

Invesque Establishes Medical Office Building Platform with US\$142 Million Acquisition of Mohawk Medical Properties REIT

TORONTO, ONTARIO, March 2, 2018 – Invesque Inc. (TSX: IVQ.U) (the “**Company**”) announced it has entered into an arrangement agreement (“**Arrangement Agreement**”) with Mohawk Medical Properties Real Estate Investment Trust and its subsidiary, Mohawk Medical Operating Partnership (I) LP (collectively, “**Mohawk REIT**”) to acquire all of the outstanding units of Mohawk REIT, for approximately US\$142 million (approximately CAD\$180 million), subject to certain adjustments (the “**Acquisition**” or “**Transaction**”). Mohawk REIT owns 14 multi-tenant medical office buildings (the “**Properties**” or the “**Portfolio**”) located in seven markets throughout Canada and the U.S. Upon closing, Mohawk Realty Advisors Ltd. and its affiliates (“**Mohawk**”) will continue to provide asset and property management for the Properties.

ACQUIRING AN EXISTING PLATFORM:

The Portfolio is comprised of more than 545,000 square feet in Alberta, Ontario, New York, and Florida and is one of the largest portfolios of medical office properties in Canada. Acquiring the Properties and establishing an ongoing management relationship with Mohawk positions the Company as a leader in the Canadian medical office space. “The founders and principals of Mohawk, Sean Nakamoto and Andrew Shapack, are pioneers in the Canadian medical office space and we are pleased to establish this partnership, expand the initial portfolio through future acquisitions, and continue to create shareholder value,” said Adlai Chester, the Company’s Chief Investment Officer. “We believe the Mohawk team has the expertise to drive continued performance at the Properties as well as find and implement attractive opportunities going forward.” In addition to the investment in the Portfolio, Mohawk will be required to provide Invesque with any opportunities to acquire similar, stabilized medical office buildings sourced by Mohawk. Key transaction attributes include:

- **Launch of a New Growth Platform:** The partnership with Mohawk provides Invesque with an experienced team to manage the Portfolio and grow the platform by capitalizing on a highly fragmented sector. Medical office will be a pillar for future growth.
- **Strategic Diversification:** The Acquisition expands the Company’s geographic footprint into Alberta with three properties and increases its presence in Ontario with eight properties, Florida with two properties and New York with one property. Acquiring the Properties also significantly diversifies the Company’s investment basis into a new asset class (approximately 10% of total net operating income).
- **Attractive Metrics:** The Properties are occupied by multiple physician tenants with established medical practices. The Portfolio has historical occupancy greater than 90%, strong initial yield, and annual tenant retention of greater than 80% with over 400 physicians practicing throughout the Portfolio.
- **Embedded Shareholder Value:** The equity portion of the Transaction will be funded through the issuance of common shares to Mohawk REIT unitholders at a fixed price of USD\$9.75 per share.
- **Accretive Transaction:** The acquisition of the Properties is expected to be accretive to the Company’s Adjusted Funds from Operations (“AFFO”) per diluted share.



“This acquisition allows us to establish a strong investment platform within an important and growing asset class of health care,” stated Scott White, the Company’s Chief Executive Officer. “Our strategic relationship with Mohawk reinforces our demonstrated ability to identify best-in-class partners while diversifying Invesque’s portfolio across the care continuum. This is an exciting day for us as we launch a new platform and execute on our investment strategy.”

The acquisition is expected to be immediately accretive to the Company’s Adjusted Funds from Operations (“AFFO”) per diluted share and will be funded through a combination of new debt, cash on hand, and an issuance of the Company’s common shares (“**Consideration Shares**”) at a fixed issuance price of US\$9.75 per share in exchange for Mohawk REIT’s current unitholder equity of approximately US\$37 million. Once acquired, the Properties will increase the Company’s property count to 103 properties and add 545,000 rentable square feet of medical office space.

The Transaction will be carried out by way of a plan of arrangement, which will be subject to the approval of at least 66 2/3% of the votes cast at a special meeting of the unitholders of Mohawk REIT, and receipt of applicable orders from the Alberta Court of Queen’s Bench. The Company has entered into support agreements with certain unitholders of Mohawk REIT that hold approximately 12% of the outstanding units of Mohawk REIT pursuant to which, among other things, such holders have agreed to vote their units of Mohawk REIT in favour of the Transaction.

The Acquisition is also subject to a number of closing conditions, including among others approval of the Toronto Stock Exchange of the listing of the Consideration Shares, representation and warranty insurance being in place, and the refinancing of mortgage indebtedness. There can be no assurances that any such conditions will be satisfied or that the acquisition of the Properties will be completed.

The Arrangement Agreement will be available on the SEDAR website at www.sedar.com within 10 days following the date of this press release.

Asset Type	Post-Closing Property Count
Skilled Nursing	35
Seniors Housing	54
Strategic Healthcare	14

ABOUT INVESQUE:

Invesque Inc. is a North American health care real estate company with a growing portfolio of high quality properties located in the United States and Canada and operated by best-in-class health care, senior living and care operators primarily under long-term leases and joint ventures. Invesque partners with industry leaders to invest across the health care spectrum. Invesque’s mission is to create long-term shareholder value while providing an investment opportunity that matters. For more information, visit www.invesque.com.



ABOUT MOHAWK:

Mohawk Medical Properties Real Estate Investment Trust is a Toronto, Canada based fund specialized in health care real estate, managed by Mohawk Realty Advisors Ltd. and its affiliates. Mohawk was formed in September 2012 by Sean Nakamoto and Andrew Shapack, veterans of GT Canada Medical Properties REIT, Northwest Healthcare Properties and TD Securities Real Estate. The firm engages in acquisition, property management and asset management of medical office buildings. Mohawk Realty's investment strategy is to create a geographically diversified portfolio of high quality properties that generate stable distribution yields and capital appreciation opportunities. Mohawk Realty provides comprehensive, asset management services that include strategic planning, financial reporting, valuation analysis, investor relations, mortgage financing, capital expenditures, and dispositions. Additionally, Mohawk Realty provides medical specific, property management and leasing services specially designed for medical practitioners. These services include tenant relations, leasing, property accounting, capital planning, marketing, construction coordination, and human resources.

NON-IFRS FINANCIAL MEASURES:

AFFO is not a measure recognized under IFRS and does not have a standardized meaning prescribed by IFRS. Such a measure is presented in this news release because management of the Company believes that such a measure is relevant in interpreting the purchase price metrics and performance of the acquisition. Such a measure, as computed by the Company, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to the measure 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 AFFO and net operating income 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. Such forward-looking statements reflect the Company's current beliefs and are based on information currently available to management and include, without limitation, statements regarding the completion of the Transaction and the benefits of the Transaction (including the expected accretion). The forward-looking statements in this new release are based on certain assumptions, including that all conditions to completion of the Transaction will be satisfied or waived and that the Transaction will be completed. 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. 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, risks that the conditions to the closing of the Transaction will not be satisfied or waived, that the Transaction will otherwise not be completed, or that the Portfolio will not perform or be integrated as expected, as well as the factors discussed under the heading "Risk Factors" in the Company's annual information form available at www.sedar.com. 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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