



Invesque

COMPANY OVERVIEW

TSX: IVQ.U



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This presentation may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the Company and the environment in which it operates, including without limitation on a pro forma basis after taking into account the acquisitions of the Commonwealth Senior Living portfolio and Constant Care portfolio, and the transition of the Greenfield assets (collectively, the “Transactions”). Forward-looking statements are generally identified by words such as “believe”, “anticipate”, “project”, “expect”, “intend”, “plan”, “will”, “may” “estimate”, “pro forma” and other similar expressions. These statements are based on the Company’s expectations, estimates, forecasts and projections and include, without limitation, statements regarding the completion of the Transactions and the timing thereof, the benefits of the Transactions (including, without limitation, the extent to which they will be accretive to the Company’s AFFO per share and NAV and contribute to NOI), the composition of the Company’s portfolio following completion of the Transactions and the expectation that additional benefits to the business (including vertical integration and operator and geographic diversification) will be achieved. The forward-looking statements in this presentation are based on certain assumptions, including that all conditions to completion of the Transactions (including, in the case of the acquisition of the second tranche of the Commonwealth Senior Living portfolio (“Second Tranche”), obtaining lender consent, and with respect to the Greenfield transition assets, obtaining regulatory consents) will be satisfied, and that the Transactions will be completed. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. 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, risks that the conditions to the completion of one or all of the Transactions will not be satisfied or waived, that one or all of the Transactions will otherwise not be completed or that the portfolios being acquired will not perform or be integrated as expected. Additional risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in the Company’s public disclosure documents available at [www.sedar.com](http://www.sedar.com), including the factors discussed under the heading “Risk Factors” in the Company’s annual information form. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to place undue reliance on any such forward-looking statements, which are given as of the date hereof, and to not use such forward-looking statements for anything other than the intended purpose. Further, except as expressly required by applicable law, 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.



# Invesque at a Glance



## Macro Opportunity

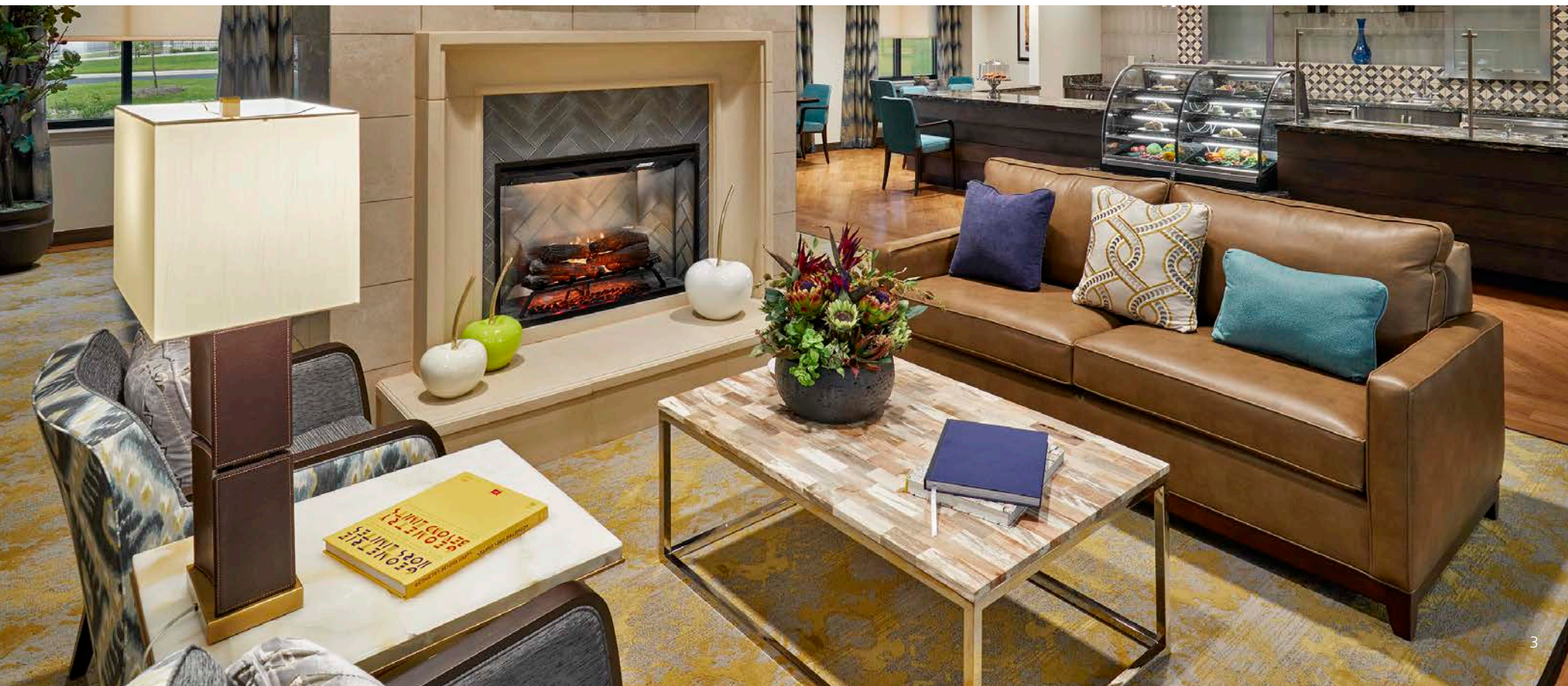
Massive wave of aging baby boomers will utilize greater health care services and spend more dollars on health care. We are just beginning, and **the real growth is ahead.**

## 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.**



# Pro Forma Invesque Portfolio Snapshot



**124**

Properties



**~9 years**

Effective average  
age of portfolio



**~2.2%**

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



**20**

Partnerships with  
high-quality operators



**~11,000**

Beds

**~578,000**

MOB ft<sup>2</sup>



Triple-net lease,  
operating and joint  
venture structure provides

**stable cash  
flow &  
operational  
upside**



**~12.5 yrs**

Weighted average  
lease maturity<sup>(1)</sup>



Geographically  
diversified across

**20 States &  
2 Canadian  
Provinces**

(1) Triple net lease portfolio

Note: All figures include previously announced Commonwealth acquisitions and Greenfield transition assets, which are anticipated to close by 12/31/2019.



