

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered by this short form prospectus 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. Accordingly, the securities may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom, and in compliance with the terms of the Agency Agreement (defined below). This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities within the United States. See “Plan of Distribution”.

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of NexLiving Communities Inc., at its head office at 45 Alderney Landing, Suite 1805, Dartmouth, Nova Scotia, B2Y 2N6, telephone 902-483-2308 and are also available electronically on SEDAR, accessible at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

November 19, 2021



### NEXLIVING COMMUNITIES INC.

**\$20,000,000**  
**100,000,000 Common Shares**  
**Price: \$0.20 per Common Share**

This short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of up to 100,000,000 common shares (the “**Offered Shares**” and each an “**Offered Share**”) of NexLiving Communities Inc. (“**NexLiving**” or the “**Company**”) at a price of \$0.20 per Offered Share (the “**Offering Price**”).

The Offered Shares will be offered for sale on a commercially reasonable “best efforts” agency basis pursuant to the terms and conditions of an agency agreement dated November 19, 2021 (the “**Agency Agreement**”) among the Company, Echelon Wealth Partners Inc., as co-lead agent and bookrunner, and CIBC World Markets Inc., as co-lead agent and bookrunner, Cormark Securities Inc., Desjardins Securities Inc., Scotia Capital Inc., Canaccord Genuity Corp., iA Private Wealth Inc. and Richardson Wealth Limited (collectively, the “**Agents**”).

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**Price: \$0.20 per Offered Share**

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	<u>Price to the Public<sup>(1)</sup></u>	<u>Agents' Fee<sup>(2)</sup></u>	<u>Net Proceeds to NexLiving<sup>(3) (4)</sup></u>
Per Offered Share	\$0.20	\$0.0115	\$0.1885
Total	\$20,000,000	\$1,150,000	\$18,850,000

Notes:

- (1) The Offering Price was established by arm's length negotiation between the Company and the Agents, with reference to the market price of the Offered Shares and other factors.
- (2) The Company has agreed to pay the Agents a cash commission (the "Agents' Fee") equal to 5.75% of the gross proceeds of the Offering, including the proceeds realized from the sale of any Offered Shares sold pursuant to the exercise of the Over-Allotment Option (as defined below).
- (3) After deducting the Agents' Fee, but before deducting the expenses of the Offering (estimated at approximately \$225,000) which will be paid from the proceeds of the Offering.
- (4) The Company has granted the Agents an option (the "Over-Allotment Option"), exercisable in whole or in part at the sole discretion of the Agents, any time not later than the 30th day following the Closing Date (as defined below), to offer up to an additional 15,000,000 Offered Shares on the same terms and conditions of the Offering solely to cover the Agents' over-allocation position, if any, and for consequent market stabilization purposes. If the Over-Allotment Option is exercised in full, the "Price to the Public", "Agents' Fee" and "Net Proceeds to NexLiving" will be \$23,000,000, \$1,322,500 and \$21,667,500, respectively (excluding the Company's expenses of the Offering). This Prospectus also qualifies the grant of the Over-Allotment Option. A purchaser who acquires Offered Shares forming part of the Agents' over-allocation position acquires such Offered Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Agents' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	15,000,000 Offered Shares	For a period of 30 days after and including the Closing Date	\$0.20 per Offered Share

The Offering is being conducted on a commercially reasonable "best efforts" agency basis by the Agents who conditionally offer the Offered Shares for sale, if, as and when issued by the Company and accepted by the Agents in accordance with the terms and conditions to be contained in the Agency Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the Company by McInnes Cooper and on behalf of the Agents by Stewart McKelvey.

Subscriptions for Offered Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. The Offered Shares will be issued in "book-entry only" form through the facilities of CDS Clearing and Depository Services Inc. ("CDS") or its nominee. Except as otherwise stated herein, holders of beneficial interests in the Offered Shares will not have the right to receive physical certificates evidencing their ownership of the Offered Shares. The closing of the Offering (the "Closing") is expected to occur on or about November 24, 2021 or such later date as the Company and the Agents may agree (such actual closing date hereinafter referred to as the "Closing Date"). A purchaser of Offered Shares under the Offering will receive only a customer confirmation from the CDS participant through which Offered Shares are purchased. See "Plan of Distribution".

**An investment in the Offered Shares is subject to a number of risks that should be carefully considered by prospective investors. See "Risk Factors".**

The Company's outstanding Offered Shares are listed and posted for trading on the TSX Venture Exchange (the "TSXV") under the symbol "NXLV". On November 18, 2021, the last trading day prior to the date of this Prospectus, the closing price per Offered Share on the TSXV was \$0.20. The TSXV has conditionally approved the listing of the Offered Shares, including the Over-Allotment Shares (as defined below). Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV on or before January 4, 2022.

Concurrent with, or shortly following, the Closing of the Offering, the Company plans to complete a non-brokered private placement of approximately 20,000,000 Common Shares (as defined below) at the Offering Price for gross

proceeds of approximately \$4,000,000 (the “**Private Placement**”). The Common Shares sold pursuant to the Private Placement will not be qualified under this Prospectus. Closing of the Private Placement is subject to a number of conditions, including the approval of the TSXV. The Closing of the Offering is not conditional on the closing of the Private Placement, or vice versa. A finders’ fee of up to 1% may be paid to a representative of one of the Agents.

The registered and head office of the Company is located at 45 Alderney Landing, Suite 1805, Dartmouth, Nova Scotia, B2Y 2N6.

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## ABOUT THIS SHORT FORM PROSPECTUS

Prospective investors should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein). Neither the Company nor the Agents have authorized any other person to provide prospective investors with different information. If a prospective investor is provided with different or inconsistent information, the prospective investor should not rely on such information. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Offered Shares. The information contained on NexLiving's corporate website is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information when deciding whether or not to invest in the Offered Shares. Neither the Company nor the Agents are making an offer to sell in any jurisdiction where an offer or sale is not permitted by applicable law.

This Prospectus contains or incorporates by reference financial information relating to proposed acquisitions and prior acquisitions completed by the Company, or a summary thereof and/or identifies the sellers in such acquisitions. No seller in such acquisitions nor any of their respective affiliates, directors, trustees, partners, officers, employees or advisors make any representation or warranty, express or implied, relating to the accuracy or completeness of this Prospectus and/or any such information either as of the date hereof or any subsequent date, and each of them expressly disclaims any and all liability in respect of this Prospectus and/or based on such information (or omissions therefrom).

## MEANING OF CERTAIN REFERENCES

References to dollars or "\$" are to Canadian currency. Unless otherwise indicated, the disclosure in this Prospectus assumes that the Over-Allotment Option will not be exercised.

Unless the context otherwise requires, all references in this Prospectus to the "Company" or "NexLiving" refer to the Company and its Subsidiaries (as defined below), and in the case of a reference to matters undertaken by a predecessor in interest to the Company or its Subsidiaries, include each such predecessor in interest or subsidiary entity.

Notwithstanding the foregoing, for the purposes of the opinion given under the heading "*Eligibility for Investment*", a reference to the "Company" is a reference to NexLiving Communities Inc. only and is not a reference to any of its Subsidiaries or predecessors in interest.

