



## Independent auditor's report

To the Shareholders of Mainstreet Equity Corp.

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### Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Mainstreet Equity Corp. and its subsidiaries (together, the Corporation) as at September 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

#### What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at September 30, 2025 and 2024;
- the consolidated statements of net profit and total comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2025. These matters

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were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of investment properties</b></p> <p><i>Refer to note 2 – Material accounting policy information and note 4 – Investment properties to the consolidated financial statements.</i></p> <p>The Corporation’s total investment properties as at September 30, 2025 were valued at \$3.73 billion. Investment properties are initially measured at cost and subsequently recorded at fair value. The fair value is determined through internal and external valuation processes. A significant portion of the investment properties are fair valued using the direct capitalization method, which requires that a forecasted net operating income (NOI) be divided by capitalization rate (cap rate) (together the key assumptions). Critical judgments were made by management in respect of these key assumptions and estimates</p> <p>External valuations are obtained from independent qualified real estate appraisers (management’s experts). Internal valuations are based on the same assumptions and valuation techniques used by management’s experts. The Corporation groups its investment properties in each city by their types and geographic locations and makes a selection on a quarterly basis of properties to be appraised by management’s experts. The appraised values of the selected properties are compared with their previously determined fair value and percentage changes in the key assumptions are reviewed and applied to the whole population of each group. For any group where there is no selected property or where the change in percentage is not representative of the group, the percentage changes in key assumptions are based on the average of the selections from the other groups within the city.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"><li>• Tested how management determined the fair values of investment properties using the direct capitalization method, which included:<ul style="list-style-type: none"><li>– With the assistance of professionals with specialized skills and knowledge in the field of real estate valuations:<ul style="list-style-type: none"><li>○ Evaluated the appropriateness of the methodology and models used.</li><li>○ Evaluated, on a sample basis, the reasonableness of the key assumptions used in the properties appraised by management experts (including whether the percentage changes in forecasted NOI, determined based on selected properties appraised by management’s experts, were reasonably applied to the group).</li></ul></li><li>– Evaluated the reasonableness of the grouping of investment properties by assessing geographic location and types.</li><li>– Evaluated the reasonableness of cap rates used on a group basis by considering reputable third-party market reports.</li><li>– Performed analytical procedures by comparing the total actual NOI by province to the forecasted NOI.</li><li>– Test on a sample basis, the mathematical accuracy of the percentage changes in key assumptions determined by the selected properties appraised by management’s experts and the application</li></ul></li></ul>



Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the critical judgments required by management, in determining the fair values of the investment properties and the work effort to assess audit evidence related to the key assumptions. In addition, the audit effort required the use of professionals with specialized skill and knowledge in the field of real estate valuations.	of those percentage changes to the key assumptions of the remaining properties to determine the fair values of those properties.

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### Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



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## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Peter Harris.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Calgary, Alberta  
December 15, 2025

**MAINSTREET EQUITY CORP.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AUDITED**

(000s of Canadian dollars)

As at	September 30, 2025	September 30, 2024
<b>Assets</b>		
<b>Non-current assets</b>		
Investment properties [Note 4]	\$ 3,730,534	\$ 3,407,493
Property held for sale [Note 5]	9,728	-
Property and equipment [Note 6]	6,696	6,836
Intangible assets [Note 7]	489	527
	<b>3,747,447</b>	<b>3,414,856</b>
<b>Current assets</b>		
Property held for sale [Note 5]	\$ -	10,004
Prepaid assets [Note 8]	4,814	3,968
Trade and other receivables [Note 9]	5,482	5,754
Restricted cash [Note 10]	6,834	5,970
Inventory [Note 11]	2,083	2,055
Cash and cash equivalents	314,550	48,826
	<b>333,763</b>	<b>76,577</b>
<b>Total Assets</b>	<b>\$ 4,081,210</b>	<b>\$ 3,491,433</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Mortgages payable [Note 12]	\$ 1,647,577	\$ 1,494,131
Deferred tax liabilities [Note 13]	336,575	292,995
	<b>1,984,152</b>	<b>1,787,126</b>
<b>Current liabilities</b>		
Mortgages payable [Note 12]	269,282	155,534
Trade and other payables [Note 14]	14,265	15,229
Income tax payable [Note 13]	2,065	6,834
Refundable security deposits [Note 15]	9,197	8,357
	<b>294,809</b>	<b>185,954</b>
<b>Total Liabilities</b>	<b>2,278,961</b>	<b>1,973,080</b>
<b>Equity</b>		
Share capital [Note 17]	26,393	26,419
Retained earnings	1,775,856	1,491,934
<b>Total Equity</b>	<b>1,802,249</b>	<b>1,518,353</b>
<b>Total Liabilities and Equity</b>	<b>\$ 4,081,210</b>	<b>\$ 3,491,433</b>

See accompanying notes to these consolidated financial statements

  
 Bob Dhillon, Director

  
 Joe Amantea, Director

December 15, 2025

**MAINSTREET EQUITY CORP.**  
**CONSOLIDATED STATEMENTS OF NET PROFIT AND TOTAL COMPREHENSIVE INCOME**

**AUDITED**

(000s of Canadian dollars, except per share amounts)

Year Ended September 30,	2025	2024
Rental revenue [Note 18]	\$ 271,493	\$ 245,470
Ancillary revenue	4,801	4,326
Total rental and ancillary revenue	276,294	249,796
Property operating expenses [Note 19]	92,911	89,357
Net operating income	183,383	160,439
Financing costs [Note 20]	65,328	57,141
General and administrative expenses [Note 19]	18,866	18,177
Depreciation	622	917
Interest income	(7,549)	(6,724)
Profit before change in fair value, gain from disposal, and income tax	106,116	90,928
Change in fair value [Note 4]	234,435	144,860
Gain from disposal of assets	515	2,011
Profit before income tax	341,066	237,799
Current income tax expense [Note 13]	10,480	6,943
Deferred income tax expense [Note 13]	43,580	30,979
Net profit and total comprehensive income	\$ 287,006	\$ 199,877
Profit per share		
– basic and fully diluted [Note 21]	\$ 30.80	\$ 21.45

See accompanying notes to these consolidated financial statements

**MAINSTREET EQUITY CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(000s of Canadian dollars)

	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance , October 1, 2023	\$ 26,419	\$ 1,292,825	\$ 1,319,244
Dividend paid [Note 17]	-	(768)	(768)
Profit for the year	-	199,877	\$ 199,877
Balance , September 30, 2024	\$ 26,419	\$ 1,491,934	\$ 1,518,353
Balance , October 1, 2024	\$ 26,419	\$ 1,491,934	\$ 1,518,353
Dividend paid [Note 17]	-	(1,375)	(1,375)
Shares purchased for cancellation	(26)	(1,709)	(1,735)
Profit for the year	-	287,006	287,006
Balance , September 30, 2025	\$ 26,393	\$ 1,775,856	\$ 1,802,249

See accompanying notes to these consolidated financial statements

## MAINSTREET EQUITY CORP. CONSOLIDATED STATEMENTS OF CASHFLOWS

(000s of Canadian dollars)