# Building the Platform



## **Invesque has successfully built an ~\$1.9 billion diversified health care real estate portfolio and platform**

- ~53% CAGR in asset growth since IPO only three years ago
- Fastest growing public real estate company in the US
- Management has demonstrated success in acquiring \$300 million – \$500 million in assets per year with limited access to public equity capital

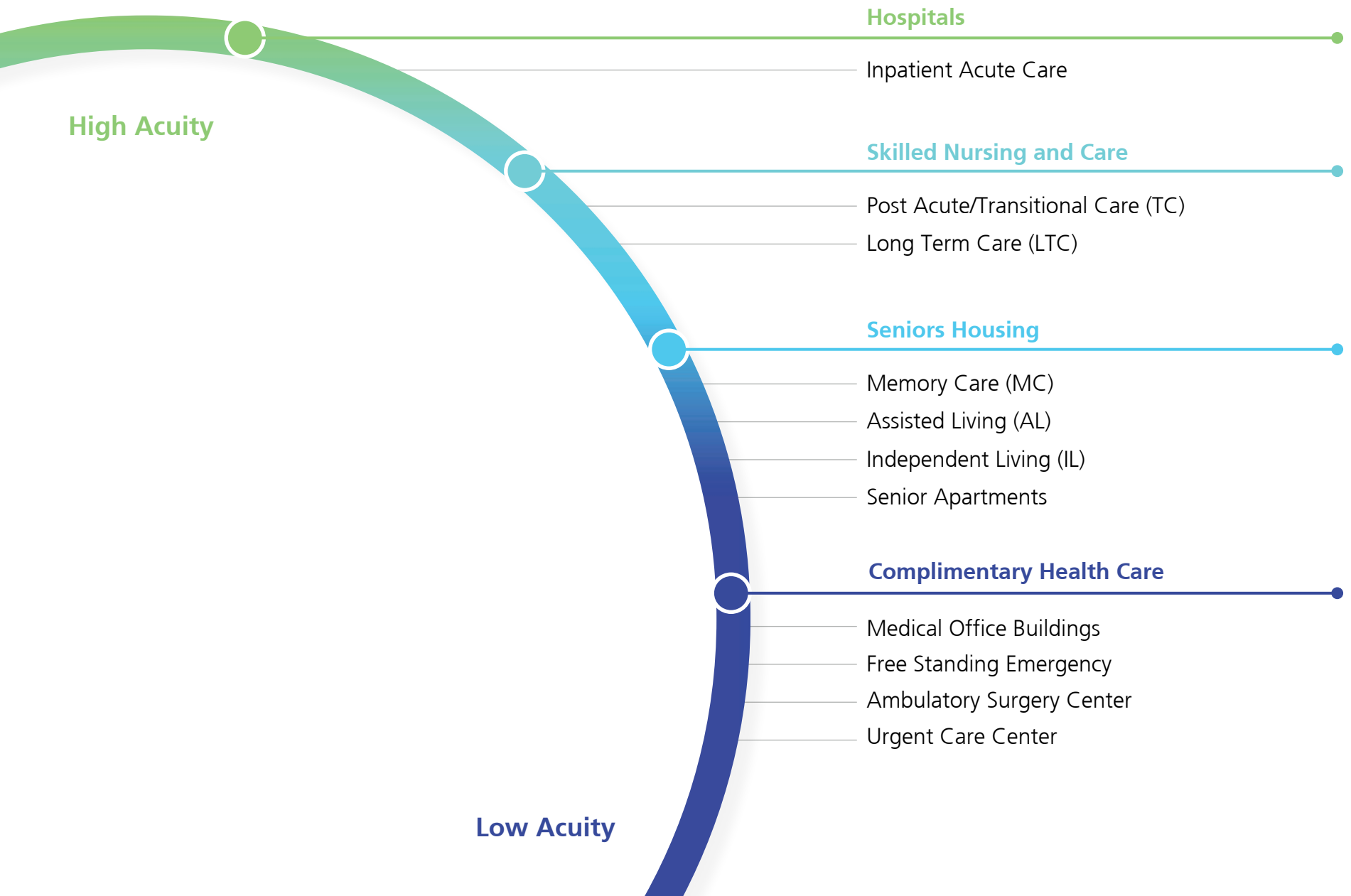
## **The Company's property portfolio generates stable cash flows with strong organic growth**

- Long-term in-place leases with no lease maturities for the next 5+ years
- Leases are signed with operating tenants on a triple-net (NNN) basis
- Captive, vertically integrated seniors housing operating and management company (Commonwealth Senior Living)
- ~40% of pro forma NOI from senior housing operating properties (SHOP)
- ~55% of pro forma NOI from private pay seniors housing

Note: All property figures pro forma as of 12/31/2019.



