

26

YEARS of

Organic Growth Discipline Focus



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

16%

15%

16%

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

15%

18%

18%

year-over-year growth
Q1 2026 vs Q1 2025

▲
5%
**RENTAL
REVENUE**

▲
8%
NOI

▲
7%
FFO

Q1 2026

For the periods ended
December 31, 2025 and 2024

Diversified Portfolio	1	Interim Condensed Consolidated Statements of	
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Forward-Looking Information

This MD&A contains forward looking statements within the meaning of applicable Canadian securities laws. Forward looking statements include information about future financial or operating performance, business strategies, plans, and expectations, and often use words such as "seeks," "believe," "foresee," "projects," "expects" or "does not expect," "is expected," "anticipates" or "does not anticipate," "plans," "estimates" or "intends," or stating that certain actions, events or results "may," "could," "would," "might," "will," or are "likely" to be taken, occur or be achieved, or similar expressions.

Forward looking statements in this MD&A include, but are not limited to, statements regarding:

- the expected effects of interest rates, inflation, and economic conditions on the Corporation's operations, tenants, financing costs and renovation programs;*
- future acquisitions, dispositions, capital expenditures, rental rates, vacancy levels, income, liquidity, access to mortgage and other financing, including Canada Mortgage and Housing Corporation ("CMHC") insured loans, and refinancing plans;*
- expected costs, timing and benefits of renovation or development projects;*
- projected funds from operations, cash flow, and the Corporation's intention to make distributions;*
- the availability of labour, materials, and capital;*
- the Corporation's strategy, objectives, and expected operating environment, including immigration trends, regulatory and legislative developments (including zoning), the effect of income taxes, climate related risks, environmental requirements, cyber security risks, and other operational risks; and*
- assumptions underlying the Corporation's financial outlook disclosed in this MD&A.*

Forward looking statements are not guarantees of future performance and involve inherent risks and uncertainties. Actual results may differ materially due to factors including, but not limited to, those described under "Risk Factors" in the Corporation's AIF dated December 15, 2025, such as: inflationary pressures, changes in interest and mortgage rates, access to capital and financing, supply chain disruptions, labour shortages, geopolitical conflicts and related market volatility, changes in government policies regarding immigration and international students, regulatory changes, environmental and climate related risks, cyber security incidents, vacancy and tenant credit risk, loss of key personnel, renovation and development risks, competition, utility and energy cost fluctuations, losses from extreme weather events or public health measures, and general economic conditions, including fluctuations in the capital markets. Additional risks and uncertainties not presently known to the Corporation may also cause actual results to differ materially.

Material assumptions underlying the forward looking statements include assumptions regarding economic and market conditions in Canada, interest and mortgage rate trends, availability of capital on reasonable terms, access to acquisition opportunities, tenant demand, and the stability of the residential rental market.

Although management believes the assumptions underlying the forward looking statements are reasonable, there can be no assurance that actual results will be consistent with such statements. Readers should not place undue reliance on forward looking statements, which are made as of the date of this MD&A, and the Corporation undertakes no obligation to update them except as required by law. Past performance is not indicative of or a guarantee of future results.

This MD&A also includes "financial outlook" (as defined in applicable securities laws), to provide readers with management's expectations regarding anticipated results of operations. Actual results may vary from the Financial Outlook summarized in this MD&A. Management of the Corporation has approved the financial outlook as of February 10, 2026. Such information may not be appropriate for purposes other than this MD&A and actual results may differ materially.

Some information herein is derived from third party sources believed to be reliable as of the date provided; however, the Corporation makes no representation as to its accuracy or completeness.

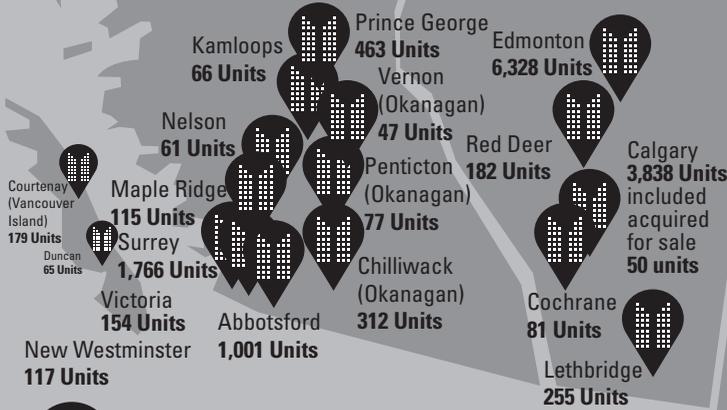
DIVERSIFIED PORTFOLIO YTD

BRITISH COLUMBIA
4,423 units

ALBERTA
10,684 units

SASKATCHEWAN
3,635 units

MANITOBA
405 units



Saskatoon
2,644 Units

Regina
991 Units

Winnipeg
405 Units

23	56	19	• 2
26	56	17	• 1
32	53	14	• 1
BC	AB	SK	MB

Q1 2026 Unit Count (%)

Q1 2026 NOI Contribution (%)

Q1 2026 IFRS Value (%)

19,147 TOTAL UNITS YTD

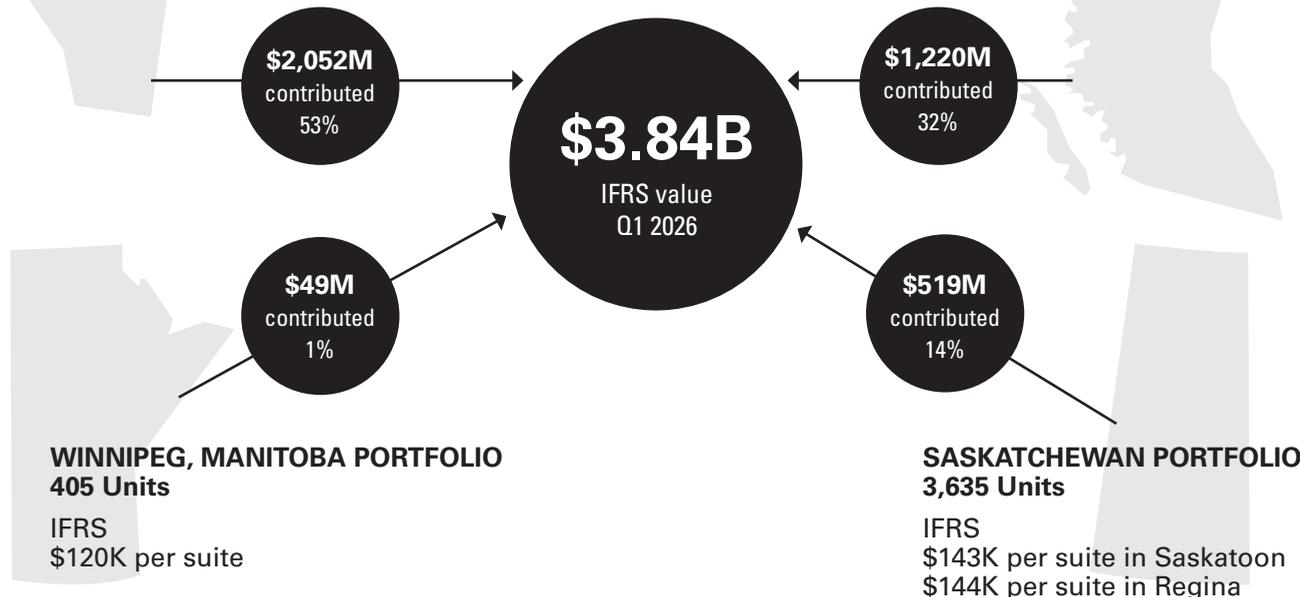
Including 50 condo suites acquired for resale.
10 developable lots and 7 commercial buildings.

ALBERTA PORTFOLIO 10,634 Units

IFRS
\$242K per suite in Calgary
\$169K per suite in Edmonton

BRITISH COLUMBIA PORTFOLIO 4,423 Units

IFRS
\$368K per suite in Surrey
\$295K per suite in Abbotsford
(Newly acquired BC properties are mainly valued at cost.)



WINNIPEG, MANITOBA PORTFOLIO 405 Units

IFRS
\$120K per suite

SASKATCHEWAN PORTFOLIO 3,635 Units

IFRS
\$143K per suite in Saskatoon
\$144K per suite in Regina

KEY METRICS | Q1 2026 PERFORMANCE HIGHLIGHTS

Rental Revenue		
From operations		Up 4.8% to \$70.9 million (vs. \$67.6 million in Q1 2025)
From same asset properties		Up 2.5% to \$68.9 million (vs. \$67.3 million in Q1 2025)
Net Operating Income (NOI)		
From operations		Up 8.2% to \$47.3 million (vs. \$43.7 million in Q1 2025)
From same asset properties		Up 6.3% to \$46.3 million (vs. \$43.5 million in Q1 2025)
Funds from operations (FFO)¹		
FFO		Up 7.0% to \$24.6 million (vs. \$23.0 million in Q1 2025)
FFO per basic share		Up 7.3% to \$2.65 (vs. \$2.47 in Q1 2025)
Operating Margin		
From operations		66.7% (vs. 64.7% in Q1 2025)
From same asset properties		67.1% (vs. 64.7% in Q1 2025)
Unstabilization rate		
Stabilized Units		12% (providing potential for future NOI growth) 445 properties (16,768 units, 14%) out of 498 properties (19,097 units)
Net Profit		
Net profit per basic share		Net profit of \$48.3 million (vs. profit of \$56.2 million in Q1 2025, including change in fair value of \$30.3 million in Q1 2026 vs. \$40.2 million in Q1 2025)
Total Capital Expenditures		
Total Capital Expenditure (unstabilized assets)		\$9.8 million (vs. \$7.3 million in Q1 2025)
Total Capital Expenditure (stabilized assets)		\$1.0 million (vs. \$0.9M in Q1 2025)
Total Capital Expenditure (stabilized assets)		\$8.8 million (vs. \$6.4M in Q1 2025)
Vacancy rate		
From operations		5.4% (vs. 4.2% in Q1 2025)
From same asset properties		5.4% (vs. 4.2% in Q1 2025)
Vacancy rate as of February 10, 2026		
		5.6% excluding unrentable units
Total Acquisition		
During Q1 2026		\$68.2 million 348 units (vs. \$17.8 million 116 units in Q1 2024)
Total Units		
As of December 31, 2025		19,147 units ² (vs. 18,455 units in 2025)
As of February 10, 2026		19,147 units ²
Fair Market Value		
		Up 3% to \$3.8 billion (vs. \$3.7 billion in 2025)

