



Invesque

COMPANY OVERVIEW

TSX: IVQ.U, IVQ



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General

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This Presentation contains certain forward-looking information and/or statements ("forward-looking statements"), that reflect and are provided for the purpose of presenting information about management's current expectations and plans relating to the future, including, without limitation, statements regarding the benefits of existing assets, including the Commonwealth Senior Living Portfolio (the "Commonwealth Portfolio"), (including, without limitation, the extent to which such assets will be accretive to the Company's adjusted funds from operations ("AFFO") per share and net asset value ("NAV") and contribute to net operating income ("NOI") and the ability to leverage synergies), the composition of the Company's portfolio (including pro forma NOI based on property type) and expected growth and returns and projections relating to the future of the senior care industry. Forward-looking information is typically identified by terms such as "anticipate," "believe," "continue," "expect," "expectations," "forecast," "may," "plan," "pro forma," "project," "should," "will," and other similar expressions that do not relate solely to historical matters and suggest future outcomes or events. Readers should not place undue reliance on forward-looking statements and are cautioned that forward-looking statements may not be appropriate for other purposes. Forward-looking statements in this Presentation are based on current beliefs, expectations, and certain assumptions of the Company's management and are subject to significant known and unknown risks, uncertainties, and other factors that are beyond the Company's ability to predict or control and may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. The Company's actual results may differ as a result of various factors, including without limitation, the negative impact of COVID-19 pandemic on the Company's business and the business of operators/tenants, including without limitation, uncertainty regarding the duration and severity thereof and negative economic conditions arising therefrom, uncertainty regarding implementation and impact of existing and future stimulus and other Covid-19 relief legislation, laws, orders, and guidance throughout the United States and Canada may be available to operators/tenants to offset the costs and conditions related thereto, and the extent to which support may terminate upon termination of any federally declared public health emergency, the negative effect of travel bans and restrictions, stay-at-home orders, social distancing guidelines, limitations on other business activities, staffing shortages, increased costs, and the impact on occupancy rates in our communities in connection therewith, rent deferral rates, the ability of operators/tenants to comply with infection control and vaccine protocols, and the long-term impact of vaccines on facility infection rates; the status of the economy; the status of capital markets, including, without limitation, availability and cost of capital; issues facing the health care industry, including, without limitation, compliance with, and changes to, regulations and payment policies, responding to government investigations and settlements and operators'/tenants' ability to cost effectively obtaining and maintaining adequate liability and other insurance; the risk that the Company's operators/tenants and borrowers may become subject to bankruptcy or insolvency proceedings; changes in financing terms; competition throughout the health care and senior housing industries; the operating results or financial condition of operators/tenants, including, without limitation, their ability to pay rent and repay loans, the Company's ability to transition, buy, or sell properties with profitable results as and when anticipated, and occupancy levels; the effect of other factors affecting the Company's business and facilities outside of the Company's or operators'/tenants control, including without limitation, natural disasters, other health crises or pandemics, governmental action, particularly in the healthcare industry, protests, strikes, and shortages in supply chains, as well as the risks described in the Company's current annual information form and management's discussion and analysis, available on SEDAR at www.sedar.com, which risks may be dependent on market factors and not entirely within the Company's control. Although management believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons. These forward-looking statements reflect current expectations of the Company as of the date of this Presentation and speak

DISCLAIMER (Cont.)



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Non-IFRS Measures

The Company reports its financial results in accordance with International Financial Reporting Standard ("IFRS"). Included in this Presentation are certain non-IFRS financial measures as supplemental indicators used by the Company's management to track the Company's performance. These non-IFRS measures are NOI, FFO, and AFFO. The Company believes that these non-IFRS financial measures provide useful information to both the Company's management and investors in measuring the financial performance and financial condition of the Company. These measures do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. For a full definition of these measures and a reconciliation to net profit and/or net loss please refer to the Financial Measures section of the MD&A available on the Company's website and on SEDAR at www.sedar.com.

For Information Contact

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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 expect that 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 quality portfolio of private-pay seniors housing real estate, diversified by location and operator. **Operating partners are the key to our success.**



Building the Platform



Invesque has successfully built an ~\$1.0B health care real estate portfolio and platform

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

- Leases are signed with operating tenants on an absolute triple-net ("NNN") basis
- Captive, vertically integrated seniors housing operating and management company Commonwealth Senior Living
- ~60% of pro forma NOI from seniors housing operating properties ("SHOP")
- ~80% of pro forma NOI from private pay seniors housing investments (SHOP and NNN)