# Spectrum of Care





# Attractive & Stable Industry Dynamics

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

## Highly Fragmented Industry

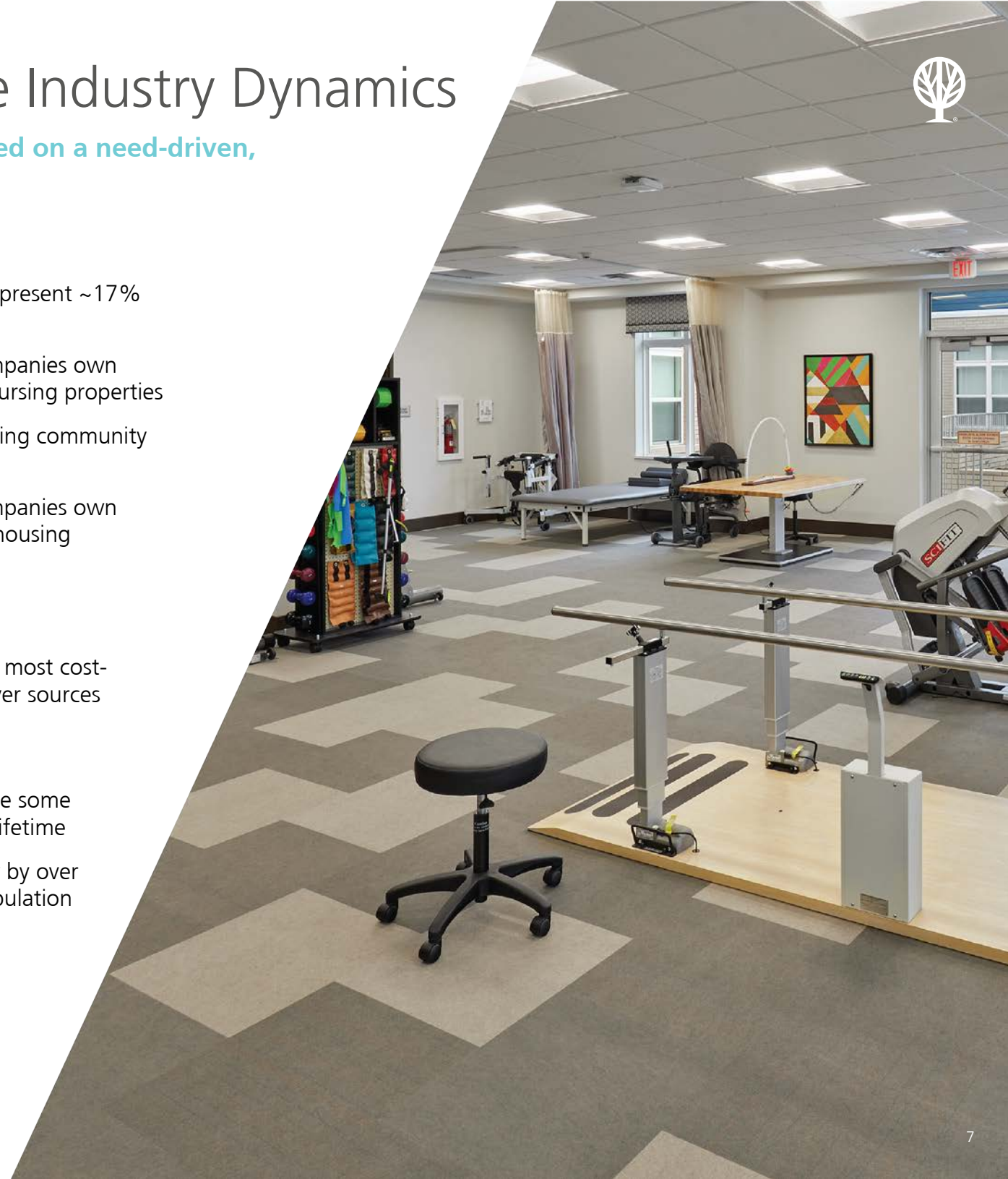
- Top 10 skilled nursing facility owners represent ~17% of total beds
- Publicly traded REITs and operating companies own ~12% of total market value of skilled nursing properties
- Top 10 assisted living & independent living community owners represent ~27% of total suites
- Publicly traded REITs and operating companies own ~21% of total market value of seniors housing properties

## Cost-Effective Care Alternatives

Skilled nursing facilities provide some of the most cost-effective care alternatives for third-party payer sources

