

25
YEARS of

Organic Growth Discipline Focus

 **Mainstreet**

	IFRS 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%

16%

16%

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%

15%

18%

18%

15th Consecutive Quarter of
DOUBLE-DIGIT
year-over-year growth
Q3 2025 vs. Q3 2024

▲
10%
**RENTAL
REVENUE**

▲
16%
NOI

▲
10%
FFO

Q3 2025

For the periods ended
June 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 5, 2024 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.

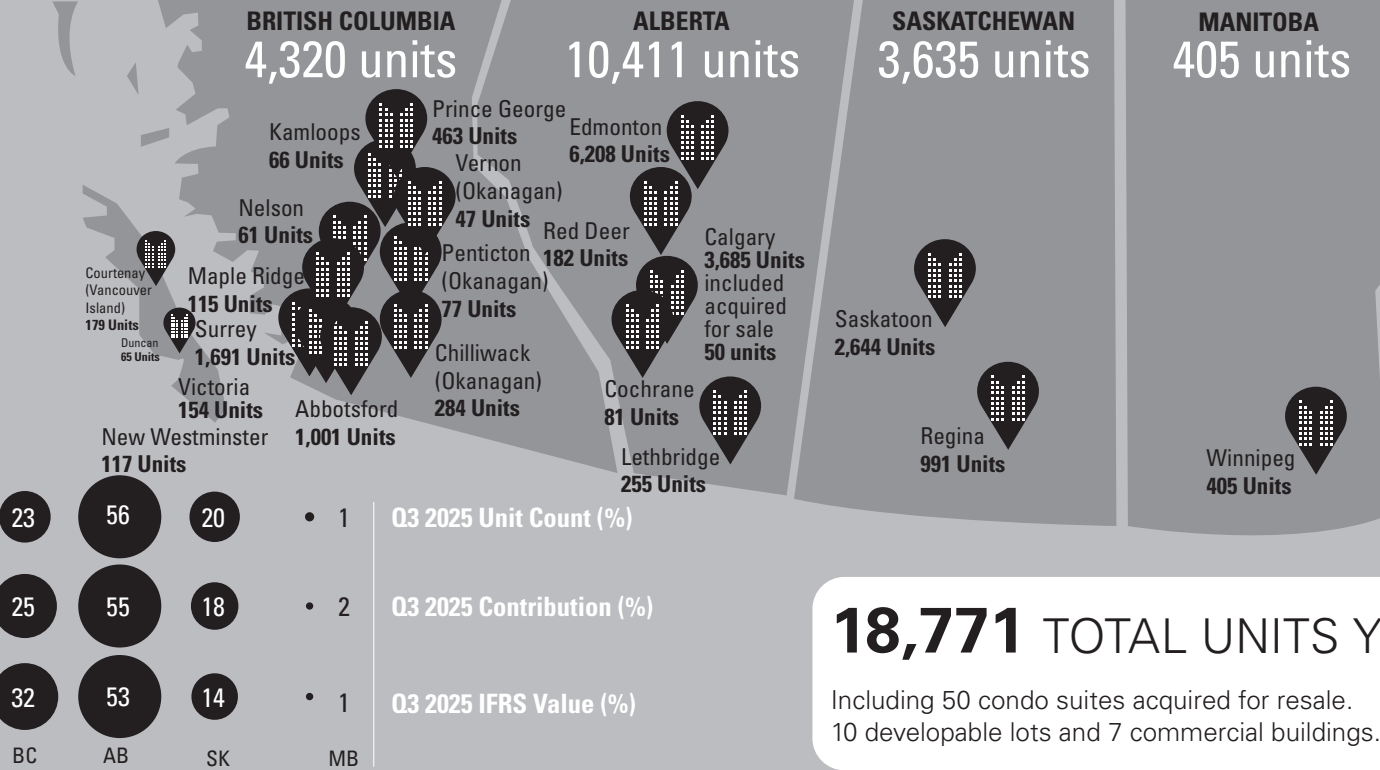
Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance actual results will be consistent with these forward-looking statements and no assurances can be given that any of the events anticipated by the 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.

DIVERSIFIED PORTFOLIO YTD

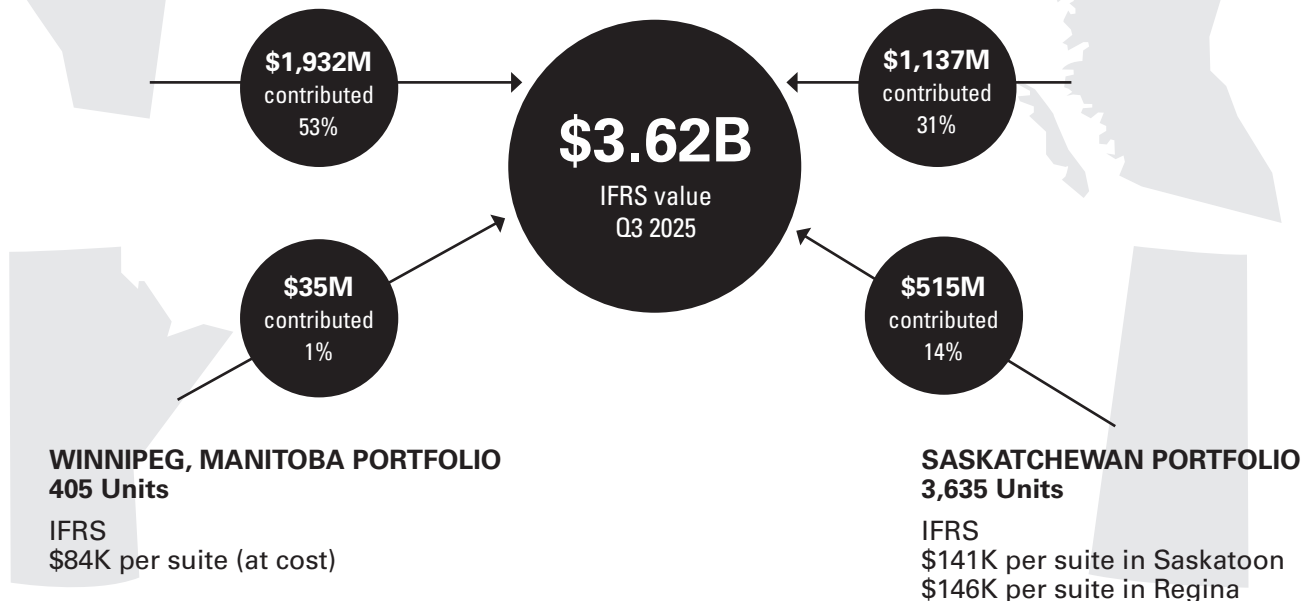


ALBERTA PORTFOLIO 10,339 Units

IFRS
\$236K per suite in Calgary
\$165K per suite in Edmonton

BRITISH COLUMBIA PORTFOLIO 4,255 Units

IFRS
\$345K per suite in Surrey
\$301K per suite in Abbotsford
(Newly acquired BC properties are mainly valued at cost.)



KEY METRICS | Q3 2025 PERFORMANCE HIGHLIGHTS

Rental Revenue		
From operations		Up 10% to \$69.7 million (vs. \$63.3 million in Q3 2024)
From same asset properties		Up 6% to \$64.2 million (vs. \$60.6 million in Q3 2024)
Net Operating Income (NOI)		
From operations		Up 16% to \$47.0 million (vs. \$40.5 million in Q3 2024)
From same asset properties		Up 12% to \$43.6 million (vs. \$39.1 million in Q3 2024)
Funds from operations (FFO)¹		
FFO-before current income tax		Up 17% to \$27.5 million (vs. \$23.5 million in Q3 2024)
FFO per basic share-before current income tax		Up 17% to \$2.95 (vs. \$2.52 in Q3 2024)
FFO-after current income tax		Up 10% to \$24.3 million (vs. \$22.1 million in Q3 2024)
FFO per basic share-after current income tax		Up 10% to \$2.61 (vs. \$2.37 in Q3 2024)
Operating Margin		
From operations		67.5% (vs. 63.9% in Q3 2024)
From same asset properties		67.9% (vs. 64.5% in Q3 2024)
Unstabilization rate		
Stabilized Units		12% (providing potential for future NOI growth) 434 properties (16,390 units, 12%) out of 482 properties (18,634 units)
Net Profit		
Net profit per basic share		Net profit of \$46.6 million (vs. Net profit of \$35.3 million in Q3 2024, including change in fair value of \$29.6 million in Q3 2025 vs. \$19.5 million in Q3 2024)
Total Capital Expenditures		
Total Capital Expenditure (unstabilized assets)		\$8.1 million (vs. \$6.2 million in Q3 2024)
Total Capital Expenditure (stabilized assets)		\$2.0 million (vs. \$1.0 million in Q3 2024)
		\$6.1 million (vs. \$5.3 million in Q3 2024)
Vacancy rate		
From operations		5.0% (vs. 2.8% in Q3 2024)
From same asset properties		4.9% (vs. 2.8% in Q3 2024)
Vacancy rate as of August 7, 2025		4.4% excluding unrentable units
Total Acquisition		
During Q3 2025		\$15.5 million for 183 units (vs. \$91.6 million for 632 units in Q3 2024)
Subsequent to Q3 2025		87 unit (\$14.9 million, \$171,000 per suite) in Alberta and BC
Total YTD Acquisition 2025		387 unit (\$49.2 million)
Total Units		
As of June 30, 2025		18,684 units ²
As of August 7, 2025		18,771 units ³
Fair Market Value		
		Up 2% to \$3.6 billion (vs. \$3.4 billion in 2024)
Liquidity Position FY2025		
		\$815 million ⁴

*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 Include 50 units held for sale

*4 Including \$216 million cash-on-hand, \$105 million being estimated funds in Q4 2025, \$364 million estimated funds that may be available through financing of clear titled assets, and \$130 million available through lines of credits which will be renewed upon expiry

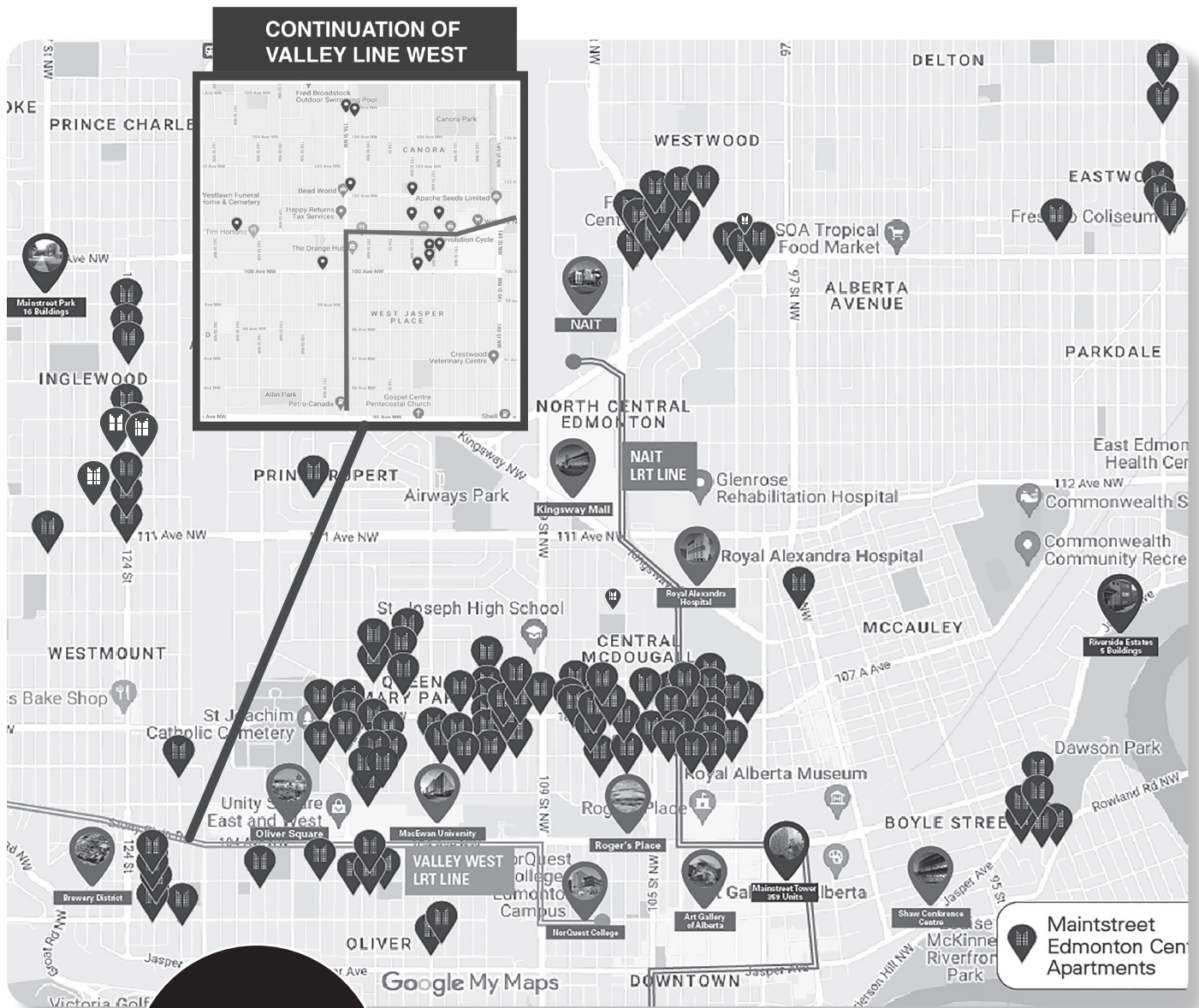
Mainstreet Equity Corp. ("Mainstreet" or the "Corporation") is a Canadian real estate company focused on acquiring and managing mid-market rental apartment buildings primarily in Western Canada. Listed on the TSX since 2000, Mainstreet creates value by purchasing under-performing properties, renovating 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.



