Invesque Inc. Reports Second Quarter 2025 Results

Significant Progress Highlighted on Previously Announced Asset Dispositions

TORONTO, Aug. 7, 2025 /CNW/ - Invesque Inc. (TSX: IVQ.U) (TSX: IVQ) (the "Company") today reported its results for the three months and six months ended June 30, 2025.

Second Quarter and Subsequent Highlights

As previously disclosed, the Company closed on several sales transactions during and following the second quarter of 2025:

- On April 9, the Company sold a seniors housing asset in Syracuse, New York for US$25.1 million
- On June 3, the Company sold 20 seniors housing assets in Virginia and Pennsylvania and its majority ownership stake in Commonwealth Senior Living, LLC
- On July 14, the Company sold a seniors housing asset in Syracuse, New York for US$5.8 million
- On July 25, the Company sold ten memory care assets in Texas, Indiana, Arkansas and Michigan for US$83.2 million

Additionally, as previously disclosed, the Company transitioned management of three memory care assets located in Texas and Arkansas to Constant Care Management Company and one seniors housing asset in Louisiana to Viva Senior Living. The Company expects that the new managers of these assets will stabilize operations and further drive financial results.

"In addition to achieving attractive valuations on sale transactions completed year to date, we have utilized cash proceeds to materially decrease leverage and streamline our capital stack," commented Kari Onweller, EVP of Investments & Investor Relations for the Company. "We expect to make further progress on debt repayments during the remainder of this year."

Financial Highlights

(in thousands of U.S dollars, except per share values)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	$ 29,548	$ 43,099	$ 66,940	$ 86,741
Net income (loss)	$ 15,947	$ (15,815)	$ 7,044	$ (22,058)
FFO[1]	$ (1,491)	$ 1,424	$ 561	$ 3,928
AFFO[2]	$ 418	$ 1,111	$ 2,633	$ 3,192

[1] FFO is a measure used by management to evaluate operating performance. Please refer to the section "Non-IFRS Measures" in this press release for more information.

[2] AFFO is a measure 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)	June 30, 2025	December 31, 2024
Total assets	$325,569	$640,138
Number of properties[3]	17	28
Debt	$180,498	$394,839

[3] Excludes one medical office building and 24 seniors housing assets held for sale as of December 31, 2024, and one medical office building and 14 seniors housing assets held for sale as of June 30, 2025

About Invesque
The Company 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. The Company currently capitalizes on this opportunity by investing in a portfolio of income-generating predominantly private pay seniors housing communities. The Company's portfolio includes investments primarily in independent living, assisted living, and memory care, which are operated under long-term leases, joint venture arrangements, and third-party management contracts.

Forward-Looking Information
This press release (this "Press Release") 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 Company's anticipated progress on debt repayments and that the new managers of certain assets will stabilize operations. Forward-looking information is typically identified by terms such as "anticipate," "believe," "continue," "expect," "expectations," "look," "may," "plan," "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 information is generally based on a number of assumptions, opinions, and estimates, including, but not limited to: the Company will have the funds to continue to repay its debt and that the new managers will be in a position to stabilize operations of the applicable assets. While these assumptions, opinions, and estimates are considered by the Company to be appropriate and reasonable in the circumstances as of the date of this Press Release, they are subject to a number of known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, levels of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: the Company not having the funds to repay a portion of its debt, including, without limitation, as a result of the failure or inability to sell assets, the failure of one or more of the new managers of certain assets to stabilize operations, and the risks described in the Company's current annual information form and management's discussion and analysis, available on SEDAR+ at www.sedarplus.ca, 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 Press Release and speak only as of the date of this Press Release.

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 not to 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. Forward-looking statements contained in this Press Release 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 Press Release 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, please refer to the Financial Measures section of the March 31, 2025, MD&A available on the Company's website and on SEDAR+ at www.sedarplus.ca, which information is incorporated herein by reference, and the full reconciliation to which are included below.

FFO Tables

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income (loss) from continuing operations for the period	$ 15,968	$ (15,128)	$ 7,090	$ (20,962)
Add/(deduct):				
Change in fair value of investment properties	7,708	7,585	13,235	3,493
Property taxes accounted for under IFRIC 21	(1,399)	(1,609)	1,960	2,842
Depreciation and amortization expense	369	3,497	737	6,955
Amortization of tenant inducements	60	60	120	121
Accretion expense and amortization of non-cash adjustments to the 2016 Convertible Debentures	—	2,383	—	4,531
Change in fair value of financial instruments	507	777	931	1,158
Transaction Costs	1,635	42	1,770	318
Loss on sale of property, plant and equipment	(30,323)	(18)	(30,323)	(26)
Impairment of property, plant and equipment	11	454	21	1,830
Executive severance	492	3,060	492	3,060
Deferred income tax recovery	—	(716)	—	(1,605)
Allowance for credit losses on loans and interest receivable	1,574	195	1,907	455
Change in non-controlling interest liability in respect of the above	(2)	(171)	(3)	(169)
Adjustments for equity accounted entities	1,914	1,299	2,695	2,601
FFO from continuing operations	$ (1,486)	$ 1,710	$ 632	$ 4,602
FFO from discontinued operations	(5)	(286)	(71)	(674)
Total FFO	$ (1,491)	$ 1,424	$ 561	$ 3,928

AFFO Tables

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash flows provided by (used in) operating activities	$ (9,963)	$ (97)	$ (9,766)	$ 543
Change in non-cash working capital	2,346	(1,150)	4,828	2,364
Less: interest expense	(6,187)	(9,809)	(13,717)	(20,406)
Less: change in non-controlling interest liability	52	(188)	28	(312)
Plus: loss from joint ventures	(2,736)	(1,448)	(3,919)	(2,654)
Plus: interest paid	13,853	9,926	21,295	19,340
Less: interest received	(84)	46	(189)	(124)
Plus: debt extinguishment costs	—	—	—	(412)
Plus: realized loss on currency exchange	—	3	—	10
Plus: amortization of lease asset	10	(8)	20	28
Plus: non-cash portion of non-controlling interest expense	—	(170)	—	(156)
Plus: adjustments for equity accounted entities	1,822	1,392	2,575	2,714
Plus: deferred share incentive plan compensation	—	(74)	2	(59)
Plus: executive severance	492	3,060	492	3,060
Plus: interest expense	671	—	671	—
Plus: bad debt at previously disposed properties	463	—	463	—
Plus: property taxes accounted for under IFRIC 21	(123)	—	246	
Less: capital maintenance reserve	(198)	(372)	(396)	(744)
AFFO	$ 418	$ 1,111	$ 2,633	$ 3,192

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