



Invesque

COMPANY OVERVIEW

TSX: IVQ.U, IVQ



DISCLAIMER



General

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The Company measures the success of its business in part by employing several key performance indicators referenced herein that are not recognized under International Reporting Financial Standards (“IFRS”), including net operating income (“NOI”), funds from operations (“FFO”) and adjusted funds from operations (“AFFO”). FFO, AFFO and NOI are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. Such measures are presented in this presentation because management of the Company believes that such measures are relevant in interpreting the purchase price metrics and performance of acquisitions. Such measures, as computed by the Company, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to the measures reported by such other organizations. Please see the Company’s most recent management’s discussion and analysis, which is available on SEDAR at www.sedar.com, for how the Company reconciles FFO, AFFO and NOI to the nearest IFRS measure.

This presentation may contain information and statistics regarding the markets in which the Company and its investees operate. Some of this information has been obtained from market research, publicly available information and industry publications. This information has been obtained from sources believed to be reliable, but the accuracy or completeness of such information has not been independently verified by the Company and cannot be guaranteed.

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Forward-Looking Information

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. 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 certain acquisitions, including the acquisition of the Commonwealth Senior Living Portfolio (the “Commonwealth Portfolio”), (including, without limitation, the extent to which such acquisitions will be accretive to the Company’s AFFO per share and NAV and contribute to NOI), the composition of the Company’s portfolio (including pro forma NOI based on property type) and expected growth and returns, the expected restructuring of the Company’s relationship with the Symphony Care Network (“SymCare”) and projections relating to the future of the senior care industry. The forward-looking statements in this presentation are based on certain assumptions, including without limitation that the facilities subject to recent acquisitions, including the Commonwealth Portfolio, will be integrated into the Company’s operations and perform as expected. 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 facilities recently acquired (including the Commonwealth Portfolio) will not perform or be integrated as expected, the risk that the restructuring of the Company’s relationship with SymCare will not be completed on the terms set forth in the memorandum of understanding (“MOU”) or at all and the risk that the projections relating to the future of the senior care industry, or the Company in particular, could be affected by various factors, including the COVID-19 pandemic. 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, including the factors discussed under the heading “Risk Factors” in the Company’s annual information form. In addition, the Company is subject to the risk and uncertainties related to the COVID-19 pandemic. In particular, a novel strain of coronavirus causing the disease known as COVID-19 has spread throughout the world, including across the United States and Canada, causing the World Health Organization to declare the COVID-19 outbreak a pandemic in March 2020. In an attempt to contain the spread and impact of the pandemic, authorities throughout the United States and Canada have implemented measures such as travel bans and restrictions, stay-at-home orders, social distancing guidelines and limitations on other business activity. The pandemic has resulted in a significant economic downturn in the United States, Canada and globally, and has also led to disruptions and volatility in capital markets. These trends are likely to continue into 2021 and beyond. The Company announced on April 10, 2020 that it has suspended the dividend for all common shares beginning from April 1, 2020 until further notice. The pandemic has had an impact on results and operations of the Company, including decreased occupancy, delays in collections from tenants, and increased operating expenses. The Company is not able to fully quantify the impact that the COVID-19 pandemic will have on its future financial results, but expects that the pandemic could have a negative effect on its results of operations, financial position and cash flows, particularly if negative economic and public health conditions in the United States and Canada persist for a significant period of time. The ultimate impact of the pandemic on the Company’s financial results will depend on future developments, which are highly uncertain and cannot be predicted with confidence. This includes, among other factors, the duration and severity of the pandemic as well as negative economic conditions arising therefrom, the impact of the pandemic on occupancy rates in the Company’s communities, the volume of COVID-19 patients cared for across the portfolio, and the impact of government actions on the seniors housing industry and broader economy, including through existing and future stimulus efforts. The impact of COVID-19 has been partially offset to date by certain government stimulus programs which have helped to offset COVID-19 related expenses and compensate for lost revenues, but the Company is not able to provide assurance that such programs may continue to be available in the future. 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 are pro forma as of 12/31/2020 and exclude one asset that is currently held for sale and include all of the assets currently operated by Symphony Care Network ("SymCare"). In particular, the Company has announced that it has executed a non-binding memorandum of understanding ("MOU") with SymCare. Currently, SymCare operates 16 facilities for the Company. Under the terms of the MOU, the Company has agreed to sell to SymCare, and/or transition to a new operator, approximately 50% of Invesque's existing assets operated by SymCare. These assets are included.