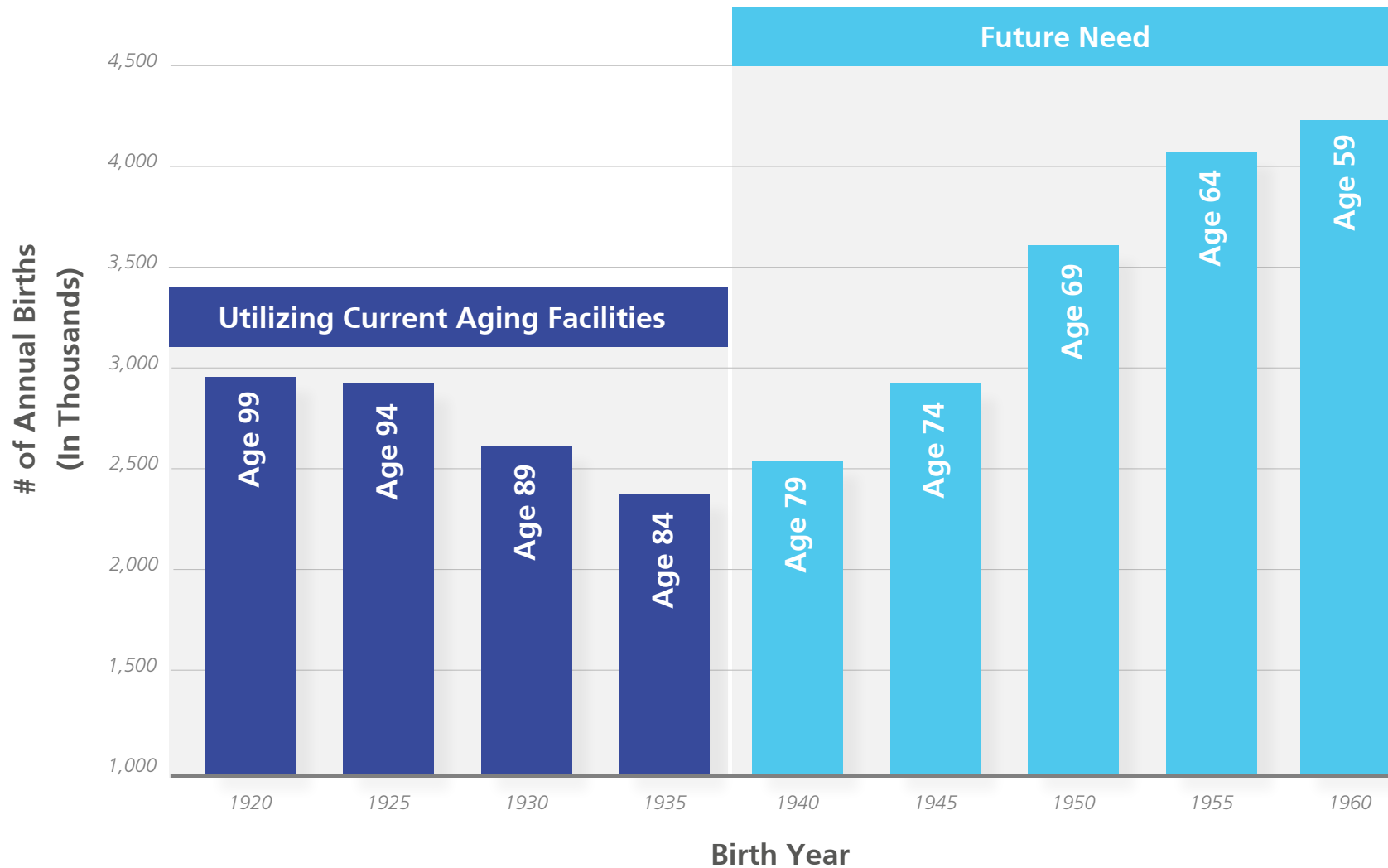
## Need Driven Services

- ~70% of people over age 65 will require some type of senior care service during their lifetime
- The 75+ age group is expected to grow by over 12% by 2025 versus the rest of the population at 3% over the same time period



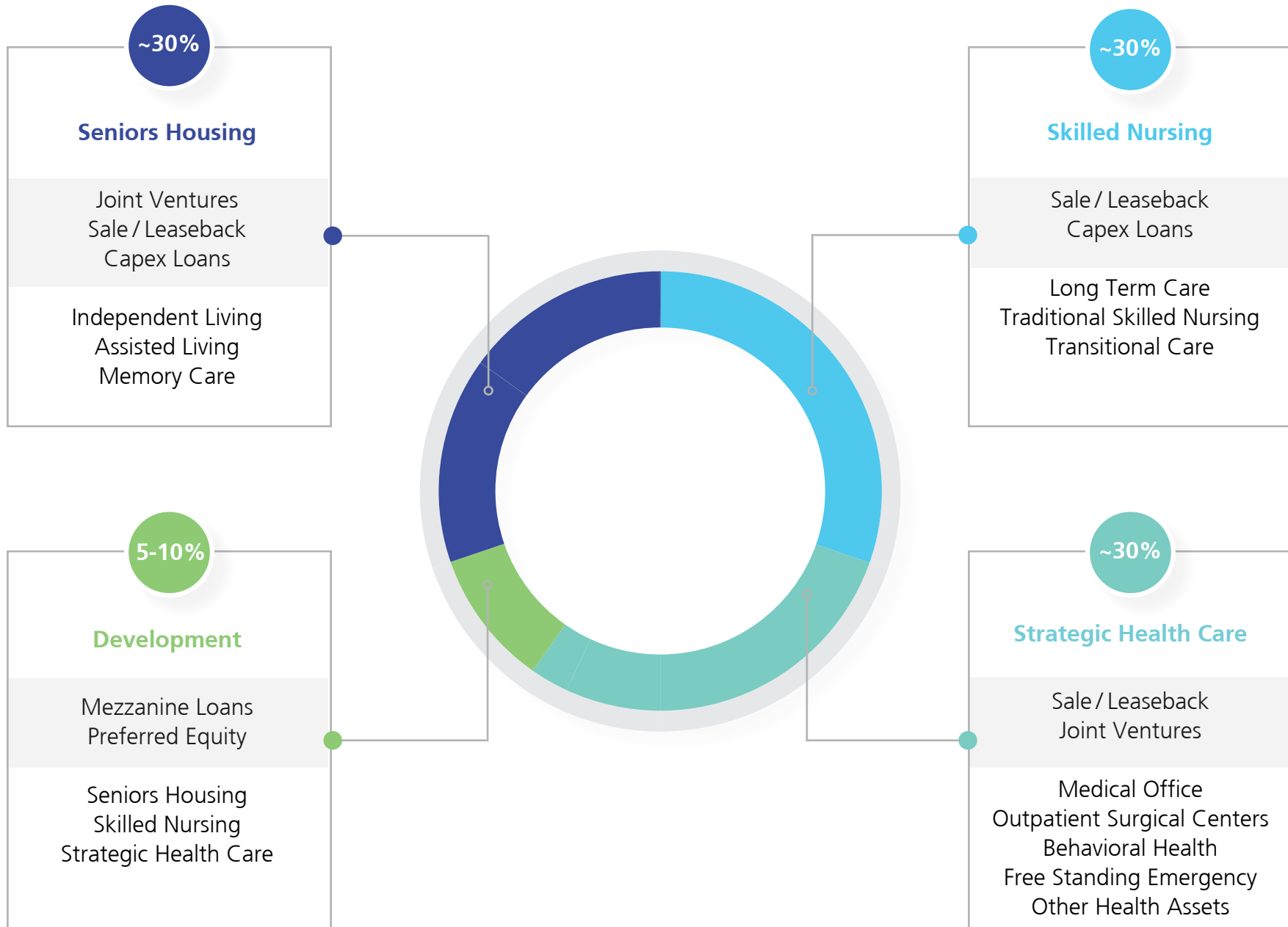
# Preparing for Unprecedented Growth

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





# Building a Diversified Portfolio



# Clear Pathway to Growth

Focused, Disciplined and Accretive Growth Strategy



## Current Operating and NNN portfolio

Triple-net lease segment of portfolio with contractual rental escalators of ~2.2%