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

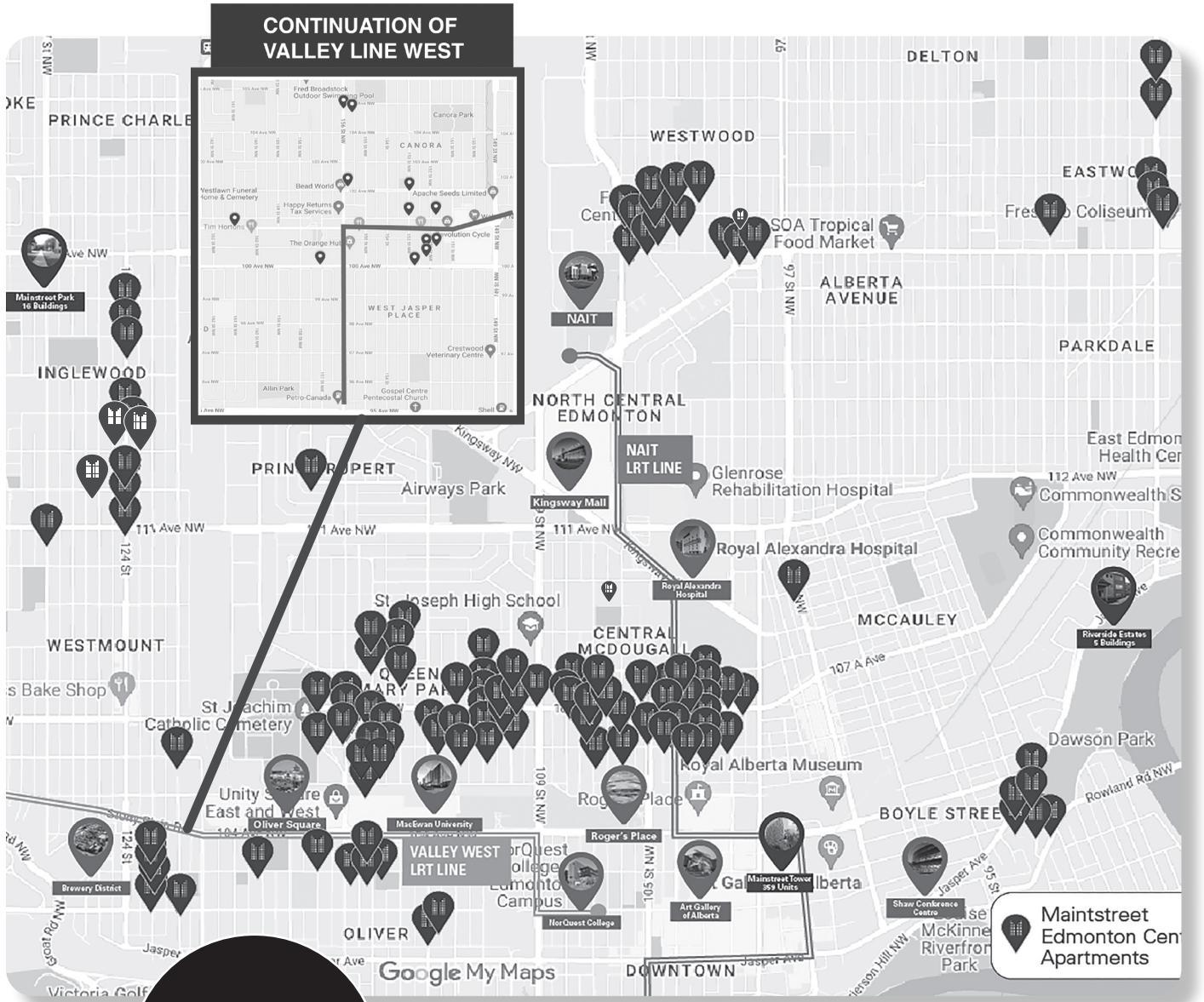
Mainstreet Equity Corp. ("Mainstreet" or the "Corporation") is a Canadian real estate company focused on acquiring and managing mid-market rental apartment buildings primarily in Western Canada. Listed on the TSX since 2000, Mainstreet creates value by purchasing under-performing properties, renovating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

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

CLUSTER STRATEGY

Edmonton // ICE DISTRICT

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



6,510
YTD TOTAL UNITS
EDMONTON*

* Includes Fort Saskatchewan and Red Deer

CLUSTER STRATEGY

Calgary // INNER-CITY

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



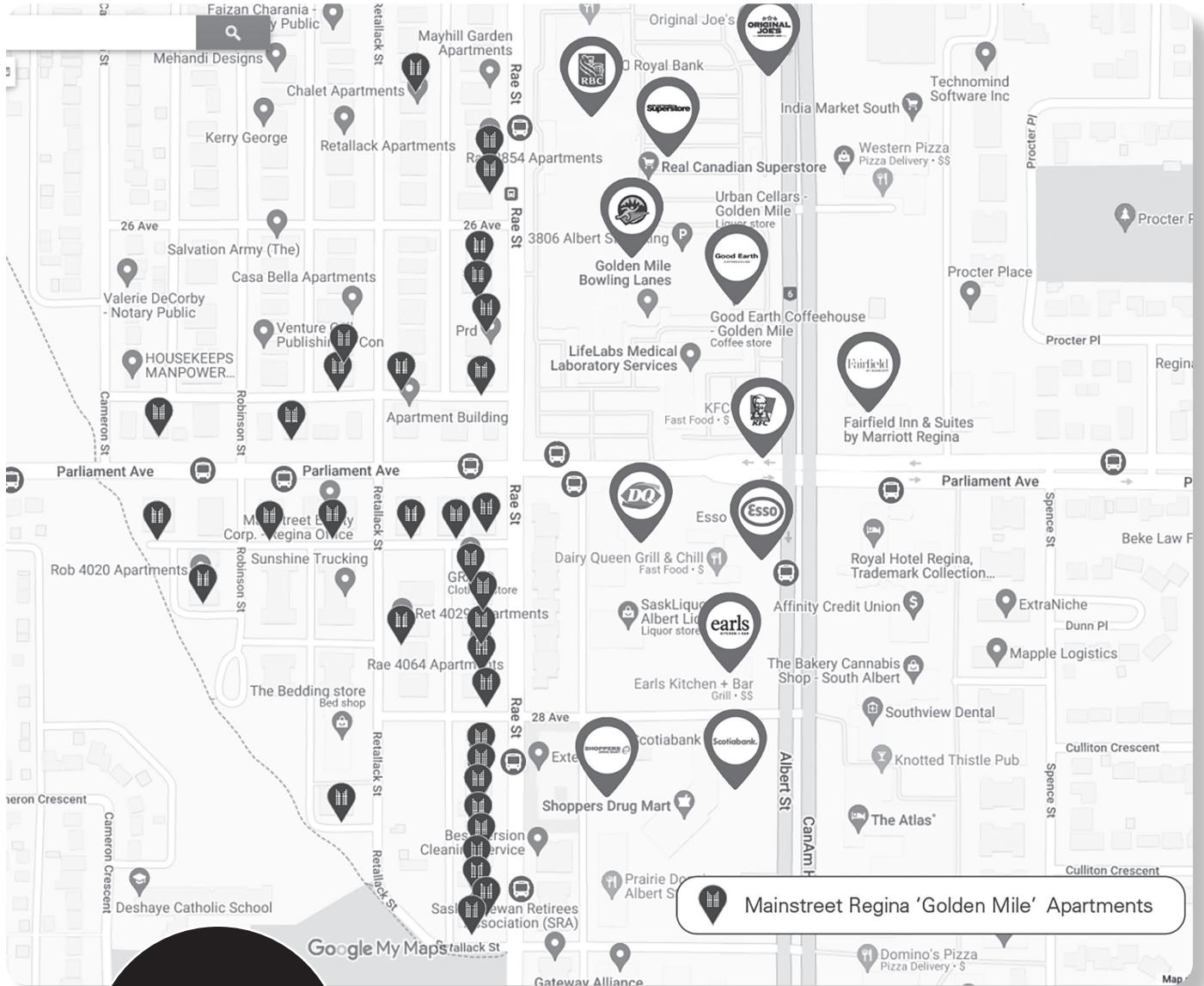
3,838
YTD TOTAL UNITS
CALGARY*

*Includes 50 condo units acquired for resale.

CLUSTER STRATEGY

Regina // GOLDEN MILE

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



991
YTD TOTAL UNITS
REGINA

MESSAGE TO SHAREHOLDERS | For Q1 2026 ending December 31, 2025

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

Coming out of a year with ongoing global trade uncertainty, economic headwinds and changing federal immigration policies, Mainstreet remains poised for significant results in 2026. Despite market challenges, our strategic decision to hold on acquisitions in 2025 in anticipation of a market reset, 12% unstabilized assets and Q1 historically being a slow rental season, our performance in Q1 2026 was still strong with an 8.2% increase in net operating income (NOI) and a 7.0% increase in funds from operations (FFO) for the quarter. In addition, our operating margin from operations was 66.7% (versus 64.7% in Q1 2025) and our operating margin from same asset properties was 67.1% (versus 64.7% in Q1 2025).

Our Growth Mindset

While some companies respond to economic slowdowns by reducing investment, Mainstreet has always seen them as meaningful opportunities for growth; we are known to make catalyst moves in historically pivotal moments. Our proven countercyclical, value-add strategy focuses on investing decisively during periods of market dislocation, including opportunistic asset sell-offs.

Canada simultaneously experienced the introduction of new rental supply and clawed back immigration numbers last year. Despite new supply necessitating significantly higher rents compared to Mainstreet, these factors had a ripple effect on the market. Achieving strong financial results amid multiple headwinds as we did in Q1 underscores the strength, resilience and durability of our platform. As these headwinds begin to subside, we believe that FY 2026 is a time to resume our growth through acquisition. We are leveraging unprecedented liquidity, favourable interest rates, and economic conditions and increasing stability in the rental market—factors that collectively position us for our next phase of accelerated acquisition. We believe our strong foundation will support continued and enhanced growth, even within a challenging market environment.

We are reporting acquisitions totalling \$68 million (348 residential apartment units and townhouses) for Q1 compared to \$53 million for all of 2025. Our liquidity remains strong, with an estimated \$818 million³ available in the remaining FY 2026.

The Mainstreet Advantage

Mainstreet's value-add strategy in the mid-market segment has demonstrated consistent success across Western Canada and delivered meaningful returns to the shareholders. Coupled with disciplined, non-dilutive growth, this approach has generated the liquidity required to support our next phase. The core strengths of our platform include:

- **Affordable rents:** With average monthly rents of approximately \$1,250, Mainstreet provides high-quality rental options with renovated suites and customer services that remain accessible to middle-income Canadians. As revenue growth across the sector begins to moderate, the rental growth rate is also showing signs of easing in some markets. While certain markets, particularly new purpose-built rental supply, are experiencing noticeable rate adjustments as a result, we expect the impact on our affordable rental apartment portfolio to be limited and more gradual.
- **Diverse portfolio:** With more than 19,100 units concentrated in numerous major inner-city urban centres in Western Canada, our geographic diversification reduces exposure to volatility in any single market. For example, while we are headquartered in Calgary, 43% of our net asset value (based on IFRS value) is in BC.

³ Including \$148 million cash-on-hand, \$535 million estimated funds that may be available through financing of maturing mortgages in 2026 and clear-titled assets after stabilization, and a \$135 million line of credit.

