

26

YEARS of

Organic Growth Discipline Focus



| | Estimated Fair Value (\$ million) | Year-over-year % change | Revenue (\$ million) | Year-over-year % change | Stock price (\$) | Year-over-year % change |
|------|--------------------------------------|----------------------------|-------------------------|----------------------------|---------------------|----------------------------|
| 2000 | 90 | n/a | 7.7 | n/a | 4.9 | n/a |
| 2001 | 105 | 17% | 11.1 | 44% | 5.4 | 10% |
| 2002 | 145 | 38% | 15.2 | 37% | 3.1 | (43%) |
| 2003 | 170 | 17% | 17.0 | 12% | 3.9 | 25% |
| 2004 | 178 | 5% | 19.7 | 16% | 6.1 | 57% |
| 2005 | 309 | 74% | 23.5 | 19% | 5.2 | (14%) |
| 2006 | 520 | 68% | 30.9 | 31% | 9.9 | 89% |
| 2007 | 710 | 37% | 40.4 | 31% | 16.1 | 62% |
| 2008 | 625 | (12%) | 46.3 | 15% | 12.1 | (25%) |
| 2009 | 679 | 9% | 50.8 | 10% | 7.9 | (34%) |
| 2010 | 752 | 11% | 53.1 | 5% | 11.4 | 44% |
| 2011 | 911 | 21% | 56.9 | 7% | 17.2 | 50% |
| 2012 | 1,052 | 15% | 66.9 | 18% | 31.5 | 83% |
| 2013 | 1,149 | 9% | 78.2 | 17% | 30.2 | (4%) |
| 2014 | 1,259 | 10% | 90.6 | 16% | 40.7 | 35% |
| 2015 | 1,386 | 10% | 100.4 | 11% | 31.4 | (23%) |
| 2016 | 1,460 | 5% | 100.3 | 0% | 31.1 | (1%) |
| 2017 | 1,632 | 12% | 104.7 | 4% | 37.0 | 19% |
| 2018 | 1,866 | 14% | 115.7 | 11% | 48.0 | 30% |
| 2019 | 2,040 | 9% | 137.6 | 19% | 63.6 | 33% |
| 2020 | 2,183 | 7% | 149.8 | 9% | 71.9 | 13% |
| 2021 | 2,616 | 20% | 159.9 | 7% | 104.25 | 45% |
| 2022 | 2,818 | 8% | 180.6 | 13% | 106 | 2% |
| 2023 | 3,052 | 8% | 210 | 16% | 133 | 25% |
| 2024 | 3,407 | 12% | 249.8 | 19% | 191.1 | 44% |
| 2025 | 3,731 | 10% | 276.3 | 11% | 186.4 | -2% |

16%

15%

16%

| | NOI (\$ million) | Year-over-year % change | FFO (\$ million) | Year-over-year % change | FFO per share (\$) | Year-over-year % change |
|------|---------------------|----------------------------|---------------------|----------------------------|-----------------------|----------------------------|
| 2000 | 5.7 | n/a | 1.5 | n/a | 0.18 | n/a |
| 2001 | 7.9 | 39% | 2.1 | 40% | 0.22 | 22% |
| 2002 | 11.1 | 41% | 3.0 | 43% | 0.24 | 9% |
| 2003 | 10.9 | (2%) | 2.3 | (23%) | 0.33 | 38% |
| 2004 | 11.6 | 6% | 2.2 | (4%) | 0.26 | (21%) |
| 2005 | 13.8 | 19% | 1.0 | (55%) | 0.11 | (58%) |
| 2006 | 18.3 | 33% | 1.3 | 30% | 0.14 | 27% |
| 2007 | 24.7 | 35% | 5.0 | 285% | 0.46 | 229% |
| 2008 | 26.6 | 8% | 3.8 | (24%) | 0.20 | (57%) |
| 2009 | 31.3 | 18% | 5.5 | 45% | 0.46 | 130% |
| 2010 | 33.2 | 6% | 7.7 | 40% | 0.75 | 63% |
| 2011 | 37.3 | 12% | 11.4 | 48% | 1.08 | 44% |
| 2012 | 44.9 | 20% | 15.2 | 33% | 1.45 | 34% |
| 2013 | 52.0 | 16% | 19.1 | 26% | 1.83 | 26% |
| 2014 | 60.0 | 15% | 25.6 | 34% | 2.45 | 34% |
| 2015 | 67.3 | 12% | 30.0 | 17% | 3.06 | 25% |
| 2016 | 64.0 | (5%) | 26.2 | (13%) | 2.74 | (11%) |
| 2017 | 64.4 | 1% | 25.6 | (2%) | 2.91 | 6% |
| 2018 | 72.2 | 12% | 29.6 | 16% | 3.35 | 15% |
| 2019 | 86.3 | 20% | 39.3 | 33% | 4.27 | 27% |
| 2020 | 93.0 | 8% | 43.7 | 11% | 4.66 | 9% |
| 2021 | 97.8 | 5% | 47.5 | 9% | 5.08 | 9% |
| 2022 | 109.7 | 12% | 52.8 | 11% | 5.65 | 11% |
| 2023 | 131.3 | 20% | 68.7 | 30% | 7.37 | 30 |
| 2024 | 160.4 | 22% | 84.7 | 23% | 9.09 | 23% |
| 2025 | 183.4 | 14% | 96.1 | 13% | 10.31 | 13% |

15%

18%

18%

DOUBLE-DIGIT
year-over-year growth
FY 2025 vs FY 2024

▲
11%
**RENTAL
REVENUE**

▲
14%
NOI

▲
13%
FFO

AR 2025

For the periods ended
September 30, 2025 and 2024

| | | | |
|--|----|--|----|
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Forward-Looking Information

Certain statements contained herein constitute "forward-looking statements" as such term is used in applicable Canadian securities laws. These statements relate to analysis and other information based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, statements concerning: estimates related to the effect of rising interest rates on the Corporation, the effect that inflation will have on: (i) the Corporation's tenants and the effect on credit risk; and (ii) the cost of renovations and other expenses, disruptions effecting the global supply chain and energy and agricultural markets (including as a result of geopolitical turmoil), future acquisitions, dispositions and capital expenditures, future vacancy rates, increase of rental rates and rental revenue, future revenue, income and profitability, timing of refinancing of debt, access to low-cost long-term Canada Mortgage and Housing Corporation ("CMHC") insured mortgage loans, benefits from shorter term mortgages in the short term, the amount of liquidity the Corporation will have access to in the current and subsequent fiscal years, including the amount of funds to be raised through up-financing of maturing mortgages and financing of clear titled assets after stabilization, the potential changes in interest and mortgage rates, completion timing and costs of renovations, benefits of renovations, funds to be expended on renovations in fiscal year 2025 and the sources thereof, increased funds from operations and cash flow, access to capital, minimization of operating costs, the Corporation's liquidity and financial capacity, the Corporation's intention and ability to make distributions to shareholders in fiscal 2025, rental conditions and vacancy rates, rates of international immigration and population growth in areas where Mainstreet operates, the period of time required to stabilize a property, future climate change impact, the Corporation's strategy and goals and the steps it will take to achieve them, changes in zoning laws and potential benefits to Mainstreet as a result of the same, the Corporation's anticipated funding sources to meet various operating and capital obligations, key accounting estimates and assumptions used by the Corporation, the attraction and hiring of additional personnel, the effect of changes in legislation on the rental market, expected cyclical changes in cash flow, net operating income and operating margins, the effect of environmental regulations on financial results, the effect of income taxes on the Corporation, the handling of any future conflicts of interests of directors or officers, the effects of cyber incidents on the Corporation (including the effect of the cybersecurity incident which occurred on May 2, 2024), the benefits in trading volume from the Corporation's new dividend policy, and other factors and events described in this document should be viewed as forward-looking statements to the extent that they involve estimates thereof. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions of future events or performance (often, but not always, using such words or phrases as "seeks," "expects" or "does not expect," "is expected," "anticipates" or "does not anticipate," "plans," "estimates" or "intends," or stating that certain actions, events or results "may," "could," "would," "might," "will," or are "likely" to be taken, occur or be achieved) are not statements of historical fact and should be viewed as forward-looking statements.

Such forward-looking statements are not guarantees of future events or performance and by their nature involve known and unknown risks, uncertainties and other factors, including those risks described in the Corporation's AIF, dated December 15, 2025 under the heading "Risk Factors," that may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, the effect of inflation on consumers and tenants, the effect of rising mortgage and interest rates on the Corporation, including its financing costs, challenges related to up-financing maturing mortgages or financing of clear titled assets after stabilization, disruptions in global supply chains, labour shortages, the length and severity of geopolitical conflict and the occurrence of additional global turmoil and its effects on global markets and supply chains, changes in government policies regarding immigration and international students, cyber-incidents Corporation (including the effect of the cybersecurity incident which occurred on May 2, 2024), costs and timing of the development or renovation of existing properties, availability of capital to fund stabilization programs, other issues associated with the real estate industry including availability of labour and costs of renovations, supply chain issues, fluctuations in vacancy rates, general economic conditions, trade policies and tensions, including changes in, or the imposition of tariffs and/or trade barriers and the economic impacts, volatility and uncertainty resulting therefrom, competition for tenants, unoccupied units during renovations, rent control, fluctuations in utility and energy costs, carbon tax increases, environmental and other liabilities, effects of climate change, credit risks of tenants, availability of capital, changes in legislation and regulatory regime applicable to the corporation, loss of key personnel, a failure to realise the benefit of acquisitions and/or renovations, the effects of severe weather events on the Corporation's properties, climate change, public health measures (including travel and post-secondary restrictions), uninsured losses, fluctuations in the capital markets and the trading price of the Common Shares, conflicts of interest of the Corporation's directors and officers, and other such business risks as discussed herein. This is not an exhaustive list of the factors that may affect Mainstreet's forward-looking statements. Other risks and uncertainties not presently known to the Corporation could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include, among others, the impact of economic conditions in Canada and globally including as a result of inflation, interest rate increases, supply shortages, trade policies and tensions, including changes in, or the imposition of tariffs and/or trade barriers and the economic impacts, volatility and uncertainty resulting therefrom, and geopolitical turmoil, the Corporation's future growth potential, prospects and opportunities, the direction of the residential rental environment, trends in interest and mortgage costs, access to capital markets to fund (at acceptable costs), the future growth program to enable the Corporation to refinance debts as they mature, changes in tax laws, mortgage rules and other temporary legislative changes in respect of pandemics or otherwise, and the availability of purchase opportunities for growth in Canada.

Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance actual results will be consistent with these forward-looking statements and no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur at all, or if any of them do so, what benefits that Mainstreet will derive from them. As such, undue reliance should not be placed on forward-looking statements. Certain statements included in this MD&A may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A.

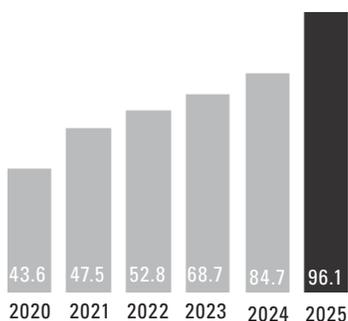
Forward-looking statements are based on management's beliefs, estimates and opinions on the date the statements are made, and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions should change except as required by applicable securities laws.

Management closely monitors factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements and will update those forward-looking statements where appropriate in its annual and quarterly financial reports.

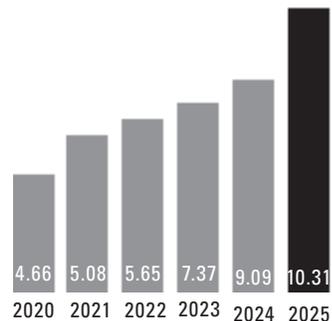
This MD&A includes forward-looking information about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action and that is not presented in the format of a historical balance sheet, income statement or cash flow statement ("Financial Outlook"). Actual results may vary from the Financial Outlook summarized in this MD&A. Management of the Corporation has approved the Financial Outlook as of August 7, 2025. The Financial Outlook has been included in this MD&A to provide readers with disclosure regarding the Corporation's reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the Financial Outlook may not be appropriate for other purposes.

2025 KEY PERFORMANCE INDICATORS

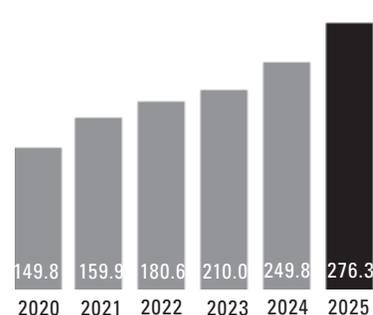
Funds from Operations (FFO)
(Before one-time items)
(\$ millions)



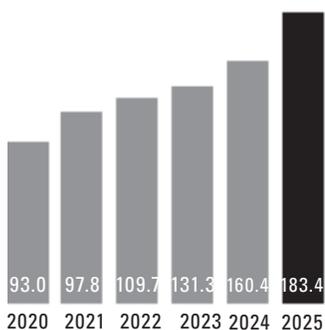
Funds from Operations (FFO)
per share
(Before gain on disposal)



Rental Revenue
(\$ millions)



Net Operating Income (NOI)
(\$ millions)



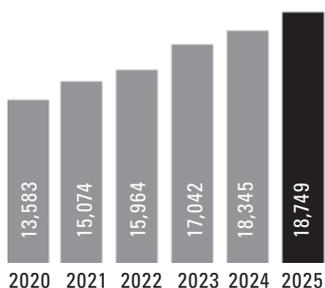
Rental Revenue – Same Assets
(\$ millions)



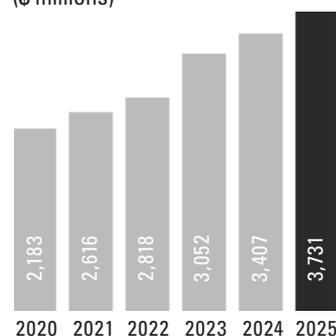
Net Operating Income (NOI)
– Same Assets (\$ millions)



Total number of suites
(Including assets held for sale)



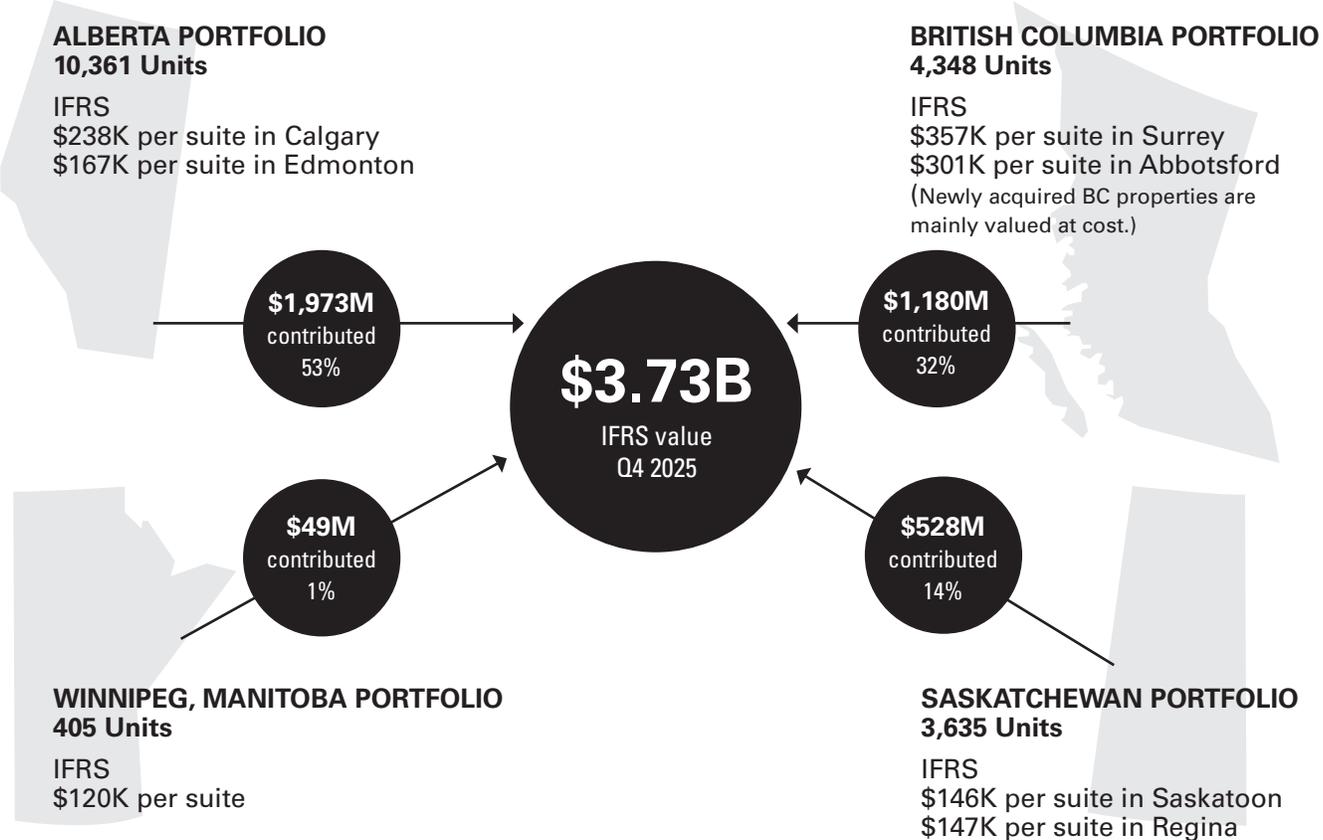
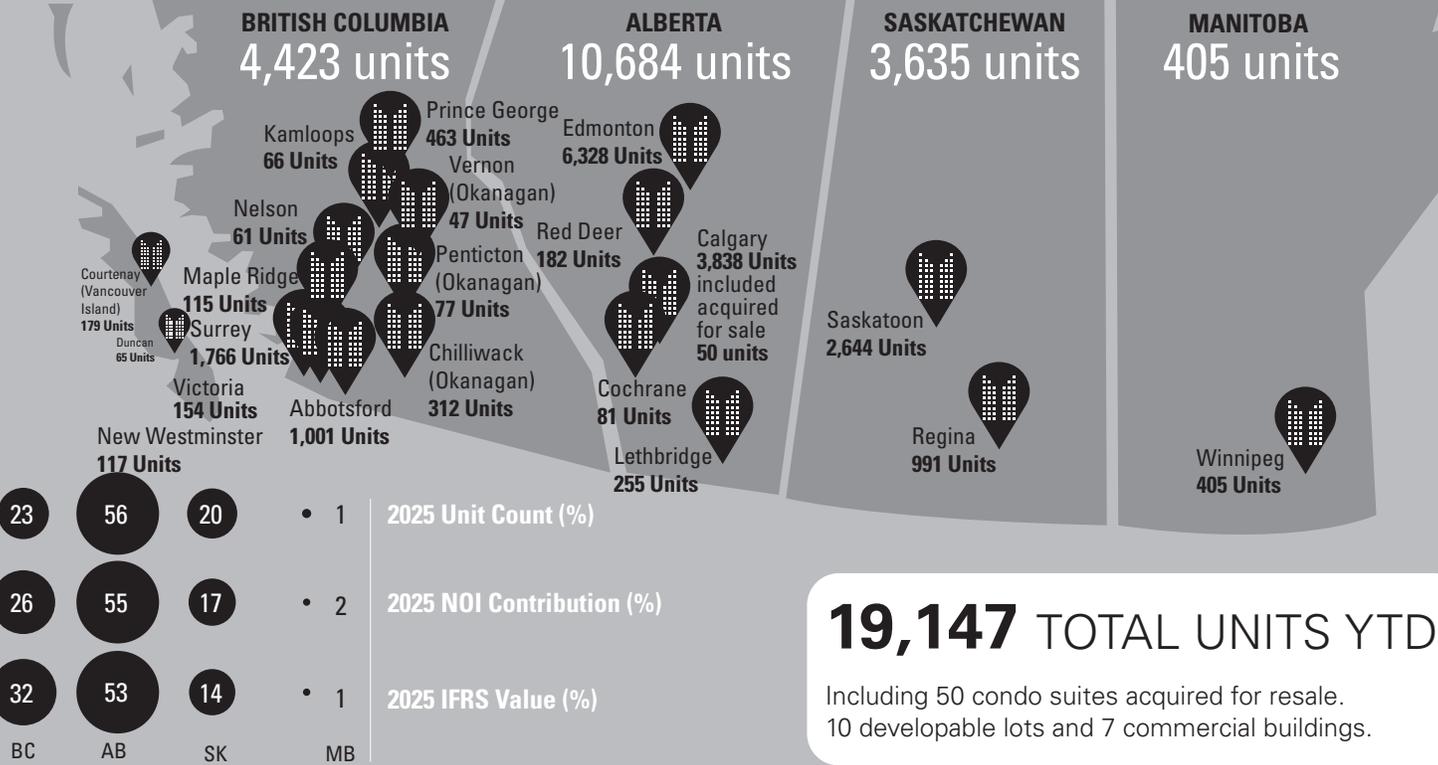
Market value of
Investment Properties
(\$ millions)



Mainstreet Equity Corp. (“Mainstreet” or the “Corporation”) is a Canadian real estate company focused on acquiring and managing mid-market rental apartment buildings primarily in Western Canada. Listed on the TSX since 2000, Mainstreet creates value by purchasing under-performing properties, renovating them to a branded standard, improving operating efficiencies and repositioning them in the market for greater returns. And, improving the lives of Canadians through affordable housing.

For additional information about Mainstreet Equity Corp., see the Corporation’s profile at SEDAR (www.sedar.com).

