



IPO Presentation

September 2020



This presentation is dated September 4, 2020. A preliminary prospectus containing important information relating to the securities described in this presentation has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the preliminary prospectus, and any amendment, is required to be delivered with this presentation. The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Disclaimers

General

Prospective investors should rely only on information contained in the preliminary prospectus dated September 3, 2020 (the "prospectus"). This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the prospectus. A prospective investor is not entitled to rely on parts of the information contained in this presentation to the exclusion of others. None of Flagship Communities Real Estate Investment Trust (the "REIT", "us", "we" or "our"), MHC Management, LLC, d/b/a SSK Communities (the "Promoter") or the Underwriters has authorized any other person to provide prospective investors with different information. Neither the REIT nor the Underwriters is making an offer to sell securities in any jurisdiction where such an offer or sale is prohibited. The REIT's business, financial condition, results of operations and prospects may have changed since the date of this presentation.

The presentation does not constitute an offer to sell or solicitation of an offer to buy any securities of the REIT. No securities regulatory authority has expressed an opinion about the securities and it is an offence to claim otherwise. The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States or to U.S. persons unless the securities are registered under the U.S. Securities Act or an exemption from such registration is available.

All dollar amounts in this presentation are stated in U.S. dollars and references to dollars or "\$" are to U.S. currency. Capitalized terms that are not defined in this presentation have the meanings ascribed to them in the prospectus. Graphs and tables demonstrating the historical performance of the Initial Properties contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of future performance.

Market and Industry Data

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information as well as industry data prepared by management on the basis of its knowledge of the multifamily/apartment industry in which the REIT will operate (including management's estimates and assumptions relating to the industry based on that knowledge). Management's knowledge of the manufactured housing community has been developed through its experience and participation in the industry. Management believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management believes it to be reliable, neither the REIT nor the Underwriters have independently verified any of the data from management or third-party sources referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

Forward-Looking Information

This presentation and any accompanying oral statements including in response to questions contains "forward-looking information" as defined under Canadian securities laws (collectively, "forward-looking statements") which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the REIT. The words "plans", "expects", "does not expect", "goals", "seek", "strategy", "future", "estimates", "intends", "anticipates", "does not anticipate", "projected", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "should", "might", "likely", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking statements. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

Forward-looking statements are qualified in their entirety by the inherent risks, uncertainties and changes in circumstances surrounding future expectations which are difficult to predict and many of which are beyond the control of the REIT, including that the transactions contemplated herein and in the prospectus are completed.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the REIT as of the date of this presentation, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, the REIT's future growth potential, results of operations, future prospects and opportunities, demographic and industry trends, no change in legislative or regulatory matters, future levels of indebtedness, the tax laws as currently in effect, the continuing availability of capital and current economic conditions.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. For further details on the forward-looking information included in this presentation, see "Forward-Looking Statements" in the prospectus.

An investment in trust units of the REIT ("Units") is subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described under "Risk Factors" in the prospectus before purchasing Units. If any risks or uncertainties described in the prospectus materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. Although management has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known or that management believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

Certain statements included in this presentation may be considered a "financial outlook" for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this presentation. All forward-looking statements are based only on information currently available to the REIT and are made as of the date of this presentation. Except as expressly required by applicable Canadian securities laws, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this presentation are qualified by these cautionary statements.

Non-IFRS Measures and Real Estate Industry Metrics

In this presentation, the REIT uses certain non-IFRS financial measures, which include funds from operations ("FFO"), adjusted funds from operations ("AFFO"), and net operating income ("NOI"), and certain real estate industry metrics, including "AFFO Payout Ratio", "Debt to Gross Book Value Ratio", "Gross Book Value", "NOI margin" and "Same Community", to measure, compare and explain the operating results and financial performance of the REIT. These measures are commonly used by entities in the real estate industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. For further details on these non-IFRS measures and real estate industry metrics, including relevant definitions and reconciliations, see "Non-IFRS Measures" in the prospectus.

Comparable Companies

Any comparables used in this presentation outline certain public company and real estate investment trusts (the "Comparables"). The Comparables are considered to be an appropriate basis for comparison with the REIT based on their similar size, industry, focus and additional criteria. The information relating to the Comparables has been obtained or derived from public sources. The REIT and the Underwriters have relied upon and have not attempted to verify the completeness, accuracy and fair presentation of such information. If the Comparables contain a misrepresentation, investors do not have a remedy under securities legislation in any province or territory of Canada. Investors are cautioned that there are risks inherent in making an investment decision based on the Comparables, that past and estimated performance is not indicative of future performance, and that the performance of the REIT may materially differ from that of the Comparables. Accordingly, an investment decision should not be made in reliance on the Comparables.

Leadership Team



Kurt Keeney

President & Chief Executive Officer

- Co-founded Flagship in 1995 with Nathan Smith
- Served on the Board of Directors for Cardinal Hill Rehabilitation Center in Northern Kentucky and as a Board Member for the Community Foundation of Northern Kentucky



Nathan Smith

Chief Investment Officer

- Co-founded Flagship in 1995 with Kurt Keeney
- Previously served as chairman of the national Manufactured Housing Institute, President of the Kentucky Manufactured Housing Institute and Indiana Manufactured Housing Association
- Serves on the Board of Directors of Safe Harbor Marinas