Year-Over-Year Growth

Q1 2026 vs. Q1 2025



Market Fundamentals

Despite periods of economic and policy uncertainty over the past several quarters, underlying favourable macroeconomic trends are expected to contribute to Mainstreet's continued growth. These trends include:

Supply vs Demand: Canada's long-standing housing shortage continues to support strong rental fundamentals despite the increase of purpose-built rental starts. While provincial and federal governments are encouraging housing construction, building starts peaked in spring and summer 2025 and steadily declined for the second half of the year. We believe that this suggests we are at the tail-end of new supply entering some markets. Building starts are expected to be flat in 2026, but even those projects that will be completed experience high construction costs which pushes required rent up in order to achieve acceptable returns. This does not increase supply of affordable rental units and does little to address the immediate need for housing which benefits Mainstreet's position in the market.

Canada				
Year	Total Purpose Built Supply (Source CMHC)	Year-Over-Year Growth	Total Population (Source Statistics Canada)	Year-Over-Year Growth
2021	2,215,712	41,339	38,460,257	432,851
2022	2,269,937	54,225	39,284,491	824,234
2023	2,307,577	37,640	40,467,722	1,183,234
2024	2,404,284	96,707	41,494,132	1,026,410
2025	2,474,297	70,013	41,575,585	81,453
Total Growth		299,924		3,548,179

Favourable interest rates: With mortgage interest being our largest expense line, lower borrowing costs improve cash flow plus FFO and increase our capacity to pursue acquisitions. Interest rates peaked at approximately 4.5% at the end of 2023, began declining in early 2024, and currently sits around 3.5% for a five-year term, with sluggish economic growth in Canada expected to keep rates at this rate or possibly lower.

Tariff Opportunity: Rising tariff-related costs may further constrain new rental supply which exacerbates the existing supply-demand imbalance. Importantly, MEQ's business model is built on acquiring assets below market replacement cost. As tariffs push replacement costs even higher, the economic advantage of purchasing existing assets rather than building new ones grows stronger. These dynamics reinforce the competitiveness of our strategy and support continued growth in our core markets.

Draw to Western Canada: The federal government's policy to recalibrate immigration volumes includes limiting international students, temporary workers and other temporary residents to under 5% of the total population by the end of 2027. For 2026, the target for temporary workers and international students is 385,000, while the permanent resident target is 380,000. This number still far outpaces rental supply available to house them.

Despite a cooling trend over the past year, Alberta continues to lead the country with a net population gain of 0.2% in Q3 2025, and investment in energy projects is expected to create an influx to Alberta, as well as Saskatchewan and British Columbia. Overall, Western Canada remains an attractive destination for Canadians and newcomers, with affordability, employment opportunity and quality of life driving population growth.

CHALLENGES

Uncertain Economy

Many economists are cautiously optimistic that Canada will avoid a recession and instead see modest growth in 2026. We are seeing the same, with Q1 NOI from same asset properties up 6.3% to \$46.3 million versus \$43.5 million in Q1 2025. However, issues like inflation and tariffs remain wildcards in the economic landscape.

Inflation raises costs for materials, labour/wages, utilities, supply chain and renovation/repairs which can tighten margins or trigger rental rate adjustments. However, during a slower economy, more households delay homeownership in favour of affordable rental options, reinforcing demand for Mainstreet's properties. Also, tariffs and protectionist policies from the United States are creating trade uncertainty and ballooning construction costs in a number of industries across Canada.

Immigration and Migration Slowdown

Across the country, all provinces other than Alberta are experiencing negative growth due to immigration policy changes and a decline in interprovincial migration, with British Columbia marking a population drop of 0.3% in Q3 2025. We were already seeing the effects of immigration policy in late-2025 as Canada experienced the largest and only second-ever decline in population since 1946; with population growth expected to be neutral throughout 2026. This reduction in immigration can have a negative effect on labour, as the rental housing market relies in part on international workers, immigrants, and international students to fill lower-skilled positions.

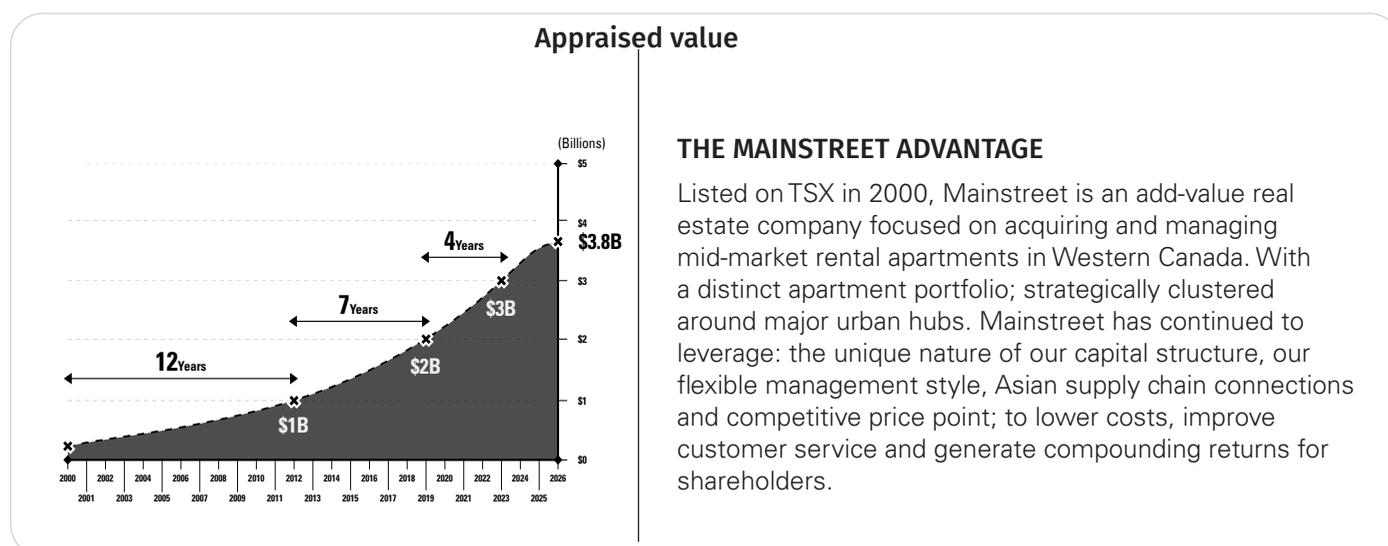
Vacancy Rates

According to CMHC, Canada's national vacancy rate for rental apartments rose to 3.1% in late 2025, up from 2.2% in 2024, stemming from new supply built to help address the housing shortage. CMHC expects that new supply starts will be absorbed in 2026, especially in stronger markets like Calgary, Edmonton, Regina and Saskatoon. While the vacancy rates eased for the most affordable rental units, these units remain in high demand..

OUTLOOK

Opening the Energy Corridor

With Canada seeking new trade partners in the face of tensions with the United States, the federal government has committed to major energy infrastructure and nation-building mega projects, most notably relating to LNG. We believe that if completed, this will once again open up the West and elevate Canada into a global energy superpower. Growth in the energy corridor will stimulate job creation, increase population inflows and energize economic activity across



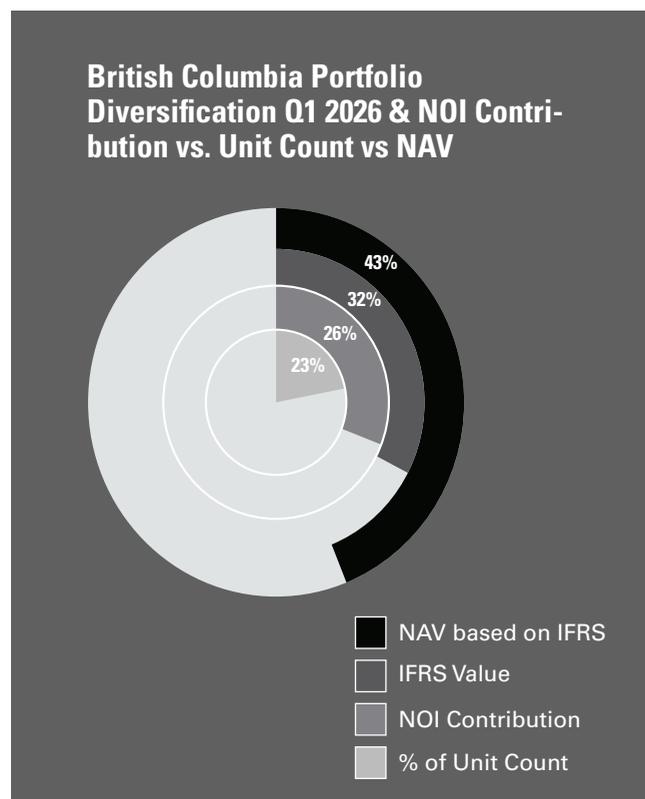
Western Canada, directly increasing demand for rental housing. With a well-established presence across the region, Mainstreet is strategically positioned to capture the growth as this economic sector develops.

Putting the S in ESG

Canada's persistent housing supply shortage highlights the need for affordable rental options. Mainstreet remains dedicated to providing high-quality, affordable housing for middle-income Canadians, contributing to social well-being while offering an attainable rental alternative as homeownership becomes less accessible for many households.

Nominal Dividends⁴

With strong free cash flow, Mainstreet introduced a nominal dividend in 2024 to broaden our shareholder base, enhance trading liquidity and support market capitalization while preserving capital for future non-dilutive growth. In 2026, we raised the dividend by 100% to \$0.32 per share annually, or \$0.08 per quarter. As a Corporation, this underscores our commitment to delivering shareholder value while maintaining financial flexibility to support strategic organic expansion and non-dilutive growth of our asset base.

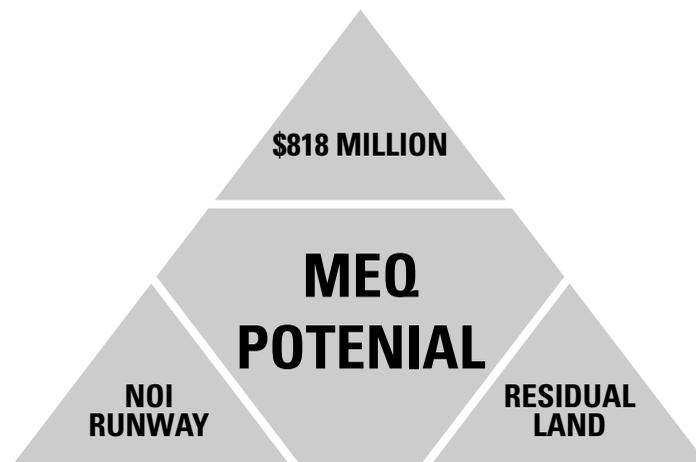


<p>2000 Listed on TSX</p>	<p>\$0.9 million in cash 529 units Fair market value of \$90 million Share price: \$4.9 as at Sep. 30, 2000</p>	<p>No equity dilution except exercised options</p>	<p>Q1 2026</p>	<p>\$148 million in cash 19,147 units Fair market value of \$3.8 billion Share price: \$183.2 as at Dec. 31, 2025</p>
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⁴ We note that any decision to pay dividends, and the amount of any such dividends on the shares, will be made by the Board Directors at the relevant time, on the basis of Mainstreet's earnings, financial requirements and the 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.

