

## 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

February 10, 2026



Joe Amantea  
Director

**MAINSTREET EQUITY CORP.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**UNAUDITED**

(000s of Canadian dollars)

As at	December 31, 2025	September 30, 2025
<b>Assets</b>		
<b>Non-current assets</b>		
Investment properties [Note 3]	\$ 3,839,952	\$ 3,730,534
Property held for sale [Note 4]	9,739	9,728
Property and equipment	6,651	6,696
Intangible assets	516	489
	<b>3,856,858</b>	<b>3,747,447</b>
<b>Current assets</b>		
Prepaid assets	7,313	4,814
Trade and other receivables	1,909	5,482
Restricted cash	6,947	6,834
Inventory	2,429	2,083
Income tax receivable	946	-
Cash and cash equivalents	147,620	314,550
	<b>167,164</b>	<b>333,763</b>
<b>Total Assets</b>	<b>\$ 4,024,022</b>	<b>\$ 4,081,210</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Mortgages payable [Note 5]	\$ 1,653,580	\$ 1,647,577
Deferred tax liabilities	343,136	336,575
	<b>1,996,716</b>	<b>1,984,152</b>
<b>Current liabilities</b>		
Mortgages payable [Note 5]	151,632	269,282
Trade and other payables	17,195	14,625
Income tax payable	-	2,065
Refundable security deposits	9,335	9,197
	<b>178,162</b>	<b>294,809</b>
<b>Total Liabilities</b>	<b>2,174,878</b>	<b>2,278,961</b>
<b>Equity</b>		
Share capital [Note 7]	26,378	26,393
Retained earnings	1,822,766	1,775,856
<b>Total Equity</b>	<b>1,849,144</b>	<b>1,802,249</b>
<b>Total Liabilities and Equity</b>	<b>\$ 4,024,022</b>	<b>\$ 4,081,210</b>

See accompanying notes to these interim condensed consolidated financial statements



Bob Dhillon, Director



Joe Amantea, Director

February 10, 2026

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

**UNAUDITED**

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

Three months ended December 31,	2025	2024
Rental revenue [Note 8]	\$ 69,835	\$ 66,540
Ancillary revenue	1,047	1,073
Total rental and ancillary revenue	70,882	67,613
Property operating expenses [Note 9]	23,583	23,889
Net operating income	47,299	43,724
Financing costs [Note 10]	17,498	15,016
General and administrative expenses [Note 9]	5,082	4,433
Depreciation	138	151
Interest income	(2,580)	(1,149)
Profit before change in fair value, gain from disposal, and income tax	27,161	25,273
Change in fair value [Note 3]	30,287	40,234
Loss from disposal assets	-	(56)
Profit before income tax	57,448	65,451
Current income tax expense	2,618	2,353
Deferred income tax expense	6,561	6,866
Net profit and total comprehensive income	\$ 48,269	\$ 56,232
Profit per share		
– basic and fully diluted [Note 11]	\$ 5.19	\$ 6.03

See accompanying notes to these interim condensed consolidated financial statements

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

**UNAUDITED**

(000s of Canadian dollars)

	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance , October 1, 2024	\$ 26,419	\$ 1,491,934	\$ 1,518,353
Dividend paid [Note 7]	-	(256)	(256)
Profit for the period	-	56,232	\$ 56,232
Balance , December 31, 2024	\$ 26,419	\$ 1,547,910	\$ 1,574,329
Balance , October 1, 2025	\$ 26,393	\$ 1,775,856	\$ 1,802,249
Dividend paid [Note 7]	-	(372)	(372)
Shares purchased for cancellation	(15)	(987)	(1,002)
Profit for the period	-	48,269	48,269
Balance , December 31, 2025	\$ 26,378	\$ 1,822,766	\$ 1,894,144

See accompanying notes to these interim condensed consolidated financial statements

## MAINSTREET EQUITY CORP. INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS

### UNAUDITED

(000s of Canadian dollars)

