

Mainstreet Health Investments Inc. Reports Second Quarter 2017 Results

TORONTO, Aug. 8, 2017 /CNW/ - Mainstreet Health Investments Inc. (TSX: HLP.U) (the "Company") today announced its results for the three and six months ended June 30, 2017.

Second Quarter Highlights

- Reported adjusted funds from operations ("AFFO") of \$0.26 per common share
- Executed the sale/leaseback of three facilities located in California and Arizona, from The Ensign Group, Inc. (NASDAQ:ENSG)
- Amended existing credit facility to increase capacity to \$300 million, extending the maturity by nearly three years
- Entered into a long-term absolute net lease with Providence Group, Inc. for the operations of the post acute transitional care facility located in Houston, Texas
- On July 24, 2017, the Company entered into a definitive agreement for the sale of the two transitional care facilities located in Wichita, Kansas and Fort Worth, Texas

"We are very pleased with another successful quarter of executing on our strategy," commented Scott White, chief executive officer for the company. "In particular, we are excited about the addition of the Ensign assets to our portfolio. Further, the amendment to our credit facility positions us well to continue to grow our platform. We believe the industry will continue to produce opportunities for long-term growth."

Financial Highlights

| (in thousands of U.S dollars, except per share values) | Three months ended | | Six months ended June | |
|--|--------------------|---------------|-----------------------|------------|
| | 2017 | June 30, 2016 | 2017 | 30, 2016 |
| Revenue | \$ 17,196 | 8,625 | 32,718 | \$ 15,979 |
| General and administrative expenses | \$ 2,084 | 1,396 | 4,471 | \$ 1,888 |
| Finance costs | \$ 4,885 | 4,030 | 9,231 | \$ 8,471 |
| Net income (loss) | \$ 4,706 | (773) | 9,689 | \$ (2,178) |
| Funds from operations ("FFO") ⁽¹⁾ | \$ 7,671 | 1,815 | 14,455 | \$ 3,082 |
| Funds from operations per share | \$ 0.24 | \$ 0.21 | \$ 0.45 | \$ 0.57 |
| Adjusted funds from operations ("AFFO") ⁽¹⁾ | \$ 8,278 | 3,848 | 16,349 | \$ 7,171 |
| Adjusted funds from operations per share | \$ 0.26 | \$ 0.44 | \$ 0.51 | \$ 1.32 |

(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) | June 30, 2017 | | December 31, 2016 | |
|---|---------------|---|-------------------|---|
| Total assets | \$ 728,832 | | \$ 677,719 | |
| Number of owned properties | 38 | | 35 | |
| Debt | \$ 401,900 | | \$ 356,220 | |
| Debt / Gross Book Value | 55.1 | % | 52.6 | % |

Subsequent Events

Please refer to the Recent Activities section of the Company's 2017 Second Quarter MD&A available on the

Company's website and on SEDAR at www.sedar.com for more information.

Investor Conference Call

A conference call hosted by the Company's senior management team will be held Wednesday, August 9, 2017 at 10:00 AM ET. The telephone numbers for the conference call are: Local: (647) 427-7450 or Toll Free: (888) 231-8191. The passcode for the conference call is: 10076262. The conference will also be available via webcast at <http://www.mainstreethealthinvestments.com/investor-events-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: (416) 849-0833 or Toll Free: (855) 859-2056. The Passcode for the taped replay is 10076262.

About Mainstreet Health Investments

Mainstreet Health Investments 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 senior living and care operators primarily under long-term leases. Its mission is to create long-term shareholder value while providing an investment opportunity that matters. For more information, visit www.mainstreethealthinvestments.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. 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. Such forward-looking statements reflect the Company's current beliefs and are based on information currently available to management. This forward-looking information represents our views as of the date of this press release and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results or performance to vary from those current expectations or estimates expressed or implied by the forward-looking information. See risk factors highlighted in materials filed with the securities regulatory authorities in Canada from time to time, including, but not limited to, the Company's annual information form available on SEDAR at www.sedar.com.

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 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 and twelve months ended June 30, 2017, please refer to the Financial Measures section of the 2016 MD&A available on the Company's website and on SEDAR at www.sedar.com.

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<http://invesque.mediaroom.com/2017-08-08-Mainstreet-Health-Investments-Inc-Reports-Second-Quarter-2017-Results>