Pro Forma Invesque Portfolio Snapshot



72

Properties



~10 years

Effective average
age of portfolio



12

Partnerships with
high-quality operators



Geographically
diversified across

**16 States
and 1
Canadian
Province**



~6,000

Beds

~120,000

MOB SF



~10 years

Weighted average
lease maturity



~80%

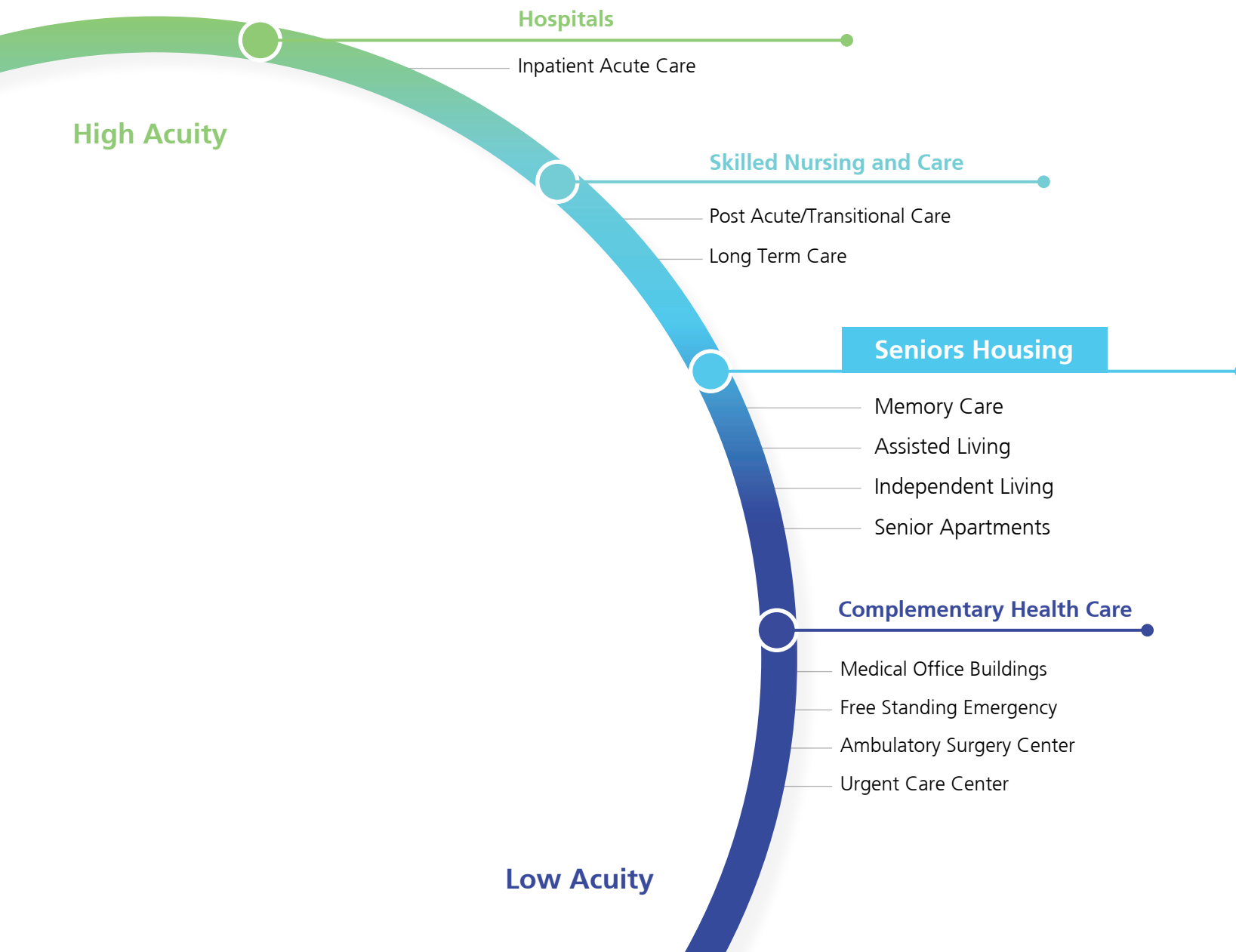
of NOI from private
pay seniors housing



~60%

of NOI from SHOP

Spectrum of Care



Attractive and Stable Industry Dynamics

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

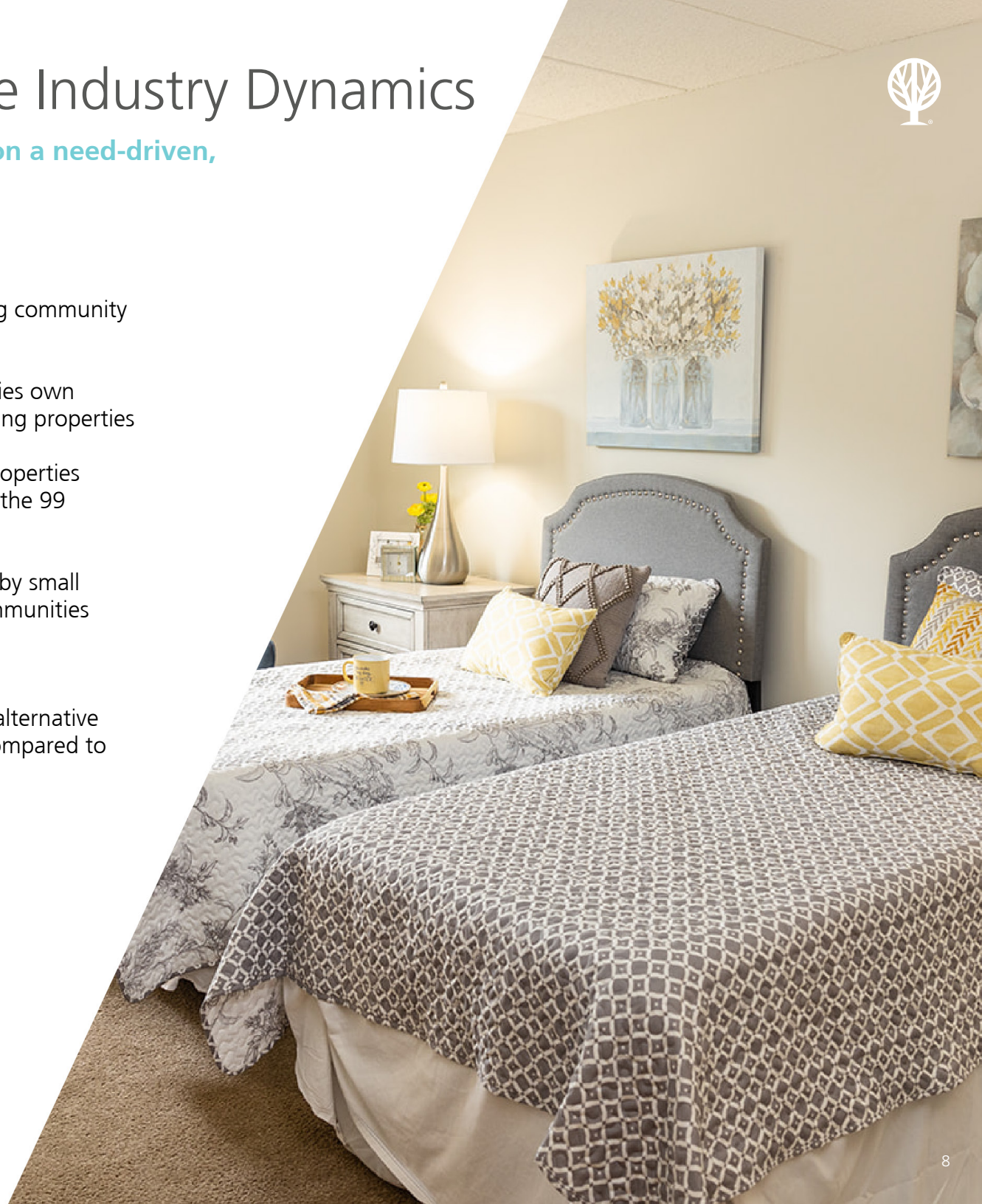


Highly Fragmented Industry

- Top 10 assisted living and independent living community owners represent ~27% of total units
- Publicly traded REITs and operating companies own ~21% of total market value of seniors housing properties
- The 10 largest operators of assisted living properties control 19.1% of the assisted living units in the 99 primary and secondary markets
