

ESG

REPORT 2025



Environmental, Social and Governance Report
For the Year Ending December 31, 2025

Chair Letter

Dear Unitholders,

Each year, the Board of Trustees of Flagship Communities REIT focuses on strengthening governance, supporting long-term value creation, and ensuring the REIT operates in a responsible and sustainable manner. In 2025, Flagship built on the momentum generated since becoming a public REIT, advancing its growth strategy while further embedding ESG considerations into Board oversight and decision-making.

We successfully expanded into three key markets during 2025. As Flagship's footprint continues to grow, the Board remains mindful of its responsibility to oversee ESG risks and opportunities across an increasingly diverse portfolio.

This includes supporting initiatives that enhance environmental stewardship, strengthening community well-being, and ensuring effective governance practices are consistently applied across all markets in which the REIT operates.

Effective corporate governance begins with the right mix of skills, experience, and perspective around the Board table. In 2025, we continued to focus on Board composition and renewal to ensure alignment with Flagship's evolving strategy. The appointments of Candace McGraw and Jonathan Li at the end of 2024 further broadened the Board's expertise across finance, operations, infrastructure, and business strategy. These appointments also advanced our commitment to diversity in leadership. Women now comprise 33% of the Board, in line with our stated target. Minorities comprise 22% of the Board. Women represent 85% of our community and district managers – an important reflection of leadership strength across the organization.

We also made meaningful progress in strengthening our ESG governance and disclosure practices. Following the completion of a regulatory disclosure readiness assessment last year, we established an ESG governance framework to enhance oversight, accountability and consistency in the management and reporting of ESG-related matters. The insights from this assessment continue to inform the evolution of our ESG disclosures each year.

The Board remains focused on returning capital to unitholders, supported by Flagship's stable operating performance and disciplined approach to growth. In 2025, we increased our cash distribution for the fifth consecutive year. For the Board, this reflects confidence



*Peter C.B. Bynoe
Chair, Board of Trustees*

continued

Chair Letter

in the durability of our business model, the quality of our assets, and the execution capabilities of our management team. Since becoming a public REIT, Flagship has delivered one of the strongest distribution growth records among Canadian REITs, while reducing leverage, maintaining a disciplined AFFO payout ratio, and earning industry recognition for the quality of our communities.

In closing, I want to thank my fellow Trustees for their continued dedication and thoughtful oversight, as well as Flagship's employees for their commitment to serving our residents and communities. I also thank our unitholders for their trust and support.

We are proud of the progress made this year, but we are especially proud of how we grew responsibly, which we expect to continue going forward. As we embark on another year, the Board remains confident in management's strategy and is committed to advancing Flagship's growth and ESG priorities in a way that creates long-term value for all stakeholders.

Peter C.B. Bynoe
Chair of the Board

CEO Letter

Dear Unitholders,

This past year was especially memorable for Nathan and me, as we celebrated 30 years in the manufactured housing business. We also marked five years as a publicly traded REIT on the Toronto Stock Exchange. We commemorated the occasion with employees, trustees, partners, family, and friends and I couldn't help but reflect on the progress we have made since we first started in 1995.

Despite being in the business for 30 years, no two years are alike. Every year has its own unique set of circumstances. Since becoming a public REIT, we approach every year with the mindset that, "We can do well by investors while doing good." That mantra was especially true in 2025. We saw continued growth and momentum while also expanding our presence in three key markets: Kentucky, Indiana and the greater Cincinnati, Ohio area.

It is always a positive sign for our business and the MHC industry when we grow and expand into new markets. We are now in eight contiguous US states, which were chosen carefully. One of the main reasons is we want the ability to visit all of our communities, so we like that they are in driving-distance from our headquarters in Kentucky. Flagship management makes a point of regularly checking-in with our residents to ensure their needs are being met. We take great pride that we are continuing to grow and with that growth, we understand that our commitments to our customers have grown as well.

Our customers look to us to provide a better and more affordable living option, and we take that responsibility seriously. This past year, we continued to advance a number of in-community initiatives that help enhance the living experience of our residents.

For the past number of years, the majority of our communities have held holiday traditions that our residents look forward to every year. We have our annual meal program at Thanksgiving, our annual Christmas toy program and we have introduced year-round free food pantries at each of our locations to support residents in need. We also host back-to-school events, which have become annual events in our communities.

And there is no better illustration of all of these initiatives in action than our Derby Hills Pointe community in Alexandria, Kentucky, which was the recipient of the Community of the



*Kurt Keeney
President and
Chief Executive Officer*

continued

CEO Letter

Year by the Kentucky Manufactured Housing Institute, an award we have won for the past four years. Through methodical infrastructure upgrades and community-building amenities, we have helped transform the 170-lot Derby Hills Pointe into a vibrant community for our residents. We have added a new clubhouse, solar street lighting, an institutional-grade playground, basketball courts, and a newly installed dog park. Derby Hills also operates a resident-driven food pantry, partners with local churches to provide back-to-school programs and organizes annual events like Halloween parties, Thanksgiving meal donations, and Christmas festivities. You can read more about Derby Hills in the Social Responsibility section of this report.

We were also awarded two of the top awards by the Manufactured Housing Institute: Operator of the Year and Community Impact Project of the Year for our Suburban Pointe community in Lexington, Kentucky. This community is another example of our ability to enhance the living experience for our residents through amenities and community programming. Over the years we have added many new amenities to Suburban Pointe, including a new clubhouse, a municipal grade playground, basketball court, soccer field, and dog park, and introduced community events and programming year-round.

We also continue to invest in the health and safety of our residents. Last year, we introduced a Flock camera security system in over a dozen communities to assist local law enforcement. We also created a new storm shelter to support the local emergency management system, which was a first-of-its-kind joint venture with a local municipality. These are just some examples of how we are committed to ensuring high living standards for our residents as well as playing a small part bringing families together and helping where we can.

Our REIT prioritizes protecting and preserving the environment and so do our residents. By living in manufactured houses, our residents are making a responsible choice for the environment. Manufactured homes are built in a controlled factory, which reduces the carbon footprint by requiring less transportation and material waste as well as fewer bulk material purchases compared to traditional wood-frame homes. Many of our homes are built to help reduce carbon emissions and we use energy-efficient appliances, a voluntary program which improves energy efficiency while saving costs to homeowners, according to the Environmental Protection Agency.

Our solar lighting community program continued for its fifth year. Every year, we add new solar lights and now have over 4,000 across our communities. We also continue to

continued

CEO Letter

benefit from the sub-metering technology and water re-capture programs across all of our communities to help us detect water leaks quickly. These measures have resulted in an approximately 25-35% reduction in water consumption, while allowing us to better respond to potential resident issues.

What makes all these community, environment, and safety initiatives possible is our employees, who always work tirelessly for our residents. Our residents choose manufactured housing over other dwelling options, and our employees do not take that decision for granted. We empower and invest in our employees to help ensure that our residents continue to get the best manufactured housing experience possible.

Thank you to our Board of Trustees and to the Flagship employees for their dedication to this business. And thank you to our unitholders for your continued support.

We welcome everyone to learn more about Flagship and our ESG efforts in the pages ahead of our sixth annual ESG report.