Year Ended September 30,	2025	2024
<b>Cash obtained from (used in) operating activities</b>		
Net profit	\$ 287,006	\$ 199,877
Adjustments for:		
Depreciation	622	917
Change in fair value [Note 4]	(234,435)	(144,860)
Deferred income tax expense [Note 13]	43,580	30,979
Gain from disposal of assets	(515)	(2,011)
Financing costs [Note 20]	65,328	57,141
Deferred financing costs incurred	(15,357)	(6,084)
Interest paid on mortgages [Note 20]	(56,106)	(49,694)
Fair value adjustment on mortgage assumption	404	-
Interest accrual on mortgages	862	-
Cash from operating activities before changes in non-cash working capital	91,389	86,265
Change in working capital		
Prepaid assets	(846)	(912)
Trade and other receivables	272	(4,056)
Inventory	(28)	(241)
Restricted cash	(864)	(988)
Trade and other payables	(1,160)	3,134
Current income tax payable	(4,769)	6,943
Refundable security deposits	840	1,311
Cash from operating activities	84,834	91,456
<b>Financing activities</b>		
Financing of investment properties	358,380	203,780
Mortgage principal repayments	(28,423)	(28,570)
Mortgage payments upon refinancing	(61,905)	(126,645)
Mortgage payments upon disposal of investment properties	(521)	-
Dividend paid	(1,375)	(768)
Repurchase of shares	(1,735)	-
Cash from financing activities	264,421	47,797
<b>Investing activities</b>		
Additions to investment properties [Note 4]	(85,008)	(175,880)
Additions to property and equipment	(317)	(300)
Additions to intangible assets	(127)	(11)
Proceeds from disposal of property held for sale	990	4,022
Proceeds from disposal of investment property	1,074	-
Additions to property held for sale	(143)	(20)
Cash used in investing activities	(83,531)	(172,189)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>265,724</b>	<b>(32,936)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>48,826</b>	<b>81,762</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 314,550</b>	<b>\$ 48,826</b>
<b>Cash and cash equivalents are comprised of:</b>		
Cash	\$ 13,576	\$ 11,723
Short-term deposits	300,974	37,103
	<b>\$ 314,550</b>	<b>\$ 48,826</b>

See accompanying notes to these consolidated financial statements

# **MAINSTREET EQUITY CORP.**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended September 30, 2025 and 2024

(Thousands of Canadian dollars, except share and per share amounts and amounts within narrative)

### **1. GENERAL**

Mainstreet Equity Corp. (the "Corporation") is a Canadian real estate corporation, incorporated under the Business Corporations Act (Alberta), focused on acquiring and managing mid-market residential rental apartment buildings in major markets primarily in Western Canada. The registered office and head office of the Corporation are located at 600, 1331 Macleod Trail SE Calgary, Alberta T2R 0W7 and 305 10th Avenue SE Calgary, Alberta T2G 0W2, respectively. Navjeet (Bob) Dhillon, President and Chief Executive Officer of the Corporation, owns approximately 46% of the outstanding common shares of the Corporation.

### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

#### **a) Statement of compliance**

The consolidated financial statements of the Corporation have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

#### **b) Basis of presentation**

These consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair value. The consolidated financial statements are prepared on a going concern basis and have been prepared in Canadian dollars which is the functional currency rounded to the nearest thousand. The accounting policies set out below have been applied consistently in all material respects.

#### **c) Basis of consolidation**

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiary, MEQ Asset Management Corp. All inter-company transactions, balances, revenue and expenses have been eliminated on consolidation.

#### **d) Revenue recognition**

Rental revenue from an investment property is recognized on a monthly straight-line basis when a tenant begins occupancy of a rental unit, and rent is due. Any rental incentive offered is amortized over the term of the tenancy lease. All residential leases are for one-year terms or less and the Corporation retains all of the benefits and risks of ownership of its rental properties and therefore accounts for leases with its tenants as operating leases.

Ancillary revenue comprises income from laundry machines, income from telephone and cable providers and other miscellaneous income and is recognized as earned.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and applicable effective interest rates.

#### **e) Investment properties**

Investment properties include multi-family residential properties held to earn rental income and are initially measured at cost. Cost includes purchase price, and any direct attributable expenditure related to the acquisition (excluding transaction costs related to a business combination) and improvement of the properties. All costs associated with upgrading the quality and extending the economic life of the investment properties are capitalized as additional cost of investment properties.

Subsequent to initial recognition, investment properties are recorded at fair value, determined based on valuations performed by independent third party qualified appraisers or available market evidence, in accordance with International Accounting Standard 40-Investment Property ("IAS 40"). Fair value represents an estimate of the amount at which the properties could be exchanged between a knowledgeable and willing buyer and a knowledgeable and willing seller in an arm's-length transaction at the date of valuation. A significant portion of the investment properties are fair valued using the direct capitalization method, which requires that a forecasted net operating income ("NOI") be divided by a capitalization rate ("cap rate") (together the key assumptions). Critical judgments were made by management in respect of these key assumptions and estimates.

Mainstreet's investment properties have been valued on a highest and best use basis and do not include any portfolio premium that may be associated with economies of scale from owning a large portfolio or the consolidation value from having compiled a large portfolio of properties over a long period of time, often through individual property acquisitions. Fair value is determined through internal and external valuation processes. Change in fair value arising from differences between current period fair value and the sum of previous measured fair value and capitalized costs as described above are recorded in profit and loss in the period in which they arise.

For the Corporation's financial reporting, external valuations are obtained throughout the year from independent qualified real estate appraisers (management's experts) who are members of the Appraisal Institute of Canada and have appropriate qualifications and experience in the valuation of the Corporation's investment properties in relevant locations. In addition, the Corporation has established an internal valuation model, which is based on the same assumptions and valuation techniques used by the external valuation professionals. The Corporation groups its investment properties in each city by their types and geographic locations and makes a selection on a quarterly basis of properties to be appraised by management's experts. The appraised values of the samples selected were compared with their previously determined fair value and the percentage changes in the key assumptions are reviewed and applied to the whole population of each group. For any group where there is no selected property or where the change in percentage is not representative of the group, the percentage changes in key assumptions are based on the average of the selections from the other groups within the city.

Investment properties are reclassified to 'Non-Current Assets held for sale' when the criteria set out in IFRS 5- Non-Current Assets Held for Sale and Discontinued Operations ("IFRS 5") are met.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Prior to its disposal, the property is adjusted to reflect the fair value as outlined in the purchase and sale agreement. This adjustment is recorded as a change in fair value. Any remaining gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

### **Excess land**

Excess land represents land owned by the Corporation located contiguous to land included as investment property. The Corporation has the ability to develop additional multi-family residential buildings on this land or sell it separately from the investment property at a later date. Excess land is held for capital appreciation, and therefore is treated as Investment Property and recorded in accordance with IAS 40 as outlined above.

### **f) Non-current assets held for resale**

Non-current assets held for resale include assets or groups of assets and liabilities ("disposal groups") that are available for resale in their present condition and the sale is highly probable and expected to be completed more than one year from the date of classification. From time to time, the Corporation also purchases properties with the intention of selling the property within a pre-determined period of time. A property is classified as a current asset held for resale when its disposal is expected to occur within one year of acquisition. Where the anticipated disposal period extends beyond the short term, the property is classified as a non-current asset. Assets held for resale are valued at the lower of their carrying amount and fair value less costs to sell, unless they are investment properties accounted for in accordance with the fair value model, in which case they remain at fair value. The gains or losses arising on a sale of assets or a group of assets that does not meet the definition of discontinued operations will be recognized as part of continuing operations.