- More than 50% of the market is controlled by small owner/operators that own less than 10 communities

Cost-Effective Care Alternatives

Seniors housing provides a highly cost-effective alternative with greater continuity and care quality when compared to in-home care services



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 US population

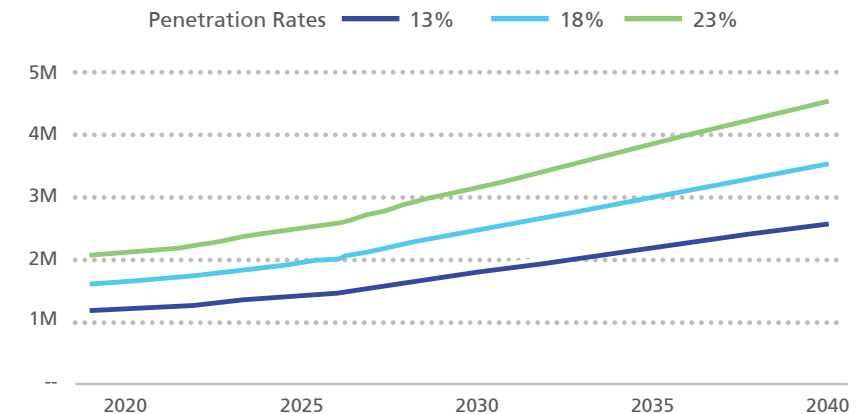
Need Driven Services

- 85+ age group health care per-capita spending is 2.4x the US average
- Industry inventory and absorption have converged since 2017

Favorable Demand Projections

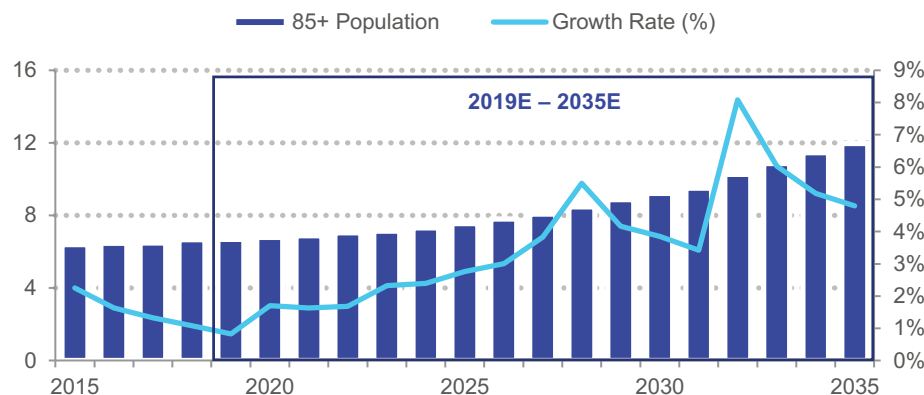
- Demand for seniors housing from the 80+ age group is forecasted to grow at a rate of ~4.0% over the next 20 years
- Represents ~1.9 million senior housing units of incremental demand based on current market penetration rate of 18%