* Includes Fort Saskatchewan and Red Deer

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.



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

Mainstreet Regina 'Golden Mile' Apartments

MESSAGE TO SHAREHOLDERS | For the period ended June 30, 2025

The Mainstreet Mission: We believe the current operating environment, including continued uncertainty stemming from global trade, economic headwinds, and immigration policy, presents an opportunity for accelerated acquisitions throughout the end of the year and fiscal 2026, potentially paving the way for another new phase of counter-cyclical growth at Mainstreet. As always, we remain passionately committed to our role as a crucial provider of quality, affordable homes for Canadians, offering renovated apartments and customer services at an average mid-market rental rate of \$1250.

In Q3 of 2025, Mainstreet Equity Corp. (TSX: MEQ) achieved its 15th consecutive quarter of double-digit year-over-year growth across all major key metrics. Funds from operations (“FFO”) increased 10%, to \$24.3 million (vs \$22.1 million in Q3 2024) net operating income (“NOI”) increased 16% to \$47.0 million (vs \$40.5 million in Q3 2024) and rental revenues grew 10% to \$69.7 million (vs 63.3 million in Q3 2024). **Same asset NOI rose 12% while revenues on a same-asset basis grew 6%. Operating margins increased from 63.9% in Q3 2024 to 67.5% in Q3 2025, and from 64.5% to 67.9% on the same asset properties in the same timeframe.**

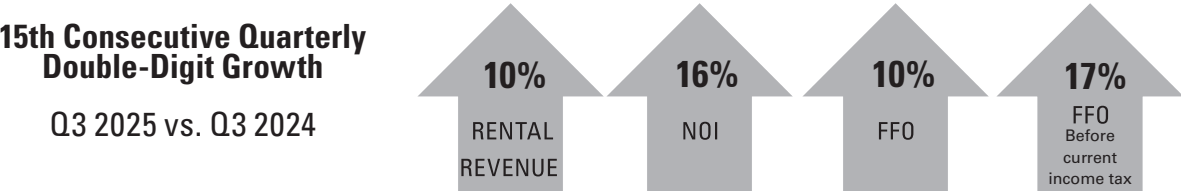
This sustained performance comes despite economic uncertainty, which has impacted market conditions across Canada throughout the first three quarters of the fiscal year. While we expect this uncertainty has impacted nearly every sector of the Canadian economy, this uncertainty will provide the opportunity to aggressively aggregate assets in counter-cyclical action with our liquidity position, unleashing approximately \$815 million in liquidity¹, compounding non-dilutive shareholder value.

Business Strategy

The Q3 results once again demonstrate the ongoing and proven success of the MEQ business model, regardless of the economic conditions, backed by consistent growth since MEQ first listed on the TSX. The Mainstreet model focuses on delivering critical housing spaces needed in mid-market rentals (average \$1250 rent), with a focus on value-added renovations in existing, but underperforming, assets across Western Canada as opposed to costly and risky new builds.

This focus, supported through stable market fundamentals, is backed by steady demand for mid-market rental units across urban centres in Western Canada, driven by our product's affordability, accessibility to inner city millennials, students, and new Canadians, and continues to deliver significant shareholder returns even in the face of broader economic uncertainty.

We believe that Mainstreet’s key strengths are:



- Growth without Dilution: MEQ continues 100% organic, non-dilutive growth.
- Highly affordable rent: MEQ’s mid-market rental focus creates opportunities for a significant population across Canada who need housing options. This market focus ensures stable demand despite persistent economic uncertainty, as more than 60% of Canadians make less than \$50,000 annually.
- Portfolio Diversity: Mainstreet’s presence in four provinces, with a year-to-date number of **18,771** units across its footprint, is insulated from regional swings and local trends.

¹ Including \$216 million cash-on-hand, \$105 million being estimated funds in Q4 2025, \$364 million estimated funds that may be available through financing of clear titled assets, and \$130 million available through lines of credits which will be renewed upon expiry.

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	Q3 2025	\$216 million in cash 18,771 units Fair market value of \$3.6 billion Share price: \$186.27 as at June 30, 2025
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CHALLENGES

Canada's – and the global – economic outlook continues to be impacted by persistent uncertainty.

International Students, Immigration, and International Workers

Following the recent federal election, temporary reductions in immigration numbers –including international students – have been implemented for two years. This federally driven reduction could have impacts on rental demand in certain markets; however, we believe that current rates of newcomers, both students and conventional immigrants, still outpace market supply. CMHC data demonstrates vacancy rates are below 4% in the Western Canadian market, with Alberta seeing the highest at 3.4%, followed by Saskatchewan at 2.7%. Both Manitoba (1.7%) and B.C. (1.9%) remain below 2%, which is notable as B.C. represents 42% of Mainstreet's asset value. CMHC data suggests that while some markets are less attractive than they were several quarters back, demand remains high, especially within Mainstreet's target market.

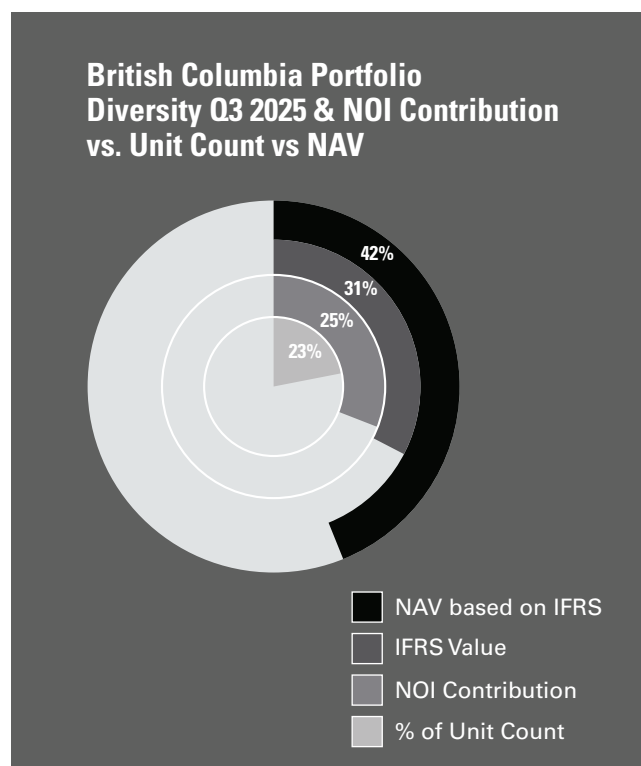
Ultimately, this policy change could lead to a reduction in demand and impact rental rates, if trends continue over the longer term. However, with the current housing crisis, mid-market rates, and mid-market spaces trading below replacement costs, restricting new supply in that space, coupled with continued population trends, it is unlikely to significantly impact MEQ's market position. Immigration numbers remain high, and hundreds of thousands of newcomers and students are expected to move to Canada every year, likely ensuring MEQ's proven business model will continue to insulate shareholder value. For example, permanent resident numbers seem to be intact. **(Q1 2025, 104,256 immigrants moved to Canada according to Statistics Canada)**

Supply

Canada's rental market continues to see new builds and additions to the available rental stock. While these new units are predominantly in the high-end of market prices, a glut in supply will have consequences for mid-market units as vacancies drive rents lower across the board. While this impact will not be immediate for a vast majority of MEQ's properties, it nonetheless deserves attention as the repercussions across Canada's rental market will be impacted by a continuing expansion in supply.

OUTLOOK

In Q3, we continued to navigate the challenges and headwinds that have persisted since the beginning of 2025—conditions for which we were well prepared. Our trigger-ready liquidity and resilient business model are ready to build on Mainstreet's proven pattern of turning challenges into opportunities for 25 years. Our team stands ready to deploy a wave of counter-cyclical investment, reinforcing our commitment to creating long-term shareholder value. Trends continue to point to population growth within Alberta specifically (+138,136 in 2024/25) and Western Canada more generally (+233,085 in 2024/25), according to Statistics Canada. With the continued economic opportunity and



lower tax rate of Alberta—and affordability more generally across Saskatchewan and Western Canada—it is expected Canadians will continue to move to the west.

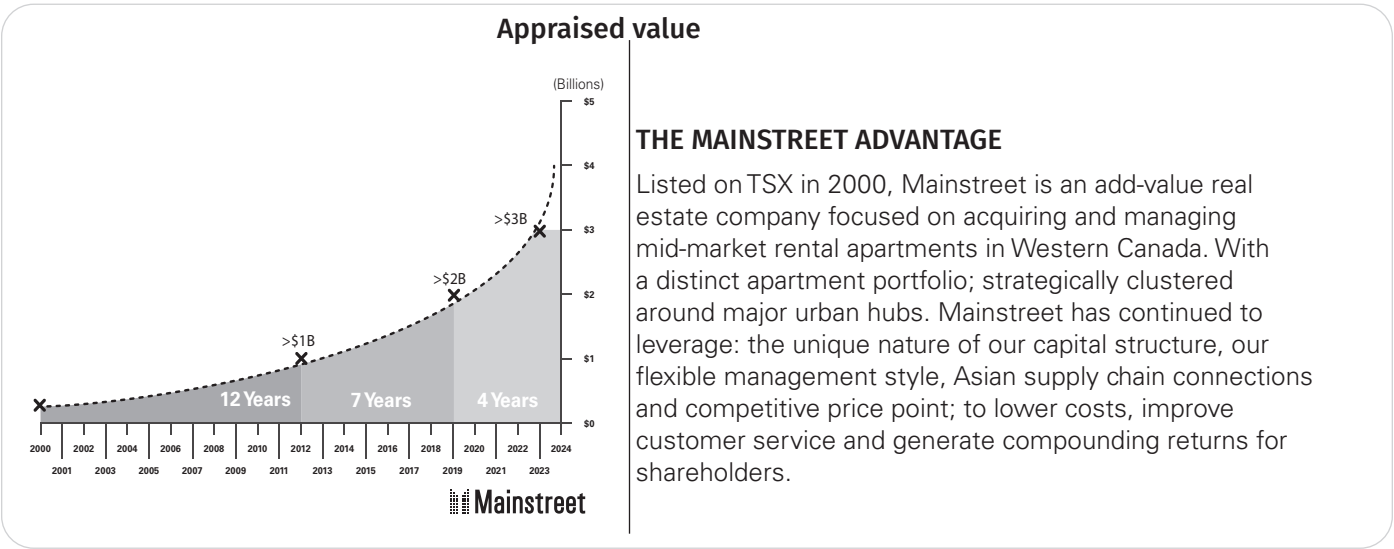
This could be accelerated through the federal government’s new focus on nation-building projects, including projects in Alberta’s energy and mining sector. Unleashed economic potential, through fledgling initiatives like a national energy corridor, could spur an even greater focus on the economic opportunity in Alberta, creating additional incentives for Canadians to move to Western Canada.

Continued economic uncertainty and lingering concerns regarding inflation, may result in the Bank of Canada maintaining current interest rates or potentially even lowering them in the future. Any decrease in interest rate would have a meaningful impact for MEQ as interest on debt holdings is the largest cost pressure Mainstreet faces.

In addition, the demise of the federal consumer carbon tax has led to an overall reduction in costs to the bottom line.

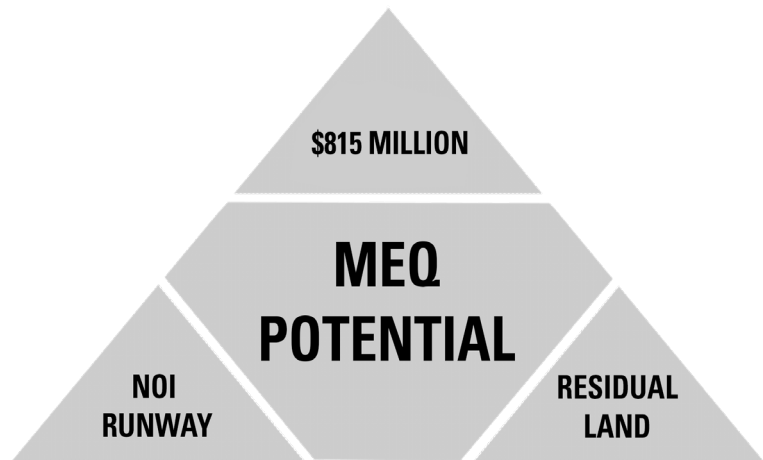
Ready to Unleash Growth

Mainstreet continues to focus on growing our already sizable footprint within Western Canada, adding 387 units this year despite the pause on acquisitions for the first three quarters.



RUNWAY ON EXISTING PORTFOLIO

1. *Expanding our portfolio: Using our liquidity position, estimated at \$815 million, we believe there is significant opportunity to continue acquiring underperforming assets at attractive valuations.*
2. Closing the NOI gap: As of Q3 2025, 12% of Mainstreet's portfolio was going through the stabilization process due largely to high levels of add-value acquisitions. Our management team believes vacancy rates, NOI and FFO will be meaningfully improved as we continue to stabilize units. In the BC market alone, we estimate that the potential upside based on an estimated average monthly mark-to-market gaps for NOI growth is approximately \$28 million. Alberta and Saskatchewan markets also have substantial room for mark-to-market catch up.
3. Creating value from existing footprints: We continue to explore opportunities to create larger returns from existing Mainstreet properties through municipalities that have eased zoning restrictions, through subdivisions and optimized residual space. The three-point plan to accomplish this is:
 - Turning unused or residual space within existing buildings into new units (YTD 55 additional units created)
 - Exploring zoning and density relaxations to potentially build new capacity within existing footprints
 - Subdividing residual lands which created more clear title assets on our balance sheet (See page 10 for ledger of developable vacant land)
4. Buying back shares: Mainstreet is prepared to buy back shares under our existing NCIB on an opportunistic basis when Mainstreet shares are trading below NAV, to further increase shareholder value.