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

Building the Platform



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

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

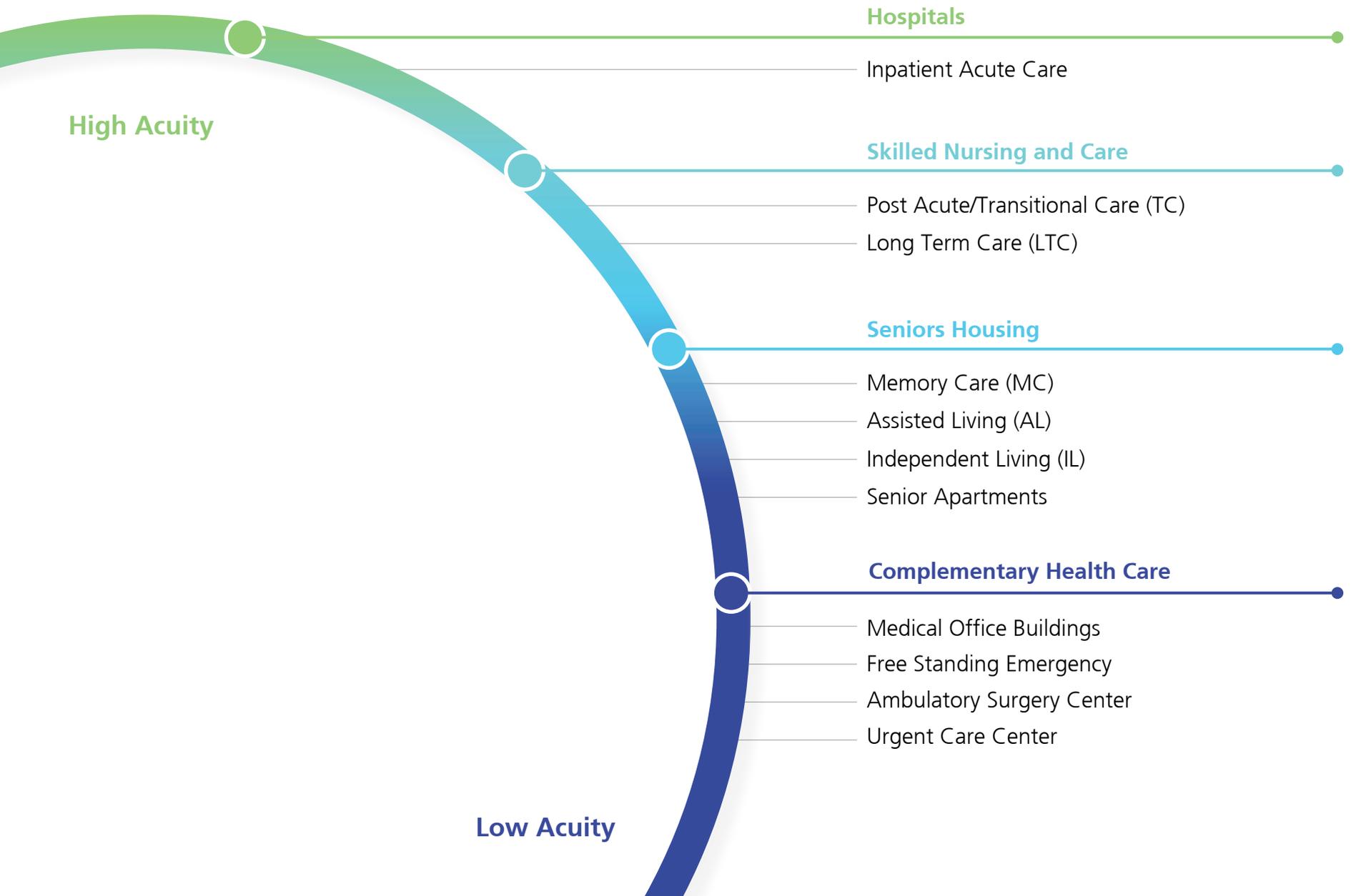
- Leases are signed with operating tenants on a triple-net (NNN) basis
- 90%+ of rent from NNN portfolio under master lease structure⁽¹⁾
- Captive, vertically integrated seniors housing operating and management company (Commonwealth Senior Living)
- ~37% of pro forma NOI from senior housing operating properties (SHOP)
- ~54% of pro forma NOI from private pay seniors housing