Sincerely,

Kurtis P. Keeney
President and Chief Executive Officer

Table of Contents

Chair Letter	2
CEO Letter	4
About This Report	8
Forward-Looking Statements	9
Flagship At A Glance	10
Business and Financial Performance	11
About Flagship Communities REIT	12
Flagship’s Expanding Footprint	14
Environmental Conscience	15
Social Responsibility	21
<i>Case Study: Derby Hills Pointe</i>	<i>23</i>
<i>The Faces of Affordable Housing</i>	<i>28</i>
<i>MHI Community Operator of the Year</i>	<i>29</i>
Stakeholder Engagement	30
Corporate Governance	31
<i>Our Commitments</i>	<i>31</i>
<i>Board of Trustees</i>	<i>32</i>
<i>Leadership Team</i>	<i>37</i>
<i>Sustainability Performance Indices</i>	<i>38</i>

About This Report

Flagship Communities REIT (“Flagship” or “the REIT”) continues to advance its sustainability commitments and remains focused on strengthening and evolving its Environmental, Social and Governance (“ESG”) performance. ESG at Flagship encompasses a broad range of initiatives, including renewable energy, education, community amenities, operational efficiency, and resident well-being. These efforts are integral to how we define ourselves as a REIT and how we create long-term value for our unitholders, employees, and communities.

This year’s report is Flagship’s sixth annual ESG report. Flagship Communities REIT has prepared this report with reference to the Global Reporting Initiative (“GRI”) Standards 2021, including GRI 1: Foundation, GRI 2: General Disclosures, and GRI 3: Material Topics. The topics disclosed reflect management judgment, informed by ongoing stakeholder engagement. This report also considers the SASB Real Estate (IF-RE) framework.

The information included in this report has been selected by the Flagship leadership team as being most relevant and meaningful when considered within the broader context of the REIT’s operations, strategy and growth trajectory.

You can learn more about our ESG commitments and disclosures in the Sustainability Performance Indices section under Corporate Governance at the end of this report.

We welcome your comments and feedback about this report and our ESG initiatives. If you have a question or comment, please contact the Investor Relations team at ir@flagshipcommunities.com.



Mill Creek Pointe, Evansville, Indiana

Forward-Looking Statements

This ESG report contains forward-looking statements that include forward-looking information within the meaning of Canadian securities laws. These forward-looking statements reflect the current expectations of the REIT regarding future events. In some cases, forward-looking statements can be identified by terms such as “may”, “will”, “could”, “occur”, “expect”, “anticipate”, “believe”, “intend”, “estimate”, “target”, “project”, “predict”, “forecast”, “continue”, “committed”, “goal”, and “objective” or the negative thereof or other similar expressions concerning matters that are not historical facts. Material factors and assumptions used by management of the REIT to develop the forward-looking information include, but are not limited to, that occupancy rates are stable, rental rate changes and collections experiences are consistent with recent practice, and that currency exchange and interest rates are stable.

Although management believes the expectations reflected in such forward-looking statements are reasonable and represent the REIT’s internal expectations and beliefs at this time, such statements involve known and unknown risks and uncertainties and may not prove to be accurate and certain objectives and strategic goals may not be achieved. A variety of factors, many of which are beyond the REIT’s control, could cause actual results in future periods to differ materially from current expectations of events or results expressed or implied by such forward-looking statements, such as the risks identified in the REIT’s Annual Information Form for the year ended December 31, 2025, including under the heading “Risk Factors” therein, and the REIT’s most recent annual and interim Management’s Discussion and Analysis (“MD&A”), in each case available under the REIT’s profile at www.sedarplus.ca. Readers are cautioned against placing undue reliance on forward looking statements. Except as required by applicable Canadian securities laws, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made.



2025 Flagship At A Glance



Business and Financial Performance

(\$000s except per unit amounts)	For the year ended Dec 31, 2025	For the year ended Dec 31, 2024	Variance
Rental revenue and related income	103,385	88,130	17.3%
Same Community Revenue ¹	91,735	82,723	10.9%
Acquisitions Revenue ¹	11,650	5,407	115.5%
Net income and comprehensive income	115,667	103,518	11.7%
NOI, Total Portfolio	68,424	58,438	17.1%
Same Community NOI ¹	60,752	54,728	11.0%
Acquisitions NOI ¹	7,672	3,710	106.8%
NOI Margin ¹ , Total Portfolio	66.2%	66.3%	(0.1)%
Same Community NOI Margin ¹	66.2%	66.2%	0%
Acquisitions NOI Margin ¹	65.9%	68.6%	(2.7)%
FFO ²	36,385	30,771	18.2%
FFO per unit ²	1.446	1.290	12.1%
FFO adjusted ²	36,110	30,175	19.7%
FFO adjusted per Unit ²	1.435	1.265	13.4%
AFFO ²	33,141	27,831	19.1%
AFFO per unit ²	1.317	1.167	12.9%
AFFO Payout ratio ²	47.2%	50.7%	(6.9)%
AFFO adjusted ²	32,866	27,235	20.7%
AFFO adjusted per unit ²	1.306	1.142	14.4%
AFFO adjusted Payout ratio ²	47.6%	51.8%	(8.1)%
Weighted average units (diluted)	25,156,709	23,850,671	1,306,038

¹ See the “Non-IFRS Financial Measures - Other Real Estate Industry Metrics” section of the REIT’s MD&A for the year ended December 31, 2025, available under the REIT’s profile on www.sedarplus.ca, for an explanation of the composition of these real estate industry metrics, which explanation is incorporated by reference herein.

² These measures are not recognized under International Financial Reporting Standards (“IFRS”), and do not have standardized meanings prescribed by IFRS and may not be comparable to similar financial measures disclosed by other issuers. See the Non-IFRS Financial Measures - Funds from Operations and Adjusted Funds from Operations section of the REIT’s MD&A for the year ended December 31, 2025, available under the REIT’s profile on www.sedarplus.ca, for an explanation of the composition of these non-IFRS measures and their usefulness for readers in assessing the REIT’s performance, as well as the Reconciliation of FFO, FFO per unit, FFO adjusted, FFO adjusted per unit, AFFO, AFFO per unit, AFFO adjusted and AFFO adjusted per unit section of such MD&A for a reconciliation to the most directly comparable measure under IFRS. Such disclosure is incorporated by reference herein.

About Flagship Communities REIT

Flagship Communities Real Estate Investment Trust is a leading operator of affordable residential Manufactured Housing Communities (“MHCs”) primarily serving working families seeking home ownership. The REIT owns and operates exceptional residential living experiences and investment opportunities in family-oriented communities in Kentucky, Indiana, Ohio, West Virginia, Tennessee, Arkansas, Missouri, and Illinois. Flagship is an internally managed, unincorporated, open-ended REIT established pursuant to a declaration of trust under the laws of the Province of Ontario.

Our vision is to be a leading operator and provider of affordable residential MHCs in the Midwest United States.