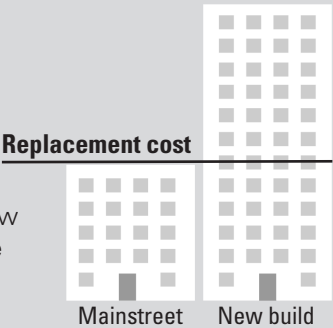
Bob Dhillon
President & CEO
Calgary, Alberta
August 7, 2025

Total number of
outstanding shares
9,318,818

Management,
Directors,
& Officers
shareholder
ownership
49%

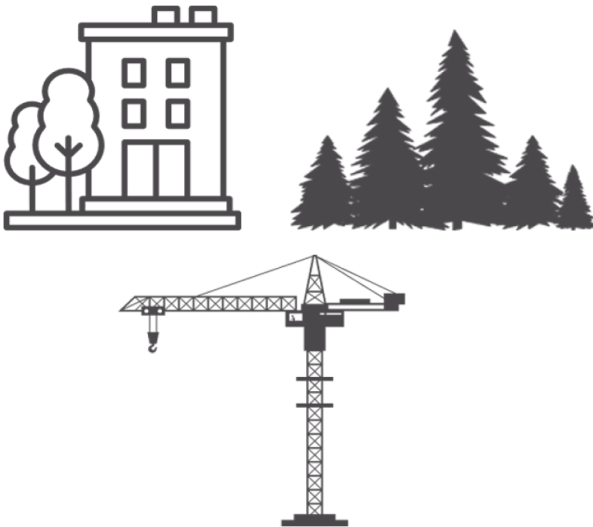
Leveraging the supply-demand imbalance

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.



DEVELOPABLE VACANT LAND

Address	City
33283 Bourquin Crescent E	Abbotsford
9621 104 St	Edmonton
9635 104 St	Edmonton
11122 101 St NW	Edmonton
11126 101 St NW	Edmonton
11130 101 St NW	Edmonton
1135 10 Ave SE	Calgary
1306 20 St W	Saskatoon
4145 Retallack St	Regina
3015 Parliament Ave	Regina



100%
of debt is fixed
CMHC-insured mortgages

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 3.04% and over long-term maturities (average 5.3 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 3.04%
Average term to maturity 5.3 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 25 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 SHANGHAINES AMHARICA TIGRINYA TELUGU BANGALA ITA



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 three and nine months ended June 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 interim condensed consolidated financial statements and accompanying notes for the three and nine months ended June 30, 2025 and 2024 and the Corporation's audited consolidated financial statements and accompanying notes for the fiscal years ended September 30, 2024 and 2023. 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 preparation of interim financial statements under IAS 34, Interim Financial Reporting. This MD&A has been reviewed and approved by the Audit Committee and Board of Directors of the Corporation and is effective as of August 7, 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 three and nine months periods ended June 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 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 5, 2024 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.

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 measures 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. However, as the Corporation has experienced strong financial growth, Mainstreet has now 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 Q3 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 on-going 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 the third quarter of 2025. In Q3 2025, Mainstreet acquired: (i) one residential complex comprised of 182 units in Red Deer, Alberta, for \$15.5 million; and (ii) one condo unit in Saskatoon, Saskatchewan for \$0.05 million. In addition, Mainstreet disposed of one condo unit held for sale in Calgary, Alberta for \$0.3 million and recognized a gain on sale of \$0.1 million in respect of the same. Subsequent to Q3 2025, Mainstreet acquired: (i) two residential complexes comprised of a total of 65 units for \$11.0 million in Duncan, British Columbia; and (ii) one residential complex comprised of 22 units in Cochrane, Alberta for \$3.7 million.

Refinancing: Mainstreet continues to reposition its unstabilized properties and continues to have access to mortgage debt. In Q3 2025, the Corporation financed 6 clear title properties and renewed the mortgages for 5 properties, for additional net funding of \$15.3 million at an average interest rate of 3.51%. Subsequent to Q3 2025, Mainstreet has financed 14 clear-title properties for additional funding of \$47.4 million at an averaged interest rate of 3.68%.

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 remains mainly unchanged, plus the available credit Mainstreet has access to under its approved line of credit, Mainstreet estimates it will have access to approximately \$815 million¹ in available liquidity in FY2025, which management believes is sufficient for its operations, including to address any inherent uncertainty surrounding geopolitical matters, disruption from supply chain disruptions, inflation, interest rate increases and rent control measures, all while continuing to support its stakeholders.

1) Including \$216 million cash-on-hand, \$105 million being estimated funds in Q4 2025, \$364 million estimated funds that may be available through financing of clear titled assets, and \$130 million available through lines of credits which will be renewed upon expiry.

EFFECT OF MARKET FORCES ON MAINSTREET

The Corporation has seen its overall occupancy stabilizing in the first 3 quarters 2025, mainly as a result of an increase in rentals in all markets, and is cautiously optimistic that this trend will continue for 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, regional rent controls and general economic conditions. Canada saw significant inflation in the latter part of 2023, effects of which 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 other goods 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 new supply of rental housing may take longer as construction completion times are extended. All of this increases the supply risk to the Corporation.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RESPONSIBILITY

ESG responsibility have 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 energy efficient, 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 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 member's 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 that 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 a number of committees to assist it in achieving the highest standards of governance, including an audit committee, 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

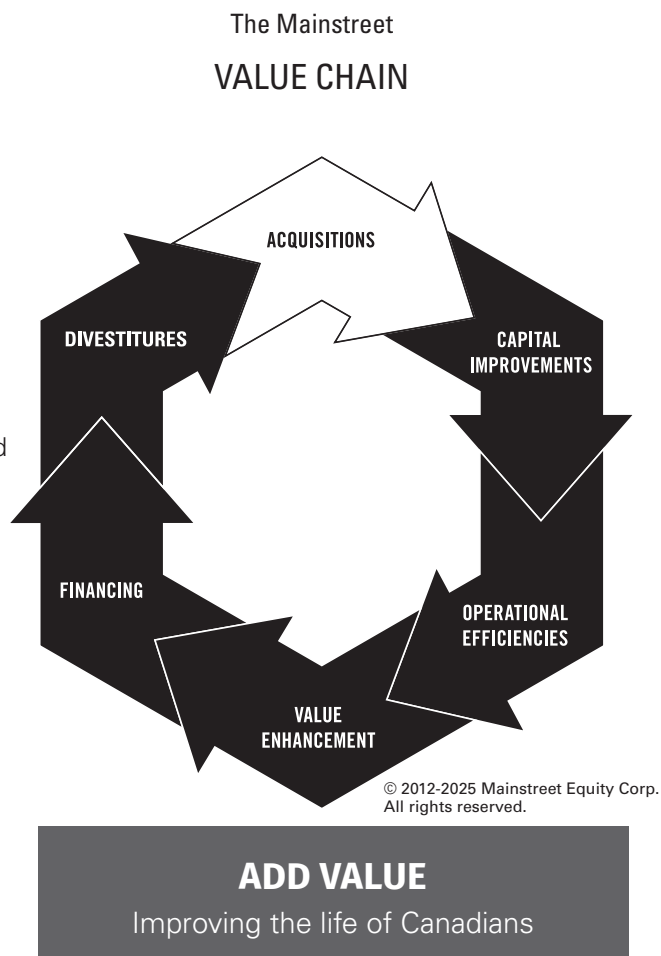
Based in Calgary, Alberta, Mainstreet is a Canadian real estate corporation focused on the acquisition, redevelopment, repositioning and management of mid-market rental apartment buildings in six major Canadian markets: British Columbia (including Vancouver Lower Mainland, Vancouver Island, Okanagan, 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 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. Gains and losses 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 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. 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. Samples are selected in each group for independent appraisal. 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 reviewed and applied to the whole population of each group in determination of the fair value of investment properties of the Corporation as of June 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.

The fair values are most sensitive to changes in net operating income and capitalization rates. Mainstreet's total portfolio is valued at \$3.6 billion as of June 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 June 30, 2025 and September 30, 2024, respectively.

As at June 30, 2025	Number of properties	Number of units	Market value (\$ million)	Average value per unit (\$000)	Average capitalization rate as at June 30, 2025
Lower Mainland, British Columbia (Note 1)	38	3,208	\$ 989	308	3.92%
British Columbia excluding Lower Mainland (Note 2)	23	1,047	148	141	5.40%
Calgary, Alberta (Note 3)	118	3,950	928	235	5.68%
Edmonton, Alberta (Note 4)	174	6,389	1,005	157	5.81%
Saskatoon, Saskatchewan	63	2,644	370	140	5.51%
Regina, Saskatchewan	62	991	144	145	6.02%
Winnipeg, Manitoba	4	405	35	86	5.79%
Total investment properties	482	18,634	\$ 3,619	\$ 194	5.21%

Note (1) – includes the City of Abbotsford, the City of Chilliwack, the City of Maple Ridge, the City of New Westminster 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 and City of Red Deer

As at September 30, 2024	Number of properties	Number of units	Market value (\$ million)	Average value per unit (\$000)	Average capitalization rate as at Sep. 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 Westminster 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 three months ended June 30,		For nine months ended June 30	
	2025	2024	2025	2024
	Red Deer, Saskatchewan	Airdrie, Calgary, Courtenay, Chilliwack, Edmonton, Maple Ridge, Prince George, Saskatoon, Victoria	Abbotsford, Calgary, Edmonton, Prince George, Red Deer, Saskatoon	Airdrie, Calgary, Courtenay, Chilliwack, Edmonton, Maple Ridge, Prince George, Saskatoon, Victoria
Number of rental units	183	632	300	1,248
Total costs	\$ 15,545	\$ 91,624	\$ 34,330	\$ 168,830
Average price per apartment unit	\$ 85	\$ 145	\$ 114	\$ 135

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 Q3 2025, Mainstreet acquired 1 residential complex including 182 units in Red Deer, Alberta for a total consideration of \$15.5 million and 1 condo unit in Saskatoon, Saskatchewan for total consideration of \$0.05 million. Since Mainstreet's previous financial year-end (September 30, 2024), the Corporation has grown its portfolio of investment properties by 2%.

As of June 30, 2025, Mainstreet's portfolio included 18,624 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 June 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 482 buildings, while the fair value of the investment properties within this portfolio has grown from approximately \$17 million to \$3.6 billion as of June 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 9 months ended Jun 30, 2025	Disposition 9 months ended Jun 30, 2025	Number of units as at Jun 30, 2025	% Growth
Lower Mainland, British Columbia (Note 1)	3,183	25	–	3,208	1%
British Columbia excluding Lower Mainland (Note 2)	999	48	–	1,047	5%
Calgary, Alberta (Note 3)	3,907	43	–	3,950	1%
Edmonton, Alberta (Note 4)	6,217	183	11	6,389	3%
Saskatoon, Saskatchewan	2,643	1	–	2,644	1%
Regina, Saskatchewan	991	–	–	991	–
Winnipeg, Manitoba	405	–	–	405	–
Investment properties	18,345	300	11	18,634	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 Westminster 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 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, which creates an attractive product while reducing operating costs and enhancing long-term asset value. Capital investment also includes expenses incurred on turnover units.

In Q3 2025, the Corporation spent \$8.1 million (2024 - \$6.2 million) on capital improvements, of which \$7.5 million (2024 - \$5.2 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 \$42 million on capital improvement during the 2025 fiscal year, however these plans may be revised depending upon economic conditions during fiscal year 2025. 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)

	Three months ended June 30			Nine months ended June 30		
	2025	2024 (Revision)	% change	2025	2024 (Revision)	% change
Gross revenue	\$ 71,629	\$ 65,282	10%	\$ 210,769	\$ 188,850	12%
Net profit and total comprehensive income	46,561	35,278	32%	194,262	137,435	41%
Change in fair value	(29,608)	(19,540)	52%	(154,274)	(96,333)	60%
Gain from disposal of assets	(130)	(723)	-82%	(515)	(1,865)	-72%
Depreciation	112	122	-8%	319	595	-46%
Current income tax expense	3,200	1,351	137%	7,183	4,362	65%
Deferred income tax expense	7,400	6,991	6%	29,537	20,653	43%
Funds from operations before current income tax						
– Non IFRS Measurement (Note 1)	\$ 27,535	\$ 23,479	17%	\$ 76,512	\$ 64,847	18%
Current income tax expense	3,200	1,351	137%	7,183	4,362	65%
Funds from operations						
– Non IFRS Measurement (Note 1)	\$ 24,335	\$ 22,128	10%	\$ 69,329	\$ 60,485	15%
Interest income	(1,963)	(1,960)	0%	(4,929)	(5,937)	-17%
General and administrative expenses	4,591	4,193	9%	13,778	13,135	5%
Financing costs	16,820	14,690	14%	47,966	42,596	13%
Depreciation (computer and vehicle)	46	51	-10%	141	144	-2%
Net operating income	\$ 47,029	\$ 40,453	16%	\$ 133,468	\$ 114,785	16%
Dividends declared	\$ 373	\$ 256	46%	\$ 1,118	\$ 769	45%
Operating margin from operations	68%	64%		65%	63%	
Profit per share						
Basic and fully diluted	\$ 5.00	\$ 3.79	32%	\$ 20.85	\$ 14.75	41%
Funds from operations before current income tax per share						
Basic and fully diluted	\$ 2.95	\$ 2.52	17%	\$ 8.21	\$ 6.96	18%
Funds from operations per share						
Basic and fully diluted	\$ 2.61	\$ 2.37	10%	\$ 7.44	\$ 6.49	15%
Dividends declared per share						
Basic and fully diluted	\$ 0.04	\$ 0.03	46%	\$ 0.12	\$ 0.08	45%
Weighted average number of shares						
Basic and fully diluted	9,318,818	9,318,818		9,318,818	9,318,818	

- 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.
- 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 Q3 2025, which is inclusive of current income taxes, and compare the same to other entities that report FFO inclusive of current income taxes.