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(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

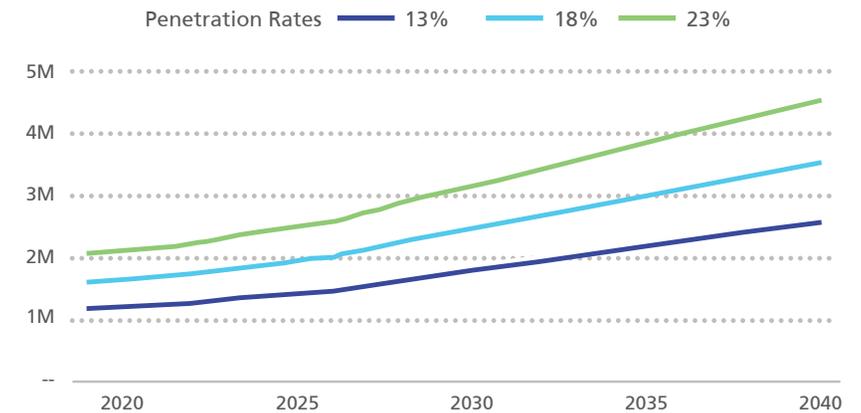
Need Driven Services

- 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

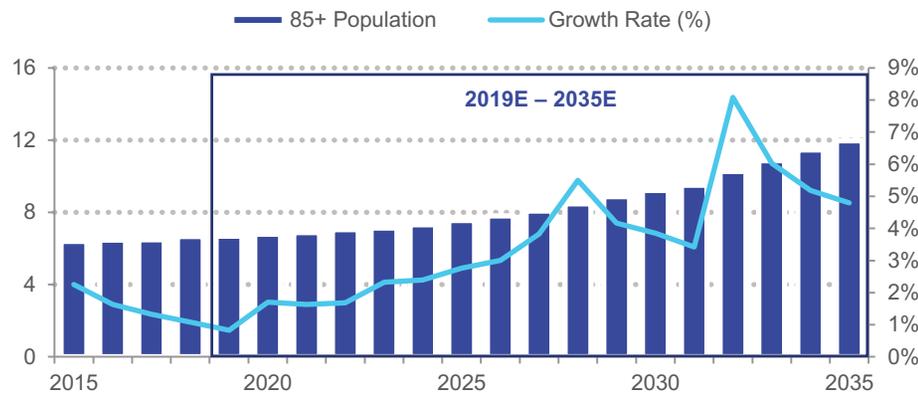
- Demand for seniors housing from the 80+ age group is forecasted to grow at a rate of ~4% over the next 20 years
- Represents ~1.9 million senior housing units of incremental demand based on current market penetration rate of 18%

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



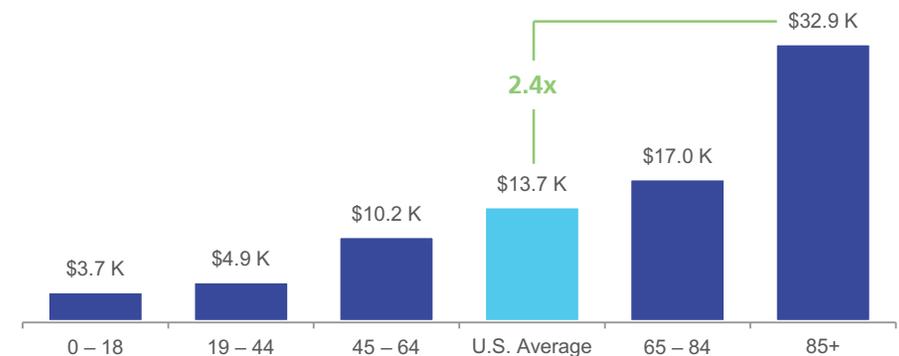
Stable and growing demand driven by strong demographic trends