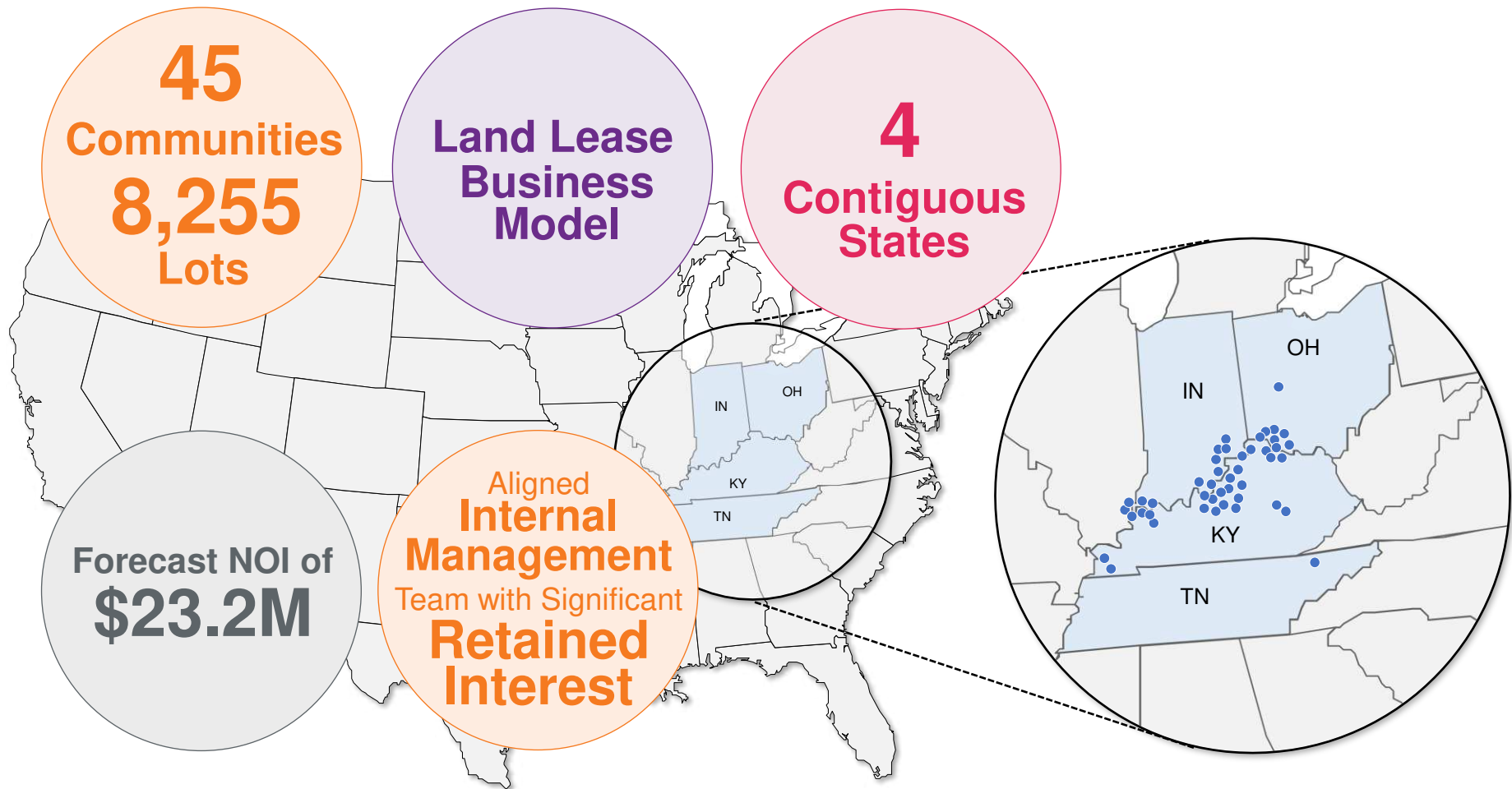


Eddie Carlisle

Chief Financial Officer

- Joined Flagship in 2018
- 15+ years of accounting and finance experience
- Former Director of Finance for Avure Technologies Incorporated

Flagship Communities at-a-Glance



Opportunity to Invest in a Portfolio of High-Quality Manufactured Housing Communities with a Geographic Focus

Investment Highlights

Opportunity to Gain Exposure to a Niche Asset Class with a Track Record of Outperformance

Defensive Asset Class with a Favourable Business Model that Outperforms Irrespective of Economic Cycle

Fragmented Industry with High Barriers to Entry and Imbalanced Supply and Demand Dynamics

Contiguous, High Quality Portfolio with Regional Footprint in Stable Markets

Well-Positioned to Capitalize on Strategic Growth Opportunities

Vertically Integrated Platform Led by an Experienced and Aligned Internal Management Team

Stable Cash Yield and Conservative Capital Structure





Opportunity to Gain
Exposure to a Niche
Asset Class with a
Track Record of
Outperformance

What is a Manufactured Home Community?