DIVERSIFIED PORTFOLIO YTD



KEY METRICS | FY 2025 PERFORMANCE HIGHLIGHTS

| | | |
|---|--|---|
| Rental Revenue | | |
| From Operations | | Up 11% to \$276.3M (vs. \$249.8M in FY 2024) |
| From same asset properties | | Up 6% to \$255.2M (vs. \$240.0M in FY 2024) |
| Net Operating Income (NOI) | | |
| From Operations | | Up 14% to \$183.4M (vs. \$160.4M in FY 2024) |
| From same Asset Properties | | Up 10% to \$169.9M (vs. \$154.7M in FY 2024) |
| Funds from Operations (FFO)¹ | | |
| FFO - before current income tax | | Up 16% to \$106.6M (vs. \$91.6M in FY 2024) |
| FFO - per basic share-before current income tax | | Up 16% to \$11.43 (vs. \$9.83 in FY 2024) |
| FFO - after current income tax | | Up 13% to \$96.1M (vs. \$84.7M in FY 2024) |
| FFO - per basic share-after current income tax | | Up 13% to \$10.31 (vs. \$9.09 in FY 2024) |
| Operating Margin | | |
| From Operations | | 66% (vs. 64% in FY 2024) |
| From same asset properties | | 67% (vs. 64% in FY 2024) |
| Net Profit | | |
| Net Profit Per Basic Income changes in fair value of tax expense of \$43.6M in FY | | Net profit of \$287.0M (vs. profit of \$199.9M in FY2024) including \$234.4M in FY 2025 vs \$144.9M in FY 2024 and future income 2025 vs \$31.0M in FY 2024 |
| Total Capital Expenditure | | \$36.2M (vs. \$31.1M in FY 2024) |
| Total Capital Expenditure (unstabilized assets) | | \$4.2M (vs. \$3.7M in FY 2024) |
| Total Capital Expenditure (stabilized assets) | | \$32.0M (vs. \$27.4M in FY 2024) |
| Stabilized units | | 441 Properties (16,496 units) out of 487 properties (18,749 units) |
| Vacancy rate | | |
| From operations | | 4.7% (vs. 3.2% in FY 2024) |
| From same asset properties | | 4.7% (vs. 3.2% in FY 2024) |
| Vacancy rate as of December 15th, 2025, | | 5.1% excluding unrentable units |
| Total Acquisition | | |
| During FY 2025 | | \$53M 415 units (vs. \$178M 1,296 units in FY 2024) |
| Subsequent to FY 2025 | | 348 units (\$68M) in Calgary, Edmonton, and Surrey |
| Total YTD Acquisition | | 763 units (\$121M) |
| Total units | | |
| As of September 30th, 2025, | | 18,799 units ² |
| As of December 15th, 2025, | | 19,147 units ² |
| Fair Market Value | | Up 9.5% to \$3.73B (vs. \$3.41B in 2024) |
| Liquidity Position | | \$900M ³ |

KEY METRICS | Q4 2025 PERFORMANCE HIGHLIGHTS

| | | |
|---|--|--|
| Rental Revenue | | |
| From Operations | | Up 5% to \$70.5M (vs. \$66.9M in Q4 2024) |
| From same asset properties | | Up 3% to \$64.6M (vs. \$62.5M in Q4 2024) |
| Net Operating Income (NOI) | | |
| From Operations | | Up 9% to \$49.9M (vs. \$45.7M in Q4 2024) |
| From same Asset Properties | | Up 8% to \$46.0M (vs. \$42.7M in Q4 2024) |
| Funds from Operations (FFO)¹ | | |
| FFO - before current income tax | | Up 12% to \$30.0M (vs. \$26.8M in Q4 2024) |
| FFO - per basic share-before current income tax | | Up 12% to \$3.22 (vs. \$2.88 in Q4 2024) |
| FFO - after current income tax | | Up 10% to \$26.7M (vs. \$24.2M in Q4 2024) |
| FFO - per basic share-after current income tax | | Up 10% to \$2.87 (vs. \$2.60 in Q4 2024) |
| Operating Margin | | |
| From Operations | | 71% (vs. 68% in Q4 2024) |
| From same asset properties | | 71% (vs. 68% in Q4 2024) |
| Vacancy rate | | |
| From operations | | 5.0% (vs. 3.4% in Q4 2024) |
| From same asset properties | | 4.9% (vs. 3.4% in Q4 2024) |

¹ See "Non-IFRS Measures" and Note (1) in MANAGEMENT'S DISCUSSION AND ANALYSIS to the table titled "Summary of Financial Results" for additional information regarding FFO and a reconciliation of FFO to net profit, the most directly comparable IFRS measurement.

² Include 50 units held for sale.

³ Including \$143 million cash-on-hand, \$622 million estimated funds that may be available through financing of clear-titled assets after stabilization, and a \$135 million line of credit. The \$143 million cash-on-hand represents a total of \$315 million cash-on-hand, less \$172 million that will be used to pay off maturing mortgages in the short-term.

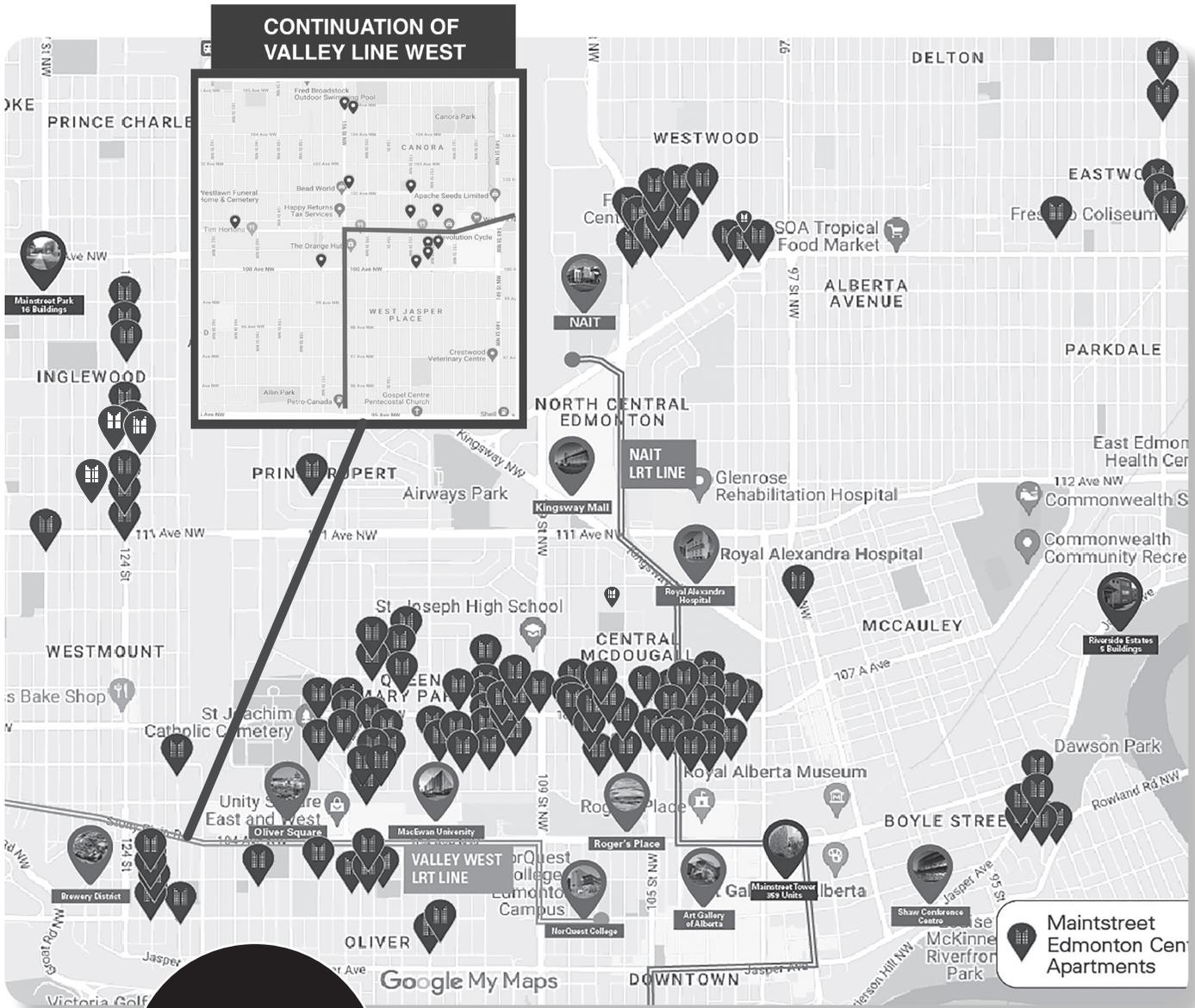
Mainstreet Equity Corp. ("Mainstreet" or the "Corporation") is a Canadian real estate company focused on acquiring and managing mid-market rental apartment buildings primarily in Western Canada. Listed on the TSX since 2000, Mainstreet creates value by purchasing under-performing properties, renovating them to a branded standard, improving operating efficiencies and repositioning them in the market for greater returns. And, improving the lives of Canadians through affordable housing.

For additional information about Mainstreet Equity Corp., see the Corporation's profile at SEDAR+ (www.sedarplus.ca).

CLUSTER STRATEGY

Edmonton // ICE DISTRICT

This map displays Mainstreet’s Edmonton holdings, the largest in Mainstreet’s portfolio. Strategically concentrated in the most popular areas of inner-city Edmonton, our clusters include properties in the city’s famous ICE District and the Arts District, high-density student housing by the University of Alberta and student housing near NAIT, MacEwan University, and NorQuest College, and every other part of the inner city where millennials want to be. Property clusters are also on major transit routes and along the LRT lines.



6,510
YTD TOTAL UNITS
EDMONTON*

* Includes Fort Saskatchewan and Red Deer

CLUSTER STRATEGY

Calgary // INNER-CITY

Looking at this map of Mainstreet's Calgary properties, the strategic value of clustering is clear. Our holdings are concentrated in the areas of the city that our customers care most about: the city core where all of the nightlife and dining is; close to schools where students need to be; and throughout central communities where our customer's lives are taking place, from work to school. Properties are on major transit routes, LRT lines, and on Calgary's extensive bike paths.



3,838
YTD TOTAL UNITS
CALGARY*

*Includes 50 condo units acquired for resale.

CLUSTER STRATEGY

Regina // GOLDEN MILE

Map of Mainstreet's Regina portfolio. Mainstreet's Regina holdings are concentrated in the city center, specifically in the popular Golden Mile area near great shopping and amenities, and within a short trip to post-secondary institutions. These are very walkable and cyclable areas where customers can park their cars and forget about them.



991
YTD TOTAL UNITS
REGINA

MESSAGE TO SHAREHOLDERS | For year ending September 30, 2025

The Mainstreet Mission: We are passionately committed to our role as a crucial provider of quality, affordable homes for Canadians, offering renovated apartments and customer services at a mid-market rental rate averaging \$1,250.

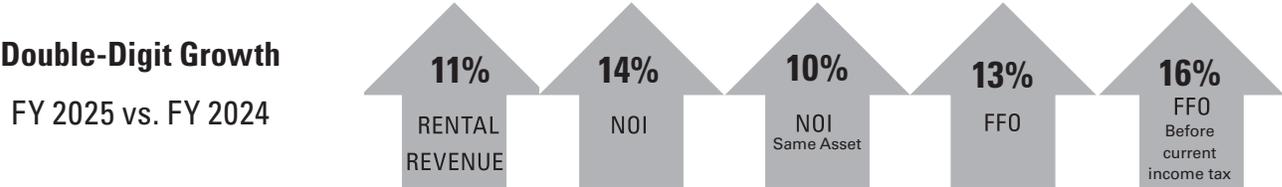
In FY 2025, Mainstreet posted double-digit year-over-year growth across main key operating metrics. Even in a year of economic, political and policy uncertainty and a temporary strategic pause in acquisitions during the year, funds from operations (FFO) increased 13%, net operating income (NOI) from operations rose 14%, same asset NOI increased by 10% and rental revenue from operations was up 11%. The FY overall operating margin from operations sits at 66%, up from 64% in FY 2024, or 200 bps. We also achieved our 16th consecutive quarter of double-digit year-over-year growth with FFO up 10% and NOI from same assets properties up 8%. Of particular note is our posted operating margins rose to 71% for Q4.

Looking forward to FY 2026, Mainstreet’s capital structure and strong liquidity position of approximately \$900 million³ allows us to be flexible, nimble and more opportunistic with countercyclical acquisitions. As a corporation, we are positioned to be opportunistic despite uncertain economic factors. At the beginning of the FY 2025, we strategically held off significant acquisitions to assess the changing market, however, we believe that we are now ready to resume our opportunistic growth in 2026. Subsequent to year-end, we have already acquired 348 units for \$68 million as compared to the total acquisition of 415 units for \$53 million for the whole FY 2025, bringing the total number of units to 19,147 across Western Canada.

The Mainstreet Advantage

Mainstreet’s mid-market add-value model has proven itself across Western Canada for the last 26 years, creating significant returns to the shareholders. Along with nondilutive growth, our model has created liquidity to take the company to the next phase. Key strengths of our platform include:

- Affordable rents: With an average monthly rent of around \$1,250, Mainstreet offers quality rental options that support affordability for middle-class Canadians.
- Diverse portfolio: With more than 19,100 units clustered across major inner city urban centres in Western Canada, our geographic diversification helps mitigate exposure to volatility in any single market. While the headquarters is in Calgary, 44% of our net asset value based on IFRS value is in British Columbia.



Positive Market Fundamentals

In addition to Mainstreet’s business performance, our team expects to continue benefitting from external tailwinds as we enter the new fiscal year. Despite periods of economic and policy uncertainty over the past year, underlying favourable macroeconomic trends are expected to contribute to Mainstreet’s continued growth. These trends include:

Population growth: According to Statistics Canada, the national population grew by 389,324 between July 2024 and June 2025 of which 355,095 was international migration from permanent residents, international students and temporary foreign workers. While the population growth is lower than the previous two years of 1,098,956 and 1,213,241 respectively, we do not expect this to have any significant impact on the demand for affordable housing in our market; the total population growth is still significantly higher than the total rental apartment supply growth.

³ Including \$143 million cash-on-hand, \$622 million estimated funds that may be available through financing of clear-titled assets after stabilization, and a \$135 million line of credit. The \$143 million cash-on-hand represents a total of \$315 million cash-on-hand, less \$172 million that will be used to pay off maturing mortgages in the short-term.

2000
Listed on TSX

\$0.9 million in cash
529 units
Fair market value of \$90 million
Share price: \$4.9 as at Sep. 30, 2000

No
equity
dilution
except
exercised
options

Q4
2025

\$315 million in cash
19,147 units
Fair market value of \$3.7 billion
Share price: \$186.27 as at Sept. 30, 2025

There remains a significant supply/demand imbalance and continued demand for affordable rental housing.

- o Canada has approximately **2.4 million purpose-built rental units** according to CMHC data
- o From July 2022 to June 2025, Canada's population **grew by 2,701,521**
- o From July 2022 to June 2025, purpose-built rental supply **grew by 188,472**

Supply vs Demand: Canada's long-standing housing shortage continues to support strong rental fundamentals despite the increase in purpose-built rental starts. This uptick in new supply predominantly focuses on premium, higher-end products, that necessitate elevated rental rates to offset higher construction and land costs. This focus leaves a gap in the mid-market rental space that offers affordable yet quality options. This imbalance is critical, as approximately 60% of all Canadians earn less than \$50,000 a year, so this new high-priced supply is out of their reach; new supply entering the market generally commands rents well above our average thus insulating our segment.

- **Falling interest rates:** As mortgage interest is our largest expense line, lower borrowing costs improve cash flow plus FFO and increase our capacity to pursue acquisition opportunities.
 - o Bank of Canada interest rates started the year at 3.25%
 - o Rates dropped four times throughout the year bringing it to 2.25% in November 2025
 - o Five-year CMHC-insured mortgage rates dropped from a peak of 4.57% at the beginning of FY2024 to 3.42% at the end of FY2025

CHALLENGES

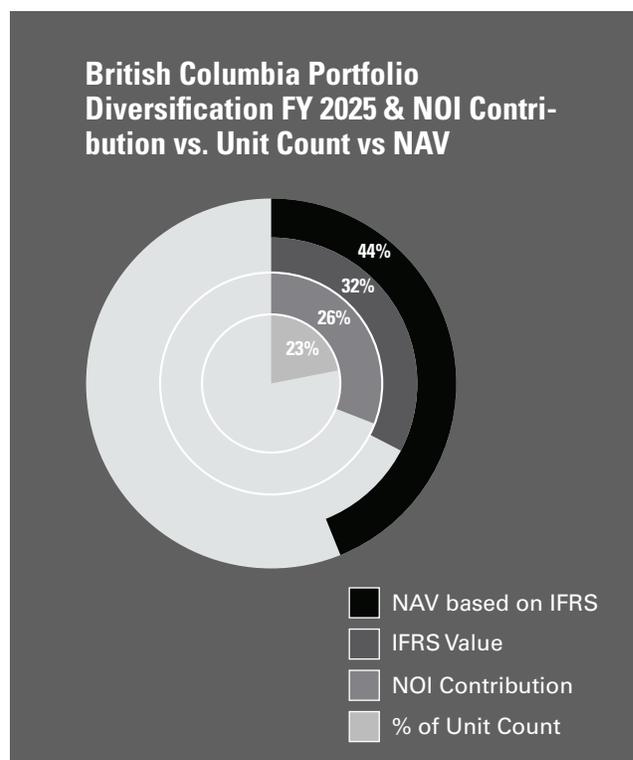
Economic Challenges

The Bank of Canada's business outlook survey indicates speculation that Canada's sluggish economy may develop into a recession in 2026. After hovering below 2% for several months, CPI inflation rose to 2.4% and inflation excluding taxes rose to 2.9% in September 2025, despite a temporary drop after removing the carbon tax. In contrast, GDP growth averaged about 0.75% over the last two quarters of 2025.

Inflation increases material, labour/wages, utility, supply chain and renovation/repair costs, which can compress margins or necessitate rental rate adjustments. However, in slower economic environments, more households delay homeownership in favour of affordable rental options, reinforcing demand for Mainstreet's properties.

Taxes and Tariffs

The economy is still adjusting to steep US tariffs on a number of industries leading to ongoing economic uncertainty and a drop in demand for Canadian goods. Volatile trade relationships in North America have contributed to supply chain challenges and elevated construction costs. Mainstreet mitigates this exposure through a diversified sourcing



platform in Asia, enabling efficient procurement of standardized materials for renovations. Rising tariff-related costs may further constrain new rental supply, intensifying the existing supply-demand imbalance and supporting continued growth in our core markets.

The elimination of the federal consumer carbon tax provided some cost relief, but anticipated hikes in property taxes in Mainstreet markets like Vancouver/Lower Mainland, Calgary, Edmonton, Regina and Saskatoon will exert additional pressure on operating margins.

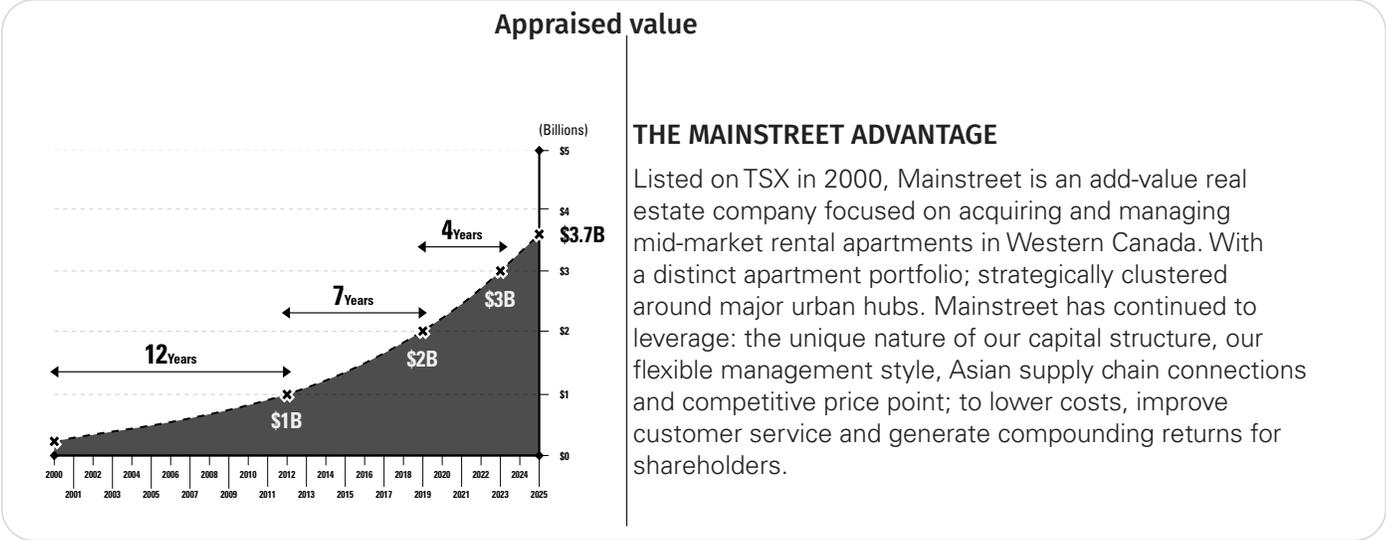
Contracted Immigration

The federal government announced immigration measures aimed at returning to sustainable levels in Canada. The new policy restricts international students, temporary foreign workers and temporary resident immigration to less than 5% of the total population by the end of 2027. Planned annual limits suggest a reduction of approximately 43% in these categories by 2028 (the 2026 target for temporary workers and international students is 385,000).

Newcomers and non-permanent residents historically represent a large portion of long-term renters, so lower immigration levels softens rental demand. TD Economics estimates that rental growth could be about 2% lower than under prior immigration trends. Despite the reduction, new immigration numbers continue to be significant, and we expect any related vacancy impact on Mainstreet to be marginal. We expect demand for affordable mid-market rental apartments to remain strong.

Increased supply: Developers have accelerated purpose-built rental starts, with CMHC-backed construction financing programs jumping from 5%, or roughly 315 units, in 2017 to around 88%, or approximately 107,360 units, in 2024. This contributed to modest upward pressure on rental rates across the industry, and modestly affected our growth rate in revenue, FFO and NOI for 2025. We expect this to be a short-term effect and will not affect the strong market fundamentals of the inherent supply/demand imbalance across the country.

While vacancy rates have edged upward with the introduction of new supply coupled with moderating population growth, conditions remain tight. Mainstreet’s portfolio continues to perform well, with Q4 operational vacancy at 5.0% and 4.7% on a same-asset basis despite around 12% of Mainstreet’s being unstabilized. We expect that demand for Mainstreet’s attainable mid-market units to remain stable even as overall supply increases.



OUTLOOK

Putting the S in ESG

Canada's ongoing housing shortage underscores the importance of affordable rental options. Mainstreet remains committed to delivering quality, attainable housing to middle-income Canadians, supporting social well-being while offering affordable rental alternative as homeownership becomes increasingly out of reach for many people.

Strength Across the West

Mainstreet's diverse portfolio continues to deliver strong performance across all markets. We expanded our regional footprint in FY 2025, adding 436 units in assets across Western Canada. Nearly one third of our acquisitions were in British Columbia, an area that accounts for 44% of our estimated net asset value based on IFRS value and remains a key contributor to future NOI growth. Vacancy rates in the province remain among the lowest in the country, creating meaningful mark-to-market opportunity.

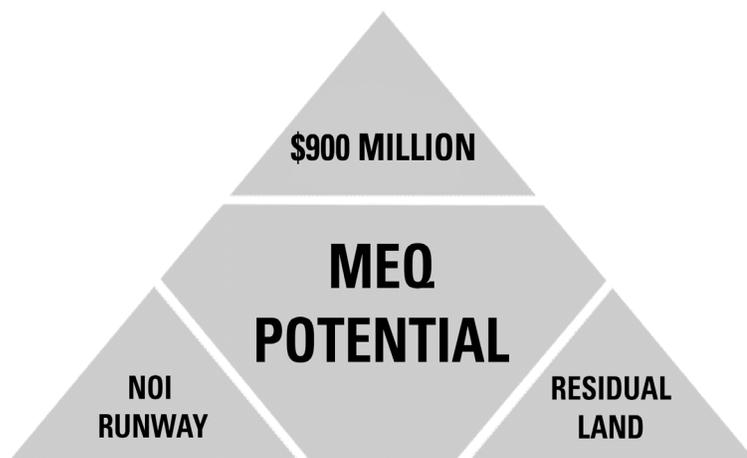
In 2024, Alberta's population grew by approximately 168,221 people. Continuing into the first half of 2025, Alberta remains the leading destination for interprovincial migrants, recording a net gain of 12,800 residents. This trend reflects an estimated annual growth rate of 2.5%, according to the Government of Alberta. Although slower than in 2024, Alberta continues to see the strongest population inflows in Canada supported by favourable affordability and employment opportunities. Alberta also gained 18,896 people from other countries in the first half of 2025, which contributed to the provincial population reaching 5 million people. British Columbia, Saskatchewan and Manitoba experienced small net outflow to other provinces through the first two quarters of 2025. Overall, Western Canada remains an attractive destination for Canadians and newcomers, with affordability, employment opportunities and quality of life driving sustained population growth.