U.S. Age 85+ Cohort Population Growth



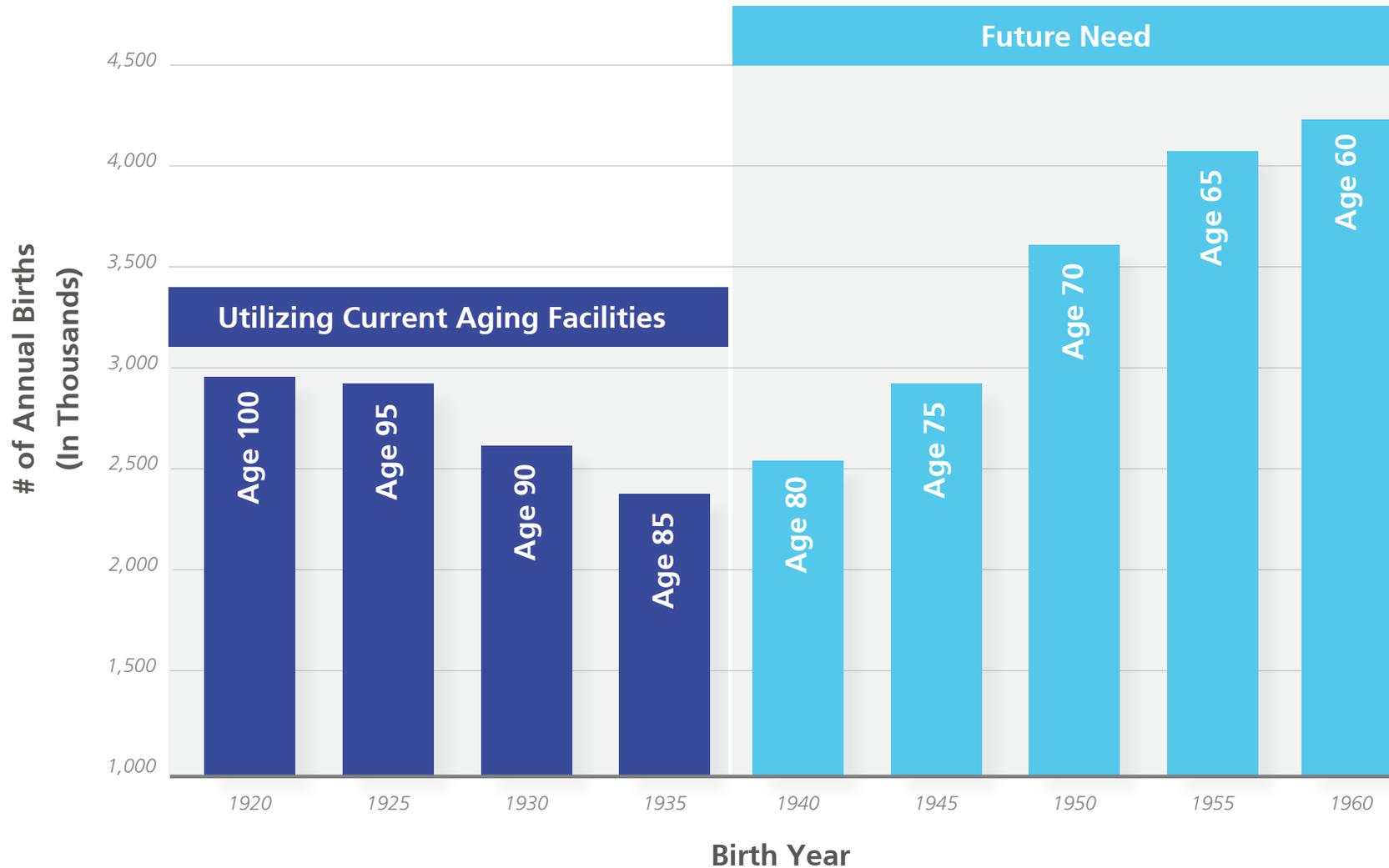
85+ age cohort is the fastest growing and highest spending population segment