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus, including the documents incorporated herein by reference, contains forward-looking information within the meaning of applicable Canadian securities laws ("**forward-looking statements**"). All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "projects", "estimates", "forecasts", "intends", "continues", "anticipates", or "does not anticipate" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements contained in this Prospectus include, but are not limited to:

- the Company's intention to complete the Offering and the anticipated timing thereof;
- the Company's intention to complete the Private Placement and the anticipated timing thereof;
- the Company's intention to complete the acquisition of Target Properties (as defined below) and the anticipated timing thereof;
- the expected benefits of the acquisition of the Target Properties to Company shareholders, including that the acquisition of the Target Properties is anticipated to be accretive to the Company's FFO per Common Share;

- that the Company will be able to successfully scale its operations following the acquisition of the Target Properties;
- the continued population growth of the communities in which the Target Properties are located;
- that the acquisition of the Target Properties will further enhance the Company's overall growth profile;
- that the acquisition of the Target Properties will generate the expected NOI growth, both at the Target Property level and the overall portfolio level;
- that the acquisition of the Target Properties will achieve the expected increase to the general & administrative ("G&A") expense % of aggregate NOI;
- that the Target Properties, once acquired and stabilized, will generate the expected capitalization rate of 5.0%;
- the partial financing of the acquisition of the Target Properties through the assumption of existing debt and a new acquisition loans;
- expected future growth and the Company's intention to complete further acquisitions;
- management's expected debt to gross book value ratio upon the completion of the acquisitions of the Target Properties;
- the Company's intended use of proceeds of the Offering and the Private Placement;
- the completion of the acquisitions of the Target Properties on the terms contemplated;
- the anticipated timing of the completion of construction of the Mountain Properties (as defined below);
- statements related to government policies and regulation;
- management's expectations to refinance mortgages that are maturing, and payable, within 12 months;
- other statements made in the section of this Prospectus entitled "Use of Proceeds"; and
- demographic trends or the impact on NexLiving's business of current and anticipated economic conditions.

Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. These forward-looking statements reflect the current expectations of the Company's management regarding future events and operating performance, but involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual events could differ materially from those projected herein and depend on a number of factors. These factors include, but are not limited to:

- reliance on continued involvement of the Company's management team in the Company's business;
- assumptions regarding present and future business strategies and the environment in which the Company will operate in the future;
- failure by the Company to complete the acquisitions of the Target Properties on the terms contemplated or on the anticipated timeline;
- failure by NexLiving to acquire additional properties from its existing pipeline, including acquisitions under contract;
- material shifts in demographic trends or actual future market conditions being different than anticipated by NexLiving's management;
- material changes to government or environmental policy or regulations affecting NexLiving's operations; and

- the risks described under “*Risk Factors*” and those risks discussed in other documents incorporated by reference into this Prospectus and filed on the System for Electronic Document Analysis and Retrieval (“*SEDAR*”), accessible at [www.sedar.com](http://www.sedar.com).

Material factors or assumptions that were applied to drawing a conclusion or making an estimate set out in forward-looking statements include, but are not limited to:

- a 2.6% blended interest rate mortgage debt related to acquisition and 10% increase in sales and G&A expenses (\$150,000 per annum);
- the views of management of NexLiving regarding current and anticipated market conditions;
- absence of material changes to regulations affecting NexLiving’s operations;
- management’s views as to demographic trends;
- the successful completion of the acquisitions of the Target Properties and the financing thereof; and
- the financial and operating attributes of NexLiving and its Properties (as defined below) as at the date hereof.

Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although forward-looking statements contained in this Prospectus are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this Prospectus speak only as of the date of this Prospectus. Except as required by applicable securities laws, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

#### **NON-IFRS MEASURES**

Net operating income (“**NOI**”), funds from operations (“**FFO**”) and FFO per common share are not measures recognized under International Financial Reporting Standards (“**IFRS**”), as adopted by the International Accounting Standards Board and do not have standardized meanings prescribed by IFRS. NOI and FFO are supplemental measures of a company’s performance and the Company believes that NOI and FFO are relevant measures of its operating performance and its ability to earn cash and pay dividends on the Common Shares. The IFRS measure most directly comparable to NOI and FFO is “net income (loss)”. See the Interim Financial Information (as defined below) for a reconciliation of NOI and FFO to the most directly comparable IFRS measure.

“**NOI**” is defined as property revenue net of property operating expenses.

“**FFO**” is defined as net property operating income less administrative expenses and interest expense. The use of FFO, combined with the required IFRS presentations, has been included for the purpose of improving the understanding of the Company’s operating results.

**NOI and FFO should not be construed as alternatives to “net income (loss) from continuing operations” or “cash flow from operating activities” determined in accordance with IFRS as indicators of the Company’s performance. The Company’s method of calculating NOI and FFO may differ from other issuers’ methods and, accordingly, these measures may not be comparable to measures used by other issuers.**

#### **ELIGIBILITY FOR INVESTMENT**

In the opinion of McInnes Cooper, counsel to the Company, and Stewart McKelvey, counsel to the Agents, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) in force on the date hereof, the Offered Shares will be qualified investments at the time of acquisition by a trust governed by

a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), deferred profit sharing plan, registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”), or a tax-free savings account (“**TFSA**”), each as defined in the Tax Act (each, a “**Plan**”), provided that, at the time of the acquisition by the Plan, the Offered Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which includes the TSXV), or the Company is a “public corporation”, as defined in the Tax Act.

Notwithstanding that the Offered Shares may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF or the subscriber under an RESP, as the case may be, will be subject to a penalty tax if the Offered Shares are a “prohibited investment” within the meaning of the Tax Act for such TFSA, RRSP, RRIF, RESP or RDSP. The Offered Shares will not be prohibited investments for a TFSA, RRSP, RRIF, RESP or RDSP, provided the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber under the RESP, as the case may be, (i) deals at arm’s length with the Company for purposes of the Tax Act, and (ii) does not have a “significant interest”, as defined in the Tax Act, in the Company. In addition, the Offered Shares will not be a prohibited investment if the Offered Shares are “excluded property”, as defined in the Tax Act, for trusts governed by a TFSA, RRSP, RRIF, RESP and RDSP. Prospective purchasers who intend to hold Offered Shares in a Plan are urged to consult their personal tax advisors.

### **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents, which the Company has filed with the various securities commissions or similar authorities in Canada, are specifically incorporated by reference and form an integral part of this Prospectus:

- the Company’s annual information form (the “**AIF**”) for the year ended December 31, 2020, dated September 14, 2021;
- the Company’s audited consolidated financial statements, the notes thereto and the auditor’s report thereon for the years ended December 31, 2020 and 2019 (the “**2020 Financial Statements**”);
- the unaudited condensed interim consolidated financial statements and the notes thereto for the three and nine months ended September 30, 2021 (the “**Interim Financial Statements**”);
- management’s discussion and analysis of the financial condition and results of operation of the Company for the year ended December 31, 2020 (together with the 2020 Financial Statements, the “**2020 Financial Information**”);
- management’s discussion and analysis of the financial condition and results of operation of the Company for the three and nine months ended September 30, 2021 (together with the Interim Financial Statements, the “**Interim Financial Information**”);
- the Company’s management information circular dated April 29, 2021 prepared for the Company’s annual meeting of shareholders held on May 25, 2021;
- the Company’s material change report dated May 27, 2021 in respect of closing of the private placement offering that raised gross proceeds of \$2,500,000 through the sale of 12,500,000 Common Shares of the Company;
- an investor presentation filed on SEDAR in connection with the Offering (the “**Marketing Materials**”); and
- any document of the type described in Section 11.1 of Form 44-101F1 – Short Form Prospectus Distribution which is filed by the Company with a securities commission or any similar authority in Canada after the date of this Prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or replaces such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of this Prospectus.