Energy Corridor

Canada's natural resource sector is poised for expansion, supported by positive federal policy signals toward major energy infrastructure, especially across British Columbia; the government announced the first phase of nation-building mega projects including an MOU for a new bitumen pipeline from Alberta to the BC coast, LNG projects, a new nuclear project and copper, zinc and gold mining investments. Growth in the energy corridor will drive job creation, population inflows and economic activity across Western Canada, directly benefiting demand for rental housing. With a well-established presence across 23 urban platforms in the region, Mainstreet is strategically positioned to capture this growth.

Countercyclical Opportunity

Where other companies see economic contraction and pull back on investment, we see vast growth opportunity for Mainstreet. Mainstreet has a history of pursuing a countercyclical, value-add growth strategy that involves investing in response to opportunistic sell-offs. Economic uncertainty and easing interest rates create favourable conditions to acquire and renovate assets at compelling values while securing lower-cost financing. Mid-market rental housing remains stable through cycles, and as a corporation (not a REIT), Mainstreet maintains liquidity and flexibility to capitalize on these acquisition opportunities.



Nominal Dividends⁴

With strong free cash flow, beginning in 2024, Mainstreet introduced a nominal dividend to broaden our shareholder base, enhance trading liquidity and support market capitalization while preserving capital for future non-dilutive growth. Dividends were set at \$0.11 per share annually and after a positive response from shareholders, we raised the dividend in 2025 by 45% to \$0.16 per share annually. This program will continue into 2026, with a targeted dividend growth of 100%, or \$0.32 per share starting Q1 2026, underscoring our commitment to delivering shareholder value while maintaining financial flexibility to support strategic organic expansion and non-dilutive growth of our asset base.

RUNWAY ON EXISTING PORTFOLIO

1. **Expanding our portfolio:** With approximately \$900 million in liquidity, Mainstreet has significant capacity to acquire underperforming assets at attractive valuations without equity dilution, thus supporting long-term asset growth.
2. **Closing the NOI gap:** About 12% of our assets are in active repositioning at any time. Once stabilized, these units are expected to generate approximately \$43 million in incremental annualized NOI, representing substantial embedded value and demonstrating the earnings potential within the existing portfolio.
3. **Rezoning for Growth:** Ongoing housing shortages are driving municipalities to support rezoning for density increases. We plan to hire a full-time internal land planner to advance rezoning and land-optimization initiatives including subdividing underutilized lands, converting unused space into rental suites and pursuing density relaxations. These initiatives position the portfolio for long-term value creation with minimal incremental cost.
4. **Buying Back Shares:** Demonstrating confidence in our long-term fundamentals, in Q4 2025, Mainstreet repurchased 9,100 shares under its normal course issuer bid program. Management will continue to buy back shares on an opportunistic basis under the corporation's normal course issuer bid when MEQ shares trade below their intrinsic NAV.



Bob Dhillon
President & CEO
Calgary, Alberta
December 15, 2025

4. We note that any decision to pay dividends, and the amount of any such dividends on the shares, will be made by the Board of Directors at the relevant time, on the basis of Mainstreet's earnings, financial requirements and other conditions existing at such future time. The dividend policy of Mainstreet is established by the Directors and is subject to change at the discretion of the Directors.

5 YEAR TRENDS

(\$ millions except number of units, percentages and per share amount)

| | % change 2025 vs. 2024 | 2025 | 2024 | 2023 | 2022 | 2021 |
|----------------------------------|------------------------|--------|--------|--------|--------|--------|
| Total number of units | 2% | 18,749 | 18,345 | 17,042 | 15,964 | 15,074 |
| Market value of the portfolio | 10% | 3,731 | 3,407 | 3,052 | 2,818 | 2,616 |
| Rental revenue | 11% | 276.3 | 249.8 | 210.0 | 180.6 | 159.9 |
| Same assets rental revenue | 6% | 255.2 | 240.0 | 191.2 | 175.2 | 153.8 |
| Net operating income | 14% | 183.4 | 160.4 | 131.3 | 109.7 | 97.8 |
| Same assets net operating income | 10% | 169.9 | 154.7 | 120.7 | 107.3 | 94.4 |
| Funds from operations | 13% | 96.1 | 84.7 | 68.7 | 52.8 | 47.5 |
| FFO from operations per share | 13% | 10.31 | 9.09 | 7.37 | 5.65 | 5.08 |
| Operating margins | 214bps | 66% | 64% | 63% | 61% | 61% |

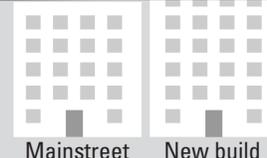
Total number of
outstanding shares
9,309,718

Management,
Directors,
& Officers
shareholder
ownership
49%

Leveraging the supply-demand imbalance

Inflation, like everything else, drives up the cost of building new rental properties. We believe this only deepens Mainstreet's leading position in the rental market, given that we have built our portfolio through the acquisition of existing properties at prices well below replacement cost. That market dynamic is central to the value-add proposition that Mainstreet offers.

Replacement cost



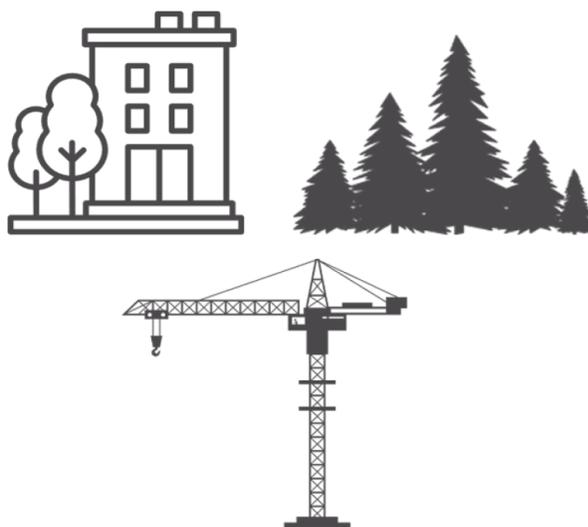
DEVELOPABLE VACANT LAND

Address

33283 Bourquin Crescent E
9621 104 St
9635 104 St
11122 101 St NW
11126 101 St NW
11130 101 St NW
1135 10 Ave SE
1306 20 St W
4145 Retallack St
3015 Parliament Ave

City

Abbotsford
Edmonton
Edmonton
Edmonton
Edmonton
Edmonton
Calgary
Saskatoon
Regina
Regina





Mainstreet: a model of security in times of inflation

Our management team has taken decisive steps to protect against rising interest rates, to the extent that 100% of Mainstreet debt is locked in at low rates (average 3.07% and over long-term maturities (average 4.3 years). Mainstreet has attempted to deal with the risk of inflation and the correlated increase in interest rates by locking its debt into short-term interim financing and will revert back to the corporations baseline longer-term debt strategy once interest rates reduce.

Average interest rate 3.07%
Average term to maturity 4.3 years

Embracing Technology

Mainstreet has continued to create efficiencies through investments in digital platforms and other software-enabled technology that improves our operations.



A key provider of Millennial living

Mainstreet’s apartment portfolio is built around centralized, inner-city clusters that are highly appealing to students and young people given their close proximity to transit, entertainment, essential services and other amenities. These areas include Edmonton’s ICE district and university hubs, Calgary’s inner city and Mission districts, Regina’s Parliament neighbourhood and key neighbourhoods in Surrey and Abbotsford, BC.



A responsible corporate citizen

Mainstreet is deeply committed to maintaining the highest standards of social responsibility. Throughout the ongoing war in Ukraine, we have taken in displaced refugees. During the Covid-19 pandemic, we waived rental payments for struggling tenants; delayed rent increases; halted evictions; and allocated additional financial resources toward safety provisions to support our customers. This follows Mainstreet’s long history of helping vulnerable citizens in need, where we have supported families impacted by the Slave Lake and Fort McMurray wildfires, or victims of conflict in Syria and Afghanistan. We believe the social benefits of such actions far outweighed any short-term financial losses.

A dedication to equality and inclusiveness

Ever since Mainstreet’s inception, diversity and inclusion has been a key pillar of our identity, helping the Corporation build a highly dynamic and unified workforce. This includes maintaining gender balance among our staff, and supporting historically marginalized groups like the LGBTQ2S community.

Decade of Dedication

We deeply appreciate our people, and want thank some of our most dedicated for a decade of team work.

OVER 26 YEARS >

"At Mainstreet, we don't have staff or employees; we have a team. Not just people working in the same building, but people working together for the same purpose: providing quality affordable homes. Our team's dedication is reflected in the optimistic faces of refugee families starting over, in those of young students just starting out who have found an affordable place to call home with Mainstreet. Our team makes home happen. We are proud to have built one of the world's most inclusive companies, a place with an open-door policy that ensures transparency and open communication across our team because we know you win the game by passing the ball over, not up or down.

We are proud of our team."



Bob Dhillon

Founder, President
& CEO



CREE ENGLISH MANDARIN CANTONESE ARABIC FRENCH RUSSIAN POLISH CROATIAN
TAGALOG SOMALI SHANGHAINESE AMHARICA TIGRINYA TELUGU BANGALA ITA



< OVER 8 YEARS

GREEK PUNJABI HINDI URDU GERMAN SPANISH KOREAN JAPANESE PORTUGUESE NEPALESE
 ALIAN THAI GUJARATI CZECH ROMANIAN PATOIS HAKKA ARMENIAN UKRAINIAN KAZAKH

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") provides an explanation of the financial position, operating results, performance and outlook of Mainstreet Equity Corp. ("Mainstreet" or the "Corporation") as at and for the fiscal years ended September 30, 2025 and 2024. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic and political conditions. Additionally, other events may occur that could affect the Corporation in the future. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements and accompanying notes for the fiscal years ended September 30, 2025 and 2024. The audited 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). This MD&A has been reviewed and approved by the Audit Committee and Board of Directors of the Corporation and is effective as of December 15, 2025. All amounts are expressed in Canadian dollars. Additional information regarding the Corporation including the Corporation's annual information form ("AIF") is available under the Corporation's profile at SEDAR+ (www.sedarplus.ca).

Unless indicated otherwise, reference herein to 2025 and 2024 refers to the fiscal years ended September 30, 2025 and 2024, respectively.

FORWARD-LOOKING INFORMATION

Certain statements contained herein constitute "forward-looking statements" as such term is used in applicable Canadian securities laws. These statements relate to analysis and other information based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, statements concerning: estimates related to the effect of rising interest rates on the Corporation, the effect that inflation will have on: (i) the Corporation's tenants and the effect on credit risk; and (ii) the cost of renovations and other expenses, disruptions effecting the global supply chain and energy and agricultural markets (including as a result of geopolitical turmoil), future acquisitions, dispositions and capital expenditures, future vacancy rates, increase of rental rates and rental revenue, future revenue, income and profitability, timing of refinancing of debt, access to low-cost long-term Canada Mortgage and Housing Corporation ("CMHC") insured mortgage loans, benefits from shorter term mortgages in the short term, the amount of liquidity the Corporation will have access to in the current and subsequent fiscal years, including the amount of funds to be raised through up-financing of maturing mortgages and financing of clear titled assets after stabilization, the potential changes in interest and mortgage rates, completion timing and costs of renovations, benefits of renovations, funds to be expended on renovations in fiscal year 2026 and the sources thereof, increased funds from operations and cash flow, access to capital, minimization of operating costs, the Corporation's liquidity and financial capacity, the Corporation's intention and ability to make distributions to shareholders in fiscal 2026, rental conditions and vacancy rates, rates of international immigration and population growth in areas where Mainstreet operates, the period of time required to stabilize a property, future climate change impact, the Corporation's strategy and goals and the steps it will take to achieve them, changes in zoning laws and potential benefits to Mainstreet as a result of the same, the Corporation's anticipated funding sources to meet various operating and capital obligations, key accounting estimates and assumptions used by the Corporation, the attraction and hiring of additional personnel, the effect of changes in legislation on the rental market, expected cyclical changes in cash flow, net operating income and operating margins, the effect of environmental regulations on financial results, the effect of income taxes on the Corporation, the handling of any future conflicts of interests of directors or officers, the effects of cyber incidents on the Corporation (including the effect of the cybersecurity incident which occurred on May 2, 2024), the benefits in trading volume from the Corporation's new dividend policy, and other factors and events described in this document should be viewed as forward-looking statements to the extent that they involve estimates thereof. The estimates, beliefs and assumptions of the Corporation are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions of future events or performance (often, but not always, using such words or phrases as "seeks", "believe", "foresee", "projects", "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might", "will", or are "likely" to be taken, occur or be achieved, or similar expressions) are not statements of historical fact and should be viewed as forward-looking statements.

Such forward-looking statements are not guarantees of future events or performance and by their nature involve known

and unknown risks, uncertainties and other factors, including those risks described in the Corporation's AIF, dated December 15, 2025 under the heading "Risk Factors," that may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, the effect of inflation on consumers and tenants, the effect of rising mortgage and interest rates on the Corporation, including its financing costs, challenges related to up-financing maturing mortgages or financing of clear titled assets after stabilization, disruptions in global supply chains, labour shortages, the length and severity of geopolitical conflict and the occurrence of additional global turmoil and its effects on global markets and supply chains, changes in government policies regarding immigration and international students, cyber-incidents Corporation (including the effect of the cybersecurity incident which occurred on May 2, 2024), costs and timing of the development or renovation of existing properties, availability of capital to fund stabilization programs, other issues associated with the real estate industry including availability of labour and costs of renovations, supply chain issues, fluctuations in vacancy rates, general economic conditions, trade policies and tensions, including changes in, or the imposition of tariffs and/or trade barriers and the economic impacts, volatility and uncertainty resulting therefrom, competition for tenants, unoccupied units during renovations, rent control, fluctuations in utility and energy costs, carbon tax increases, environmental and other liabilities, effects of climate change, credit risks of tenants, availability of capital, changes in legislation and regulatory regime applicable to the corporation, loss of key personnel, a failure to realise the benefit of acquisitions and/or renovations, the effects of severe weather events on the Corporation's properties, climate change, public health measures (including travel and post-secondary restrictions), uninsured losses, fluctuations in the capital markets and the trading price of the Common Shares, conflicts of interest of the Corporation's directors and officers, and other such business risks as discussed herein. This is not an exhaustive list of the factors that may affect Mainstreet's forward-looking statements. Other risks and uncertainties not presently known to the Corporation could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include, among others, the impact of economic conditions in Canada and globally including as a result of inflation, interest rate increases, supply shortages, trade policies and tensions, including changes in, or the imposition of tariffs and/or trade barriers and the economic impacts, volatility and uncertainty resulting therefrom, and geopolitical turmoil, the Corporation's future growth potential, prospects and opportunities, the direction of the residential rental environment, trends in interest and mortgage costs, access to capital markets to fund (at acceptable costs), the future growth program to enable the Corporation to refinance debts as they mature, changes in tax laws, mortgage rules and other temporary legislative changes in respect of pandemics or otherwise, and the availability of purchase opportunities for growth in Canada.

Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance actual results will be consistent with these forward-looking statements and no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur at all, or if any of them do so, what benefits that Mainstreet will derive from them. As such, undue reliance should not be placed on forward-looking statements. Certain statements included in this MD&A may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A. Readers are urged to consider these risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements, which are based only on information available to us as of the date of this MD&A and such other date specified herein. Except as required by law, the Corporation undertakes no obligation to publicly update or revise any forward-looking statements, whether written or oral, that may be as a result of new information, future events or otherwise.

Forward-looking statements are based on management's beliefs, estimates and opinions on the date the statements are made, and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions should change except as required by applicable securities laws.

Management closely monitors factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements and will update those forward-looking statements where appropriate in its annual and quarterly financial reports.

Past performance is not indicative of or a guarantee of future results. There can be no assurance that comparable results will be achieved in the future, that targeted returns, growth objectives, diversification, or asset allocations will be met or that an investment strategy or investment objectives will be achieved (because of economic conditions, the availability of appropriate opportunities or otherwise). Due to various risks, uncertainties and changes (including changes in economic, operational, political or other circumstances) beyond the Corporation's control, the actual performance of the business could differ materially from the target returns and growth objectives set forth herein.

In addition, industry experts may disagree with the assumptions used in presenting the target returns and growth objectives. No assurance, representation or warranty is made by any person that the target returns, or growth objectives will be achieved, and undue reliance should not be put on them.

This MD&A includes forward-looking information about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action and that is not presented in the format of a historical balance sheet, income statement or cash flow statement ("Financial Outlook"). Actual results may vary from the Financial Outlook summarized in this MD&A. Management of the Corporation has approved the Financial Outlook as of December 15, 2025. The Financial Outlook has been included in this MD&A to provide readers with disclosure regarding the Corporation's reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the Financial Outlook may not be appropriate for other purposes.

Certain of the information contained herein is based on or derived from information provided by independent third-party sources. While the Corporation believes that such information is accurate as of the date it was produced and that

the sources from which such information has been obtained are reliable, the Corporation makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness or completeness of any of the information or the assumptions on which such information is based, contained herein, including but not limited to, information obtained from third parties.

NON-IFRS MEASURES

Mainstreet prepares and releases unaudited interim condensed consolidated financial statements and audited consolidated annual financial statements in accordance with IFRS. In this MD&A and in any earnings releases, as a complement to results provided in accordance with IFRS, Mainstreet also discloses and discusses certain financial measures not recognized under IFRS and that do not have standard meanings prescribed by IFRS. These non-IFRS measures are prepared in accordance with the Real Property Association of Canada's ("REALPAC"), a leading national industry association of investment real estate. These include funds from operations ("FFO"), FFO before current income taxes, FFO per share and FFO before current income tax per share. FFO is widely accepted as a supplemental measure of the performance of Canadian real estate entities, and management believes these non-IFRS measures are relevant measures to maintain comparability in operating performance. FFO is defined as profit before change in fair value, deferred income taxes and depreciation of property and equipment excluding depreciation of items which are not uniquely significant to the real estate industry (for example, computers or vehicles).

These non-IFRS financial measures should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures or other financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similarly titled measures reported by other issuers. The Non-IFRS measures should not be construed as alternatives to net profit (loss) or cash flows from operating activities determined in accordance with IFRS as indicators of Mainstreet's performance. Reconciliation of FFO to profit, the most directly comparable IFRS measure is provided in the table and the footnotes thereto, under the heading "Review of Financial & Operating Results – Summary of Financial Results".

Prior to fiscal 2024 Mainstreet had not incurred any material amounts of current income tax expense. As the Corporation continues its strong financial growth, Mainstreet has started to incur current income tax. As the calculation of FFO does include current income taxes, Mainstreet has chosen to present FFO in this MDA both before and after current income taxes, so that readers are able to: (i) compare FFO before current income taxes to prior quarterly and annual disclosures of FFO by Mainstreet (which did not include current income taxes, as no material current income tax expense was incurred by Mainstreet in prior periods); and (ii) also be able to receive the actual FFO for 2025, which is inclusive of current income taxes, and compare the same to other entities that report FFO inclusive of current income taxes.

OPERATIONS OVERVIEW

Leasing and tenant support: Mainstreet has leveraged its technological investment in the Yardi System which enables paperless leasing processes. The Yardi System significantly improved Mainstreet's operational efficiencies and competitive edge. Mainstreet believes in timely, transparent communication and provides regular updates to both its tenants and team members through various channels.

Team Member Support: The Corporation maintains a high level of personal protective equipment for its team members. Mainstreet continues to ensure ongoing regular communication with its leadership and operational teams to assess and support any needs of its team members.

Acquisitions: Mainstreet continued its acquisition activity in 2025 and has actively taken advantage of opportunities to acquire undervalued assets. In 2025, Mainstreet acquired \$53.1 million (415 units including 1 commercial units) in new acquisitions in Alberta, British Columbia and Saskatchewan. Subsequent to Q4 2025, Mainstreet acquired additional \$68.3 million (348 units) in new acquisitions in the Alberta and British Columbia.

Refinancing: Mainstreet continues to reposition its unstabilized properties and continues to have access to mortgage debt. In 2025, the Corporation assumed one mortgage from the acquisition of property, financed six maturing mortgages and 57 clear title properties for additional net funding of \$436.7 million at an average interest rate of 3.61%.

Liquidity: Liquidity is an important measure of the availability of sufficient cash to fund ongoing business activities, and capital and liability commitments. Liquidity is defined to include cash and cash equivalents on hand plus estimated new financings of clear title assets and up-financings of maturing mortgages. Assuming current lending criteria remain mainly unchanged, plus the available credit Mainstreet has access to under its approved line of credit, Mainstreet estimates it will have access to approximately \$900 million¹ in available liquidity in 2026, which management believes is sufficient for its operations, including to addressing any inherent uncertainty surrounding geopolitical matters, supply chain disruptions, inflation, interest rate increases and rent control measures, all while continuing to support its stakeholders.

EFFECT OF MARKET FORCES ON MAINSTREET

The Corporation has seen its overall occupancy stabilizing around 95% in 2025 and is cautiously monitoring the trend for the following periods. There is a risk that the Corporation could be adversely affected due to market changes particularly in supply, inflation, labour force, interest rates and regional rent controls. Canada saw significant inflation in the latter part of 2023, the effects of which have continued to be felt in 2025. In addition, sustained higher housing prices, substantial supply constraints, international trade uncertainty and geopolitical conflicts, have increased prices for energy and agricultural markets and there has also been significant disruption to the global supply chain in recent years. Further, as labour and material shortages persist, the expected onset of a new supply of rental housing may take longer as construction completion times are extended. All of this increases the Corporations supply risk.

Please refer to the section titled "Risk Assessment and Management" in this MD&A.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RESPONSIBILITY

ESG responsibility has been an important part of Mainstreet's culture and values for many years. Mainstreet continues to take steps to: (i) introduce measures which it believes will improve the energy efficiency of its properties, (ii) attract and retain the best employees, (iii) create a safe and healthy environment for all of its employees and residents, (iv) build strong relationships with its tenants and the communities in which they live, and (v) maintain transparent and open communication with its employees, tenants and investors.

The following sets forth some of the programs and practices that Mainstreet already has in place to foster a positive impact in its business.

ENVIRONMENTAL

The Corporation is continuously looking for ways to make its operations more sustainable and has taken positive steps in furtherance of this goal, including:

- Adopting a policy to obtain a Phase 1 environmental report conducted by independent environmental consultants for newly acquired and financed buildings and committing to implement the recommendations wherever possible to

¹ Including \$143 million cash-on-hand, \$622 million estimated funds that may be available through financing of clear-titled assets after stabilization, and a \$135 million line of credit. The \$143 million cash-on-hand represents a total of \$315 million cash-on-hand, less \$172 million that will be used to pay off maturing mortgages in the short-term.

improve its environmental practices;

- Utilizing LED lights, as well as low flush toilets and water conserving shower heads;
- Replacing windows, roofs, sidings, old appliances and boilers with new energy efficient alternatives whenever possible;
- Utilizing sub-metering to encourage residents to be more efficient in utility usage;
- Currently conducting a review in respect of installing charging stations for electric vehicles on Mainstreet's properties; and
- Continuously looking for, and participating in, new energy saving programs, including utilizing new energy saving devices wherever possible and working towards further quantifying the results with certain applied metrics.