1. A factory-built home, subject to federally licensed inspection upon completion

2. Transported to a manufactured housing community and placed on a concrete foundation within a rental lot



3. Connected to utilities including water, sewage and gas or electric

4. Deck, staircase and other fixtures installed

5. Rental lot includes concrete foundation, yard and driveway

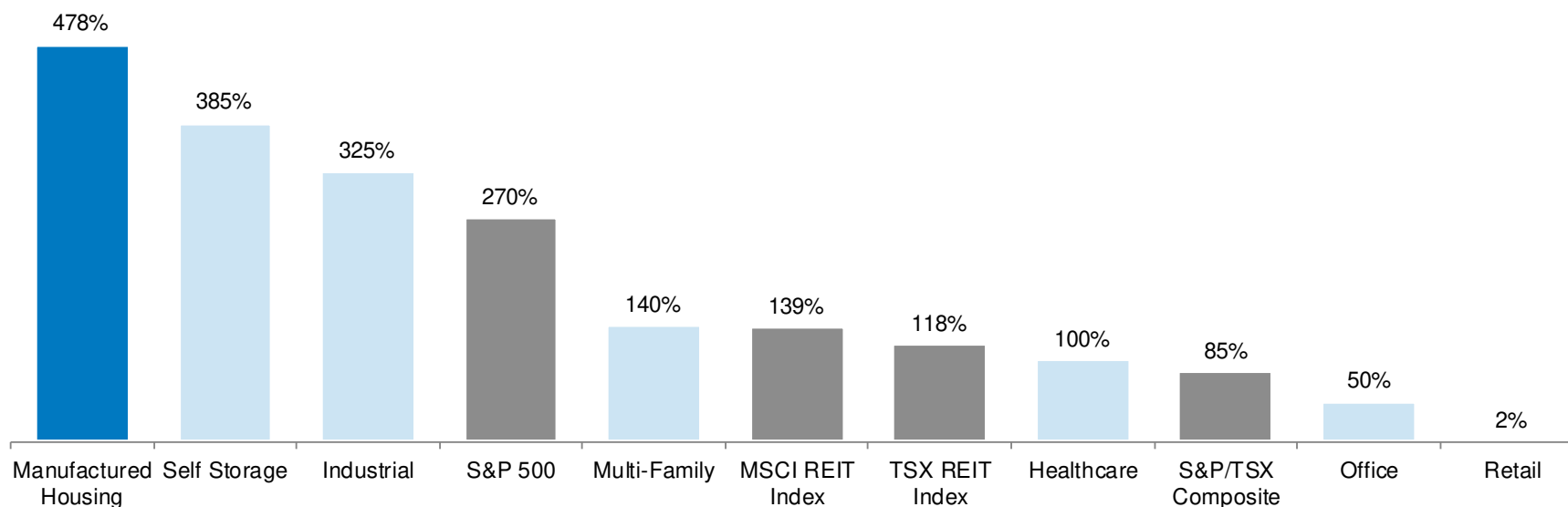
Long Term U.S. Manufactured Housing Community Industry Outperformance

**Unique Land Lease
Business Model**

**Industry Leading
Total Returns**

**No Pure Play
MHC REITs Listed
on the TSX**

10-Year Total Returns by U.S. Real Estate Sector (June 30, 2010 to June 30, 2020)



Source: Bloomberg

Best Performing Real Estate Asset Class Over the Past Decade



Defensive Asset
Class with a
Favourable Business
Model that Outperforms
Irrespective of
Economic Cycle

Manufactured Housing Communities

- ✓ Residential community where residents rent a lot on which to place their manufactured home
- ✓ Collect monthly lot rental payments from residents
- ✓ Responsible for minor and predictable capital expenditures related to community infrastructure, including common areas and amenities
- ✓ Stable, recurring rental income stream



Residents

- ✓ Own the manufactured home placed on a rental lot
- ✓ Responsible for all maintenance, repairs and taxes associated with their manufactured home
- ✓ Pay monthly mortgage, water and utility bills associated with their manufactured home
- ✓ Pay monthly lot rental payment to manufactured housing community owner

Manufactured Housing Communities Generate Stable and Growing Cash Flow

... With Long Tenured Residents

Benefits for Community Residents

- Housing affordability
- Pride of home ownership
- Ability to build home equity
- Detached home with deck, yard, driveway and in-house laundry
- Attractive lifestyle & amenities



Benefits for Community Owners

- Long tenured residents
- Low turnover due to prohibitive moving costs
- Low lease defaults
- Favourable regulatory environment
- Consistent annual lot rent growth



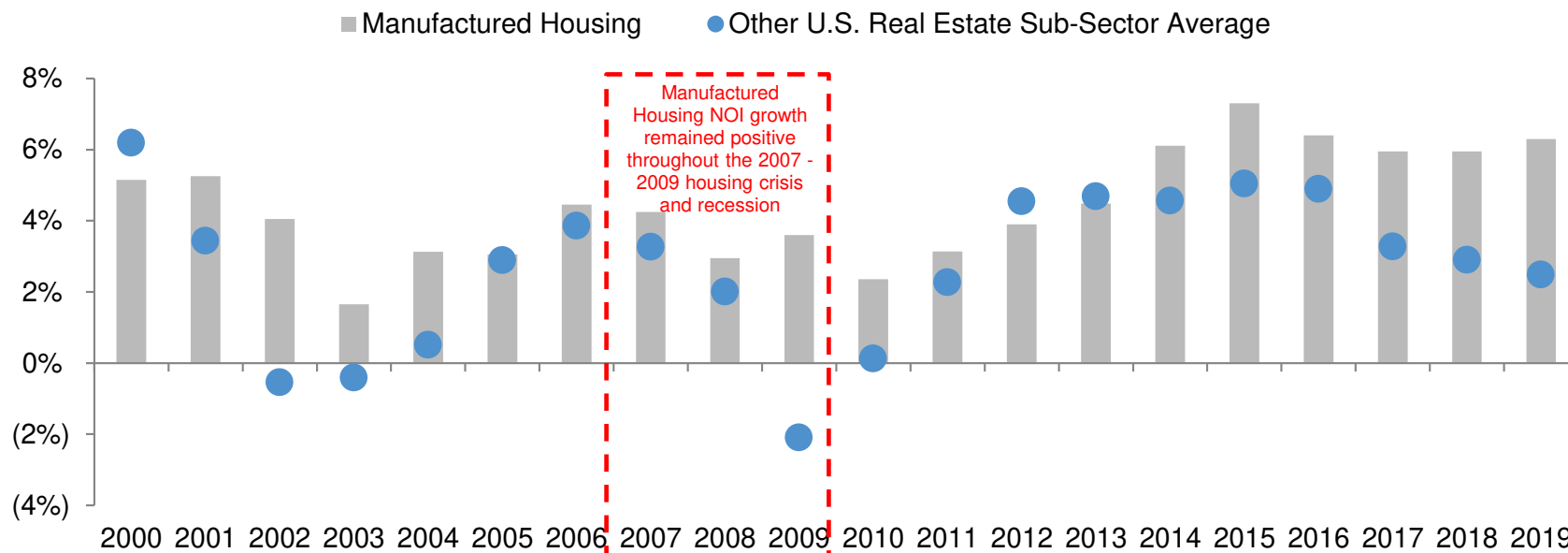
Mutually Beneficial Rental Relationship Between Community Residents and Owners