Three months ended December 31,	2025	2024
<b>Cash obtained from (used in) operating activities</b>		
Net profit	\$ 48,269	\$ 56,232
Adjustments for:		
Depreciation	138	151
Change in fair value	(30,287)	(40,234)
Deferred income tax expense	6,561	6,866
Loss from disposal of assets	-	56
Financing costs [Note 10]	17,498	15,016
Deferred financing costs incurred	(318)	(3,388)
Interest paid on mortgages [Note 10]	(14,913)	(13,083)
Fair value adjustment on mortgage assumption	206	-
Interest accrual on mortgages	(241)	-
Capitalisation of financing costs	6	-
Cash from operating activities before changes in non-cash working capital	26,919	21,616
Change in working capital		
Prepaid assets	(2,499)	(1,991)
Trade and other receivables	3,573	(320)
Inventory	(346)	(65)
Restricted cash	(113)	(250)
Trade and other payables	255	(193)
Income tax payable	(946)	-
Current income tax payable	(2,065)	2,353
Refundable security deposits	138	270
Cash from operating activities	24,916	21,420
<b>Financing activities</b>		
Financing of investment properties	-	83,056
Mortgage principal repayments	(7,578)	(6,625)
Mortgage payments upon refinancing	(116,084)	-
Mortgage payments upon disposal of investment properties	-	(521)
Dividend paid	(372)	(256)
Repurchase of shares	(1,002)	-
Cash (used in)/ from financing activities	(125,036)	75,654
<b>Investing activities</b>		
Additions to investment properties	(66,679)	(21,450)
Additions to property and equipment	(59)	(22)
Additions to intangible assets	(61)	(60)
Proceeds from disposal	-	1,074
Additions to property held for sale	(11)	(6)
Cash used in investing activities	(66,810)	(20,464)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(166,930)</b>	<b>76,610</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>314,550</b>	<b>48,826</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 147,620</b>	<b>\$ 125,436</b>
<b>Cash and cash equivalents are comprised of:</b>		
Cash	\$ 118	\$ 12,234
Short-term deposits	147,502	113,202
	<b>\$ 147,620</b>	<b>\$ 125,436</b>

See accompanying notes to these interim condensed consolidated financial statements

## MAINSTREET EQUITY CORP.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 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 interim condensed 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) applicable to the preparation of interim financial statements, under International Accounting Standard 34, Interim Financial Reporting. Accordingly, certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with IFRS Accounting Standards have been omitted or condensed and, therefore, these financial statements should be read in conjunction with the annual audited consolidated financial statements for the fiscal year ended September 30, 2025

##### b) Basis of presentation

These interim condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair value. The interim condensed 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 material accounting policies and critical accounting estimates and judgements as disclosed in the 2025 audited annual consolidated financial statements have been applied consistently in the preparation of these condensed consolidated financial statements.

#### 3. INVESTMENT PROPERTIES

(000s of dollars)

	Three months ended December 31, 2025	Year ended September 30, 2025
Balance, beginning of year	\$ 3,730,534	\$ 3,407,493
Additions related to acquisitions	69,306	53,707
Building improvements	9,825	36,035
Disposal of investment properties	-	(1,136)
Change in fair value	30,287	234,435
Balance, end of year	\$ 3,839,952	\$ 3,730,534

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 December 31, 2025 and September 30, 2025, 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. Properties are selected on a rotational basis and approximately 40% of the Corporation's portfolio is externally valued annually. For the three months ended December 31, 2025, a fair value gain of \$ 30 million was recorded as a result of changes in the fair value of investment properties based on the most recent market conditions in the reporting periods.

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

	Dec. 31, 2025	Sep. 30, 2025
Lower Mainland, BC	3.62%	3.97%
BC excluding Lower Mainland	5.38%	5.48%
Calgary, Alberta	5.58%	5.84%
Edmonton, Alberta	5.42%	5.79%
Saskatoon, Saskatchewan	5.37%	5.70%
Regina, Saskatchewan	5.88%	5.99%
Winnipeg, Manitoba	5.50%	5.50%
Investment properties-weighted average capitalization rate	5.00%	5.29%

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 of investment properties.

