after developers to provide development financing in exchange for the right to acquire properties





# Building a Strong Platform



# Care Investment Trust:

## A CASE STUDY IN PORTFOLIO GROWTH & DIVERSIFICATION

In February, Invesque closed on the transformative US\$425 million acquisition of Care Investment Trust, comprising a portfolio of 42 high quality seniors housing and care properties across the United States

- Attractive and strategic portfolio acquisition
- Enhances scale and investment platform
- Improves diversification by tenant and geography
- Increases exposure to private pay senior housing
- Attractive acquisition metrics
- Shares issued at \$9.75 validates embedded value in Invesque portfolio
- Accretive to 2018E AFFO per share



# Mohawk Medical Properties REIT:

## A CASE STUDY OF DIVERSIFICATION AND ESTABLISHING A PLATFORM FOR GROWTH

In May, Invesque expanded its portfolio to include medical office buildings with the US\$138 million acquisition of Mohawk Medical Properties REIT. The acquisition was comprised of 14 properties totaling more than 500,000 ft<sup>2</sup> in Canada and the United States.

- Comprehensive entry into a new asset class
- Solid investment with stable occupancy
- Enhances diversification with addition of strategic properties
- Continue increasing exposure to private pay
- All stock transaction at \$9.75 demonstrating embedded value in portfolio
- Accretive to 2018E AFFO per share