Track Record of Operational Outperformance

Consistent Track Record of Stable Occupancy and Growing Rents

Average Annual NOI Growth of 4% over 20+ years

Same-Property NOI Growth: Manufactured Housing vs. Other U.S. Real Estate Sectors



Source: Public company filings

Outperformance Supported by 20+ Consecutive Years of Positive Same-Property NOI Growth

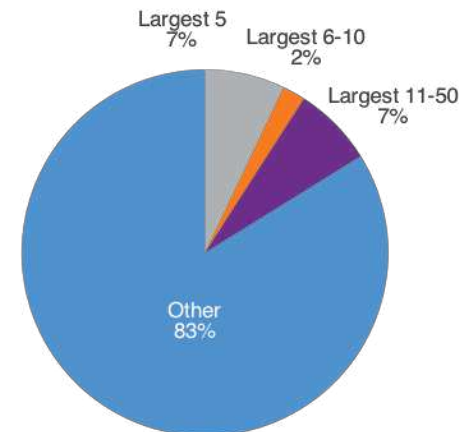


Fragmented Industry
with High Barriers
to Entry and
Imbalanced Supply and
Demand Dynamics

Fragmented Industry with Limited New Supply

- Industry primarily comprised of local owner-operators
- Top 50 investors estimated to control ~17% of manufactured housing lots for rent
- ~5,300 communities within Flagship's current target markets

MHC Industry Market Share



Source: Manufactured Housing Institute

New Supply Constraints

- Competing land uses
- Scarcity of land zoned for manufactured housing development
- Municipal governments prefer multi-family and single-family development

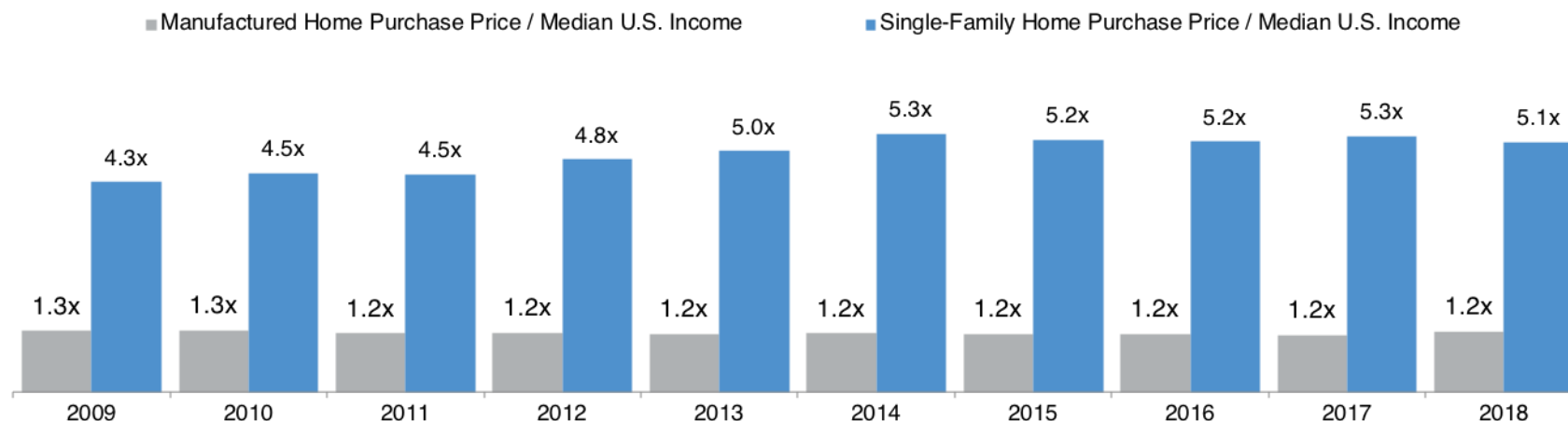
Large Fragmented Market with Consolidation Opportunity

Housing Unaffordability Drives MHC Demand

**Single-family Home Price
Growth Continues to Outpace
Median Income Growth**

**Total Monthly Manufactured Housing
Expenses are Significantly Lower than
a Two-bedroom Apartment While
Providing More Living Space**

Single-Family vs. Manufactured Home Affordability



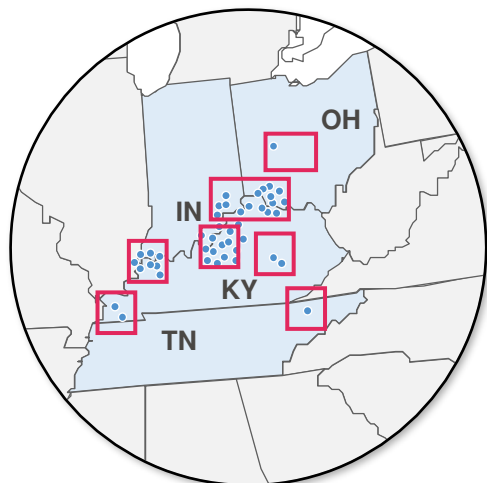
Source: U.S. Census Bureau, Federal Reserve Economic Data, U.S. Department of Housing and Urban Development

Manufactured Housing Communities Continue to be One of the Most Affordable Housing Options



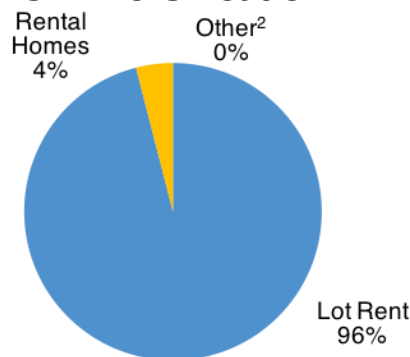
Contiguous, High
Quality Portfolio with
Regional Footprint in
Stable Markets