Bird e-Scooters parked on a branded parking pad outside an inner-city Calgary Mainstreet building.

Mainstreet's partnership with Bird drives home our commitment to sustainability.



Mainstreet purchases buildings along bike paths and retrofit the properties with bike racks and scooter parking pads to empower our tenants to live sustainably without sacrificing convenience, and demonstrate that we understand what they're looking for.

SOCIAL COMMUNITY INVESTMENT

The Corporation strives to give back in a number of meaningful ways, including the following initiatives:

- Participating in various housing assistance programs designed to assist those who have lost their homes due to natural disasters, such as wildfires or through conflicts, such as Syrian, Afghan and Ukrainian refugees;
- Partnering with various social organizations such as Calgary Housing, the Mustard Seed and the Homeless Society, to provide affordable housing for those members of the community who may not otherwise be able to access affordable and secure housing; and
- Working with various social assistant program such as, Calgary's Love with Humanity Association, to make food donations and install food banks in Mainstreet's buildings to provide supports to residents and communities experiencing financial challenges.



In 2024, Mainstreet's Edmonton team joined Terry Fox Run and "Telus" initiative of giving back to the community events.



In 2024, our SK team organized community BBQs to foster connection and engagement, providing meals to customers and community members. In BC, we complemented these efforts with a beach and park cleanup initiative, highlighting our commitment to community and environmental stewardship.





EMPLOYEE ENGAGEMENT

The Corporation creates a positive experience for team members through numerous programs, including:

- Prioritizing training and development, by offering learning opportunities to team members both internally, through on-the-job training, and in academic settings, to facilitating internal advancement and promotions wherever possible;
- Providing annual evaluations of its team members' performance, for the purpose of identifying and supporting career growth and development opportunities for such team members;

• Offering a healthy and safe work environment by providing all team members with competitive medical benefits, short and long-term disability plans, and life insurance plans. The Corporation has set up occupational health and safety

committees with representatives in all cities where the Corporation's team members are located, which committees meet regularly to assist in safety trainings and inspections;

- Working to ensure that all human resource policies and practices are non-discriminatory and actively promote a diverse workforce, as evidenced by the diversity of the Corporation's management team; and
- Adopting a whistle-blower policy, the details of which can be found in each employee's handbook, to empower and encourage its team members to report their concerns and complaints regarding the accuracy and integrity of the Corporation's accounting, auditing and financial reporting or any violations or possible violations of applicable laws, rules or regulations or the Corporation's Code of Business Conduct and Ethics, in a confidential manner without fear of reprisal.

GOVERNANCE

The Corporation is committed to maintaining the highest ethical standards through a strong governance framework and an experienced Board of Directors. The Corporation has a diverse and gender-balanced executive leadership team and a well-rounded and experienced Board of Directors, which adheres to the highest standards of governance.

The Corporation has developed a clear business strategy and organizational structure, which sets out clearly the roles and accountabilities of each team member of the organization. The Corporation has ensured that it has the proper resources for its members to succeed in implementing its business strategy, including in respect of human resources, specialized skills, organizational infrastructure, technology and financial resources.

The Board of Directors has constituted several committees to assist it in achieving the highest standards of governance, including an audit committee, an executive committee, a human resources committee, a risk management committee, a safety committee and a cyber security committee.

In addition, the Corporation has set up internal health and safety committees in each location it operates out of to ensure the healthiest environment possible in all of the properties owned by the Corporation.

BUSINESS OVERVIEW

Based in Calgary, Alberta, Mainstreet is a Canadian real estate corporation focused on the acquisition, redevelopment, repositioning and management of mid-market rental apartment buildings in six major Canadian markets: British Columbia (including Vancouver Lower Mainland, Vancouver Island, Okanagan, and Northern BC), Calgary (including the City of Airdrie, the City of Lethbridge, and the Town of Cochrane), Edmonton (including the City of Fort Saskatchewan), Saskatoon, Regina and Winnipeg.

Mainstreet is listed on the Toronto Stock Exchange ("TSX") and its common shares are traded under the symbol "MEQ".

BUSINESS STRATEGY

Mainstreet's goal is to become Canada's leading provider of affordable mid-sized, mid-market rental accommodations – typically properties with fewer than 100 units. In pursuit of this goal, the Corporation adheres to its six-step "Value Chain" business model:

- **Acquisitions:** Identify and purchase underperforming rental units at prices well below replacement costs;
- **Capital improvements:** Increase the asset value of Mainstreet's portfolio by renovating acquired properties;
- **Operational efficiencies:** Minimize operating costs through professional management, efficient technology and energy-saving equipment;
- **Value enhancement:** Reposition renovated properties in the market as Mainstreet-branded products for higher rents, and build and sustain customer loyalty through high levels of service;
- **Financing:** Maintain a sound capital structure with access to low-cost, long-term Canada Mortgage and Housing Corporation ("CMHC") insured mortgage loans; and
- **Divestitures:** Occasionally sell mature real estate properties to redirect capital into newer, higher potential properties.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements of the Corporation prepared in conjunction with this MD&A have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board ("IFRS").

Investment properties

Investment properties are properties held to earn rental income and are initially measured at cost. Cost includes the initial purchase price and any direct attributable expenditure related to the acquisition and improvement of the properties. All costs associated with upgrading the quality and extending the economic life of the investment properties are capitalized as an additional cost of the investment properties.

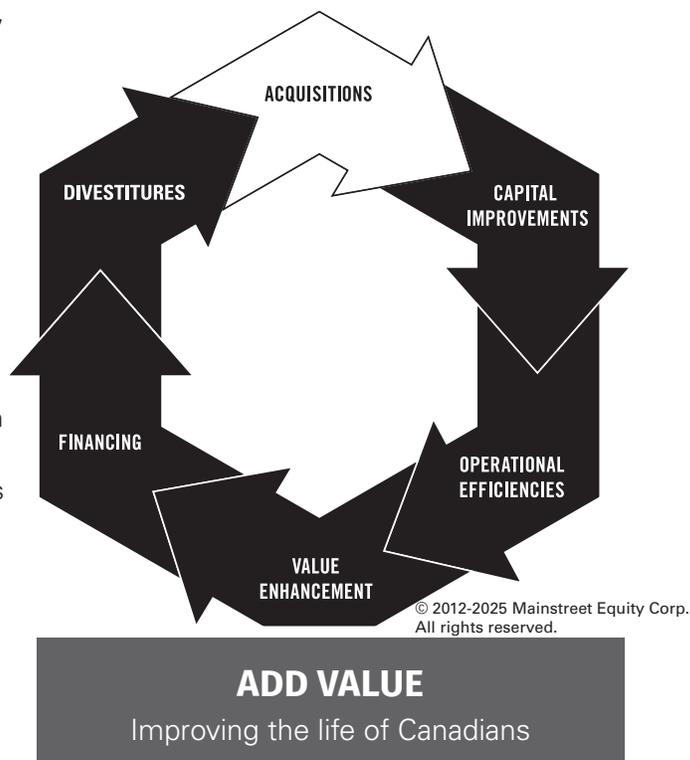
After initial recognition, the Corporation adopts the fair value model to account for the carrying value of investment properties in accordance with International Accounting Standard ("IAS") 40 Investment Property ("IAS 40").

Method used in determining the Fair Value of investment properties

Fair value is determined based on a combination of internal and external valuation processes. Changes 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.

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.

The Mainstreet VALUE CHAIN



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.

Properties are selected on a rotational basis and approximately 40% of the Corporation's portfolio is externally valued annually.

The fair values are most sensitive to changes in net operating income and capitalization rates. Mainstreet's total portfolio is valued at \$3.7 billion as of September 30, 2025 (\$3.4 billion as of September 30, 2024). The following is the breakdown of market value by city and average capitalization rates used in determining the fair value of investment properties at September 30, 2025 and September 30, 2024, respectively.

| As at September 30, 2025 | Average | | | | capitalization |
|--|----------------------|-----------------|--------------------------|--------------------------------|-------------------------------|
| | Number of properties | Number of units | Market value (\$million) | Average value per unit (\$000) | rate as at September 30, 2025 |
| Lower Mainland, British Columbia (Note 1) | 39 | 3,236 | \$ 1,013 | 313 | 3.97% |
| British Columbia excluding Lower Mainland (Note 2) | 25 | 1,112 | 168 | 151 | 5.48% |
| Calgary, Alberta (Note 3) | 119 | 3,972 | 946 | 238 | 5.84% |
| Edmonton, Alberta (Note 4) | 175 | 6,389 | 1,027 | 161 | 5.79% |
| Saskatoon, Saskatchewan | 63 | 2,644 | 383 | 145 | 5.70% |
| Regina, Saskatchewan | 62 | 991 | 145 | 146 | 5.99% |
| Winnipeg, Manitoba | 4 | 405 | 49 | 121 | 5.50% |
| Total investment properties | 487 | 18,749 | \$ 3,731 | \$ 199 | 5.29% |

Note (1) – includes the City of Abbotsford, the City of Chilliwack, the City of Maple Ridge, the City of New Westminister and the City of Surrey

Note (2) – includes the City of Courtenay, the City of Esquimalt, the City of Kamloops, the City of Nelson, the City of Penticton, the City of Prince George, the City of Vernon, the City of Victoria and the City of Duncan

Note (3) – includes the City of Lethbridge, the Town of Cochrane and the City of Airdrie

Note (4) – includes the City of Fort Saskatchewan and the City of Red Dee

| As at September 30, 2024 | Average | | | | capitalization |
|--|----------------------|-----------------|--------------------------|--------------------------------|-------------------------------|
| | Number of properties | Number of units | Market value (\$million) | Average value per unit (\$000) | rate as at September 30, 2024 |
| Lower Mainland, British Columbia (Note 1) | 37 | 3,183 | \$ 966 | 303 | 3.87% |
| British Columbia excluding Lower Mainland (Note 2) | 22 | 999 | 143 | 143 | 5.42% |
| Calgary, Alberta (Note 3) | 117 | 3,907 | 843 | 216 | 6.11% |
| Edmonton, Alberta (Note 4) | 173 | 6,217 | 910 | 146 | 5.85% |
| Saskatoon, Saskatchewan | 63 | 2,643 | 362 | 137 | 5.49% |
| Regina, Saskatchewan | 62 | 991 | 148 | 149 | 5.88% |
| Winnipeg, Manitoba | 4 | 405 | 35 | 86 | 5.79% |
| Total investment properties | 478 | 18,345 | \$ 3,407 | \$ 186 | 5.28% |

Note (1) – includes the City of Abbotsford, the City of Chilliwack, the City of Maple Ridge, the City of New Westminister and the City of Surrey

Note (2) – includes the City of Courtenay, the City of Esquimalt, the City of Kamloops, the City of Nelson, the City of Penticton, the City of Prince George, the City of Vernon, and the City of Victoria

Note (3) – includes the City of Lethbridge, the Town of Cochrane and the City of Airdrie

Note (4) – includes the City of Fort Saskatchewan

ACQUISITIONS & GROWTH

(000s of dollars)

For the year ended September 30,

| | 2025 | 2024 |
|----------------------------------|---|--|
| | Abbotsford, Calgary, Edmonton, Prince George, Red Deer, Saskatoon, Cochrane, Chilliwack, Duncan | Airdrie, Calgary, Courtenay, Chilliwack, Edmonton, Maple Ridge, Prince George, Saskatoon, Victoria |
| Number of rental units | 415 | 1,296 |
| Total costs | \$ 53,148 | \$ 178,006 |
| Average price per apartment unit | \$ 128 | \$ 137 |

Employing a strict set of criteria, Mainstreet identifies and acquires underperforming rental properties in major residential centres in Western Canada that offer the potential to enhance the Corporation's asset value and its long-term revenues through increased rental rates. In 2025, Mainstreet acquired 415 investment property units in the Provinces of Alberta, British Columbia, and Saskatchewan for a total consideration of \$53.1 million. Since Mainstreet's previous financial year-end (September 30, 2024), the Corporation has grown its portfolio of investment properties by 2%.

As of September 30, 2025, Mainstreet's portfolio included 18,739 units in its investment properties, 10 units in freestanding commercial properties and 50 units in a property being held for sale. The portfolio excludes two regional office buildings and two warehouses which are classified as property and equipment. Mainstreet's investment properties include townhouses, garden-style apartments, concrete mid-rise and high-rise apartments and condo suites. As of September 30, 2025, a total of 95% of Mainstreet's units in its investment properties were rented, while 2% were being renovated and the remaining 3% were left vacant.

Since 1997, the Corporation's investment property portfolio has increased from 10 to 487 buildings, while the fair value of the investment properties within this portfolio has grown from approximately \$17 million to \$3.7 billion as of September 30, 2025.

The following table demonstrates the growth of the Corporation by region since the end of the previous financial year ended September 30, 2024.

| | Number of units as at Oct. 1, 2024 | Acquisitions 12 months ended Sept. 30, 2025 | Disposition 12 months ended Sept. 30, 2025 | Number of units as at Sept. 30, 2025 | %Growth |
|--|---|--|---|---|---------|
| Lower Mainland, British Columbia (Note 1) | 3,183 | 53 | - | 3,236 | 2% |
| British Columbia excluding Lower Mainland (Note 2) | 999 | 113 | - | 1,112 | 11% |
| Calgary, Alberta (Note 3) | 3,907 | 65 | - | 3,972 | 2% |
| Edmonton, Alberta (Note 4) | 6,217 | 183 | (11) | 6,389 | 3% |
| Saskatoon, Saskatchewan | 2,643 | 1 | - | 2,644 | 0% |
| Regina, Saskatchewan | 991 | - | - | 991 | - |
| Winnipeg, Manitoba | 405 | - | - | 405 | - |
| Investment properties | 18,345 | 415 | (11) | 18,749 | 2% |
| Property held for sale - Calgary, Alberta | 53 | - | (3) | 50 | -6% |

Note (1) – includes the City of Abbotsford, the City of Chilliwack, the City of Maple Ridge, the City of New Westminister and the City of Surrey

Note (2) – includes the City of Courtenay, the City of Esquimalt, the City of Kamloops, the City of Nelson, the City of Penticton, the City of Prince George, the City of Vernon, the City of Victoria and the City of Duncan

Note (3) – includes the City of Lethbridge, the Town of Cochrane and the City of Airdrie

Note (4) – includes the City of Fort Saskatchewan and the City of Red Deer

CAPITAL IMPROVEMENTS

Mainstreet's "Value Chain" business philosophy focuses on creating value in capital assets by renovating newly acquired properties and enhancing operating efficiencies. Every property and rental unit is upgraded to meet Mainstreet's brand standard, creating an attractive product while reducing operating costs and enhancing the long-term asset value. Capital investment also includes expenses incurred on turnover units.

In 2025, the Corporation spent \$36.2 million (2024 - \$31.1 million) on capital improvements, of which \$32.0 million (2024 - \$27.4 million) was for upgrading stabilized properties and improving other holdings – specifically for exterior upgrades such as new roofs, windows, balconies, siding and insulation. These expenditures also covered mechanical and interior upgrades such as new boilers, flooring and paint to address the balance of non-renovated units and to maintain the condition of properties in the current portfolio. Mainstreet currently plans to spend an estimated total of \$41 million on capital improvement during the 2026 fiscal year; however these plans may be revised depending upon economic conditions during fiscal year 2026. These improvements are expected to be financed through existing cash balances, funds from operations and ongoing refinancing of existing properties. Mainstreet expects to complete most of the renovations of its existing properties within the next 6 to 24 months. Revenue and income are expected to increase over time as more units are renovated and reintroduced to the market at anticipated higher rental rates.

Uncertainties affecting future revenue and income include the rate of turnover of existing tenants, supply chain disruptions, increased inflation, the availability of renovation workers and building materials, increases in labour and material costs, increases in interest rates and general economic conditions. All of these uncertainties could have a material impact on the timing and cost of completing these capital improvements.

REVIEW OF FINANCIAL & OPERATING RESULTS

Summary of financial results

(000s of dollars except per share amounts)

| For the year ended | 2025 | 2024 | 2023 | % change 2024 | % change 2023 |
|--|-------------------|-------------------|-------------------|------------------|------------------|
| Gross revenue | \$ 283,843 | \$ 256,520 | \$ 212,461 | 11% | 21% |
| Net profit and total comprehensive income | 287,006 | 199,877 | 109,413 | 44% | 83% |
| Change in fair value | (234,435) | (144,860) | (69,512) | 62% | 108% |
| Gain from disposal of assets | (515) | (2,011) | (443) | -74% | 354% |
| Depreciation | 434 | 719 | 806 | -40% | -11% |
| Current income tax expense | 10,480 | 6,943 | - | 51% | 100% |
| Deferred income tax expense | 43,580 | 30,979 | 28,457 | 41% | 9% |
| Funds from operations before current income tax – Non IFRS Measurement (Note 1) | \$ 106,550 | \$ 91,647 | \$ 68,721 | 16% | 33% |
| Current income tax expense | 10,480 | 6,943 | - | 51% | 100% |
| Funds from operations – Non IFRS Measurement (Note 1) | \$ 96,070 | \$ 84,704 | \$ 68,721 | 13% | 23% |
| Interest income | (7,549) | (6,724) | (2,433) | 12% | 176% |
| General and administrative expenses | 18,866 | 18,177 | 17,230 | 4% | 5% |
| Financing costs | 65,328 | 57,141 | 47,600 | 14% | 20% |
| Depreciation (computer and vehicle) | 188 | 198 | 189 | -5% | 5% |
| Net operating income | \$ 183,383 | \$ 160,439 | \$ 131,307 | 14% | 22% |
| Dividends declared | \$ 1,375 | \$ 769 | \$ - | 79% | 100% |
| Operating margin from operations | 66% | 64% | 63% | | |
| Profit per share | | | | | |
| Basic and fully diluted | \$ 30.80 | \$ 21.45 | \$ 11.74 | 44% | 83% |
| Funds from operations before current income tax per share | | | | | |
| Basic and fully diluted | \$ 11.43 | \$ 9.83 | \$ 7.37 | 16% | 33% |
| Funds from operations per share | | | | | |
| Basic and fully diluted | \$ 10.31 | \$ 9.09 | \$ 7.37 | 13% | 23% |
| Dividends declared per share | \$ 0.16 | \$ 0.11 | \$ - | 45% | 100% |
| Basic and fully diluted | | | | | |
| Weighted average number of shares | | | | | |
| Basic and fully diluted | 9,318,557 | 9,318,818 | 9,320,447 | | |
| Total Assets | \$4,081,210 | \$3,491,433 | \$3,164,992 | | |
| Total Long term liabilities | \$1,984,152 | \$1,787,126 | \$1,680,799 | | |

1. FFO is calculated as profit before change in fair value, deferred income taxes and depreciation of property and equipment excluding depreciation of items which are not uniquely significant to the real estate industry (such as computers or vehicles). FFO is a widely accepted supplemental measure of a Canadian real estate company's performance but is not a recognized measure under IFRS. The IFRS measurement most directly comparable to FFO is profit (for which reconciliation is provided above). FFO should not be construed as an alternative to profit or cash flow from operating activities, determined in accordance with IFRS, as an indicator of Mainstreet's performance. Readers are cautioned that FFO may differ from similar calculations used by other comparable entities. Management believes FFO is useful for readers to determine the operating performance. This information is critical for the Corporation to maintain comparability in operating performance.
2. Prior to fiscal 2024 Mainstreet had not incurred any material amounts of current income tax expense. However, as the Corporation has experienced strong financial growth, Mainstreet has now started to incur current income tax expenses. As the calculation of FFO does include current income taxes, Mainstreet has chosen to present FFO in this MDA both before and after current income taxes, so that readers are able to: (i) compare FFO before current income taxes to prior quarterly and annual disclosures of FFO by Mainstreet (which did not include current income taxes, as no material current income tax expense was incurred by Mainstreet in prior periods); and (ii) also be able to receive the actual FFO for 2024, which is inclusive of current income taxes, and compare the same to other entities that report FFO inclusive of current income taxes.

REVENUE

In 2025, revenue primarily consisted of rental and ancillary revenue totalling \$276.3 million (2024 - \$249.8 million) and interest income. Overall, rental revenue increased 11% as compared to 2024, which is discussed and analysed in the session entitled "Rental Operations" below.

NET PROFIT

For the year ended September 30, 2025, Mainstreet reported a net profit of \$287.0 million (\$30.8 per basic share) as compared to a net profit of \$199.9 million (\$21.5 per basic share) in 2024, including a fair value gain of \$234.4 million in 2025 compared to a fair value gain of \$144.9 million in 2024, which will be further discussed and analysed below.

Net profit is further analysed as follows:

(000s of dollars)

| For the year ended September 30, | 2025 | 2024 | % change |
|--|------------|------------|----------|
| Funds from operations before current income tax expenses | | | |
| -Non IFRS measurement (see Note 1 previous table) | \$ 106,550 | \$ 91,647 | 16% |
| Change in fair value | 234,435 | 144,860 | 62% |
| Gain from disposal of assets | 515 | 2,011 | -74% |
| Depreciation (exclude computer and vehicle) | (434) | (719) | -40% |
| Current income tax expense | (10,480) | (6,943) | 51% |
| Deferred income tax expense | (43,580) | (30,979) | 41% |
| Net profit and total comprehensive income | | | |
| - IFRS measurement | \$ 287,006 | \$ 199,877 | 44% |

Funds from operations in 2025 are further discussed and analysed below.

In 2025, Mainstreet realized a fair value gain of \$234.4 million, compared with a fair value gain of \$144.9 million in 2024. This was mainly due to changes as identified below:

(000s of dollars)

| Change in Fair value | 2025 | 2024 |
|--------------------------------------|------------|------------|
| Lower Mainland, BC (Note 1) | \$ 26,749 | \$ 36,629 |
| BC excluding Lower Mainland (Note 2) | 19,155 | 1,722 |
| Calgary (Note 3) | 90,136 | 75,571 |
| Edmonton (Note 4) | 102,022 | 36,736 |
| Saskatoon | 20,707 | 16,070 |
| Regina | (2,400) | 9,260 |
| Winnipeg | 14,231 | - |
| | 270,600 | 175,988 |
| Capital expenditure | (36,165) | (31,128) |
| Change in fair value | \$ 234,435 | \$ 144,860 |

Note (1) – includes the City of Abbotsford, the City of Chilliwack, the City of Maple Ridge, the City of New Westminister and the City of Surrey

Note (2) – includes the City of Courtenay, the City of Esquimalt, the City of Kamloops, the City of Nelson, the City of Penticton, the City of Prince George, the City of Vernon, the City of Victoria and the City of Duncan

Note (3) – includes the City of Lethbridge, the Town of Cochrane and the City of Airdrie

Note (4) – includes the City of Fort Saskatchewan and the City of Red Deer

The fair value gain represented the change in the market value of the Corporation's investment properties over the years ended September 30, 2025 and 2024. The amount of change was determined by the market value of Mainstreet's investment properties at the year-end dates of September 30, 2025 and 2024, which was regarded as a non-operating expense.