### **g) Property and equipment**

Tangible assets that are held for use in the production or supply of goods and services, for rent to others, or for administrative purposes and are expected to be used during more than one period, except when other accounting standards require or permit a different accounting treatment, are recorded using the cost model in accordance with IAS 16 – Property, Plant and Equipment ("IAS 16") which requires, after initial recognition, that the tangible assets be carried at their cost less accumulated depreciation and any accumulated impairment losses. Depreciation is recognized in a manner that reflects the pattern in which the future economic benefits of the assets are expected to be realized and consumed by the Corporation. IAS 16 also requires that the cost and useful economic life of each significant component of a depreciable real estate property be determined based on the circumstances of each property.

Property and equipment are amortized at rates designed to amortize the cost of the properties over their estimated useful lives as follows:

	over the estimated useful life,	
Administrative building	not exceeding 40 years	-straight line
Building improvements	20%-40%	-declining balance
Equipment	4% to 30%	-declining balance
Furniture	20%	-declining balance
Vehicle	40%	-declining balance
Computer	30%	-declining balance

The method of depreciation and estimated useful lives of property and equipment are evaluated annually by management and any changes are accounted for as a change in accounting estimates in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”).

#### **h) Impairment of assets**

All assets, except for those identified as not within the scope of IAS 36 -Impairment of Assets (“IAS 36”) are assessed for indications of impairment at the end of each financial reporting period. Should an indication of impairment exist, the recoverable amount of the asset is estimated. The recoverable amount is defined in IAS 36 as the higher of an asset’s fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted. Where the carrying amount of an asset exceeds the recoverable amount determined, an impairment loss is recognized in the statement of comprehensive income and the remaining useful life of the assets will be re-assessed. Should this impairment loss be determined to have reversed in a future period, a reversal of the impairment loss is recorded in profit or loss. However, in accordance with IAS 36, the reversal of an impairment loss will not increase the carrying value of the assets to a value greater than its original carrying value (net of amortization).

#### **i) Income taxes**

Income taxes include current and deferred income taxes.

Current tax is the expected tax payable or receivable in the taxable profit or loss for the current reporting period and any changes in estimates in respect of previous periods. Taxable profit differs from profit as reported in the statement of net profit and total comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates used in calculating current income tax have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the income tax assets will be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability settled, based on tax rates and laws that have been enacted or substantively enacted at the reporting date. In addition, deferred income tax assets and liabilities are measured using the rate that is consistent with the expected manner of recovery (i.e. using the asset versus selling the asset). Where applicable, current and deferred income taxes relating to items recognized directly in equity or comprehensive income are also recognized directly in equity or comprehensive income respectively.

#### **j) Provisions**

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a discounted rate that reflects current market assessment of the time value of money and the risks and uncertainties specific to the obligation. Provisions are re-measured at each reporting date using a current and relevant discount rate. The increase in the provision due to the passage of time is recognized as an interest expense.

## k) Financial instruments

Financial instruments are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than financial assets and financial liabilities at fair value through profit or loss, which are recognized immediately in profit and loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Subsequent measurement is dependent on the financial instrument's classification.

### Financial assets other than equity instruments

Under IFRS 9, Financial assets other than equity instruments are classified and measured at three categories: (i) amortized cost, (ii) fair value through other comprehensive income (FVTOCI), or (iii) fair value through profit and loss (FVTPL).

Financial assets are classified into the following specified categories, which are defined and measured as follows:

Classification – IFRS 9	Definition	Measurement – IFRS 9
Amortized cost	Includes assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest.	Measured at amortized cost using the effective interest rate method less any expected credit loss. (See footnote 1 and 2).
FVTPL	Includes assets that do not meet the criteria for amortized cost or FVOCI and are measured at fair value through profit or loss. This includes all derivative financial assets	Measured at fair value with gains or losses recognized in profit or loss
FVTOCI	Includes assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, where its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest.	Measured at fair value with gains or losses recognized in other comprehensive income.

Note (1) – The effective interest rate method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Note (2) - Financial assets, other than those at FVTPL, are assessed using an expected credit loss impairment model, which requires the use of the lifetime expected loss provisions for expected credit losses. Generally, the carrying amount of the financial asset is reduced through the use of an allowance account.

The Corporation's financial assets are as follows:

Financial assets	Classification - IFRS 9
Trade and other receivables	Amortized cost
Restricted cash	Amortized cost
Cash and cash equivalents	Amortized cost

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all risks and rewards of ownership of the assets to another entity or when the carrying value is reduced by expected credit loss.

## Financial liabilities

Under IFRS 9, Financial liabilities are classified and measured as either amortized cost or FVTPL. Currently, Mainstreet carries all non-derivative financial liabilities at amortized cost. Derivative financial liabilities, if any, are measured at FVTPL:

Classification – IFRS 9	Definition	Measurement – IFRS 9
Amortized cost	If a financial liability is not held-for-trading, a derivative, or designated as FVTPL on initial recognition then it is measured at amortized cost. The classification of a financial liability is irrevocable.	Measured at amortized cost using the effective interest rate method (See footnote 1).

Ne (1) - The effective interest rate method is a method of calculating the amortized cost of a debt instrument and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Corporation's financial liabilities are as follows:

Financial liabilities	Classification – IFRS 9
Mortgages payable	Amortized cost
Bank indebtedness	Amortized cost
Trade and other payables	Amortized cost
Refundable security deposits	Amortized cost

The Corporation derecognizes a financial liability when the Corporation's obligations are discharged, cancelled, or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

### l) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short-term interest-bearing deposits. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, short-term interest-bearing deposits are considered cash equivalents if they either mature within 90 days from the year end or can be converted without penalty within 90 days after the year end.

Certain cash balances have restricted use and have been classified as restricted cash on the statement of financial position. Refundable security deposits for Alberta, Manitoba and Saskatchewan are considered as restricted cash as they are held in trust bank accounts and subject to the contingent rights of third parties.

### m) Profit (Loss) per share

Basic profit (loss) per share is calculated based on the weighted average number of shares outstanding. Diluted earnings per share reflect the possible dilutive effect of the exercise of the options outstanding as at the balance sheet date. The dilutive effect of outstanding share purchase options is computed using the "treasury stock" method whereby the proceeds that would be received from the exercise of options are assumed to be used to repurchase outstanding shares of the Corporation.

## n) Critical judgment in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see Note 2(o) below) that have been made in applying the Corporation's accounting policies that have the most significant effect on the reported amounts in the financial statements:

- i) Determining the extent and frequency of obtaining independent, third party appraisals to measure fair value of investment properties;
- ii) Determining the useful lives for the property and equipment based on their estimated useful lives;
- iii) Assessing potential impairments based on management's judgment of whether there are sufficient internal and external factors that indicate that the Corporation's administrative assets are impaired;
- iv) Determining the nature of expenses to be capitalized as capital improvement; and
- v) Determining the tax rate applicable to the Corporation's current and deferred income taxes and identifying the temporary differences in respect of which deferred income taxes are recognized.

