



Invesque

COMPANY OVERVIEW

TSX: IVQ.U, IVQ



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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 acquisition of the Commonwealth Senior Living portfolio (the “Transaction”). 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 benefits of the Transaction (including, without limitation, the extent to which it will be accretive to the Company’s AFFO per share and NAV and contribute to NOI) and the composition of the Company’s portfolio (including pro forma NOI based on property type). The forward-looking statements in this presentation are based on certain assumptions. 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, the risk that the portfolios acquired by the Company 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

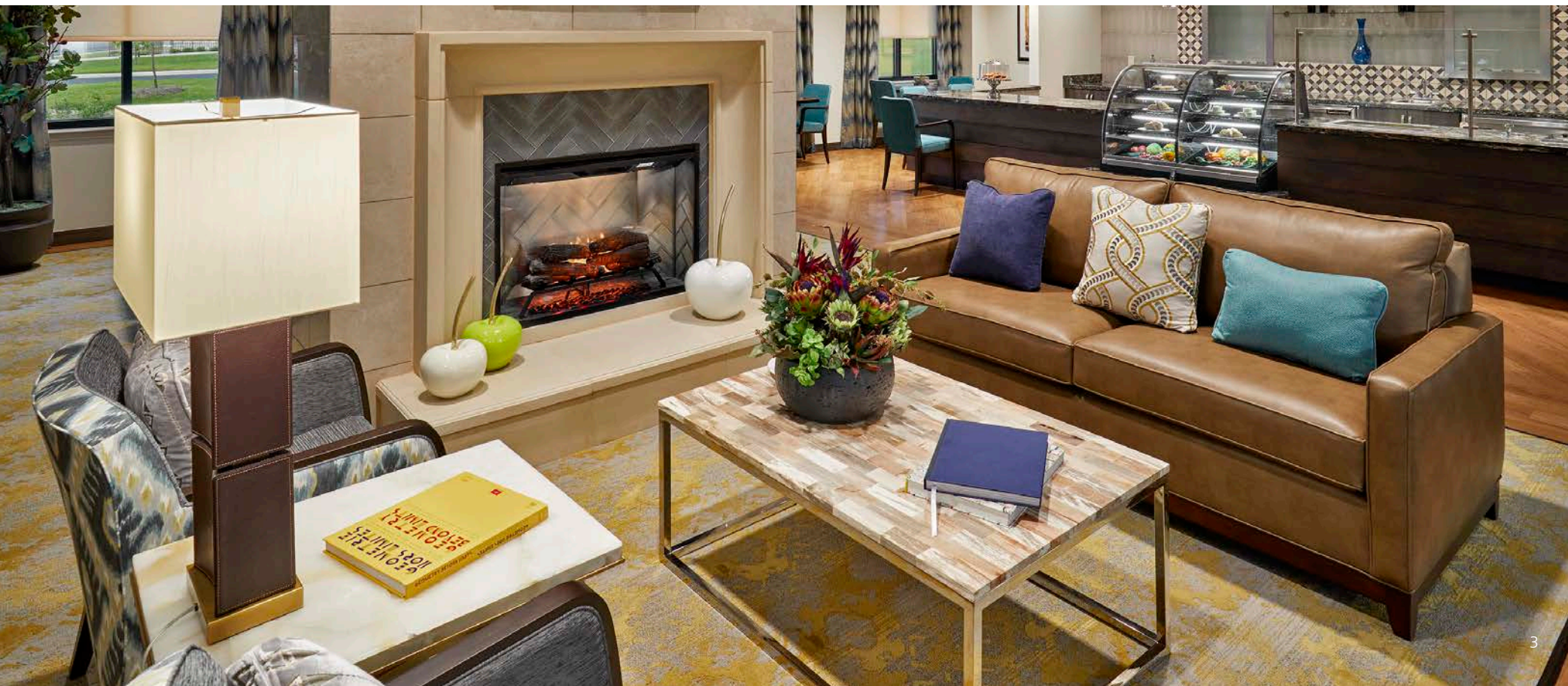
Massive wave of aging baby boomers will utilize greater health care services and spend more dollars on health care. We are just beginning, and **the real growth is ahead.**

## 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



Note: All figures pro forma as of 12/31/2019.  
(1) Weighted by rent payment at 100% ownership.

# Building the Platform



## **Invesque has successfully built a \$1.8B+ billion diversified health care real estate portfolio and platform**

- 44%+ CAGR in asset growth since IPO
- 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**