FUNDS FROM OPERATIONS – NON IFRS MEASUREMENT

Management believes that FFO is also a meaningful performance measurement for a real estate company's operating performance. Management considers FFO to be an appropriate measurement of the performance of a publicly listed multi-family residential entity as it is the most widely used and reported measure of real estate investment trust performance. The IFRS measurement most comparable to FFO is profit. FFO excludes changes in fair value, deferred income taxes and depreciation of property and equipment, excluding depreciation of items which are not uniquely significant to the real estate industry (for example, computers and vehicles). Mainstreet generates FFO from three sources: rental and ancillary revenue from investment properties, the sale of properties acquired for resale purposes, and the periodic sale of investment properties. Mainstreet generally reinvests the proceeds from the latter into investment properties with greater potential for long-term returns.

Mainstreet's FFO increased by 13% to \$96.1 million in 2025, compared with \$84.7 million in 2024. FFO before current income tax expenses increased by 16% to \$106.6 million in 2025, compared with \$91.6 million in 2024. The increase in FFO for 2025 was mainly attributable to increased rental revenue, which will be discussed and analysed in the following section entitled "Rental Operations" in this MD&A.

See "Non-IFRS Measures" and Note (1) to the table titled "Summary of Financial Results" for additional information regarding FFO and a reconciliation of FFO to net profit, the most directly comparable IFRS measurement.

GENERAL & ADMINISTRATIVE ("G&A") EXPENSES

G&A expenses mainly include corporate costs such as office overhead, legal and professional fees and salaries. G&A expenses increased by 4% to \$18.9 million in 2025 as compared to \$18.2 million in 2024, mainly due to increased personnel expenses. The Corporation continues to build up its management team in anticipation of continued growth in its core operating regions.

FINANCING COSTS

(000s of dollars)

| For the year ended September 30, | 2025 | 2024 | % Change |
|---|-----------|-----------|----------|
| Mortgage interest | \$ 56,106 | \$ 49,694 | 13% |
| Amortization of deferred financing cost | 9,222 | 7,447 | 24% |
| Financing costs | \$ 65,328 | \$ 57,141 | 14% |

Mortgage interest expenses increased by 13% to \$56.1 million in 2025 from \$49.7 million in 2024.

The rise was mainly attributable to an increase in mortgage loans from refinancing of maturing and new clear title mortgages after the completion of the stabilization process. In 2025, the Corporation assumed one mortgage from the acquisition of property, financed six maturing mortgages and 57 clear title properties for additional net funding of \$436.7 million at an average interest rate of 3.61%.

Five-year CMHC-insured mortgage rates dropped from a peak of 4.57% at the beginning of FY2024 to 3.42% at the end of the FY2025.

RENTAL OPERATIONS

(000s of dollars except per unit data)

| For the year ended September 30, | Total Portfolio | | | Same Asset | | | Acquisition | | |
|--|-----------------|-----------|----------|------------|-----------|----------|-------------|----------|----------|
| | 2025 | 2024 | % change | 2025 | 2024 | % change | 2025 | 2024 | % change |
| Rental and ancillary revenue | \$ 276,294 | \$249,796 | 11% | \$255,196 | \$240,032 | 6% | \$ 21,098 | \$ 9,764 | 116% |
| Operating expenses | 92,911 | 89,357 | 4% | 85,261 | 85,309 | -0.1% | 7,650 | 4,048 | 89% |
| Net operating income | \$ 183,383 | \$160,439 | 14% | \$169,935 | \$154,723 | 10% | \$ 13,448 | \$ 5,716 | 135% |
| Operating margin | 66% | 64% | | 67% | 64% | | 64% | 59% | |
| Average vacancy rate | 4.7% | 3.2% | 48% | 4.7% | 3.2% | 47% | 5.0% | 3.3% | 52% |
| Weighted average number of units | 18,540 | 17,745 | 4% | 17,045 | 17,045 | 0% | 1,495 | 700 | 114% |
| Average rental rate per unit per month | \$ 1,242 | \$ 1,173 | 6% | \$ 1,248 | \$ 1,174 | 6% | \$ 1,176 | \$ 1,162 | 1% |
| Average operating expense per unit per month | \$ 418 | \$ 420 | -0.5% | \$ 417 | \$ 417 | 0% | \$ 426 | \$ 482 | -12% |

The vacancy rate increased to 4.7% in 2025, from 3.2% in 2024, mainly due to acquisitions of unstabilized assets and a softer rental demand in the Corporation's operating markets. In 2024, the Corporation had seen strong rental housing demand throughout its overall portfolio, as a result of a significant increase in inter-provincial migration, immigration, and foreign and domestic students, especially in the provinces of Alberta and Saskatchewan. However, this demand slowed throughout 2025. As of September 30, 2025, overall vacancy in Mainstreet's portfolio was at 5.1%, which was composed of 6.1% in Calgary, 5.9% in Edmonton, 4.4% in Saskatoon, 3.7% in Regina and 4.0% in British Columbia.

Despite the vacancy rate increase, the average monthly rental rate increased 6% to \$1,242 per unit in 2025, compared with \$1,173 per unit in 2024. Overall rental and ancillary revenue increased 11% to \$276.3 million in 2025 as compared to \$249.8 million in 2024. This was mainly due to the increase in rental rates, reduced tenant concessions and the continued growth of the Corporation's portfolio as the average number of units owned by the Corporation increased 4% over the year.

For the same asset properties, which refer to properties owned by the Corporation for the entire twelve-month periods ended September 30, 2025 and 2024, rental and ancillary revenue increased 6% to \$255.2 million in 2025 from \$240.0 million in 2024. The average monthly rental rate increased by 6% to \$1,248 per unit in 2025, from \$1,174 per unit in 2024. The vacancy rate increased to 4.7% in 2025, from 3.2% in 2024, mainly due to a slowdown in demand in the provinces of British Columbia and Alberta, particularly in Calgary.

Mainstreet's overall operating expenses increased 4% to \$92.9 million in 2025, from \$89.4 million in 2024, mainly due to the increase in the number of apartment units.

The overall operating expenses on a per unit basis decreased slightly by 0.5%, while those of the same asset properties have remained the same as in 2024.

As a result, overall net operating income increased 14% to \$183.4 million in 2025, from \$160.4 million in 2024, and net operating margins increased to 66% in 2025, from 64% in 2024.

For the same asset properties, net operating income increased 10% to \$169.9 million in 2025, from \$154.7 million in 2024. The net operating margins increased to 67% in 2025, from 64% in 2024.

RENTAL OPERATIONS BY PROVINCE

Mainstreet manages and tracks the performance of rental properties in each of its geographic markets.

BRITISH COLUMBIA

Mainstreet achieved a 12% increase in rental revenue in its British Columbia portfolio in 2025 primarily due to the Corporation's diversification strategy and an increase in monthly rents on turnovers of units. The Corporation continued its expansion into British Columbia's market in 2024 and 2025, and achieved 10% growth in average unit count in its BC portfolio in 2025. The average vacancy rate increased to 3.7% in 2025 from 1.7% in 2024 due mainly to acquisition of unstabilized assets in 2025 and slowdown of demand in the province. As a net result, rental revenue per unit increased to \$1,274 per month in 2025 from \$1,249 per month in 2024.

Operating expenses per unit decreased 1% to \$336 per month in 2025 compared with \$341 per month in 2024, due mainly to decrease in utility expenses. As a result, net operating income increased 13%, and net operating margins increased to 74% in 2025 from 73% in 2024.

(000s of dollars except per unit data)

| For the year ended September 30, | 2025 | 2024 | % change |
|-----------------------------------|-----------|-----------|----------|
| Rental and ancillary revenue | \$ 65,029 | \$ 58,222 | 12% |
| Operating expenses | 17,150 | 15,903 | 8% |
| Net operating income | \$ 47,879 | \$ 42,319 | 13% |
| Weighted average number of units | 4,255 | 3,884 | 10% |
| Average rent per unit per month | \$ 1,274 | \$ 1,249 | 2% |
| Operating cost per unit per month | \$ 336 | \$ 341 | -1% |
| Average vacancy rate | 3.7% | 1.7% | |
| Operating margin | 74% | 73% | |

ALBERTA

Mainstreet achieved 3% growth in its Alberta portfolio in 2025, with the weighted average number of rental units growing to 10,246 units, compared to 9,903 units in 2024. The rental income increased by 10% to \$156.3 million in 2025 from \$141.8 million in 2024. The average vacancy rate increased to 5.6% in 2025 from 3.6% in 2024, mainly due to a slowdown in demand for apartment rentals in the province, primarily in Calgary. Rental revenue per unit increased 7% to \$1,271 per month in 2025 from \$1,193 per month in 2024 mainly due to increased rental rates in 2025.

Operating expenses per unit decreased 1% to \$446 per month in 2025 compared to \$450 per month in 2024 due mainly to a decrease in repair, maintenance and utility expenses in 2025. As a result, net operating income increased by 15% to \$101.5 million in 2025 from \$88.2 million in 2024, and net operating margin increased to 65% in 2025 from 62% in 2024.

(000s of dollars except per unit data)

| For the year ended September 30, | 2025 | 2024 | % change |
|-----------------------------------|------------|------------|----------|
| Rental and ancillary revenue | \$ 156,333 | \$ 141,760 | 10% |
| Operating expenses | 54,821 | 53,529 | 2% |
| Net operating income | \$ 101,512 | \$ 88,231 | 15% |
| Weighted average number of units | 10,246 | 9,903 | 3% |
| Average rent per unit per month | \$ 1,271 | \$ 1,193 | 7% |
| Operating cost per unit per month | \$ 446 | \$ 450 | -1% |
| Average vacancy rate | 5.6% | 3.6% | |
| Operating margin | 65% | 62% | |

SASKATCHEWAN

Mainstreet achieved an 11% increase in its Saskatchewan portfolio rental revenues in 2025. The average vacancy rate was 3.4% in 2025 compared to 3.4% in 2024. As a result, rental revenue per unit increased 8% to \$1,146 per month in 2025 from \$1,057 per month in 2024.

Operating expenses per unit increased 1% to \$428 per month in 2025, from \$423 per month in 2024 due mainly to an increase in repair and maintenance expenses which was offset by the reduced insurance expenses. As a result, net operating income increased 16% and net operating margins increased to 63% in 2025 from 60% in 2024.

(000s of dollars except per unit data)

| For the year ended September 30, | 2025 | 2024 | % change |
|-----------------------------------|-----------|-----------|----------|
| Rental and ancillary revenue | \$ 49,969 | \$ 45,060 | 11% |
| Operating expenses | 18,677 | 18,017 | 4% |
| Net operating income | \$ 31,292 | \$ 27,043 | 16% |
| Weighted average number of units | 3,634 | 3,552 | 2% |
| Average rent per unit per month | \$ 1,146 | \$ 1,057 | 8% |
| Operating cost per unit per month | \$ 428 | \$ 423 | 1% |
| Average vacancy rate | 3.4% | 3.4% | |
| Operating margin | 63% | 60% | |

MANITOBA

Rental revenue in Mainstreet's Manitoba portfolio has increased by 4% in 2025. The overall average vacancy rate in Manitoba decreased to 3.7% in 2025 from 5.8% in 2024. As a result, the rental revenue per unit increased 4% to \$1,021 per month in 2025 compared to \$978 per month in 2024.

Operating expenses per unit increased to \$466 per month in 2025 compared to \$393 in 2024 due to an increase in utilities expenses, and as a result net operating income decreased by 5% to \$2.7 million in 2025 from \$2.8 million in 2024 and net operating margin decreased to 54% in 2025 from 60% in 2024.

(000s of dollars except per unit data)

| For the year ended September 30, | 2025 | 2024 | % change |
|-----------------------------------|----------|----------|----------|
| Rental and ancillary revenue | \$ 4,963 | \$ 4,754 | 4% |
| Operating expenses | 2,263 | 1,908 | 19% |
| Net operating income | \$ 2,700 | \$ 2,846 | -5% |
| Weighted average number of units | 405 | 405 | 0% |
| Average rent per unit per month | \$ 1,021 | \$ 978 | 4% |
| Operating cost per unit per month | \$ 466 | \$ 393 | 19% |
| Average vacancy rate | 3.7% | 5.8% | |
| Operating margin | 54% | 60% | |

SUMMARY OF QUARTERLY RESULTS³

(000s of dollars except per share amounts)

| | Sep 30, 2025 | Jun 30, 2025 | Mar 31, 2025 | Dec 31, 2024 | Sep 30, 2024 | Jun 30 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 | Mar 31, 2023 | Dec 31, 2022 |
|---|-----------------|-----------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Rental revenue | | | | | | | | | | | | |
| British Columbia | \$ 16,358 | \$ 16,000 | \$ 15,824 | \$ 15,560 | \$ 15,331 | \$ 14,405 | \$ 13,845 | \$ 13,430 | \$ 13,033 | \$ 12,762 | \$ 12,258 | \$ 11,865 |
| Alberta | 39,277 | 38,899 | 38,222 | 37,813 | 37,166 | 36,021 | 34,225 | 32,509 | 31,150 | 30,096 | 29,064 | 27,472 |
| Saskatchewan | 12,470 | 12,433 | 12,220 | 12,125 | 11,829 | 11,223 | 10,857 | 10,525 | 9,690 | 9,236 | 8,857 | 8,680 |
| Manitoba | 1,097 | 1,099 | 1,054 | 1,042 | 1,034 | 1,040 | 1,038 | 992 | 941 | 897 | 549 | 253 |
| Total rental Revenue | \$ 69,202 | \$ 68,431 | \$ 67,320 | \$ 66,540 | \$ 65,360 | \$ 62,689 | \$ 59,965 | \$ 57,456 | \$ 54,814 | \$ 52,991 | \$ 50,728 | \$ 48,270 |
| Ancillary revenue | 1,251 | 1,235 | 1,240 | 1,073 | 1,524 | 633 | 1,283 | 886 | 901 | 907 | 825 | 592 |
| Interest income | 2,621 | 1,963 | 1,816 | 1,149 | 788 | 1,960 | 2,198 | 1,778 | 905 | 876 | 117 | 535 |
| Total revenue from operations | \$ 73,074 | \$ 71,629 | \$ 70,376 | \$ 68,762 | \$ 67,672 | \$ 65,282 | \$ 63,446 | \$ 60,120 | \$ 56,620 | \$ 54,774 | \$ 51,670 | \$ 49,397 |
| Change in fair value | 80,161 | 29,608 | \$ 84,432 | \$ 40,234 | \$ 48,527 | \$ 19,540 | \$ 20,370 | \$ 56,423 | \$ 30,782 | \$ 23,821 | \$ 11,986 | \$ 2,923 |
| Profit/(loss) from operations | 50,462 | 46,561 | \$ 91,469 | \$ 56,232 | \$ 113,526 | \$ 37,484 | \$ 33,610 | \$ 68,548 | \$ 39,495 | \$ 34,196 | \$ 20,720 | \$ 15,002 |
| Net profit (loss) per share | | | | | | | | | | | | |
| -Basic & Diluted | \$ 5.42 | \$ 5.00 | \$ 9.82 | \$ 6.03 | \$ 12.18 | \$ 4.02 | \$ 3.61 | \$ 7.36 | \$ 4.24 | \$ 3.67 | \$ 2.22 | \$ 1.61 |
| Same assets rental and ancillary revenue | | | | | | | | | | | | |
| British Columbia | \$ 14,811 | \$ 14,584 | \$ 14,446 | \$ 14,264 | \$ 14,362 | \$ 13,961 | \$ 13,942 | \$ 13,477 | \$ 12,662 | \$ 12,486 | \$ 12,383 | \$ 12,058 |
| Alberta | 36,859 | 36,716 | 36,603 | 36,159 | 35,841 | 34,776 | 33,753 | 32,582 | 29,243 | 28,389 | 27,582 | 27,240 |
| Saskatchewan | 11,624 | 11,610 | 11,376 | 11,316 | 11,119 | 10,639 | 10,398 | 10,219 | 9,848 | 9,335 | 8,958 | 8,735 |
| Manitoba | 1,274 | 1,276 | 1,215 | 1,200 | 1,197 | 1,199 | 1,213 | 1,152 | 205 | 245 | 262 | 258 |
| Total same assets rental and ancillary revenue | \$ 64,568 | \$ 64,186 | \$ 63,640 | \$ 62,939 | \$ 62,519 | \$ 60,575 | \$ 59,306 | \$ 57,430 | \$ 51,958 | \$ 50,455 | \$ 49,185 | \$ 48,291 |
| Same assets vacancy rate | 4.66% | 4.90% | 4.6% | 4.2% | 3.4% | 2.8% | 3.2% | 3.3% | 4.3% | 4.4% | 4.3% | 4.4% |
| Same assets net operating income | | | | | | | | | | | | |
| British Columbia | \$ 11,996 | \$ 10,874 | \$ 10,137 | \$ 10,340 | \$ 11,174 | \$ 9,922 | \$ 9,905 | \$ 9,584 | \$ 9,834 | \$ 9,252 | \$ 8,549 | \$ 8,826 |
| Alberta | 25,344 | 24,242 | 22,496 | 23,011 | 23,307 | 21,953 | 19,883 | 20,369 | 18,985 | 17,516 | 15,912 | 15,956 |
| Saskatchewan | 7,874 | 7,682 | 6,574 | 6,807 | 7,345 | 6,391 | 5,803 | 5,998 | 5,928 | 5,342 | 4,448 | 4,706 |
| Manitoba | 805 | 774 | 557 | 566 | 837 | 799 | 572 | 644 | 117 | 105 | 53 | 123 |
| Total same assets net operating income | \$ 46,019 | \$ 43,572 | \$ 39,764 | \$ 40,724 | \$ 42,663 | \$ 39,065 | \$ 36,163 | \$ 36,595 | \$ 34,864 | \$ 32,215 | \$ 28,962 | \$ 29,611 |
| Net operating income | \$ 49,914 | \$ 47,029 | \$ 42,715 | \$ 43,724 | \$ 45,654 | \$ 40,453 | \$ 37,287 | \$ 37,045 | \$ 36,848 | \$ 33,999 | \$ 30,357 | \$ 30,103 |
| Funds from operations of stabilized properties | | | | | | | | | | | | |
| - Non-IFRS measurement (Note 1) | \$ 23,575 | \$ 20,990 | \$ 19,154 | \$ 19,528 | \$ 20,365 | \$ 19,121 | \$ 15,993 | \$ 15,908 | \$ 18,045 | \$ 15,382 | \$ 11,838 | \$ 12,868 |
| Funds from operations-before current income tax expense | | | | | | | | | | | | |
| - Non-IFRS measurement | \$ 30,038 | \$ 27,535 | \$ 23,604 | \$ 25,374 | \$ 26,800 | \$ 23,479 | \$ 20,624 | \$ 20,711 | \$ 21,062 | \$ 17,845 | \$ 14,144 | \$ 15,670 |
| Funds from operations | | | | | | | | | | | | |
| - Non-IFRS measurement | \$ 26,741 | \$ 24,335 | \$ 21,974 | \$ 23,021 | \$ 24,218 | \$ 22,128 | \$ 19,025 | \$ 19,333 | \$ 21,062 | \$ 17,845 | \$ 14,144 | \$ 15,670 |
| Funds from operations of stabilized properties per share - Non-IFRS measurement | | | | | | | | | | | | |
| -Basic & Diluted | \$ 2.53 | \$ 2.25 | \$ 2.06 | \$ 2.10 | \$ 2.19 | \$ 2.05 | \$ 1.72 | \$ 1.71 | \$ 1.94 | \$ 1.65 | \$ 1.27 | \$ 1.38 |
| Funds from operations before current income tax expense per share - Non-IFRS measurement (Note 3) | | | | | | | | | | | | |
| -Basic & Diluted | \$ 3.22 | \$ 2.95 | \$ 2.53 | \$ 2.72 | \$ 2.88 | \$ 2.52 | \$ 2.21 | \$ 2.22 | \$ 2.26 | \$ 1.91 | \$ 1.27 | \$ 1.38 |
| Funds from operations per share | | | | | | | | | | | | |
| - Non-IFRS measurement (Note 3) | | | | | | | | | | | | |
| -Basic & Diluted | \$ 2.87 | \$ 2.61 | \$ 2.36 | \$ 2.47 | \$ 2.60 | \$ 2.37 | \$ 2.04 | \$ 2.07 | \$ 2.26 | \$ 1.91 | \$ 1.52 | \$ 1.68 |
| Average vacancy rate | | | | | | | | | | | | |
| British Columbia | 4.1% | 4.2% | 3.8% | 2.7% | 2.0% | 1.6% | 1.8% | 1.5% | 1.7% | 1.8% | 1.3% | 0.8% |
| Alberta | 5.9% | 6.1% | 5.3% | 5.1% | 4.1% | 3.1% | 3.3% | 3.7% | 4.8% | 4.6% | 4.4% | 4.4% |
| Saskatchewan | 3.8% | 2.9% | 3.5% | 3.3% | 2.9% | 3.0% | 4.3% | 3.3% | 4.5% | 6.3% | 7.3% | 7.8% |
| Manitoba | 2.3% | 2.3% | 4.4% | 5.6% | 5.8% | 4.6% | 4.3% | 8.4% | 12.0% | 17.3% | 14.8% | 10.2% |
| Total average vacancy rate | 5.0% | 5.0% | 4.6% | 4.2% | 3.4% | 2.8% | 3.2% | 3.3% | 4.3% | 4.7% | 4.5% | 4.4% |

³ See "Non-IFRS Measures" and Note (1) to the table titled "Summary of Financial Results" for additional information regarding FFO and a reconciliation of FFO to net profit, the most directly comparable IFRS measurement.

Highlights of the Corporation's financial results for the fourth quarter ended September 30, 2025:

- Total revenue increased to \$73.1 million, compared to \$71.6 million in Q3 2025 and \$67.7 million in Q4 2024.
- Rental and ancillary revenue increased to \$70.5 million, compared to \$69.7 million in Q3 2025 and \$66.9 million in Q4 2024.
- Profit from operations increased to \$50.5 million, compared to \$46.6 million in Q3 2025, but decreased compared to \$113.5 million in Q4 2024.
- Average vacancy rate for the quarter was 5.0%, compared with 5.0% in Q3 2025 and 3.4% in Q4 2024.
- Change in fair value for the quarter was a gain of \$80.2 million, compared to a gain of \$29.6 million in Q3 2025 and a gain of \$48.5 million in Q4 2024.
- Net operating income for the quarter was \$49.9 million, an increase of 6% from \$47.0 million in Q3 2025 and a 9% increase from \$45.7 million in Q4 2024.
- Mainstreet's same asset vacancy rate was 4.7% in Q4 2025, a decrease from 4.9% in Q3 2025 and a decrease from 3.4% in Q4 2024. Same asset revenues were \$64.6 million in Q4 2025, an increase from \$64.2 million in Q3 2025 and \$62.5 million in Q4 2024.
- Net operating income on a same asset basis for the quarter was \$46.0 million, a 6% increase from \$43.6 million in Q3 2025 and a 8% increase from \$42.7 million in Q4 2024.
- FFO for the quarter were \$26.7 million, a 10% increase from \$24.3 million in Q3 2025 and a 10% increase from \$24.2 million in Q4 2024. See "Non-IFRS Measures".
- FFO related to stabilized properties were \$23.6 million in Q4 2025, a 12% increase from \$21.0 million in Q3 2025 and a 16% increase from \$20.4 million in Q4 2024. See "Non-IFRS Measures".