REVENUE

In Q3 2025, revenue primarily consisted of rental and ancillary revenue totalling \$69.7 million (2024 - \$63.3 million) and interest income. Overall, rental revenue increased 10% as compared to Q3 2024, which is discussed and analysed in the session entitled "Rental Operations" below.

NET PROFIT

For the three and nine months ended June 30, 2025, Mainstreet reported a net profit of \$46.6 million (\$5.00 per basic share) and \$194.3 million (\$20.85 per basic share) as compared to a net profit of \$35.3 million (\$3.79 per basic share) and \$137.4 million (\$14.75 per basic share) in 2024, including a fair value gain of \$29.6 million in Q3 2025 compared to a fair value gain of \$19.5 million in Q3 2024, which will be further discussed and analysed below.

Net profit is further analysed as follows:

(000s of dollars)

	Three months ended June 30,			Nine months ended June 30, 2025		
	2025	2024	% change	2025	2024	% change
Funds from operations						
– Non IFRS measurement (see Note 1 previous table)	\$ 24,335	\$ 22,128	10%	\$ 69,329	\$ 60,485	15%
Change in fair value	29,608	19,540	52%	154,274	96,333	60%
Gain from disposal of assets	130	723	-82%	515	1,865	-72%
Depreciation	(112)	(122)	-8%	(319)	(595)	-46%
Deferred income tax expense	(7,400)	(6,991)	6%	(29,537)	(20,653)	43%
Net profit and total comprehensive income						
– IFRS measurement	\$ 46,561	\$ 35,278	32%	\$ 194,262	\$ 137,435	41%

Funds from operations in Q3 2025 are further discussed and analysed below.

In Q3 2025, Mainstreet realized a fair value gain of \$29.6 million, compared with a fair value gain of \$19.5 million in Q3 2024. This was mainly due to changes as identified below:

(000s of dollars)

Change in Fair value

	Three months ended June 30,		Nine months ended June 30, 2025	
	2025	2024	2025	2024
Lower Mainland, BC (Note 1)	\$ (50)	\$ 3,424	\$ 17,641	\$ 28,324
BC excluding Lower Mainland (Note 2)	-	(81)	(61)	(81)
Calgary (Note 3)	29,873	12,412	76,070	43,969
Edmonton (Note 4)	14,851	2,599	79,730	24,689
Saskatoon	(7,850)	3,531	8,087	13,239
Regina	911	3,880	(3,440)	7,030
Winnipeg	-	-	-	-
	37,735	25,765	178,027	117,170
Capital expenditure	(8,127)	(6,225)	(23,753)	(20,837)
Change in fair value	\$ 29,608	\$ 19,540	\$ 154,274	\$ 96,333

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 and City of Red Deer

The fair value gain represented the change in the market value of the Corporation's investment properties over three and nine months ended June 30, 2025 and 2024. The amount of change was determined by the market value of Mainstreet's investment properties at the quarter-end dates of June 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. 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, 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 10% to \$24.3 million in Q3 2025, compared with \$22.1 million in Q3 2024. FFO before current income tax expenses increased by 17% to \$27.5 million in Q3 2025, compared with \$23.5 million in Q3 2024. The increase in FFO for Q3 2025 was mainly attributable to increased rental revenue, which will be discussed and analysed in the following section entitled "Rental Operations".

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 9% to \$4.6 million in Q3 2025 as compared to \$4.2 million in Q3 2024 mainly due to increased personnel and benefit 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)

	Three months ended June 30,			Nine months ended June 30, 2025		
	2025	2024	% Change	2025	2024	% Change
Mortgage interest	\$ 14,150	\$ 12,760	11 %	\$ 41,226	\$ 37,045	11 %
Amortization of deferred financing cost	2,670	1,930	38 %	6,740	5,551	21 %
Financing costs	\$ 16,820	\$ 14,690	14 %	\$ 47,966	\$ 42,596	13 %

Mortgage interest expenses increased by 11% to \$14.2 million in Q3 2025 from \$12.8 million in Q3 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 stabilization process. In Q3 2025, the Corporation financed 6 clear title properties and renewed the mortgages for 5 properties, for additional net funding of \$15.3 million at an average interest rate of 3.51%.

The mortgage rate for a 5-year fixed CHMC mortgage has decreased by approximately 100 basis points since Q3 2024.

RENTAL OPERATIONS

(000s of dollars except per unit data)

	Total Portfolio			Same Asset			Acquisition		
	2025	2024	% change	2025	2024	% change	2025	2024	% change
For three months ended June 30,									
Rental and ancillary revenue	\$ 69,666	\$ 63,322	10%	\$ 64,187	\$ 60,576	6%	\$ 5,479	\$ 2,746	100%
Operating expenses	22,637	22,869	-1%	20,615	21,510	-4%	\$ 2,022	\$ 1,359	49%
Net operating income	\$ 47,029	\$ 40,453	16%	\$ 43,572	\$ 39,066	12%	\$ 3,457	\$ 1,387	149%
Operating margin	68%	64%		68%	64%		63%	51%	
Average vacancy rate	5.0%	2.8%	79%	4.9%	2.8%	75%	6.0%	3.1%	94%
Weighted average number of units	18,593	17,852	4%	17,045	17,045	0%	1,548	807	92%
Average rental rate per unit per month	\$ 1,249	\$ 1,182	6%	\$ 1,255	\$ 1,185	6%	\$ 1,180	\$ 1,134	4%
Average operating expense per unit per month	\$ 406	\$ 427	-5%	\$ 403	\$ 421	-4%	\$ 435	\$ 561	-22%

(000s of dollars except per unit data)

	Total Portfolio			Same Asset			Acquisition		
For nine months ended June 30,	2025	2024	% change	2025	2024	% change	2025	2024	% change
Rental and ancillary revenue	\$205,840	\$182,913	13%	\$190,421	\$177,263	7%	\$ 15,419	\$ 5,650	173%
Operating expenses	72,372	68,128	6%	66,920	65,545	2%	5,452	\$ 2,583	111%
Net operating income	\$ 133,468	\$114,785	16%	\$123,501	\$111,718	11%	\$ 9,967	\$ 3,067	225%
Operating margin	65%	63%		65%	63%		65%	54%	
Average vacancy rate	4.6%	3.1%	48%	4.6%	3.1%	48%	4.8%	3.1%	55%
Weighted average number of units	18,477	17,560	5%	17,045	17,045	0%	1,432	515	178%
Average rental rate per unit per month	\$ 1,238	\$ 1,157	7%	\$ 1,241	\$ 1,156	7%	\$ 1,196	\$ 1,219	-2%
Average operating expense per unit per month	\$ 435	\$ 431	1%	\$ 436	\$ 427	2%	\$ 423	\$ 557	-24%

The vacancy rate increased to 5.0% in Q3 2025 from 2.8% in Q3 2024, mainly due to acquisitions of unstabilized assets and a softer rental market 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 has slowed in 2025, particularly in Calgary, Alberta. As of June 30, 2025, overall vacancy in Mainstreet's portfolio was at 5.2%, which was composed of 6.1% in Calgary, 5.7% in Edmonton, 3.8% in Saskatoon, 2.1% in Regina and 4.2% in British Columbia.

The average monthly rental rate increased 6% to \$1,249 per unit in Q3 2025, compared with \$1,182 per unit in Q3 2024. As a result, overall rental and ancillary revenue increased 10% to \$69.7 million in Q3 2025 as compared to \$63.3 million in Q3 2024. This was mainly due to the increase in rental rate, reduced tenant concessions and the continued growth of the Corporation's portfolio with the average number of units owned by the Corporation increasing 4% over Q3 2024.

For same asset properties, which refer to properties owned by the Corporation for the entire twelve-month periods ended June 30, 2025 and 2024, rental and ancillary revenue increased 6% to \$64.2 million in Q3 2025 from \$60.6 million in Q3 2024. The average monthly rental rate increased by 6% to \$1,255 per unit in Q3 2025, from \$1,185 per unit in Q3 2024. The vacancy rate increased to 4.9% in Q3 2025, from 2.8% in Q3 2024, mainly due to softened demand in Calgary market.

Mainstreet's overall operating expenses decreased 1% to \$22.6 million in Q3 2025, from \$22.9 million in Q3 2024.

The overall operating expenses on a per unit basis decreased by 5%, while that of the same asset properties has decreased by 4% mainly as a result of lower utilities and insurance expenses in Q3 2025.

As a result, overall net operating income increased 16% to \$47.0 million in Q3 2025, from \$40.5 million in Q3 2024, and net operating margins increased to 67.5% in Q3 2025, from 63.9% in Q3 2024.

For same asset properties, net operating income increased 12% to \$43.6 million in Q3 2025, from \$39.1 million in Q3 2024. The net operating margins increased to 67.9% in Q3 2025, from 64.5% in Q3 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 Q3 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 of average unit count in its BC portfolio in Q3 2025. The average vacancy rate increased to 4.2% in Q3 2025 from 1.6% in Q3 2024 due mainly to acquisition of unstabilized assets in 2024. As a result, rental revenue per unit increased to \$1,280 per month in Q3 2025 from \$1,252 per month in Q3 2024.

Operating expenses per unit decreased by 6% to \$346 per month in Q3 2025 compared with \$370 per month in Q3 2024, due mainly to decreased repair and maintenance and property tax expenses. As a result, net operating income increased 16%, and net operating margins improved to 73% in Q3 2025, from 70% in Q3 2024.

(000s of dollars except per unit data)

	For three months ended June 30,			For nine months ended June 30,		
	2025	2024	% change	2025	2024	% change
Rental and ancillary revenue	\$ 16,338	\$ 14,527	12%	\$ 48,296	\$ 42,411	14%
Operating expenses	4,417	4,294	3%	13,772	12,376	11%
Net operating income	\$ 11,921	\$ 10,233	16%	\$ 34,524	\$ 30,035	15%
Weighted average number of units	4,255	3,868	10%	4,242	3,799	12%
Average rent per unit per month	\$ 1,280	\$ 1,252	2%	\$ 1,265	\$ 1,240	2%
Operating cost per unit per month	\$ 346	\$ 370	-6%	\$ 361	\$ 362	0%
Average vacancy rate	4.2%	1.6%		3.6%	1.7%	
Operating margin	73%	70%		71%	71%	

ALBERTA

Mainstreet achieved 3% growth in its Alberta portfolio in Q3 2025, with the weighted average number of rental units growing to 10,299 units, compared with 10,024 units in Q3 2024. The rental income increased by 9% to \$39.4 million in Q3 2025 from \$36.3 million in Q3 2024. The average vacancy rate increased to 6.1% in Q3 2025 from 3.1% in Q3 2024, mainly due to softening demand for apartment rentals in the Calgary market, which was partially offset by strong demand in the Edmonton market. Rental revenue per unit increased 6% to \$1,276 per month in Q3 2025 from \$1,207 per month in Q3 2024 mainly due to increased rental rates in Q3 2025.

Operating expenses per unit decreased 4% to \$434 per month in Q3 2025 compared to \$452 per month in Q3 2024 due mainly to a reduction in utilities expenses in Q3 2025. As a result, net operating income increased by 15% to \$26.0 million in Q3 2025 from \$22.7 million in Q3 2024, and net operating margin increased to 66% in Q3 2025 from 63% in Q3 2024.

(000s of dollars except per unit data)

	For three months ended June 30,			For nine months ended June 30,		
	2025	2024	% change	2025	2024	% change
Rental and ancillary revenue	\$ 39,431	\$ 36,289	9%	\$ 116,542	\$ 103,942	12%
Operating expenses	13,420	13,604	-1%	42,318	40,343	5%
Net operating income	\$ 26,011	\$ 22,685	15%	\$ 74,224	\$ 63,599	17%
Weighted average number of units	10,299	10,024	3%	10,197	9,831	4%
Average rent per unit per month	\$ 1,276	\$ 1,207	6%	\$ 1,270	\$ 1,175	8%
Operating cost per unit per month	\$ 434	\$ 452	-4%	\$ 461	\$ 456	1%
Average vacancy rate	6.1%	3.1%		5.5%	3.4%	
Operating margin	66%	63%		64%	61%	

SASKATCHEWAN

Mainstreet achieved a 12% increase in its rental revenues in its Saskatchewan portfolio in Q3 2025. The average vacancy rate decreased to 2.9% in Q3 2025 from 3.0% in Q3 2024. As a result, rental revenue per unit increased 9% to \$1,158 per month in Q3 2025 from \$1,060 per month in Q3 2024.

Operating expenses per unit decreased 8% to \$394 per month in Q3 2025, from \$429 per month in Q3 2024 due mainly to a decrease in utilities and repair & maintenance expenses. As a result, net operating income increased 24% and net operating margins increased to 66% in Q3 2025 from 60% in Q3 2024.