RUNWAY ON EXISTING PORTFOLIO/NON-DILUTIVE GROWTH

- Trading at a Discount:** We believe MEQ shares continue to trade below their net asset value (NAV), a trend that may be amplified by ongoing macroeconomic volatility. As we see a significant drop in our market cap due to these macroeconomic headwinds, Mainstreet has ability to repurchase its own shares for cancellation pursuant to its Normal Course Issuer Bid (NCIB). In Q1, we repurchased 5,400 shares under this program and management intends to continue to do so, boosting ownership value for continuing shareholders.
- Expanding the Portfolio:** With approximately \$818 million in available liquidity in the remaining FY 2026, after already expending \$68 million cash for the acquisition of unstabilized assets in Q1 2026, Mainstreet has substantial capacity to acquire underperforming assets at attractive valuations without issuing new equity, thus supporting long-term asset growth on a non-dilutive basis. It is currently anticipated that the next three quarters will be focussed around aggressive growth through acquisition.
- Closing the NOI Gap:** At any given time, roughly 12% of the portfolio is undergoing active repositioning. Upon stabilization, these units are expected to generate approximately \$45 million in incremental annualized NOI, highlighting significant embedded value and the earnings potential based on mark-to-market gaps within the existing portfolio.
- Rezoning for Growth:** Persistent housing shortages are prompting municipalities to support increased density through rezoning initiatives. Our dedicated in-house land planning team is advancing land optimization strategies, including subdividing underutilized parcels, converting unused space into additional rental units, and pursuing density relaxations. These initiatives enhance long-term portfolio value with minimal incremental capital.



Bob Dhillon
President & CEO
Calgary, Alberta
February 10, 2026

5 YEAR TRENDS

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

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

Total number of
outstanding shares

9,304,318

Management,
Directors,
& Officers
shareholder
ownership
49%

Leveraging the supply-demand imbalance

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

Replacement cost



Mainstreet

New build

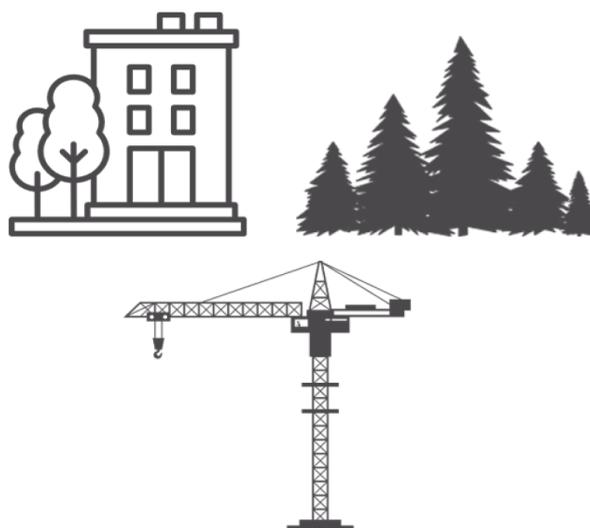
DEVELOPABLE VACANT LAND

Address

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

City

Abbotsford
Edmonton
Edmonton
Edmonton
Edmonton
Edmonton
Calgary
Saskatoon
Regina
Regina





Mainstreet: a model of security in times of inflation

Our management team has taken decisive steps to protect against rising interest rates, to the extent that 100% of Mainstreet debt is locked in at low rates (average 3.12% and over long-term maturities (average 4.6 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 3.12%
Average term to maturity 4.6 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.

"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."

OVER 26 YEARS >



Bob Dhillon
Founder, President
& CEO



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



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

OVER 8 YEARS

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 months ended December 31, 2025 and 2024. This discussion is not intended to be exhaustive, 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 for the three months ended December 31, 2025 and 2024 and the Corporation's audited consolidated financial statements and accompanying notes for the fiscal years ended September 30, 2025 and 2024. 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 [*]. 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 months periods ended December 31, 2025 and 2024, respectively.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements within the meaning of applicable Canadian securities laws. Forward-looking statements include information about future financial or operating performance, business strategies, plans, and expectations, and often use words such as seeks, "believe", "foresee", "projects", "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might", "will", or are "likely" to be taken, occur or be achieved, or similar expressions.

Forward-looking statements in this MD&A include, but are not limited to, statements regarding:

- the expected effects of interest rates, inflation, and economic conditions on the Corporation's operations, tenants, financing costs and renovation programs;
- future acquisitions, dispositions, capital expenditures, rental rates, vacancy levels, income, liquidity, access to mortgage and other financing, including Canada Mortgage and Housing Corporation ("CMHC") insured loans, and refinancing plans;
- expected costs, timing and benefits of renovation or development projects;
- projected funds from operations, cash flow, and the Corporation's intention to make distributions;
- the availability of labour, materials, and capital;
- the Corporation's strategy, objectives, and expected operating environment, including immigration trends, regulatory and legislative developments (including zoning), the effect of income taxes, climate-related risks, environmental requirements, cyber-security risks, and other operational risks; and
- assumptions underlying the Corporation's financial outlook disclosed in this MD&A.

Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. Actual results may differ materially due to factors including, but not limited to, those described under "Risk Factors" in the Corporation's AIF dated December 15, 2025, such as: inflationary pressures, changes in interest and mortgage rates, access to capital and financing, supply chain disruptions, labour shortages, geopolitical conflicts and related market volatility, changes in government policies regarding immigration and international students, regulatory changes, environmental and climate-related risks, cyber-security incidents, vacancy and tenant credit risk, loss of key personnel, renovation and development risks, competition, utility and energy cost fluctuations, losses from extreme weather events or public health measures, and general economic conditions, including fluctuations in the capital markets. Additional risks and uncertainties not presently known to the Corporation may also cause actual results to differ materially.

Material assumptions underlying the forward-looking statements include assumptions regarding economic and market conditions in Canada, interest and mortgage rate trends, availability of capital on reasonable terms, access to acquisition opportunities, tenant demand, and the stability of the residential rental market.

Although management believes the assumptions underlying the forward-looking statements are reasonable, there can be no assurance that actual results will be consistent with such statements. Readers should not place undue reliance on forward-looking statements, which are made as of the date of this MD&A, and the Corporation undertakes no obligation to update them except as required by law. Past performance is not indicative of or a guarantee of future results.

This MD&A also includes “financial outlook” (as defined in applicable securities laws), to provide readers with management’s expectations regarding anticipated results of operations. Actual results may vary from the Financial Outlook summarized in this MD&A. Management of the Corporation has approved the financial outlook as of February 10, 2026. Such information may not be appropriate for purposes other than this MD&A and actual results may differ materially.

Some information herein is derived from third-party sources believed to be reliable as of the date provided; however, the Corporation makes no representation as to its accuracy or completeness.

NON-IFRS MEASURES

Mainstreet prepares and releases unaudited interim condensed consolidated financial statements and audited consolidated annual financial statements in accordance with IFRS Accounting Standards. In this MD&A and in any earnings releases, as a complement to results provided in accordance with IFRS Accounting Standards, Mainstreet also discloses and discusses certain financial measures not recognized under IFRS Accounting Standards and that do not have standard meanings prescribed by IFRS Accounting Standards. These non-IFRS measures are prepared in accordance with the Real Property Association of Canada’s guideline (“REALPAC”), a leading national industry association of investment real estate. These include funds from operations (“FFO”) and FFO 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 that are not uniquely significant to the real estate industry for example, computers or vehicles.

These non-IFRS financial measures should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS Accounting Standards. We caution readers that these non-IFRS financial measures or other financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similarly titled measures reported by other issuers. The Non-IFRS measures should not be construed as alternatives to net profit (loss) or cash flows from operating activities determined in accordance with IFRS Accounting Standards 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”.

OPERATIONS OVERVIEW

Leasing and tenant support: Mainstreet has leveraged its technological investment to enable paperless leasing processes across its portfolio. The systems significantly improves Mainstreet’s operational efficiencies and competitive edge. Mainstreet believes in timely, transparent communication and provides regular updates to both its tenants and team members through various channels.

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

Acquisitions: Mainstreet continued its acquisition activity in the first quarter of 2026 and has actively taken advantage of opportunities to acquire undervalued assets.

Refinancing: Mainstreet continues to reposition its unstabilized properties and continues to have access to mortgage debt.

Liquidity: Liquidity is an important measure of the availability of sufficient cash to fund ongoing business activities, and capital and liability commitments. Liquidity is defined to include cash and cash equivalents on hand plus estimated new financings of clear title assets and up-financings of maturing mortgages. Assuming current lending criteria remain mainly unchanged, plus the available credit Mainstreet has access to under its approved line of credit, Mainstreet estimates it will have access to approximately \$818 million in available liquidity in FY2026, which management believes is sufficient for its operations, including to addressing any inherent uncertainty surrounding geopolitical matters, supply chain disruptions, inflation, interest rate increases and rent control measures, all while continuing to support its stakeholders.

EFFECT OF MARKET FORCES ON MAINSTREET

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RESPONSIBILITY

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

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

ENVIRONMENTAL

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

- Adopting a policy to obtain a Phase 1 environmental report conducted by independent environmental consultants for newly acquired and financed buildings and committing to implement the recommendations wherever possible to improve its environmental practices;
- Utilizing LED lights, as well as low flush toilets and water conserving shower heads;
- Replacing windows, roofs, sidings, old appliances and boilers with new energy efficient alternatives whenever possible;
- Utilizing sub-metering to encourage residents to be more efficient in utility usage;
- Currently conducting a review in respect of installing charging stations for electric vehicles on Mainstreet's properties; and
- Continuously looking for, and participating in, new energy saving programs, including utilizing new energy saving devices wherever possible and working towards further quantifying the results with certain applied metrics.



Bird e-Scooters parked on a branded parking pad outside an inner-city Calgary Mainstreet building. Mainstreet's partnership with Bird drives home our commitment to sustainability.



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

SOCIAL COMMUNITY INVESTMENT

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

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



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



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





EMPLOYEE ENGAGEMENT

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

- Prioritizing training and development, by offering learning opportunities to team members both internally, through on-the-job training, and in academic settings, to facilitating internal advancement and promotions wherever possible;
- Providing annual evaluations of its team members' performance, for the purpose of identifying and supporting career growth and development opportunities for such team members;
- Offering a healthy and safe work environment by providing all team members with competitive medical benefits, short and long-term disability plans, and life insurance plans. The Corporation has set up occupational health and safety committees with representatives in all cities where the Corporation's team members are located, which committees meet regularly to assist in safety trainings and inspections;
- Working to ensure that all human resource policies and practices are non-discriminatory and actively promote a diverse workforce, as evidenced by the diversity of the Corporation's management team; and
- Adopting a whistle-blower policy, the details of which can be found in each employee's handbook, to empower and encourage its team members to report their concerns and complaints regarding the accuracy and integrity of the Corporation's accounting, auditing and financial reporting or any violations or possible violations of applicable laws, rules or regulations or the Corporation's Code of Business Conduct and Ethics, in a confidential manner without fear of reprisal.