Expansion opportunities with current operating partners



## Acquisition Pipeline

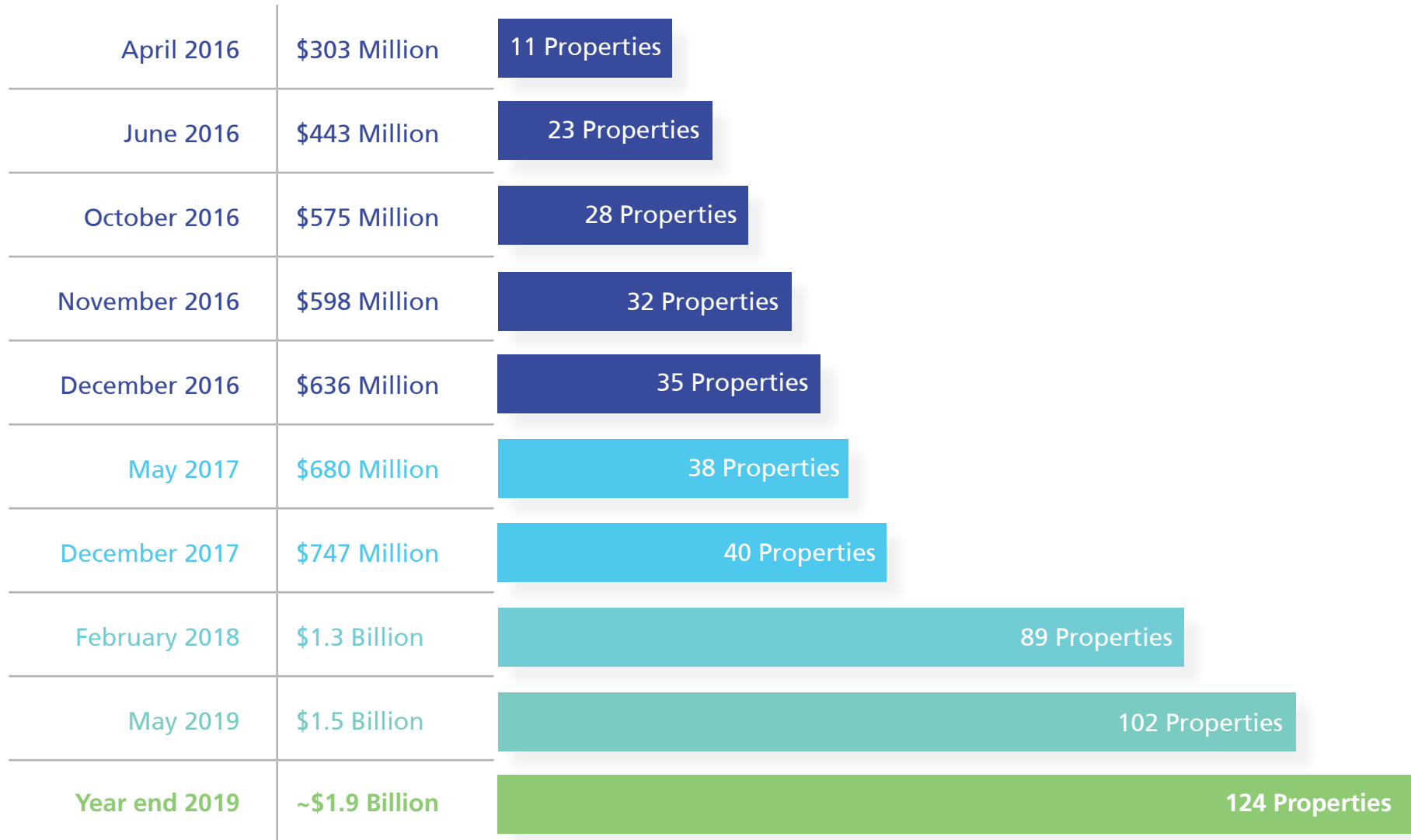
Experienced management team with access to unique pipeline of acquisitions from its deep network of owner, operator, developer, lender and broker relationships



## 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



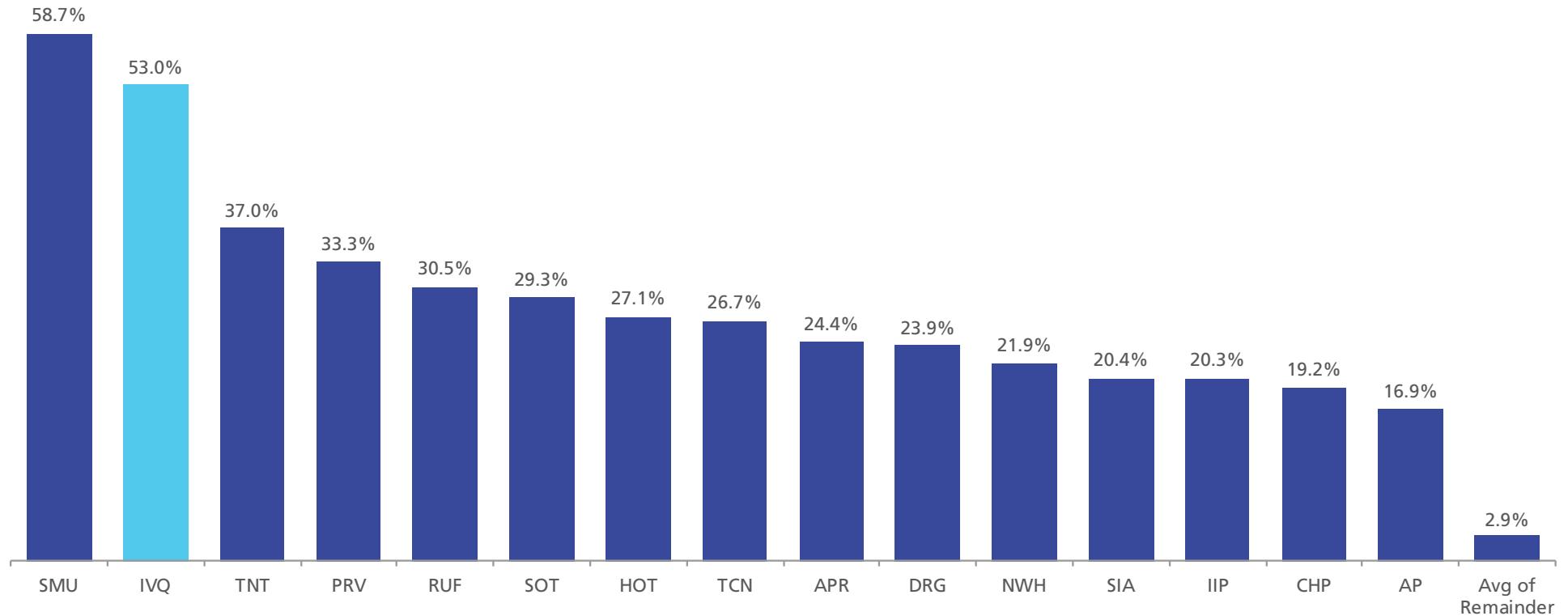
Note: All figures include previously announced Commonwealth acquisitions and Greenfield transition assets, which are anticipated to close by 12/31/2019.