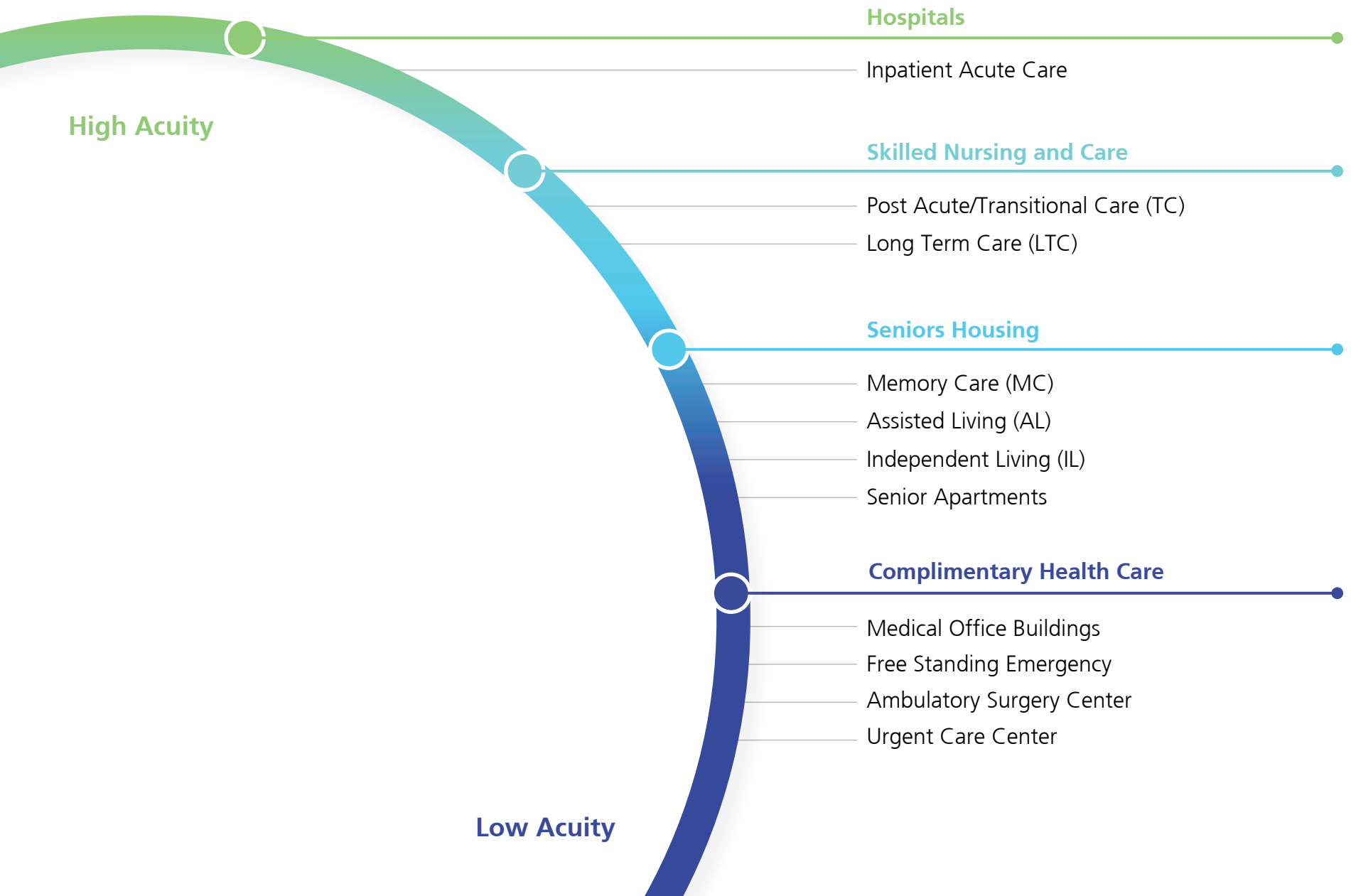
- Long-term in-place leases with no lease maturities for the next 4+ years
- Leases are signed with operating tenants on a triple-net (NNN) basis
- 90%+ of rent from NNN portfolio under master lease structure<sup>(1)</sup>
- Captive, vertically integrated seniors housing operating and management company (Commonwealth Senior Living)
- ~40% of pro forma NOI from senior housing operating properties (SHOP)
- ~56% of pro forma NOI from private pay seniors housing

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

(1) Includes contractual rent in NNN portfolio from assets included in master leases or single leases where the Company can consolidate assets into a master lease structure.



# Spectrum of Care



# Attractive & Stable Industry Dynamics

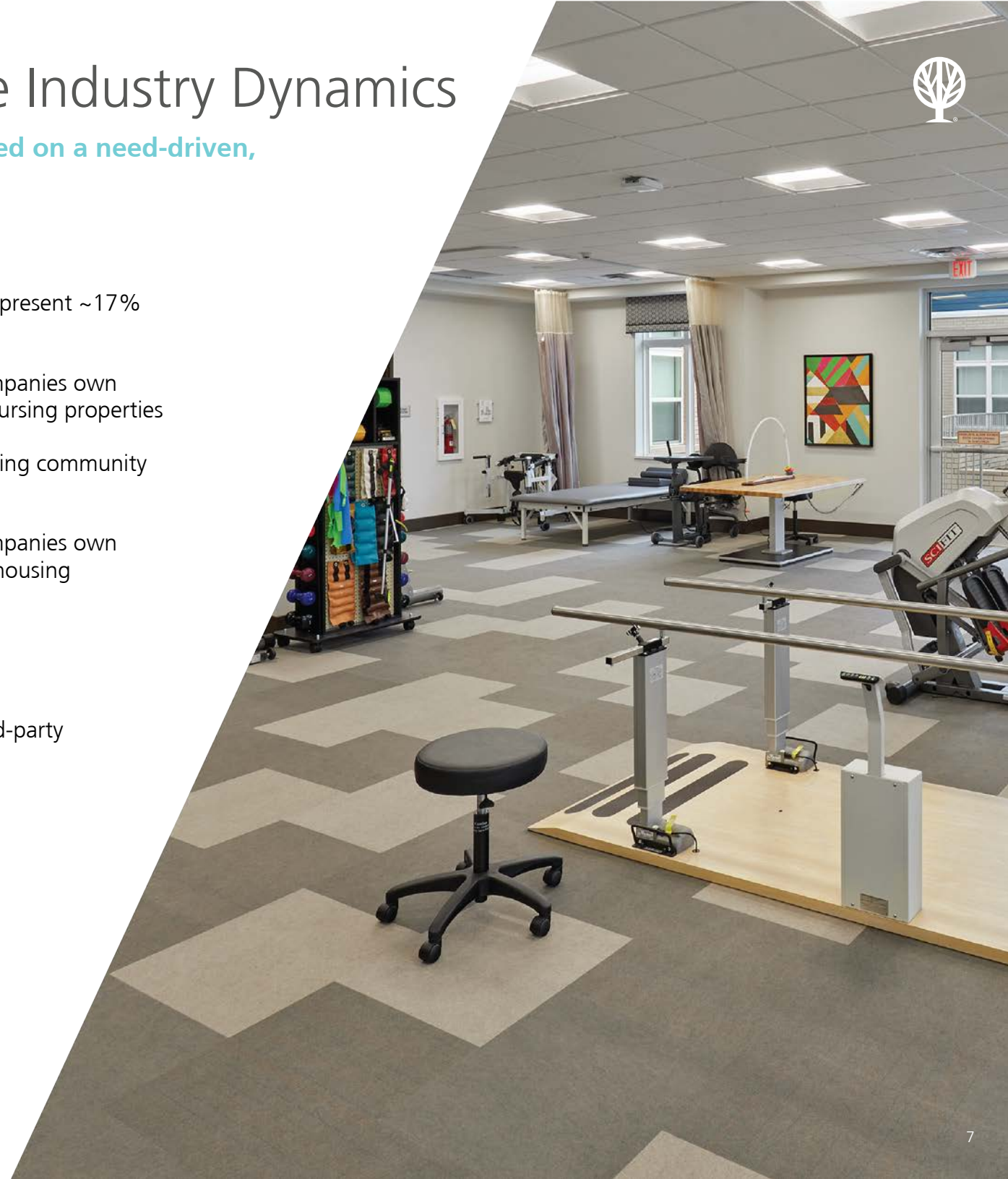
Highly fragmented industry focused on a need-driven, cost-effective care model