## o) Key accounting estimates and assumptions

The following are the key accounting estimates and assumptions, and other key sources of estimation uncertainty at the end of the reporting period that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- i) Significant estimates used in determining the fair value of investment properties include stabilized net operating income and the appropriate capitalization rate. A change to any one of these inputs could significantly alter the fair value of an investment property. Please refer to Note 4 for sensitivity analysis;;
- ii) Significant estimates used in determining the fair value of financial instruments include the discount rate used to discount the future cash flows of mortgages for similar loans with similar credit ratings and the same maturities. Please refer to Note 22;
- iii) Allocation of purchase cost in the acquisition of investment properties is based on fair value and market driven information;
- iv) Allocation of purchase cost in the acquisition of property and equipment into different components, estimation of useful life and impairment, are based on fair value and market driven information; and
- v) The future income tax rate used to arrive at future income tax balances.

Actual results could differ from estimates.

## p) Government Grants

The Corporation receives government supplements to assist in providing affordable rental suites to low income-earning individuals. Government supplements are not recognized until there is reasonable assurance that the Corporation will comply with the conditions attached to them and that the grants will be received. In accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20"), the supplements are being recognized in rental revenue on a straight-line basis over the term of the supplements that are offered to the affordable suites.

## 3. NEW ACCOUNTING STANDARDS AND CHANGES IN ACCOUNTING STANDARDS

### IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to enhance comparability of the financial performance among similar entities. The standard, which replaces IAS 1, "Presentation of Financial Statements", affects the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expenses for operating, investing, and financing activities, along with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and disclosed in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Corporation is currently assessing the impact of the new standard.

## Amendments to IFRS 9 and IFRS 7

In May 2024, amendments to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” were issued. These amendments clarify the timing of recognition and derecognition of a financial asset or financial liability, including specifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled through an electronic payment system before the settlement date, provided certain conditions are met. In addition, the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance. Additional disclosure requirements have been introduced for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets. The adoption is not expected to have a material impact on the Corporation’s consolidated financial statements.

## 4. INVESTMENT PROPERTIES

(000s of dollars)

Year ended September 30,	2025	2024
Balance, beginning of year	\$ 3,407,493	\$ 3,051,665
Additions related to acquisitions	53,707	179,926
Building improvements	36,035	31,073
Disposal of investment properties	(1,136)	-
Property held for sale	-	(31)
Change in fair value	234,435	144,860
Balance, end of year	\$ 3,730,534	\$ 3,407,493

The Corporation prepares internal valuations of its investment properties based on the same assumptions and valuation techniques used by the external valuation professionals. The Corporation groups its investment properties in each city by their types and geographic locations. Samples are selected in each group for independent appraisal. The fair value of the sampled investment properties held by the Corporation as of September 30, 2025 and September 30, 2024, were determined through external valuations obtained from independent qualified real estate appraisers who are members of the Appraisal Institute of Canada and have appropriate qualifications and experience in the valuation of the Corporation’s investment properties in the relevant locations. The appraised values of the samples selected are compared with their appraised values of the previous corresponding financial quarters. The percentage changes in values of those samples selected were applied to the whole population of each group in the determination of the fair value of investment properties of the Corporation as of September 30, 2025 and September 30, 2024.

Properties are selected on a rotational basis and approximately 40% of the Corporation’s portfolio is externally valued annually. For the year ended September 30, 2025, a fair value gain of \$234 million was recorded on the financial statement as a result of changes in the fair value of investment properties based on the most recent market conditions in the reporting periods.

The average capitalization rates used in determining the fair value of investment properties are set out below:

	Sep. 30, 2025	Sep. 30, 2024
Lower Mainland, BC	3.97%	3.87%
BC excluding Lower Mainland	5.48%	5.42%
Calgary, Alberta	5.84%	6.11%
Edmonton, Alberta	5.79%	5.85%
Saskatoon, Saskatchewan	5.70%	5.49%
Regina, Saskatchewan	5.99%	5.88%
Winnipeg, Manitoba	5.50%	5.79%
Investment properties-weighted average capitalization rate	5.29%	5.28%

The Corporation uses the direct capitalization method to determine a fair value, which requires that an estimated forecasted net operating income ("NOI") be divided by a capitalization rate ("Cap Rate"). As such, changes in both NOI and Cap Rate would significantly alter the fair value of investment properties. The tables below set out the impact of changes in both NOI and Cap Rate on the Corporation's fair values

#### As at September 30, 2025

Net operating income		-3%	-1%	As estimated	+1%	+3%
		\$ 191,386	\$ 195,332	\$ 197,305	\$ 199,278	\$ 203,224
Capitalization rate						
-0.25%	5.04%	\$ 66,804	\$ 145,100	\$ 184,248	\$ 223,396	\$ 301,691
Cap rate used	5.29%	\$ (112,654)	\$ (38,059)	\$3,730,534	\$ 36,537	\$ 111,132
+0.25%	5.54%	\$ (275,916)	\$ (204,687)	\$ (169,072)	\$ (133,457)	\$ (62,228)

#### As at September 30, 2024

Net operating income		-3%	-1%	As estimated	+1%	+3%
		\$ 174,480	\$ 178,077	\$ 179,876	\$ 181,675	\$ 185,272
Capitalization rate						
-0.25%	5.03%	\$ 61,289	\$ 132,810	\$ 168,571	\$ 204,331	\$ 275,853
Cap rate used	5.28%	\$ (102,953)	\$ (34,818)	\$3,407,493	\$ 33,317	\$ 101,452
+0.25%	5.53%	\$ (252,344)	\$ (187,290)	\$ (154,762)	\$ (122,235)	\$ (57,181)

Investment properties with a fair value of \$3,267 million (September 30, 2024 - \$2,761 million) are pledged as security against the Corporation's mortgages payable.

The portfolio includes 2,253 unstabilized units with an aggregate fair value of \$331 million. These properties are initially measured at cost, and subsequently measured at cost plus capital expenditures as a proxy to fair value until stabilized.

For the year ended September 30, 2025, investment properties earned rental income (excluding ancillary revenue) of \$271.5 million (2024 - \$245.5 million).

For the year ended September 30, 2025, operating expenses relating to investment properties were \$92.9 million (2024 - \$89.4 million).

## 5. PROPERTY HELD FOR SALE

During the year ended September 30, 2021, the Corporation acquired a property in Calgary, Alberta, comprising 136 units for resale purposes. As of September 30, 2025, 86 units have been sold. The uncertainty of current market conditions and sales activity indicates that the timing of full disposal may extend beyond the short term. This change in estimation reflects evolving market conditions and recent sales activity, resulting in the property being classified as non-current assets.