US 80+ Age Group Seniors Housing Demand Projections

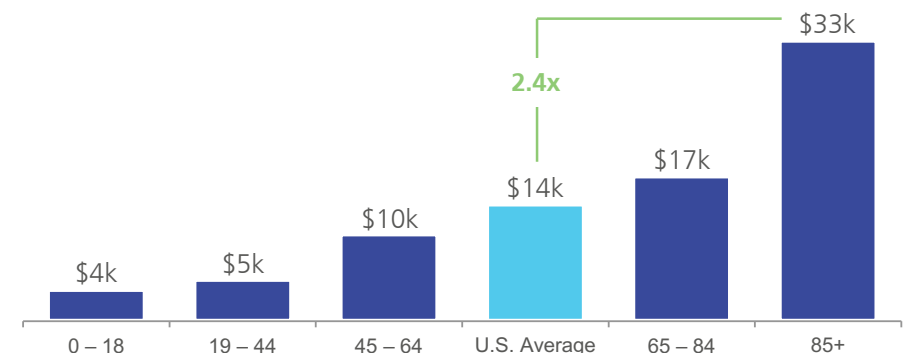


Stable and growing demand driven by strong demographic trends

US Age 85+ Cohort Population Growth



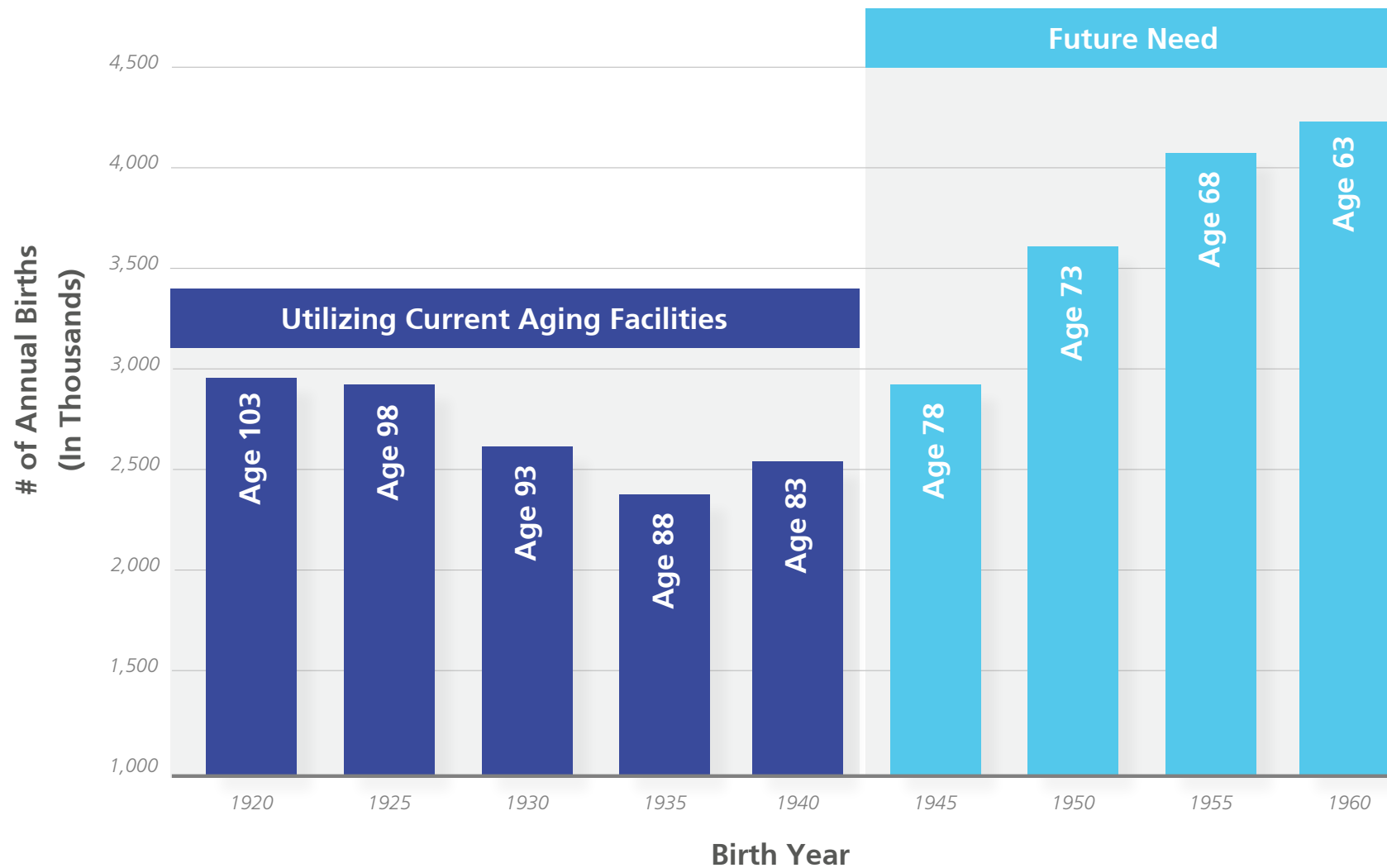
Personal Health Care Per-capita Spend By Age



