Ventas to Acquire High Quality Canadian Seniors Housing Portfolio in Partnership with Le Groupe Maurice

June 3, 2019

- **Ventas Invests in C$2.4 Billion Portfolio Through 85/15% Partnership with Le Groupe Maurice ("LGM"); LGM to Continue to Manage Portfolio**
- **31 Class A Apartment-Like Seniors Housing Communities in Attractive Quebec Markets**
- **Well-Occupied, Stable Portfolio and Lease-Up Assets Expected to Deliver 4% NOI CAGR over Next 5 Years**
- **Additional Growth Expected from Four In-Progress Developments**
- **Exclusive Rights to Future Development Pipeline**
- **Establishes High Quality New Platform for Growth with LGM; Builds on Ventas's Successful Strategy with Leading Operators**
- **Diversification of Ventas's Portfolio, Business Model and Operator Base**
- **Transaction is Expected to be Accretive to Normalized FFO in 2020**

CHICAGO--(BUSINESS WIRE)--Jun. 3, 2019-- Ventas, Inc. (NYSE: VTR) ("Ventas" or the "Company") today announced that it has signed a definitive agreement to acquire a Class A portfolio of 31 purpose-built seniors housing communities and four in-progress developments in the attractive Quebec market by investing through an 85/15 percent equity partnership with Le Groupe Maurice ("LGM"). The portfolio is valued at C$2.4 billion (USD $1.8 billion) including construction in progress. The deal establishes a new platform for growth with leading developer and operator, LGM, a market leader in the design, development and management of seniors housing communities in Quebec who will continue to manage and further develop the portfolio under the Le Groupe Maurice brand, maintaining its vision of quality and innovation. Ventas will also have exclusive rights to fund and own all additional developments under a pipeline agreement with LGM.

Le Groupe Maurice is a market leader in the design, development and management of apartment like, independent living seniors housing communities in Quebec. Founded in 1998, LGM has over 2,000 employees, a seasoned, high-quality management team with deep industry knowledge and a strong track record of development and operating success. LGM has grown from one property in 2000 to 35 communities, all through purpose-built development, and has a leading 9 percent market share in Quebec with a highly regarded and recognized brand. The investment will diversify and expand Ventas's leading seniors housing operating portfolio ("SHOP") presence in the attractive and growing Canadian market with a preferred seniors housing brand in Quebec.

"We are delighted to announce this accretive investment with Le Groupe Maurice to obtain a strong portfolio with built-in growth potential from existing and new developments in high-quality, attractive urban markets," said Ventas Chairman and Chief Executive Officer, Debra A. Cafaro. "This transaction demonstrates the Ventas team's commitment to our pivot to growth as we execute on accelerating external growth opportunities. The transaction enhances and diversifies our leading portfolio and underscores our successful strategy of partnering with best-in-class operators and developers," Cafaro added.

The President and Founder of Le Groupe Maurice, Luc Maurice, said: "We have built a leading seniors housing business over 20 years with very strong brand awareness and market share across Quebec through a commitment to quality and an energetic independent lifestyle for our residents. Le Groupe Maurice's team and employees are excited about this partnership with Ventas and we look forward to expanding the business and capitalizing on the significant opportunities we see in the growing and attractive Canadian senior housing market."

Highlights of the Transaction

- **High Quality Portfolio of 31 Communities and Four In-Progress DevelopmentsManaged by LGM**
  - Includes 28 stable, Class A, institutional quality apartment-like communities containing 7,885 units in high density, core urban markets with occupancy of nearly 97 percent, average units per community of 282, average age of 8 years and revenue per occupied unit of over C$2,600 per month.
  - Adds lease-up portfolio of three assets opening in 2019 containing 1,032 units. LGM's ten most recently completed and stabilized developments averaged 25 percent occupancy in month one and leased to over 90 percent occupancy on average in just 12 months.
  - These 31 communities are forecast to deliver four percent compound annual growth in net operating income ("NOI") over the next five years.
  - The transaction also includes four in-progress developments expected to contain about 1,400 units in attractive locations in Montreal that are projected to open in late 2020 and 2021.
- **Participation in Attractive Quebec Senior Housing Market**
  - Canada's senior housing market has delivered stable and growing cash flows, with limited new supply and attractive demand growth via an aging population.
  - Quebec offers a large, thriving senior housing market with a penetration rate approximating 18 percent (two times the Canadian average).