Our mission is to provide affordable housing, exceptional residential living experiences, and investment opportunities in our adult and family-oriented manufactured housing communities. We operate with the highest integrity and represent all unitholders and stakeholders by investing in community initiatives, safety, protecting the environment, and creating livable, well-maintained neighborhoods. With neighborhoods located near shopping and good jobs, we are committed to building outdoor living amenities that include lakes, playgrounds, pickleball courts, basketball courts, picnic shelters, and nature trails.



About Flagship Communities REIT

Our Values

- **Honesty** – We are open and honest in our business dealings, and we encourage an open dialogue with all our residents and employees to ensure they understand they can speak freely and know we will always be there to listen.
- **Respect** – We support social equity and encourage inclusivity within all the communities we operate. By valuing our stakeholders, operating with trust and integrity, and fostering positive relationships within our communities, we will build a stronger and more empathetic culture.
- **Accountability** – We follow through on our commitments so that our stakeholders can understand what Flagship stands for via its actions.

As at December 31, 2025, we owned and operated 87 total communities, comprising nearly 17,000 lots with a total lot occupancy of 82.9%.

Our family-oriented communities are located near centers of commerce, jobs, and amenities located in highly desirable areas throughout the Midwest and upper South of the United States.

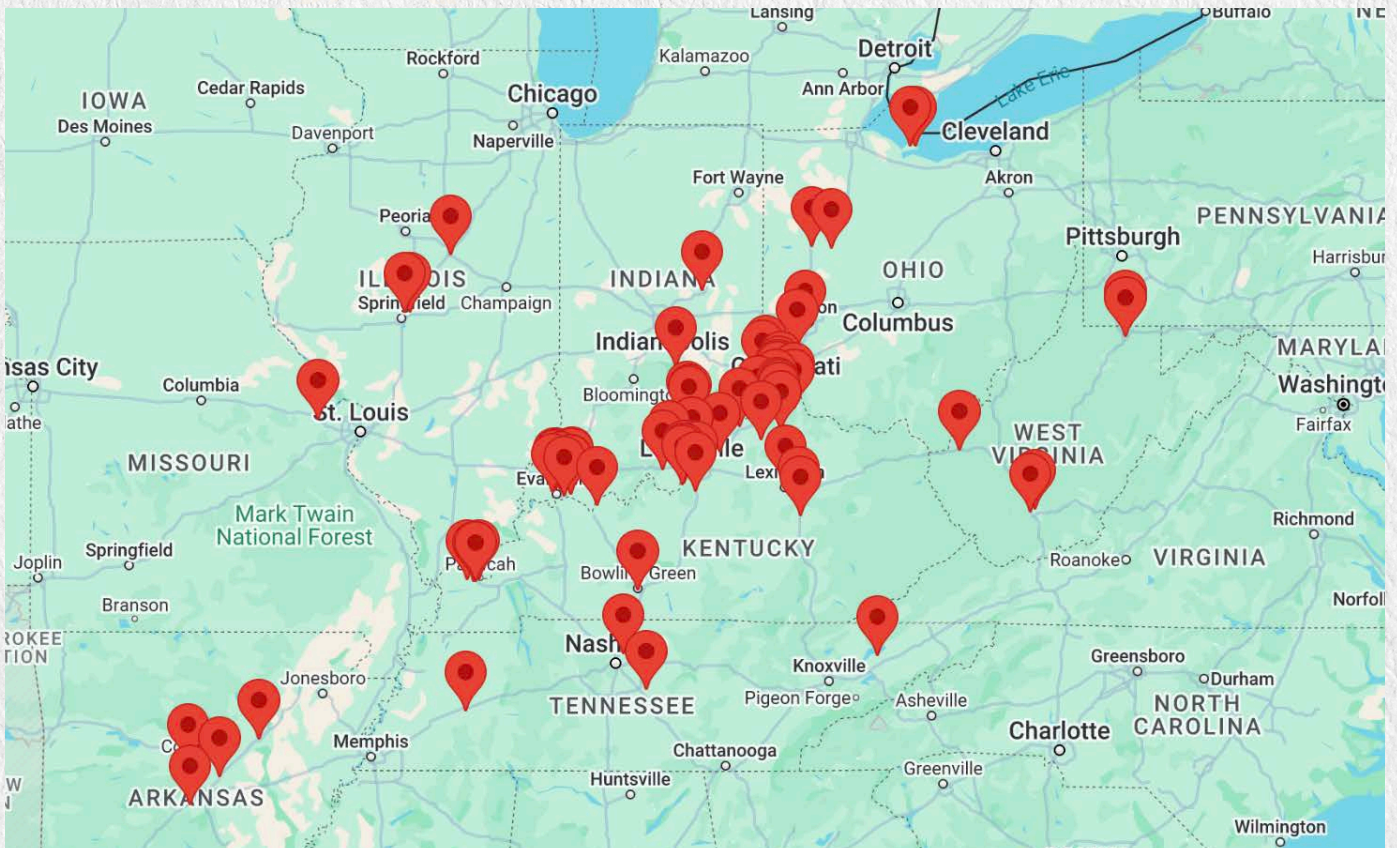
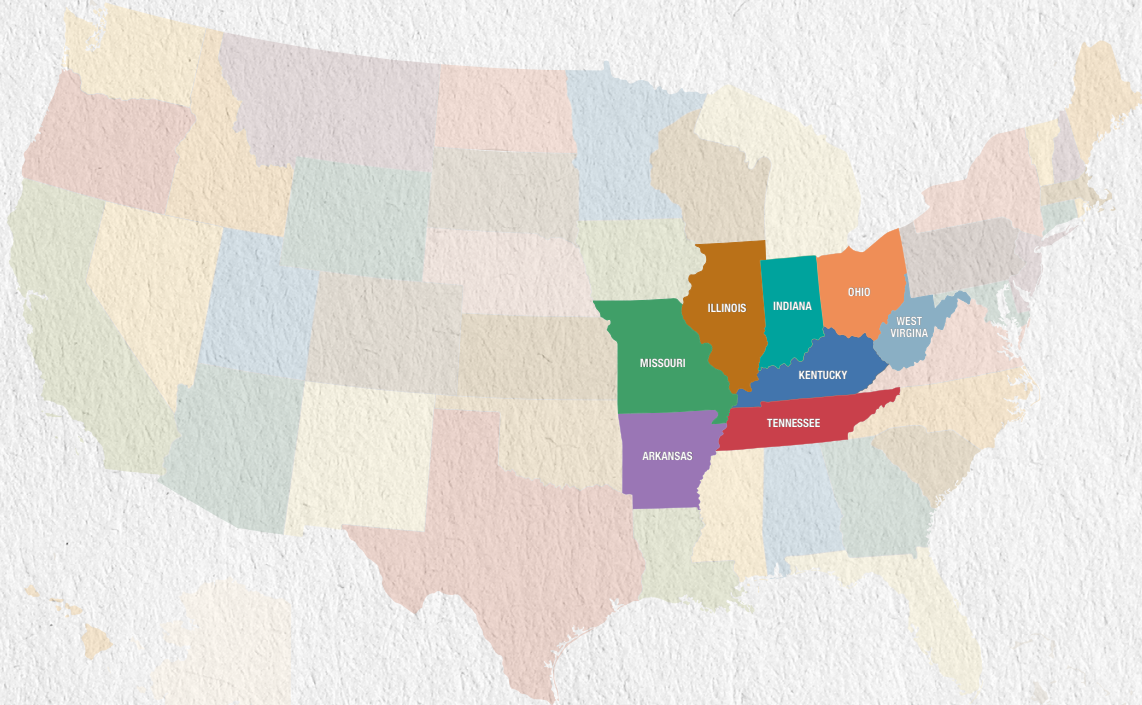
Flagship's corporate head office is located in Fort Mitchell, Kentucky and it is listed on the Toronto Stock Exchange under the symbols MHC.U and MHC.UN for U.S. and Canadian dollar trading, respectively.