(000s of dollars except per unit data)

	For three months ended June 30,			For nine months ended June 30,		
	2025	2024	% change	2025	2024	% change
Rental and ancillary revenue	\$ 12,621	\$ 11,307	12%	\$ 37,313	\$ 33,000	13%
Operating expenses	4,298	4,571	-6%	14,488	13,861	5%
Net operating income	\$ 8,323	\$ 6,736	24%	\$ 22,825	\$ 19,139	19%
Weighted average number of units	3,634	3,555	2%	3,634	3,525	3%
Average rent per unit per month	\$ 1,158	\$ 1,060	9%	\$ 1,141	\$ 1,040	10%
Operating cost per unit per month	\$ 394	\$ 429	-8%	\$ 443	\$ 437	1%
Average vacancy rate	2.9%	3.0%		3.2%	3.5%	
Operating margin	66%	60%		61%	58%	

MANITOBA

Rental revenues in Mainstreet's Manitoba portfolio has increased by 6% in Q3 2025. The overall average vacancy rate in Manitoba decreased to 2.3% in Q3 2025 from 4.6% in Q3 2024. As a result, the rental revenue per unit was \$1,050 per month in Q3 2025 from \$987 per month in Q3 2024.

Operating expenses per unit increased to \$413 per month in Q3 2025 compared to \$329 in Q3 2024 due to higher utility and property tax expense, and as a result net operating income decreased by 3% to \$774,000 in Q3 2025 from \$799,000 in Q3 2024 and net operating margin decreased to 61% in Q3 2025 from 67% in Q3 2024.

(000s of dollars except per unit data)

	For three months ended June 30,			For nine months ended June 30,		
	2025	2024	% change	2025	2024	% change
Rental and ancillary revenue	\$ 1,276	\$ 1,199	6%	\$ 3,689	\$ 3,560	4%
Operating expenses	502	400	26%	1,794	1,548	16%
Net operating income	\$ 774	\$ 799	-3%	\$ 1,895	\$ 2,012	-6%
Weighted average number of units	405	405	0%	405	405	0%
Average rent per unit per month	\$ 1,050	\$ 987	6%	\$ 1,012	\$ 977	4%
Operating cost per unit per month	\$ 413	\$ 329	26%	\$ 492	\$ 425	16%
Average vacancy rate	2.3%	4.6%		4.1%	5.8%	
Operating margin	61%	67%		51%	57%	

SUMMARY OF QUARTERLY RESULTS²

(000s of dollars except per share amounts)

	Jun 30, 2025	Mar 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023
Rental revenue								
British Columbia	\$ 16,000	\$ 15,824	\$ 15,560	\$ 15,331	\$ 14,405	\$ 13,845	\$ 13,430	\$ 13,033
Alberta	38,899	38,222	37,813	37,166	36,021	34,225	32,509	31,150
Saskatchewan	12,433	12,220	12,125	11,829	11,223	10,857	10,525	9,690
Manitoba	1,099	1,054	1,042	1,034	1,040	1,038	992	941
Total rental Revenue	\$ 68,431	\$ 67,320	\$ 66,540	\$ 65,360	\$ 62,689	\$ 59,965	\$ 57,456	\$ 54,814
Ancillary revenue	1,235	1,240	1,073	1,524	633	1,283	886	901
Interest income	1,963	1,816	1,149	788	1,960	2,198	1,778	905
Total revenue from operations	\$ 71,629	\$ 70,376	\$ 68,762	\$ 67,672	\$ 65,282	\$ 63,446	\$ 60,120	\$ 56,620
Change in fair value	\$ 29,608	\$ 84,432	\$ 40,234	\$ 48,527	\$ 19,540	\$ 20,370	\$ 56,423	\$ 30,782
Profit from operations (Note 1)	\$ 46,561	\$ 91,469	\$ 56,232	\$ 113,526	\$ 35,278	\$ 33,610	\$ 68,548	\$ 39,495
Net profit (loss) per share								
– Basic & Diluted	\$ 5.00	\$ 9.82	\$ 6.03	\$ 12.18	\$ 3.79	\$ 3.61	\$ 7.36	\$ 4.24
Same assets rental and ancillary revenue								
British Columbia	\$ 14,584	\$ 14,446	\$ 14,264	\$ 13,628	\$ 13,201	\$ 13,254	\$ 12,837	\$ 12,662
Alberta	36,716	36,603	36,159	33,135	32,470	31,802	30,477	29,243
Saskatchewan	11,611	11,376	11,316	11,078	10,640	10,413	10,240	9,848
Manitoba	1,276	1,215	1,200	255	259	255	225	205
Total same assets rental and ancillary revenue	\$ 64,187	\$ 63,640	\$ 62,939	\$ 58,096	\$ 56,570	\$ 55,724	\$ 53,779	\$ 51,958
Same assets vacancy rate	4.90%	4.6%	4.2%	3.5%	2.7%	3.2%	3.2%	4.3%
Same assets net operating income								
British Columbia	\$ 10,874	\$ 10,137	\$ 10,340	\$ 10,744	\$ 9,461	\$ 9,519	\$ 9,222	\$ 9,834
Alberta	24,242	22,496	23,011	23,744	21,137	18,805	19,168	18,985
Saskatchewan	7,682	6,574	6,807	7,327	6,392	5,804	6,014	5,928
Manitoba	774	557	566	180	140	57	112	117
Total same assets net operating income	\$ 43,572	\$ 39,764	\$ 40,724	\$ 41,995	\$ 37,130	\$ 34,185	\$ 34,516	\$ 34,864
Net operating income	\$ 47,029	\$ 42,715	\$ 43,724	\$ 45,654	\$ 40,453	\$ 37,287	\$ 37,045	\$ 36,848
Funds from operations of stabilized properties - Non-IFRS measurement (Note 2)	\$ 20,990	\$ 19,154	\$ 19,528	\$ 20,365	\$ 19,121	\$ 15,993	\$ 15,908	\$ 18,045
Funds from operations -before current income tax expense - Non-IFRS measurement	\$ 27,535	\$ 23,604	\$ 25,374	\$ 26,800	\$ 23,479	\$ 20,657	\$ 20,711	\$ 21,062
Funds from operations -Non-IFRS measurement	\$ 24,335	\$ 21,974	\$ 23,021	\$ 24,218	\$ 22,128	\$ 19,025	\$ 19,333	\$ 21,062
Funds from operations of stabilized properties per share - Non-IFRS measurement								
– Basic & Diluted	\$ 2.25	\$ 2.06	\$ 2.10	\$ 2.19	\$ 2.05	\$ 1.72	\$ 1.71	\$ 1.94
Funds from operations before current income tax expense per share - NON-IFRS measurement (Note 1)								
– Basic & Diluted	\$ 2.95	\$ 2.53	\$ 2.72	\$ 2.88	\$ 2.52	\$ 2.22	\$ 2.22	\$ 2.26
Funds from operations per share - Non-IFRS measurement (Note 1)								
– Basic & Diluted	\$ 2.61	\$ 2.36	\$ 2.47	\$ 2.60	\$ 2.37	\$ 2.04	\$ 2.07	\$ 2.26
Average vacancy rate								
British Columbia	4.20%	3.8%	2.7%	2.0%	1.6%	1.8%	1.5%	1.7%
Alberta	6.10%	5.3%	5.1%	4.1%	3.1%	3.3%	3.7%	4.8%
Saskatchewan	2.90%	3.5%	3.3%	2.9%	3.0%	4.3%	3.3%	4.5%
Manitoba	2.30%	4.4%	5.6%	5.8%	4.6%	4.3%	8.4%	12.0%
Total average vacancy rate	5.0%	4.6%	4.2%	3.4%	2.8%	3.2%	3.3%	4.3%

¹ See Note 19 of financial statements for additional information regarding deferred income tax revision and reconciliation of the changes in net profit.

² 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 third quarter ended June 30, 2025:

- Rental and ancillary revenue increased to \$69.7 million, compared to \$68.6 million in Q2 2025 and \$63.3 million in Q3 2024.
- Average vacancy rate for the quarter was 5.0%, compared with 4.6% in Q2 2025 and 2.8% in Q3 2024.
- Change in fair value for the quarter was a gain of \$29.6 million, compared with a gain of \$84.4 million in Q2 2025 and a gain of \$19.5 million in Q3 2024.
- Funds from operations for the quarter were \$24.3 million, a 9% increase from \$22.0 million in Q2 2025 and a 10% increase from \$22.1 million in Q3 2024. See "Non-IFRS Measures"
- Net operating income for the quarter was \$47.0 million, an increase of 10% from \$42.7 million in Q2 2025 and a 16% increase from \$40.5 million in Q3 2024.
- Mainstreet's same asset vacancy rate was 4.9% in Q3 2025, an increase from 4.6% in Q2 2025 and a increase from 2.8% in Q3 2024. Same asset revenues were \$64.2 million in Q3 2025, a 1% increase from \$63.6 million in Q2 2025 and 6% increase from \$60.6 million in Q3 2024.
- Net operating income on a same asset basis for the quarter was \$43.6 million, an 10% increase from \$39.8 million in Q2 2025 and a 12% increase from \$39.1 million in Q3 2024.
- Funds from operations related to stabilized properties were \$20.7 million in Q3 2025, a 8% increase from \$19.1 million in Q2 2025 and a 8% increase from \$19.1 million in Q3 2024. See "Non-IFRS Measures"

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 June 30, 2025, 434 properties (16,390 units) out of 482 properties (18,634 units) were stabilized. The following table summarizes the change of the Corporation's stabilized and unstabilized units since the beginning of fiscal year 2025.

	Apr. 1, 2025	%	Acquisition/ Creation	Number of units stabilized	Jun. 30, 2025	%
Stabilized Units	16,259	88%	1	130	16,390	88%
Unstabilized Units	2,192	12%	182	(130)	2,244	12%
Total Investment Properties Units	18,451	100%	183	-	18,634	100%

The following table summarizes the Corporation's stabilization progress since the beginning of fiscal year 2025.

	Oct. 1, 2024	No. of units stabilized during the period	No. of unstabilized units acquired/ created during the period	Jun. 30, 2025
Numbers of unstabilized units held for renovation	2,585	(640)	299	2,244
Number of months				
Average time spent on stabilization	11	30	4	19
Estimated remaining time for stabilization	19	-	23	10

During the three months ended June 30, 2025, the Corporation acquired: 182 unstabilized residential units in Red Deer, Alberta. The Corporation stabilized 130 units in Q3 2025, meaning that renovation work is substantially completed, resulting in rent increases to or near current market levels.

FUNDS FROM OPERATIONS OF STABILIZED PROPERTIES

For Q3 2025, FFO of Mainstreet's stabilized property portfolio amounted to \$21.0 million (\$2.25 per basic share and per fully diluted share). See "Non-IFRS Measures".

(000s of dollars except per share)

	Three months ended June 30, 2025			Nine months ended June 30, 2025		
	Stabilized properties	Non-stabilized properties	Total	Stabilized properties	Non- stabilized properties	Total
Rental and ancillary rental income	\$ 62,038	\$ 7,628	\$ 69,666	\$ 184,363	\$ 21,477	\$ 205,840
Property operating expenses	19,762	2,875	22,637	63,787	8,585	72,372
Net operating income	\$ 42,276	\$ 4,753	\$ 47,029	\$ 120,576	\$ 12,892	\$ 133,468
Operating margin	68%	62%	68%	65%	60%	65%
Vacancy rate	5.0%	5.0%	5.0%	4.6%	4.5%	4.6%
Interest income	\$ (1,730)	\$ (233)	\$ (1,963)	\$ (4,322)	\$ (607)	\$ (4,929)
General & administrative expenses	4,038	553	4,591	12,060	1,718	13,778
Financing cost	16,117	703	16,820	45,406	2,560	47,966
Depreciation (computer and vehicle)	40	6	46	123	18	141
Current income tax expense	2,821	379	3,200	6,298	885	7,183
Funds from operations - Non-IFRS measurement	\$ 20,990	\$ 3,345	\$ 24,335	\$ 61,011	\$ 8,318	\$ 69,329
Depreciation (exclude computer and vehicle)			\$ 112			\$ 319
Change in Fair Value			29,608			154,274
Gain on disposal			130			515
Deferred income tax expense			7,400			29,537
Net profit and total comprehensive income			\$ 46,561			\$ 194,262
Funds from operations per share - Non-IFRS measurement						
Funds from operations per share						
- basic & diluted	\$ 2.25	\$ 0.36	\$ 2.61	\$ 6.55	\$ 0.89	\$ 7.44
Weighted average number of shares						
- basic & diluted			9,318,818			9,318,818

(000s of dollars except per share)

	Three months ended June 30, 2024			Nine months ended June 30, 2024		
	Stabilized properties	Non-stabilized properties	Total	Stabilized properties	Non-stabilized properties	Total
Rental and ancillary rental income	\$ 55,826	\$ 7,496	\$ 63,322	\$ 163,820	\$ 19,093	\$ 182,913
Property operating expenses	19,709	3,160	22,869	59,474	8,654	68,128
Net operating income	\$ 36,117	\$ 4,336	\$ 40,453	\$ 104,346	\$ 10,439	\$ 114,785
Operating margin	65%	58%	64%	64%	55%	63%
Vacancy rate	2.7%	3.6%	2.8%	3.0%	3.7%	3.1%
Interest income	\$ (1,716)	\$ (244)	\$ (1,960)	\$ (5,179)	\$ (758)	\$ (5,937)
General & administrative expenses	3,632	561	4,193	11,461	1,674	13,135
Financing cost	13,852	838	14,690	40,294	2,302	42,596
Depreciation (computer and vehicle)	45	6	51	126	18	144
Current income tax expense	1,183	168	1,351	3,805	557	4,362
Funds from operations - Non-IFRS measurement	\$ 19,121	\$ 3,007	\$ 22,128	\$ 53,839	\$ 6,646	\$ 60,485
Depreciation			\$ 122			\$ 595
Fair value gain			19,540			96,333
Gain on disposal			723			1,865
Deferred income tax expense			6,991			20,653
Net profit and total comprehensive income			\$ 35,278			\$ 137,435
Funds from operations per share - Non-IFRS measurement						
Funds from operations per share						
- basic & diluted	\$ 2.05	\$ 0.32	\$ 2.37	\$ 5.78	\$ 0.71	\$ 6.49
Weighted average number of shares						
- basic & diluted			9,318,818			9,318,818

In Q3 2025, FFO of the stabilized property portfolio increased 10% to \$21.0 million as compared to \$19.1 million in Q3 2024, while the number of stabilized units increased 5% to 16,390 units as of June 30, 2025 compared to 15,632 units as of June 30, 2024. The increase in FFO for stabilized properties was due to the increased rental rate during the year.