## 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



# Attractive Industry Dynamics



## Strong Demographic Driven Growth

- 85+ age group is expected to grow ~4.9% over the next 20 years compared to ~0.6% for the U.S. population

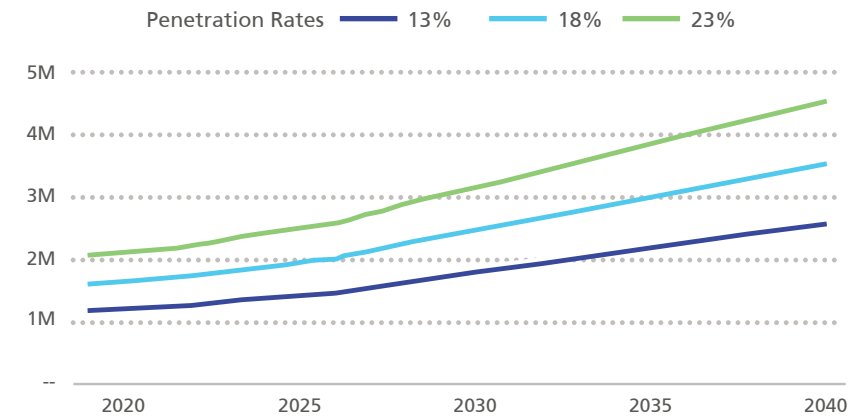
## Need Driven Services

- 85+ age group healthcare per-capita spending is 2.4x the U.S. average
- Industry inventory and absorption have converged since 2017

## Favorable Demand Projections

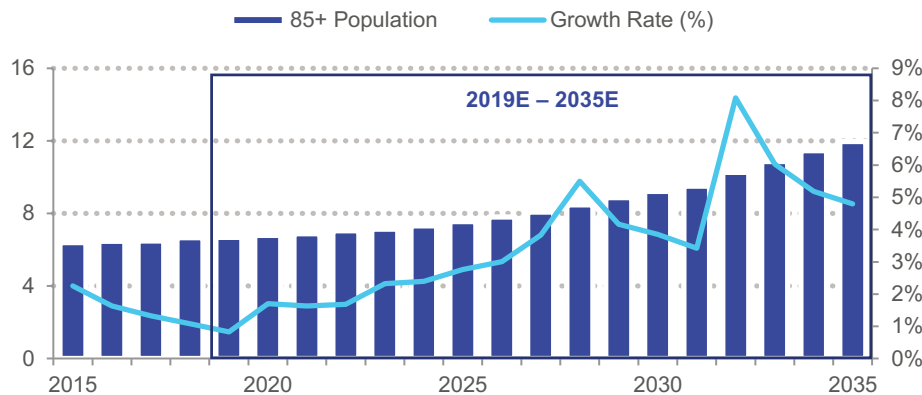
- Demand for seniors housing from the 80+ age group is forecasted to grow at a rate of ~4% over the next 20 years
- Represents ~1.9 million senior housing units of incremental demand based on current market penetration rate of 18%

## U.S. 80+ Age Group Seniors Housing Demand Projections



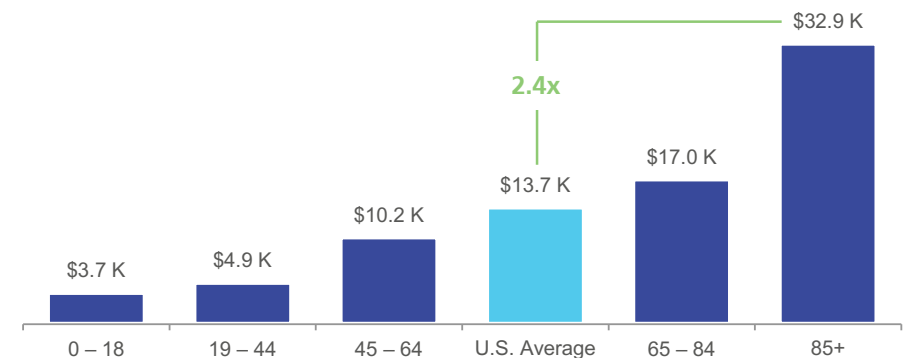
Stable and growing demand driven by strong demographic trends