To learn more about Flagship, visit flagshipcommunities.com.



Flagship's Expanding Footprint

87 Communities in 8 States



Environmental Conscience

Sustainability Commitments

As owners and operators of family-oriented MHCs, sustainability is key to our success. By adopting responsible construction, energy, and management practices, we can significantly improve environmental outcomes. Our commitment lies in reducing our carbon footprint and upholding high sustainability standards that benefit our residents, investors, and communities.

Our manufactured homes are built module by module in a controlled factory environment, resulting in significantly less material waste compared to traditional methods. All manufactured homes are constructed according to the federal HUD Code, which has been in place since 1976. This code governs various aspects such as home design, construction quality, fire resistance, and energy efficiency. Over the years, the HUD Code has been updated to enhance energy efficiency and ventilation standards, as well as to bolster the wind resistance of manufactured homes in hurricane-prone areas. Overall, the approach toward building manufactured homes reduces our carbon footprint by minimizing transportation needs, material wastage, and promoting eco-friendly living.



Champion Homes Manufacturing Facility

Environmental Conscience

Water Usage and Conservation

Responsible water management is a key component of Flagship’s environmental stewardship and operational efficiency. We adhere to guidelines established by the U.S. Environmental Protection Agency (“USEPA”) and maintain leading standards for wastewater management practices across our portfolio. Our preventive-maintenance utility program is designed to ensure compliance, promote early-issue detection, and enable timely responses to potential system failures or abnormal usage.

Flagship employs trained staff who actively manage and monitor water usage across all communities using advanced tools and processes, including sub-metering technology and routine water line inspections. These practices allow for the early identification and remediation of leaks, helping to reduce overall water consumption while minimizing disruption to residents.

We have deployed water and sewer sub-metering technology across all our communities, resulting in an estimated 25%–35% reduction in water consumption. In addition to delivering environmental benefits, these measures support housing affordability by mitigating the impact of rising utility costs and enabling more efficient system management across the portfolio.

As Flagship continues to grow, water conservation remains an important focus area, both from an environmental perspective and as part of our responsibility to operate resilient, well-managed communities in the markets we serve.



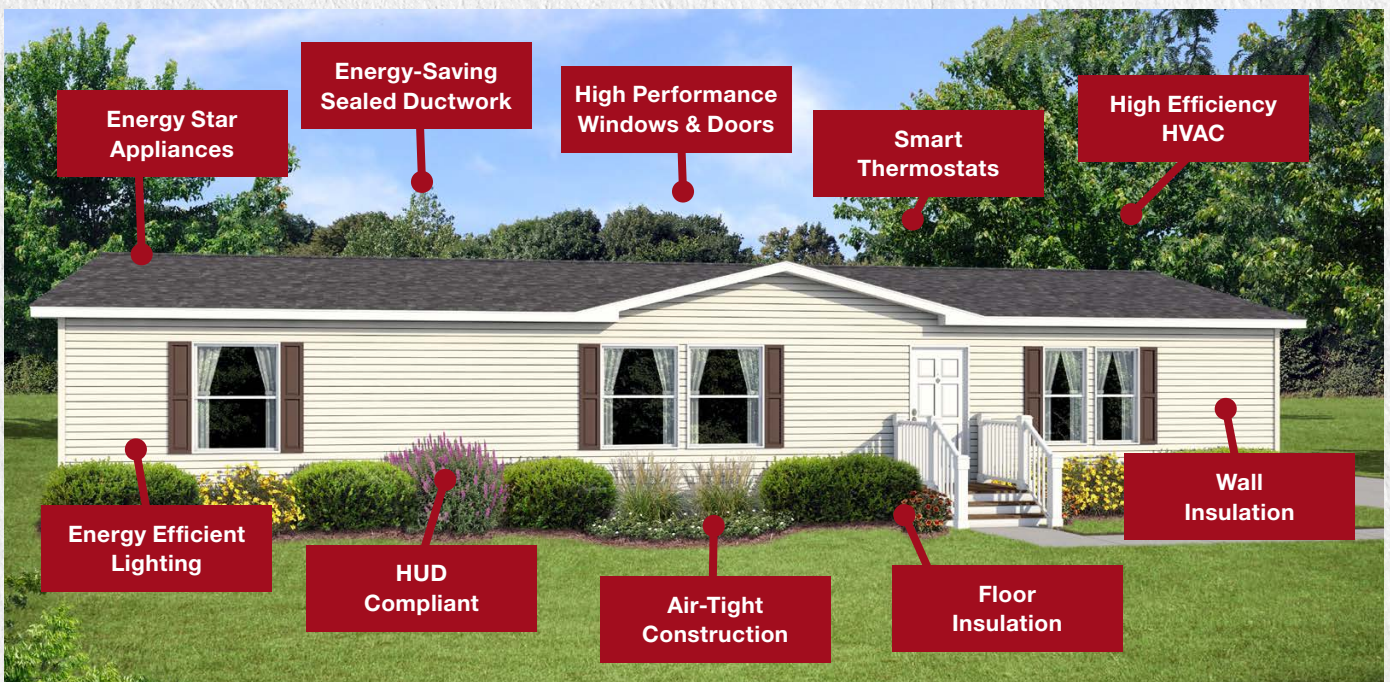
Campbell Pointe, Alexandria, Kentucky

Environmental Conscience

Energy Efficient Manufactured Homes

A significant portion of the new homes added to Flagship's communities are equipped with ENERGY STAR® appliances. ENERGY STAR® is a voluntary program administered by the U.S. Environmental Protection Agency ("EPA") that is designed to help businesses and individuals reduce energy consumption while lowering costs and supporting climate protection through improved energy efficiency.

ENERGY STAR® appliances and energy-efficient design features are important for the overall performance of manufactured homes. When combined with modern building techniques, insulation standards and HVAC systems, these features contribute to lower ongoing energy usage and operating costs for homeowners, while supporting more efficient resource consumption across Flagship's portfolio.



Environmental Conscience

Positive Impact of Manufactured Housing on the Environment

Manufactured housing has a positive environmental profile when compared with conventionally constructed homes. Factory-built construction enables more efficient use of materials, greater consistency in building quality and improved energy performance, all of which contribute to a lower overall environmental footprint.

Manufactured homes are generally more energy efficient, require fewer raw materials, and produce less construction waste than traditional site-built homes. They also benefit from improved air quality filtration and controlled construction processes, which help reduce emissions associated with transportation, on-site labor and material loss.