# Invesque Asset Growth Relative to all Canadian REITs



## Canadian REIT Asset Growth (IPO to Q1 2019)

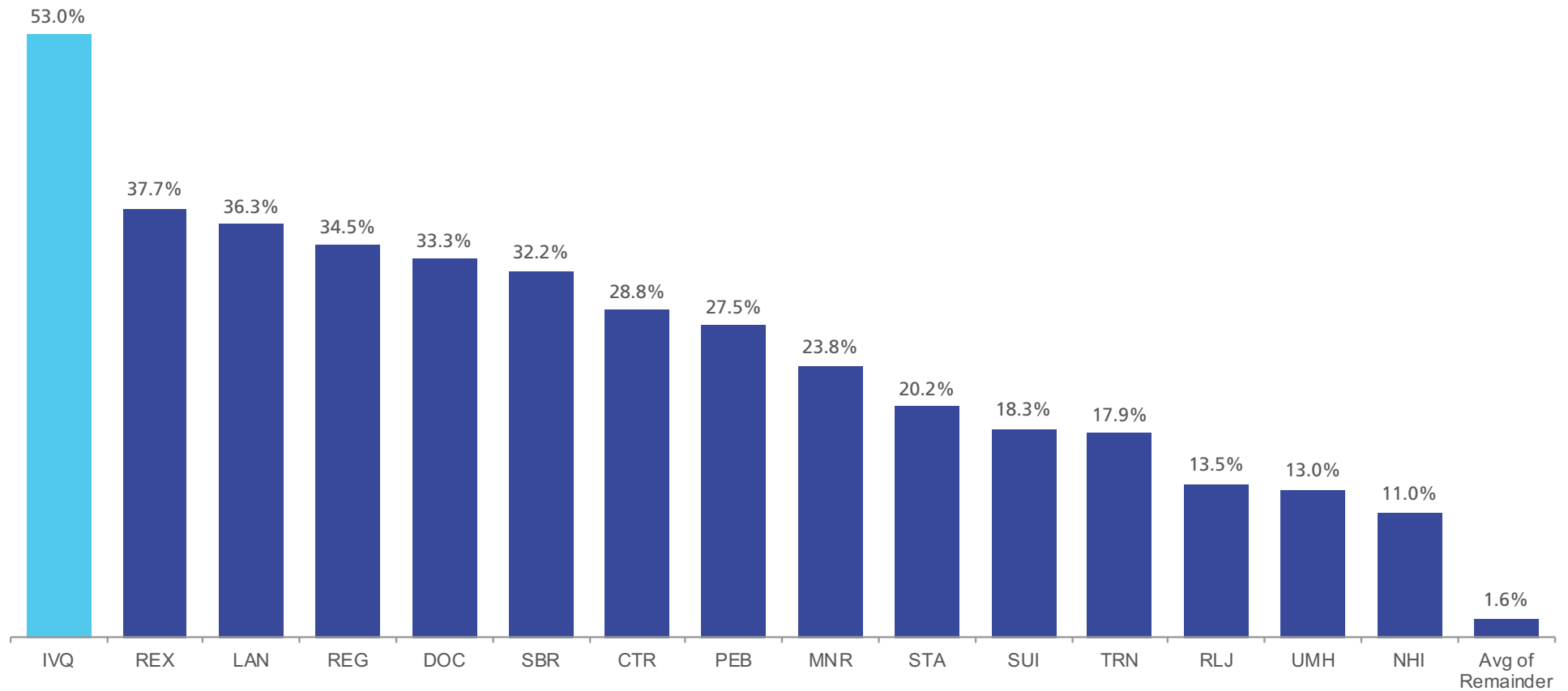


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# Invesque Asset Growth Relative to all US REITs



US REIT Asset Growth (IPO to Q1 2019)



Note: All figures include previously announced Commonwealth acquisitions and Greenfield transition assets, which are anticipated to close by 12/31/2019.

# Commonwealth Senior Living



## A Case Study in Building a Vertically Integrated Health Care Real Estate Platform

In May 2019, Invesque announced the signing of the transformative ~\$340 million acquisition of Commonwealth Senior Living comprising a portfolio of 20 private-pay seniors housing properties in Virginia and Pennsylvania. The acquisition included the Commonwealth Senior Living operating company and management company.

- 20 assets representing 1,440 private pay independent living, assisted living and memory care units
- Exclusive right of first offer on three additional assets currently managed by CSL
- CSL does not have direct exposure to government funding sources
- Private pay seniors housing to represent ~55% of total pro forma NOI<sup>(1)</sup>
- Strengthens Invesque platform with a captive, vertically integrated operating and management company
- Properties purchased for ~\$236,000 per unit, representing an ~20% discount to replacement cost
- Preferred equity issued to sellers with initial dividend of 6.5% exchangeable at \$9.75 per share highlighting intrinsic value in Invesque portfolio
- Accretive to NAV given positive spread investment with weighted average cost of capital ~200 basis points inside of going in cap rate
- Accretive to 2019E and 2020E AFFO per share
- Potential for further synergies by leveraging vertically integrated platform
  - Announced the transition of the 10 communities currently operated by Greenfield to CSL
  - CSL represents Invesque's largest pro forma NOI exposure at ~26%

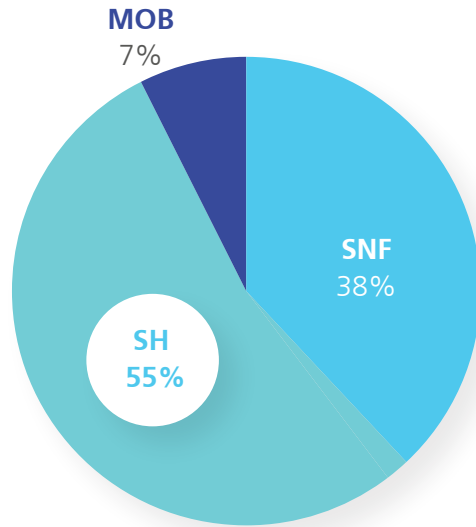
(1) All figures include previously announced Commonwealth acquisition and Greenfield transition assets, which are anticipated to close by 12/31/2019.