Personal Health Care Per-capita Spend By Age

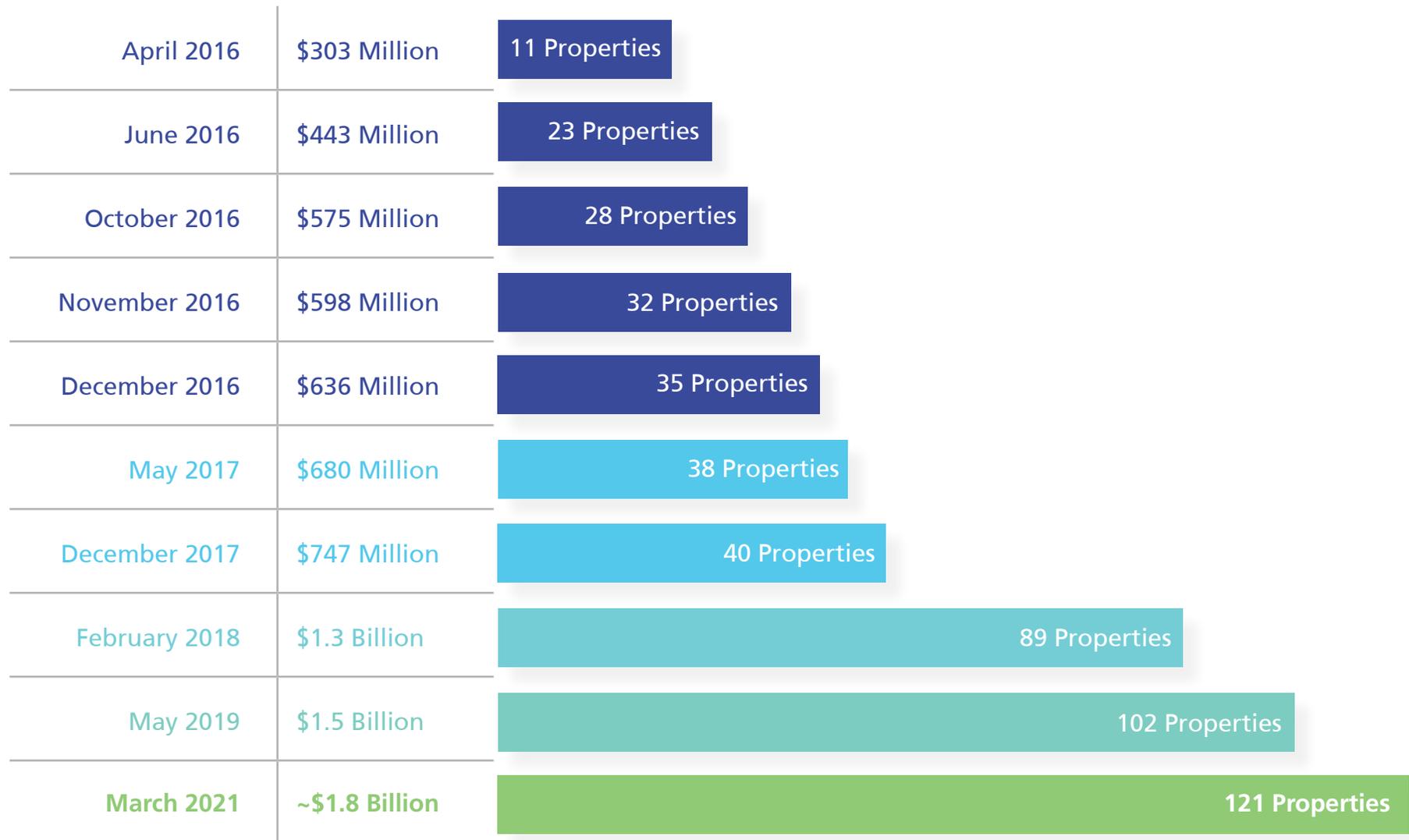


Preparing for Unprecedented Growth

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



Building a Strong Platform

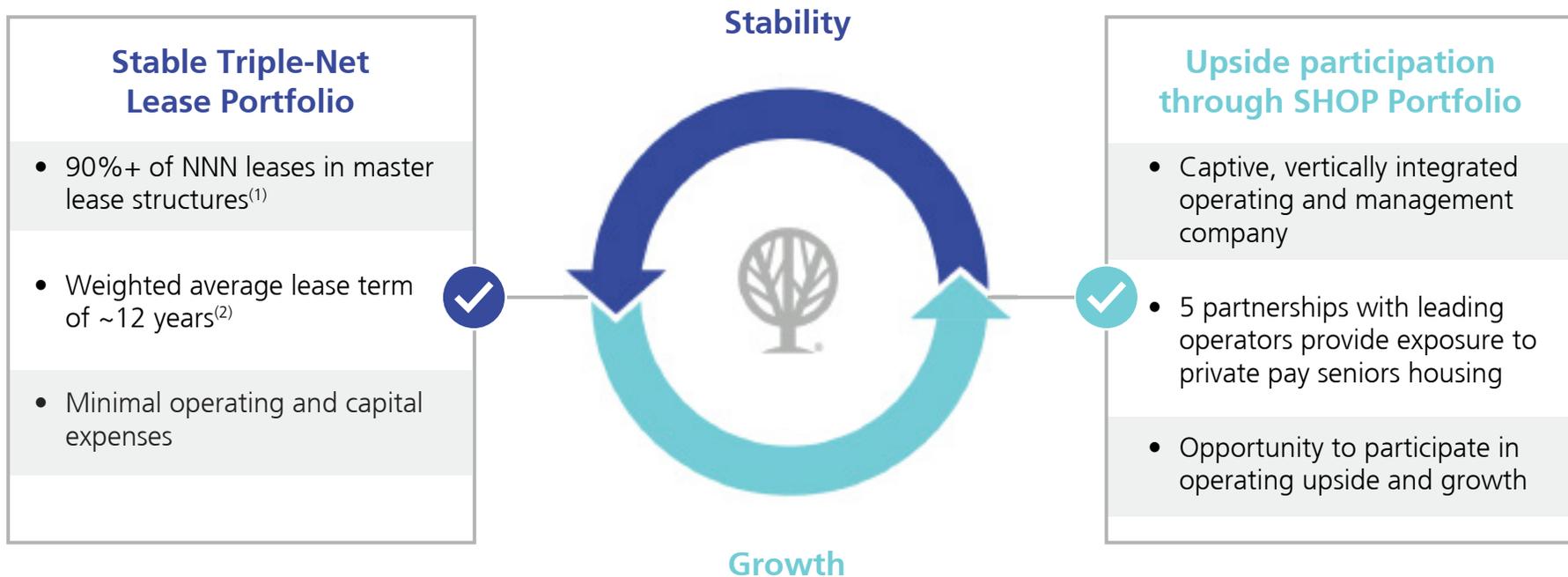


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Exposure to Stable Long-Term Triple-Net Leases and Operating Properties with Growth

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



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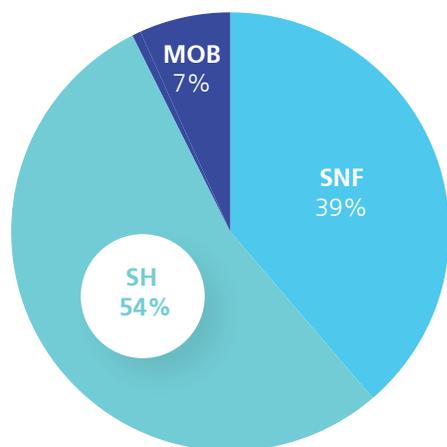
(1) Includes all Company assets currently operated by Symphony as of 12/31/2020.