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

Preparing for Unprecedented Growth

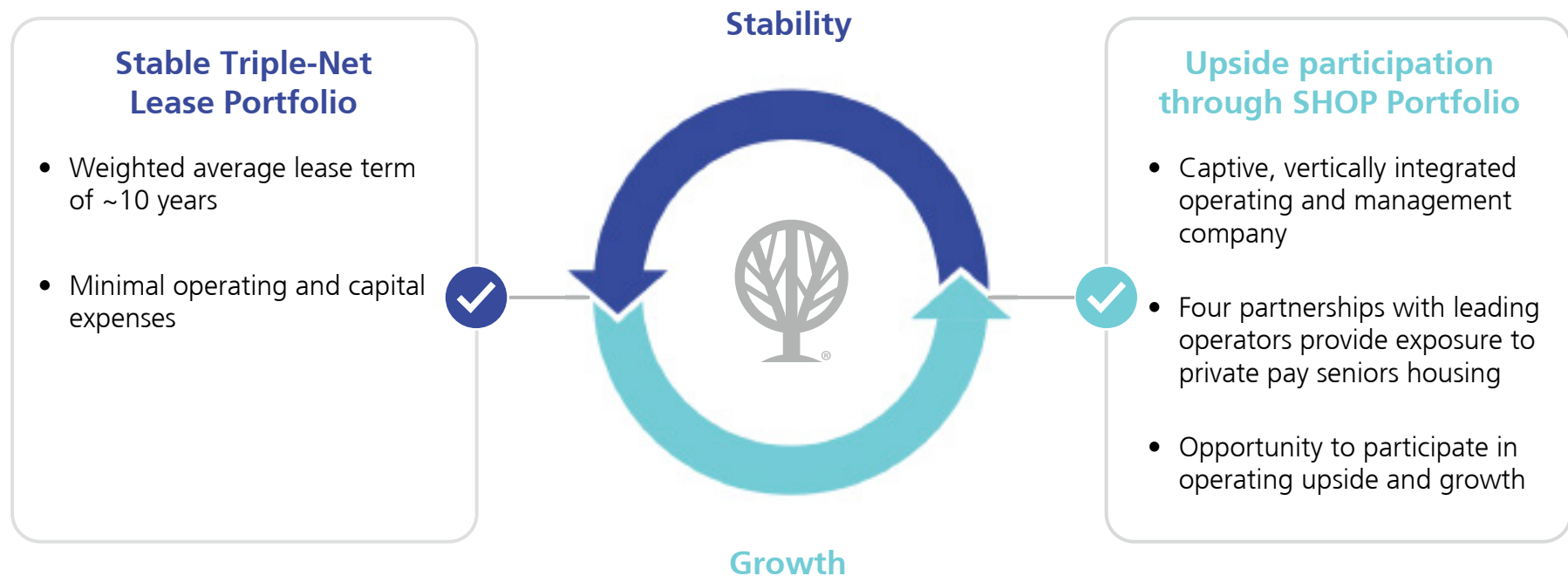
We are at the leading edge of the aging baby boom demographic



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



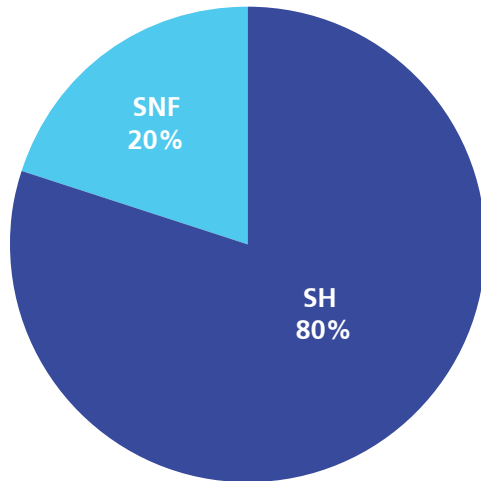
Attractive cash flow profile comprised of stable triple-net leases and SHOP portfolio with private pay seniors housing operating properties