Discussion of the Corporation's fourth quarter ended September 30, 2025:

The changes in financial results for Q4 2025 are primarily attributable to the increases in vacancy rates in certain markets, rental rates across operating markets, interest rates, and variations in utility rates and vacancy resulting from renovations to certain properties.

The Corporation's revenues and operations are not materially impacted by seasonality; however, Mainstreet tends to see higher operating costs in the first and second quarters due to higher utility expenses in the winter seasons.

STABILIZED PROPERTIES

The Corporation focuses on the acquisition of underperforming properties, renovating them and repositioning the renovated properties in the market at current market rents. Underperforming properties have typically been poorly managed, with substantial deferred maintenance and rents that are often well below current market rental rates.

The Corporation refers to such underperforming properties acquired as "unstabilized properties"; and to the process of renovating and repositioning those acquired unstabilized properties as the "stabilization process". After completion of the stabilization process, such properties are referred to as "stabilized properties". The period of time required for the completion of renovations and repositioning of renovated properties at current market rents depends on the condition of the properties acquired, the amount of renovation work required to bring the property up to Mainstreet's standards and the applicability of rent control legislation to those properties, according to the provinces in which they are acquired.

Based upon the Corporation's past experience, the average period required for the stabilization process is approximately two years in provinces without statutory rent controls, such as the provinces of Alberta and Saskatchewan. In British Columbia, due to applicable statutory rent controls, the allowable annual rent increase for existing tenants is determined by the Tenancy Board of the province of British Columbia (thereby potentially decreasing tenant turnover rate and delaying rent increases to current market levels). For this reason, past experience suggests the average stabilization process in British Columbia is approximately three years.

As of September 30, 2025, 441 properties (16,496 units) out of 487 properties (18,749 units) were stabilized. The following table summarizes the change of the Corporation's stabilized and unstabilized units since the beginning of fiscal year 2025. The portfolio includes 2,253 unstabilized units with an aggregate fair value of \$331 million. These properties are primarily measured at initial cost, which comprises the purchase price and any directly attributable expenditures incurred in connection with the acquisition.

| | Oct. 1, 2024 | % | Acquisition/ Creation | Disposal | Number of units stabilized | Sept. 30, 2025 | % |
|-----------------------------------|-----------------|------|--------------------------|----------|-------------------------------|-------------------|------|
| Stabilized Units | 15,760 | 86% | 1 | (11) | 746 | 16,496 | 88% |
| Unstabilized Units | 2,585 | 14% | 414 | - | (746) | 2,253 | 12% |
| Total Investment Properties Units | 18,345 | 100% | 415 | (11) | - | 18,749 | 100% |

The following table summarizes the Corporation's stabilization progress since the beginning of fiscal year 2024.

| | Oct. 1, 2024 | No. of units stabilized during the period | No. of Unstabilized units acquired/ created during the period | Sept. 30, 2025 |
|---|-----------------|--|---|-------------------|
| Numbers of unstabilized units held for renovation | 2,585 | (746) | 414 | 2,253 |
| Number of months | | | | |
| Average time spent on stabilization | 11 | 25 | 6 | 23 |
| Estimated remaining time for stabilization | 19 | - | 21 | 13 |

During the year ended September 30, 2025, the Corporation acquired the following unstabilized units: 43 in Calgary, Alberta; 182 in Red Deer, Alberta; 22 in Cochrane, Alberta; 1 in Edmonton, Alberta; 25 in Abbotsford, British Columbia; 48 in Prince George, British Columbia; 28 in Chilliwack, British Columbia; and 65 in Duncan, British Columbia. Some acquired assets require substantial renovation and have rental rates considered well below market for stabilized units. The Corporation stabilized 746 units in 2025, meaning that renovation work has been substantially completed, resulting in rent increases to or near current market levels.

FUNDS FROM OPERATIONS OF STABILIZED PROPERTIES

For 2025, FFO of Mainstreet's stabilized property portfolio amounted to \$85.3 million (\$9.15 per basic share and per fully diluted share). See "Non-IFRS Measures".

(000s of dollars except per share amounts)

| For the year ended September 30, 2025 | Stabilized properties | Non-stabilized properties | Total |
|--|--------------------------|------------------------------|-------------------|
| Rental and ancillary rental income | \$ 248,323 | \$ 27,971 | \$ 276,294 |
| Property operating expenses | 82,104 | 10,807 | 92,911 |
| Net operating income | \$ 166,219 | \$ 17,164 | \$ 183,383 |
| Operating margin | 67% | 61% | 66% |
| Vacancy rate | 4.7% | 4.5 | 4.7% |
| Interest income | \$ (6,627) | \$ (922) | \$ (7,549) |
| General & administrative expenses | 16,548 | 2,318 | 18,866 |
| Financing cost | 61,645 | 3,683 | 65,328 |
| Depreciation (computer and vehicle) | 165 | 23 | 188 |
| Current income tax expense | 9,200 | 1,280 | 10,480 |
| Funds from operations - Non-IFRS measurement | \$ 85,288 | \$ 10,782 | \$ 96,070 |
| Depreciation (exclude computer and vehicle) | | | \$ 434 |
| Change in Fair Value | | | 234,435 |
| Gain on disposal | | | 515 |
| Deferred income tax expense | | | 43,580 |
| Net profit and total comprehensive income | | | \$ 287,006 |
| Funds from operations per share - Non-IFRS measurement | | | |
| Funds from operations per share | | | |
| - basic & diluted | \$ 9.15 | \$ 1.16 | \$ 10.31 |
| Weighted average number of shares | | | |
| - basic & diluted | | | 9,318,557 |

(000s of dollars except per share amounts)

| For the year ended September 30, 2024 | Stabilized properties | Non-stabilized properties | Total |
|--|--------------------------|------------------------------|-------------------|
| Rental and ancillary rental income | \$ 223,206 | \$ 26,590 | \$ 249,796 |
| Property operating expenses | 78,181 | 11,176 | \$ 89,357 |
| Net operating income | \$ 145,025 | \$ 15,414 | \$ 160,439 |
| Operating margin | 65% | 58% | 64% |
| Vacancy rate | 3.1% | 3.8% | 4.5% |
| Interest income | \$ (5,850) | \$ (874) | \$ (6,724) |
| General & administrative expenses | 15,777 | 2,400 | 18,177 |
| Financing cost | 53,901 | 3,240 | 57,141 |
| Depreciation (computer and vehicle) | 172 | 26 | 198 |
| Current income tax expense | 6,040 | 903 | 6,943 |
| Funds from operations - Non-IFRS measurement | \$ 74,985 | \$ 9,719 | \$ 84,704 |
| Depreciation | | | \$ 719 |
| Fair value gain | | | 144,860 |
| Gain on disposal | | | 2,011 |
| Deferred income tax expense | | | 30,979 |
| Net profit and total comprehensive income | | | \$ 199,877 |
| Funds from operations per share - Non-IFRS measurement | | | |
| Funds from operations per share | | | |
| - basic & diluted | \$ 8.05 | \$ 1.04 | \$ 9.09 |
| Weighted average number of shares | | | |
| - basic & diluted | | | 9,318,818 |

In 2025, FFO of the stabilized property portfolio increased 14% to \$85.3 million as compared to \$75.0 million in 2024, while the number of stabilized units increased 5% to 16,496 units as of September 30, 2025 compared to 15,760 units as of September 30, 2024. The increase in FFO for stabilized properties was due to the improved vacancy rates and increased rental rates during the year.

(000's of dollars)

| For the year ended September 30, | 2025 | 2024 | % change |
|---------------------------------------|-----------|-----------|----------|
| FFO of stabilized properties (Note 3) | \$ 85,288 | \$ 74,985 | 14% |
| Number of stabilized units | 16,496 | 15,760 | 5% |

3 See "Non-IFRS Measures" and Note (1) to the table titled "Summary of Financial Results" for additional information regarding FFO and a reconciliation of FFO to net profit, the most directly comparable IFRS measurement.

LIQUIDITY & CAPITAL RESOURCES

Access to liquidity is important as it allows the Corporation to implement its overall strategy. Liquidity is an important measure of the availability of sufficient cash to fund ongoing business activities and capital and liability commitments. Liquidity is defined to include cash and cash equivalents on hand plus estimated new financings of clear title assets and up-financings of maturing mortgages, assuming current lending criteria are not materially changed, plus the available credit Mainstreet has access to under its approved line of credit. Mainstreet estimates it will have access to approximately \$900 million⁴ in available liquidity in 2026, which management believes is sufficient for its operations.

4 Including \$143 million cash-on-hand, \$622 million estimated funds that may be available through financing of clear-titled assets after stabilization, and a \$135 million line of credit. The \$143 million cash-on-hand represents a total of \$315 million cash-on-hand, less \$172 million that will be used to pay off maturing mortgages in the short-term.

Inflation and increasing interest rates have magnified the importance of liquidity in recent years. Five-year CMHC-insured mortgage rates dropped from a peak of 4.57% at the beginning of FY2024 to 3.42% at the end of FY 2025. The Corporation will continue to cautiously monitor interest rate trends and will consider the same in making decisions when its mortgages mature and are renewed.

Other circumstances that may affect the Corporation's liquidity include the Corporation's share price, general economic conditions and the corresponding changes to the vacancy rates. See section titled "Risk Assessment and Management" in this MD&A for further discussion regarding the Corporation's share price risk, general economic condition risk and vacancy rate risk.

Working Capital Requirement

Mainstreet requires sufficient working capital to cover day-to-day operating and mortgage expenses as well as income tax payments. In 2025, after payments of all required expenses, the Corporation generated funds from operations of \$96.1 million.

Management expects funds generated from operations will continue to grow in the long term when more units are renovated and reintroduced to the market at higher rental rates, and Management believes that these funds should be sufficient to meet the Corporation's working capital requirements on a year-to-year basis going forward. As of September 30, 2025, potential working capital deficiency is being managed through the available liquidity under banking facilities as well as the ongoing financing of mortgages payable, which is discussed and analysed in the session entitled "Financing" below.

Other Capital Requirements

Mainstreet also needs sufficient capital to finance continued growth and capital improvement. In 2025, the Corporation spent approximately \$90.2 million on acquisitions and capital improvements. Management expects the following capital resources to be sufficient to meet the capital requirements on a year-to-year basis.

FINANCING

Debt financing after property stabilization and maturity of initial loans is a cornerstone of Mainstreet's business strategy. Management believes this unlocks the value added through stabilization and liberates capital for future growth.

Management also believes this mitigates the risk of anticipated interest rate hikes and minimizes the costs of borrowing. Mainstreet continually refinances as much floating and maturing debt as possible into long-term debt, primarily through CMHC-insured mortgages.

In 2025, the Corporation assumed one mortgage from the acquisition of property, financed six maturing mortgages and financed 57 clear title properties for an additional net funding of \$436.7 million at an average interest rate of 3.61%.

Five-year CMHC-insured mortgage rates dropped from a peak of 4.57% at the beginning of FY2024 to 3.42% at the end of FY 2025. The Corporation will continue to cautiously monitor interest rate trends and will consider the same in making decisions when its mortgages mature and are renewed.

As of September 30, 2025, the Corporation owned title to 82 clear title properties and five development lots having an aggregate fair value of approximately \$468 million.

High commodity prices, economic uncertainty and global supply chain constraints pushed inflation up over the past few years, although inflation rates have decreased recently compared to prior years, with the consumer price index (CPI) being 2.2% in October 2025. In response the Bank of Canada had significantly increased interest rates, and they remained at such higher rate for the last few years. Although the Bank of Canada has slowly decreased the interest rates over the past year, it remains unclear if there will be further decreases in the interest rates and the time frame over which such decreases may occur. Mainstreet has attempted to manage the risk of continuing inflation and the correlated risk in interest rates continuing to decrease by locking its debt into modest to long-term maturities.

If required, Mainstreet believes it could raise additional capital funds through mortgage financing at competitive rates under which these clear title properties would be pledged as collateral.

The Corporation's policy for capital risk management is to keep a debt-to-fair value of investment properties ratio under 70%. The current ratio is approximately 43%, which Management believes leaves considerable room to raise additional funds from refinancing if the need arises.

BANKING FACILITY

Effective January 2014, the Corporation was granted 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 1.15%. 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, the Corporation has entered into 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, 2024, the Corporation's overall funded debt to gross book value ratio and debt service coverage ratio are 43% and 2.03, respectively.

CONTRACTUAL OBLIGATIONS

As of September 30, 2025, the Corporation had the following contractual obligations, which are anticipated to be met using the existing revolving credit facility, funds from operations and proceeds from the refinancing of maturing and floating mortgage loans.

PAYMENTS DUE BY PERIOD

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

(000s of dollars)

| 12 months 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 |

LONG-TERM DEBT

(000s of dollars)

| | Amount | % of Debt | Average interest rate (%) |
|--------------------------|--------------|-----------|---------------------------|
| Fixed rate debt | | | |
| – CMHC-insured | \$ 1,960,198 | 100% | 3.07% |
| – non-CMHC-insured | - | - | - |
| Total debt | 1,960,198 | 100% | 3.07% |
| Deferred financing costs | (43,339) | | |
| | \$ 1,916,859 | | |

Mainstreet's long-term debt consists of low-rate, fixed-term mortgage financing. All individual mortgages are secured with their respective real estate assets. Based largely on the fair value of properties, Management believes this financing reflects the strength of its property portfolio. The maturity dates for this debt are staggered to mitigate overall interest rate risk.

As of September 30, 2025, the total mortgages payable were \$1,917 million compared to \$1,650 million on September 30, 2024, an increase resulting from financing and acquisition activity during the year ended September 30, 2025.

As of September 30, 2025, Management believes the Corporation's financial position to be stable, with overall mortgage levels reported at 43% of the fair value of investment properties. 100% of the Corporation's mortgage portfolio was CMHC-insured, providing Mainstreet with what management believes are interest rates lower than those available through conventional financing.

To maintain cost-effectiveness and flexibility of capital, Mainstreet continually monitors short-term and long-term interest rates. When doing so is expected to provide a benefit, the Corporation intends to convert short-term floating-rate debt to long-term, CMHC-insured fixed-rate debt.

MORTGAGE MATURITY SCHEDULE

(000s of dollars)

| Maturing during the following financial year end | Balance maturing | % of debt maturing | Weighted average rate on expiry (%) |
|--|------------------|--------------------|-------------------------------------|
| 2026 | 255,338 | 13% | 2.34% |
| 2027 | 72,994 | 4% | 3.14% |
| 2028 | 123,846 | 6% | 3.64% |
| 2029 | 475,164 | 24% | 3.96% |
| 2030 | 591,299 | 30% | 3.01% |
| Subsequent | 441,557 | 23% | 2.44% |
| | \$ 1,960,198 | 100% | 3.07% |

The average maturing term of mortgage loans is 4.33 years as of September 30, 2025, compared to 4.77 years as of September 30, 2024.

INTERNAL CONTROLS

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. DC&P are also designed to include controls and procedures designed to ensure that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Corporation's Management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure.

The preparation of this information is supported by an internal control and procedure framework designed by Management to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control and procedure framework related to the Corporation's Internal Control over Financial Reporting ("ICFR") and DC&P were designed in accordance with Risk Management and Governance – Guidance on Control, published by the Canadian Institute of Chartered Accountants and the requirements of National Instrument 52-109 of the Canadian Securities Administrators entitled, "Certification of Disclosure in Issuer's Annual and Interim Filings".

As at September 30, 2025, Mainstreet determined that there were no material weaknesses in the design of its ICFR or DC&P.

Mainstreet's Management evaluated, or caused to be evaluated under its supervision, the effectiveness of its ICFR and DC&P as at September 30, 2025. Based on this evaluation, Management has concluded that the Corporation's ICFR and DC&P were effective as at September 30, 2025.

As at September 30, 2025, Mainstreet has confirmed that it has designed DC&P to provide reasonable assurance that information required to be disclosed by Mainstreet in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation and includes controls and procedures designed to ensure that information required to be disclosed

by Mainstreet in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to Mainstreet's management, including its certifying officer, as appropriate to allow timely decisions regarding required disclosure. No changes were made to the Corporation's DC&P during the year ended September 30, 2025.

As at September 30, 2025, Mainstreet confirmed it had designed its ICFR to provide reasonable assurances regarding the reliability of the financial reporting and the preparation of financial statements and information for external purposes in accordance with IFRS and that the ICFR operated effectively throughout the reported period. The Corporation may, from time to time, make changes aimed at enhancing its effectiveness and ensuring that these systems evolve with the Corporation's business. There were no changes in the Corporation's ICFR during the year ended September 30, 2025, which have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

FINANCIAL INSTRUMENTS & 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.

The Corporation's financial assets and liabilities support its operating and financing activities, including the following business purposes:

- **Restricted Cash:** Held to satisfy specific contractual or regulatory obligations, such as security for mortgage agreements or reserve requirements, and also includes refundable security deposits for Alberta, Manitoba and Saskatchewan;
- **Cash and Cash Equivalents:** Maintained to fund day-to-day operations and provide liquidity for short-term obligations;
- **Trade and Other Receivables:** Represent amounts due from tenants, supporting revenue generation from rental operations;
- **Mortgages Payable:** Used to finance the acquisitions of properties and renovations, enabling long-term growth;
- **Trade and Other Payables:** Reflect obligations for goods and services received, supporting ongoing operational activities; and
- **Refundable Security Deposits:** Collected from tenants as part of lease agreements to mitigate credit risk and ensure compliance with applicable lease terms.

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. See the "Key accounting estimates and assumptions" section below for further discussion on the assumptions made in determining the fair value of the Corporation's financial assets.

The fair values of mortgages receivable and 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 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 |
| Financial assets: | | | | | |
| 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 |
| Financial liabilities: | | | | | |
| 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 |

* 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.

See also the Notes to the Corporation's audited consolidated financial statements for the fiscal years ended September 30, 2025 and 2024 (the "Annual Financial Statements") for additional information regarding financial assets and the risks associated therewith.

Risk Associated with Financial Assets & Liabilities

The Corporation is exposed to risks arising from its financial assets and liabilities. These include market risk related to interest rates, credit risk and liquidity risk. For detailed explanations of these risks and how such risks are managed, refer to the section entitled "Risk Assessment and Management" in this MD&A.

SHARE CAPITAL

Authorized:

Unlimited number of common voting shares with no par value

Unlimited number of preferred shares with no par value

The Corporation has no outstanding or issued preferred shares.

The issued, outstanding and fully paid shares of the Corporation 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 share 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 and 2024, 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.

From time to time the market price of the common shares may not reflect their underlying value, and in such circumstances, Management believes that the acquisition of its common shares for cancellation is in the best interest of Mainstreet. The acquisition returns capital to shareholders in a tax-efficient manner that is accretive to net asset value. Mainstreet will continue to assess on an ongoing basis whether purchases of its common shares under the NCIB are warranted.

STOCK OPTIONS

The Corporation has no issued and outstanding stock options. Since March 24, 2017, the Corporation was unable to grant any further options under the Corporation's prior stock option plan. Upon the expiration or exercise of all remaining issued and outstanding stock options under the Corporation's prior stock option plan, the plan expired in accordance with the terms thereof. The Corporation has not adopted a new stock option plan at this time.

Shareholder Rights Plan

Effective February 21, 2013, the Board of Directors of the Corporation approved the adoption of a shareholder rights plan agreement (the "Rights Plan") dated February 21, 2013 between the Corporation and Computershare Trust Company of Canada. The Rights Plan was ratified and approved by shareholders of the Corporation on March 21, 2013 and subsequently amended and renewed by the shareholders of the Corporation on March 18, 2016, March 29, 2019, March 11, 2022 and March 6, 2025. The Rights Plan was most recently amended to amend the definition of "Expiration Time" from 2025 to 2028. The Rights Plan will expire at the termination of the annual general meeting of shareholders of the Corporation scheduled for the 2028 fiscal year unless otherwise renewed at or prior to that time.

Immediately upon the Rights Plan coming into effect, one right ("Right") was issued and attached to each common share of the Corporation outstanding and will continue to attach to each common share subsequently issued.

The Rights will separate from the common shares of the Corporation and will be exercisable on the close of business on the tenth trading day after the earlier of the date on which a person has acquired 20% or more of, or a person commences or announces a takeover bid for, the Corporation's outstanding common shares, other than an acquisition pursuant to a Permitted Bid or a Competing Permitted Bid as such terms are defined under the Rights Plan.

The acquisition by a person of 20% or more of the common shares of the Corporation is referred to as a "FlipIn Event". When a FlipIn Event occurs, each Right (except for Rights beneficially owned by an Acquiring Person or certain transferees of an Acquiring Person, which Right will be void pursuant to the Rights Plan) becomes a right to purchase from the Corporation, upon exercise thereof, in accordance with the terms of the Rights Plan, that number of common shares having an aggregate market price on the date of consummation or occurrence of such FlipIn Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price. The Exercise Price for the Rights provided in the Rights Plan is \$100. As an example, if at the time of the Flip-in Event the Common Shares have a market price of \$25, the holder of each Right would be entitled to receive \$200 (twice the Exercise Price) in market value of the Common Shares (8 Common Shares) for \$100, i.e.: at a 50% discount.

Certain exemptions exist under the Rights Plans for Portfolio Managers and Grandfathered Persons as such terms are defined in the Rights Plan.

A complete copy of the Rights Plan as amended and renewed, including the specific provisions thereof, is available under the Corporation's profile filed on SEDAR+.

Key accounting estimates and assumptions

The following are the key accounting estimates and assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a 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 capitalization rates, market rent, vacancy rate, net operating income and operating expenses. A change to any one of these inputs could significantly alter the fair value of an investment property. Please refer to Note 2 to the Annual Financial Statements for a 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 of the Annual Financial Statements;

- 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.

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 IAS1, "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 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 addressing the impact of the new standard.

Amendments to IFRS 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 Mainstreet Equity Corp. 2025 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.

Transactions with Related Parties

- 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 firm 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.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements as at September 30, 2025, and no off-balance sheet arrangements were made during 2025.

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.

Risk Assessment and Management

Management defines risk as the evaluation of the probability that an event that could negatively affect the financial condition or results of the Corporation may happen in the future. The following section describes specific and general risks that could affect the Corporation. As it is difficult to predict whether any risk will occur or what its related consequences might be, the actual effect of any risk on the business of the Corporation could be materially different than anticipated. The following discussion of risk does not include all possible risks as there may be other risks of which the Corporation is currently unaware. Please also see the risks which are summarized in the Corporation’s Annual Information Form for the year ended September 30, 2025 (“AIF”).

Economic Uncertainty

Any worldwide or regional economic slowdown, capital market uncertainty and international political, trade or credit crisis or uncertainty could adversely impact the business and the future profitability of the Corporation, including changes in trade policies and tensions, the imposition of tariffs and/or trade barriers and the economic impacts, volatility and uncertainty resulting therefrom.