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada.

### MARKETING MATERIALS

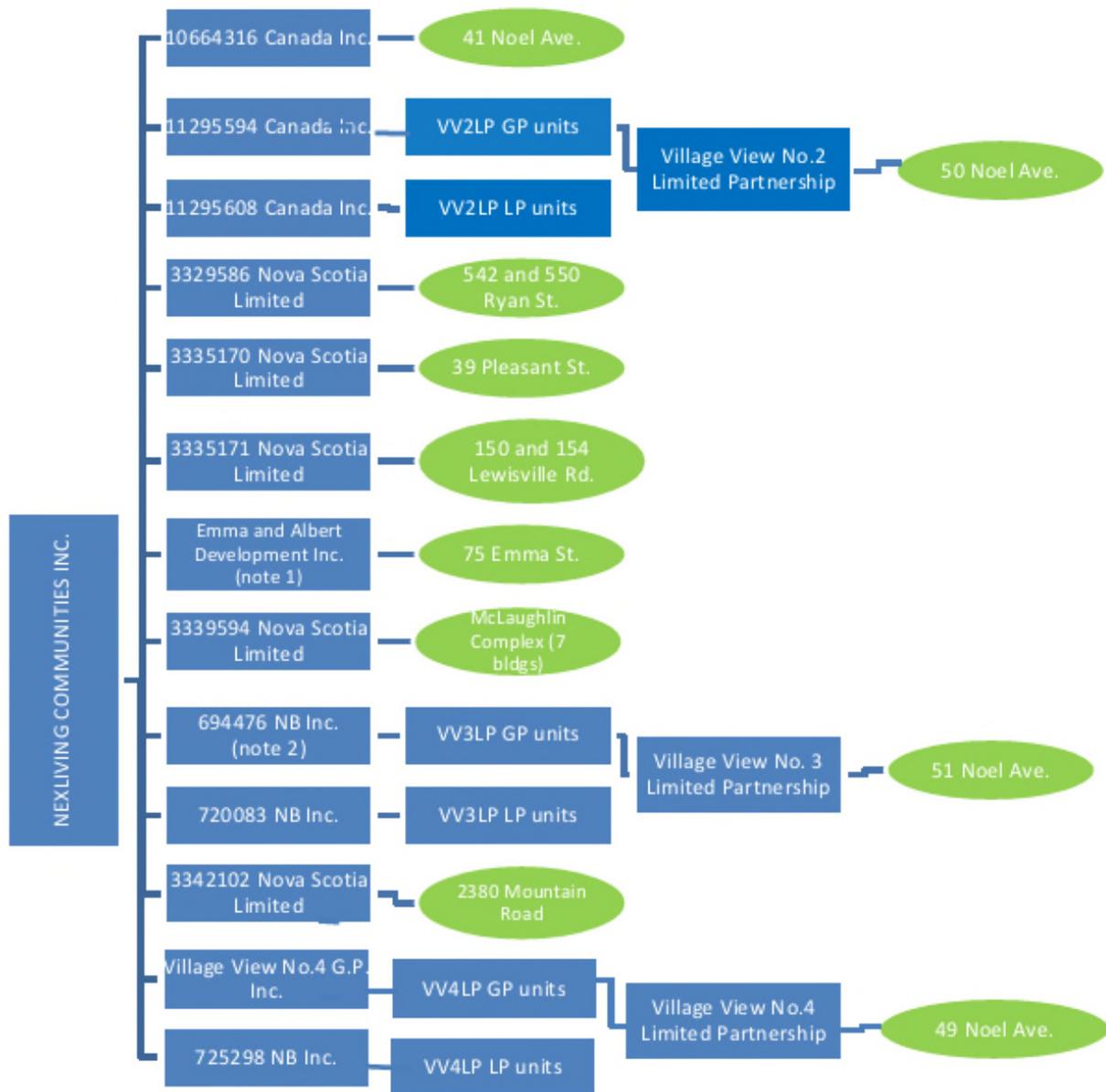
The Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form Prospectus or any amendment thereof. Any “template version” of “marketing materials” (each as defined in National Instrument 41-101 General Prospectus Requirements) filed with the securities commission or similar authority in the Offering Jurisdictions in connection with the Offering after the date of this Prospectus but prior to the termination of the distribution of the Offered Shares under this Prospectus (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference in this short form prospectus.

### SUMMARY DESCRIPTION OF BUSINESS

NexLiving, based in Halifax, Nova Scotia, is a publicly traded residential landlord, owning, operating and managing multi-family residential properties focused upon residents aged 55 years and up. The Company was incorporated as “NSX Silver Inc.” under the *Canada Business Corporations Act* on August 9, 2011. The registered office, head office and principal business office of the Company is located at 45 Alderney Landing, Suite 1805, Dartmouth, Nova Scotia, B2Y 2N6.

The common shares of the Company (each, a “**Common Share**” and, collectively, the “**Common Shares**”) commenced trading on the TSXV on March 14, 2012 as a Tier 2 Mining Issuer under the trading symbol “NSY”. On August 23, 2018, the Company completed a change of business transaction in accordance with TSXV Policy 5.2 – *Changes of Business and Reverse Takeovers* (the “**Change of Business**”). Pursuant to the Change of Business, the Company changed its business from a mining and mineral exploration company to a real estate company, and changed its name to “ViveRE Communities Inc.” On May 25, 2021, the Company changed its name to “NexLiving Communities Inc.” and began trading on the TSXV under the symbol “NXLV” on May 28, 2021.

NexLiving has thirteen (13) direct corporate subsidiaries, and three (3) indirect limited partnership subsidiaries (each, a “**Subsidiary**” and collectively, the “**Subsidiaries**”). NexLiving owns 100% of the issued and outstanding voting common shares of each corporate Subsidiary. No other class of security has been issued in any of the corporate Subsidiaries. The Company indirectly owns 100% of the limited partnership units and general partnership units of its limited partnership Subsidiaries. No other class of security has been issued in its limited partnership Subsidiaries. The organizational chart that follows presents the Company and its Subsidiaries as of the date of this Prospectus.



Notes:

- (1) 2749234 Ontario Inc. was incorporated on March 19, 2020 for the purpose of acquiring the shares of Albert and Emma Development Inc. The share acquisition was completed on April 27, 2020. On June 22, 2020, 2749234 Ontario Inc. amalgamated with Albert and Emma Development Inc., with the resulting amalgamated entity being named Albert and Emma Development Inc.
- (2) Previously Britain Seale Holdings Inc. Name change was effective January 6, 2021.

