

Invesque Inc. Reports Third Quarter 2021 Results

TORONTO, Nov. 10, 2021 /CNW/ - Invesque Inc. (TSX: IVQ.U) (TSX: IVQ) (the "Company" or "Invesque") today announced its results for the three- and nine-months ended September 30, 2021.

Third Quarter and Subsequent Highlights

- As previously announced, closed on the sale of the Company's ownership interests in four communities to Inspirit Senior Living ("Inspirit") for approximately US\$35.5 million on July 1, 2021, providing Invesque over US\$15.0 million of net cash
- Closed on the sale of a community in Richmond, Virginia, previously operated by the Company's subsidiary seniors housing operating and management company, Commonwealth Senior Living ("Commonwealth"), in October of 2021, netting Invesque approximately US\$3.4 million in cash proceeds
- Closed on the sale of five non-core seniors housing communities in Pennsylvania in October of 2021, netting the Company approximately US\$2.7 million in proceeds that the Company used to reduce existing indebtedness
 - The five communities sold were previously operated by Saber Healthcare Group ("Saber"), subject to an absolute triple-net ("NNN") master lease
 - The remaining two skilled nursing facilities that Saber continues to operate and are still owned by Invesque are subject to a revised NNN master lease, which was adjusted for the sale of the five communities
- Transitioned the management of two seniors housing communities in New York from Premier Senior Living ("Premier") to affiliates of Hearth Management ("Hearth") in October of 2021
 - The two communities were previously operated by Premier under a NNN lease
 - As a result of the transition, Premier no longer operates any communities owned by Invesque
 - Invesque's strategic footprint with Hearth, one of the Company's preferred regional operating partners, has grown to five total communities
 - Post-transition, the two communities were moved into Invesque's seniors housing operating portfolio ("SHOP"), and Hearth entered into an interim consulting agreement that will convert to a management agreement, once regulatory approvals are received
- Expanded Commonwealth's relationship with Babylon Micro-Farms ("Babylon") to provide Commonwealth's residents with the freshest ingredients through Babylon's farm-to-table program
 - Installed Babylon's hydroponic farming system at three additional Commonwealth communities during and subsequent to the third quarter of 2021, thus expanding the total Commonwealth communities utilizing Babylon's innovative system to fourteen
 - Commonwealth was selected as the 2021 Assisted Living Best Practices Virginia Assisted Living Association Diamond Award for its partnership with Babylon
- Reported funds from operations ("FFO") of US\$0.10 and US\$0.37 per common share for the three- and nine-months ending September 30, 2021, respectively. The Company reported adjusted funds from operations ("AFFO") of US\$0.08 and US\$0.35 per common share for the three- and nine-months ending September 30, 2021, respectively

"We had a very busy quarter with a focus on our active asset management effort. We continue to capitalize on opportunities to grow and partner with our preferred operating partners to create long term stakeholder value. This effort includes strategic dispositions at favorable pricing and value-maximizing operator transitions to strengthen and streamline our portfolio as we executed upon over the last few months," noted Scott White, Chairman & Chief Executive Officer of the Company. "Our captive operating and management company, Commonwealth Senior Living, continued to see positive gains with over 140 basis points of sequential occupancy improvement across the

Commonwealth operated assets we own. We are optimistic that this trend will continue for the remainder of the year and into 2022. One of the key focus areas for our operators now is to attract and retain talent in a very competitive labor market."

Financial Highlights

(in thousands of U.S. dollars, except per share values)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 52,949	\$ 55,429	\$ 158,847	\$ 163,007
Net loss	\$ (5,082)	\$ (60,749)	\$ (6,782)	\$ (147,689)
Funds from operations ("FFO") ⁽¹⁾	\$ 5,643	\$ 13,728	\$ 20,750	\$ 38,211
Funds from operations per share	\$ 0.10	\$ 0.25	\$ 0.37	\$ 0.69
Adjusted funds from operations ("AFFO") ⁽¹⁾	\$ 4,766	\$ 12,499	\$ 19,729	\$ 33,196
Adjusted funds from operations per share	\$ 0.08	\$ 0.22	\$ 0.35	\$ 0.60

⁽¹⁾ FFO and AFFO are measures used by management to evaluate operating performance. Please refer to the section "Non-IFRS Measures" in this press release for more information.