During any period of economic uncertainty tenants may experience financial difficulty and may default in payment of rent or possibly look for less expensive accommodations thereby having a corresponding longer-term impact on rental and vacancy rates. In addition, Mainstreet’s ability to obtain financing or renegotiate its line of credit financing may be negatively affected.

In addition, various geopolitical conflicts have further contributed to global economic uncertainty, including disruptions to the global supply chain and increased prices for energy and other goods, resulting in increasing inflation. Economic actions taken by foreign governments, such as the imposition of new tariffs on Canadian products, could negatively affect the Canadian economy (including Western Canada where the Corporation operates) and result in an adverse impact on the Corporation.

A decrease in Western Canada’s economic growth rate may result in a tempering of housing and rental demand and a decline in net migration with a corresponding impact on the Corporation’s rental and occupancy levels. Another unknown is the impact of various recently enacted or pending government initiatives, including increases to operating costs resulting from carbon tax legislation, and the implementation of new climate change plans at both the provincial and federal government levels.

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.

Five-year CMHC-insured mortgage rates dropped from a peak of 4.57% at the beginning of FY2024 to 3.42% at the end of FY2025. The Corporation will continue to cautiously monitor this trend in interest rates and will consider the same in making decisions when its mortgages mature and need to be renewed..

Vacancy Risk

The Corporation is subject to tenant vacancy risk when, in some markets and under certain economic conditions, housing/condominiums are affordable, financing is readily available and interest rates are low, making it easier for renters to become homebuyers. This increases vacancy rates and decreases rental revenue cash flow.

Vacancy rates can also be affected negatively by the increased supply of multi-family units in the Corporation's core markets. Numerous other residential developers and apartment owners compete for potential tenants. Although it is Mainstreet's strategy to own multi-family residential properties in premier locations in each market in which it operates, some of the apartments or its competitors may be newer, better located or offer lower rents. In addition, an increase in alternative housing could have a material adverse effect on the Corporation's ability to lease units and in the rents charged and could adversely affect the Corporation's revenues and ability to meet its obligations. Further, changes in provincial migration rates, or changes to Canada's policies related to immigration and foreign students may have negative results on vacancy rates.

Accordingly, the Corporation's performance will always be affected by the supply and demand for multi-family rental real estate in Western Canada. The potential for reduced rental revenue exists in the event that Mainstreet is not able to lease its properties at a high level of occupancy, or in the event of a downturn in the economy, which could result in lower rents or higher vacancy rates. Mainstreet has minimized these risks by:

- attempting to increase customer satisfaction;
- diversifying its portfolio across Western Canada, thus lowering its exposure to regional economic swings;
- acquiring properties only in desirable locations, where vacancy rates for properties are higher than city-wide averages but can be reduced by repositioning the properties through better management and selective upgrades;
- holding a balanced portfolio which includes a variety of multi-family building types including high-rise, townhouse, garden and walk-ups, each with its own market niche;
- maintaining a wide variety of suites, including bachelor suites, one-, two- and three-bedroom units;
- building a broad and varied customer base, thereby avoiding economic dependence on larger scale tenants;
- focusing on affordable multi-family housing, which is considered a stable commodity;
- advertising and offering competitive market pricing to attract new tenants;
- developing a specific rental program characterized by rental adjustments that are the result of enhanced services and superior product; and
- developing regional management teams with significant experience in the local marketplace, and combining this experience with its existing operations and management expertise.

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 recent years, the effects of which continued to be felt. In addition, sustained higher housing prices, substantial supply constraints and geopolitical and trade conflicts, have increased prices for energy and other goods, and there has also been significant disruption to the global supply chain in recent years. Further, if labour and material shortages exist, the expected onset of a new supply of rental housing may take longer as construction completion times are extended. All of this increases the supply risk to the Corporation.

Cyber Security Risk

Cyber security has become an increasingly important issue for corporations and businesses. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the Corporation's information resources. More specifically, a cyber incident is an intentional attack or an unintentional event which can include gaining unauthorized access to information systems to disrupt business operations, corrupt data or steal confidential information. As Mainstreet's reliance on technology has increased, so have the risks posed to its systems. Such an attack could compromise Mainstreet, its employees and tenants' confidential information, and third parties

with whom Mainstreet interacts and may result in negative consequences, including remediation costs, loss of revenue, data corruption, additional regulatory scrutiny, litigation and reputational damages. As a result, Mainstreet has implemented processes, procedures and controls to help mitigate these cyber security risks, but these measures do not guarantee that a cyber incident can be totally avoided, and that the Corporation's business and financial condition will not be negatively impacted by such an incident. The significance of any event is difficult to quantify but may, in certain circumstances, be material. The growing use of artificial intelligence ("AI") tools may also increase the risk of future cyberattacks or data breaches, as AI can enable more automated and sophisticated attacks. In addition, the rapid evolution of AI and related technologies may introduce new risks requiring ongoing investment and oversight. Mainstreet's integration of AI into its systems could expose it to potential inaccuracies, biases, or regulatory challenges, which may adversely affect its business, financial condition, and operations.

In May 2024, the Corporation became aware that it had been the target of a cybersecurity incident which affected the Corporation's internal systems. The Corporation immediately implemented the procedures it had in place in the event of such a cybersecurity incident, including the retention of a third party cybersecurity firm with expertise in dealing with and responding to such incidents, to provide the Corporation with incident response services. Fortunately, the Corporation's main operating system was not impacted by the cybersecurity incident, and as a result, the Corporation did not suffer any material downtime or loss of productivity in its daily operations and did not suffer any material financial losses resulting from interruptions in operations.

The third party cybersecurity firm has completed its investigation into the cybersecurity incident. In addition, the Corporation has engaged a third party independent expert to conduct a full review of its information technology systems and policies. This review has been finalized, and the Corporation has promptly implemented recommended enhancements to strengthen its cybersecurity processes, policies, and controls.

The Corporation has incurred direct costs related to the cybersecurity incident, including the cost of retaining the third party cybersecurity firm, the third party conducting the full review of the Corporation's IT systems and policies, and additional legal costs related thereto. These costs are currently not anticipated to have a material impact on the Corporation's financial condition. In addition, the Corporation has identified and notified those persons whose personal information may have been accessed during the cybersecurity incident. At this time, it is not known whether there will be additional material costs in respect of this potential disclosure of information.

Utilities and Property Tax Risk

Mainstreet's business is exposed to fluctuating utility and energy costs such as electricity and natural gas (heating) prices as well as exposure to significant increases in property taxes. Utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. In recent years, water and sewer costs have increased significantly, as have other forms of direct and indirect "taxes" imposed by various municipalities. Any significant increase in these costs that cannot be passed on to the tenant / customer may have a significant impact on the operations of the Corporation.

Management continues to monitor all these costs very closely. In order to mitigate these risks, the Corporation has implemented the following steps:

- where possible, electrical sub-metering devices have been installed, passing on the responsibility for electrical charges to the end tenant / customer;
- where possible, direct metering conversion programs have been implemented which effectively introduced a volume-based consumption system rather than a flat rate, in turn lowering operating costs for the Corporation;
- in other cases, rents have been, or will be adjusted upward to cover increased costs; and
- where possible, the Corporation enters into long-term supply contracts at a fixed price.

For example, Mainstreet has entered into a fixed-rate natural gas contract at \$3.78 per GJ in Alberta with a maturity date of December 31, 2026, and in Surrey, British Columbia, Mainstreet has completed a water meter conversion program for all its properties.

In addition, over the past few years, municipal property taxes have increased as a result of revaluations of municipal properties and their inherent tax rates. These revaluations may result in significant increases in some property assessments due to enhancements, which often are not represented on the Corporation's balance sheet as such representations are contrary to existing IFRS reporting standards. To address these risks, the Corporation has a team of property reviewers who, with the assistance of outside consultants, constantly review property tax assessments and, if warranted, appeal them. While it is not unusual for the Corporation to receive property tax refunds and / or adjustments,

due to the uncertainty of the timing and the amount of the refunds or adjustments, these amounts are only reported when they are actually received.

Risks of Real Estate Property Ownership

Real estate investments and projects are, generally, subject to numerous risks depending on the nature and location of the property that can affect the attractiveness and saleability of real estate assets to potential purchasers or other investors, or the owner's use of such real estate assets, all of which are beyond the control of the Corporation. Such risks include:

- the highly competitive nature of the real estate industry;
- changes in general economic conditions (such as the availability and cost of the property or widespread fluctuations in adjacent property values);
- changes in general or local conditions (such as the supply of competing real estate assets or the possibility of competitive overbuilding or the inability to obtain full occupancy or other usage of any real estate assets);
- governmental regulation, rules or policies (such as increased taxation on the sale of or profits from real estate property, environmental legislation or municipal approvals for usage, development or subdivision);
- Certain significant expenditures, including property taxes, utilities, maintenance costs, mortgage payments, insurance costs and related charges, must be made regardless of whether or not a real estate asset is producing sufficient income to service these expenses; and
- changes in costs or operating expenses anticipated for real estate assets.

Each segment in the real estate industry is capital intensive and is typically sensitive to interest rates. Any proceeds generated by the sale of real estate assets depend upon general economic conditions and, accordingly, the ability to repay its financing may be affected by changes in those conditions. The Corporation will be required to make certain significant expenditures in respect of its business including, but not limited to, the payment of property taxes, mortgage payments, property management costs, insurance costs and related charges which must be made regardless of whether real estate assets are producing sufficient income to service such expenses. If the Corporation is unable or unwilling to meet the payment obligations on such loans, losses could be sustained as a result of the exercise by the lenders of their rights of foreclosure or sale. As a result, the Corporation's ability to make interest payments or distributions of cash could be adversely affected.

In addition, real estate property investments are relatively illiquid. This illiquidity will tend to limit the ability of the Corporation to vary its property portfolio promptly in response to changes in economic or investment conditions. If the Corporation were required to quickly liquidate its assets, there is risk that the Corporation would realize sale proceeds of less than the stated value of the properties of the Corporation. The Corporation's property portfolio is concentrated in British Columbia, Alberta, Saskatchewan and Manitoba. As a result, economic and real estate conditions in Western Canada will significantly affect the Corporation's revenues and the value of its properties.

Renovation Risks

The Corporation is subject to the financial risk of having unoccupied units during extended periods of renovations. During renovations, these properties are unavailable for occupancy and do not generate income. Certain significant expenditures, including property taxes, maintenance costs, interest payments, insurance costs and related charges must be made throughout the period of ownership of real estate property regardless of whether the property is producing revenue. Delays in the renovation of a building or individual apartment units as a result of labour and material shortages and similar risks, could delay the renting of such building or units resulting in an increased period of time where the building is not producing revenue or produces less revenue than a fully tenanted building. As the Corporation intends to source labour from other countries and renovation supplies directly from manufacturers in China and elsewhere, the Corporation will be subject to related immigration expenses, possible changes in laws related to the use of migrant or immigrant labour, shipping risks and delays, currency fluctuations and trade policies, including changes in, or the imposition of tariffs and/or trade barriers, all of which may result in unexpected or higher costs or possible delays. The Corporation intends to address these risks by acquiring financing to fund renovations, staggering renovations and by carrying out a detailed capital expenditures budget to monitor its cash position on a monthly basis. However, recent and possible new changes in federal immigration laws related to migrant or immigrant labour may have a negative impact regarding mitigating an increase in labour costs and expenses.

In addition, high commodity prices and global supply chain constraints have pushed inflation up over the last few years,

although inflation rates have decreased recently compared to prior years, with the consumer price index (CPI) being 2.2% in October 2025. This has resulted in higher costs in respect of renovations.

Reliance on Key Employees

Mainstreet's success depends in large measure on certain key executive personnel. The loss of the services of such key personnel could have a material adverse effect on the Corporation. Mainstreet does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations are likely to be of central importance. In addition, competition for qualified personnel in the industry is intense, and there can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Mainstreet. The loss of services from key members of the management team, or any limitation on their availability, could have a material adverse effect on Mainstreet's business, financial condition, operating results, and its ability to meet its obligations.

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 in the current economic environment. 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). As of September 30, 2025, 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 places its cash, cash equivalents and restricted cash only with Schedule 1 and provincial crown corporation Canadian 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 cash flows on a regular basis to meet expected operating expenses, by maintaining adequate banking facilities, by managing mortgage debt secured by its investment properties and by matching the maturity profiles of assets and liabilities. Please see "Liquidity and Capital Resources" above.

An investment in real estate is relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the Corporation's ability to divest itself of certain of its properties promptly in response to changing economic, investment or other conditions. If the Corporation were to be required to quickly liquidate its real property, the proceeds to the Corporation might be significantly less than the aggregate carrying or net asset value of its properties or less than what would be expected to be received under normal circumstances, which could have an adverse effect on the Corporation's financial condition and financial performance. Illiquidity may also result from legal or contractual restrictions on the resale of properties. In addition, in recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate

are considerable and, during an economic recession, the Corporation may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for the Corporation to dispose of properties at lower prices in order to generate sufficient cash for operations. There can be no assurance that the fair market value of any properties held by the Corporation will not decrease in the future.

Financing Risk

Mainstreet anticipates that it will make substantial capital expenditures for the acquisition of properties in the future. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Mainstreet. Moreover, future activities may require Mainstreet to alter its capitalization significantly. The inability of Mainstreet to access sufficient capital for its operations could have a material adverse effect on Mainstreet's financial condition, the result of its operations or its overall prospects.

Market Risks

The economic performance and value of the Corporation's investments in real estate assets will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- changes in the national, regional, provincial and local economic climates;
- local conditions, including an oversupply of properties or a reduction in demand for properties;
- the attractiveness of all or parts of real estate assets to renters or purchasers;
- competition from other available real estate assets; and
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

The Corporation's performance will be affected by the supply and demand for property in its geographic area(s) of ownership. Key drivers of demand include employment levels, population growth, demographic rents and consumer confidence. The potential for reduced rental revenue exists in the event that demand diminishes or supply becomes overabundant thereby driving down prices for real estate assets.

Acquisitions Risks

Mainstreet's growth depends in large part on identifying suitable acquisition opportunities, pursuing such opportunities and consummating acquisitions. It is not possible to manage all risks associated with such acquisitions in the terms and conditions contained in commercial agreements pertaining to such acquisitions. The real estate assets may be subject to unknown, unexpected or undisclosed liabilities that may materially and adversely affect the Corporation's operations, financial condition and results. The representations and warranties, if any, given by arm's length third parties to the Corporation may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Moreover, real estate assets acquired by the Corporation may not meet expectations of operational or financial performance due to unexpected costs associated with developing an acquired property, as well as the general investment risks inherent in any real estate investment.

Acquisition opportunities are affected by supply and demand, including that the Corporation would be negatively affected by the new supply of, and no increase in demand for, multi-family residential suites in its major market areas. Key drivers of demand include employment levels, population growth, demographic trends and consumer confidence. Any significant amount of new construction will typically result in an imbalance in supply and cause downward price pressure on rents.

Mainstreet's success also depends on its ability to integrate acquisitions into its operations. Some acquisitions may not be immediately accretive to earnings.

Appraisals of Properties

An appraisal is an estimate of market value and caution should be used in evaluating data with respect to appraisals. It is a measure of value based on information gathered in the investigation, appraisal techniques employed and quantitative and qualitative reasoning, leading to an opinion of value. The analysis, opinions and conclusions in an appraisal are typically developed based on and in conformity with, interpretations of the guidelines and recommendations set forth in the Canadian Uniform Standards of Professional Appraisal Practice. Appraisals are based on various assumptions of future expectations of property performance and while the appraiser's internal forecast of net income for the properties appraised are considered to be reasonable at that time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Rent Control

The Corporation may be subject to legislation that exists or is enacted in certain jurisdictions, which restricts the right of landlords to increase rents charged to tenants. As a result, the inability to adjust rents to address higher operating costs or to improve margins on certain properties may have an adverse effect on the returns available from such properties.

Currently, the Corporation operates in Canada in the provinces of Alberta, British Columbia, Saskatchewan and Manitoba. Neither Alberta nor Saskatchewan is subject to rent control legislation; however, under Alberta rent legislation, a landlord is only entitled to increase rents once every twelve months.

Under British Columbia's rent control legislation, a landlord is entitled to increase the rent for existing tenants once every twelve months by no more than the "guideline amount" established by regulations. The guideline amount effective January 1, 2025 was 3.0% and effective January 1, 2026 will be 2.3%. When a unit is vacant, however, the landlord is entitled to lease the unit to a new tenant at market rental amount, after which annual increases are limited to the applicable guideline amount. The landlord may also be entitled to a greater increase in rent for a unit under certain circumstances, including, for example, where extra expenses have been incurred as a result of a renovation of that unit.

Under Manitoba's rent control legislation, a landlord is entitled to increase the rent for existing and new tenants once every twelve months at the set anniversary date of the particular unit, by no more than the "guideline limit" established by the provincial government. The guideline amount effective January 1, 2025 was 1.7% and effective January 1, 2026 will be 1.8%.

To manage this risk, prior to entering a market where rent controls are in place, extensive time is spent researching existing rules, and, where possible, the Corporation will ensure it utilizes employees who are experienced in working in these controlled environments. In addition, the Corporation adjusts forecast assumptions on new acquisitions to ensure they are reasonable given the rent control environment.

Environmental, Health and Safety Risks

Under various environmental, health and safety laws, ordinances and regulations, the current or previous owner or operator of properties acquired or refinanced by the Corporation, may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such properties. These costs could be substantial. Such laws could impose liability whether or not the Corporation knew of, or was responsible for, the presence of such hazardous or toxic substances when it acquired a property.

The presence of hazardous or toxic substances, or the failure to remove or remediate such substances, if any, or restrictions imposed by environmental, health and safety laws on the manner in which such properties may be operated or developed could adversely affect the Corporation's ability to sell such properties and could potentially also result in claims against the Corporation.

Environmental, health and safety laws provide for sanctions for noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental, health and safety laws and common law principles could be used to impose liability for the release of and exposure to hazardous substances into the air. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. In addition, third parties may seek recovery from the Corporation in the event of an outbreak of illness in a property owned by the Corporation. The cost of defending against claims of liability, of complying with environmental, health and safety regulatory requirements, of remediating any contaminated property or of paying personal injury claims could be substantial.

The Corporation may be subject to liability for undetected pollution or other environmental hazards against which it cannot insure, or against which it may elect not to insure where premium costs are disproportionate to the Corporation's perception of relative risk. Such factors may have an adverse impact on the Corporation.

Mainstreet has policies and procedures to review and monitor environmental exposure, including the completion of environmental audits in connection with the Corporation's due diligence procedures when looking at potential acquisitions when the Corporation deems advisable.

Aging Portfolio Risk

Aging portfolio risk is the risk that there is decreased demand for Mainstreet's assets as a result of the age of its assets, as well as an increase in capital expenditures to maintain or enhance these assets in order to remain competitive. This risk is partially mitigated due to the fact that older assets tend to be in more desirable locations and may have larger suite sizes. In addition, this is mitigated through Mainstreet's stabilization process.

Development Risk

Mainstreet is reviewing and considering the development of new selective projects on its excess density or land it has specifically for development. Any development commitments made by Mainstreet will be subject to those risks usually attributable to development projects, which include construction or other unforeseeable delays, cost overruns, poor market for leasing, and/or the failure of tenants to occupy and pay rent. These risks can result in an uneconomic return for the Corporation. In addition, development risks include building of oversupply in a particular market which can result in significant corrections of property values in that market. Mainstreet currently manages these risks by undertaking development as a small part of its overall business plan.

Property Redevelopment, Re-positioning and Renovations

Property redevelopment, re-positioning or major renovation work are subject to a number of risks, including: (i) the potential that Mainstreet may expend funds on, and devote management time to, projects which it does not complete; (ii) construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable; (iii) the time required to complete the construction, redevelopment or renovation of a project, or to lease up the completed project may be greater than originally anticipated, thereby have a material adverse effect on the business of the Mainstreet (iv) the cost and timely completion of construction or renovations (including risks beyond Mainstreet's control, such as weather, labour conditions or material shortages); (v) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (vi) the failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all; (vii) delays with respect to obtaining, or the inability to obtain, necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws; and (viii) the availability and cost of financing to fund development or renovation activities on favourable terms or at all. The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation or completion of redevelopment or renovation activities. In addition, redevelopment and renovation projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others. Any of these risks could have a material adverse effect on the business of the Corporation.

Disclosure Controls & Procedures on Internal Control over Financial Reporting Risk

Mainstreet's business could be adversely impacted if it has deficiencies in its disclosure controls and procedures or internal control over financial reporting. The design and effectiveness of Mainstreet's disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. While Management continues to review the design and effectiveness of Mainstreet's disclosure controls and procedures and internal control over financial reporting, Mainstreet provides no assurance that its disclosure controls and procedures or internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, particularly material weaknesses, in internal control over financial reporting which may occur in the future could result in misstatements of Mainstreet's results of operations, restatements of its financial statements, a decline in the share price, or otherwise materially adversely affect Mainstreet's business, reputation, results of operations, financial condition or liquidity.

Income Tax Risk

Mainstreet intends to file all required income tax returns and believes that it will be in full compliance with the provisions of the Income Tax Act (Canada) and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of Mainstreet, whether by re-characterization and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Further, there can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the Corporation or the administrative policies and assessing practices of the Canadian Revenue Agency will not change in a manner that adversely affects the Corporation.

No History of Significant Dividends

Prior to Q1 2024, Mainstreet had not declared or paid any dividends on its common shares since its incorporation. For the 2024 fiscal year, Mainstreet paid quarterly dividends of \$0.0275 per share, which dividend amount was increased to a quarterly dividend of \$0.04 per share for the 2025 fiscal year. This program will continue into 2026, with a targeted dividend growth of 100%, or a quarterly dividend of \$0.08 per share, starting Q1 2026. However, there is no guarantee that a dividend will continue to be paid at any specific future time, or in any specified amount, and any decision to pay dividends on the shares will be made by the Board of Directors based on Mainstreet's earnings, financial requirements, and other conditions existing at such future time. Mainstreet's directors establish the dividend policy, which is subject to change at the discretion of the directors. The recourse of shareholders who disagree with the dividend policy or any policy change is limited and could require such shareholders to seek to replace the directors. Other than pursuant to corporate law and compliance with the provisions of its banking facility, no restriction could prevent Mainstreet from paying dividends or another form of distribution in respect of the common shares.

Workforce Availability

Mainstreet's ability to provide services to its existing tenants is somewhat dependent on the availability of well-trained employees and contractors to service such tenants as well as complete required maintenance and capital upgrades on its buildings. The Corporation must also balance requirements to maintain adequate staffing levels while balancing the overall cost to the Corporation.

Within Mainstreet, its most experienced employees are employed full-time; this full-time force is supplemented by, seasonal and full-time immigrant labour, additional part-time employees, and specific contract services needed by the Corporation. Mainstreet constantly reviews existing overall market factors to ensure that its compensation program is in line with existing levels of responsibility and, if warranted, adjusts the program accordingly. Mainstreet also encourages employees' feedback in these areas to ensure existing programs are meeting their personal needs.