## 6. PROPERTY AND EQUIPMENT

The carrying amounts of property and equipment were as follows:

(000s of dollars)

	September 30, 2025			September 30, 2024		
	Cost	Accumulated Depreciation	Net book value	Cost	Accumulated Depreciation	Net book value
Land	\$ 2,454	\$ -	\$ 2,454	\$ 2,454	\$ -	\$ 2,454
Building	5,472	2,264	3,208	5,451	2,104	3,347
Equipment	597	417	180	594	372	222
Furniture	1,132	779	353	1,025	715	310
Vehicles	619	483	136	555	444	111
Computers	3,091	2,726	365	2,990	2,598	392
	\$ 13,365	\$ 6,669	\$ 6,696	\$ 13,069	\$ 6,233	\$ 6,836

The changes of the carrying amount of the property and equipment for the year ended September 30, 2025 were as follows:

(000s of dollars)

	Opening net book value	Additions	Dispositions	Depreciation	Closing net book value
Land	\$ 2,454	\$ -	\$ -	\$ -	\$ 2,454
Building	3,347	20	-	(160)	3,207
Equipment	222	3	-	(45)	180
Furniture	310	107	-	(64)	353
Vehicles	111	64	-	(39)	136
Computers	392	102	-	(128)	366
	\$ 6,836	\$ 296	\$ -	\$ (436)	\$ 6,696

The changes of the carrying amount of the property and equipment for the year ended September 30, 2024 were as follows:

(000s of dollars)

	Opening net book value	Additions	Dispositions	Depreciation	Closing net book value
Land	\$ 2,454	\$ -	\$ -	\$ -	\$ 2,454
Building	3,509	8	-	(170)	3,347
Equipment	240	32	-	(50)	222
Furniture	312	63	-	(65)	310
Vehicles	70	93	-	(52)	111
Computers	435	104	-	(147)	392
	\$ 7,020	\$ 300	\$ -	\$ (484)	\$ 6,836

## 7. INTANGIBLE ASSETS

The carrying amount of the intangible asset was as follows:

(000s of dollars)

Year ended September 30,	2025	2024
Balance, beginning of year	\$ 527	\$ 949
Additions related to software development	127	11
Depreciation	(165)	(433)
Balance, end of year	\$ 489	\$ 527

## 8. PREPAID ASSETS

Prepaid assets comprise prepaid property tax, license expenses and utility deposits:

(000s of dollars)

Year ended September 30,	2025	2024
Prepaid expenses	\$ 4,806	\$ 3,964
Utility deposits	8	4
	\$ 4,814	\$ 3,968

## 9. TRADE AND OTHER RECEIVABLES

Trade receivables comprise amounts due from tenants and other receivables mainly comprise refundable mortgage commitment fees and income tax receivables from previous years:

(000s of dollars)

Year ended September 30,	2025	2024
Trade receivables	\$ 349	\$ 303
Other receivables	5,133	5,451
	\$ 5,482	\$ 5,754

## 10. RESTRICTED CASH

Certain cash balances have restricted use are classified as restricted cash on the statement of financial position. Refundable security deposits for Alberta, Manitoba and Saskatchewan are considered as restricted cash as they are held in trust bank accounts and subject to the contingent rights of third parties:

(000s of dollars)

Year ended September 30,	2025	2024
Restricted refundable security deposits	\$ 6,783	\$ 5,919
Restricted cash	51	51
	\$ 6,834	\$ 5,970

## 11. INVENTORY

Inventories consists of renovation materials such as carpet, flooring and appliances which the Corporation uses to upgrade its investment properties. Inventories are measured at the lower of cost and net realizable value. No amount of write-down of inventory was recognized for the years ended September 30, 2025 and 2024:

(000s of dollars)

Year ended September 30,	2025	2024
Inventory	\$ 2,083	\$ 2,055

## 12. MORTGAGES PAYABLE

Mortgages payable bear interest at a weighted average interest rate of 3.07% (September 30, 2024 – 2.97%) per annum and are payable in monthly principal and interest installments totaling \$7.5 million (September 30, 2024 - \$6.4 million), maturing from 2025 to 2032 and are secured by specific charges against specific investment properties, having a fair value of \$3,267 million (September 30, 2024 - \$2,761 million).

(000s of dollars)

Year ended September 30,	2025	2024
Non-current	\$ 1,647,577	\$ 1,494,131
Current	269,282	155,534
	\$ 1,916,859	\$ 1,649,665

The following table reconciles the changes in cash flows from financing activities for long-term debt:

(000s of dollars)

Years ending September 30,	2025	2024
Opening balance	\$ 1,649,665	\$ 1,565,813
Financing of investment properties	358,380	203,780
Mortgage assumed to purchase investment properties	4,532	33,924
Mortgage principal repayments	(28,423)	(28,570)
Mortgage payments upon refinancing	(62,426)	(126,645)
Deferred financing cost	(6,135)	1,363
Fair value adjustment on mortgage as assumption	404	-
Interest accrual on mortgages	862	-
Closing balance	\$ 1,916,859	\$ 1,649,665

The contractual principal payments required to retire the mortgage obligations as of September 30, 2025 are as follows:

(000s of dollars)

Years ending September 30,	Amount
2026	\$ 279,190
2027	94,789
2028	142,891
2029	477,141
2030	520,013
Subsequent	446,174
	1,960,198
Deferred financing cost	(43,339)
	\$ 1,916,859

### 13. INCOME TAX

Income tax expense comprises:

(000s of dollars)

Year ended September 30,	2025	2024
Current Income Tax	\$ 10,480	\$ 6,943
Deferred Income Tax	43,580	30,979
	\$ 54,060	\$ 37,922

No current or deferred income taxes were recognized in equity for the years ended September 30, 2025 and 2024. The income tax expense differs from the results that would be obtained by applying the combined federal and provincial income tax rate to income before income taxes. Non-taxable income includes the non-taxable portion of capital gains. This difference results from the following:

(000s of dollars)

Year ended September 30,	2025	2024
Profit from operations before income tax	\$ 341,066	\$ 237,799
Statutory tax rate	24.47%	24.49%
Computed expected tax	83,468	58,237
Decrease in deferred tax liabilities for non-taxable portion of capital gain	(28,722)	(18,968)
Decrease in deferred tax liabilities for changes in future tax rate	(1,330)	(699)
Other	644	(648)
	\$ 54,060	\$ 37,922

As of September 30, 2025, and September 30, 2024, the Corporation does not have any unrecognized deductible temporary differences.

The deferred tax liabilities components and their changes were as follows:

(000s of dollars)

Deferred tax liabilities	September 30, 2024	Recognized in profit	September 30, 2025
Differences in tax and book carrying amounts of investment properties and property, plant and equipment	\$ 287,382	\$ 43,430	\$ 330,812
Differences in tax and book carrying amounts of deferred financing cost	5,613	150	5,763
Deferred tax liabilities	\$ 292,995	\$ 43,580	\$ 336,575

(000s of dollars)

Deferred tax liabilities	September 30, 2023	Recognized in profit	September 30, 2024
Differences in tax and book carrying amounts of investment properties and property, plant and equipment	\$ 256,920	\$ 30,462	\$ 287,382
Differences in tax and book carrying amounts of deferred financing cost	5,096	517	5,613
Deferred tax liabilities	\$ 262,016	\$ 30,979	\$ 292,995

#### 14. TRADE AND OTHER PAYABLES

Trade and other payables comprise trade payables, accrued liabilities and deferred revenue:

(000s of dollars)

Year ended September 30,	2025	2024
Trade payables and accrued liabilities	\$ 12,442	\$ 13,493
Deferred revenue	1,823	1,736
	\$ 14,265	\$ 15,229

#### 15. REFUNDABLE SECURITY DEPOSITS

Refundable security deposits for Alberta, Manitoba and Saskatchewan are considered as restricted cash as they are held in trust bank accounts and subject to the contingent rights of third parties:

(000s of dollars)

Year ended September 30,	2025	2024
Refundable Security Deposits	\$ 9,197	\$ 8,357

#### 16. BANK INDEBTEDNESS

Effective January 2014, the Corporation entered into a banking facility to a maximum of \$85 million with a syndicate of chartered financial institutions. The facility is secured by a floating charge against the Corporation's assets and carries an interest rate of prime plus 0.95%. The facility requires monthly interest payments and is renewable every three years subject to the mutual agreement of the lenders and the Corporation. The Corporation has extended the maturity date to December 1, 2028, and the available borrowing capacity increased from \$85 million to \$90 million, providing additional financial flexibility. As at September 30, 2025, the Corporation has drawn \$Nil (September 30, 2024 - \$Nil) against this credit facility.