## U.S. Age 85+ Cohort Population Growth



85+ age cohort is the fastest growing and highest spending population segment

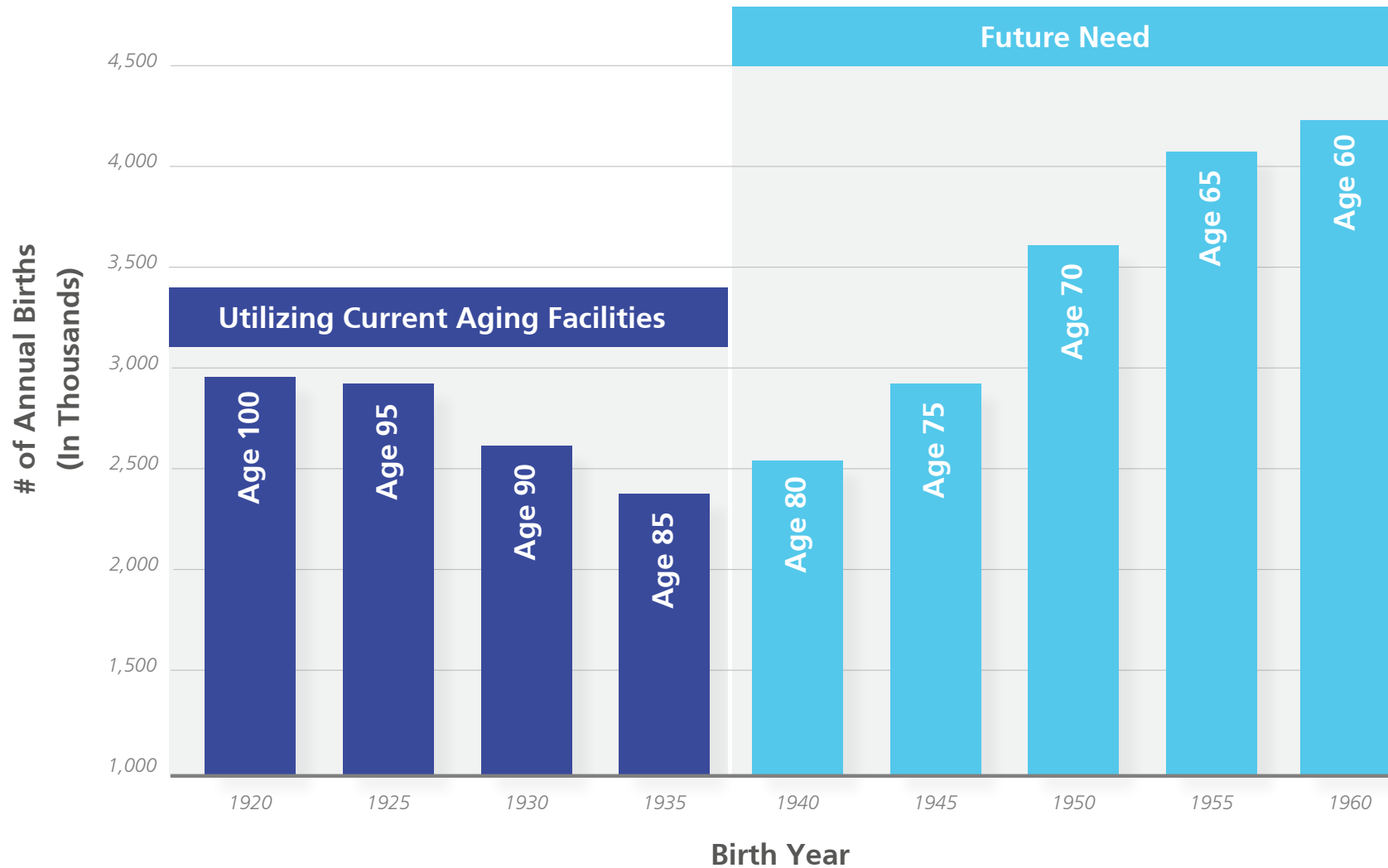
## Personal Health Care Per-capita Spend By Age