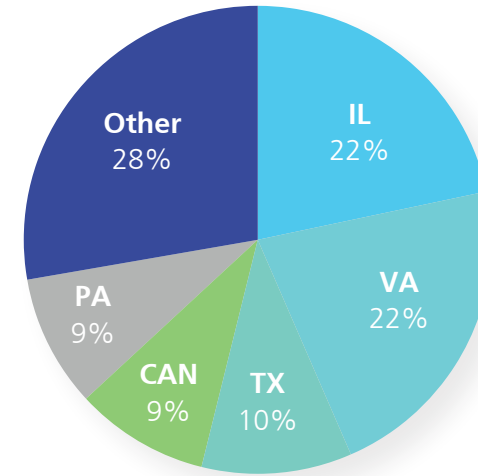
# Pro Forma Portfolio Composition



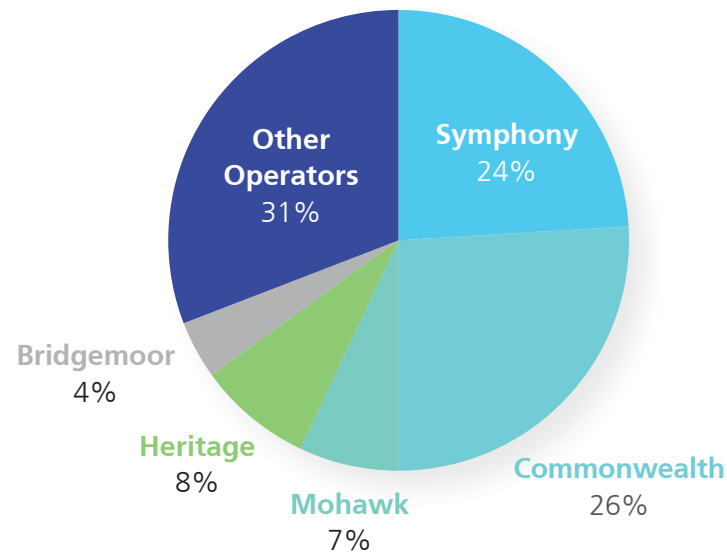
### NOI by Asset Type



### NOI by State



### Portfolio Operator Exposure



Note: All figures as of 9/30/19 on existing portfolio. Pro forma figures include previously announced Commonwealth acquisitions and Greenfield transition assets, which are anticipated to close by 12/31/2019.

# Pro Forma Geographic Footprint

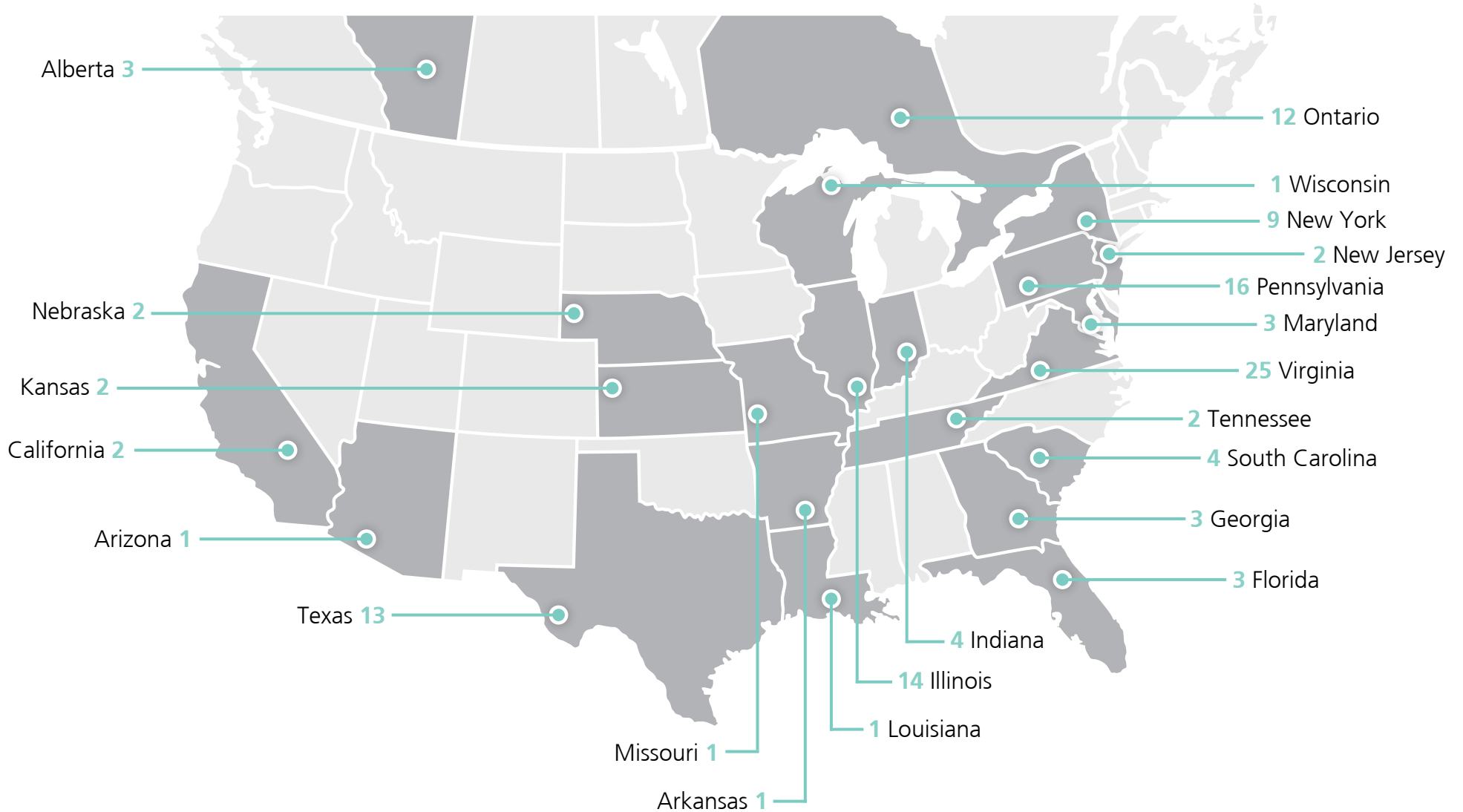


**124**  
Properties

**~11,000**  
Beds

**578,000+**  
MOB ft<sup>2</sup>

**\$1.9B**  
of Investment Properties



Note: All figures include previously announced Commonwealth acquisitions and Greenfield transition assets, which are anticipated to close by 12/31/2019.