As of the date of this Prospectus, NexLiving owns 18 multi-unit residential properties located in bedroom communities across the Maritimes and Ontario (collectively, the “**Properties**”), and has another 10 multi-unit residential properties, namely, the Target Properties, under agreement.

In addition, the Company continues to seek out for acquisition the following types of properties:

- multi-family, mid-market rental properties in communities and secondary markets with age demographics that support the niche of “55+ Active Living” (e.g. proximity to healthcare, public transit and community services are just some of the factors driving the creation of this portfolio);
- properties that are new, recent build or recently refurbished; and
- buildings that are predominantly low and mid-rise, with elevators and room to introduce amenities specific to the 55+ resident interested in an age in place lifestyle.

Property management is handled by third party providers on a contract basis, and will only be brought in-house as resources and business activity support such a change. See the Company’s AIF filed on SEDAR for more information on the Company’s recent business development.

### CONSOLIDATED CAPITALIZATION

Other than as contemplated by the Offering, there are no material changes to the consolidated capitalization of the Company since September 30, 2021, the date of NexLiving’s most recently filed unaudited condensed interim consolidated financial statements.

The following table sets out the share and loan capital of the Company as of September 30, 2021 and the pro forma consolidated share and loan capital of the Company after giving effect to the Offering. The table should be read in conjunction with the annual and interim financial statements of the Company which are incorporated by reference into this Prospectus, as well as other disclosure in this Prospectus, including “Prior Sales.”

	Before giving effect to the Offering	After giving effect to the maximum Offering <sup>(1)(2)</sup>
<b>Loan Capital</b>		
<i>Mortgage payable</i>	\$63,269,498	\$63,269,498
<i>Convertible Debentures</i>	\$4,686,820	\$4,686,820
<b>Share Capital</b>		
<i>Common Shares</i>	151,112,482	251,112,482
<i>Warrants</i>	22,074,377	22,074,377
<i>Deferred share units</i>	4,840,000	4,840,000
<i>Stock Based Compensation</i>	1,050,000	1,050,000
<i>Shareholders’ Equity</i>	\$21,291,058	\$39,916,058 <sup>(3)</sup>
<b>Total Capitalization</b>	<b>\$89,247,376</b>	<b>\$107,872,376</b>

Notes:

- (1) Assumes completion of the maximum Offering and no exercise of the Over-Allotment Option.
- (2) Excluding, for the avoidance of doubt, the Common Shares issued pursuant to the Private Placement.
- (3) Based on gross proceeds of the maximum Offering, less the Agents’ Fee of \$1,150,000 and the estimated expenses of the Offering of \$225,000.

As at September 30, 2021, the Company's debt to gross book value ratio was approximately 69.3%. Upon the completion of the acquisitions of the Target Properties, the Company expects its debt to gross book value ratio to be approximately 69.6%. The gross book value is adjusted to reflect the fair market value of the Properties as disclosed in the Interim Financial Statements.

### USE OF PROCEEDS

The net proceeds to be received by the Company from the maximum Offering (excluding, for the avoidance of doubt, any proceeds raised from the Private Placement) will be \$18,625,000 after deducting the expenses of the Offering payable by the Company and the Agents' Fee. If the maximum Offering is completed and the Over-Allotment Option is exercised in full, the additional net proceeds to the Company after deducting the Agents' Fee in respect thereof, will be \$2,827,500.

The estimated net proceeds of the Offering are expected to be used by the Company within 12 months of the Closing Date as follows:

Use of Proceeds	Maximum Offering (without Over-Allotment) <sup>(1)</sup>	Maximum Offering (with full exercise of the Over-Allotment Option) <sup>(1)</sup>
Acquisition of the Target Properties (as defined below)	\$18,625,000	\$18,625,000
Costs of future acquisitions, working capital, repayment of existing debt and/or general corporate purposes	\$0	\$2,827,500
Legal, audit and other fees related to the Offering	\$225,000	\$225,000
<b>Total</b>	<b>\$18,850,000</b>	<b>\$21,677,500</b>

Notes:

(1) Excluding, for the avoidance of doubt, any proceeds raised from the Private Placement.

Consistent with its strategic objectives, the Company intends to use the net proceeds of the Offering towards the acquisition of 10 multi-unit residential properties (for a total of 370 units), for a combined \$18,625,000. Management expects the \$72,600,000 aggregate purchase price (subject to customary adjustments) to represent an approximate capitalization rate of 5.0% for the Target Properties upon stabilization of the properties.

The details of the Target Properties are as follows:

- A 156 unit property located at 1008 (24 units), 1020 (24 units) and 1037 (24 units) Cleveland Avenue and at 529 (24 units), 539 (20 units), 545 (20 units) and 625 (20 units) Whitepine Avenue, each in Riverview, New Brunswick (collectively, the "**Cleveland & Whitepine Properties**");
- A 64 unit property with 54 underground parking stalls located at 1009 Cleveland Avenue, in Riverview, New Brunswick (the "**1009 Cleveland Property**"); and
- A 75 unit property with 100 underground parking stalls, located at 2251 Mountain Road (the "**2251 Mountain Road Property**") and a 75 unit property with 100 underground parking stalls located at 2261 Mountain Road (the "**2261 Mountain Road Property**") and, together with the 2251 Mountain Road Property, the "**Mountain Properties**" and, collectively with the Cleveland & Whitepine Properties and the 1009

Cleveland Property, the “**Target Properties**” and each, a “**Target Property**”), each in Moncton, New Brunswick.

The Company expects to close the acquisitions of the Target Properties commencing in December 2021 with closing of all properties to be completed in or before the second quarter of 2022.

For the avoidance of doubt, NexLiving intends to use the proceeds of the Private Placement to repay existing debt of the Company.

While the Company intends to use the proceeds of the Offering and Private Placement as described above and below, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. In the event the Company is not able or willing to complete the acquisition of one or more of the Target Properties, the Company will reallocate the proceeds of the Offering to fund other potential acquisitions, for capital expenditures and for other general purposes, which may include the repayment of existing debt of the Company. See “*Risk Factors*”.

### **Rationale for the Acquisition**

The acquisition of the Target Properties is beneficial to the Company for a number of reasons, including:

- Continues to deliver on the strategy of acquiring premium properties within its key 55+ active living demographic.
- Transformational acquisition that allows Company to scale, nearly doubling NexLiving’s portfolio size.
- Management expects the acquisition (upon the stabilization of the Target Properties) to increase its overall NOI by approximately 75% while only increasing its G&A by 10%.
- Highly accretive acquisition that is expected to result in an increase to the Company’s FFO per Common Share.
- Once all buildings are fully leased-up, management expects the Target Properties to generate a total of \$3.6 million in NOI, representing a capitalization rate of 5.0%.
- Target Properties are located in a market that has recently experienced approximately 8.7% rent growth year-over-year.