Flagship works closely with Champion Homes, a leading producer of factory-built housing, which has demonstrated a commitment to sustainability through initiatives such as its EcoWise® program, reforestation efforts in partnership with the Arbor Day Foundation, and the use of energy-efficient materials and manufacturing practices.

During the past year, Flagship also continued efforts to replace older, conventionally constructed community buildings with manufactured-home style clubhouses where appropriate. These structures offer improved energy performance, reduced maintenance requirements and a smaller environmental footprint, while continuing to provide functional, welcoming community spaces for residents.



Dry Fork Pointe, Cleves, Ohio

Environmental Conscience

Energy Efficiency

Many of Flagship's manufactured housing partners employ efficient and sustainable building methods and technologies. By adhering to recognized energy standards, these homes can achieve energy savings of approximately 20%–30% compared to conventionally constructed homes.

One of Flagship's manufacturing partners notes that constructing well-insulated, energy-efficient homes in line with ENERGY STAR® guidelines allows homeowners to pursue responsible conservation efforts. In addition to reducing their environmental footprint, homeowners also benefit from lower long-term energy costs.

Champion Homes manufactures homes using a range of energy-efficient features, including high-performance windows and doors, ENERGY STAR®-rated appliances, and smart home technologies designed to monitor and manage energy usage more efficiently. These homes also incorporate low-emission building materials, such as paints and carpeting, as well as energy-efficient LED lighting, further contributing to improved indoor air quality and reduced energy demand.



Champion Homes Manufacturing Facility

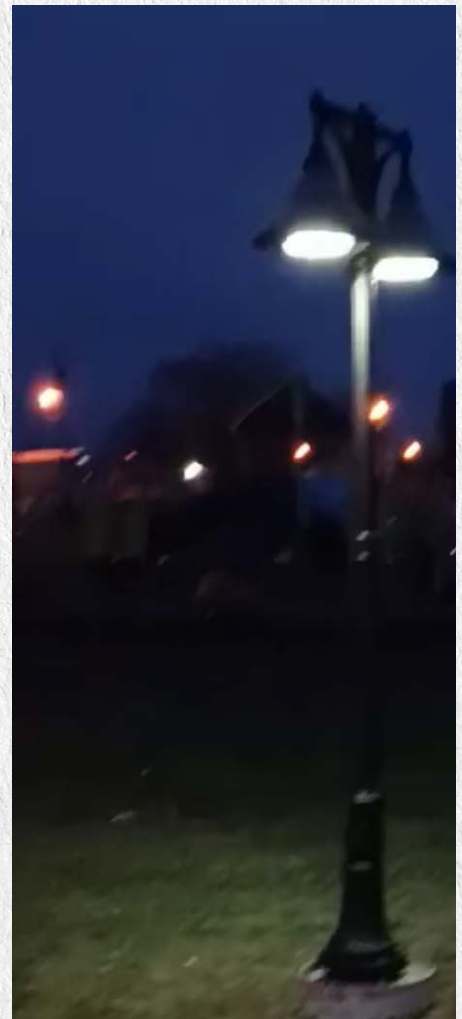
Environmental Conscience

Carbon Footprint

Buildings and construction account for approximately 36% of global energy use and 39% of energy-related carbon dioxide emissions annually. As a result, the design and construction of housing play a significant role in broader efforts to reduce environmental impact.

Manufactured homes, which are factory-built in controlled environments, offer an alternative construction model with a lower carbon footprint. Factory-built construction requires less transportation, produces less material waste, and allows for bulk material purchasing, all of which contribute to reduced emissions compared to traditional site-built housing.

By scaling this construction approach across a growing portfolio of communities, Flagship supports more efficient housing development while providing residents with affordable homes that align with responsible environmental practices.



Over 4,000 energy-saving solar lights installed across the portfolio

Social Responsibility

Our Commitments

General

Flagship is committed to building and maintaining safe, convenient, and enjoyable communities for our family-oriented residents. Our approach to social responsibility is rooted in providing affordable housing while fostering environments where residents feel secure, supported, and connected to their communities.

As our portfolio continues to grow, we remain focused on delivering consistent standards of care, safety, and service across all communities, recognizing that social responsibility is fundamental to long-term community stability and resident satisfaction.

Employee Engagements

Our employees are central to Flagship's success. The dedication, experience, and commitment of our team enable us to deliver high-quality living experiences for residents across a growing and increasingly diverse portfolio. We take pride in our ability to attract, retain, and develop long-tenured employees and in being recognized as an employer of choice within the U.S. real estate industry.

As part of our investment in our people, we provide competitive compensation with a Long-Term Incentive Plan, career development opportunities, and pathways for professional growth. We also strive to foster a workplace culture built on respect, inclusion, and accountability. Flagship is committed to providing a supportive, harassment-free workplace for employees of all genders and backgrounds. Violent or inappropriate behavior is not tolerated, and all personnel are expected to perform their duties in a professional and ethical manner.

Strong employee engagement supports operational excellence and helps ensure that residents receive consistent, responsive service at the community level.



Christmas Holiday Party, Mill Creek Pointe, Evansville, Indiana

Social Responsibility

Giving Back

Giving back to the communities in which we operate and having a positive impact on the lives of our residents remains an important priority for Flagship. Our community managers play a critical role in this effort, serving as the primary connection between residents, local partners, and Flagship's broader organizational resources.

Community managers work closely with residents to understand local needs and collaborate with community partners, including local cities and counties, schools, churches, and social service organizations, to deliver educational, recreational, and nutritional initiatives that support families and individuals within our communities.

We also actively use community-level social media channels to engage with residents, share timely information, and promote community events and initiatives. These platforms help foster communication, strengthen relationships, and reinforce a sense of connection among residents.

Through these efforts, Flagship seeks to support community well-being beyond housing alone, recognizing that strong, engaged communities contribute to long-term resident satisfaction and neighborhood stability.



Anderson Pointe, Bryant, Arkansas



Tannehill Pointe, Evansville, Indiana

Case Study: Derby Hills Pointe

Derby Hills Pointe, located in Alexandria, Kentucky, is a 170-lot manufactured housing community that exemplifies Flagship's commitment to building stable, family-oriented neighborhoods rooted in homeownership and community pride.

Prior to Flagship's acquisition of Derby Hills Pointe in 2015, the community offered few amenities and limited opportunities for resident engagement. Since that time, Flagship has made sustained investments in infrastructure, shared spaces and programming designed to enhance both quality of life and long-term community stability. These investments have included significant upgrades to community infrastructure, the addition of a large double-width clubhouse, an institutional-grade playground and, most recently, a dedicated dog park installed in 2024.

Today, Derby Hills Pointe is a fully occupied community with strong demand for homeownership. Homes are rarely available, and when an older home is vacated, replacement homes are often pre-sold before arriving on site. This level of stability

continued



Case Study: Derby Hills Pointe

reflects both the desirability of the community and the pride residents take in maintaining it.

Beyond physical improvements, building a sense of connection and belonging has been a central focus at Derby Hills Pointe. Regular, resident-focused programming throughout the year has helped foster relationships among neighbors and strengthen community identity. Monthly family events—including summer splash parties, outdoor movie nights, craft events and ice cream socials—bring residents together and create opportunities for families to connect.