# Well-established Industry Leading Operating Partners





# Financial Profile & Strategy



## Low Cost of Capital & Conservative Payout Ratio

- Weighted average interest rate of **4.6%** as of September 30, 2019
- **Projected effective cash payout ratio of approximately 75% for 2019**
  - Dividends designated as eligible dividends for Canadian tax purposes, unless otherwise indicated

## Flexible Debt Funding Structure Positioned for Growth

- \$400 million senior unsecured credit facility which includes a \$200 million term loan and \$200 million revolver
- Average debt maturity of approximately 4 years
- **16% of consolidated debt** rolling over the next 3 years

## Debt Profile

- Prospective targeted debt profile of **50–55%** of Total Assets
- **61.1%** as of September 30, 2019, **55.0%** excluding debentures
- **86%** fixed rate / **14%** floating rate

Balanced Financial Structure  
with Attractive Debt Terms

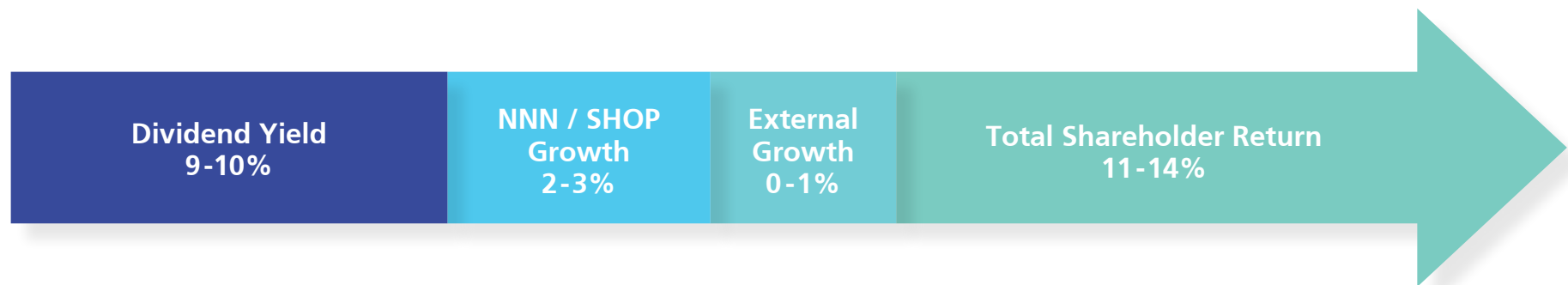
# Multiple Expansion Opportunity Provides For Upside



## NTM FFO Multiple Comparison Versus Peers

	IVQ	Peer Avg. <sup>(1)</sup>	IVQ vs. Peers	IVQ	Big 3 <sup>(2)</sup>	IVQ vs. Big 3	IVQ	Canadian HC Peers <sup>(3)</sup>	IVQ vs. Canadian HC Peers
Current	8.2x	15.2x	(6.9x)	8.2x	19.9x	(11.7x)	8.2x	14.7x	(6.4x)
1-Year	7.3x	12.2x	(5.0x)	7.3x	15.4x	(8.1x)	7.3x	13.3x	(6.0x)
3-Year	9.1x	13.1x	(4.0x)	9.1x	14.3x	(5.2x)	9.1x	15.3x	(6.2x)
<b>IVQ Implied Price at Current Peer Multiple</b>			<b>\$13.42</b>			<b>\$17.60</b>			<b>\$12.98</b>
% Upside			84.1%			141.5%			78.0%

## Double-Digit Total Shareholder Return to Narrow Multiple Gap



Source: FactSet as of 10/31/19. Current IVQ Multiple based on street consensus.

(1) Peers include: SBRA, DOC, NHI, LTC, CTRE, OHI, CSH.UN. Average is a weighted average based on market capitalization.

(2) Big 3 includes: VTR, HCP, WELL. Average is a weighted average based on market capitalization.

(3) Canadian HC Comps include: EXE, SIA, CSH.UN. Average is a weighted average based on market capitalization.

# Experienced Leadership Team



**Scott White**  
Chairman and 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**  
Director and Chief  
Investment Officer

- Previously Chief Financial Officer of Mainstreet and Chief Financial Officer of HealthLease Properties REIT.
- 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 Indianapolis Business Journal.



**Scott Higgs**  
Chief Financial Officer

- Previously Senior Vice President – Finance of Mainstreet.
- 15+ 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.
- Nominated for CFO of the Year in 2018 by the Indianapolis Business Journal.





# Appendix



# Care Investment Trust



## A Case Study in Portfolio Growth and Diversification

In 2018, Invesque closed on the \$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
- Enhanced scale and investment platform
- Improved diversification by tenant and geography
- Increased exposure to private pay senior housing
- Attractive acquisition metrics
- Shares issued at \$9.75 validated embedded value in Invesque portfolio



# Mohawk Medical Properties REIT



## A Case Study of Diversification and Establishing a Platform for Growth

In 2018, Invesque expanded its portfolio to include medical office buildings with the \$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
- Enhanced diversification with addition of strategic properties
- Further increased exposure to private pay
- Attractive acquisition metrics
- All stock transaction at \$9.75 per share demonstrated embedded value in Invesque portfolio

# Invesque

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