Scalable Portfolio with Regional Footprint Concentrated in Stable Markets

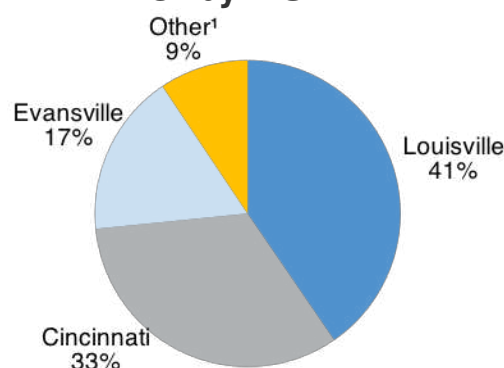


MSA	Communities	Lots
Louisville	15	3,173
Cincinnati	16	2,263
Evansville	8	1,994
Other ¹	6	825

NOI Diversification



NOI by MSA



Note: Figures as of 30-Jun-20 unless otherwise stated

1. Includes Lexington, Paducah, Dayton, and Knoxville

2. Other NOI includes net fee income, net utilities reimbursement, and other ancillary income

Rental Lots:

8,255

Forecast Period NOI:

\$23.2 million

Average Rent per Lot:

\$357

**Portfolio Lot
Occupancy:**

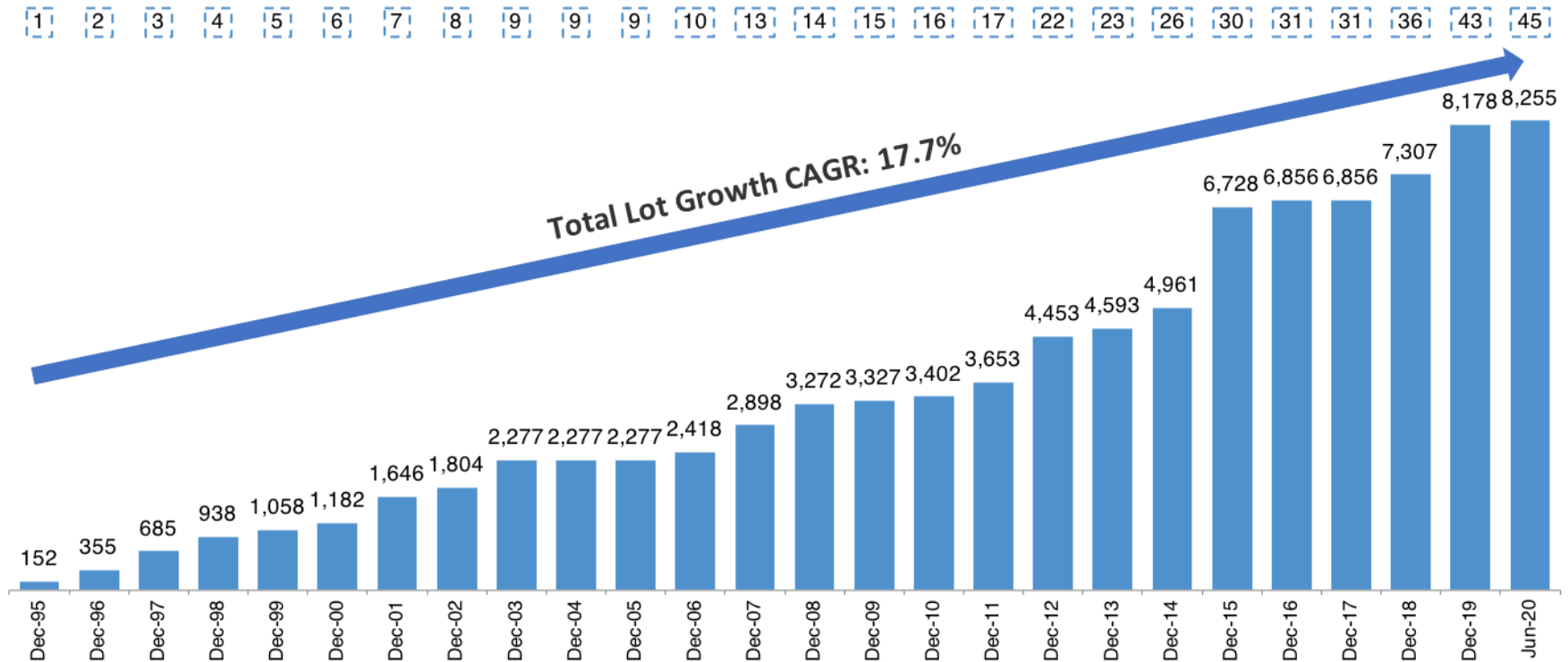
79%

Regional Footprint Provides Deep Market Knowledge and Economies of Scale

Track Record of Portfolio Growth

Portfolio Growth

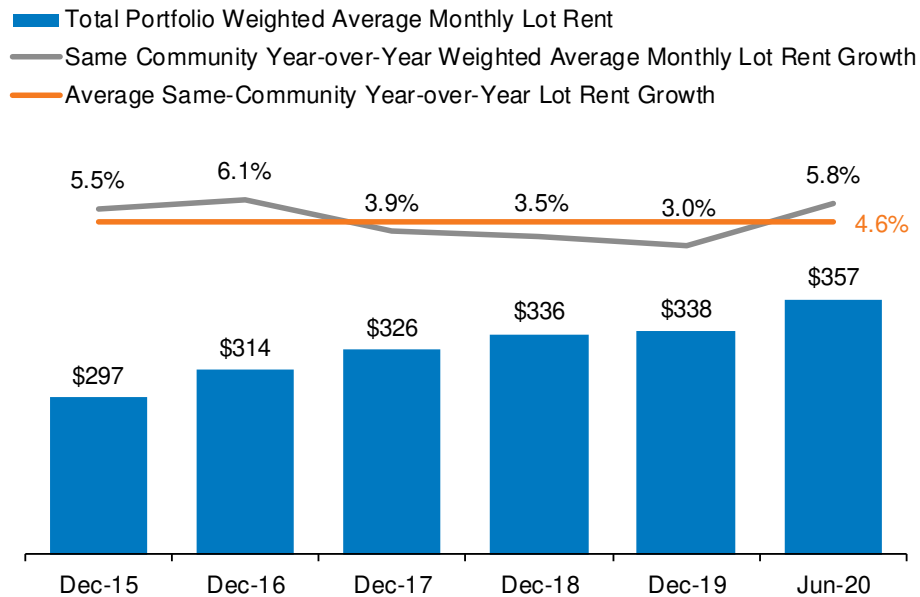
■ Lots (Month-End) □ MHCs (Month-End)