Additionally, in 2022, the Corporation entered a \$45 million revolving credit facility with a third-party financial institution, which carries an interest rate equal to the prime rate. As at September 30, 2025, the Corporation has drawn \$Nil (September 30, 2024 - \$Nil) against this credit facility.

Both facilities contain financial covenants to maintain an overall funded debt to gross book value ratio of not more than 65% and debt service ratio of not less than 1.2. As of September 30, 2025, the Corporation's overall funded debt to gross book value ratio and debt service coverage ratio are 43% and 2.03, respectively.

## 17. SHARE CAPITAL

### Authorized:

Unlimited number of common voting shares with no par value

Unlimited number of preferred shares with no par value

There are no preferred shares outstanding or issued.

### The issued, outstanding and fully paid shares are:

	Year ended September 30, 2025		Year ended September 30, 2024	
	Number of common shares	Amount	Number of common shares	Amount
Issued and outstanding, -beginning of the period	9,318,818	\$ 26,419	9,318,818	\$ 26,419
Shares purchased for cancellation	(9,100)	(26)	-	-
Issued and outstanding, -end of the period	9,309,718	\$ 26,393	\$ 9,318,818	\$ 26,419

All common shares have an equal right to dividends.

On May 30, 2025, Mainstreet announced that it had obtained approval from the Toronto Stock Exchange ("TSX") to repurchase up to 475,359 common shares of the Corporation under a Normal Course Issuer Bid ("NCIB") commencing June 3, 2025. The current NCIB expires on June 2, 2026. The Corporation's previous NCIB expired on June 2, 2025.

During 2025, the Corporation purchased and cancelled 9,100 (2024 – Nil) common shares at an average price of \$190.66 (2024 – Nil) respectively, per common share under its NCIB.

## 18. REVENUE FROM INVESTMENT PROPERTIES

The components of revenue from investments properties are as follows:

(000s of dollars)

Year ended September 30,	2025	2024
Rental revenue	\$ 269,020	\$ 243,488
Other rental revenue (1) (2)	2,473	1,982
	\$ 271,493	\$ 245,470

(1) Consists of revenues from parking and recovery of certain operating costs.

(2) The Corporation recognized a government grant of \$631,109 (2024: \$600,000) for rental supplement purposes from the Manitoba Housing and Renewal Corporation during the 2025 financial year. The rental supplement is recognized as other rental revenue on a consistent basis and recognized evenly over the periods.

## 19. EXPENSES BY NATURE

The components of property operating expenses and general and administrative expenses are as follows:

(000s of dollars)

Year ended September 30,	2025	2024
Salaries, wages and employee benefits	\$ 37,817	\$ 35,301
Utilities	31,473	30,143
Property tax	21,768	19,985
Repair and maintenance	9,477	9,421
Insurance	3,270	4,816
Others	3,636	3,350
Legal and other professional expenses	2,878	3,236
Advertising and Marketing	1,458	1,282
Total Operating and G&A expenses	\$ 111,777	\$ 107,534

## 20. FINANCING COSTS

The components of financing costs are as follows:

(000s of dollars)

Year ended September 30,	2025	2024
Mortgage interest	\$ 56,106	\$ 49,694
Amortization of deferred financing cost	9,222	7,447
Financing costs	\$ 65,328	\$ 57,141

## 21. PROFIT PER SHARE

Basic profit per share is calculated using the weighted average number of common shares outstanding during the period.

The treasury stock method of calculating the diluted profit per share is used.

The following table sets forth the computation of basic and diluted profit per share:

(000s of dollars, except share and per share amounts)

Year ended September 30,	2025	2024
<b>Numerator</b>		
Net profit	\$ 287,006	\$ 199,877
<b>Denominator</b>		
For basic profit per share		
Weighted average shares	9,318,557	9,318,818
For diluted profit per share	9,318,557	9,318,818
<b>Profit per share</b>		
-basic	\$ 30.80	\$ 21.45
-diluted	\$ 30.80	\$ 21.45

## 22. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

### Fair value of financial assets and liabilities

The Corporation's financial assets and liabilities comprise restricted cash, cash and cash equivalents, trade and other receivables, mortgages payable, trade and other payables, and refundable security deposits. Fair values of financial assets and liabilities, summarized information related to risk management positions, and discussion of risks associated with financial assets and liabilities are presented as follows.

The fair values of restricted cash, cash and cash equivalents, trade and other receivables, trade and other payables, and refundable security deposits approximate their carrying amounts due to the short-term maturity of those instruments.

The fair values of mortgage payable are determined using the current market interest rates as discount rates, the net present value of principal balances and future cash flows over the terms of the mortgages. In identifying the appropriate level of fair value, the Corporation performs a detailed analysis of the financial assets and liabilities. The inputs used to measure fair value determine different levels of the fair value hierarchy categorized as follows:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- Level 3: Values based on valuation techniques for which any significant input is not based on observable market data.

The fair values of financial assets and liabilities were as follows:

(000s of dollars)

		September 30, 2025		September 30, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>					
Restricted cash	Level 2	\$ 6,834	\$ 6,834	5,970	\$ 5,970
Cash and cash equivalents	Level 2	314,550	314,550	48,826	48,826
Trade and other receivables	Level 2	5,482	5,482	5,754	5,754
<b>Financial liabilities:</b>					
Income tax payable	Level 2	2,065	2,065	6,834	6,834
Mortgages payable	Level 2	1,916,859	1,893,230	1,649,665	1,623,623
Trade and other payables	Level 2	14,265	14,265	15,229	15,229
Refundable security deposits	Level 1	\$ 9,197	\$ 9,197	\$ 8,357	\$ 8,357

The Corporation's non-financial assets comprise investment properties. The fair values of non-financial assets were as follows:

(000s of dollars)

		September 30, 2025		September 30, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-financial assets:</b>					
Investment properties	Level 3	\$3,730,534	\$3,730,534	\$3,407,493	\$3,407,493

## 23. RISK ASSOCIATED WITH FINANCIAL ASSETS AND LIABILITIES

The Corporation is exposed to financial risks arising from its financial assets and liabilities. The financial risks include market risk relating to interest rates, credit risk and liquidity risk.

### *Market risk*

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market prices.

### *Inflation, Labour Shortages and Supply Chain Risk*

There is a risk that the Corporation could be adversely affected due to market changes particularly in supply, inflation, interest rates and regional rent controls. Canada saw significant inflation in 2022 and 2023, against the backdrop of sustained higher housing prices, substantial supply constraints and geopolitical conflicts, all of which have increased prices for energy and agricultural markets. There has also been significant disruption to the global supply chain in the past years. Further, as labour and material shortages persist, the expected onset of new supply of rental housing may take longer as construction completion times are extended. All of this increases the supply risk to the Corporation.