## The Target Properties

The following table summarizes key information about the Target Properties and the anticipated completion of the acquisition of each:

	<i>Cleveland &amp; Whitepine Properties</i>	<i>1009 Cleveland Property</i>	<i>2251 Mountain Road Property</i>	<i>2261 Mountain Road Property</i>	<i>Total / Average</i>
<b>Location</b>	Riverview, NB	Riverview, NB	Moncton, NB	Moncton NB	
<b>Year(s) Built</b>	2011-2016	2018-2019	Completed in 4 <sup>th</sup> quarter of 2021	Expected completion in 2 <sup>nd</sup> quarter of 2022	
<b>No. of Units</b>	156	64	75	75	370
<b>No. Buildings</b>	7	1	1	1	10
<b>No. of Floors</b>	2 Stories	4 Stories, with 1 floor of underground heated parking	5 Stories, with 2 floors of underground heated parking	5 Stories, with 2 floors of underground heated parking	
<b>Anticipated Closing Date(s)</b>	4 <sup>th</sup> quarter of 2021	4 <sup>th</sup> quarter of 2021	1 <sup>st</sup> quarter of 2022	2 <sup>nd</sup> quarter of 2022	
<b>Acquisition Price<sup>(1)</sup></b>	\$21.3M	\$11.7M	\$19.8M	\$19.8M	\$72.6M
<b>Expected Mortgage Financing</b>	\$15.6M	\$9.5M	\$14.85M	\$14.85M	\$54.8M
<b>Expected Cash Requirement<sup>(1)</sup></b>	\$5.7M	\$2.2M	\$4.95M	\$4.95M	\$17.8M

Notes:

(1) Excludes closing costs.

## Description of the Target Properties

### *The Cleveland & Whitepine Properties*

The Cleveland & Whitepine Properties are comprised of seven, two-storey buildings, for a total of 156 units. The properties have in-floor heating and balconies. The Cleveland & Whitepine Properties were constructed during the period from 2011 to 2016. The properties have reasonably close proximity to amenities, including grocery stores, pharmacies, restaurants, and public transit. The Cleveland & Whitepine Properties are occupied primarily by the 55+ year-old active living demographic. The properties are 99% occupied as of the date of this Prospectus.

Subject to customary closing conditions and adjustments, the Company will acquire, directly or indirectly, a 100% fee simple interest in the Cleveland & Whitepine Properties from Sheaco Management Inc. for a purchase price of \$21.3 million. NexLiving intends to satisfy, in part, the purchase price with cash funded by the proceeds of the Offering, with the balance expected to be financed with mortgage debt approximately in the amount of \$15.6 million. The Company has deposited \$100,000 with the seller's counsel in respect of the acquisition of the Cleveland & Whitepine Properties (to be credited to the satisfaction of the purchase price upon the closing of the acquisition). In the event the Company is not satisfied with its due diligence investigations by certain condition dates, or certain conditions are not met prior to the closing of the acquisition, the deposit will be returned to the Company without penalty or interest.

### *The 1009 Cleveland Property*

The 1009 Cleveland Property is comprised of 64 units in one, four-storey building. The property has one level of heated underground parking and storage, and each unit has stone countertops, stainless steel appliances and a balcony. The 1009 Cleveland Property was constructed between 2018 and 2019. The property has reasonably close proximity to amenities, including grocery stores, a fitness centre, pharmacies, restaurants, and public transit. The 1009 Cleveland Property is occupied primarily by the 55+ year-old active living demographic. The properties are 100% occupied as of the date of this Prospectus.

Subject to customary closing conditions and adjustments, the Company will acquire all of the issued and outstanding shares in Findlay Management Inc., whose sole asset (100% fee simple) is the 1009 Cleveland Property, for a purchase price of \$11.7 million. NexLiving shall satisfy the purchase price with the assumption of the associated 10-year CMHC mortgage debt in the principal amount of \$9,473,724 with an interest rate of 1.76% annually. The balance of the purchase price is intended to be paid in cash funded by the proceeds of the Offering. The Company has deposited \$50,000 with the seller's counsel in respect of the acquisition of Findlay Management Inc. (to be credited to the satisfaction of the purchase price upon the closing of the acquisition). In the event the Company is not satisfied with its due diligence investigations by certain condition dates, the deposit will be returned to the Company without penalty or interest.

### *The Mountain Properties*

Each of the 2251 Mountain Road Property and the 2261 Mountain Road Property is comprised of 75 units in two five-storey elevator buildings. Each property features a certain number of units with granite countertops, stainless steel appliances and balconies, a "cool" roofing system with an exterior surface that reduces heat build-up and two floors of heated underground parking (including charging stations for electric vehicles). The 2251 Mountain Road Property was constructed in the fourth quarter of 2021. The 2261 Mountain Road Property is currently in the construction stage with expected completion by the second quarter of 2022. The properties have reasonably close proximity to amenities, including grocery stores, pharmacies, restaurants, and public transit. The Mountain Properties are expected to be primarily occupied by the 55+ year-old active living demographic. The 2251 Mountain Road Property is currently in the lease-up stage. It is expected that the 2261 Mountain Road Property shall be fully leased-up by the second quarter of 2022.

Subject to customary closing conditions and adjustments, the Company will acquire directly or indirectly, a 100% fee simple interest in the Mountain Properties from North Point Management Inc., for an aggregate purchase price of \$39.6 million. NexLiving intends to satisfy the purchase price, in part, with cash funded by the proceeds of the Offering with the balance expected to be financed with mortgage debt approximately in the amount of \$29.7 million. The Company has deposited an aggregate of \$200,000 with the seller's counsel in respect of the acquisition of the Mountain Properties (to be credited to the satisfaction of the purchase price upon the closing of the acquisition). In the event the Company is not satisfied with its due diligence investigations by certain condition dates, or certain conditions are not met prior to the closing of the acquisitions, the deposit will be returned to the Company without penalty or interest. One such closing condition for each property is that such property is occupied and 90% leased to tenants that meet the Company's stated profile and rented at a rate which meets or exceeds the pro forma rent roll.

### *Environmental Site Assessments*

The Company commissioned and received Phase I Environmental Site Assessments for each of the Target Properties (the "ESAs") dated in November 2021. Each of the ESAs had the same conclusion, namely, that there was no evidence of significant potential contamination in connection with the Target Properties, and therefore no further environmental investigations are warranted.

### ***Property Condition Assessments***

The Company commissioned property condition assessments (collectively, the “PCAs” and each, a “PCA”) on the Cleveland & Whitepine Properties and the 1009 Cleveland Property (together, the “Assessed Properties”). As the Mountain Properties are new construction, PCAs were determined to be unneeded at this time. The purpose of the PCAs is to provide a general overview of the present condition of the site and building components of each Assessed Property, and to provide an opinion of costs to remedy any identified physical deficiencies over the evaluation period of 10 years.

Each PCA concluded, among other things, that:

- each Assessed Property appeared to be well maintained and in good overall condition;
- the Assessed Properties and building maintenance appear to be suitable for the current operation of each Assessed Property;
- it is expected that the current level of maintenance and recapitalization as presented in each PCA will allow each Assessed Property to meet its intended purpose over the evaluation period;
- the structural components of each Assessed Property appear to be in good condition with no structural deficiencies observed or reported;
- the exterior and interior finishes of each Assessed Property appear to be in good condition with no indications of any major physical deficiencies; and
- only minor site components at each Assessed Property appear to require repair or replacement during the evaluation period (such minor repairs/replacements include the partial replacement/repair to asphalt paving, repair of certain concrete flatwork, replacement of heat recovery ventilators and replacement of common area carpet).