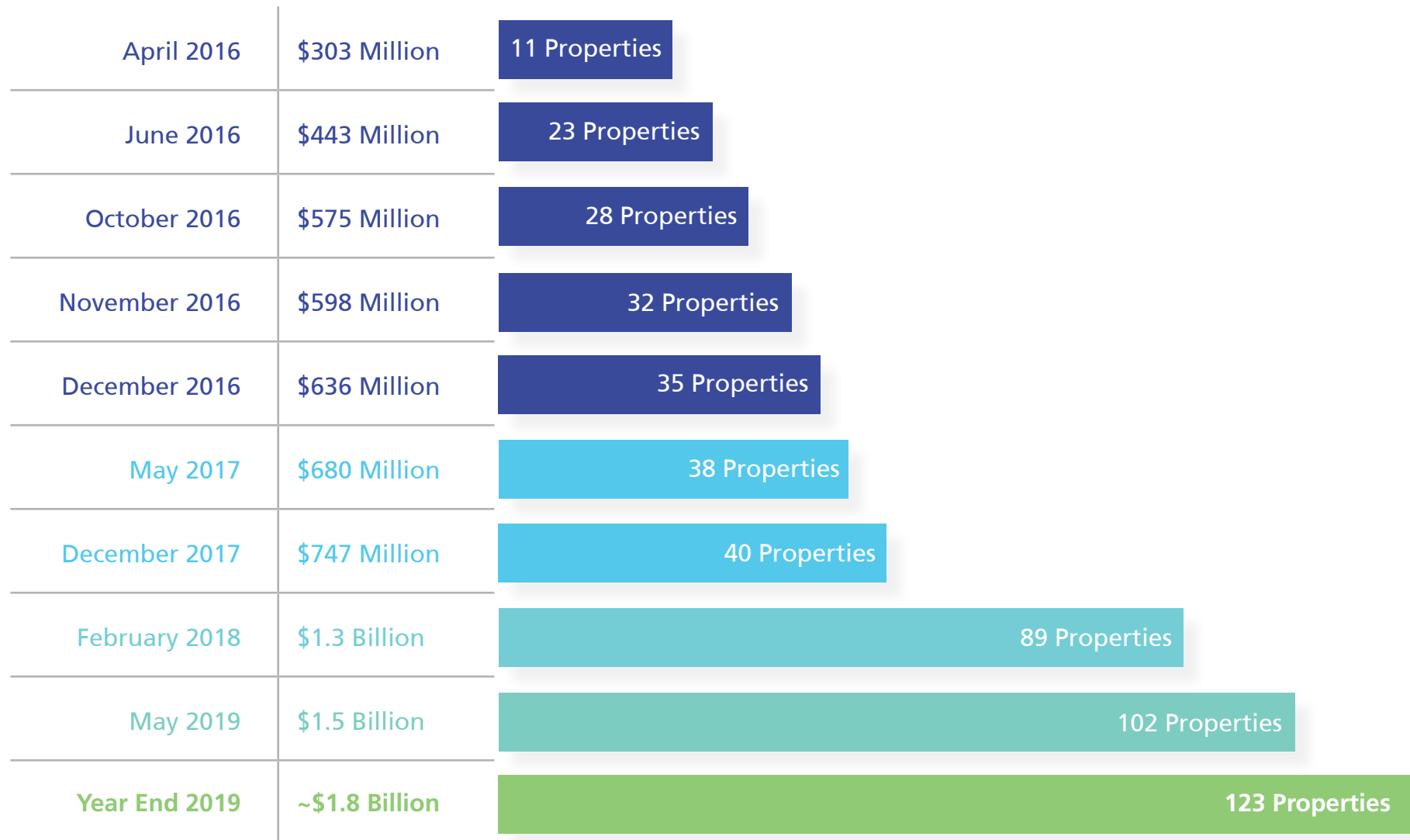


# Preparing for Unprecedented Growth

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



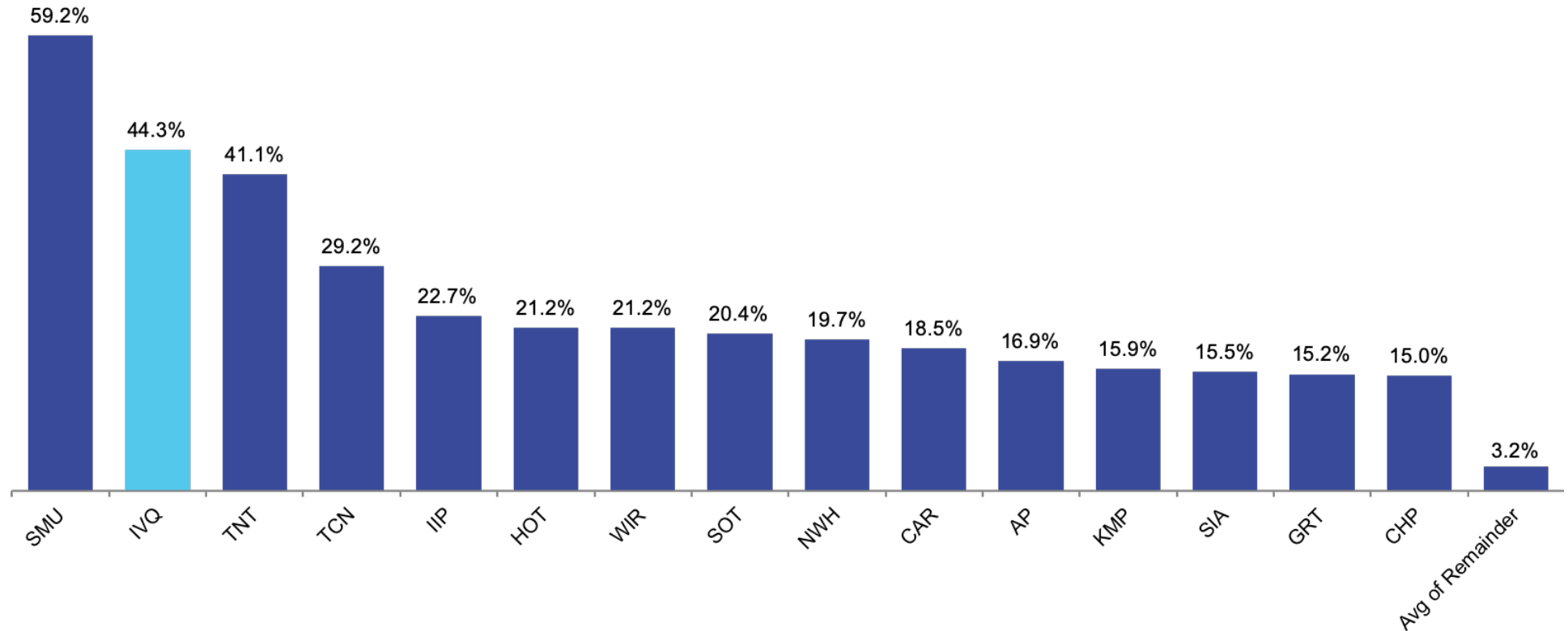
# Building a Strong Platform



# Invesque Asset Growth Relative to all Canadian REITs



## Canadian REIT Asset Growth (IPO to Q4 2019)

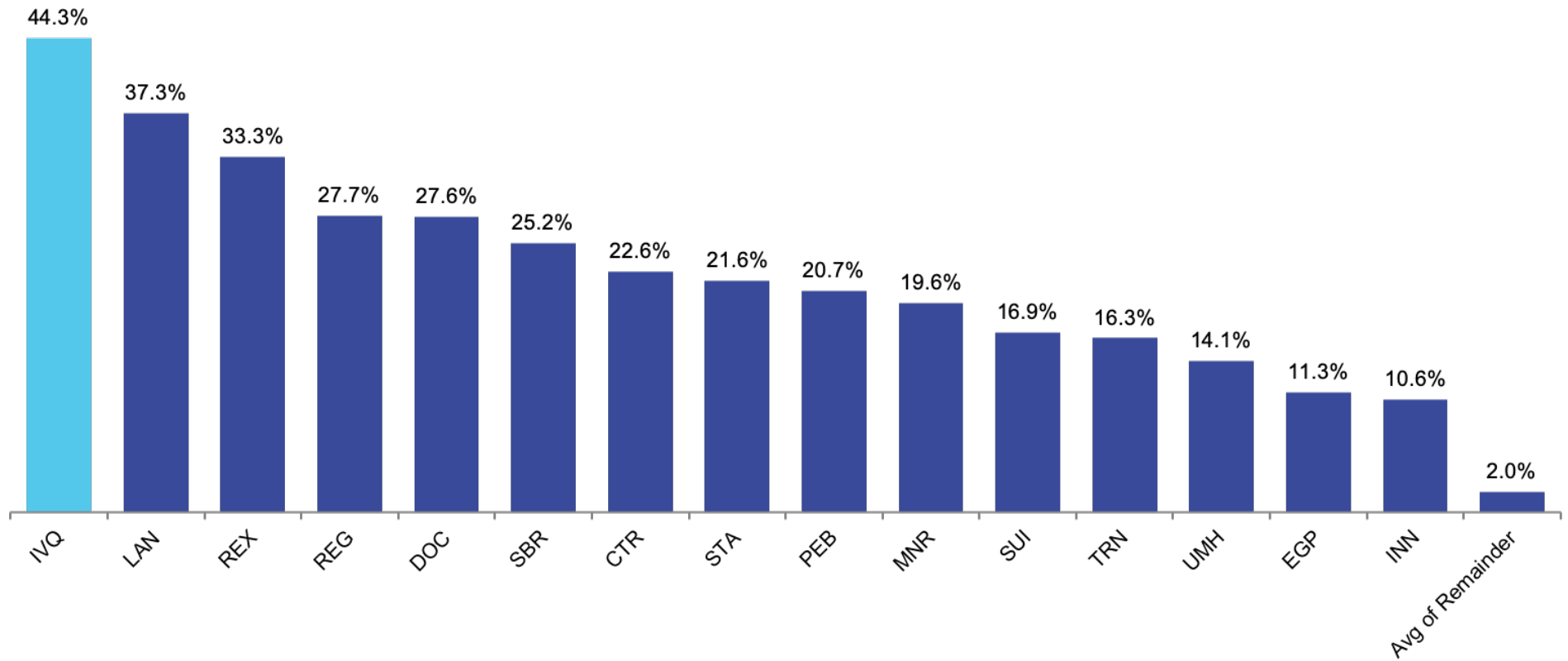


Note: All figures include previously announced Commonwealth acquisitions and Greenfield transition assets.