    - The Canadian 75 and over senior population is forecast to grow nearly 50 percent between 2018 and 2028.
- **Attractive Valuation for Stable Cash Flows with Embedded Growth**
    - C$2.4 billiontotal portfolio valuation (at 100 percent, including assumption of C$1.3 billion of debt) for 31 communities and four in-progress developments:
        - 28 stable assets: C$2.0 billion purchase price, estimated 5.5 percent yield, acquired at or below replacement cost with a per unit cost of C$255 thousand.
        - Three lease-up assets: C$0.3 billion purchase price, estimated 5.5 percent stabilized yield with a per unit cost of C$290 thousand.
        - Four in-progress developments: C$0.1 billion invested to date; C$0.4 billion projected total cost, estimated 6.5 percentstabilized yield with a per unit cost of C$280 thousand.
        - Exclusive arrangement to fund and own all LGM development projects provides long-term sustainable growth.
    - Ventas investment equals 85 percent of C$2.4 billion total portfolio valuation and pro-rata share of partnership returns.
- **Establishes New Platform for Growth with Exclusive Development Rights**
    - Ventas and LGM will enter into an 85/15 percent partnership agreement that will own the 35 assets and future developments.
    - Ventas has secured exclusive rights to own and fund all LGM future developments under a pipeline agreement, which should provide long-term sustainable growth. New incremental developments are expected to average two to three new starts per year.
- **Diversification of Portfolio, Business Model and Operator Base**
    - Ventas's pro forma Canadian portfolio increases from 41 properties to 76 properties and the NOI contribution from Canadian assets is expected to grow to seven percent of Ventas's NOI; NOI from the Company's Canadian SHOP portfolio is expected to represent 21 percent of its total SHOP NOI.
    - These new communities offer an outstanding lifestyle for seniors, with a la carte services, active adult options, and apartment-like units, resulting in longer length of stay. Demand for the top-tier amenities for an active senior lifestyle at the assets is strong.
    - With the transaction, LGM would become a top ten Ventas operator by NOI, and is expected to represent approximately 4 percent of Ventas's pro forma NOI by year end 2019.
- **Positive Financial Impact**
    - NOI from the 31 communities in 2020 is expected to range from C$123 to C$129 million (at 100 percent). The portfolio of 31 assets is expected to deliver 4 percent compound annual growth rate in NOI over the next five years.
    - The transaction is expected to be neutral to 2019 normalized Funds from Operations ("FFO") per share and accretive to 2020 normalized FFO by approximately $0.03 per share.

Approvals, Timing and Funding

The LGM transaction is expected to close in two phases. The first phase - expected to close early in the third quarter of 2019 - includes a C$987 million bridge loan from Ventas to LGM to enable it to buy out its current private equity partner. The second phase, full investment and partnership closing, is subject to the satisfaction of customary closing conditions, including receipt of regulatory approvals, and is expected to occur in the third quarter of 2019.

Advisors

As part of the LGM transaction, TD Securities is serving as exclusive financial advisor, and Osler, Hoskin & Harcourt LLP is serving as legal advisor, to Ventas. National Bank Financial Inc. is serving as exclusive financial advisor, and McCarthy Tetrault LLP is serving as strategic and legal advisor, to Le Groupe Maurice.

About Le Groupe Maurice

LGM is a market leader in design, development and management of progressive residences for seniors in Quebec. Founded in 1998, LGM has a portfolio of 35 communities, built and maintained to the highest standard in the industry.

Ventas, an S&P 500 company, is a leading real estate investment trust. Its diverse portfolio of approximately 1,200 assets in the United States, Canada and the United Kingdom consists of seniors housing communities, medical office buildings, university-based research and innovation centers, inpatient rehabilitation and long-term acute care facilities, and health systems. Through its Lillibridge subsidiary, Ventas provides management, leasing, marketing, facility development and advisory services to highly rated hospitals and health systems throughout the United States.

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding the Company's or its tenants', operators', borrowers' or managers' expected future financial condition, results of operations, cash flows, funds from operations, dividends and dividend plans, financing opportunities and plans, capital markets transactions, business strategy, budgets, projected costs, operating metrics, capital expenditures, competitive positions, acquisitions, investment opportunities, dispositions, merger or acquisition integration, growth opportunities, expected lease income, continued qualification as a real estate investment trust ("REIT"), plans and objectives of management for future operations and statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will" and other similar expressions are forward-

looking statements. These forward-looking statements are inherently uncertain, and actual results may differ from the Company's expectations. The Company does not undertake a duty to update these forward-looking statements, which speak only as of the date on which they are made.