GOVERNANCE

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

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

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

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

BUSINESS OVERVIEW

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

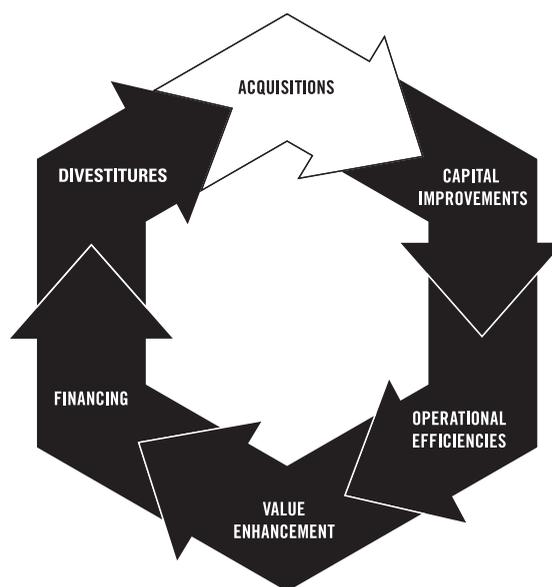
Mainstreet is listed on the Toronto Stock Exchange ("TSX") and its common shares (the "Common Shares") are traded under the symbol "MEQ."

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.

The Mainstreet VALUE CHAIN



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ADD VALUE

Improving the life of Canadians

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 Accounting Standards").

Investment properties

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

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

Method used in determining the Fair Value of investment properties

Fair value is determined based on a combination of internal and external valuation processes. Changes in fair value arising from differences between current period fair value and the sum of previous measured fair value and capitalized costs as described above are recorded in profit and loss in the period in which they arise.

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 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 selected samples 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 the determination of the fair value of investment properties of the Corporation as of December 31, 2025 and September 30, 2025. 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 \$ 3.8 billion as of December 31, 2025 (\$3.7 billion as of September 30, 2025). The following is the breakdown of market value by city and average capitalization rates used in determining the fair value of investment properties at December 31, 2025 and September 30, 2025, respectively.

As at December 31, 2025	Number of properties	Number of units	Market value (\$million)	Average value per unit (\$000)	Average capitalization rate as at December 31, 2025
Lower Mainland, British Columbia (Note 1)	40	3,311	\$ 1,049	317	3.62%
British Columbia excluding Lower Mainland (Note 2)	25	1,112	171	154	5.38%
Calgary, Alberta (Note 3)	126	4,125	997	242	5.58%
Edmonton, Alberta (Note 4)	178	6,509	1,055	162	5.42%
Saskatoon, Saskatchewan	63	2,644	376	142	5.37%
Regina, Saskatchewan	62	991	143	144	5.88%
Winnipeg, Manitoba	4	405	49	121	5.50%
Total investment properties	498	19,097	\$ 3,840	\$ 201	5.00%

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

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

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

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

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

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

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

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

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

ACQUISITIONS & GROWTH

(000s of dollars)

For the three months period ended December 31,

	2025	2024
	Calgary, Edmonton, & Surrey	Abbotsford, Calgary, & Prince George
Number of rental units	348	116
Total costs	\$ 68,237	\$ 17,825
Average price per apartment unit	\$ 196	\$ 154

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 Q1 2026, Mainstreet acquired 348 investment property units in the Provinces of Alberta and British Columbia for a total consideration of \$68.2 million. Since Mainstreet's previous financial year-end (September 30, 2025), the Corporation has grown its portfolio of investment properties by 2%.

As of December 31, 2025, Mainstreet's portfolio included 19,087 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 December 31, 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 498 buildings, while the fair value of the investment properties within this portfolio has grown from approximately \$17 million to \$3.8 billion as of December 31, 2025.

The following table demonstrates the growth of the Corporation by region since the end of the previous financial year ended September 30, 2025.

	Number of units as at Oct. 1, 2025	Acquisitions 3 months ended Dec. 31, 2025	Disposition 3 months ended Dec. 31, 2025	Number of units as at Dec. 31, 2025	%Growth
Lower Mainland, British Columbia (Note 1)	3,236	75	-	3,311	2%
British Columbia excluding Lower Mainland (Note 2)	1,112	-	-	1,112	-
Calgary, Alberta (Note 3)	3,972	153	-	4,125	4%
Edmonton, Alberta (Note 4)	6,389	120	-	6,509	2%
Saskatoon, Saskatchewan	2,644	-	-	2,644	-
Regina, Saskatchewan	991	-	-	991	-
Winnipeg, Manitoba	405	-	-	405	-
Investment properties	18,749	348	-	19,097	2%
Property held for sale - Calgary, Alberta	50	-	-	50	-

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

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

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

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

CAPITAL IMPROVEMENTS

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

In Q1 2026, the Corporation spent \$9.8 million (2025 - \$7.3 million) on capital improvements, of which \$8.8 million (2025 - \$6.4 million) was for upgrading stabilized properties and improving other holdings – specifically for exterior upgrades such as new roofs, windows, balconies, siding and insulation. These expenditures also covered mechanical and interior upgrades such as new boilers, flooring and paint to address the balance of non-renovated units and to maintain the condition of properties in the current portfolio. Mainstreet currently plans to spend an estimated total of \$41 million on capital improvement during the 2026 fiscal year; however these plans may be revised depending on economic conditions during fiscal year 2026. These improvements are expected to be financed through existing cash balances, funds from operations and ongoing refinancing of existing properties. Mainstreet expects to complete most of the renovations of its existing properties within the next 6 to 24 months. Revenue and income are expected to increase over time as more units are renovated and reintroduced to the market at anticipated higher rental rates.

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

REVIEW OF FINANCIAL & OPERATING RESULTS

Summary of financial results

(000s of dollars except per share amounts)

Three months ended December 31,	2025	2024	% change 2024
Gross revenue	\$ 73,462	\$ 68,762	7%
Net profit and total comprehensive income	48,269	56,232	-14%
Change in fair value	(30,287)	(40,234)	-25%
Loss/ (Gain) from disposal of assets	-	56	-100%
Depreciation	98	101	-3%
Deferred income tax expense	6,561	6,866	-4%
Funds from operations before current income tax – Non IFRS Measurement (Note 1)	\$ 24,641	\$ 23,021	7%
Interest income	(2,580)	(1,149)	125%
General and administrative expenses	5,082	4,433	15%
Financing costs	17,498	15,016	17%
Depreciation (computer and vehicle)	40	50	-20%
Current income tax expense	2,618	2,353	11%
Net operating income	\$ 47,299	\$ 43,724	8%
Dividends declared	\$ 744	\$ 373	100%
Operating margin from operations	67%	65%	
Profit per share			
Basic and fully diluted	\$ 5.19	\$ 6.03	-14%
Funds from operations per share			
Basic and fully diluted	\$ 2.65	\$ 2.47	7%
Dividends declared per share	\$ 0.08	\$ 0.04	100%
Basic and fully diluted			
Weighted average number of shares			
Basic and fully diluted	9,304,617	9,318,818	
Total Assets	\$ 4,042,022	\$ 3,635,120	
Total long term liabilities	\$ 1,996,716	\$ 1,757,332	

¹ FFO is calculated as profit before change in fair value, deferred income taxes and depreciation of property and equipment excluding depreciation of items which are not uniquely significant to the real estate industry (such as computers or vehicles). FFO is a widely accepted supplemental measure of a Canadian real estate company's performance but is not a recognized measure under IFRS Accounting Standards. The IFRS Accounting Standards 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 Accounting Standards, 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 performances.

REVENUE

In Q1 2026, revenue primarily consisted of rental and ancillary revenue totalling \$70.9 million (2025 - \$67.6 million) and interest income. Overall, rental revenue increased 5% as compared to Q1 2025, which is discussed and analysed in the session entitled "Rental Operations" below.

NET PROFIT

For the quarter ended December 31, 2025, Mainstreet reported a net profit of \$48.3 million (\$5.19 per basic share) as compared to a net profit of \$56.2 million (\$6.03 per basic share) in Q1 2025, including a fair value gain of \$30.3 million in Q1 2026 compared to a fair value gain of \$40.2 million in Q1 2025, which will be further discussed and analysed below.

Net profit is further analysed as follows:

(000s of dollars)

Three months ended December 31,	2025	2024	% change
Funds from operations before current income tax expenses			
-Non IFRS measurement (see Note 1 previous table)	\$ 24,641	\$ 23,021	7%
Change in fair value	30,287	40,234	-25%
Gain from disposal of assets	-	(56)	-100%
Depreciation	(98)	(101)	-3%
Deferred income tax expense	(6,561)	(6,866)	-4%
Net profit and total comprehensive income			
- IFRS measurement	\$ 48,269	\$ 56,232	-14%

Funds from operations in Q1 2026 are further discussed and analysed below.

In Q1 2026, Mainstreet realized a fair value gain of \$30.3 million, compared with a fair value gain of \$40.2 million in Q1 2025. This was mainly due to changes as identified below:

(000s of dollars)

Change in Fair value Three months ended December 31,	2025	2024
Lower Mainland, BC (Note 1)	\$ 16,017	\$ 5,663
BC excluding Lower Mainland (Note 2)	3,324	(18)
Calgary (Note 3)	17,777	25,626
Edmonton (Note 4)	12,636	13,602
Saskatoon	(7,219)	8,228
Regina	(2,410)	(5,550)
Winnipeg	-	-
	40,125	47,551
Capital expenditure	(9,838)	(7,317)
Change in fair value	\$ 30,287	\$ 40,234

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

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

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

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

The fair value gain represented the change in the market value of the Corporation's investment properties over three months ended December 31, 2025 and 2024. The amount of change was determined by the market value of Mainstreet's investment properties at the quarter-end dates of December 31, 2025 and 2024, which was regarded as a non-operating expense.

FUNDS FROM OPERATIONS – NON IFRS MEASUREMENT

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

Mainstreet's FFO increased by 7% to \$24.6 million in Q1 2026, compared with \$23.0 million in Q1 2025. The increase in FFO for Q1 2026 was mainly attributable to increased rental revenue and decreased operating expenses, which will be discussed and analysed in the following section entitled "Rental Operations" in this MD&A.

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

GENERAL & ADMINISTRATIVE ("G&A") EXPENSES

G&A expenses mainly include corporate costs such as office overhead, legal and professional fees and salaries. G&A expenses increased by 15% to \$5.1 million in Q1 2026 as compared to \$4.4 million in Q1 2025, mainly due to higher personnel-related expenses. The Corporation continues to build up its management team in anticipation of continued growth in its core operating regions.

FINANCING COSTS

(000s of dollars)

For the months ended December 31,	2025	2024	% Change
Mortgage interest	\$ 14,913	\$ 13,083	14%
Amortization of deferred financing cost	2,585	1,933	34%
Financing costs	\$ 17,498	\$ 15,016	17%

Mortgage interest expenses increased by 14% to \$14.9 million in Q1 2026 from \$13.1 million in Q1 2025.

The rise was mainly attributable to an increase in mortgage loans from refinancing of maturing and new clear title mortgages after the completion of the stabilization process. In Q1 2026, the Corporation assumed one mortgage from the acquisition of property for additional funding of \$9.8 million at an average interest rate of 4.33% and repaid maturing mortgages of \$116 million.

Five-year CMHC-insured mortgage rates dropped from a peak of 4.5% at the end of FY2023 to around 3.5% in Q1 2026.