# Invesque Asset Growth Relative to all US REITs



US REIT Asset Growth (IPO to Q4 2019)

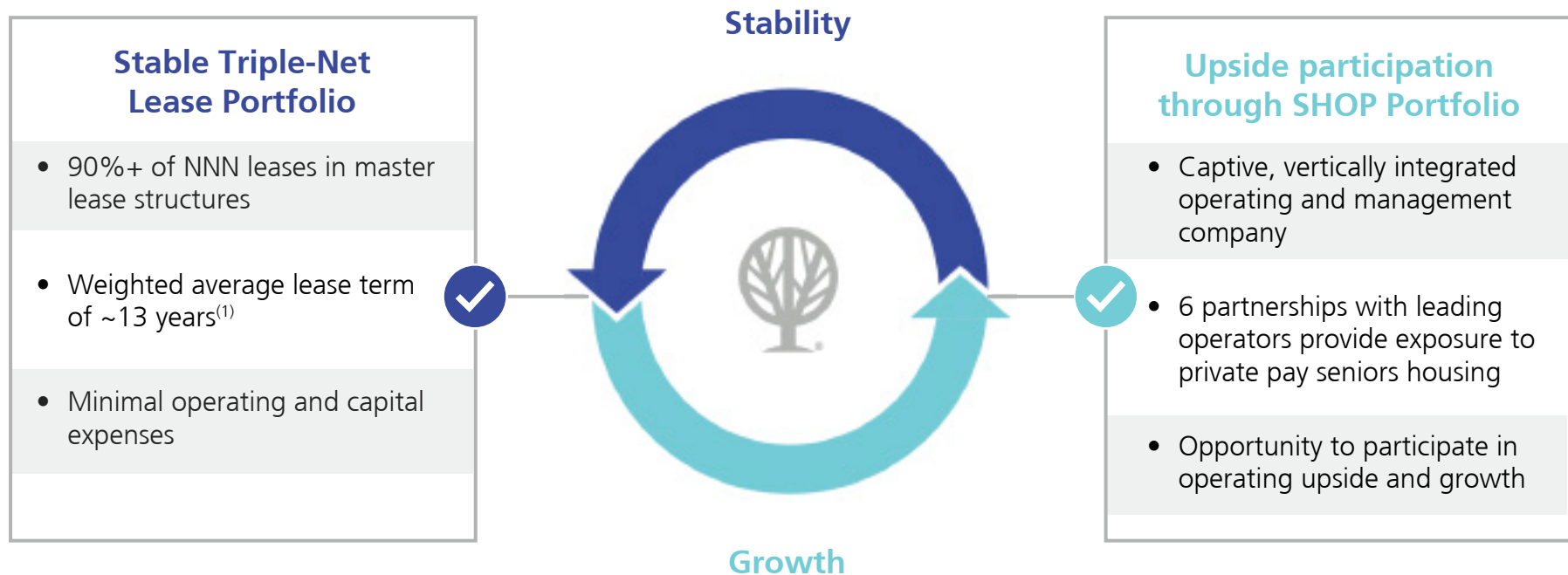


Note: All figures include previously announced Commonwealth acquisitions and Greenfield transition assets.



# Exposure to Stable Long-Term Triple-Net Leases and Operating Properties with Growth

Attractive cash flow profile comprised of stable triple-net leases and SHOP portfolio with private pay senior housing operating properties

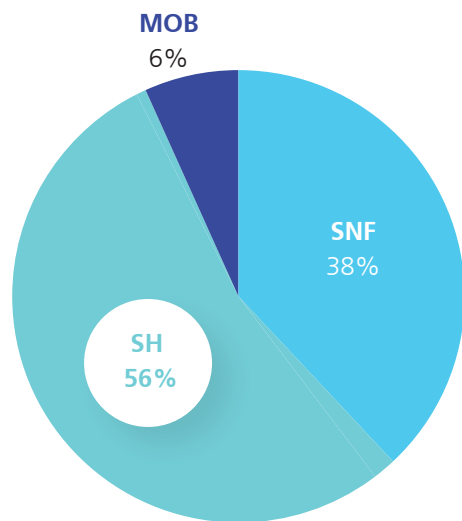


(1) Weighted by rent payment at 100% ownership.

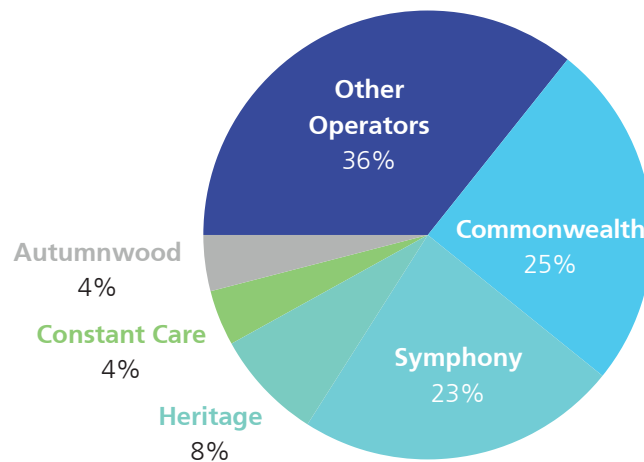
# Pro Forma Portfolio Composition



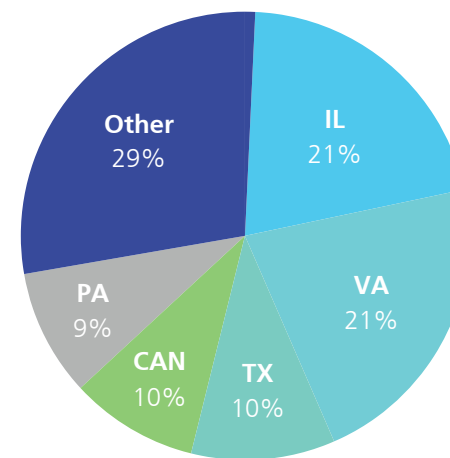
### NOI by Asset Type



### Portfolio Operator Exposure

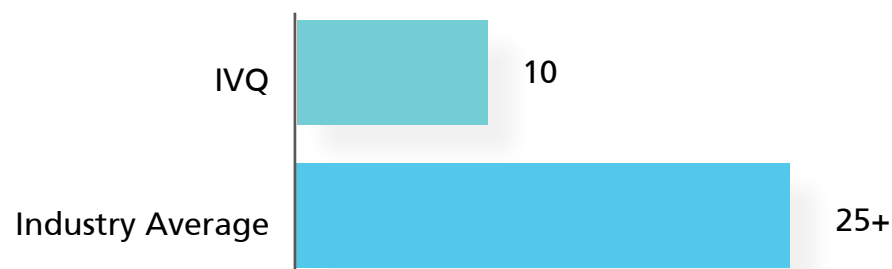


### NOI by State



## U.S. Healthcare Asset Age (Years)<sup>(1)</sup>

Youngest average portfolio age relative to public peers



Note: All figures are pro forma as of 12/31/2019.  
 (1) Source: Public Filings, SNL Financial.