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

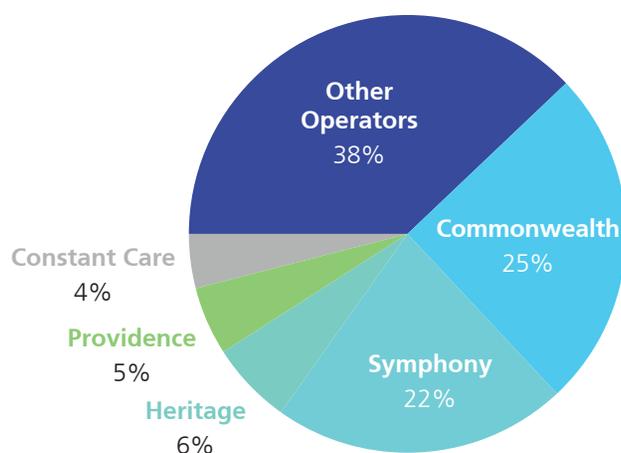
Pro Forma Portfolio Composition



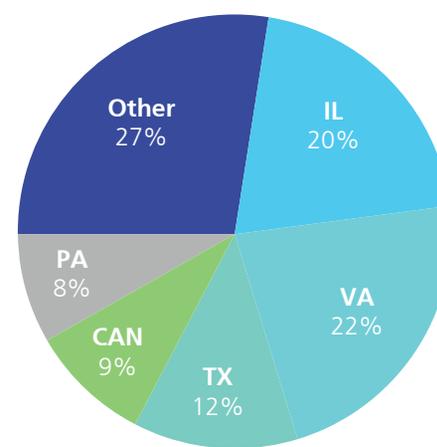
NOI by Asset Type



Portfolio Operator Exposure

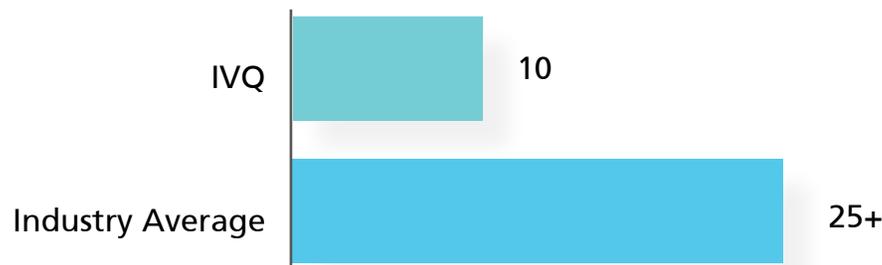


NOI by State



U.S. Healthcare Asset Age (Years)⁽¹⁾

Youngest average portfolio age relative to public peers



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(1) Source: Public Filings, SNL Financial.

