



RESCO Mortgage Investment Corporation

February 25, 2026

Dear Shareholder:

RE: RESCO Mortgage Investment Corporation to suspend retractions to ensure orderly process

RESCO Mortgage Investment Corporation (“RESCO” or the “Corporation”) will suspend processing of requests to retract its Class B preferred shares (“Preferred Shares”) effectively immediately in accordance with the terms of the Preferred Shares, as outlined in its offering memorandum (the “Offering Memorandum”), a copy of which was provided to you in connection with your purchase of Preferred Shares. This temporary measure is not a result of any portfolio impairment or insolvency, but a result of the Corporation reaching its limit on retractions within a specified period.

As described in the Offering Memorandum, shareholders may tender their Preferred Shares for retraction, but RESCO’s obligation to retract Preferred Shares is limited to 5% of the number of Preferred Shares outstanding at the beginning of a financial year in any month, and 25% of the Preferred Shares in any fiscal year. Substantially all of RESCO’s available funds are invested in mortgage loans, which are generally illiquid and are subject to repayment at the end of negotiated terms. The Preferred Share retraction limits exist to ensure that RESCO can obtain liquidity needed to fund retraction requests on a timeline that reflects the nature of its mortgage investments, while maintaining sufficient capital to execute its business plan and strategy.

The Corporation has received requests to retract more than 25% of the outstanding Preferred Shares since November 1, 2025, the beginning of its financial year. This is the first time in RESCO’s operating history that retraction requests have been tendered at this level.

Pending the resumption of retraction processing, **RESCO will continue to pay the monthly cash and DRIP distributions to all holders of Preferred Shares.** During this time, new subscriptions for Preferred Shares will continue to be accepted.

Retraction requests will continue to be accepted, and will be processed for retraction on a pro rata basis in accordance with the process outlined in the Offering Memorandum. The Corporation will continue to make all commercially reasonable attempts to satisfy retraction requests as soon as practicable. In any event, processing of retraction requests will resume after the end of the current financial year.

 www.rescominc.ca

IT’S TIME TO CONSIDER THE ALTERNATIVES.

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The past 18 months have presented challenges across the alternative investment industry with elevated retraction requests and tighter capital flows affecting many funds. Several alternative investment companies have suspended retractions, resulting in broader retractions across the market.

RESCO is actively evaluating opportunities to raise new capital to offset the elevated retraction activity. These initiatives include strengthening relationships with existing capital partners, engaging with new distribution channels and exploring various strategic alternatives. The objective of these efforts is to broaden RESCO's investor base, improve capital inflows and enhance long-term liquidity. RESCO is committed to maintaining its disciplined underwriting standards and investor-first approach.

Management believes that success in broadening our investor base and continued prudent portfolio management will result in a balanced capital base as retraction levels normalize.

Despite these conditions, RESCO has remained resilient, maintaining a positive operating performance, a testament to the strength of our portfolio, operating team and strategy. As this is not a typical event for us, prudence dictates a measured approach.

RESCO will continue to maintain its disciplined risk management approach in managing its portfolio, resulting in:

- Portfolio loan-to-value ratio of 71.8% (as at Jan. 31, 2026)
- Mortgage portfolio is comprised of 98.1% residential mortgages
- 72.6% of the mortgage portfolio consists of first mortgages
- Average borrower credit score of 698

Our market outlook for the residential real estate market remains positive based on long-term fundamentals of population growth and housing demand. As the macroeconomic environment improves with greater US-Canada trade certainty and the interest rate environment remains stable, we expect that RESCO will remain well-positioned to perform well in the market.

RESCO remains committed to transparency, stability and regular communication with our investors and advisors. These temporary measures are designed to protect the interests of all shareholders while ensuring RESCO is able to continue to execute on its strategy.

Yours very truly,

David Ho, Will Sung, Chris Cheng, Phoebe Lam and David Looi
RESCO Management Team