The PCAs identified an aggregate of approximately \$15,000 in potential maintenance and capital expenditures over the next 1-5 years across the Assessed Properties.

### ***Property Appraisals***

The Company obtained appraisals of the Target Properties (collectively, the “Appraisals” and each, an “Appraisal”). The Appraisals were commissioned by the Company for the purpose of receiving an estimate of the current market value of the 100% leased fee interest for each Target Property. The Appraisals were developed using the Canadian Uniform Standards of Professional Appraisal Practice. Estimates were determined using the income approach, which is based on the assumption that value is created by expected income. The Appraisals provided the following estimates of the current market value of the Target Properties as of October 15, 2021:

<b>Target Property</b>	<b>Estimated Market Value</b>
Cleveland and Whitepine Properties	\$23,990,000
1009 Cleveland Avenue	\$11,740,000
2251 Mountain Road	\$19,840,000 <sup>(1)</sup>
2261 Mountain Road	\$19,840,000 <sup>(1)</sup>

Notes:

- (1) Assumes that the property is 100% complete and leased at stabilized occupancy.

Caution should be exercised in the evaluation and use of the Appraisal results. The Appraisals are estimates of market value and are based on a subjective comparison of related activity taking place in the real estate market. The Appraisals are based on various assumptions and while the appraiser’s forecasts of net operating income for the Target Properties

are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

## DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

*The following is a summary of the material attributes and characteristics of the Offered Shares. This summary does not purport to be complete.*

### Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Prospectus, there are 151,112,482 Common Shares issued and outstanding.

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors of the Company, entitled to one vote per Common Share at meetings of the shareholders and, upon dissolution, entitled to share equally in such assets of NexLiving as are distributable to the holders of Common Shares. All of the Common Shares rank equally within their class as to voting rights, participation in assets and in all other respects. None of the Common Shares are subject to any call or assessment nor pre-emptive or conversion rights. There are no provisions attached to the Common Shares for redemption, purchase for cancellation, surrender or sinking or purchase funds.

## PLAN OF DISTRIBUTION

The Company has engaged the Agents pursuant to the Agency Agreement to offer for sale to the public on a commercially reasonable “best efforts” agency basis, and the Company has agreed to issue and sell up to 100,000,000 Offered Shares at the Offering Price of \$0.20 per Offered Share payable in cash to the Company against delivery of the Offered Shares subject to the terms and conditions of the Agency Agreement. The Offering Price was established by arm’s length negotiation between the Company and the Agents, with reference to the market price of the Common Shares and other factors. The obligations of the Agents are subject to certain closing conditions and may be terminated at their discretion upon the occurrence of certain stated events, including “due diligence out”, “disaster out”, “market out”, “material adverse change out”, “breach out” and “regulatory change out” provisions in the Agency Agreement, and may also be terminated upon the occurrence of certain other stated events. The Agents are not obligated to purchase any Offered Shares under the Agency Agreement.

The Company has granted to the Agents the Over-Allotment Option, exercisable in whole or in part at any time not later than the 30<sup>th</sup> day following the Closing Date, to purchase the number of Common Shares composing up to an additional 15% of the size of the Offering (up to an additional 15,000,000 Offered Shares) on the same terms as set forth above solely to cover the Agents’ over-allocation position, if any, and for consequent market stabilization purposes (the “**Over-Allotment Shares**”). This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Shares forming part of the Agents’ over-allocation position acquires those Over-Allotment Shares under this Prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Company has agreed to pay an Agents’ Fee equal to 5.75% of the gross proceeds of the Offering, including the proceeds realized from the sale of any Over-Allotment Shares sold pursuant to the exercise of the Over-Allotment Option.

The Offering is being made in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Offered Shares will be offered in each of the relevant provinces through the Agents or their affiliates who are registered to offer the Offered Shares for sale in such provinces and such other registered dealers as may be designated by the Agents. Subject to applicable law, the Agents may offer the Offered Shares in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Agents.

The TSXV conditionally approved the listing of the Offered Shares, including the Over-Allotment Shares. Listing is subject to the Company fulfilling all of the listing requirements of the TSXV on or before January 4, 2022.

In the event that the Offering is completed, the Company agrees, that until the date which is 90 days after the Closing Date, it shall not issue, agree to issue, or announce an intention to issue, any Common Shares or any securities convertible into or exchangeable for Common Shares other than in connection with: (i) the refinancing, extension and/or amendment of terms, exchange, transfer, conversion or exercise rights of existing outstanding securities, which may include the conversion of existing outstanding securities at conversion prices that are below their existing conversion price so long as the amended conversion price is at or in excess of the Offering Price; (ii) the issuance of options under the Company's stock option plan; (iii) the issuance of deferred share units under the Company's deferred share unit plan; (iv) existing commitments to issue securities; (v) as consideration in an arm's length acquisition (including to acquire assets or intellectual property rights; or (vi) under the Offering.

The Company further acknowledges and understands that it will use its commercially reasonable efforts to cause its executive officers and directors to execute an undertaking (in a form satisfactory to the Agents, acting reasonably) in favour of the Agents that such executive officer or director will not, for a period commencing on the closing date of the Offering and ending 90 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible into, exchangeable for or exercisable to acquire, Common Shares, directly or indirectly, unless: (i) they first obtain the prior consent of the Agents, such consent not to be unreasonably withheld, conditioned or delayed; or (ii) there occurs a take-over bid, arrangement or similar transaction involving the acquisition of the Company.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Agents may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Agents at any time. The Agents may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

Subscriptions for the Offered Shares will be received subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about November 24, 2021, or such other date as may be agreed upon by the Company and the Agents. Pending closing of the Offering, all subscription funds will be deposited and held by the Agents in trust pursuant to the terms and conditions of the Agency Agreement. If the Closing Date does not occur within 90 days from the date a receipt is issued for this Prospectus or such other time as may be permitted by applicable securities legislation and consented to by persons or companies who subscribed within that period and the Agents, the Offering will be discontinued and all subscription monies will be returned to subscribers without interest, set-off or deduction.

The Company has agreed to reimburse the Agents for certain expenses incurred in connection with the Offering and to indemnify the Agents and their directors, officers, employees, and Agents against certain liabilities and expenses and to contribute to payments the Agents may be required to make in respect thereof.

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act (a “U.S. Person”) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Except as may be permitted in the Agency Agreement, and as expressly permitted by applicable laws of the United States, the Agents will not offer, sell or deliver, directly or indirectly, the Offered Shares to, or for the account or benefit of, a person in the United States or a U.S. Person. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares to, or for the account or benefit of, a person in the United States or a U.S. Person.

Concurrent with, or shortly following, the Closing of the Offering, the Company plans to complete the Private Placement for gross proceeds of approximately \$4,000,000. The Common Shares sold pursuant to the Private Placement will not be qualified under this Prospectus. The Closing of the Offering is not conditional on the closing of the Private Placement, or vice versa.

### PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares or securities that are convertible or exchangeable into Common Shares in the 12-month period preceding the date of this Prospectus:

Date of Issuance	Number of Securities Issued	Type	Issuance / Exercise Price per Security (\$)
11-Dec-20	47,850,000	Common Shares <sup>(1)</sup>	\$0.20
11-Dec-20	2,233,501	Common Share Purchase Warrants <sup>(2)</sup>	\$0.24
23-Dec-20	2,727,272	Common Shares <sup>(3)</sup>	\$0.22
18-May-21	12,500,000	Common Shares <sup>(4)</sup>	\$0.20
30-June-21	3,750,000	Common Shares <sup>(5)</sup>	\$0.20
30-Sept-21	2,312,500	Common Shares <sup>(6)</sup>	\$0.20

Notes:

- (1) Issued pursuant to the Company’s 2020 short form prospectus offering.
- (2) Issued as part of the consideration for the agents’ services with respect to the Company’s 2020 short form prospectus offering.
- (3) Issued as part of the consideration for the Company’s acquisition of Village View No. 3 Limited Partnership, whose sole asset was the rental property located at 51 Noel Avenue, Saint John, New Brunswick.
- (4) Issued pursuant to a brokered and non-brokered private placement of Common Shares.
- (5) Issued as part of the consideration for the Company’s acquisition of Village View No. 4 Limited Partnership, whose sole asset was the rental property located at 49 Noel Avenue, Saint John, New Brunswick.
- (6) Issued pursuant to the conversion of debentures issued September 30, 2019 in the aggregate principal amount of \$462,500.

### PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES

The outstanding Offered Shares are listed for trading under the symbol “NXLV” on the TSXV. The following table sets forth the high and low prices at which the Offered Shares were traded and the trading volumes of the Offered Shares for the 12-month period before the date of this Prospectus.

	High (\$)	Low (\$)	Volume
<b>2020</b>			
November	0.32	0.18	419,900
December	0.23	0.18	1,374,343
<b>2021</b>			
January	0.20	0.19	1,110,678
February	0.20	0.18	1,190,470
March	0.20	0.18	531,000
April	0.20	0.19	184,718
May	0.20	0.16	1,076,900
June	0.21	0.17	1,227,224
July	0.20	0.18	395,920
August	0.20	0.17	818,857
September	0.20	0.19	1,137,231
October	0.20	0.18	1,071,154
November (to November 18, 2021)	0.21	0.18	1,940,296

On November 18, 2021, the last trading day prior to the date of this Prospectus, the closing price per Offered Share on the TSXV was \$0.20.

## RISK FACTORS

*An investment in the Offered Shares is subject to certain risks. Investors should carefully consider the risks described below, the risk factors described in the AIF, the Interim Financial Information and other information elsewhere in this Prospectus and the documents incorporated by reference herein, prior to making an investment in any of the Offered Shares. If any of such or other risks occur, the Company's business, prospects, financial condition, results of operations, cash flows, and FFO could be materially adversely impacted. In that case, the trading price of the Offered Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks.*

### Risks Related to the Offering

#### *Discretion over the Use of Proceeds*

It is expected that the net proceeds of the Offering and the Private Placement will be used in the manner discussed in "Use of Proceeds". However, the Company's management will have broad discretion concerning the use of the net proceeds of the Offering and the Private Placement as well as the timing of their expenditures, and there can be no assurance as to how the funds will be allocated. The Company may reallocate the net proceeds of the Offering and the Private Placement other than as described under the heading "Use of Proceeds" if management of the Company believes it would be in the Company's best interest to do so and in ways that a purchaser may not consider desirable. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the net proceeds of the Offering and the Private Placement. The results and the effectiveness of the application of the net

proceeds are uncertain. If the net proceeds are not applied effectively, the Company's business, financial condition and results of operations may suffer, which could adversely affect the price of the Common Shares on the open market.

### ***Volatile Market Price for the Offered Shares***

The market price for the Offered Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. As well, certain institutional investors may base their investment decisions on consideration of the Company's performance against such institutions' respective guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Offered Shares by those institutions, which could adversely affect the trading price of the Offered Shares. There can be no assurance that fluctuations in price and volume will not occur.

### ***Dividends***

Dividends on the Offered Shares may fluctuate and may not be declared at all. The board of directors of the Company reviews the financial performance of the Company and makes a determination of the appropriate level of dividends to be declared. The Company's ability to pay dividends following the Offering could be adversely affected if the free cash flow resulting from its Properties does not materialize as expected when coupled with the potentially dilutive effect of the additional Offered Shares issued pursuant to the Offering.

### **Risks Related to the Business**

#### ***Reliance on Management***

The ability of the Company to successfully implement its business strategy and operate its business will depend in large part on the continued involvement of the Company's current management team. Shareholders of the Company should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management team. If the Company loses the services of one or all of the members of its current management team, the business, financial condition and results of operations of NexLiving may be materially adversely affected.

#### ***Lack of Operating History***

NexLiving has only conducted an active business since August 2018. While the Company has successfully completed the acquisition of additional investment properties over that time, there is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

#### ***Going Concern***

The ability of the Company to continue as a going concern, and to realize its assets and discharge its liabilities when due, is dependent upon its ability to generate sufficient cash flow from operations and to secure sufficient financing to fund its general and administrative costs. Management cannot provide assurance that the Company will ultimately achieve profitable operations or raise additional debt and/or equity capital.

#### ***Indirect Investment in Real Estate***

An investment in the Common Shares is an investment in real estate through the Company's indirect interest in the investment properties it acquires. Investment in real estate is subject to numerous risks, including the factors listed below and other events and risk factors which are beyond the control of the Company.

### ***Liquidity, Indebtedness and Capital Resources***

As disclosed and discussed in the Interim Financial Information, as at September 30, 2021, the Company is operating at a net loss, with an accumulated deficit and working capital deficiency. \$18.9 million of the working capital deficiency relates to mortgages maturing, and payable, within 12 months from September 30, 2021. Although the Company expects to refinance these mortgages, NXLV is subject to the risk that it may not be able to refinance these mortgages upon maturity, or that the terms of such refinancing may be onerous or not available on favourable terms.

### **Risks Related to the Acquisition of the Target Properties**

#### ***Possible Failure to Complete the Acquisitions of the Target Properties***

Completion of the acquisition of each Target Property is subject to the satisfaction of certain closing conditions, including the performance of or compliance with all the material terms, covenants, conditions, warranties and representations set out in the various agreements in respect of same. As such, there is no assurance that the acquisitions of the Target Properties will be completed or, if completed, will be on terms that are exactly the same as disclosed in this Prospectus.

#### ***Access to Debt Financing***

Completion of the acquisition of each Target Property is subject to the Company obtaining debt financing that is satisfactory to the Company, in its sole, absolute and subjective discretion. As such, there can be no assurance that such debt financing, on terms and conditions satisfactory to the Company, will be obtained. Failure by the Company to access the required debt financing could cause one, or more, of the acquisitions of the Target Properties to not be completed.