New Recreation Area

Case Study: Derby Hills Pointe

Several annual events have become important traditions within the community. The Easter celebration now involves more than 100 children, with thousands of eggs hidden throughout the community, along with food, prizes and activities for families. The Christmas event is the largest annual gathering, carefully planned weeks in advance. Families register children by age to ensure appropriate gifts and each child receives a personalized stocking, books, toys and treats during a multi-hour celebration that includes food, games and music.



Food Pantry



Back-To-School Bash

Case Study: Derby Hills Pointe

Back-to-school programming is another cornerstone of Derby Hills Pointe's community support efforts. Each August, the community hosts a large event featuring inflatables, games and a comprehensive distribution of backpacks, school supplies, clothing, and shoes. These events are supported by resident volunteers and partnerships with local churches, ensuring children are prepared and confident heading into the school year.

Seasonal programming continues throughout the year, including a Halloween celebration with costume contests and prizes, as well as Thanksgiving meal support for residents in need.

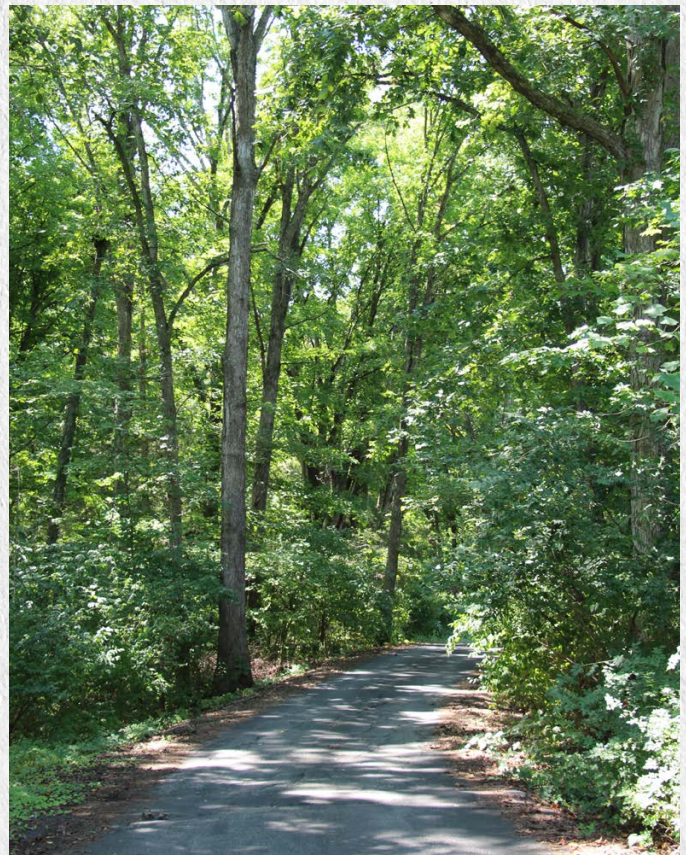
Derby Hills Pointe also took the lead in establishing an on-site food pantry to support residents facing food insecurity. Accessible daily during office hours, the pantry provides food, personal care items, cleaning supplies, diapers, baby products,



Ice Cream Social



Back-To-School Bash



Walking Trails

Case Study: Derby Hills Pointe

and frozen goods. The pantry is supported through donations from residents, local churches, and former students living in the community who organized food drives to help stock it.

Through consistent investment, resident engagement, and locally driven support initiatives, Derby Hills Pointe has evolved into a vibrant, self-sustaining community.

In recognition of these efforts, the community was named Community of the Year (2025) by the Kentucky Manufactured Housing Institute, reflecting both the quality of the physical environment and the strength of the community that calls Derby Hills Pointe home.



The Faces of Affordable Housing



MHI Community Operator of the Year

Flagship Wins Community Operator of the Year from National Manufacturing Housing Institute



Flagship Communities Community Operator of the Year Video

Flagship was named winner of the Manufactured Housing Institute's ("MHI") 2026 Manufactured Home Community Operator of the Year award.

This marks Flagship's second consecutive Operator of the Year award and its third national Community Operator of the year recognition from MHI.

MHI is a national trade organization with over 1,000 member companies. Through the annual Excellence in Manufactured Housing Awards, MHI honors member companies that lead the industry in providing outstanding products, customer service, creative solutions and state-of-the-art homes for today's buyers.

Stakeholder Engagement

The following table lists our key stakeholders and how we engaged with them in 2025:

Stakeholder Group	How we engaged in 2025	Priorities
Unitholders, investment community and analyst community	Investor meetings, roadshows, site visits and conference calls Annual Meeting of Unitholders	Pipeline of acquisitions Occupancy levels within existing communities Cost containment and maintaining cash distributions
Employees	Senior management site visits and meetings Training programs	Health and safety Business performance Compensation and benefits Opportunities for personal growth and development
Local communities	Community partnerships Restoration and refurbishment initiatives Community events and social causes	Local economy impact Job opportunities Health and safety Responsible corporate citizenship



Corporate Governance

Our Commitments

Strong corporate governance is fundamental to Flagship's long-term success and to maintaining the trust of our unitholders and stakeholders. The standards outlined in Flagship's Code of Business Conduct and Ethics (the "Code") form the foundation of the REIT's governance framework and guide ethical decision-making across the organization. All trustees, officers, and employees of the REIT and its subsidiaries are required to comply with the Code and annually re-certify their adherence.

Flagship's Board of Trustees is responsible for overseeing governance practices, monitoring compliance with the Code, and ensuring the REIT makes timely, accurate, and transparent disclosures to unitholders and other key stakeholders. The Board provides strategic oversight while maintaining a clear separation between governance responsibilities and day-to-day management.

The Board brings a diverse range of skills, experience and perspectives relevant to Flagship's strategy and operating environment, including expertise in real estate, capital markets, finance, legal affairs, and operations.

In keeping with its commitment to strong governance practices, Flagship has continued to enhance Board composition and committee oversight. The Compensation, Governance and Nominating Committee and the Audit Committee play central roles in evaluating Board effectiveness, overseeing executive compensation and succession planning, reviewing financial reporting and internal controls, and monitoring risk management practices. The Board regularly reviews committee reports related to compliance matters, investigations and the resolution of any complaints received under the Code.

Governance oversight also extends to Environmental, Social and Governance matters. The Board is responsible for overseeing ESG-related risks and opportunities and ensuring ESG considerations are integrated into the REIT's strategy, operations, and disclosure practices. Building on the regulatory disclosure readiness assessment completed in the prior year, Flagship continues to strengthen its ESG governance framework to support consistent oversight, accountability and continuous improvement.