Balance Sheet and Portfolio Highlights

(in thousands of U.S. dollars, except number of properties)	September 30, 2021	December 31, 2020
Total assets	\$ 1,343,275	\$ 1,498,424
Number of properties	112 ⁽¹⁾	121 ⁽²⁾
Debt	\$ 931,453	\$ 1,052,471

⁽¹⁾ Includes five assets sold to a third party that were previously operated by Saber in October of 2021. Excludes the asset sold in October of 2021 in Richmond, VA and one other asset held for sale as of September 30, 2021.

⁽²⁾ Includes all Company assets operated by Symphony Care Network ("SymCare") as December 31, 2020. Includes properties that were sold to SymCare during 2021. Includes assets sold to Inspirit on July 1, 2021 and includes five assets sold to a third party that were previously operated by Saber in October of 2021. Excludes the asset sold in October of 2021 in Richmond, VA.

Investor Conference Call

A conference call hosted by the Company's senior management team will be held November 11, 2021, at 10:00 AM ET. The telephone numbers for the conference call are: Local: (647) 792-1240 or Toll Free: (866) 248-8441. The passcode for the conference call is: 8751781. The conference will also be available via webcast at <https://www.invesque.com/company-presentations/>. Please log on at least 15 minutes before the call commences. The telephone numbers to listen to the call after it is completed (taped replay) are: Local: (647) 436-0148 or Toll Free: (888) 203-1112. The Passcode for the taped replay is 8751781.

About Invesque

Invesque is a North American health care real estate company with an investment thesis focused on the premise that an aging demographic in North America will continue to utilize health care services in growing proportion to the overall economy. Invesque currently capitalizes on this opportunity by investing in a highly diversified portfolio of income generating properties across the health care spectrum. Invesque's portfolio includes investments in independent living, assisted living, memory care, skilled nursing, transitional care, and medical office properties, which are operated primarily under long-term leases and joint venture arrangements with industry leading operating partners. Invesque's portfolio also includes investments in owner-occupied seniors housing properties in which Invesque owns the real estate and provides management services through its subsidiary management company, Commonwealth Senior Living. For more information, please visit www.invesque.com.

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, including without limitation information with respect to the expected increase in occupancy across the Commonwealth operated assets owned by the Company. Forward-looking statements generally can be identified by words

such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", or "continue" or similar expressions suggesting future outcomes or events. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including without limitation the risk that the occupancy in the Commonwealth operated assets does not increase. Although the Company believes that the expectations in its forward-looking statements are reasonable, its forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information, including occupancy in the Commonwealth operated assets owned by the Company. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated, or implied in the forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements. 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 in the risk factors described in the Company's current 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. 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. The Company has already experienced negative impacts on its financial results due to the pandemic and is not able to fully quantify the impact that the COVID-19 pandemic will have on the Company's financial results during 2021, but the Company expects that the pandemic could have a material adverse effect on its results of operations, financial position and/or 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, 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 our communities, the volume of COVID-19 patients cared for across our portfolio, rent deferral rates, 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. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Non-IFRS Measures

The Company reports its financial results in accordance with International Financial Reporting Standard ("IFRS"). Included in this news release are certain non-IFRS financial measures as supplemental indicators used by 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 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 for the three months and nine months ended September 30, 2021, please refer to the Financial Measures section of the September 30, 2021, MD&A available on the Company's website and on SEDAR at www.sedar.com.

SOURCE Invesque Inc.

View original content: <http://www.newswire.ca/en/releases/archive/November2021/10/c6707.html>

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CNW 17:00e 10-NOV-21