Industry Relationships and Market Leading Position Support Continuing Portfolio Growth

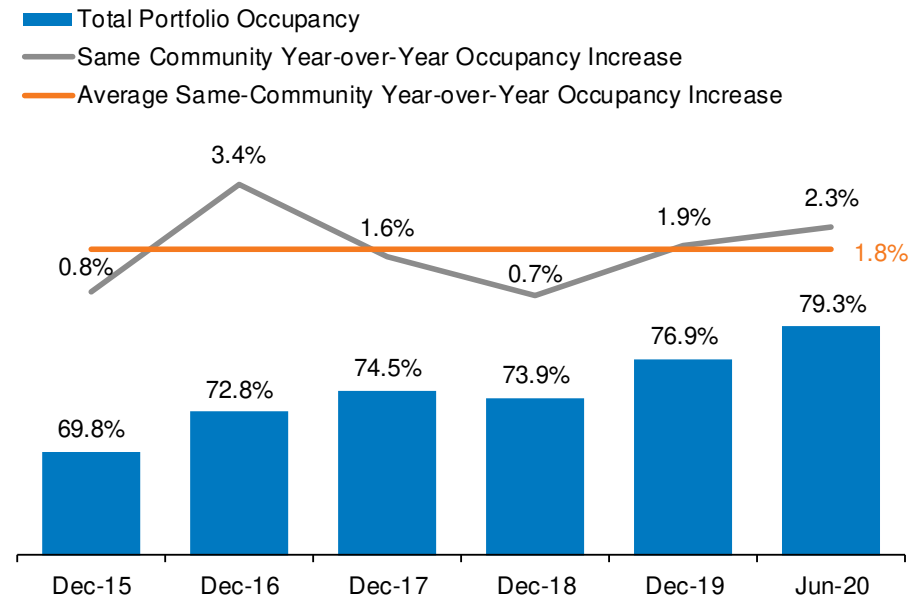
Track Record of Strong Operating Performance

Lot Rent



**Consistent Same Community
Lot Rent Growth**

Occupancy

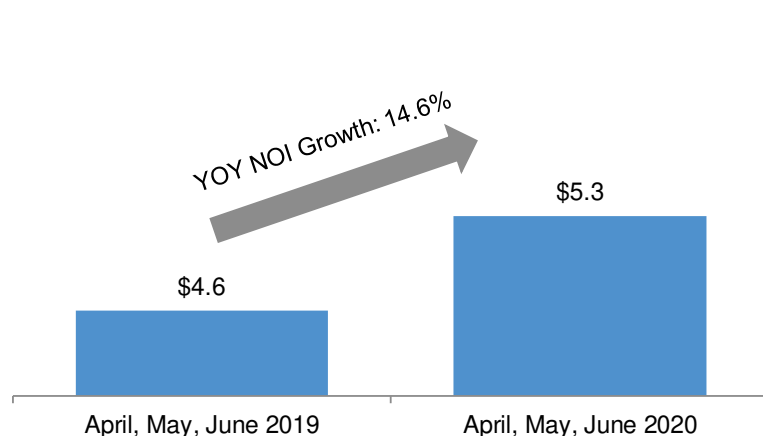


**Stable and Growing Same
Community Occupancy**

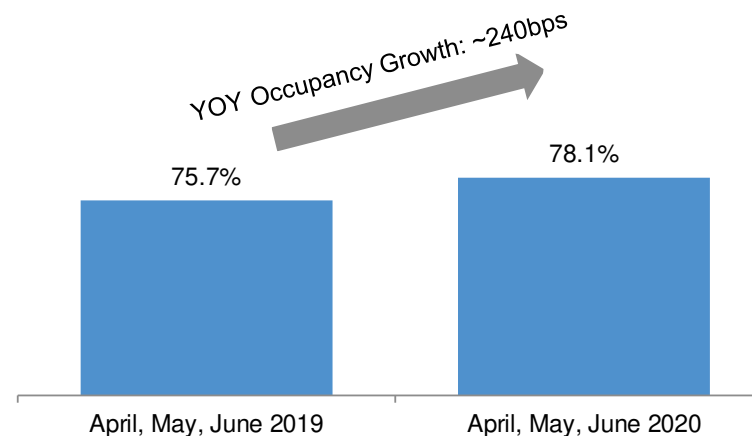
Continued Strong Performance During the COVID-19 Pandemic

- Increased rental inquiries received primarily from multi-family apartment tenants
 - Focus on larger living space
 - Greater separation from neighbours (yard, driveway and deck)
 - Detached home (no shared walls, utilities, air conditioning, heating, laundry, etc.)