To learn more about Flagship's commitments to corporate governance, please refer to the following charters:

**To learn more
about our Charters**

**Declaration of Trust
Board of Trustees Mandate
Audit Committee Charter
Compensation, Governance
and Nominating Committee
Charter**

**To learn more
about our Policies**

**Executive Clawback Policy
Diversity Policy
Disclosure Policy
Omnibus Equity
Incentive Plan
Insider Trading Policy
Majority Voting Policy
Whistleblowing Policy**

**To learn more about our
Position Descriptions:**

**Position Description
of Chair
Position Description
of Chief Executive Officer
Position Description
of Committee Chairs**

Flagship Board of Trustees

As of December 31, 2025, the following were members of Flagship's Board of Trustees:



Peter Bynoe
Independent Trustee
Chair of the Board

Mr. Bynoe is a Senior Advisor to the international law firm DLA Piper LLP (US) and has been affiliated with DLA Piper for 29 years. From 2008 to 2019, Mr. Bynoe served as a Senior Counsel to the firm. Prior to that, Mr. Bynoe was a Senior Partner, serving on the firm's executive committee. He was a Managing Director at Equity Group Investments (EGI) from 2015 to 2019 and served as Chief Executive Officer of Rewards Network Inc. (an EGI portfolio company) from 2013 to 2014. Prior to that, Mr. Bynoe was a partner and the Chief Operating Officer of Loop Capital Markets LLC from 2008 to 2013. Over the past 31 years, Mr. Bynoe has served as a director of multiple SEC reporting companies. In addition to Flagship Communities REIT, he serves on the boards of TKO Group Holdings, Inc. (NYSE:TKO) and Ardent Health Partners, Inc. (NYSE:ARDT) (formerly, Ardent Health Services), a national system of thirty acute care hospitals. He is a Trustee of the Rush University Medical System, serving as the Chairman of its Facilities Committee. Mr. Bynoe has served as the Chairman of the Chicago Landmarks Commission, Chicago Plan Commission, and the Illinois Sports Facilities Authority. He is also a Life Trustee of the Goodman Theatre. Mr. Bynoe holds a Bachelor of Arts degree from Harvard College, a Juris Doctor degree from Harvard Law School and a Master of Business Administration from the Harvard Graduate School of Management Education. He is a member of the Illinois Bar and a licensed real estate broker in the State of Illinois.

continued on next page

Flagship Board of Trustees



Louis Forbes
Independent Trustee
Audit Committee Chair

Mr. Forbes is a corporate director, serving as trustee, Chair of the Audit Committee and a member of the Compensation, Governance and Nominating Committee of the Board of Trustees of Primaris REIT. Between 2017 and 2022, Mr. Forbes served as a member of the Board of Trustees with Automotive Properties REIT and he was also Chair of the Audit Committee. Mr. Forbes was formerly the Senior Vice President and Chief Financial Officer of CT Real Estate Investment Trust, serving from the inception of CT Real Estate Investment Trust in 2013 until 2018. Between 2003 and 2013, Mr. Forbes was the Executive Vice President and Chief Financial Officer of Primaris Retail Real Estate Investment Trust. Prior to serving in that role, Mr. Forbes was Vice President, Director and Senior Canadian Real Estate Equities Analyst of Merrill Lynch Canada, where he was responsible for covering North American real estate securities. Mr. Forbes also served as Vice President Finance and Chief Financial Officer of Revenue Properties Company Limited. Mr. Forbes has over 40 years of real estate and finance experience. Mr. Forbes holds a Bachelor of Science degree from McMaster University and a Master of Business Administration degree from Queen's University. Mr. Forbes holds the Chartered Professional Accountant (CPA, CA) designation and completed the Chartered Director Program at the Directors College, McMaster University.



Kurt Keeney
President and Chief Executive Officer

Mr. Keeney is President and Chief Executive Officer of the REIT. Mr. Keeney co-founded SSK Communities and FCLLC in 1995 and 2018, respectively, and has served as President and Chief Executive Officer of each entity since their respective founding. Before his involvement with the REIT and its predecessors, Mr. Keeney worked for eight years at Fifth Third Bancorp in various roles, including retail banking, commercial lending, and real estate financing. Mr. Keeney has served as chairman of the Independence Seniors Association, the board of directors for Cardinal Hill Rehabilitation Center in Northern Kentucky and as a Board Member for the Community Foundation of Northern Kentucky. Mr. Keeney holds a Bachelor of Science degree in Finance from Northern Kentucky University.

continued on next page

Flagship Board of Trustees



Jonathan Li
Independent Trustee
Audit Committee

Mr. Li is the President and Chief Executive Officer of Minto Apartment REIT, a public, TSX-listed owner and operator of high-quality multi-family rental properties in Canada's major markets. He oversees overall strategic direction, including operations, growth and investment decisions, capital allocation, balance sheet management and stakeholder communications. He has 25 years of experience as a senior executive with expertise in corporate strategy, corporate finance and leadership. His prior experience includes President and Chief Operating Officer of Minto Apartment REIT and Managing Director in the Real Estate investment banking group at BMO Capital Markets where he acted as an advisor to some of North America's most prominent REITs, including Flagship. Mr. Li received his Bachelor of Commerce degree from McGill University with a Major in Finance.



Candace McGraw
Independent Trustee
CG&N Committee

Ms. McGraw served as the Chief Executive Officer of Cincinnati/Northern Kentucky International Airport (CVG), was the first female chair of the World Governing Board of Airports Council International, and was appointed to serve on two U.S. Department of Transportation boards: Women in Aviation Advisory Board and the NextGen Advisory Committee. Ms. McGraw has over 25 years' experience in leadership roles, legal affairs and public administration. Ms. McGraw holds a Bachelors and Master of Arts in Political Science from Duquesne University and a Juris Doctor of Law degree from the University of Pittsburgh.

continued on next page

Flagship Board of Trustees



Susan Monteith
Independent Trustee
CG&N Committee Chair
Audit Committee

Ms. Monteith is a corporate director and retired capital markets executive. Since January 1, 2018, Ms. Monteith has served as a member of the Board of Directors of Definity Financial Corporation (formerly Economical Mutual Insurance Company), a leading property and casualty insurer in Canada. Ms. Monteith also serves on the Boards of Nasdaq CXC Limited and Ensoleillement Inc. which are both wholly-owned subsidiaries of Nasdaq Inc. Ms. Monteith has over 30 years experience as a senior capital markets professional advising companies on capital raising and M&A financing. She spent 13 years with National Bank Financial Inc. as Executive Vice President and Managing Director, Client Strategy & People Development and as Head of Equity Capital Markets until her retirement in 2016. Prior to joining National Bank Financial Inc., Ms. Monteith was Head of Equity Capital Markets with Genuity Capital Markets and she spent 13 years with CIBC World Markets Inc. in various positions in Investment Banking and Equity Capital Markets. She also practiced corporate and commercial law in Toronto with the law firm Tilley, Carson & Findlay. Ms. Monteith holds a Bachelor of Laws (LLB) degree from Osgoode Hall Law School at York University and a Master of Science degree in Business from London Business School. She also holds the ICD.D designation from the Institute of Corporate Directors.