# Pro Forma Geographic Footprint

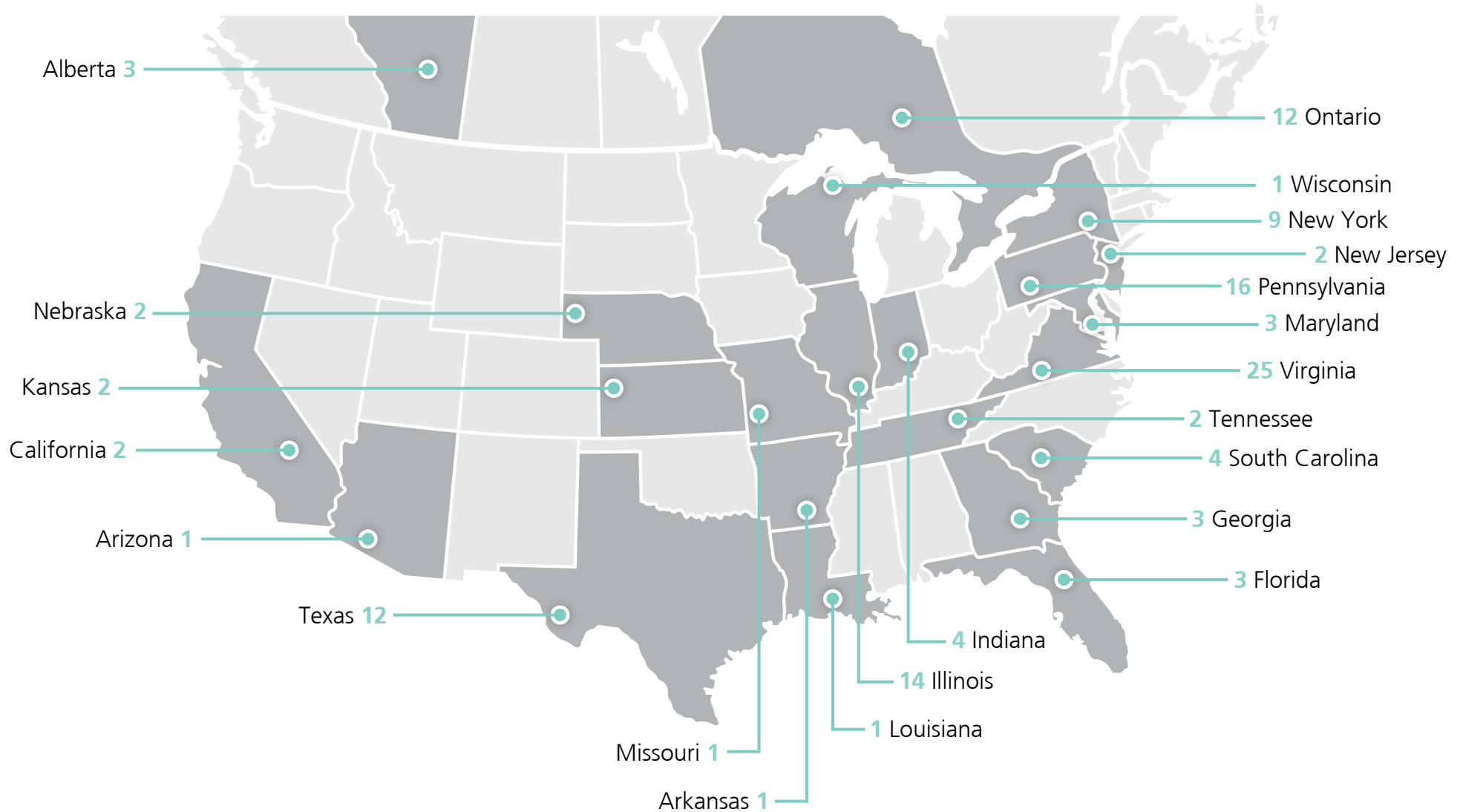


**123**  
Properties

**~11,000**  
Beds

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

**\$1.8B**  
of Investment Properties



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

# Commonwealth Senior Living



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

In 2019, Invesque closed on the transformative ~\$340 million acquisition of Commonwealth Senior Living "CSL" 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 now represents 56% of total pro forma Invesque NOI
- 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 AFFO per share
- Potential for further synergies by leveraging vertically integrated platform
  - Transitioned 10 communities previously operated by Greenfield to CSL
  - CSL represents Invesque's largest pro forma NOI exposure at over 25%



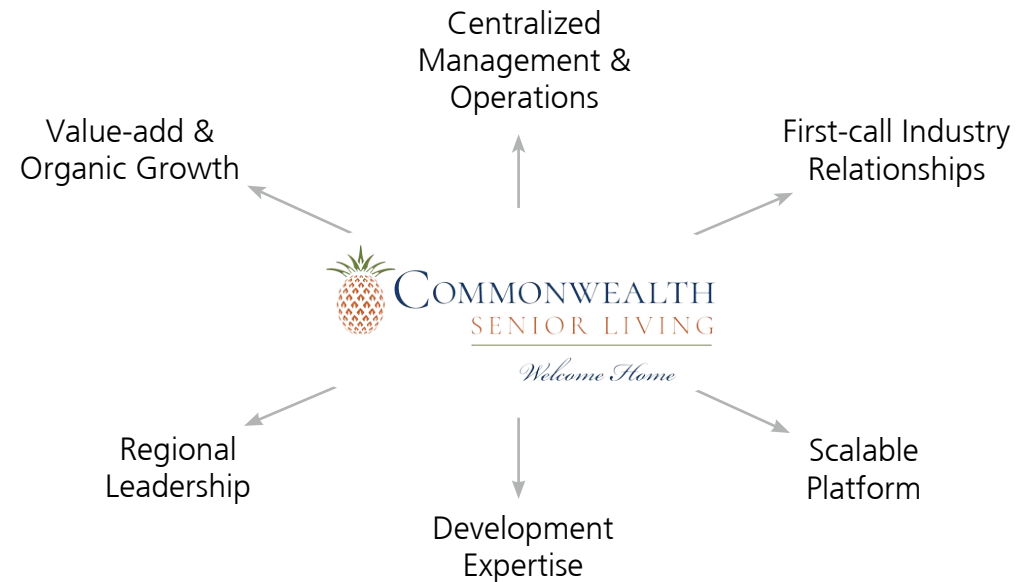
# Commonwealth Management Company Overview