#### As at December 31, 2025

		-3%	-1%	As estimated	+1%	+3%
Net operating income		\$ 185,864	\$ 189,696	\$ 191,612	\$ 193,528	\$ 197,360
Capitalization rate						
-0.25%	4.75%	\$ 72,967	\$ 153,645	\$ 193,985	\$ 234,322	\$ 315,003
Cap rate used	5.00%	\$ (122,679)	\$ (46,034)	\$3,839,952	\$ 30,608	\$ 107,255
+0.25%	5.25%	\$ (299,692)	\$ (226,697)	\$ (190,200)	\$ (153,702)	\$ (80,707)

#### As at September 30, 2025

		-3%	-1%	As estimated	+1%	+3%
Net operating income		\$ 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)

The portfolio includes 2,329 unstabilized units with an aggregate fair value of \$335 million. These properties are initially measured at cost, and subsequently measured at cost plus capital expenditures as a proxy to fair value until stabilized. In Q1 2026, the Corporation acquired 348 investment property units with an aggregate value of \$69 million in the provinces of Alberta and British Columbia, which have been recorded at their purchase price plus acquisition costs.

#### 4. 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 December 31, 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.

#### 5. MORTGAGES PAYABLE

Mortgages payable bear interest at a weighted average interest rate of 3.12% (September 30, 2025 – 3.07%) per annum and are payable in monthly principal and interest installments totaling \$7.0 million (September 30, 2025 - \$7.5 million), maturing from 2026 to 2032 and are secured by specific charges against specific investment properties, having a fair value of \$3,151 million (September 30, 2025 - \$3,267 million).

(000s of dollars)

	Dec. 31, 2025	Sep. 30, 2025
Non-current	\$ 1,653,580	\$ 1,647,577
Current	151,632	269,282
	\$ 1,805,212	\$ 1,916,859

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

(000s of dollars)

	Dec. 31, 2025	Sep. 30, 2025
Opening balance	\$ 1,916,859	\$ 1,649,665
Financing of investment properties	-	358,380
Mortgage assumed to purchase investment properties	9,777	4,532
Mortgage principal repayments	(7,578)	(28,423)
Mortgage payments upon refinancing	-	(62,426)
Mortgage payments on maturity	(116,084)	-
Deferred financing cost	(2,273)	(6,135)
Fair value adjustment on mortgage as assumption	206	404
Interest accrual on mortgages	(241)	862
Closing balance	\$ 1,805,212	\$ 1,916,859

The contractual principal payments required to retire the mortgage obligations as of December 31, 2025 are as follows:

(000s of dollars)

Years ending September 30,	Amount
2026	\$ 155,493
2027	95,353
2028	143,514
2029	485,959
2030	519,939
Subsequent	446,020
	1,846,278
Deferred financing cost	(41,066)
	\$ 1,805,212

## 6. 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 December 31, 2025, the Corporation has drawn \$Nil (September 30, 2025 - \$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 December 31, 2025, the Corporation has drawn \$Nil (September 30, 2025 - \$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 December 31, 2025, the Corporation's overall funded debt to gross book value ratio and debt service coverage ratio are 43% and 2.06, respectively.

## 7. 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:

	Three month ended December 31, 2025		Year ended September 30, 2025	
	Number of common shares	Amount	Number of common shares	Amount
Issued and outstanding, -beginning of the period	9,309,718	\$ 26,393	9,318,818	\$ 26,419
Shares purchased for cancellation	(5,400)	(15)	(9,100)	(26)
Issued and outstanding, -end of the period	9,304,318	\$ 26,378	\$ 9,309,718	\$ 26,393

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 the three months ended December 31, 2025 and 2024, the Corporation purchased and cancelled 5,400 (2024 – Nil) common shares at an average price of \$185.66 (2024 – Nil) respectively, per common share under its NCIB.

## 8. REVENUE FROM INVESTMENT PROPERTIES

The components of revenue from investments properties are as follows:

(000s of dollars)

Three month ended December 31,	2025	2024
Rental revenue	\$ 69,194	\$ 65,955
Other rental revenue (1)	641	585
	69,835	66,540
Ancillary revenue (2)	1,047	1,073
Total rental and ancillary revenue	\$ 70,882	\$ 67,613

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

(2) The Corporation recognized a government grant of \$164,677 for the three months ended December 31, 2025 (2024: \$150,000) for rental supplement purposes from the Manitoba Housing and Renewal Corporation. The rental supplement is recognized as ancillary revenue on a consistent basis and recognized evenly over the periods.

