RESCO
MORTGAGE INVESTMENT CORP

To Our Shareholders

Important Update on Share Retractions: Protecting Investor Value – Q&A

On February 25, 2026, RESCO informed all shareholders that it was immediately suspending requests to retract its Class B preferred shares. This was a measured, proactive step taken under the Fund's rules to protect the value of the investment for all shareholders. What does this mean for you as an investor?

1. What exactly has changed?

RESCO has temporarily suspended the processing of Class B Preferred Share retraction requests because the Corporation has reached the maximum annual retraction limit set out in the Offering Memorandum (25% of shares outstanding per fiscal year).

This is the first time in RESCO's operating history that retraction requests have reached this level and reflects broader industry conditions rather than RESCO-specific issues. This is a procedural suspension, not a permanent one.

2. When will retractions resume?

Processing of retraction requests will resume after the end of the current financial year, on November 1st, 2026, once the annual retraction limit resets.

In the meantime:

- Retraction requests will continue to be accepted
- Requests will be processed in accordance with the Offering Memorandum
- RESCO will continue to make commercially reasonable efforts to satisfy retractions as liquidity becomes available

3. How exactly does the retraction process work, and what does "pro rata" mean?

When retractions resume, requests will be processed on a pro rata basis on a monthly basis, as outlined in the Offering Memorandum.

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"Pro rata" refers to proportional. If the total amount of retraction requests is greater than what RESCO is permitted to process at that time, the available amount is divided proportionally among all investors who submitted valid retraction requests in any given month, rather than paying some investors in full and others not at all. The same calculation is repeated for each month.

4. Is my capital at risk because retractions are suspended?

While RESCO (and other mortgage investment funds) cannot guarantee your capital, the Preferred Shares are supported by a diversified portfolio of primarily residential mortgages, which are secured by real property. These assets provide strong collateral support and are underwritten to disciplined loan-to-value and borrower credit standards.

The retraction limits are designed to protect shareholders by:

- Ensuring that RESCO continues to have sufficient liquidity for its operations
- Avoiding forced or discounted asset sales, thus preserving asset values
- Treating all investors fairly, both that wish to redeem and those remaining

5. Will I continue to receive my monthly distributions?

RESCO intends to continue paying monthly distributions, including both cash distributions and DRIP distributions, to all holders of Preferred Shares during the suspension period.

6. What is RESCO doing to improve liquidity going forward?

RESCO is actively pursuing initiatives to strengthen long-term liquidity, including:

- Expanding relationships with existing capital partners
- Engaging new distribution channels
- Exploring strategic capital solutions

These efforts are aimed at broadening the investor base, improving capital inflows, and restoring balance between subscriptions and retractions.

7. Is RESCO still accepting new investments?

Yes. New subscriptions for Preferred Shares continue to be accepted, which supports liquidity, diversification of the investor base, and long-term stability.

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8. How strong is the mortgage portfolio today?

As of January 31, 2026, RESCO's portfolio metrics remain strong with:

- Portfolio loan-to-value (LTV): 71.8%
- Residential exposure: 98.1%
- First mortgages: 72.6%
- Average borrower credit score: 698

9. Does management expect conditions to normalize?

Yes. As interest rates stabilize and macroeconomic conditions improve, RESCO expects capital inflows to improve and retraction activity to normalize. RESCO's commitment to disciplined underwriting and risk management position it well to perform for its investors

10. How will RESCO keep investors informed?

RESCO will provide regular updates to its investors as conditions change. Investors are welcome to contact our office at any time with their questions at info@rescomic.ca

RESCO Mortgage Investment Corporation
Investor Relations

We will continue to provide updates as conditions evolve.

DISCLAIMER

This document is for information purposes only and is not, and under no circumstances is to be construed as, legal, financial or investment advice.

Please refer to the latest version of the Offering Memorandum for Class B Preferred Shares of RESCO Mortgage Investment Corporation for details on retraction limits, procedures, and other details.

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