#### ***Risks Related to the Integration of the Target Properties into the Company's Business***

In order to achieve the benefits of the acquisitions of the Target Properties, the Company will rely upon its ability to successfully retain staff, consolidate functions and integrate operations, procedures and personnel in a timely and efficient manner and to realize the anticipated growth opportunities from combining the Target Properties and related operations with those of the Company. The integration process may result in the disruption of ongoing business and customer relationships that may adversely affect the Company's ability to achieve the anticipated benefits of the acquisitions of the Target Properties.

#### ***Possible Failure to Realize Expected Returns on the Acquisitions of the Target Properties***

While NexLiving has conducted due diligence in connection with the acquisition of each Target Property, acquisitions inherently involve risks that could materially and adversely affect the Company's business plan, including the failure of the acquisition of each Target Property to realize the results the Company expects. Specifically, there could be unknown or undisclosed risks or liabilities of each Target Property for which NexLiving is not sufficiently indemnified pursuant to the agreements in respect of the acquisitions. Additionally, maintaining stabilized occupancy at each Target Property depends on leasing units to residents. The existence of unknown or undisclosed risks in the Company's ability to secure long-term tenants and other factors may have a material adverse impact on the Company's operating results. If the acquisitions of the Target Properties fails to realize the results that NexLiving expects, the acquisitions of the Target Properties could materially and adversely affect the Company's business plan and could have a material adverse effect on the Company and its financial results.

While the Company, based on analysis provided by management and professional advisors (as well as other information deemed appropriate and sufficient for such purposes), expects the acquisitions of the Target Properties to be accretive to the Company's FFO per Common Share, such determination should not be regarded as a guarantee of future performance or results. If the acquisitions of the Target Properties fails to realize the results that the

Company expects, the acquisitions of the Target Properties could materially and adversely affect the Company's business plan and could have a material adverse effect on the Company and its financial results.

Although each Target Property's acquisition agreement contains covenants on the part of the sellers regarding the operation of each Target Property prior to closing the acquisition of each Target Property, the Company will not control that particular Target Property until completion of the acquisition of that particular Target Property, and the business and results of operations of each Target Property may be adversely affected by events that are outside of the Company's control during the intervening period. Historic and current performance of business and operations of the Target Properties may not be indicative of success in future periods.

### ***General Risks Relating to the acquisitions of the Target Properties***

Although the Company is conducting due diligence in connection with the acquisitions of the Target Properties and each seller has provided a number of representations and warranties in favour of the Company in connection with the acquisition of each Target Property, an unavoidable level of risk remains regarding any undisclosed or unknown liabilities of, or issues concerning, the acquisitions of the Target Properties. Following the closing of the acquisition of each Target Property, NexLiving may discover that it has acquired substantial undisclosed liabilities or that certain of the representations made by the sellers were untrue. There can be no assurance of recovery by the Company from the sellers for any breach of the representations, warranties or covenants provided, or to be provided, by the sellers under the applicable acquisition agreement because there can be no assurance that the amount and length of the indemnification obligations will be sufficient to satisfy such obligations or that the sellers will have any assets or continue to exist. The Company's inability to claim for full indemnification from the sellers could have a material and adverse effect on the Company.

### ***Indemnities in favour of the Company***

The representations and warranties provided by the sellers of the Target Properties are customary for transactions of this nature; however, there can be no assurance of adequate recovery by the NexLiving from the sellers for any breach of representations, warranties and covenants of the sellers under the relevant agreements in respect of the acquisition of the Target Properties.

### ***Environmental Matters***

While the Company has obtained the ESAs and will be performing other environmental inspections and investigations, as the Company may deem necessary or desirable, of the Target Properties, the Company may be liable for certain environmental matters relating to the Target Properties. NexLiving is subject to various requirements (including Canadian federal, provincial, and municipal laws) relating to environmental matters. Such laws provide that the Company may be, or become, liable for environmental harm, damage or costs related to the environment and/or environmental matters that affect human health, including with respect to the presence in or release into the environment (including at or under its properties), of hazardous, toxic or other regulated substances into the environment at or under its properties. Environmental requirements can change from time to time and the Company may become subject to more stringent environmental requirements in the future. Compliance with more stringent environmental requirements, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition may have an adverse effect on the Company's business, financial condition and results of operations and distributions.

### ***Third Party Reports***

The experts' reports relied upon by the Company, including, without limitation, the ESAs, PCAs and Appraisals as part of its due diligence investigations of the Target Properties may be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

## **LEGAL MATTERS AND INTERESTS OF EXPERTS**

Certain legal matters in connection with this Offering will be passed upon on behalf of the Company by McInnes Cooper, and on behalf of the Agents by Stewart McKelvey. As at the date hereof, the partners and associates of McInnes Cooper and Stewart McKelvey, each as a group, beneficially own, directly and indirectly, in the aggregate, less than one percent of the Common Shares.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company as of December 31, 2020 were KPMG LLP (“**KPMG**”), Purdy’s Wharf, Tower I, 1959 Upper Water Street, Suite 1500, Halifax, Nova Scotia, B3J 3N2. KPMG is independent from the Company within the meaning of the Chartered Professional Accountants of Nova Scotia CPA Code of Professional Conduct.

The Company’s current auditor is PricewaterhouseCoopers LLP (“**PwC**”), Cogswell Tower, 2000 Barrington Street, Suite 1101, Halifax, Nova Scotia, B3J 3K1. PwC is independent from the Company within the meaning of the Chartered Professional Accountants of Nova Scotia CPA Code of Professional Conduct.

Computershare Investor Services, at its principal offices in Toronto, is the transfer agent and registrar for the Common Shares.

## **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF THE COMPANY**

Dated: November 19, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

**NEXLIVING COMMUNITIES INC.**

(Signed) "Mike Anaka"  
Chief Executive Officer

(Signed) "Glenn Holmes"  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "Drew Koivu"  
Director

(Signed) "Richard Turner"  
Director

**CERTIFICATE OF THE AGENTS**

Dated: November 19, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

**ECHELON WEALTH PARTNERS INC.**

**CIBC WORLD MARKETS INC.**

By: (Signed) "Denim Smith"

By: (Signed) "Jeff Appleby"

Name: Denim Smith  
Title: Managing Director

Name: Jeff Appleby  
Title: Managing Director

**CORMARK SECURITIES INC.**

**DESJARDINS SECURITIES INC.**

**SCOTIA CAPITAL INC.**

By: (Signed) "Chris Shaw"

By: (Signed) "Mark Edwards"

By: (Signed) "Karim Kabbara"

Name: Chris Shaw  
Title: Chief Executive Officer

Name: Mark Edwards  
Title: Managing Director, Head of  
Real Estate Investment Banking

Name: Karim Kabbara  
Title: Director

**CANACCORD GENUITY CORP.**

**IA PRIVATE WEALTH INC.**

By: (Signed) "Dan Sheremeto"

By: (Signed) "Dennis Kunde"

Name: Dan Sheremeto  
Title: Managing Director

Name: Dennis Kunde  
Title: Managing Director, Head of Real Estate  
Investment Banking

**RICHARDSON WEALTH LIMITED**

By: (Signed) "Nargis Sunderji"

Name: Nargis Sunderji  
Title: Vice President, Private Client Capital  
Markets