## 9. EXPENSES BY NATURE

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

(000s of dollars)

Three months ended December 31,	2025	2024
Salaries, wages and employee benefits	\$ 10,352	\$ 8,983
Utilities	7,837	8,593
Property tax	5,642	5,589
Repair and maintenance	2,215	2,226
Insurance	696	989
Others	949	1,034
Legal and other professional expenses	518	604
Advertising and Marketing	456	304
Total Operating and G&A expenses	\$ 28,665	\$ 28,322

## 10. FINANCING COSTS

The components of financing costs are as follows:

(000s of dollars)

Three months ended December 31,	2025	2024
Mortgage interest	\$ 14,913	\$ 13,083
Amortization of deferred financing cost	2,585	1,933
Financing costs	\$ 17,498	\$ 15,016

## 11. 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)

Three months ended December 31,	2025	2024
<b>Numerator</b>		
Net profit	\$ 48,269	\$ 56,232
<b>Denominator</b>		
Weighted average shares		
For basic profit per share	9,304,617	9,318,818
<b>Profit per share</b>		
-basic	\$ 5.19	\$ 6.03
-diluted	\$ 5.19	\$ 6.03

## 12. 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)

		December 31, 2025		September 30, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>					
Restricted cash	Level 2	\$ 6,947	\$ 6,947	6,834	\$ 6,834
Cash and cash equivalents	Level 2	147,620	147,620	314,550	314,550
Trade and other receivables	Level 2	1,909	1,909	5,482	5,482
<b>Financial liabilities:</b>					
Mortgages payable	Level 2	1,805,212	1,779,909	1,916,859	1,893,230
Trade and other payables	Level 2	17,195	17,195	14,265	14,265
Refundable security deposits	Level 2	\$ 9,335	\$ 9,335	\$ 9,197	\$ 9,197

\* 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.

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

(000s of dollars)

		December 31, 2025		September 30, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-financial assets:</b>					
Investment properties	Level 3	\$ 3,839,952	\$ 3,839,952	\$ 3,730,534	\$3,730,534.

### 13. 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 Risks

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.

#### 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 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.

#### 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 December 31, 2025, rents due from current tenants amounted to \$549,000 (September 30, 2025 - \$608,000). The possibility of not receiving payment of rent due from current tenants was covered by security deposits of \$9.3 million (September 30, 2025 - \$9.2 million) and provisions for bad debts of \$160,000 (September 30, 2025 - \$160,000).

The aging bands of rents due from current tenants as at December 31, 2025 and September 30, 2025 are outlined in the table below:

(000's of dollars)

	December 31, 2025	September 30, 2025
0-30 days	\$ 360	\$ 452
31-60 days	99	99
61-90 days	40	12
Over 90 days	50	45
Total rents due from current tenants	\$ 549	\$ 608

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 December 31, 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	\$ 161,787	124,211	367,586	305,799	886,895	\$ 1,846,278
Mortgages interest payable	57,578	53,778	49,667	35,003	33,375	229,401
Trade and other payable	17,195					17,915
Refundable security deposits	\$ 9,335					\$ 9,335

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
Mortgages interest payable	60,200	53,538	50,632	45,613	43,374	255,357
Trade and other payable	14,265	-	-	-	-	14,265
Refundable security deposits	\$ 9,197	-	-	-	-	\$ 9,197

## 14. 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 condensed 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 December 31, 2025, and September 30, 2025, no amounts have been recorded and none are required to be disclosed in the condensed consolidated financial statements with respect to guarantees, contingencies and commitments.

## 15. 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 three months ended December 31, 2025, amounted to \$131,588 (2024 – \$11,188).

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 three months ended December 31, 2025, amounting to \$96,049 (2024 - \$73,059) to a law firm of which a director and officer of the Corporation is a Senior Associate. As at December 31, 2025, the amounts payable to the law firm were \$Nil (September 30, 2025 – \$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.