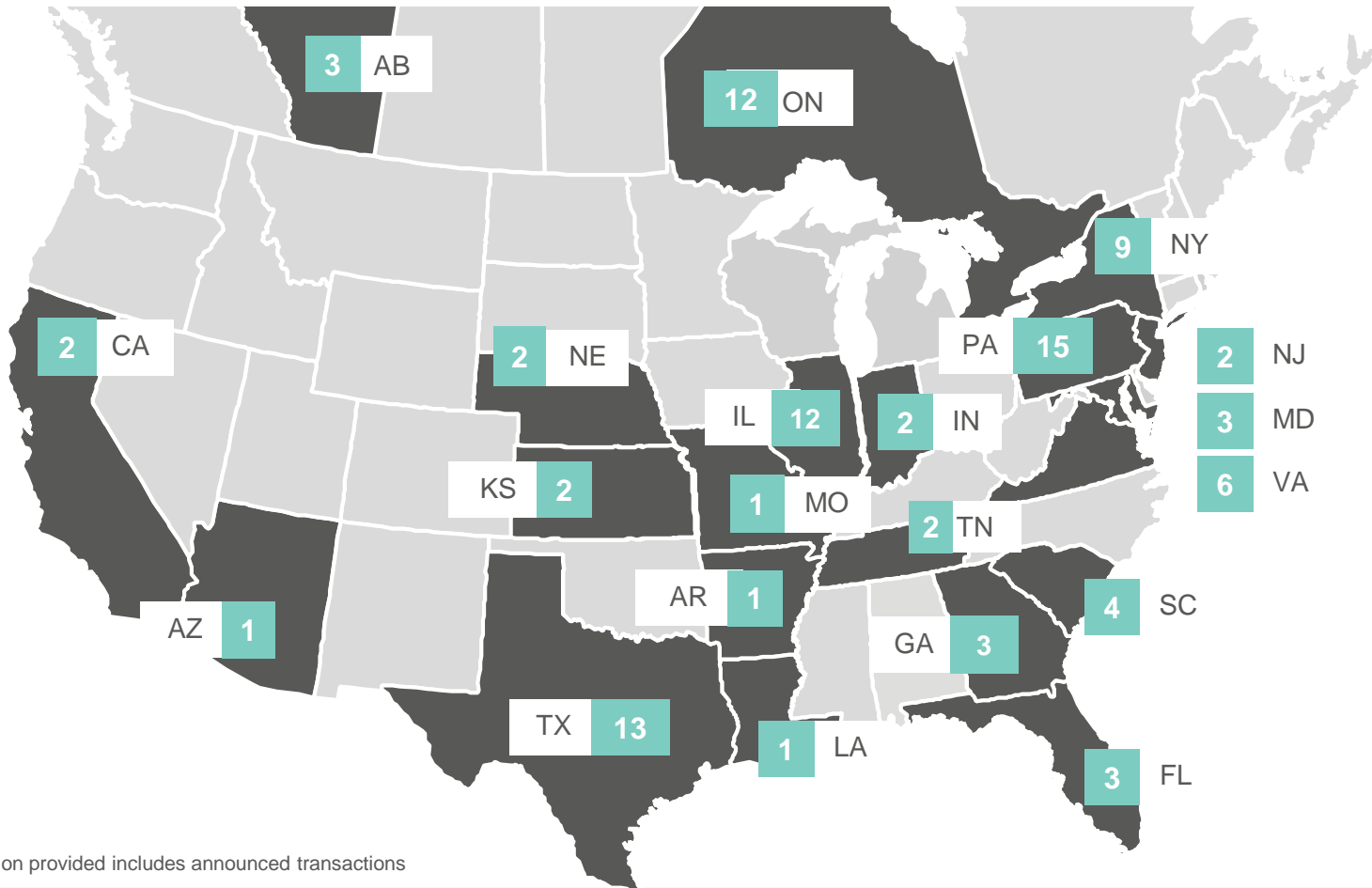


# Well-established Industry Leading Operating Partners



# Geographically Diverse Footprint

99 Properties 8,500+ Suites & Beds 577,000 MOB ft<sup>2</sup> ~US\$1.4B of Investment Properties



All information provided includes announced transactions



# Financial Profile & Strategy

## CONSERVATIVE DEBT PROFILE

- Prospective targeted debt profile of **50 – 55%** of Total Assets
- **54%** as of September 30, 2018, **48%** excluding debentures
- **80%** fixed rate / **20%** floating rate

## LOW COST OF CAPITAL & CONSERVATIVE PAYOUT RATIO

- Weighted average interest rate of **5.0%** as of September 30, 2018
- **76%** payout ratio for the nine months ending September 30, 2018
  - Dividends designated as eligible dividends for Canadian tax purposes, unless otherwise indicated

## FLEXIBLE DEBT FUNDING STRUCTURE POSITIONED FOR GROWTH

- \$400m senior secured credit facility which includes a \$200m term loan and \$200m revolver
- Average debt maturity of 4.6 years



**CONSERVATIVE FINANCIAL  
STRUCTURE WITH ATTRACTIVE  
DEBT TERMS**



# Investment Highlights

- **Strong yield** with a conservative leverage profile
- **Stable cash flow** from triple-net leases with upside from both contractual rent escalations and JV partnerships
- **Experienced and aligned** management team with a track record of delivering value
- Strong partnerships with **leading operators** and health care providers
- Investment platform and industry positioned for **future growth**
- Attractive asset class supported by **compelling demographics**





# Experienced Leadership Team



**SCOTT WHITE**  
Chief Executive Officer

- Previously Executive Vice President of Mainstreet and HealthLease Properties REIT.
- 20+ years of investment banking, accounting, real estate and capital markets experience.
- Former Senior Vice President at Brookfield Asset Management and director at Citigroup.



**ADLAI CHESTER**  
Chief Investment Officer

- Previously Chief Financial Officer of Mainstreet and CFO of HealthLease Properties.
- 15+ years of experience in finance, real estate, investments, development and capital markets.
- Awarded CFO of the Year in 2014 and earned a spot on the 40 under 40 list in 2015 by the IBJ.



**SCOTT HIGGS**  
Chief Financial Officer

- Previously Senior Vice President – Finance of Mainstreet.
- 14 years of finance and accounting experience in real estate.
- Significant experience working with public companies as a Senior Manager with KPMG, including advising on multiple initial public offerings.



# Forward-Looking Statements

This presentation contains forward-looking statements which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, performance and business prospects and opportunities of Invesque. (the "Company" or "IVQ"). The words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this presentation include, but are not limited to, statements with respect to the following: the ability of the Company to execute its growth strategies and the expected seniors housing and care industry and demographic trends. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the Company as of the date of this presentation, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, the Company achieving its future growth potential, results of operations, future prospects and opportunities, the demographic and industry trends remaining unchanged, no change in legislative or regulatory matters, future levels of indebtedness, the tax laws as currently in effect remaining unchanged, the continual availability of capital and the current economic conditions remaining un-changed. When relying on forward looking statements to make decisions, the Company cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risk Factors" in the Company's most recent annual information form, which is available at [www.sedar.com](http://www.sedar.com). The Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

All monetary values in this document are in US dollars unless otherwise specified.





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