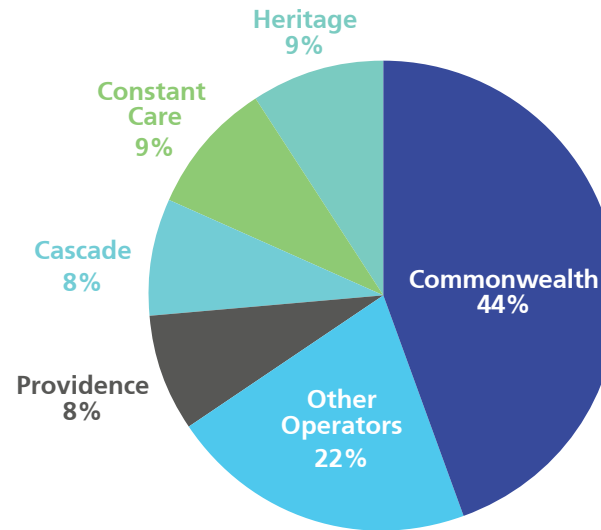
Pro Forma Portfolio Composition



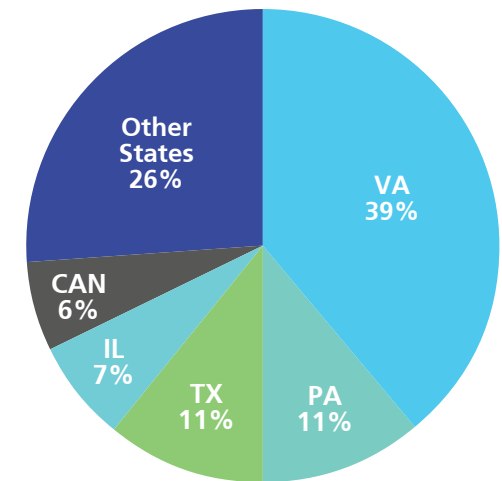
NOI by Asset Type



NOI by Operator

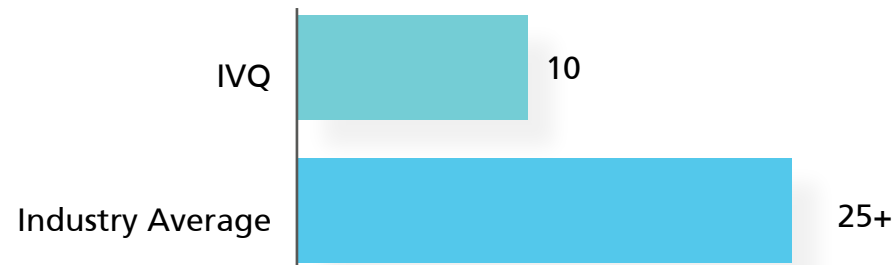


NOI by State



US Health Care Asset Age (Years)⁽¹⁾

Youngest average portfolio age relative to public peers



(1) Source: Public Filings, SNL Financial.