### *Interest rate risk*

The Corporation is exposed to interest rate risk to the extent of any upward or downward revision in prime lending rates. Increases in interest rates and sustained higher interest rates, such as those seen throughout 2023 and 2024, have the potential to adversely affect the profitability of the Corporation. The Corporation attempts to mitigate this risk by staggering the maturity dates for its mortgages. The majority of Mainstreet's mortgages and fixed-rate mortgage financings are insured by Canada Mortgage and Housing Corporation ("CMHC") under the National Housing Association ("NHA") mortgage program. This added level of insurance offered to lenders allows the Corporation to receive the best possible financing and interest rates, and significantly reduces the potential for lenders to call loans prematurely.

### *Credit risk*

Credit risk is the risk that the counterparty to a financial asset will default resulting in a financial loss for the Corporation. The Corporation is exposed to credit risk as some tenants may experience financial difficulty and may default in payment of rent. However, the Corporation attempts to minimize possible risks by conducting in-depth credit assessments of all tenants and collecting security deposits from tenants. The Corporation's tenants are numerous which also reduces the concentration of credit risk. Further, the Corporation does not have material financial exposure to any single tenant or group of tenants. As tenants' rent is due at the beginning of the month, all amounts in accounts receivable are considered overdue by the Corporation. As of September 30, 2025, rents due from current tenants amounted to \$608,000 (September 30, 2024 - \$537,000). The possibility of not receiving payment of rent due from current tenants was covered by security deposits of \$9.2 million (September 30, 2024 - \$8.4 million) and provisions for bad debts of \$160,000 (September 30, 2024 - \$160,000).

The aging bands of rents due from current tenants as at September 30, 2025 and September 30, 2024 are outlined in the table below:

(000's of dollars)

	September 30, 2025	September 30, 2024
0-30 days	\$ 452	\$ 397
31-60 days	99	85
61-90 days	12	9
Over 90 days	45	46
Total rents due from current tenants	\$ 608	\$ 537

In relation to cash, cash equivalents and restricted cash, the Corporation believes that its exposure to credit risk is low. The Corporation only places its cash, cash equivalents, and restricted cash with Canadian chartered financial institutions.

### *Liquidity Risk*

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its financial obligations. The Corporation manages its liquidity risk by monitoring forecast and cash flows on a regular basis to meet expected operational expenses, by maintaining adequate banking facilities, by managing mortgage debt secured by its investment properties, and by matching the maturity profiles of financial assets and liabilities.

The timing of cash outflows relating to financial liabilities as at September 30, 2025 are outlined in the table below:

(000's of dollars)

	1 year	2 years	3 years	4 years	Beyond 4 years	Total
Mortgages payable	\$ 279,190	94,789	142,891	477,141	966,187	\$1,960,198
Mortgage interest payable	60,200	53,538	50,632	45,613	43,374	\$ 253,357
Trade and other payables	14,265	-	-	-	-	14,265
Refundable security deposits	\$ 9,197	-	-	-	-	\$ 9,197

The timing of cash outflows relating to financial liabilities as at September 30, 2024 are outlined in the table below:

(000's of dollars)

	1 year	2 years	3 years	4 years	Beyond 4 years	Total
Mortgages payable	\$ 163,212	274,424	90,064	133,675	1,025,493	\$1,686,868
Mortgage interest payable	50,110	44,442	37,948	35,212	55,290	223,002
Trade and other payables	15,229	-	-	-	-	15,229
Refundable security deposits	\$ 8,357	-	-	-	-	\$ 8,357

## 24. GUARANTEES, CONTINGENCIES AND COMMITMENTS

In the normal course of business, the Corporation may enter into various agreements that may contain features that meet the definition of guarantees, contingencies or commitments in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets ("IAS 37") that contingently require the Corporation to make payments to the guaranteed party based on: (i) changes in an underlying interest rate, foreign exchange rate, equity or commodity instrument, index or other variable, that is related to an asset, a liability or an equity security of the counterparty; (ii) failure of another party to perform under an obligating agreement; or (iii) failure of a third party to pay its indebtedness when due.

In the ordinary course of business, the Corporation provides indemnification commitments to counterparties in transactions such as credit facilities, leasing transactions, service arrangements, director and officer indemnification agreements and sales of assets. These indemnification agreements require the Corporation to compensate the counterparties for costs incurred as a result of changes in laws and regulations (including tax legislation) or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnification agreements will vary based on the contract and do not provide any limit on the maximum potential liability. Historically, the Corporation has not made any significant payments under such indemnifications and no amount has been accrued in these consolidated financial statements with respect to these indemnification commitments.

In the normal course of operations, the Corporation will become subject to a variety of legal and other claims against the Corporation. Management and the Corporation's legal counsel evaluate all claims on their apparent merits and accrue management's best estimate of the estimated costs to satisfy such claims. Management believes that the outcome of legal and other claims filed against the Corporation will not be material.

As of September 30, 2025, and September 30, 2024, no amounts have been recorded and none are required to be disclosed in the consolidated financial statements with respect to guarantees, contingencies and commitments.

## 25. RELATED PARTY TRANSACTIONS

a) The Corporation's President and Chief Executive Officer (the "CEO") is paid a commission at commercial rates in his capacity as a licensed broker for certain property transactions conducted by the Corporation in its normal course of business. Commissions are determined on an exchange value basis. Except in very limited circumstances, these commissions are paid by the selling third party or third parties to the transaction. The commissions received by the President and Chief Executive Officer during the year ended September 30, 2025, amounted to \$48,280 (2024 – \$864,086).

These commissions form part of the CEO's annual compensation. Each year, the CEO is entitled to receive an annual performance bonus based upon pre-determined performance goals and discretionary bonus amounts determined by the Corporation's Board of Directors. In making such determination, the Board of Directors takes in consideration the amount of commissions paid to the CEO during each year, such that once determined, that portion of the annual performance bonus paid in cash to the CEO by the Corporation amounts to the difference between the amount of the CEO's annual performance bonus determined by the Board of Directors, if any, less the amount of commissions paid to the CEO during that year.

As a result, the actual portion of the discretionary bonus, if any, paid by the Corporation each year to the CEO will be reduced by the amount of third-party paid commissions to the CEO during that year.

b) The Corporation paid legal and professional fees and reimbursements for the year ended September 30, 2025, amounting to \$686, 193 (2024 - \$414,791) to WBA Law LLP of which a director and officer of the Corporation is a Senior Associate. As at September 30, 2025, the amounts payable to WBA Law LLP were \$Nil (September 30, 2024 - \$Nil). These fees were incurred at amounts which in management's opinion, approximate the fair market value that would be incurred by a third-party law firm.

## 26. KEY MANAGEMENT PERSONNEL

Key management personnel of the Corporation during the year ended September 30, 2025, were:

Navjeet (Bob) Dhillon, President and Chief Executive Officer  
Trina Cui, Chief Financial Officer  
Anthony Lam, Operating Officer

The remuneration of the Corporation's key management personnel was as follows:

(000s of dollars)

Year ended September 30,	2025	2024
Short-term benefits <sup>1</sup>	\$ 5,736	\$ 4,825

The remuneration paid by the Corporation to the Corporation's key management personnel includes base salaries, performance bonus which for the President and Chief Executive Officer is the net amount after deducting the commissions received by him during the year ended September 30, 2025 which amounted to \$48,280 (2024 – \$864,086) and retirement allowance.