RENTAL OPERATIONS

(000s of dollars except per unit data)

For three months ended December 31,	Total Portfolio			Same Asset			Acquisition		
	2025	2024	% change	2025	2024	% change	2025	2024	% change
Rental and ancillary revenue	\$ 70,882	\$ 67,613	5%	\$ 68,925	\$ 67,256	2%	\$ 1,957	\$ 357	448%
Operating expenses	23,583	23,889	-1%	22,655	23,713	-4%	928	176	427%
Net operating income	\$ 47,299	\$ 43,724	8%	\$ 46,270	\$ 43,543	6%	\$ 1,029	\$ 181	469%
Operating margin	67%	65%		67%	65%		53%	51%	
Average vacancy rate	5.4%	4.2%	29%	5.4%	4.2%	29%	5.9%	13.4%	-56%
Weighted average number of units	18,898	18,422	3%	18,335	18,335	0%	563	87	547%
Average rental rate per unit per month	\$ 1,250	\$ 1,223	2%	\$ 1,253	\$ 1,223	2%	\$ 1,159	\$ 1,368	-15%
Average operating expense per unit per month	\$ 416	\$ 432	-4%	\$ 412	\$ 431	-4%	\$ 549	\$ 674	-19%

The vacancy rate increased to 5.4% in Q1 2026, from 4.2% in Q1 2025, mainly due to acquisitions of unstabilized assets and a softer rental demand in the Corporation's operating markets. As of December 31, 2025, overall vacancy in Mainstreet's portfolio was at 5.5%, which was composed of 6.3% in Calgary, 6.4% in Edmonton, 5.1% in Saskatoon, 5.7% in Regina and 3.8% in British Columbia.

Despite the vacancy rate increase, the average monthly rental rate increased 2% to \$ 1,250 per unit in Q1 2026, compared with \$1,223 per unit in Q1 2025. Overall rental and ancillary revenue increased 5% to \$70.9 million in Q1 2026 as compared to \$67.6 million in Q1 2025. This was mainly due to the increase in rental rates and the continued growth of the Corporation's portfolio as the average number of units owned by the Corporation increased 3% over the year.

For the same asset properties, which refer to properties owned by the Corporation for the entire twelve-month periods ended December 31, 2025 and 2024, rental and ancillary revenue increased 2% to \$68.9 million in Q1 2026 from \$67.3 million in Q1 2025. The average monthly rental rate increased by 2% to \$1,253 per unit in Q1 2026, from \$1,223 per unit in Q1 2025. The vacancy rate increased to 5.4% in Q1 2026, from 4.2% in Q1 2025, mainly due to a slowdown in demand in the provinces of British Columbia and Alberta.

Mainstreet's overall operating expenses decreased 1% to \$23.6 million in Q1 2026, from \$23.9 million in Q1 2025, mainly due to the reduction in insurance and utilities expenses.

The overall operating expenses on a per unit basis in Q1 2026 decreased by 4%, while those of the same asset properties decreased by 4% as compared to Q1 2025.

As a result, overall net operating income increased 8% to \$47.3 million in Q1 2026, from \$43.7 million in Q1 2025, and net operating margins increased to 67% in Q1 2026, from 65% in Q1 2025.

For the same asset properties, net operating income increased 6% to \$46.3 million in Q1 2026, from \$43.5 million in Q1 2025. The net operating margins increased to 67% in Q1 2026, from 65% in Q1 2025.

RENTAL OPERATIONS BY PROVINCE

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

BRITISH COLUMBIA

Mainstreet achieved a 7% increase in rental revenue in its British Columbia portfolio in Q1 2026 primarily due to the Corporation's diversification strategy and continued stabilization progress in the province. The Corporation continued its expansion into British Columbia's market in 2025 and Q1 2026, and achieved 4% growth in average unit count in its BC portfolio in Q1 2026. The average vacancy rate increased to 4.1% in Q1 2026 from 2.7% in Q1 2025 due mainly to the acquisition of unstabilized assets in 2025 and slowdown of demand in the province. As a net result, rental revenue per unit increased to \$1,295 per month in Q1 2026 from \$1,255 per month in Q1 2025.

Operating expenses per unit increased 5% to \$370 per month in Q1 2026 compared with \$353 per month in Q1 2025, due mainly to increase in property tax and repair and maintenance expense. As a result, net operating income increased 6%, and net operating margins decreased to 71% in from 72% in Q1 2025.

(000s of dollars except per unit data)

For three months ended December 31,	2025	2024	% change
Rental and ancillary revenue	\$ 16,949	\$ 15,819	7%
Operating expenses	4,846	4,444	9%
Net operating income	\$ 12,103	\$ 11,375	6%
Weighted average number of units	4,362	4,200	4%
Average rent per unit per month	\$ 1,295	\$ 1,255	3%
Operating cost per unit per month	\$ 370	\$ 353	5%
Average vacancy rate	4.1%	2.7%	
Operating margin	71%	72%	

ALBERTA

Mainstreet achieved 3% growth in its Alberta portfolio in Q1 2026, with the weighted average number of rental units growing to 10,447 units, compared to 10,131 units in Q1 2025. The rental income increased by 5% to \$40.2 million in Q1 2026 from \$38.3 million in Q1 2025. The average vacancy rate increased to 6.1% in Q1 2026 from 5.1% in Q1 2025, mainly due to a slowdown in demand for apartment rentals in the province. Rental revenue per unit increased 2% to \$1,282 per month in Q1 2026 from \$1,260 per month in Q1 2025 mainly due to increased rental rates in Q1 2026.

Operating expenses per unit decreased by 6% to \$431 per month in Q1 2026, compared to \$458 per month in Q1 2025, mainly due to lower insurance expense and utility expenses resulting from the elimination of the carbon tax effective April 2025. As a result, net operating income increased by 9% to \$26.7 million in Q1 2026 from \$24.4 million in Q1 2025, and net operating margin increased to 66% in Q1 2026 from 64% in Q1 2025.

(000s of dollars except per unit data)

For three months ended December 31,	2025	2024	% change
Rental and ancillary revenue	\$ 40,171	\$ 38,290	5%
Operating expenses	13,521	13,905	-3%
Net operating income	\$ 26,650	\$ 24,385	9%
Weighted average number of units	10,447	10,131	3%
Average rent per unit per month	\$ 1,282	\$ 1,260	2%
Operating cost per unit per month	\$ 431	\$ 458	-6%
Average vacancy rate	6.1%	5.1%	
Operating margin	66%	64%	

SASKATCHEWAN

Mainstreet achieved a 2% increase in its Saskatchewan portfolio rental revenues in Q1 2026. The average vacancy rate was 5.1% in Q1 2026 compared to 3.3% in Q1 2025. As a result, rental revenue per unit increased 2% to \$1,146 per month in Q1 2026 from \$1,129 per month in Q1 2025.

Operating expenses per unit decreased 6% to \$421 per month in Q1 2026, from \$450 per month in Q1 2025 due mainly to lower insurance expense, repair and maintenance, and utility expenses resulting from the elimination of the carbon tax effective April 2025. As a result, net operating income increased 7% and net operating margins increased to 63% in Q1 2026 from 60% in Q1 2025.

(000s of dollars except per unit data)

For three months ended December 31,	2025	2024	% change
Rental and ancillary revenue	\$ 12,497	\$ 12,304	2%
Operating expenses	4,590	4,906	-6%
Net operating income	\$ 7,907	\$ 7,398	7%
Weighted average number of units	3,635	3,634	0%
Average rent per unit per month	\$ 1,146	\$ 1,129	2%
Operating cost per unit per month	\$ 421	\$ 450	-6%
Average vacancy rate	5.1%	3.3%	
Operating margin	63%	60%	

MANITOBA

Rental revenue in Mainstreet's Manitoba portfolio has increased by 5% in Q1 2026. The overall average vacancy rate in Manitoba decreased to 4.3% in Q1 2026 from 5.6% in Q1 2025. As a result, the rental revenue per unit increased 5% to \$1,041 per month in Q1 2026 compared to \$988 per month in Q1 2025.

Operating expenses per unit decreased to \$515 per month in Q1 2026 compared to \$522 in Q1 2025 due to a decrease in repair and maintenance and utilities expenses, and as a result net operating income increased by 13% to \$ 639,000 in Q1 2026 from \$566,000 in Q1 2025 and net operating margin increased to 51% in Q1 2026 from 47% in Q1 2025.

(000s of dollars except per unit data)

For three months ended December 31,	2025	2024	% change
Rental and ancillary revenue	\$ 1,265	\$ 1,200	5%
Operating expenses	626	634	-1%
Net operating income	\$ 639	\$ 566	13%
Weighted average number of units	405	405	0%
Average rent per unit per month	\$ 1,041	\$ 988	5%
Operating cost per unit per month	\$ 515	\$ 522	-1%
Average vacancy rate	4.3%	5.6%	
Operating margin	51%	47%	

SUMMARY OF QUARTERLY RESULTS³

(000s of dollars except per share amounts)