Pro Forma Geographic Footprint

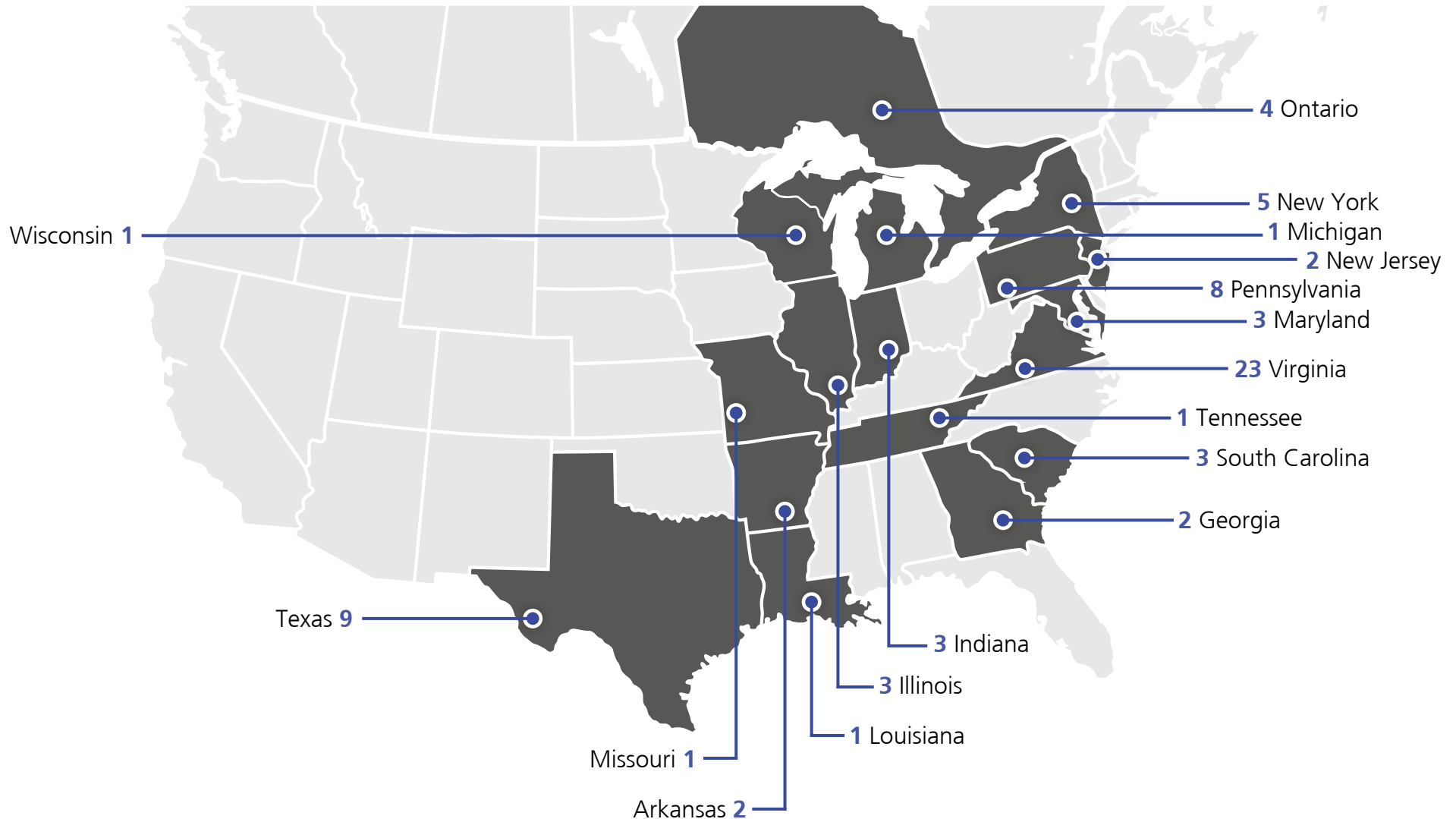


72
Properties

~6,000
Beds

~120,000
MOB ft²

~\$1.0B
of Investment Properties



Commonwealth Senior Living



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

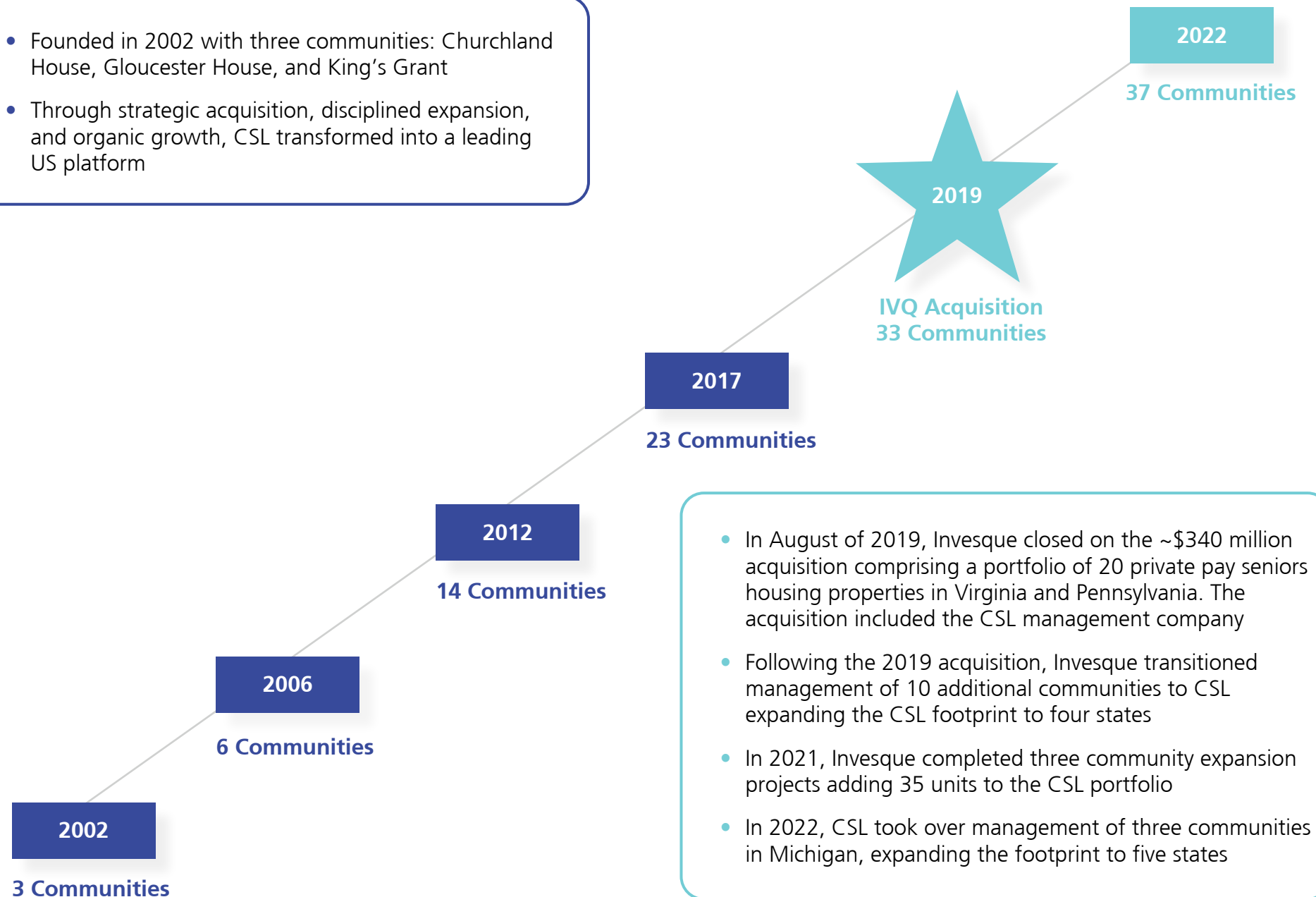
In 2019, Invesque closed on the transformative ~\$340 million acquisition of Commonwealth Senior Living ("CSL") comprising a portfolio of 20 private-pay seniors housing properties in Virginia and Pennsylvania. The acquisition included the Commonwealth Senior Living management company.

- 20 assets representing ~1,440 private pay independent living, assisted living, and memory care units
- CSL does not have direct exposure to government funding sources
- Private pay seniors housing now represents ~80% of total pro forma Invesque NOI
- Strengthened 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 at the time of acquisition
- 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
- Provided 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 ~44%

Commonwealth Senior Living



- Founded in 2002 with three communities: Churchland House, Gloucester House, and King's Grant
- Through strategic acquisition, disciplined expansion, and organic growth, CSL transformed into a leading US platform