Unless Mr. Dhillon's employment is terminated for cause, as defined under the employment agreement, the Corporation shall, upon termination, or within two (2) years if he voluntarily resigns after a change of control or if he becomes permanently disabled:

- pay, in lieu of reasonable notice an amount equal to his monthly salary at the highest rate in effect during the twelve (12) months immediately preceding the date of termination multiplied by 36 months;
- cause all outstanding options to purchase shares of the Corporation granted to Mr. Dhillon pursuant to any stock option plan of the Corporation to vest and become exercisable;
- maintain all life insurance, medical, dental, health and accident, and disability plans, programs or arrangements in which he was enrolled in immediately prior to the termination (or arrange for substantially similar coverage if such maintenance is not permitted) for a period of the earlier of 5 years after the date of termination or the date upon which Mr. Dhillon obtains full time employment with a new employer; provided that if such new employment is obtained within the first 3 years from the date of termination, the Corporation is required to pay the difference, if any, between the level of benefits provided by the new employer and the Corporation; and
- pay reasonable cost of financial, estate and career counselling and related professional expenses in connection with such termination.

## 27. SEGMENTED INFORMATION

The Corporation specializes in multi-family residential housing and operates primarily within one business segment in three provinces located in Canada. The following summary presents segmented financial information for the Corporation's continuing operations by geographic location:

<sup>1</sup> Remuneration for both 2024 and 2025 included payments to Sheena J. Keslick, the former Vice President, Operation. She ceased to be an officer of the Corporation on May 2, 2025.

## RENTAL OPERATIONS

(000s of dollars)

Year ended September 30,	2025		2024
<b>BRITISH COLUMBIA</b>			
Rental revenue	63,031	\$	56,349
Other rental revenue	710		664
Ancillary revenue	1,288		1,209
Property operating expenses	17,150		15,903
Net operating income	47,879		42,319
Financing Costs	12,803		11,043
Change in fair value	40,300		36,105
<b>ALBERTA</b>			
Rental revenue	\$ 152,692	\$	138,730
Other rental revenue	1,520		1,191
Ancillary revenue	2,121		1,839
Property operating expenses	54,821		53,529
Net operating income	101,512		88,231
Financing Costs	41,240		36,016
Change in fair value	167,588		88,955
<b>SASKATCHEWAN</b>			
Rental revenue	\$ 49,030	\$	44,334
Other rental revenue	218		100
Ancillary revenue	721		626
Property operating expenses	18,677		18,017
Net operating income	31,292		27,043
Financing Costs	11,285		10,082
Change in fair value	13,009		20,696
<b>MANITOBA</b>			
Rental revenue	\$ 4,267	\$	4,075
Other rental revenue	25		27
Ancillary revenue	671		652
Property operating expenses	2,263		1,908
Net operating income	2,700		2,846
Change in fair value	13,538		(896)
<b>TOTAL</b>			
Rental revenue	\$ 269,020	\$	243,488
Other rental revenue	2,473		1,982
Ancillary revenue	4,801		4,326
Property operating expenses	92,911		89,357
Net operating income	183,383		160,439
Financing Costs	65,328		57,141
Change in fair value	234,435		144,860
Gain from disposal of assets	515		2,011
Unallocated revenue*	7,549		6,724
Unallocated expenses**	73,548		57,016
<b>Profit for the year</b>	<b>\$ 287,006</b>	<b>\$</b>	<b>199,877</b>

\* Unallocated revenue represents interest income and other income.

\*\* Unallocated expenses include general and administrative expenses, mortgage interest, depreciation, current income tax and deferred income taxes.

## IDENTIFIABLE ASSETS AND LIABILITIES

(000s of dollars)

Year ended September 30,	2025	2024
<b>BRITISH COLUMBIA</b>		
Investment properties	\$ 1,180,660	\$ 1,109,180
Property and equipment	59	24
Mortgages payable	385,890	360,793
Refundable security deposits	2,414	2,438
<b>ALBERTA</b>		
Investment properties	\$ 1,972,649	\$ 1,753,673
Property and equipment	5,815	5,954
Mortgages payable	1,212,568	1,014,037
Refundable security deposits	5,260	4,454
<b>SASKATCHEWAN</b>		
Investment properties	\$ 528,365	\$ 510,011
Property and equipment	821	856
Mortgages payable	318,401	274,835
Refundable security deposits	1,354	1,298
<b>MANITOBA</b>		
Investment properties	\$ 48,860	\$ 34,629
Property and equipment	1	2
Mortgages payable	-	-
Refundable security deposits	169	167
<b>TOTAL</b>		
Investment properties	\$ 3,730,534	\$ 3,407,493
Property and equipment	6,696	6,836
Mortgages payable	1,916,859	1,649,665
Refundable security deposits	9,197	8,357

## IDENTIFIABLE ACQUISITION AND CAPITAL EXPENDITURES

(000s of dollars)

Year ended September 30,	2025	2024
BRITISH COLUMBIA	\$ 31,215	\$ 92,356
ALBERTA	52,908	82,109
MANITOBA	693	897
SASKATCHEWAN	5,352	35,938
TOTAL	\$ 90,168	\$ 211,300

## 28. CAPITAL MANAGEMENT

The Corporation defines capital that it manages as the aggregate of its shareholders' equity and mortgages payable and, on occasion, bank loans or lines of credit when drawn on. The Corporation's total capital resources as at September 30, 2025 amounted to \$3,719 million (September 30, 2024 - \$3,168 million).

The Corporation aims to manage its capital resources to maintain financial strength and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity and mortgages.

The Corporation sets the amount of capital in proportion to risk. The Corporation manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The total managed capital for the Corporation is summarized below:

(000s of dollars)

Year ended September 30,	2025	2024
Mortgages payable	\$ 1,916,859	\$ 1,649,665
Total equity	1,802,249	1,518,353
Total capital	\$ 3,719,108	\$ 3,168,018

The Corporation's policy for capital risk management is to maintain a debt to fair value of investment properties ratio, as defined below, of no greater than 70%. The ratio as at September 30, 2025 is approximately 43% (September 30, 2024 – 47%) which leaves a sufficient additional capacity for the Corporation to raise additional funds from refinancing before it reaches its internal target ratio of 70%.

The debt to fair value ratios were as follows:

(000s of dollars)

Year ended September 30,	2025	2024
Mortgages payable	\$ 1,916,859	\$ 1,649,665
Cash and cash equivalents	314,550	48,826
Total debts	\$ 1,602,309	\$ 1,600,839
Investment properties	\$ 3,730,534	\$ 3,407,493
Debt to fair value ratio	43%	47%

In managing the capital requirements of the Corporation, management makes assessments of the capital and liquid resources required to ensure the going concern status of the Corporation. Management believes that the existing liquid resources, funds to be generated from operations, and funds to be raised through the financing and refinancing of debt will be sufficient to support the Corporation's operations on a going concern basis.

## 29. SUBSEQUENT EVENTS

Subsequent to the year-ended September 30, 2025, the Corporation acquired additional 348 residential units in Alberta for a total consideration of \$68.3 million.

## 30. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issue on December 15, 2025.