(000s of dollars)

	For three months ended June 30,			For nine months ended June 30,		
	2025	2024	% change	2025	2024	% change
FFO of stabilized properties (Note 2)	\$ 20,990	\$ 19,121	10%	\$ 61,011	\$ 53,839	13%
Number of stabilized units	16,390	15,632	5%	16,201	15,319	6%

² 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 remains mainly unchanged, plus the available credit Mainstreet has access to under its approved lines of credit. Mainstreet estimates it will have access to approximately \$815 million³ in available liquidity in 2025, which management believes is sufficient for its operations. With

³ Including \$216 million cash-on-hand, \$105 million being estimated funds in Q4 2025, \$364 million estimated funds that may be available through financing of clear titled assets, and \$130 million available through lines of credits which will be renewed upon expiry.

the inflation and increase in interest rates seen in recent years, the importance of liquidity has been magnified even more.

The mortgage rate for a 5-year fixed CHMC mortgage has decreased by approximately 100 basis points since Q3 2024. The Corporation will continue to cautiously monitor this current trend in interest rates and will consider the same in making decisions when its mortgages mature and need to be renewed.

Working Capital Requirement

Mainstreet requires sufficient working capital to cover day-to-day operating and mortgage expenses as well as income tax payments. In Q3 2025, after payments of all required expenses, the Corporation generated funds from operations of \$24.3 million.

Management expects funds generated from operations will continue to grow in the long term when more units are renovated and re-introduced 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 June 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 Q3 2025, the Corporation spent approximately \$23.6 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 CMHC insured mortgages.

In Q3 2025, the Corporation financed 6 clear title properties and renewed the mortgages for 5 properties for additional net funding of \$15.3 million at an average interest rate of 3.51%.

The mortgage rate for a 5-year fixed CMHC mortgage has decreased by almost 100 basis points since Q3 2024. 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.

As of June 30, 2025, the Corporation owned title to 109 clear title properties and five development lots having an aggregate fair value of approximately \$532 million.

High commodity prices, economic uncertainty and global supply chain constraints pushed inflation up over the past 2 fiscal years, although inflation rates have decreased in recent months compared to prior years, with the consumer price index (CPI) being 1.9% in June 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 in 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 deal with 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 44%, 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 2, 2025. As at June 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 June 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 June 30, 2025, the Corporation's overall funded debt to gross book value ratio and debt service coverage ratio are 44% and 2.00, respectively.

CONTRACTUAL OBLIGATIONS

As of June 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 June 30, 2025 are as follows:

(000s of dollars)

Years ending September 30,	Amount
2025	\$ 9,493
2026	277,982
2027	93,964
2028	141,856
2029	475,350
Subsequent	858,371
	1,857,016
Deferred financing cost	(40,758)
	\$ 1,816,258

LONG-TERM DEBT

(000s of dollars)

Fixed rate debt	Amount	% of Debt	Average interest rate (%)
– CMHC-insured	\$ 1,857,016	100%	3.04%
– non-CMHC-insured	-	0%	-
Total debt	1,857,016	100%	
Deferred financing costs	(40,758)		
	\$ 1,816,258		

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 June 30, 2025, total mortgages payable were \$1,816 million compared to \$1,650 million on September 30, 2024, an increase resulting from financing and acquisition activity during the 2024 fiscal year and nine months ended June 30, 2025.

As of June 30, 2025, Management believes the Corporation's financial position to be stable, with overall mortgage levels net of cash reported at 44% 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 (%)
2025	-	-	-
2026	256,956	14%	2.34%
2027	73,326	4%	3.14%
2028	124,147	7%	3.64%
2029	476,296	26%	3.96%
Subsequent	926,291	50%	2.67%
	\$ 1,857,016	100%	3.04%

The average maturing term of mortgage loans is 5.26 years as of June 30, 2025, compared to 4.77 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 June 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 June 30, 2025. Based on this evaluation, Management has concluded that the Corporation's ICFR and DC&P were effective as at June 30, 2025.

As at June 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 quarter ended June 30, 2025.

As at June 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 their effectiveness and ensuring that these systems evolve with the Corporation's business. There were no changes in the Corporation's ICFR during the quarter ended June 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. 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 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)

			June 30, 2025		September 30, 2024	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:						
Restricted cash	Level 2	\$	6,787	\$ 6,787	\$ 5,970	\$ 5,970
Cash and cash equivalents	Level 2		215,981	215,981	48,826	48,826
Trade and other receivables	Level 2		6,338	6,338	5,754	5,754
Financial liabilities:						
Mortgages payable	Level 2		1,816,258	1,784,689	1,649,665	1,623,623
Trade and other payables	Level 2		13,156	13,156	15,229	15,229
Refundable security deposits*	Level 1	\$	9,147	\$ 9,147	\$ 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, 2024 and 2023 and the Notes, including Notes 12 and 13, to the Corporation's interim condensed consolidated financial statements for the periods ended June 30, 2025 and 2024 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, refer to the section entitled "Risk Assessment and Management" and Note 13 to the Corporation's interim condensed consolidated financial statements for the periods ended June 30, 2025 and 2024.

SHARE CAPITAL

Authorized:

Unlimited number of common voting shares with no par value

Unlimited number of preferred shares with no par value

Issued, outstanding and fully paid:

	Nine months ended June 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
Issued and outstanding,				
– end of the period	9,318,818	\$ 26,419	9,318,818	\$ 26,419

All common shares share 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 and nine months ended June 30, 2025 and 2024, the Corporation purchased and cancelled Nil common shares 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 10th 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 take over 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 "Flip In Event". When a Flip In 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 Flip In 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 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 3 to the interim condensed consolidated 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 12 of the interim condensed consolidated financial statements;
- iii) Allocation of purchase cost in the acquisition of investment properties is based on information from industry practice and entity specific history;
- iv) Allocation of purchase cost in the acquisition of property and equipment into different components, estimation of useful life and impairment, are based on information from industry practice and entity specific history; and
- v) The future income tax rate used to arrive at future income tax balances.

Actual results could differ from estimates.

Transactions with Related Parties

- a) The President and Chief Executive Officer 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 and nine months ended June 30, 2025, amounted to \$Nil (2024 – \$134,747) and \$11,188 (2024 - \$671,812).

These commissions form part of the CEO's annual compensation. Each year the Chief Executive Officer is entitled to receive an annual performance bonus based upon pre-determined performance goals and discretionary bonus amounts determined by the board of directors. In making such determination, the board of directors takes in consideration the amount of commissions paid to the Chief Executive Officer 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 Chief Executive Officer during that year.

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

- b) The Corporation paid legal and professional fees and reimbursements for the three and nine months ended June 30, 2025, amounting to \$132,612 (2024 - \$147,927) and \$431,534 (2024 - \$375,859) to a law firm of which a director and officer of the Corporation is a Senior Associate. As at June 30, 2025, the amounts payable to the law firm were \$Nil (September 30, 2024 – \$Nil). These fees were incurred at amounts which in management's opinion approximate 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 arrangement at June 30, 2025 and no off balance sheet arrangement were made during Q3 2025.

Subsequent Events

Subsequent to quarter-end June 30, 2025, the Corporation acquired 2 residential complexes comprised of a total of 65 units for \$11.0 million in Duncan, British Columbia and 1 residential complex comprised of 22 units in Cochrane, Alberta for \$3.7 million. The Corporation has also financed 14 clear-title properties for additional funding of \$47.4 million at an average interest rate of 3.68%.

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, 2024 ("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 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, 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 the interest rate 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. All 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 a lender to call a loan prematurely.

The mortgage rate for a 5-year fixed CMHC mortgage has decreased by almost 100 basis points since Q2 2024. 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 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 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, effects of which continued to be felt. In addition, sustained higher housing process, 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 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 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.

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 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, and anticipates it will receive such third party's final report from their review in Q4 2025. The Corporation anticipates that the final report when delivered will contain recommendations for the Corporation to increase its cybersecurity processes, policies and controls, which the Corporation will review and implement as promptly as possible.

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 of 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 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 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 attractiveness and sale ability 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); 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 2 fiscal years, although inflation rates have decreased in recent months compared to prior years, with the consumer price index (CPI) being 1.9% in June 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.

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. As tenants' rent is due at the beginning of the month, all amounts in accounts receivable are considered overdue by the Corporation. As of June 30, 2025, rents due from current tenants amounted to \$543,000 (September 30, 2024 - \$537,000). As of June 30, 2025, the possibility of not receiving payment of rent due from current tenants was covered by security deposits of \$9.1 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 June 30, 2025 and September 30, 2024 are outlined in the table below:

(000s of dollars)

	June.30, 2025	Sep. 30, 2024
0-30 days	\$ 415	\$ 397
31-60 days	62	85
61-90 days	32	9
Over 90 days	34	46
Total rents due from current tenants	\$ 543	\$ 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 reputable 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 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 was 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.

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, 2024 was 3.5% and effective January 1, 2025 was 3.0%. 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, 2024 was 3.0% and effective January 1, 2025 was 1.7%.

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 non compliance 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 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.

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.

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 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. This 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, tariffs 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 operation, 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.

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 (\$0.0275 per share) and Mainstreet announced an increased quarterly dividend (\$0.04 per share) for the 2025 fiscal year starting in Q1 2025, which has been paid for the first three quarters of 2025. However, there is no guarantee that a dividend will continue to be paid at any specific future times, or in any specified amount and any decision to pay dividends on the shares will be made by the board of directors on the basis of the 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. The recourse of shareholders who disagree with the dividend policy or any change in policy 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, there is no restriction that 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.

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

Canada’s – and the global – economic outlook continues to be impacted by persistent uncertainty.

International Students, Immigration, and International Workers

Following the recent federal election, temporary reductions in immigration numbers –including international students – have been implemented for two years. This federally driven reduction could have impacts on rental demand in certain markets; however, Mainstreet believes that current rates of newcomers, both students and conventional immigrants, still outpace market supply. CMHC data demonstrates vacancy rates are below 4% in the Western Canadian market, with Alberta seeing the highest at 3.4%, followed by Saskatchewan at 2.7%. Both Manitoba (1.7%) and B.C. (1.9%) remain below 2%, which is notable as B.C. represents 42% of Mainstreet’s asset value. CMHC data suggests that while some markets are less attractive than they were several quarters back, demand remains high, especially within Mainstreet’s target market.

Ultimately, this policy change could lead to a reduction in demand and impact rental rates, if trends continue over the longer term. However, with the current housing crisis, mid-market rates, and mid-market spaces trading below replacement costs, restricting new supply in that space, coupled with continued population trends, it is unlikely to significantly impact Mainstreet’s market position. Immigration numbers remain high, and hundreds of thousands of newcomers and students are expected to move to Canada every year, likely ensuring Mainstreet’s proven business model will continue to insulate shareholder value. For example, permanent resident numbers seem to be intact. (Q1 2025, 104,256 immigrants moved to Canada according to Statistics Canada)

Supply

Canada’s rental market continues to see new builds and additions to the available rental stock. While these new units are predominantly in the high-end of market prices, a glut in supply will have consequences for mid-market units as vacancies drive rents lower across the board. While this impact will not be immediate for a vast majority of Mainstreet’s properties, it nonetheless deserves attention as the repercussions across Canada’s rental market will be impacted by a continuing expansion in supply.

OUTLOOK

In Q3, Mainstreet continued to navigate the challenges and headwinds that have persisted since the beginning of 2025—conditions for which the management were well prepared. The Corporation’s trigger-ready liquidity and resilient business model are ready to build on Mainstreet’s proven pattern of turning challenges into opportunities for 25 years. Mainstreet’s team stands ready to deploy a wave of counter-cyclical investment, reinforcing its commitment to creating long-term shareholder value. Trends continue to point to population growth within Alberta specifically (+138,136 in 2024/25) and Western Canada more generally (+233,085 in 2024/25), according to Statistics Canada. With the continued economic opportunity and lower tax rate of Alberta—and affordability more generally across Saskatchewan and Western Canada—it is expected Canadians will continue to move to the west.

This could be accelerated through the federal government’s new focus on nation-building projects, including projects in Alberta’s energy and mining sector. Unleashed economic potential, through fledgling initiatives like a national energy corridor, could spur an even greater focus on the economic opportunity in Alberta, creating additional incentives for Canadians to move to Western Canada.