Commonwealth Senior Living – Regionally Focused Premier Provider

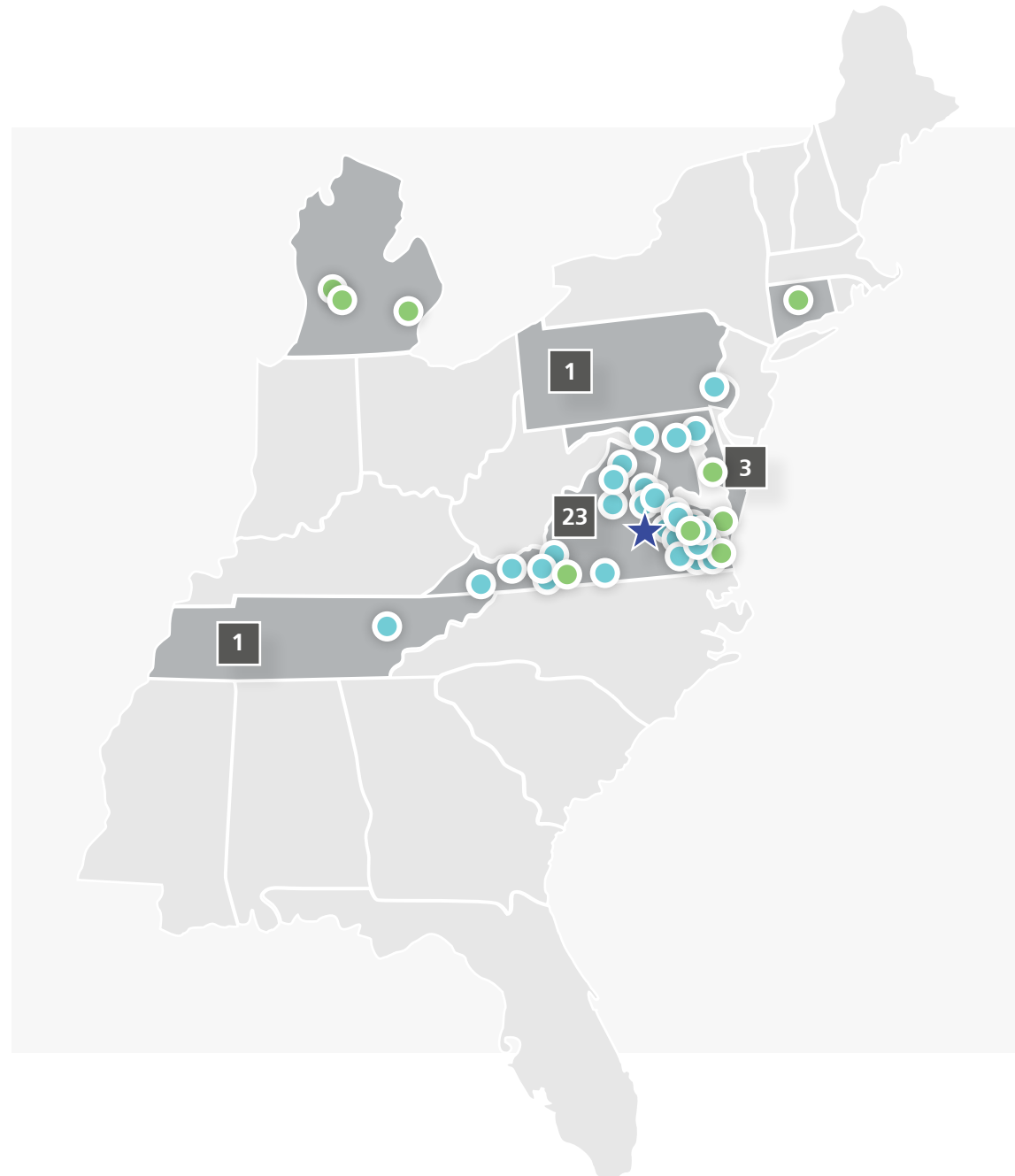


CSL currently operates 37 communities, making them one of the largest operators of seniors housing in Virginia and a premier operator in the mid-Atlantic

- 28 Invesque owned properties in Pennsylvania, Maryland, Virginia, and Tennessee
- 9 non-Invesque owned properties

Map Key

-  Invesque owned property
-  Non-Invesque owned, CSL managed property
-  CSL Home Office – Charlottesville, VA
-  Total number of Invesque owned CSL properties in state



Financial Profile and Strategy

Low Cost of Capital and Flexible Debt Funding Structure as of June 30, 2023

- Weighted average interest rate of 5.7%
- **~64%** fixed rate / **~36%** floating rate
- Average debt maturity of ~2.25 years



Balanced Financial Structure
with Attractive Debt Terms

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



Exposure to Long-Term NNN Leases

- Long-term NNN leases with experienced operators
- Weighted average NNN lease term of ~10 years



High Quality Health Care Portfolio of Significant Scale

- 72 high quality health care properties with a geographic footprint that spans across 16 US states and one Canadian province
- Average property age of 10 years versus industry average property age of 25+ years



Diversified Portfolio Across the Health Care Spectrum

- Strong tenant diversification by mix and geography
- Majority private pay portfolio with ~80% of NOI from seniors housing



Long-standing Partnerships with Leading Operators

- Strong and growing partnerships with 12 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 investments, 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
- 25+ 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

Chief Financial Officer and Executive Vice President, Investments

- Previously Chief Financial Officer of HealthLease Properties
- 20+ years of finance, real estate, development, and capital markets experience
- Named CFO of the Year in 2014 by the Indianapolis Business Journal
- Mr. Chester earned 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

Experienced Management Team



Bryan Hickman

Senior Vice President – Investments



Dennis Dechow

Senior Vice President – Asset Services



Quinn Haselhorst

Senior Vice President – Finance



Kari Onweller

Senior Vice President – Partner
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