## **16. 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:

## RENTAL OPERATIONS

(000s of dollars)

Three months ended December 31,	2025	2024
<b>BRITISH COLUMBIA</b>		
Rental revenue	\$ 16,483	\$ 15,382
Other rental revenue	177	178
Ancillary revenue	289	259
Property operating expenses	4,846	4,444
Net operating income	12,103	11,375
Financing Costs	3,132	3,091
Change in fair value	17,759	4,662
<b>ALBERTA</b>		
Rental revenue	\$ 39,369	\$ 37,454
Other rental revenue	377	359
Ancillary revenue	425	477
Property operating expenses	13,521	13,905
Net operating income	26,650	24,385
Financing Costs	11,392	9,336
Change in fair value	24,209	34,268
<b>SASKATCHEWAN</b>		
Rental revenue	\$ 12,252	\$ 12,083
Other rental revenue	80	42
Ancillary revenue	165	179
Property operating expenses	4,590	4,906
Net operating income	7,907	7,398
Financing Costs	2,974	2,589
Change in fair value	(11,564)	1,489
<b>MANITOBA</b>		
Rental revenue	\$ 1,090	\$ 1,036
Other rental revenue	7	6
Ancillary revenue	168	158
Property operating expenses	626	634
Net operating income	639	566
Change in fair value	(117)	(185)
<b>TOTAL</b>		
Rental revenue	\$ 69,194	\$ 65,955
Other rental revenue	641	585
Ancillary revenue	1,047	1,073
Property operating expenses	23,538	23,889
Net operating income	47,299	43,724
Financing Costs	17,498	15,016
Change in fair value	30,287	40,234
Loss from disposal of assets	-	(56)
Unallocated revenue*	2,580	1,149
Unallocated expenses**	14,399	13,803
<b>Profit for the year</b>	<b>\$ 48,269</b>	<b>\$ 56,232</b>

\* Unallocated revenue represents interest income and other income.

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

## IDENTIFIABLE ASSETS AND LIABILITIES

(000s of dollars)

	December 31, 2025	September 30, 2025
<b>BRITISH COLUMBIA</b>		
Investment properties	\$ 1,220,776	\$ 1,180,660
Property and equipment	55	59
Mortgages payable	343,487	385,890
Refundable security deposits	2,439	2,414
<b>ALBERTA</b>		
Investment properties	\$ 2,051,580	\$ 1,972,249
Property and equipment	5,783	5,815
Mortgages payable	1,144,092	1,212,568
Refundable security deposits	5,380	5,260
<b>SASKATCHEWAN</b>		
Investment properties	\$ 518,736	\$ 528,365
Property and equipment	812	821
Mortgages payable	317,633	318,401
Refundable security deposits	1,348	1,354
<b>MANITOBA</b>		
Investment properties	\$ 48,860	\$ 48,860
Property and equipment	1	1
Mortgages payable	-	-
Refundable security deposits	168	169
<b>TOTAL</b>		
Investment properties	\$ 3,839,952	\$ 3,730,534
Property and equipment	6,651	6,696
Mortgages payable	1,805,212	1,916,859
Refundable security deposits	9,335	9,197

## IDENTIFIABLE ACQUISITION AND CAPITAL EXPENDITURES

(000s of dollars)

	Three months ended December 31, 2025	Year ended Sept. 30, 2025
BRITISH COLUMBIA	\$ 22,361	\$ 31,215
ALBERTA	54,790	52,908
MANITOBA	117	693
SASKATCHEWAN	1,935	5,352
TOTAL	\$ 79,203	\$ 90,168

## 17. 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 December 31, 2025 amounted to \$ 3,654 million (September 30, 2025 - \$3,719 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)

	Dec. 31, 2025	Sept. 30, 2025
Mortgages payable	\$ 1,805,212	\$ 1,916,859
Total equity	1,849,144	1,802,249
Total capital	\$ 3,654,356	\$ 3,719,108

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 December 31, 2025 is approximately 43% (September 30, 2025 – 43%).

The debt to fair value ratios were as follows:

(000s of dollars)

	Dec. 31, 2025	Sept. 30, 2025
Mortgages payable	\$ 1,805,212	\$ 1,916,859
Cash and cash equivalents	147,620	314,550
Total debts	\$ 1,657,592	\$ 1,602,309
Investment properties	\$ 3,839,952	\$ 3,730,534
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.

## 18. SUBSEQUENT EVENTS

Subsequent to the quarter-ended December 31, 2025, the Corporation purchased and cancelled 6,400 common shares at an average price of \$179.62 per common share under its NCIB.

## 19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on February 10, 2026.