	Dec. 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec. 31 2023
Rental revenue									
British Columbia	\$ 16,660	\$ 16,358	\$ 16,000	\$ 15,824	\$ 15,560	\$ 15,331	\$ 14,405	\$ 13,485	\$ 13,430
Alberta	39,746	39,277	38,899	38,222	37,813	37,166	36,021	34,225	32,509
Saskatchewan	12,332	12,470	12,433	12,220	12,125	11,829	11,223	10,857	10,525
Manitoba	1,097	1,097	1,099	1,054	1,042	1,034	1,040	1,038	992
Total rental revenue	\$ 69,835	\$ 69,202	\$ 68,431	\$ 67,320	\$ 66,540	\$ 65,360	\$ 62,689	\$ 59,965	\$ 57,456
Ancillary revenue	1,047	1,251	1,235	1,240	1,073	1,524	633	1,283	886
Total rental and ancillary revenue	\$ 70,882	\$ 70,453	\$ 69,666	\$ 68,560	\$ 67,613	\$ 66,884	\$ 63,322	\$ 61,248	\$ 58,342
Interest Income	\$ 2,580	\$ 2,621	\$ 1,963	\$ 1,816	\$ 1,149	\$ 788	\$ 1,960	\$ 2,198	\$ 1,778
Change in fair value	\$ 30,287	\$ 80,161	\$ 29,608	\$ 84,432	\$ 40,234	\$ 48,527	\$ 19,540	\$ 20,370	\$ 56,423
Net profit and total comprehensive income	\$ 48,269	\$ 50,462	\$ 46,561	\$ 91,469	\$ 56,232	\$ 113,526	\$ 37,484	\$ 33,610	\$ 68,548
Net profit per share									
– Basic & Diluted	\$ 5.19	\$ 5.42	\$ 5.00	\$ 9.82	\$ 6.03	\$ 12.18	\$ 4.02	\$ 3.61	\$ 7.36
Same assets rental and ancillary revenue									
British Columbia	\$ 16,389	\$ 14,811	\$ 14,584	\$ 14,446	\$ 14,264	\$ 14,362	\$ 13,961	\$ 13,942	\$ 13,477
Alberta	38,773	36,859	36,716	36,603	36,159	35,841	34,776	33,753	32,582
Saskatchewan	12,497	11,624	11,610	11,376	11,316	11,119	10,639	10,398	10,219
Manitoba	1,266	1,274	1,276	1,215	1,200	1,197	1,199	1,213	1,152
Total same assets rental and ancillary revenue	\$ 68,925	\$ 64,568	\$ 64,186	\$ 63,640	\$ 62,939	\$ 62,519	\$ 60,575	\$ 59,306	\$ 57,430
Same assets vacancy rate	5.4%	4.7%	4.9%	4.6%	4.2%	3.4%	2.8%	3.2%	3.3%
Same assets net operating income									
British Columbia	\$ 11,762	\$ 11,996	\$ 10,874	\$ 10,137	\$ 10,340	\$ 11,174	\$ 9,922	\$ 9,905	\$ 9,584
Alberta	25,780	25,344	24,242	22,496	23,011	23,307	21,953	19,883	20,369
Saskatchewan	8,088	7,874	7,682	6,574	6,807	7,345	6,391	5,803	5,998
Manitoba	640	805	774	557	566	837	799	572	644
Total same assets net operating income	\$ 46,270	\$ 46,019	\$ 43,572	\$ 39,764	\$ 40,724	\$ 42,663	\$ 39,065	\$ 36,163	\$ 36,595
Net operating income	\$ 47,299	\$ 49,914	\$ 47,029	\$ 42,715	\$ 43,724	\$ 45,654	\$ 40,453	\$ 37,287	\$ 37,045
Funds from operations of stabilized properties - Non-IFRS measurement (Note 1)	\$ 21,435	\$ 23,575	\$ 20,990	\$ 19,154	\$ 19,528	\$ 20,365	\$ 19,121	\$ 15,993	\$ 15,908
Funds from operations -before current income tax expense - Non-IFRS measurement	\$ 27,259	\$ 30,038	\$ 27,535	\$ 23,604	\$ 25,374	\$ 26,800	\$ 23,479	\$ 20,624	\$ 20,711
Funds from operations -Non-IFRS measurement	\$ 24,641	\$ 26,741	\$ 24,335	\$ 21,974	\$ 23,021	\$ 24,218	\$ 22,128	\$ 19,025	\$ 19,333
Funds from operations of stabilized properties per share - Non-IFRS measurement									
– Basic & Diluted	\$ 2.31	\$ 2.53	\$ 2.25	\$ 2.06	\$ 2.10	\$ 2.19	\$ 2.05	\$ 1.72	\$ 1.71
Funds from operations before current income tax expense per share - Non-IFRS measurement (Note 1)									
– Basic & Diluted	\$ 2.93	\$ 3.22	\$ 2.95	\$ 2.53	\$ 2.72	\$ 2.88	\$ 2.52	\$ 2.21	\$ 2.22
Funds from operations per share - Non-IFRS measurement (Note 1)									
– Basic & Diluted	\$ 2.65	\$ 2.87	\$ 2.61	\$ 2.36	\$ 2.47	\$ 2.60	\$ 2.37	\$ 2.04	\$ 2.07
Average vacancy rate									
British Columbia	4.1%	4.1%	4.2%	3.8%	2.7%	2.0%	1.6%	1.8%	1.5%
Alberta	6.1%	5.9%	6.1%	5.3%	5.1%	4.1%	3.1%	3.3%	3.7%
Saskatchewan	5.1%	3.8%	2.9%	3.5%	3.3%	2.9%	3.0%	4.3%	3.3%
Manitoba	4.3%	2.3%	2.3%	4.4%	5.6%	5.8%	4.6%	4.3%	8.4%
Total average vacancy rate	5.4%	5.0%	5.0%	4.6%	4.2%	3.4%	2.8%	3.2%	3.3%

Highlights of the Corporation's financial results for the first quarter ended December 31, 2025:

- Total rental revenue increased to \$69.8 million, compared to \$69.2 million in Q4 2025 and \$66.5 million in Q1 2025.
- Rental and ancillary revenue increased to \$70.9 million, compared to \$70.5 million in Q4 2025 and \$67.6 million in Q1 2025.
- Profit from operations decreased to \$48.3 million, compared to \$50.5 million in Q4 2025, and decreased compared to \$56.2 million in Q1 2025.
- Average vacancy rate for the quarter was 5.4%, compared with 5.0% in Q4 2025 and 4.2% in Q1 2025.
- Change in fair value for the quarter was a gain of \$30.3 million, compared to a gain of \$80.2 million in Q4 2025 and a gain of \$40.2 million in Q1 2025.
- Net operating income for the quarter was \$47.3 million, a decrease of 5% from \$49.9 million in Q4 2025 but a 8% increase from \$43.7 million in Q1 2025.
- Mainstreet's same asset vacancy rate was 5.4% in Q1 2026, an increase from 4.7% in Q4 2025 and an increase from 4.2% in Q1 2025. Same asset revenues were \$68.9 million in Q1 2026, an increase from \$64.6 million in Q4 2025 and \$62.9 million in Q1 2025.
- Net operating income on a same asset basis for the quarter was \$46.3 million, a 1% increase from \$46.0 million in Q4 2025 and a 14% increase from \$40.7 million in Q1 2025.
- FFO for the quarter were \$24.6 million, a 8% decrease from \$26.7 million in Q4 2025 and a 7% increase from \$23.0 million in Q1 2025. See "Non-IFRS Measures"
- FFO related to stabilized properties were \$21.4 million in Q1 2026, a 9% decrease from \$23.6 million in Q4 2025 and a 10% increase from \$19.5 million in Q1 2025. See "Non-IFRS Measures"

Discussion of the Corporation's first quarter ended December 31, 2025:

The changes in financial results for Q1 2026 are primarily attributable to the increases in vacancy rates in certain markets, rental rates across operating markets, interest rates, and variations in utility rates and vacancy resulting from renovations to certain properties.

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

STABILIZED PROPERTIES

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

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

Based upon the Corporation's past experience, the average period required for the stabilization process is approximately two years in provinces without statutory rent controls, such as the provinces of Alberta and Saskatchewan. In British Columbia and Manitoba, 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 and Residential Tenancies Branch of the province of Manitoba (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 December 31, 2025, 445 properties (16,768 units) out of 498 properties (19,097 units) were stabilized. The following table summarizes the change of the Corporation's stabilized and unstabilized units since the beginning of fiscal year 2026. The portfolio includes 2,329 unstabilized units with an aggregate fair value of \$335 million.

These properties are initially measured at cost, and subsequently measured at cost plus capital expenditures as a proxy to fair value until stabilized.

	Oct. 1, 2025	%	Acquisition/ Creation	Disposal	Number of units stabilized	Sept. 30, 2025	%
Stabilized Units	16,496	88%	-	-	272	16,768	88%
Unstabilized Units	2,253	12%	348	-	(272)	2,329	12%
Total Investment Properties Units	18,749	100%	348	-	-	19,097	100%

The following table summarizes the Corporation's stabilization progress since the beginning of fiscal year 2026.

	Oct. 1, 2025	No. of units stabilized during the period	No. of Unstabilized units acquired/ created during the period	Dec. 31, 2025
Numbers of unstabilized units held for renovation	2,253	(272)	348	2,329
Number of months				
Average time spent on stabilization	23	26	1	20
Estimated remaining time for stabilization	13	-	26	10

During the three months ended December 31, 2025, the Corporation acquired the following unstabilized units: 153 in Calgary, Alberta; 120 in Edmonton, Alberta; 75 in Surrey, British Columbia; Some acquired assets require substantial renovation and have rental rates considered well below market for stabilized units. The Corporation stabilized 272 units in Q1 2026, meaning that renovation work has been substantially completed, resulting in rent increases to or near current market levels.

FUNDS FROM OPERATIONS OF STABILIZED PROPERTIES

For Q1 2026, FFO of Mainstreet's stabilized property portfolio amounted to \$21.4 million (\$2.31 per basic share and per fully diluted share). See "Non-IFRS Measures".

(000s of dollars except per share amounts)

For three months ended December 31, 2025	Stabilized properties	Non-stabilized properties	Total
Rental and ancillary rental income	\$ 63,478	\$ 7,404	\$ 70,882
Property operating expenses	20,711	2,872	23,583
Net operating income	\$ 42,767	\$ 4,532	\$ 47,299
Operating margin	67.3%	61.2%	66.7%
Vacancy rate	5.5%	4.9%	5.4%
Interest income	\$ (2,289)	\$ (291)	\$ (2,580)
General & administrative expenses	4,508	574	5,082
Financing cost	16,754	744	17,498
Depreciation (computer and vehicle)	36	4	40
Current income tax expense	2,323	295	2,618
Funds from operations - Non-IFRS measurement	\$ 21,435	\$ 3,206	\$ 24,641
Depreciation (exclude computer and vehicle)			\$ 98
Change in Fair Value			30,287
Gain on disposal			-
Deferred income tax expense			6,561
Net profit and total comprehensive income			\$ 48,269
Funds from operations per share - Non-IFRS measurement			
Funds from operations per share			
- basic & diluted	\$ 2.31	\$ 0.34	\$ 2.65
Weighted average number of shares			
- basic & diluted			9,304,617

For three months ended December 31, 2024	Stabilized properties	Non-stabilized properties	Total
Rental and ancillary rental income	\$ 59,239	\$ 8,374	\$ 67,613
Property operating expenses	20,709	3,180	23,889
Net operating income	\$ 38,530	\$ 5,194	\$ 43,724
Operating margin	65.0%	62.0%	64.7%
Vacancy rate	4.2%	4.2%	4.2%
Interest income	\$ (998)	\$ (151)	\$ (1,149)
General & administrative expenses	3,831	602	4,433
Financing cost	14,082	934	15,016
Depreciation (computer and vehicle)	43	7	50
Current income tax expense	2,044	309	2,353
Funds from operations - Non-IFRS measurement	\$ 19,528	\$ 3,493	\$ 23,021
Depreciation			\$ 101
Fair Value Gain			40,234
Gain on disposal			(56)
Deferred income tax expense			6,866
Net profit and total comprehensive income			\$ 56,232
Funds from operations per share - Non-IFRS measurement			
Funds from operations per share			
- basic & diluted	\$ 2.10	\$ 0.37	\$ 2.47
Weighted average number of shares			
- basic & diluted			9,318,818

In Q1 2026, FFO of the stabilized property portfolio increased 10% to \$21.4 million as compared to \$19.5 million in Q1 2025, while the number of stabilized units increased 5% to 16,768 units as of December 31, 2025 compared to 15,947 units as of December 31, 2024. The increase in FFO for stabilized properties was due to the improved vacancy rates and increased rental rates during the year.

(000's of dollars)

For three months ended December 31,	2025	2024	% change
FFO of stabilized properties (Note 3)	\$ 21,435	\$ 19,528	10%
Number of stabilized units	16,768	15,947	5%

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

LIQUIDITY & CAPITAL RESOURCES

Access to liquidity is important as it allows the Corporation to implement its overall strategy. Liquidity is an important measure of the availability of sufficient cash to fund ongoing business activities and capital and liability commitments. Liquidity is defined to include cash and cash equivalents on hand plus estimated new financings of clear title assets and up-financings of maturing mortgages, assuming current lending criteria are not materially changed, plus the available credit Mainstreet has access to under its approved line of credit. Mainstreet estimates it will have access to approximately \$818 million³ in available liquidity in 2026, which management believes is sufficient for its operations.