Uninsured Losses

The Corporation carries comprehensive general liability, fire, flood, earthquake, tornado, natural disaster, extended coverage, rental loss and vacancy insurance with policy specifications, limits and deductibles customarily carried for similar properties. However, there are certain types of risks, generally of a catastrophic nature, such as wars, terrorist attacks or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the Corporation could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but would continue to be obligated to repay any recourse mortgage indebtedness on such properties.

From time to time the Corporation may be subject to lawsuits as a result of the nature of its business. The Corporation intends to maintain business and property insurance policies in amounts and with such coverage and deductibles as are deemed appropriate, based on the nature and risks of the businesses, historical experience and industry standards. However, there can be no assurance that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the Corporation that is not covered by, or in excess of, the Corporation's insurance could materially affect the Corporation's operating results and financial condition, which would have an adverse effect on the Corporation. Claims against the Corporation, regardless of their merit or eventual outcome, will require the Corporation's management to devote time to matters unrelated to the operation of the business.

Substitutions for Residential Rental Units

Demand for residential rental properties is impacted by and inversely related to the relative cost of home ownership. The cost of home ownership depends upon, among other things, interest rates offered by financial institutions on mortgages and similar home financing transactions. Recently, interest rates offered by financial institutions for financing home ownership have been at low levels. If the interest rates offered by financial institutions for home ownership financing remain low, demand for rental properties may be adversely affected. A reduction in the demand for rental properties may have a material adverse effect on the Corporation's ability to lease suites and on the rents charged. This, in turn, may have a material adverse effect on the Corporation's business, cash flows, financial condition and results from operations.

Climate Change Risk

There is growing risk that an increase in global average temperatures due to emissions of greenhouse gases and other human activities have or will cause significant changes in weather patterns and increase the frequency and severity of climate stress events. Climate change, including the impact of global warming, creates physical and financial risk. Physical risks from climate change include an increase in sea level and changes in weather conditions, such as an increase in intense precipitation and extreme heat events, as well as tropical and non-tropical storms.

Mainstreet owns buildings in locations that may be susceptible to climate stress events or adverse localized effects of climate change, such as sea-level rise and increased storm frequency or intensity. The occurrence of one or more natural disasters, such as hurricanes, fires, floods, and earthquakes (whether or not caused by climate change), could cause considerable damage to its properties, disrupt operations and negatively impact Mainstreet's financial performance. In recent years, certain areas of British Columbia, Alberta and Saskatchewan have been negatively impacted by wildfires, and in certain areas flooding. To the extent these events result in significant damage to or closure of one or more of Mainstreet's buildings, its operations and financial performance could be adversely affected through lost tenants and an inability to lease or re-lease the space. In addition, these events could result in significant expenses to restore or remediate a property, increases in fuel (or other energy) prices or a fuel shortage, increases in the costs of insurance if they result in significant loss of property or other insurable damage, and the introduction of or increases in climate change taxes such as provincial or federal carbon taxes or cap and trade taxes.

Litigation Risks

In the normal course of the Corporation's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries or illness, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Corporation and as a result, could have a material adverse effect on the Corporation's assets, liabilities, business, financial condition and results from operations. Even if the Corporation prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Corporation's business operations, which could have a material adverse effect on the Corporation's business, cash flows, financial condition and results of operations and ability to make dividends to shareholders.

Regulatory Risks and Adverse Changes in Law

The Corporation is subject to laws and regulations governing the ownership and leasing of real property, zoning, building standards, landlord/tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, municipal or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Corporation (including with retroactive effect). Any changes in the laws to which the Corporation is subject could materially affect its rights and title to its assets. It is not possible to predict whether there will be any further changes in the regulatory regimes to which the Corporation is subject or the effect of any such changes on its business.

Increases in real estate taxes and income, service and transfer taxes, introductions of new taxes or tariffs, including carbon taxes, or increases in the capital gains tax, cannot always be passed through to residents or users in the form of higher rents, and may adversely affect the Corporation's operating expenses and to pay amounts due on its debt.

Similarly, changes or interpretations of existing laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions, as well as changes in laws affecting development, construction and safety requirements, may result in significant unanticipated expenditures, which could have a material adverse effect on the Corporation. Further, residential landlord/tenant laws in certain provinces may provide tenants with the right to bring certain claims to the applicable judicial or administrative body seeking an order to, among other things, compel landlords to comply with health, safety, housing and maintenance standards. As a result, the Corporation may, in the future, incur capital expenditures, which may not be fully recoverable from tenants.

Operational Risks

Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed infrastructure, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal or regulatory proceedings. Mainstreet endeavours to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are constantly reviewed and, if deemed necessary, improvements are implemented.

Public Market Risk

It is not possible to predict the price at which Mainstreet's common shares will trade and there can be no assurance that an active trading market for the common shares will be sustained. The common shares will not necessarily trade at values determined solely by reference to the value of the properties of the Corporation. Accordingly, the common shares may trade at a premium or a discount to the value implied by the value of the Corporation's properties. The market price for common shares may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of the Corporation.

Potential Conflicts of Interest

Mainstreet may be subject to various conflicts of interest because of the fact that directors and officers of the Corporation are engaged in other real estate-related business activities. The Corporation may become involved in transactions which conflict with the interests of the foregoing. Directors may from time-to-time deal with persons, firms, institutions or corporations with which the Corporation may be dealing, or which may be seeking investments similar to those desired by the Corporation. The interests of these persons could conflict with those of the Corporation. In addition, from time to time, these persons may compete with Mainstreet for available investment opportunities. Directors and officers of the Corporation are required to disclose material interests in material contracts and transactions and to refrain from voting thereon. See also "Transactions with Related Parties" above and "Interests of Management and Others in Material Transaction" in Mainstreet's AIF.

CHALLENGES

Economic Challenges

The Bank of Canada's business outlook survey indicates speculation that Canada's sluggish economy may develop into a recession in 2026. After hovering below 2% for several months, CPI inflation rose to 2.4% and inflation excluding taxes rose to 2.9% in September 2025, despite a temporary drop after removing the carbon tax. In contrast, GDP growth averaged about 0.75% over the last two quarters of 2025.

Inflation increases material, labour/wages, utility, supply chain and renovation/repair costs, which can compress margins or necessitate rental rate adjustments. However, in slower economic environments, more households delay homeownership in favour of affordable rental options, reinforcing demand for Mainstreet's properties.

Taxes and Tariffs

The economy is still adjusting to steep US tariffs on a number of industries leading to ongoing economic uncertainty and a drop in demand for Canadian goods. Volatile trade relationships in North America have contributed to supply chain challenges and elevated construction costs. Mainstreet mitigates this exposure through a diversified sourcing platform in Asia, enabling efficient procurement of standardized materials for renovations. Rising tariff-related costs may further constrain new rental supply, intensifying the existing supply-demand imbalance and supporting continued growth in its

core markets.

The elimination of the federal consumer carbon tax provided some cost relief, but anticipated hikes in property taxes in Mainstreet markets like Vancouver/Lower Mainland, Calgary, Edmonton, Regina and Saskatoon will exert additional pressure on operating margins.

Contracted Immigration

The federal government announced immigration measures aimed at returning to sustainable levels in Canada. The new policy restricts international students, temporary foreign workers and temporary resident immigration to less than 5% of the total population by the end of 2027. Planned annual limits suggest a reduction of approximately 43% in these categories by 2028 (the 2026 target for temporary workers and international students is 385,000).

Newcomers and non-permanent residents historically represent a large portion of long-term renters, so lower immigration levels softens rental demand. TD Economics estimates that rental growth could be about 2% lower than under prior immigration trends. Despite the reduction, new immigration numbers continue to be significant, and we expect any related vacancy impact on Mainstreet to be marginal. We expect demand for affordable mid-market rental apartments to remain strong.

Increased Supply

Developers have accelerated purpose-built rental starts, with CMHC-backed construction financing programs jumping from 5%, or roughly 315 units, in 2017 to around 88%, or approximately 107,360 units, in 2024. This contributed to modest upward pressure on rental rates across the industry, and modestly affected Mainstreet's growth rate in revenue, FFO and NOI for 2025. Management expects this to be a short-term effect and will not affect the strong market fundamentals of the inherent supply/demand imbalance across the country.

While vacancy rates have edged upward with the introduction of new supply coupled with moderating population growth, conditions remain tight. Mainstreet's portfolio continues to perform well, with Q4 operational vacancy at 5.0% and 4.7% on a same-asset basis despite around 12% of Mainstreet's being unstabilized. Management expects that demand for Mainstreet's attainable mid-market units to remain stable even as overall supply increases.

OUTLOOK

Putting the S in ESG

Canada's ongoing housing shortage underscores the importance of affordable rental options. Mainstreet remains committed to delivering quality, attainable housing to middle-income Canadians, supporting social well-being while offering affordable rental alternative as homeownership becomes increasingly out of reach for many people..

Strength Across the West

Mainstreet's diverse portfolio continues to deliver strong performance across all markets. Mainstreet expanded its regional footprint in FY 2025, adding 436 units in assets across Western Canada. Nearly one-third of the Corporation acquisitions in FY2025 were in British Columbia, an area that accounts for 44% of its estimated net asset value based on IFRS value and remains a key contributor to future NOI growth. Vacancy rates in the province remain among the lowest in the country, creating meaningful mark-to-market opportunity.

In 2024, Alberta's population grew by approximately 168,221 people. Continuing into the first half of 2025, Alberta remains the leading destination for interprovincial migrants, recording a net gain of 12,800 residents. This trend reflects an estimated annual growth rate of 2.5%, according to the Government of Alberta. Although slower than in 2024, Alberta continues to see the strongest population inflows in Canada supported by favourable affordability and employment opportunities. Alberta also gained 18,896 people from other countries in the first half of 2025, which contributed to the provincial population reaching 5 million people. British Columbia, Saskatchewan and Manitoba experienced small net outflow to other provinces through the first two quarters of 2025.

Overall, Western Canada remains an attractive destination for Canadians and newcomers, with affordability, employment opportunities and quality of life driving sustained population growth.

Energy Corridor

Canada's natural resource sector is poised for expansion, supported by positive federal policy signals toward major energy infrastructure, especially across British Columbia; the government announced the first phase of nation-building mega projects including an MOU for a new bitumen pipeline from Alberta to the BC coast, LNG projects, a new nuclear project and copper, zinc and gold mining investments. Growth in the energy corridor will drive job creation, population inflows and economic activity across Western Canada, directly benefiting demand for rental housing. With a well-established presence across 23 urban platforms in the region, Mainstreet is strategically positioned to capture this growth.

Countercyclical Opportunity

Where other companies see economic contraction and pull back on investment, Mainstreet sees vast growth opportunity. Mainstreet has a history of pursuing a countercyclical, value-add growth strategy that involves investing in response to opportunistic sell-offs. Economic uncertainty and easing interest rates create favourable conditions to acquire and renovate assets at compelling values while securing lower-cost financing. Mid-market rental housing remains stable through cycles, and as a corporation (not a REIT), Mainstreet maintains liquidity and flexibility to capitalize on these acquisition opportunities.

Nominal Dividends⁴

With strong free cash flow, beginning in 2024, Mainstreet introduced a nominal dividend to broaden its shareholder base, enhance trading liquidity and support market capitalization while preserving capital for future non-dilutive growth. Dividends were set at \$0.11 per share annually and after a positive response from shareholders, the Corporation raised the dividend in 2025 by 45% to \$0.16 per share annually. This program will continue into 2026, with a targeted dividend growth of 100%, or \$0.32 per share starting Q1 2026.

RUNWAY ON EXISTING PORTFOLIO

- Expanding portfolio:** With approximately \$900 million in liquidity, Mainstreet has significant capacity to acquire underperforming assets at attractive valuations without equity dilution, thus supporting long-term asset growth.
- Closing the NOI gap:** About 12% of Mainstreet's assets are in active repositioning at any time. Once stabilized, these units are expected to generate approximately \$43 million in incremental annualized NOI, representing substantial embedded value and demonstrating the earnings potential within the existing portfolio.
- Rezoning for Growth:** Ongoing housing shortages are driving municipalities to support rezoning for density increases. Mainstreet plans to hire a full-time internal land planner to advance rezoning and land-optimization initiatives including subdividing underutilized lands, converting unused space into rental suites and pursuing density relaxations. These initiatives position the portfolio for long-term value creation with minimal incremental cost.
- Buying Back Shares:** Demonstrating confidence in Mainstreet's long-term fundamentals, in Q4 2025, the Corporation repurchased 9,100 shares under its normal course issuer bid program. Management will continue to buy back shares on an opportunistic basis under the corporation's normal course issuer bid when MEQ shares trade below their intrinsic NAV.

ADDITIONAL INFORMATION

Additional information about Mainstreet, including its AIF, is available on the Corporation's website at www.mainst.biz and on SEDAR+ at www.sedarplus.com.

4. We note that any decision to pay dividends, and the amount of any such dividends on the shares, will be made by the Board of Directors at the relevant time, on the basis of Mainstreet's earnings, financial requirements and other conditions existing at such future time. The dividend policy of Mainstreet is established by the Directors and is subject to change at the discretion of the Directors.

MANAGEMENT'S REPORT

To the Shareholders of Mainstreet Equity Corp.

The management of Mainstreet Equity Corp. is responsible for the preparation and content of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards.

Management has implemented a system of internal controls that are designed to provide reasonable assurance that transactions are properly authorized, financial reporting responsibilities are met and assets of the corporation are safeguarded against theft.

The financial statements have been audited by PwC, the independent auditors, in accordance with Canadian Auditing Standards. The Audit Committee recommended their approval of the statements to the Board of Directors. The Board of Directors has approved the financial statements on the recommendation of the Audit Committee.



Bob Dhillon
Director

December 15, 2025



Joe Amantea
Director



Independent auditor's report

To the Shareholders of Mainstreet Equity Corp.

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.

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.

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

PricewaterhouseCoopers LLP
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PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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>Valuation of investment properties</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">• Tested how management determined the fair values of investment properties using the direct capitalization method, which included:<ul style="list-style-type: none">– With the assistance of professionals with specialized skills and knowledge in the field of real estate valuations:<ul style="list-style-type: none">○ Evaluated the appropriateness of the methodology and models used.○ 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).– Evaluated the reasonableness of the grouping of investment properties by assessing geographic location and types.– Evaluated the reasonableness of cap rates used on a group basis by considering reputable third-party market reports.– Performed analytical procedures by comparing the total actual NOI by province to the forecasted NOI.– 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 |



| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>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.</p> | <p>of those percentage changes to the key assumptions of the remaining properties to determine the fair values of those properties.</p> |

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.

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.



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 |
|--|---------------------|---------------------|
| Assets | | |
| Non-current assets | | |
| 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 |
| | 3,747,447 | 3,414,856 |
| Current assets | | |
| 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 |
| | 333,763 | 76,577 |
| Total Assets | \$ 4,081,210 | \$ 3,491,433 |
| Liabilities | | |
| Non-current liabilities | | |
| Mortgages payable [Note 12] | \$ 1,647,577 | \$ 1,494,131 |
| Deferred tax liabilities [Note 13] | 336,575 | 292,995 |
| | 1,984,152 | 1,787,126 |
| Current liabilities | | |
| 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 |
| | 294,809 | 185,954 |
| Total Liabilities | 2,278,961 | 1,973,080 |
| Equity | | |
| Share capital [Note 17] | 26,393 | 26,419 |
| Retained earnings | 1,775,856 | 1,491,934 |
| Total Equity | 1,802,249 | 1,518,353 |
| Total Liabilities and Equity | \$ 4,081,210 | \$ 3,491,433 |

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 |
|---|-------------------|------------------|
| Cash obtained from (used in) operating activities | | |
| 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 |
| Financing activities | | |
| 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 |
| Investing activities | | |
| 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) |
| Net increase/(decrease) in cash and cash equivalents | 265,724 | (32,936) |
| Cash and cash equivalents, beginning of period | 48,826 | 81,762 |
| Cash and cash equivalents, end of period | \$ 314,550 | \$ 48,826 |
| Cash and cash equivalents are comprised of: | | |
| Cash | \$ 13,576 | \$ 11,723 |
| Short-term deposits | 300,974 | 37,103 |
| | \$ 314,550 | \$ 48,826 |

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 |
|------------------------------|------------|------------|
| Numerator | | |
| Net profit | \$ 287,006 | \$ 199,877 |
| Denominator | | |
| 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 |
| Profit per share | | |
| -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 |
| Financial assets: | | | | | |
| 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 |
| Financial liabilities: | | | | | |
| 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 |
| Non-financial assets: | | | | | |
| 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 ¹ | \$ 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:

¹ 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 |
|------------------------------|-------------------|-----------|----------------|
| BRITISH COLUMBIA | | | |
| 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 |
| ALBERTA | | | |
| 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 |
| SASKATCHEWAN | | | |
| 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 |
| MANITOBA | | | |
| 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) |
| TOTAL | | | |
| 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 |
| Profit for the year | \$ 287,006 | \$ | 199,877 |

* 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 |
|------------------------------|--------------|--------------|
| BRITISH COLUMBIA | | |
| 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 |
| ALBERTA | | |
| 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 |
| SASKATCHEWAN | | |
| Investment properties | \$ 528,365 | \$ 510,011 |
| Property and equipment | 821 | 856 |
| Mortgages payable | 318,401 | 274,835 |
| Refundable security deposits | 1,354 | 1,298 |
| MANITOBA | | |
| Investment properties | \$ 48,860 | \$ 34,629 |
| Property and equipment | 1 | 2 |
| Mortgages payable | - | - |
| Refundable security deposits | 169 | 167 |
| TOTAL | | |
| 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.

CORPORATE INFORMATION

OFFICERS

President & CEO

Bob Dhillon
Calgary, AB

Chief Financial Officer

Trina Cui
Calgary, AB

Secretary

Joe Amantea
Calgary, AB

BOARD OF DIRECTORS

Joe Amantea
Calgary, AB

Ron B. Anderson
Vancouver, BC

Bob Dhillon
Calgary, AB

Karanveer Dhillon
San Francisco, CA

Rich Grimaldi
Westport, CT

John Irwin
London, ON

DIRECTORS' COMMITTEES

Executive Committee

Joe Amantea
Calgary, AB

Ron B. Anderson
Vancouver, BC

Bob Dhillon
Calgary, AB

Audit Committee

Chair

John Irwin
London, ON

Rich Grimaldi
Westport, CT

Ron B. Anderson
Vancouver, BC

Executive Compensation Committee

Chair

Ron B. Anderson
Vancouver, BC

Joe Amantea
Calgary, AB

Risk Management Committee

Chair

Ron B. Anderson
Vancouver, BC

Rich Grimaldi
Westport, CT

Safety Committee

Chair

John Irwin
London, ON

Joe Amantea
Calgary, AB

Cyber Security Committee

Chair

Karanveer Dhillon
San Francisco, CA

Rich Grimaldi
Westport, CT

REGISTRAR & TRANSFER AGENT

Computershare
800, 324 – 8 Avenue SW
Calgary, AB

AUDITORS

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Suncor Energy Centre
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Suite 3100, East Tower
Calgary, AB

SOLICITORS

Borden, Ladner & Gervais LLP
Centennial Place, East Tower
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Calgary, AB

BANKERS

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Calgary, AB

ATB
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Calgary, AB

TD Canada Trust
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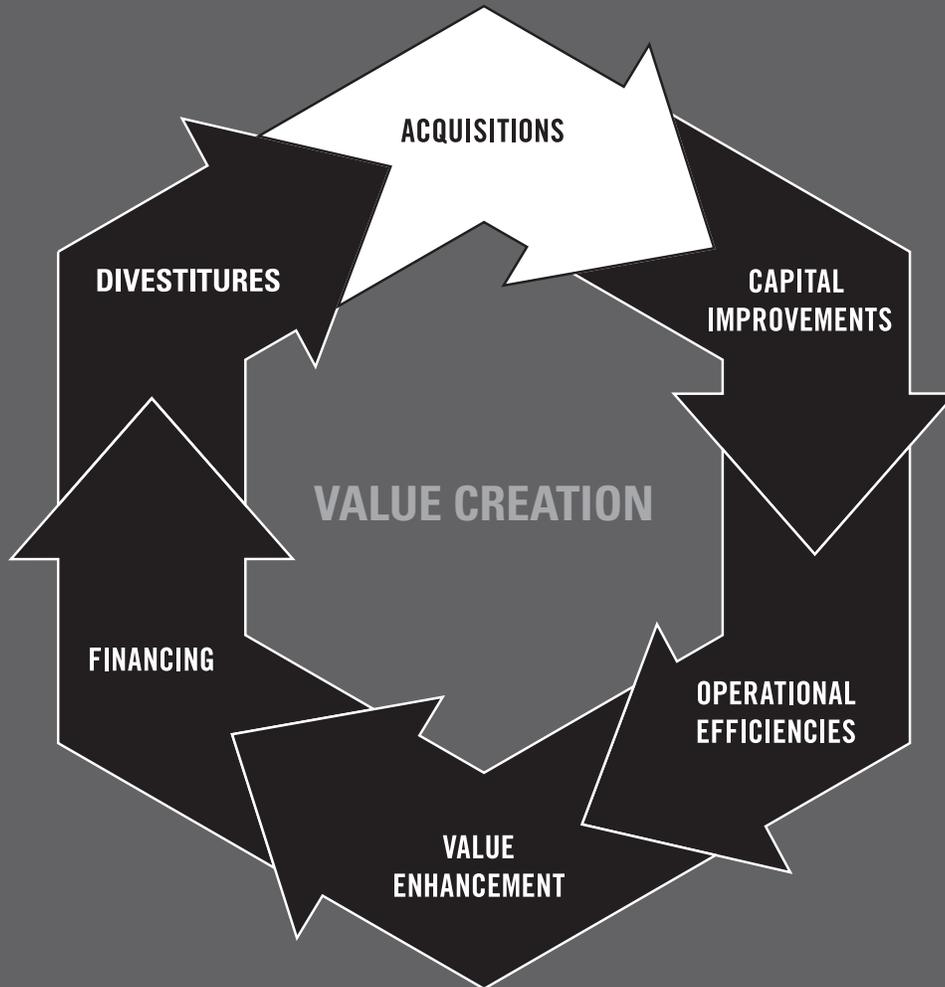
mainstreet@mainst.biz

Web site: www.mainst.biz

STOCK EXCHANGE

Toronto Stock Exchange
Trading symbol: MEQ

THE MAINSTREET VALUE CHAIN



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How do we create value? By relying on the business model that Mainstreet pioneered in the mid-market rental apartment space, the “Mainstreet Value Chain.” It focuses on value creation by acquiring underperforming assets, renovating them to our higher standard and repositioning them in the market at a higher rent. As a result, the value of the property increases substantially due to the improved conditions of buildings and the higher rents that they can attract. This enables Mainstreet to unlock the value created by financing the stabilized property using long-term, low-interest CMHC insured mortgages. The capital that is unlocked by that process can then be used to fund additional growth. **Since the day of incorporation in May 1997, we have grown our portfolio from 272 units with appraised values of \$17 million to 19,147 units (YTD) with appraised values of approximately \$3.8 billion with minimal equity dilution.**

MAINST.BIZ

TSX: MEQ