Continued economic uncertainty and lingering concerns regarding inflation, may result in the Bank of Canada maintaining

current interest rates or potentially even lowering them in the future. Any decrease in interest rate would have a meaningful impact for Mainstreet as interest on debt holdings is the largest cost pressure it faces.

In addition, the demise of the federal consumer carbon tax has led to an overall reduction in costs to the bottom line.

Ready to Unleash Growth

Mainstreet continues to focus on growing its already sizable footprint within Western Canada, adding 387 units this year despite the pause on acquisitions for the first three quarters.

RUNWAY ON EXISTING PORTFOLIO

1. Expanding the portfolio: Using Mainstreet's liquidity position, estimated at \$815 million, management believes there is significant opportunity to continue acquiring underperforming assets at attractive valuations.
2. Closing the NOI gap: As of Q3 2025, 12% of Mainstreet's portfolio was going through the stabilization process due largely to high levels of add-value acquisitions. The management team believes vacancy rates, NOI and FFO will be meaningfully improved as the Corporation continues to stabilize units. In the BC market alone, management estimates that the potential upside based on an estimated average monthly mark-to-market gaps for NOI growth is approximately \$28 million. Alberta and Saskatchewan markets also have substantial room for mark-to-market catch up.
3. Creating value from existing footprints: Mainstreet continues to explore opportunities to create larger returns from existing Mainstreet's properties through municipalities that have eased zoning restrictions, through subdivisions and optimized residual space. The three-point plan to accomplish this is:
 - Turning unused or residual space within existing buildings into new units (YTD 55 additional units created)
 - Exploring zoning and density relaxations to potentially build new capacity within existing footprints
 - Subdividing residual lands which created more clear title assets on Mainstreet's balance sheet (See page 10 for ledger of developable vacant land)
4. Buying back shares: Mainstreet is prepared to buy back shares under its existing NCIB on an opportunistic basis when Mainstreet shares are trading below NAV, to further increase shareholder value.

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.

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 International Financial Reporting 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

August 7, 2025



Joe Amantea
Director

MAINSTREET EQUITY CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

UNAUDITED

(000s of Canadian dollars)

	June 30, 2025	September 30, 2024
Assets		
Non-current assets		
Investment properties [Note 3]	\$ 3,619,044	\$ 3,407,493
Property and equipment	6,696	6,836
Intangible assets	522	527
	3,626,262	3,414,856
Current assets		
Property held for sale [Note 4]	9,660	10,004
Prepaid assets	5,625	3,968
Trade and other receivables	6,338	5,754
Restricted cash	6,787	5,970
Inventory	2,320	2,055
Cash and cash equivalents	215,981	48,826
	246,711	76,577
Total Assets	\$ 3,872,973	\$ 3,491,433
Liabilities		
Non-current liabilities		
Mortgages payable (Note 5)	\$ 1,681,641	\$ 1,494,131
Deferred tax liabilities	322,531	292,995
	2,004,172	1,787,126
Current liabilities		
Mortgages payable [Note 5]	134,617	155,534
Trade and other payables	13,156	15,229
Income tax payable	268	6,834
Refundable security deposits	9,147	8,357
	157,188	185,954
Total Liabilities	2,161,360	1,973,080
Equity		
Share capital [Note 7]	26,419	26,419
Retained earnings	1,685,194	1,491,934
Total Equity	1,711,613	1,518,353
Total Liabilities and Equity	\$ 3,872,973	\$ 3,491,433

See accompanying notes to these interim condensed consolidated financial statements.



Bob Dhillon, Director



Joe Amantea, Director

August 7, 2025

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 June 30, 2025	Three months ended June 30, 2024 Revised	Nine months ended June 30, 2025	Nine months ended June 30, 2024 Revised
Rental revenue [Note 8]	\$ 68,431	\$ 62,689	\$ 202,292	\$ 180,110
Ancillary revenue	1,235	633	3,548	2,803
Total rental and ancillary revenue	69,666	63,322	205,840	182,913
Property operating expenses [Note 9]	22,637	22,869	72,372	68,128
Net operating income	47,029	40,453	133,468	114,785
Financing costs [Note 10]	16,820	14,690	47,966	42,596
General and administrative expenses [Note 9]	4,591	4,193	13,778	13,135
Depreciation	158	173	460	739
Interest income	(1,963)	(1,960)	(4,929)	(5,937)
Profit before change in fair value, gain from disposal, and income tax	27,423	23,357	76,193	64,252
Change in fair value [Note 3]	29,608	19,540	154,274	96,333
Gain from disposal of assets	130	723	515	1,865
Profit before income tax	57,161	43,620	230,982	162,450
Current income tax expense	3,200	1,351	7,183	4,362
Deferred income tax expense [Note 19]	7,400	6,991	29,537	20,653
Net profit and total comprehensive income [Note 19]	\$ 46,561	\$ 35,278	\$ 194,262	\$ 137,435
Profit per share				
– basic and fully diluted [Note 11]	\$ 5.00	\$ 3.79	\$ 20.85	\$ 14.75

See accompanying notes to these interim condensed consolidated financial statements.

MAINSTREET EQUITY CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(000s of Canadian dollars)

Revised	Share Capital	Contributed Surplus	Retained Earnings	Total Shareholders' Equity
Balance, October 1, 2023	\$ 26,419		\$ 1,292,825	\$ 1,319,244
Dividend paid [Note 7]	–	–	(511)	(511)
Profit for the period [Note 19]	–	–	137,435	137,435
Balance, June 30, 2024	\$ 26,419	–	\$ 1,429,749	\$ 1,456,168
Balance, October 1, 2024	\$ 26,419	–	\$ 1,491,934	\$ 1,518,353
Dividend paid [Note 7]	–	–	(1,002)	(1,002)
Profit for the period	–	–	194,262	194,262
Balance, June 30, 2025	\$ 26,419	–	\$ 1,685,194	\$ 1,711,613

See accompanying notes to these interim condensed consolidated financial statements.

MAINSTREET EQUITY CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
UNAUDITED

(000s of Canadian dollars)

Nine months ended June 30,	2025	2024
Cash obtained from (used in) operating activities		Revised
Net profit	\$ 194,262	\$ 137,435
Adjustments for:		
Depreciation	460	739
Change in fair value	(154,274)	(96,333)
Deferred income tax expense	29,537	20,653
(Gain) from disposal of assets	(515)	(1,865)
Financing costs [Note 10]	47,966	42,596
Deferred financing costs incurred	(10,294)	(6,010)
Interest paid on mortgages [Note 10]	(41,226)	(37,045)
Cash from operating activities before changes in non-cash working capital	65,916	60,170
Change in working capital		
Prepaid assets	(1,657)	(1,106)
Trade and other receivables	(584)	(3,196)
Inventory	(265)	163
Restricted cash	(817)	(744)
Trade and other payables	(1,029)	2,907
Current income tax payable	(6,566)	4,361
Refundable security deposits	790	1,017
Cash from operating activities	55,788	63,572
Financing activities		
Financing of investment properties	248,381	203,780
Mortgage principal repayments	(20,340)	(21,816)
Mortgage payments upon refinancing	(61,905)	(126,645)
Mortgage payments upon disposal of investment properties	(521)	-
Divident paid	(1,002)	(511)
Cash from financing activities	164,613	54,808
Investing activities		
Additions to investment properties	(54,919)	(157,261)
Additions to property and equipment	(200)	(176)
Additions to intangible assets	(115)	(11)
Proceeds from disposal	2,069	3,750
Additions to property held for sale	(81)	(24)
Cash used in investing activities	(53,246)	(153,722)
Net increase in cash and cash equivalents	167,155	(35,342)
Cash and cash equivalents, beginning of period	48,826	81,762
Cash and cash equivalents, end of period	\$ 215,981	\$ 46,420
Cash and cash equivalents are comprised of:		
Cash	\$ 7,467	\$ 5,036
Short-term deposits	208,514	41,384
	\$ 215,981	\$ 46,420

See accompanying notes to these interim condensed consolidated financial statements.

MAINSTREET EQUITY CORP.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 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 interim condensed consolidated financial statements of the Corporation have been prepared in compliance with International Financial Reporting Standards ("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, 2024.

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 accounting policies set out below are same as those used in the fiscal year ended September 30, 2024 and have been applied consistently in all material respects.

c) Basis of consolidation

The interim condensed 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) 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 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 3 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 12;
- iii) Allocation of purchase cost in the acquisition of investment properties is based on information from industry practice and entity specific history;
- iv) Allocation of purchase cost in the acquisition of property and equipment into different components, estimation of useful life and impairment, are based on information from industry practice and entity specific history; and
- v) The future income tax rate used to arrive at future income tax balances.

Actual results could differ from estimates.

3. INVESTMENT PROPERTIES

(000s of dollars)

	Nine months ended Jun. 30, 2025	Year ended Sep. 30, 2024
Balance, beginning of year	\$ 3,407,493	\$ 3,051,665
Additions related to acquisitions	34,701	179,926
Building improvements	23,712	31,073
Disposal of investment properties	(1,136)	-
Property held for sale	-	(31)
Change in fair value	154,274	144,860
Balance, end of year	\$ 3,619,044	\$ 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 June 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 determination of the fair value of investment properties of the Corporation as of June 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 nine months ended June 30, 2025, a fair value gain of \$154.3 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:

	Jun. 30, 2025	Sep. 30, 2024
Lower Mainland, BC	3.92%	3.87%
BC excluding Lower Mainland	5.40%	5.42%
Calgary, Alberta	5.68%	6.11%
Edmonton, Alberta	5.81%	5.85%
Saskatoon, Saskatchewan	5.51%	5.49%
Regina, Saskatchewan	6.02%	5.88%
Winnipeg, Manitoba	5.79%	5.79%
Investment properties-weighted average capitalization rate	5.21%	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 June 30, 2025

Net operating income	-3%	-1%	As estimated	+1%	+3%
	\$ 183,212	\$ 186,989	\$ 188,878	\$ 190,767	\$ 194,544
Capitalization rate					
-0.25%	4.96%	\$ 74,739	\$ 150,900	\$ 188,980	\$ 227,060
Cap rate used	5.21%	\$ (102,505)	\$ (29,999)	\$ 3,619,044	\$ 42,506
+0.25%	5.46%	\$ (263,519)	\$ (194,333)	\$ (159,740)	\$ (125,147)
					\$ (55,961)

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 \$3,090 million (September 30, 2024 - \$2,761 million) are pledged as security against the Corporation's mortgages payable.

4. PROPERTY HELD FOR SALE

During the year ended September 30, 2021, the Corporation acquired a property with 136 units for resale purposes in Calgary, Alberta. The Corporation has sold 86 units as of June 30, 2025. The Corporation is actively selling the remaining units, and consequently, the asset is presented within the current assets section.

5. MORTGAGES PAYABLE

Mortgages payable bear interest at a weighted average interest rate of 3.04% (September 30, 2024 – 2.79%) per annum and are payable in monthly principal and interest installments totaling \$7.1 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 \$3,090 million (September 30, 2024 - \$2,761 million).

(000s of dollars)

	Jun.30, 2025	Sep. 30, 2024
Non-current	\$ 1,681,641	\$ 1,494,131
Current	134,617	155,534
	\$ 1,816,258	\$ 1,649,665

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

(000s of dollars)

	Jun. 30, 2025	Sep. 30, 2024
Opening balance	\$ 1,649,665	\$ 1,565,813
Financing of investment properties	248,381	203,780
Mortgage assumed to purchase investment properties	4,531	33,924
Mortgage principal repayments	(20,340)	(28,570)
Mortgage payments upon refinancing	(61,905)	(126,645)
Mortgage payment upon disposal	(521)	-
Deferred financing cost	(3,553)	1,363
Closing balance	\$ 1,816,258	\$ 1,649,665

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

(000s of dollars)	
Years ending September 30,	Amount
2025	\$ -
2026	256,957
2027	73,325
2028	124,147
2029	476,296
Subsequent	926,291
	1,857,016
Deferred financing cost	(40,758)
	<u>\$ 1,816,258</u>

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 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 2, 2025. As at June 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 June 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 June 30, 2025, the Corporation's overall funded debt to gross book value ratio and debt service coverage ratio are 44% and 2.00, respectively.

7. SHARE CAPITAL

Authorized:

Unlimited number of common voting shares with no par value

Unlimited number of preferred shares with no par value

Issued, outstanding and fully paid:

	Nine months ended June 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
Issued and outstanding – end of the period	9,318,818	\$ 26,419	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 the three and nine months ended June 30, 2025 and 2024, the Corporation purchased and cancelled Nil common shares under its NCIB.