Same Community Net Operating Income
(\$ mm)



Same Community Occupancy
(%)



Strong Year-Over-Year Growth in Both Same Community NOI and Occupancy During Q2 2020



Well-Positioned to
Capitalize on Strategic
Growth Opportunities

Organic Growth Opportunities

**Increase
Lot Rental
Rates**

**Lease Vacant
Lots**

**Convert
Renter-
occupied Lots
to Owner-
occupied
Lots**

**Revenue and
Expense
Optimization**

**Value-
Enhancing
Capital
Investments**

**Expansion
via
Development
of Excess
Land**

Focus on Stable Organic Cash Flow Growth

Consolidation Opportunity Drives External Growth

**Extensive
Industry
Relationships
and Network**

**Source
Off-Market
Acquisitions**

**Expansion into
New Markets**

**Continued
Consolidation
in Existing
Footprint**

**Proprietary
Acquisition
Pipeline
through
Empower**

**Access to Public
Capital Markets
Provides a
Competitive
Advantage**

Expand Portfolio Footprint and Lead Consolidation of Fragmented Industry

Case Studies: Acquisition Growth & Organic Growth

Derby Hills Pointe (2014 Acquisition)



- Significant organic growth opportunity as community was previously under-managed
- Value-enhancing capital investments completed
- Increased monthly lot rent by ~**27%**
- Increased occupancy by ~**17%**
- ~**18.5%** Stabilized Yield

Mosby's Pointe (2011 Acquisition)



- Significant organic growth and economies of scale through acquisition and combination with adjacent community
- Value-enhancing capital improvements completed
- Increased monthly lot rent by ~**29%**
- Increased occupancy by ~**23%**
- ~**26.5%** Stabilized Yield

***Achieved Strong Organic Growth through Increased Occupancy Driven by Home Sales;
Focus on Owner-Occupied Residents and Increasing Rental Rates***



Vertically Integrated
Platform Led by
an Experienced and
Aligned Internal
Management Team

Internal Management Team with Economic Alignment

- Executive management team founded Flagship in 1995
- Combined industry experience of 50+ years
- Vertically integrated platform enables Flagship's management team to control, manage and execute across all aspects of investment management
 - 110 employees
- Executive management team will have significant economic alignment with Unitholders

**Roll 100% of
Ownership Interest
into Flagship Units**

**Aggregate
Retained Interest
of ~49%¹ with Two-
year Lock-up**

**Management
Team will not
Receive any of
the Proceeds of
the Offering**

1. Represents mid-point of the IPO value range

***Aligned Management Team with Significant Experience,
Market Insights and Industry Relationships***

Experienced Board of Trustees

			Committee	
			Audit	CGN
INDEPENDENT	Peter Bynoe Chair of the Board 	<ul style="list-style-type: none"> Former CEO of Rewards Network; Partner and COO at Loop Capital Markets; and a Senior Partner at DLA Piper LLP US Serves on the Board of Directors of Covanta Holding Corporation and Ardent Health Services 		✓
	Louis Forbes 	<ul style="list-style-type: none"> Former Senior VP and CFO of CT REIT. Previously Executive VP and CFO of Primaris Retail REIT; Senior Real Estate Analyst at Merrill Lynch Canada and CFO of Revenue Properties Chair of the Audit Committee for Automotive Properties REIT 	✓ (Chair)	
	J. Susan Monteith 	<ul style="list-style-type: none"> Member of the Board of Directors and Risk Review Committee, Investment Committee and Special Committee for demutualization of Economical Mutual Insurance Company 30+ years of capital markets experience with National Bank, Genuity Capital Markets, and CIBC 	✓	✓
	Andrew Oppenheim 	<ul style="list-style-type: none"> Partner at Gowling WLG with significant expertise in debt financing, M&A, asset purchases and sales, commercial real estate acquisition, disposition and financing Former lead independent director of Amica Mature Lifestyles (TSX:ACC) until its sale to BayBridge 		✓ (Chair)
	Iain Stewart 	<ul style="list-style-type: none"> The Co-Founder and former Co-CEO of Parkbridge Lifestyle Communities and President and CEO of Genesis Land Development, a land developer and residential home builder 30+ years of experience in the Canadian real estate industry; currently serves on the Board of Directors and audit committee of a private financial services company and on the Board of Directors of a non-profit organization. 	✓	
EXECUTIVE	Kurtis Keeney 	<ul style="list-style-type: none"> Co-founded SSK Communities in 1995 with Nathan Smith Served on the Board of Directors for Cardinal Hill Hospital in Northern Kentucky and as a Board Member for the Community Foundation of Northern Kentucky 		
	Nathan Smith 	<ul style="list-style-type: none"> Co-founded SSK Communities in 1995 with Kurt Keeney Past chairman of the national Manufactured Housing Institute and past President of the Kentucky Manufactured Housing Institute and Indiana Manufactured Housing Association Director of Safe Harbor Marinas 		

Highly Experienced, Majority Independent Board of Trustees

Relationship with Empower Park

- Empower Park, LLC limits Flagship's risk and liability to redevelopment and home sales
- All acquisition opportunities identified by Empower to be presented to Flagship first
- Flagship has the right to acquire any Empower Park owned community at its discretion
 - Flagship holds a ROFO to acquire such properties when they meet its investment criteria
 - Flagship may acquire such properties at 5% discount to appraised value
- Empower Park to conduct all manufactured home sales activities

Agreements with Empower Park

- Flagship **to receive** management fees from Empower Park:
 - Asset Management: 0.25% of the gross book value of Empower Park's assets
 - Property Management: 3.0% of Empower Park's gross property revenue
- 5-year initial term, plus a 5-year renewal term
- Flagship will have the right to acquire Empower Park once the REIT reaches a gross book value of \$1.5 billion

Relationship with Empower Park Complements REIT's Growth Strategy



Stable Cash Yield
and Conservative
Capital Structure

Financial Forecast

Figures in \$mm

Twelve-Month Period Ending September 30, 2021

Total Revenue	\$35.8
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Net Operating Income	\$23.2
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Funds from Operations	\$11.0
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Adjusted Funds from Operations	\$9.3
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AFFO Payout Ratio	65%
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Stable and Growing AFFO with Conservative Payout Ratio