Andrew Oppenheim
Independent Trustee
CG&N Committee

Mr. Oppenheim is an independent businessman and corporate director. Until December 31, 2020 he was a partner at Gowling WLG (Canada) LLP, a full-service multinational law firm. Mr. Oppenheim practiced commercial law for 38 years. He previously served as a trustee on the board of Nova Net Lease REIT. Mr. Oppenheim was the lead director of Amica Mature Lifestyles Inc. and served on its board of directors' Compensation Committee prior to its sale and has served as a director of a number of other public and private companies. Mr. Oppenheim holds a Bachelor of Commerce degree from University of Witwatersrand in Johannesburg, South Africa and a Bachelor of Laws degree from the University of Calgary. He was appointed King's Counsel in 2008. Mr. Oppenheim holds the ICD.D designation with the Institute of Corporate Directors.

continued on next page

Flagship Board of Trustees



Ann Rooney
Independent Trustee
Audit Committee

Ms. Rooney is a corporate director, currently serving as a board member and Audit Committee Member for CIFAR (Canadian Institute for Advanced Research) since 2020. Ms. Rooney was previously Chair of the Marine Megafauna Foundation of Canada, from 2016 to February, 2024. Ms. Rooney was a Board Commissioner with the Alberta Securities Commission and served on the Governance Committee between 2011 and 2019, acting as Lead Independent Member from 2016 to 2019. She also was a director on the board of Horizon North Logistics Inc. and Chair of the Audit Committee. Between 2011 and 2017, Ms. Rooney was a director and Chair of the Audit Committee for the National Board of the Nature Conservancy of Canada and served as Vice-Chair between 2017 and 2018. Ms. Rooney has a BA in Music, a MSc. in environmental science/limnology, became a Chartered Accountant in 1987 and qualified as an ICD.D in 2010. She was recognized as a fellow of the CPAs of Alberta in 1996.



Nathan Smith
Chief Investment Officer

Mr. Smith is Chief Investment Officer for the REIT. Mr. Smith co-founded SSK Communities and FCLLC in 1995 and 2018, respectively, and has served as Chief Investment Officer of both entities since their respective founding. In addition, Mr. Smith has served as chairman of the board of directors for the national Manufactured Housing Institute, a 915-member industry trade organization, and is past president of the Kentucky Manufactured Housing Institute, having served on several active committees. In 2009, Mr. Smith received the Chairman's Award from the Manufactured Housing Institute. In 2024, Mr. Smith was inducted into the Recreational Vehicle/Manufactured Housing Hall of Fame and in 2015 was inducted into the Kentucky Manufactured Housing Institute's KMHI Hall of Fame. He served on the board of directors for Safe Harbor Marinas from 2015 - 2020. Mr. Smith served as a member on the Greater Cincinnati Northern Kentucky International Airport Board from 2008-2016. He first served as Chairman of the Board of Regents for Northern Kentucky University from 2015-2016, and is currently serving a second term as Chairman of the Board of Regents for Northern Kentucky University. Mr. Smith served as a national committeeman/superdelegate for the Democratic National Committee between 2016 and 2020. Mr. Smith holds a Bachelor of Arts degree from Northern Kentucky University.

Flagship Leadership Team

With 30 years of experience in developing and managing manufactured housing communities, Flagship's leadership team has a depth of experience in real estate, financing, and community management.

The following members comprise Flagship's leadership team as of December 31, 2025.



Nathan Smith
Chief Investment Officer

Eddie Carlisle
Chief Financial Officer

Kurt Keeney
President and CEO

Sustainability Performance Indices

GR1: Foundation (2021)

GRI Standard	Disclosure	Response/Location	Relevant SASB Topic/Metric
GR 1	Reporting principles	About This Report	–
GR 1	Reporting scope and boundary	About This Report, About Flagship Communities REIT	–
GR 1	Reporting period	About This Report	–
GR 1	Reporting cycle	About This Report	–
GR 1	Claim of Use	About This Report	–
GR 1	Contact point for questions	About This Report	–

GR2: General Disclosures (2021)

GRI Standard	Disclosure	Response/Location	Relevant SASB Topic/Metric
GR 2-1	Organizational details	About Flagship Communities REIT	IF-RE-000.A
GR 2-2	Entities included in reporting	About This Report	–
GR 2-3	Reporting period, frequency and contact point	About This Report	–
GR 2-4	Restatements of information	About This Report	–
GR 2-5	External assurance	About This Report	–
GR 2-6	Activities, value chain and business model	About Flagship Communities REIT	IF-RE-000.A
GRI 2-7	Employees	Social Responsibility-Employee Engagement	–
GRI 2-9	Governance structure and composition	Corporate Governance; Board Members and Bios	–
GRI 2-10	Nomination and selection of highest governance body	Corporate Governance	–

Sustainability Performance Indices

GR2: General Disclosures (2021)

GRI Standard	Disclosure	Response/Location	Relevant SASB Topic/Metric
GRI 2-11	Chair of the highest governance body	Corporate Governance	–
GR 2-12	Role of highest governance body in overseeing impacts	Corporate Governance	–
GRI 2-13	Delegation of responsibility for managing impacts	Corporate Governance	–
GRI 2-14	Role of highest governance body in sustainability reporting	Corporate Governance	–
GRI 2-15	Conflicts of interest	Corporate Governance	–
GRI 2-16	Communication of critical concerns	Corporate Governance	–
GRI 2-17	Collective knowledge of the highest governance body	Corporate Governance	–
GRI 2-18	Evaluation of the performance of the highest governance body	Corporate Governance	–
GRI 2-19	Remuneration policies	Corporate Governance	–
GRI 2-20	Process to determine remuneration	Corporate Governance	–
GRI 2-22	Statement on sustainable development strategy	CEO Letter; Chair Letter	IF-RE-450a.2
GRI 2-23	Policy commitments	Corporate Governance; Values	–
GRI 2-24	Embedding policy commitments	Corporate Governance	–
GRI 2-25	Process to remediate negative impacts	Corporate Governance	–

Sustainability Performance Indices

GR2: General Disclosures (2021)

GRI Standard	Disclosure	Response/Location	Relevant SASB Topic/Metric
GRI 2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance	–
GRI 2-27	Compliance with laws and regulations	Corporate Governance	–
GRI 2-29	Approach to stakeholder engagements	Stakeholder Engagement	–

Sustainability Performance Indices

GR3: Material Topics (2021)

Material Topic	Why Topic Is Material	Management Approach/Location	Relevant SASB Topic/Metric
Affordable Housing and Community Stability	Core to business model and resident well-being	Social Responsibility; Case Study: Derby Hills Pointe	IF-RE-410a.e
Energy Efficiency of Homes	Impacts operating costs, emissions and resident affordability	Environmental Conscience, Energy Efficient Manufactured Homes	IF-RE-130a.5
Carbon Footprint	Construction and housing emissions are a material global risk	Carbon Footprint	IF-RE-130a.5
Water Usage & Conservation	Direct operational cost environmental impact	Water Usage and Conservation	IF-RE-140a.4
Renewable Energy (Solar Lighting)	Reduces energy demand and operating emissions	Environmental Conscience	IF-RE-130a.5
Employee Engagement & Workplace Practices	Supports service quality and long-term performance	Social Responsibility-Employee Engagement	n/a
Community Engagement & Social Impact	Integral to resident satisfaction and reputation	Giving Back; Case Studies	IF-RE-410a
Governance, Ethics and Oversight	Foundational to investor trust and risk management	Corporate Governance	IF-RE-450a.2