Pro Forma Geographic Footprint

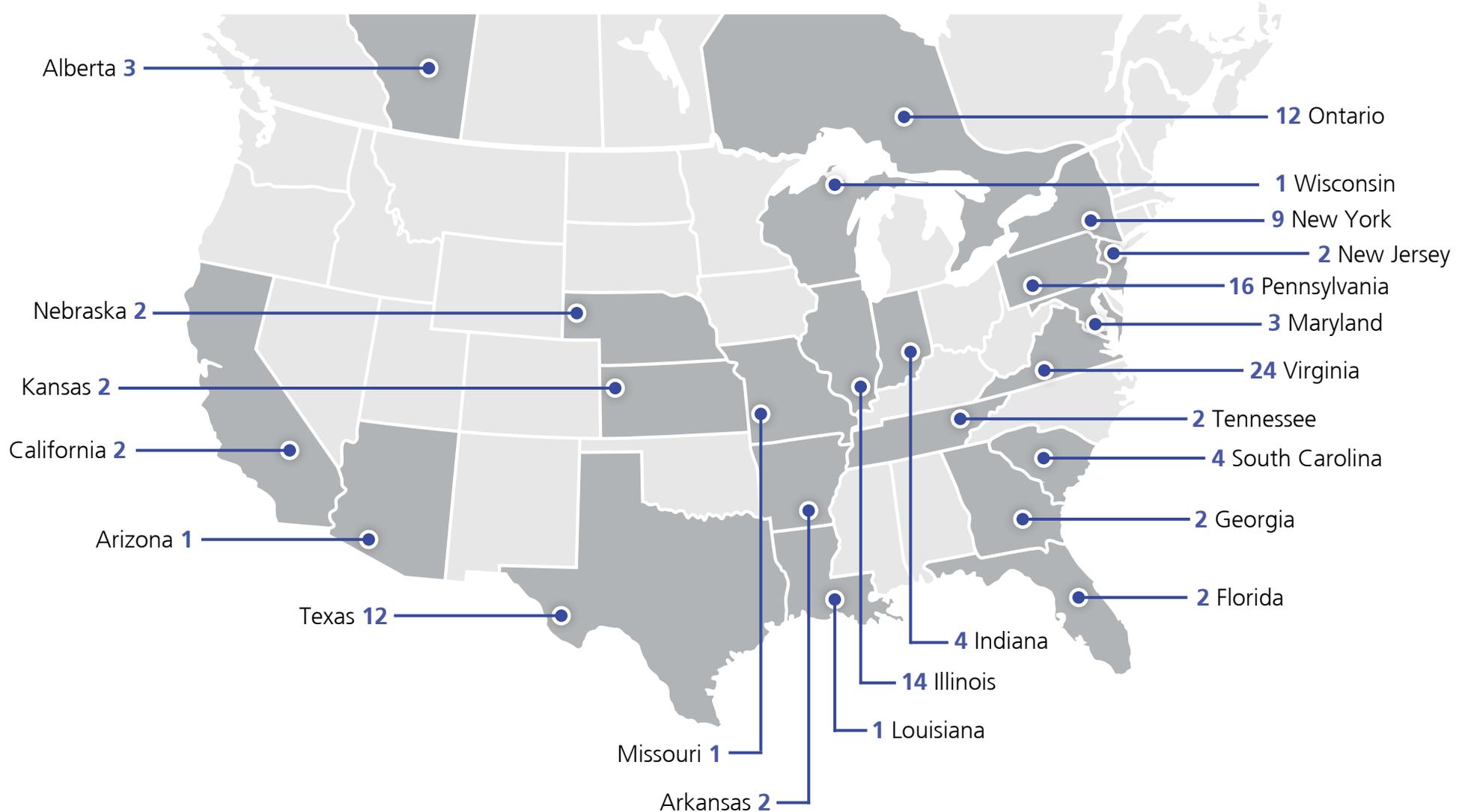


121
Properties

~11,000
Beds

578,000+
MOB ft²

\$1.8B
of Investment Properties



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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 54% 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 ~25%

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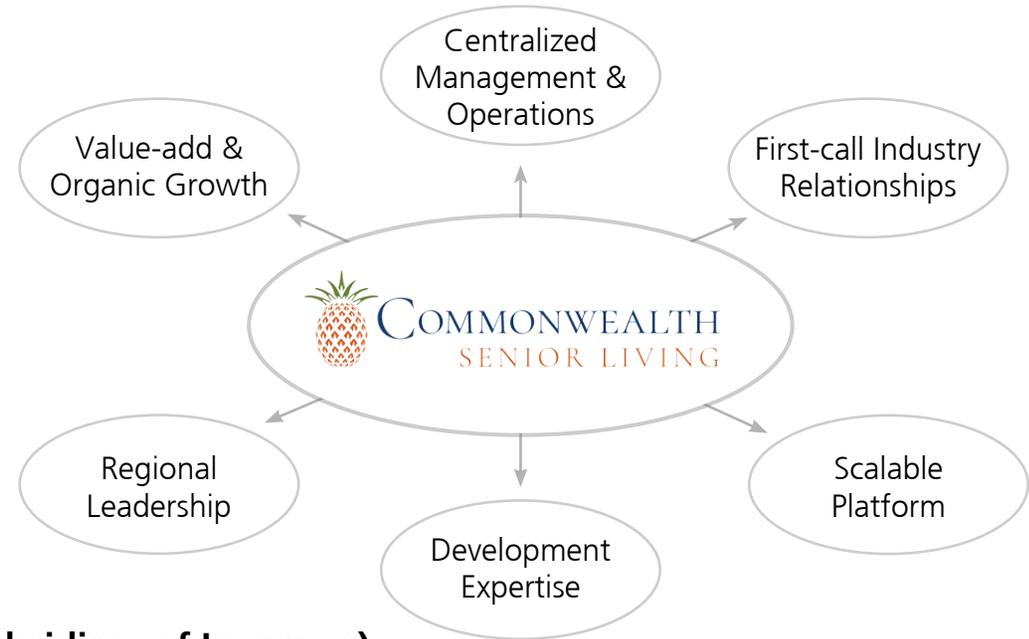
Commonwealth Management Company Overview



Overview

- Founded in 2002 by Richard J. Brewer, Commonwealth today operates 33 high-quality private pay seniors housing communities serving ~2,200 residents
- 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

Founder



- 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 and Chief Executive 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 & Flexible Debt Funding Structure

- Weighted average interest rate of 4.2% as of December 31, 2020
- **82%** fixed rate / **18%** floating rate
- \$400 million senior unsecured credit facility which includes a \$200 million term loan and \$200 million revolver
- Average debt maturity of ~4 years
- ~3% of total debt maturing in the next 12 months⁽¹⁾
- ~10% of debt maturing over the next 24 months⁽¹⁾



Balanced Financial Structure
with Attractive Debt Terms

(1) Assume exercise of all Company-controlled extension options.

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 ~12 years with no lease maturities for approximately 4+ years



High Quality Healthcare Portfolio of Significant Scale

- 121 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
- ~54% of NOI from private pay seniors housing



Long-standing Partnerships with Leading Operators

- Strong and growing partnerships with 19 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

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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

Invesque

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