Net Operating Income Bridge

Figures in \$mm

Pro forma NOI for the twelve month period ended June 30, 2020	\$21.2
Adjustment for assets not owned throughout the twelve month period ended June 30, 2020	\$0.5
Rent increases and net changes in occupancy to June 30, 2020	\$1.3
Increase in operating expenses to June 30, 2020	(\$0.1)
Pro forma in-place NOI as of June 30, 2020	\$22.9
Rent increases, net changes in occupancy, and changes in other revenue	\$0.6
Increase in operating expenses	(\$0.3)
Forecast NOI	\$23.2
Forecast NOI growth from June 30, 2020 in-place NOI	1.4%

Forecast NOI Represents a 1.4% Increase Compared to Pro Forma In-place NOI

Capital Structure Positioned for Growth

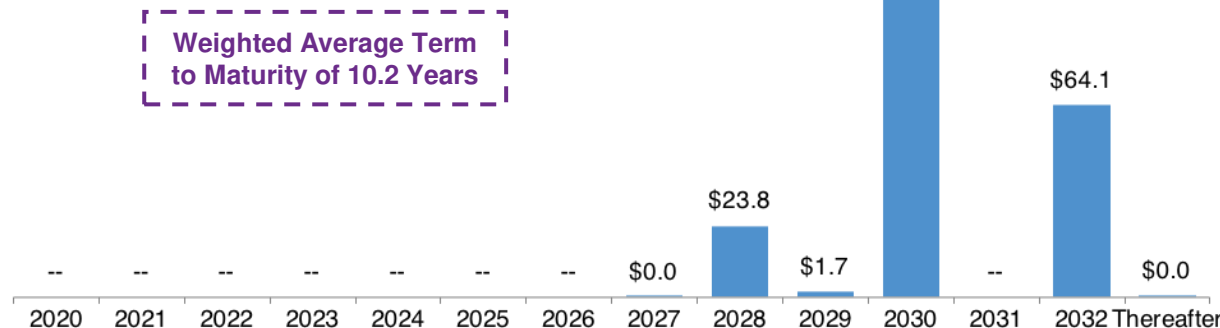
Attractive Debt Profile with Flexible Structure

- Debt / GBV of 49.5% at IPO
- 100% fixed rate debt
- 15-year Fannie Mae credit facility
- Seven unencumbered properties

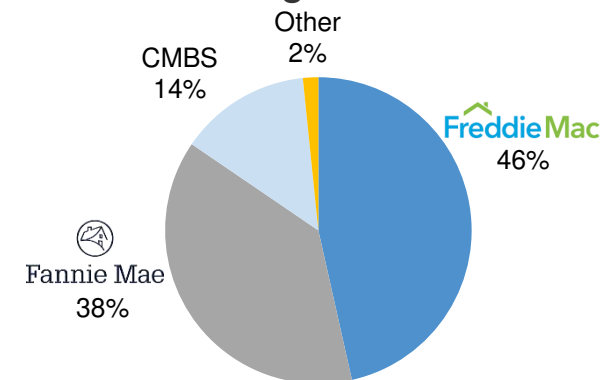
Low Cost of Capital

- Weighted average interest rate of 3.50%
- Approximately \$169 million of new Fannie Mae and Freddie Mac debt financing interest only for 8 and 10 years, respectively

Principal Repayments on Maturity (US\$mm)



Debt Funding Diversification



~85% of Debt Funding from Government-sponsored Lenders

Prudent Leverage with Attractive Debt Terms and Structure

Third Party Reports Summary

Independent Appraisals

- Aggregate value of Initial Communities and related assets is approximately \$413 million
 - (8.0%) discount to NAV at midpoint of offering range

Environmental Assessments

- No items require further environmental assessment investigation

Property Condition Assessments

- No significant deferred capex identified in the portfolio
- \$1.7 million of cash reserved on balance sheet to fund capital expenditures
- Forecast period capex reserve of \$60 per rental lot
 - Average annual capital expenditures of \$35 per rental lot based on third party advisor report

Institutionally Maintained Portfolio Offered at a Discount to Appraised Value

Investment Highlights

Opportunity to Gain Exposure to a Niche Asset Class with a Track Record of Outperformance

Defensive Asset Class with a Favourable Business Model that Outperforms Irrespective of Economic Cycle

Fragmented Industry with High Barriers to Entry and Imbalanced Supply and Demand Dynamics

Contiguous, High Quality Portfolio with Regional Footprint in Stable Markets

Well-Positioned to Capitalize on Strategic Growth Opportunities

Vertically Integrated Platform Led by an Experienced and Aligned Internal Management Team

Stable Cash Yield and Conservative Capital Structure



Summary of the Offering

Issuer	Flagship Communities Real Estate Investment Trust (“Flagship” or the “REIT”)
Offering Size	US\$94mm to US\$106mm
Over-Allotment Option	Up to 15% from treasury
Offering Price	US\$15.00 to US\$17.00 per unit
Expected Annual Cash Distribution Yield	2.8% to 3.4%
Currency and Distribution Policy	US Dollars; monthly distribution
Initial AFFO Payout Ratio	Approximately 65% of Forecast AFFO per unit
Use of Proceeds	Net proceeds of the Offering will be used to fund the cash component of the acquisition of the Initial Communities, debt repayment, capital expenditure reserves, transaction costs and general business purposes
Retained Interest	Legacy Portfolio Holdings, LLC and other Retained Interest Holders ~49% ⁽¹⁾
Offering Basis	Initial public offering in all provinces and territories of Canada pursuant to a long form prospectus. Sales in the United States may be made pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws
Eligibility	Eligible for RRSP, RESP, RRIF, DPSP, RDSP, TFSA
Listing	TSX: MHC.U
Pricing	Expected week of September 21, 2020
Closing	Expected week of October 5, 2020

1. Represents mid-point of the IPO value range.

Comparable Companies

In accordance with Section 13.7(4)(b) of National Instrument 41-101 – General Prospectus Requirements, all information related to the REIT’s comparables and any disclosure relating to comparables, which is contained in the presentation to be provided to potential investors, has been removed from this template version for purposes of filing on the System for Electronic Document Analysis and Retrieval (SEDAR).