8. REVENUE FROM INVESTMENT PROPERTIES

The components of revenue from investments properties are as follows:

(000s of dollars)

	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Rental revenue	\$ 67,797	\$ 62,189	\$ 200,471	\$ 178,668
Other rental revenue (1) (2)	634	500	1,821	1,442
	\$ 68,431	\$ 62,689	\$ 202,292	\$ 180,110

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

(2) The Corporation recognized a government grant for the three months and nine months ended June 30, 2025 of \$165,096 (2024 - \$150,000) and \$465,096 (2024 - \$450,000) for rental supplement purposes from The Manitoba Housing and Renewal Corporation. The rental supplement is recognized as other rental revenue on a straight-line 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 June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Salaries, wages and employee benefits	\$ 9,468	\$ 8,732	\$ 27,922	\$ 26,189
Utility	7,253	7,537	26,095	23,862
Property tax	5,567	5,481	16,628	15,112
Repair and maintenance	2,394	2,279	7,132	6,960
Insurance	565	1,096	2,430	3,603
Other	885	681	2,779	2,388
Legal and other professional expenses	690	978	2,124	2,265
Advertising and Marketing	406	278	1,040	884
Total Operating and G&A expenses	\$ 27,228	\$ 27,062	\$ 86,150	\$ 81,263

10. FINANCING COSTS

The components of financing costs are as follows:

(000s of dollars)

	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Mortgage interest	\$ 14,150	\$ 12,760	\$ 41,226	\$ 37,045
Amortization of deferred financing cost	2,670	1,930	6,740	5,551
Financing costs	\$ 16,820	\$ 14,690	\$ 47,966	\$ 42,596

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 June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Numerator		Revised		Revised
Net profit	\$ 46,561	\$ 35,278	\$ 194,262	\$ 137,435
Denominator				
For basic profit per share				
Weighted average shares	9,318,818	9,318,818	9,318,818	9,318,818
For diluted profit per share	9,318,818	9,318,818	9,318,818	9,318,818
Profit per share				
– basic	\$ 5.00	\$ 3.79	\$ 20.85	\$ 14.75
– diluted	\$ 5.00	\$ 3.79	\$ 20.85	\$ 14.75

There are no stock options or other dilutive instruments.

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)

		June 30, 2025		September 30, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:					
Restricted cash	Level 2	\$ 6,787	\$ 6,787	\$ 5,970	\$ 5,970
Cash and cash equivalents	Level 2	215,981	215,981	48,826	48,826
Trade and other receivables	Level 2	6,338	6,338	5,754	5,754
Financial liabilities:					
Mortgages payable	Level 2	1,816,258	1,784,689	1,649,665	1,623,623
Trade and other payables	Level 2	13,156	13,156	15,229	15,229
Refundable security deposits	Level 1	\$ 9,147	\$ 9,147	\$ 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)

		June 30, 2025		September 30, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Non-financial assets:					
Investment properties	Level 3	\$ 3,619,044	\$3,619,044	\$3,407,493	\$3,407,493

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 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 the interest rate, such as those seen throughout 2022 and 2023, 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 a lender to call a loan 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. As tenants' rent is due at the beginning of the month, all amounts in accounts receivable are considered overdue by the Corporation. As of June 30, 2025, rents due from current tenants amounted to \$543,000 (September 30, 2024 - \$537,000). The possibility of not receiving payment of rent due from current tenants was covered by security deposits of \$9.1million (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 June 30, 2025 and September 30, 2024 are outlined in the table below:

(000s of dollars)

	June 30, 2025		2024	
0-30 days	\$	415	\$	397
31-60 days		62		85
61-90 days		32		9
Over 90 days		34		46
Total rents due from current tenants	\$	543	\$	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 reputable Canadian chartered financial institutions.

Liquidity Risk

Liquidity risk is the risk 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 June 30, 2025 are outlined in the table below:

(000s of dollars)

	1 year	2 years	3 years	4 years	Beyond 4 years	Total
Mortgages payable	\$ 143,850	229,505	139,618	408,975	935,068	\$1,857,016
Mortgage interest payable	\$ 56,439	52,846	46,914	42,032	39,022	\$ 237,253
Trade and other payables	\$ 15,229	–	–	–	–	\$ 15,229
Refundable security deposits	\$ 9,147	–	–	–	–	\$ 9,147

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

(000s 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

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 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 June 30, 2025, and September 30, 2024, 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 President and Chief Executive Officer 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 and nine months ended June, 2025, amounted to Nil (2024 – \$134,747) and \$11,188 (2024 - \$671,812) .

These commissions form part of the CEO's annual compensation. Each year the Chief Executive Officer is entitled to receive an annual performance bonus based upon pre-determined performance goals and discretionary bonus amounts determined by the board of directors. In making such determination, the board of directors takes in consideration the amount of commissions paid

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

- b) The Corporation paid legal and professional fees and reimbursements for the three months and nine months ended June 30, 2025, amounting to \$132,612 (2024 - \$147,927) and \$431,534 (2024 - \$375,859) to a law firm of which a director and officer of the Corporation is a Senior Associate. As at June 30, 2025, the amounts payable to the law firm were \$Nil (September 30, 2024 – \$Nil). These fees were incurred at amounts which in management's opinion approximate 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 June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
BRITISH COLUMBIA				
Rental revenue	\$ 15,822	\$ 14,238	\$ 46,851	\$ 41,192
Other rental revenue	178	167	534	489
Ancillary revenue	338	122	911	730
Property operating expenses	4,417	4,294	13,772	12,376
Net operating income	11,921	10,233	34,524	30,035
Financing Cost	3,206	3,006	9,578	8,102
Change in fair value	(1,539)	2,567	13,737	25,225
ALBERTA				
Rental revenue	\$ 38,505	\$ 35,722	\$ 113,812	\$ 101,889
Other rental revenue	394	299	1,121	866
Ancillary revenue	532	268	1,609	1,187
Property operating expenses	13,420	13,604	42,318	40,343
Net operating income	26,011	22,685	74,224	63,599
Financing Cost	10,863	9,139	30,114	26,808
Change in fair value	39,362	10,759	139,879	54,997
SASKATCHEWAN				
Rental revenue	\$ 12,377	\$ 11,195	\$ 36,633	\$ 32,539
Other rental revenue	56	28	148	66
Ancillary revenue	188	84	533	395
Property operating expenses	4,298	4,571	14,488	13,861
Net operating income	8,323	6,736	22,825	19,139
Financing Costs	2,751	2,545	8,273	7,686
Change in fair value	(8,059)	6,365	1,126	5,831
MANITOBA				
Rental revenue	\$ 1,093	\$ 1,034	\$ 3,176	\$ 3,048
Other rental revenue	6	6	18	21
Ancillary revenue	177	159	495	491
Property operating expenses	502	400	1,794	1,548
Net operating income	774	799	1,895	2,012
Change in fair value	(156)	(151)	(468)	10,280
TOTAL				
Rental revenue	\$ 67,797	\$ 62,189	\$ 200,471	\$ 178,668
Other rental revenue	634	500	1,821	1,442
Ancillary revenue	1,235	633	3,548	2,803
Property operating expenses	22,637	22,869	72,372	68,128
Net operating income	47,029	40,453	133,468	114,785
Financing Costs	16,820	14,690	47,965	42,596
Change in fair value	29,608	19,540	154,274	96,333
Gain from disposal of assets	130	723	515	1,865
Unallocated revenue*	1,963	1,960	4,929	5,937
Unallocated expenses**	15,349	12,708	50,959	38,889
Profit for the period	\$ 46,561	\$ 35,278	\$ 194,262	\$ 137,435

* 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)

	June 30, 2025	September 30, 2024
BRITISH COLUMBIA		
Investment properties	\$ 1,137,102	\$ 1,109,180
Property and equipment	62	24
Mortgages payable	387,153	360,793
Refundable security deposits	2,411	2,438
ALBERTA		
Investment properties	\$ 1,932,608	\$ 1,753,673
Property and equipment	5,809	5,954
Mortgages payable	1,122,672	1,014,037
Refundable security deposits	5,238	4,454
SASKATCHEWAN		
Investment properties	\$ 514,705	\$ 510,011
Property and equipment	824	856
Mortgages payable	306,433	274,835
Refundable security deposits	1,327	1,298
MANITOBA		
Investment properties	\$ 34,629	\$ 34,629
Property and equipment	1	2
Mortgages payable	—	—
Refundable security deposits	171	167
TOTAL		
Investment properties	\$ 3,619,044	\$ 3,407,493
Property and equipment	6,696	6,836
Mortgages payable	1,816,258	1,649,665
Refundable security deposits	9,147	8,357

IDENTIFIABLE ACQUISITION AND CAPITAL EXPENDITURES

(000s of dollars)

	Nine months ended June 30, 2025	Year ended September 30, 2024
BRITISH COLUMBIA	\$ 14,218	\$ 92,356
ALBERTA	40,401	82,109
SASKATCHEWAN	3,568	897
MANITOBA	469	35,938
TOTAL	\$ 58,656	\$ 211,300

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 June 30, 2025 amounted to \$3,528 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)

	Jun. 30, 2025	Sep. 30, 2024
Mortgages payable	\$ 1,816,258	\$ 1,649,665
Total equity	1,711,613	1,518,353
Total capital	\$ 3,527,871	\$ 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 June 30, 2025 is approximately 44% (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)

	Jun. 30, 2025	Sep. 30, 2024
Mortgages payable	\$ 1,816,258	\$ 1,649,665
Cash and cash equivalents	215,981	48,826
Total debts	\$ 1,600,277	\$ 1,600,839
Investment properties	\$ 3,619,044	\$ 3,407,493
Debt to fair value ratio	44%	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 quarter-end June 30, 2025, the Corporation acquired 2 residential complexes comprised of a total of 65 units for \$11.0 million in Duncan, British Columbia and a residential complex of 22 units in Cochrane, Alberta for \$3.7 million. The Corporation has also financed 14 clear-title properties for additional funding of \$47.4 million at an average interest rate of 3.68%.

19. DEFERRED INCOME TAX REVISION

In Q3 2024, the Corporation recorded a deferred income tax adjustment of \$51.1 million due to the capital gain tax change announced by the federal government in Federal Budget 2024. As of September 30, 2024, the legislation had not been passed therefore it was not substantively enacted for the purpose of IFRS Accounting Standards. As a result, in Q4 2024, the capital gain inclusion rate was adjusted back to one half to reflect the relevant amount of deferred income expense for fiscal FY2024. The revised net profit for three and nine months ended June 30, 2024 have reflected the adjustment of \$51.1 million in both periods.

The following table reconciles the changes in net profit:

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

	Three months ended June 30, 2024 before	Revised Amount	Three months ended June 30, 2024 after revision
Deferred income tax expense	\$ (58,075)	\$ 51,084	\$ (6,991)
Net profit	(15,806)	51,084	35,278
Profit per share	\$ (1.70)	\$ 5.48	\$ 3.79
	Nine months ended June 30, 2024 before	Revised Amount	Nine months ended June 30, 2024 after revision
Deferred income tax expense	\$ (71,737)	\$ 51,084	\$ (20,653)
Net profit	\$ 86,351	\$ 51,084	\$ 137,435
Profit per share	\$ 9.27	\$ 5.48	\$ 14.75

20. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on August 7, 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
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Cyber Security Committee

Chair

Karanveer Dhillon
San Francisco, CA

Rich Grimaldi
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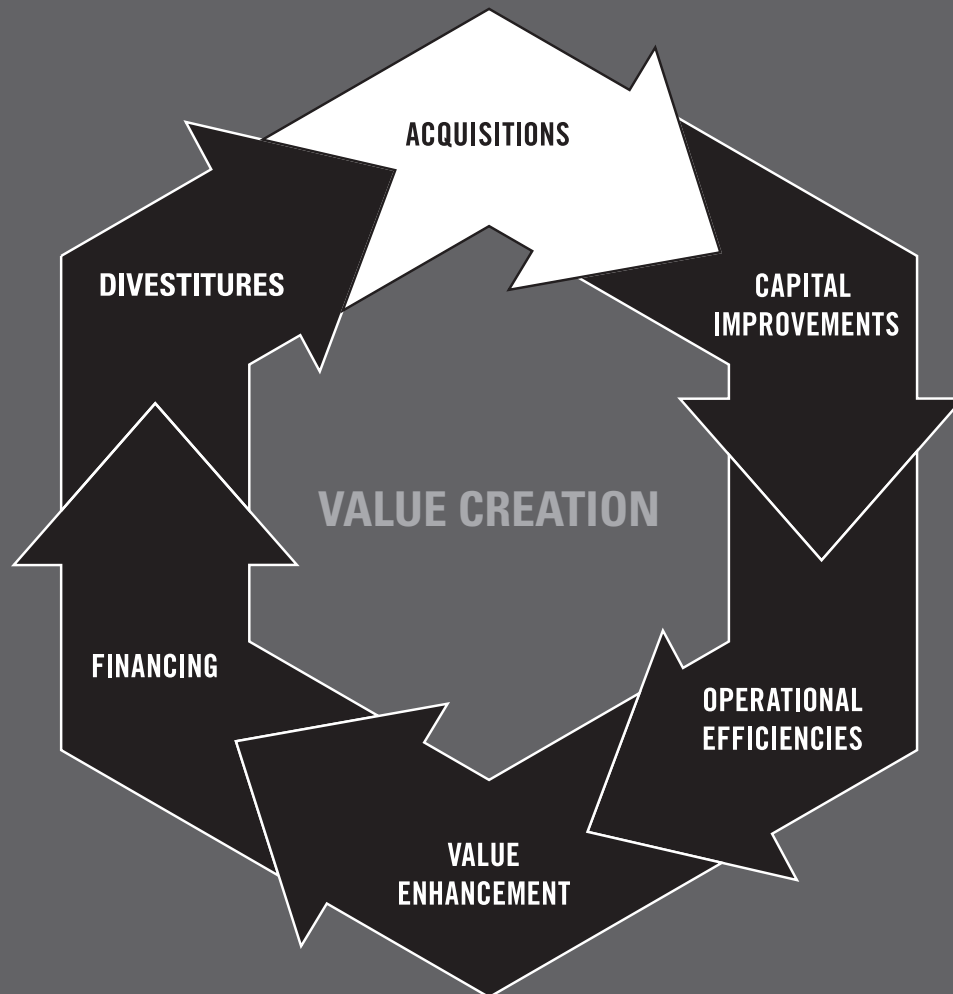
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STOCK EXCHANGE

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 18,771 units (YTD) with appraised values of approximately \$3.6 billion with minimal equity dilution.**