## Overview

- Founded in 2002 by Richard J. Brewer, Commonwealth today operates 34 high-quality private pay seniors housing communities
- Commonwealth is the largest operator of seniors housing in Virginia and a premier operator in the Mid-Atlantic

## Vertically Integrated Management Platform



## Commonwealth Senior Living Management Team (Subsidiary of Invesque)

### Richard J. Brewer

Chief Executive Officer



- Founded Commonwealth in 2002 and has over 20 years of experience in the senior housing industry
- Graduated from James Madison University and served as Vice Chair of the Virginia Assisted Living Association

### Earl Parker

President & Chief Operating Officer



- Previously part of the leadership teams at Bell Partners and Kisco, supporting over 80 senior living communities across the U.S.
- Earned his M.B.A. from Kenan Flagler Business School and his B.S. degree in Hospitality Management from Johnson and Wales University

# 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 December 31, 2019
- Effective cash payout ratio of 85% 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 5 years
- **<14% of consolidated debt** rolling over the next 3 years<sup>(1)</sup>

## Debt Profile

- **62.1%** as of December 31, 2019, **56.3%** excluding debentures
- **85%** fixed rate / **15%** floating rate

Balanced Financial Structure  
with Attractive Debt Terms

(1) Assumes the exercise of one-year extension option, at the Company's discretion, of revolver.

# Investment Highlights



## Growth Opportunities with SHOP Portfolio

- SHOP portfolio provides the opportunity to participate in the operating upside of the private pay seniors housing segment
- Current average occupancy of ~82% compared to industry average occupancy of 88% provides opportunity for meaningful organic earnings growth



## Exposure to Long-Term NNN Leases

- Long-term NNN leases with experienced operators
- Weighted average NNN lease term of ~13 years with no lease maturities for approximately 4+ years



## High Quality Healthcare Portfolio of Significant Scale

- 123 high quality healthcare properties with a geographic footprint that spans across 20 U.S. states and two Canadian provinces
- Average property age of 10 years versus industry average property age of 25+ years



## Diversified Portfolio Across the Healthcare Spectrum

- Portfolio includes SH, SNF, TCC, and MOB
- Strong tenant diversification by mix and geography
- ~56% of NOI from private pay seniors housing



## Long-standing Partnerships with Leading Operators

- Strong and growing partnerships with 20 leading national and regional tenants / operators
- Best-in-class operators with significant industry knowledge and experience are well-positioned to serve local markets
- Unique, vertical integration with owned seniors housing operating and management company



## Experienced Management Team

- Extensive experience across real estate investment, operations, management, finance, development, and legal disciplines
- Deep relationships with operating partners, including many not yet part of Invesque's portfolio
- Creative abilities to structure and re-structure transactions / investments

# Experienced Management Team



## Scott White

Chairman and Chief Executive Officer

- Served as Executive Vice President of HealthLease Properties until its acquisition by Welltower in 2014; prior to that Mr. White was a Senior Vice President in the Private Funds Group of Brookfield Asset Management
- 20+ years of investment banking, accounting, real estate and prior capital market experience
- Mr. White received an M.B.A. from Rutgers Graduate School of Management and J.D. from the University of Pennsylvania Law School; he is a Certified Public Accountant (inactive) and is admitted to the bars of New York and New Jersey (retired)



## Adlai Chester

Director and Chief Investment Officer

- Previously Chief Financial Officer of HealthLease Properties
- 15+ years of experience in finance, real estate, development and capital markets
- Named CFO of the Year in 2014 by the Indianapolis Business Journal
- Mr. Chester earned a Bachelor's and Master's degrees in Accounting from Ball State University and held both Certified Public Accountant and Certified Fraud Examiner designations and is a member of the American Institute of CPAs



## Scott Higgs

Chief Financial Officer

- Previously SVP at a national real estate investment company
- 15+ years of experience in finance, accounting and real estate capital markets
- Mr. Higgs was nominated for CFO of the Year in 2018 by Indianapolis Business Journal
- Mr. Higgs graduated summa cum laude with a Bachelor's degree in Accounting from Butler University and is a Certified Public Accountant

# Experienced Management Team



## Vineet Bedi, CFA

Chief Strategy Officer

- Previously served as President & CEO of FC Global Realty, a publicly traded U.S. and Israeli dual-listed real estate company
- Founded KRV Capital, LP, a private investment and advisory firm serving institutional real estate investors
- 15+ years of experience in M&A, strategy, real estate public investing, real estate private investing and capital markets
- Mr. Bedi is a CFA® Charterholder and graduated from the New York University Stern School of Business where he serves as an Adjunct Associate Professor of Finance in the Finance and Real Estate programs



## Bryan Hickman

Senior Vice President – Investments

- Previously served as the VP of Investments with Welltower, where he oversaw underwriting and asset management functions for a portfolio of properties valued at more than \$4.5 billion
- During his 12 years with Welltower, Mr. Hickman closed over \$15 billion in transactions
- Mr. Hickman graduated with honors from Case Western Reserve University with a Bachelor's degree in English and Economics and earned his M.B.A. with high distinction from the University of Michigan



## Azin Lotfi

General Counsel

- Ms. Lotfi's previous experience includes strategic legal advisor for various private equity investors and private companies
- Previously served as Assistant General Counsel of Cheniere Energy and Attorney / Partner at Ice Miller LLP and Kirkland & Ellis LLP
- Earned her Bachelor's degree from the University of Chicago and earned her J.D. from the Indiana University School of Law

# Invesque

211 W. Main Street, Suite 400  
Carmel, IN 46032

(317) 643-4017

[Invesque.com](http://Invesque.com)