

Invesque Inc. Closes on Acquisition of the Final Three Communities Comprising the Commonwealth Senior Living Portfolio Transaction

TORONTO, Dec. 24, 2019 /CNW/ - Invesque Inc. (TSX: IVQ.U and IVQ) ("**Invesque**" or the "**Company**") announced the closing of the previously announced acquisition of three private pay senior living communities comprising 196 units with 234 beds (the "**Second Tranche**"). The closing represents the last three communities comprising the Commonwealth Senior Living ("CSL") portfolio transaction announced on May 22, 2019.

The aggregate purchase price for the Second Tranche was approximately US\$55.0 million. The consideration was funded through a combination of the assumption of existing debt of approximately US\$34.7 million, the issuance of approximately US\$12.1 million of preferred interests (the "**Preferred Interests**") in the Invesque acquisition vehicle used to acquire the first tranche of Commonwealth communities and the Second Tranche ("**Foxhound LLC**"), and cash.

The Preferred Interests are similar to those issued at the closing of the first tranche of Commonwealth communities announced August 1, 2019 and will be initially exchangeable by holders into common shares of the Company at a fixed exchange price of US\$9.75 per Invesque common share. The Preferred Interests have an initial dividend rate of 6.50% per annum and have a liquidation value equal to their unreturned initial capital contribution and any accrued and unpaid dividends. Additionally, under certain circumstances, Foxhound LLC will have the right to redeem the Preferred Interests at its discretion for an amount specified in its operating agreement.

ACQUISITION HIGHLIGHTS:

- **Improved Portfolio Diversification:** The closing of the Second Tranche further diversifies the Company's revenue sources into private pay seniors housing which will represent approximately 55% of pro forma net operating income ("**NOI**") of the Company.
- **Alignment of Shareholder Value:** The issuance of the Preferred Interests provides for alignment of all stakeholders and further validates the embedded value of the combined platform under the Invesque umbrella.
- **Immediately Accretive Transaction:** The acquisition is expected to be immediately accretive to the Company's Funds from Operations ("**FFO**") and the Company's Adjusted Funds from Operations ("**AFFO**") per diluted share.

The closing of the Second Tranche expanded the Company's portfolio to 124 buildings with approximately 11,000 beds and approximately 578,000 rentable square feet of medical office space.

ABOUT INVESQUE:

Invesque is a healthcare real estate company with an investment thesis centered around the opportunity created by the global aging demographic trend. Invesque currently capitalizes on this opportunity by investing in a highly diversified portfolio of income generating health care properties located across the United States and Canada through long-term absolute net leases, joint ventures, and development capital. For more information, visit www.invesque.com.

NON-IFRS FINANCIAL MEASURES:

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 news release 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This press release contains forward-looking information that reflects the current expectations of management about the future results and opportunities for the Company. Forward-looking statements generally can be identified by words such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", or "continue" or similar expressions suggesting future outcomes or events. More particularly and without limitation, this press release contains forward looking statements and information concerning the acquisition being accretive to FFO and AFFO. Such forward-looking statements reflect the Company's current beliefs and are based on information currently available to management. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed, including risks in connection with the integration of Commonwealth, and risks of the Commonwealth portfolio not performing as expected. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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