The Company's actual future results and trends may differ materially from expectations depending on a variety of factors discussed in the Company's filings with the Securities and Exchange Commission. These factors include without limitation: (a) the ability and willingness of the Company's tenants, operators, borrowers, managers and other third parties to satisfy their obligations under their respective contractual arrangements with the Company, including, in some cases, their obligations to indemnify, defend and hold harmless the Company from and against various claims, litigation and liabilities; (b) the ability of the Company's tenants, operators, borrowers and managers to maintain the financial strength and liquidity necessary to satisfy their respective obligations and liabilities to third parties, including without limitation obligations under their existing credit facilities and other indebtedness; (c) the Company's success in implementing its business strategy and the Company's ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions and investments; (d) the accuracy of estimates and assumptions that the Company used to underwrite its acquisition of the interests in the partnership with LGM and to determine the projected impact and benefits (including financial) of the transaction, and the potential for the Company's estimates or assumptions, as well as the expected impact and benefits, to change as additional information becomes available; (e) macroeconomic conditions such as a disruption of or lack of access to the capital markets, changes in the debt rating on U.S. government securities, default or delay in payment by the United States of its obligations, and changes in the federal or state budgets resulting in the reduction or nonpayment of Medicare or Medicaid reimbursement rates; (f) the nature and extent of future competition, including new construction in the markets in which the Company's seniors housing communities and office buildings are located; (g) the extent and effect of future or pending healthcare reform and regulation, including cost containment measures and changes in reimbursement policies, procedures and rates; (h) increases in the Company's borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of the London Inter-bank Offered Rate after 2021; (i) the ability of the Company's tenants, operators and managers, as applicable, to comply with laws, rules and regulations in the operation of the Company's properties, to deliver high-quality services, to attract and retain qualified personnel and to attract residents and patients; (j) changes in general economic conditions or economic conditions in the markets in which the Company may, from time to time, compete, and the effect of those changes on the Company's revenues, earnings and funding sources; (k) the Company's ability to pay down, refinance, restructure or extend its indebtedness as it becomes due; (l) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; (m) final determination of the Company's taxable net income for the year ended December 31, 2018 and for the year ending December 31, 2019; (n) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration of the leases, the Company's ability to reposition its properties on the same or better terms in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations, including indemnification obligations, the Company may incur in connection with the replacement of an existing tenant; (o) risks associated with the Company's senior living operating portfolio, such as factors that can cause volatility in the Company's operating income and earnings generated by those properties, including without limitation national and regional economic conditions, development of new competing properties, costs of food, materials, energy, labor and services, employee benefit costs, insurance costs and professional and general liability claims, and the timely delivery of accurate property-level financial results for those properties; (p) changes in exchange rates for any foreign currency in which the Company may, from time to time, conduct business; (q) year-over-year changes in the Consumer Price Index or the U.K. Retail Price Index and the effect of those changes on the rent escalators contained in the Company's leases and the Company's earnings; (r) the Company's ability and the ability of its tenants, operators, borrowers and managers to obtain and maintain adequate property, liability and other insurance from reputable, financially stable providers; (s) the impact of damage to the Company's properties for catastrophic weather and other natural events and the physical effects of climate change; (t) the impact of increased operating costs and uninsured professional liability claims on the Company's liquidity, financial condition and results of operations or that of the Company's tenants, operators, borrowers and managers, and the ability of the Company and the Company's tenants, operators, borrowers and managers to accurately estimate the magnitude of those claims; (u) risks associated with the Company's office building portfolio and operations, including the Company's ability to successfully design, develop and manage office buildings and to retain key personnel; (v) the ability of the hospitals on or near whose campuses the Company's medical office buildings are located and their affiliated health systems to remain competitive and financially viable and to attract physicians and physician groups; (w) risks associated with the Company's investments in joint ventures and unconsolidated entities, including its lack of sole decision-making authority and its reliance on its joint venture partners' financial condition; (x) the Company's ability to obtain the financial results expected from its development and redevelopment projects; (y) the impact of market or issuer events on the liquidity or value of the Company's investments in marketable securities; (z) consolidation in the seniors housing and healthcare industries resulting in a change of control of, or a competitor's investment in, one or more of the Company's tenants, operators, borrowers or managers or significant changes in the senior management of the Company's tenants, operators, borrowers or managers; (aa) the impact of litigation or any financial, accounting, legal or regulatory issues that may affect the Company or its tenants, operators, borrowers or managers; and (bb) changes in accounting principles, or their application or interpretation, and the Company's ability to make estimates and the assumptions underlying the estimates, which could have an effect on the Company's earnings.

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