Inflation and increasing interest rates have magnified the importance of liquidity in recent years. Five-year CMHC-insured mortgage rates dropped from a peak of 4.5% at the end of FY2023 to around 3.5% in Q1 2026. The Corporation will continue to cautiously monitor interest rate trends and will consider the same in making decisions when its mortgages mature and are renewed.

³ Including \$148 million cash-on-hand, \$535 million estimated funds that may be available through financing of maturing mortgages in 2026 and clear-titled assets after stabilization, and a \$135 million line of credit.

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

Working Capital Requirement

Mainstreet requires sufficient working capital to cover day-to-day operating and mortgage expenses as well as income tax payments. In Q1 2026, after payments of all required expenses, the Corporation generated funds from operations of \$24.6 million.

Management expects funds generated from operations will continue to grow in the long term when more units are renovated and reintroduced to the market at higher rental rates, and Management believes that these funds should be sufficient to meet the Corporation's working capital requirements on a year-to-year basis going forward. As of December 31, 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 analyzed in the session entitled "Financing" below.

Other Capital Requirements

Mainstreet also needs sufficient capital to finance continued growth and capital improvement. In Q1 2026, the Corporation spent approximately \$ 79.2 million on acquisitions and capital improvements. Management expects the following capital resources to be sufficient to meet the capital requirements on a year-to-year basis.

FINANCING

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

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

In Q1 2026, the Corporation repaid maturing mortgages of \$116 million.

Five-year CMHC-insured mortgage rates dropped from a peak of 4.5% at the end of FY2023 to around 3.5% in Q1 2026. The Corporation will continue to cautiously monitor interest rate trends and will need to consider the same in making decisions when its mortgages mature and need to be renewed.

As of December 31, 2025, the Corporation owned title to 96 clear title properties and development lots having an aggregate fair value of approximately \$606 million.

High commodity prices, economic uncertainty and global supply chain constraints pushed inflation up over the past few years, although inflation rates have decreased recently compared to prior years, with the consumer price index (CPI) being 2.4% in December 2025. In response the Bank of Canada had significantly increased interest rates, and they remained at such higher rate for the last few years. Although the Bank of Canada has slowly decreased the interest rates over the past year, it remains unclear if there will be further decreases in the interest rates and the time frame over which such decreases may occur. Mainstreet has attempted to manage the risk of continuing inflation and the correlated risk in interest rates continuing to decrease by locking its debt into modest to long-term maturities.

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

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

BANKING FACILITY

Effective January 2014, the Corporation was granted a banking facility to a maximum of \$85 million with a syndicate of chartered financial institutions. The facility is secured by a floating charge against the Corporation's assets and carries an interest rate of prime plus 0.95%. The facility requires monthly interest payments and is renewable every three years subject to the mutual agreement of the lenders and the Corporation. The Corporation has extended the maturity date to December 1, 2028, and the available borrowing capacity increased from \$85 million to \$90 million, providing additional financial flexibility. As at December 31, 2025, the Corporation has drawn \$Nil (September 30, 2025 - \$Nil) against this credit facility.

Additionally, 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 December 31, 2025, the Corporation has drawn \$Nil (September 30, 2025 - \$Nil) against this credit facility.

Both facilities contain financial covenants to maintain an overall funded debt to gross book value ratio of not more than 65% and debt service ratio of not less than 1.2. As of December 31, 2025, the Corporation's overall funded debt to gross book value ratio and debt service coverage ratio are 43% and 2.06, respectively.

CONTRACTUAL OBLIGATIONS

As of December 31, 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 December 31, 2025 are as follows:

(000s of dollars)

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

LONG-TERM DEBT

(000s of dollars)

	Amount	% of Debt	Average interest rate (%)
Fixed rate debt			
– CMHC-insured	\$ 1,846,278	100%	3.12%
– non-CMHC-insured	-	-	-
Total debt	1,846,278	100%	3.12%
Deferred financing costs	(41,066)		
	<u>\$ 1,805,212</u>		

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 December 31, 2025, the total mortgages payable was \$1,805 million compared to \$1,917 million on September 30, 2025, a decrease resulting from repayment of maturing mortgage loans during the quarter ended December 31, 2025.

As of December 31, 2025, Management believes the Corporation's financial position to be stable, with overall mortgage levels reported at 43% of the fair value of investment properties. 100% of the Corporation's mortgage portfolio was CMHC-insured, providing Mainstreet with what management believes are interest rates lower than those available through conventional financing.

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

MORTGAGE MATURITY SCHEDULE

(000s of dollars)

Maturing during the following financial year end	Balance maturing	% of debt maturing	Weighted average rate on expiry (%)
2026	137,390	7.4%	2.26%
2027	72,660	3.9%	3.14%
2028	123,531	6.7%	3.64%
2029	483,794	26.2%	3.97%
2030	541,880	29.3%	2.96%
Subsequent	487,023	26.4%	2.56%
	\$ 1,846,278	100.0%	3.12%

The average maturing term of mortgage loans is 4.57 years as of December 31, 2025, compared to 4.83 years as of December 31, 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 Accounting Standards. 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 December 31, 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 December 31, 2025.

As at December 31, 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 Accounting Standards and that the ICFR operated effectively throughout the reported period. The Corporation may, from time to time, make changes aimed at enhancing its effectiveness and ensuring that these systems evolve with the Corporation's business. There were no changes in the Corporation's ICFR during the quarter ended December 31, 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. See the "Key accounting estimates and assumptions" section below for further discussion on the assumptions made in determining the fair value of the Corporation's financial assets.

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

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

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

(000s of dollars)

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

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

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

(000s of dollars)

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

See also the Notes to the Corporation's audited consolidated financial statements for the fiscal years ended September 30, 2025 and 2024 (the "annual financial statements") and the Notes to the Corporation's interim periods ended December 31, 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 and how such risks are managed, refer to the section entitled "Risk Assessment and Management" in this MD&A.

SHARE CAPITAL

Authorized:

Unlimited number of common voting shares with no par value

Unlimited number of preferred shares with no par value

The Corporation has no outstanding or issued preferred shares.

The issued, outstanding and fully paid shares of the Corporation are:

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

All common shares shall have an equal right to dividends.

NORMAL COURSE ISSUER BID

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

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

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.

SHAREHOLDER RIGHTS PLAN

The Corporation is party to a shareholder rights plan ("Rights Plan") which was most recently amended and renewed by the shareholders of the Corporation on March 6, 2025.

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+.

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.

Key accounting estimates and assumptions

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

- i) Significant estimates used in determining the fair value of investment properties include capitalization rates, market rent, vacancy rate, net operating income and operating expenses. A change to any one of these inputs could significantly alter the fair value of an investment property. Please refer to Note 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 fair value and market driven information;
- iv) Allocation of purchase cost in the acquisition of property and equipment into different components, estimation of useful life and impairment, are based on fair value and market driven information; and
- v) The future income tax rate used to arrive at future income tax balances.

Actual results could differ from estimates.

NEW ACCOUNTING STANDARDS AND CHANGES IN ACCOUNTING STANDARDS

IFRS 18, Presentation and Disclosure in Financial Statements

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

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

Amendments to IFRS and IFRS 7

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

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

Transactions with Related Parties

- a) The Corporation’s President and Chief Executive Officer (the “CEO”) is paid a commission at commercial rates in his capacity as a licensed broker for certain property transactions conducted by the Corporation in its normal course of business. Commissions are determined on an exchange value basis. Except in very limited circumstances, these commissions are paid by the selling third party or third parties to the transaction. The commissions received by the President and Chief Executive Officer during the three months ended December 31, 2025, amounted to \$131,588 (2024 – \$11,188).

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

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

- b) The Corporation paid legal and professional fees and reimbursements for the three months ended December 31, 2025, amounting to \$96,049 (2024 - \$73,059) to WBA Law LLP of which a director and officer of the Corporation is a Senior Associate. As at December 31, 2025, the amounts payable to the law firm were \$Nil (September 30, 2025 – \$Nil). These fees were incurred at amounts which, in management’s opinion, approximate the fair market value that would be incurred by WBA Law LLP.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements as at December 31, 2025, and no off-balance sheet arrangements were made during Q1 2026.

Subsequent Events

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

Risk Assessment and Management

The following section describes certain material risks that could affect the Corporation. Please see “Risk Factors” in the AIF for a more comprehensive list of the risks which affect the Corporation and its business, which is available on the Corporation’s issuer profile on SEDAR+ at www.sedarplus.ca. The following discussion of risk, and the disclosure in the AIF, do not include all possible risks as there may be other risks of which the Corporation is currently unaware.

Economic Uncertainty

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

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

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

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

Interest Rate Risk

The Corporation is exposed to interest rate risk to the extent of any upward or downward revision in prime lending rates. Increases in interest rates and sustained higher interest rates 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 under the National Housing Association mortgage program. This added level of insurance offered to lenders allows the Corporation to receive the best possible financing and interest rates, and significantly reduces the potential for lenders to call loans prematurely.

Five-year CMHC-insured mortgage rates dropped from a peak of 4.5% at the end of FY2023 to around 3.5% in Q1 2026. The Corporation will continue to cautiously monitor this trend in interest rates and will consider the same in making decisions when its mortgages mature and need to be renewed.

Vacancy Risk

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

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

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

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

Cyber Security Risk

Cyber security has become an increasingly important issue for corporations and businesses. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the Corporation's information resources. More specifically, a cyber incident is an intentional attack or an unintentional event which can include gaining unauthorized access to information systems to disrupt business operations, corrupt data or steal confidential information. As Mainstreet's reliance on technology has increased, so have the risks posed to its systems. Such an attack could compromise Mainstreet, its employees and tenants' confidential information, and third parties with whom Mainstreet interacts and may result in negative consequences, including remediation costs, loss of revenue, data corruption, additional regulatory scrutiny, litigation and reputational damages. As a result, Mainstreet has implemented processes, procedures and controls to help mitigate these cyber security risks, but these measures do not guarantee that a cyber incident can be totally avoided, and that the Corporation's business and financial condition will not be negatively impacted by such an incident. The significance of any event is difficult to quantify but may, in certain circumstances, be material. The growing use of artificial intelligence ("AI") tools may also increase the risk of future cyberattacks or data breaches, as AI can enable more automated and sophisticated attacks. In addition, the rapid evolution of AI and related technologies may introduce new risks requiring ongoing investment and oversight. Mainstreet's integration of AI into its systems could expose it to potential inaccuracies, biases, or regulatory challenges, which may adversely affect its business, financial condition, and operations.

Risks of Real Estate Property Ownership

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

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

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

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

Renovation Risks

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

Reliance on Key Employees

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

Liquidity Risk

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

An investment in real estate is relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the Corporation's ability to divest itself of certain of its properties promptly in response to changing economic, investment or other conditions. If the Corporation were to be required to quickly liquidate its real property, the proceeds to the Corporation might be significantly less than the aggregate carrying or net asset value of its properties or less than what would be expected to be received under normal circumstances, which could have an adverse effect on the Corporation's financial condition and financial performance. Illiquidity may also result from legal or contractual restrictions on the resale of properties. In addition, in recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and, during an economic recession, the Corporation may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for the Corporation to dispose of properties at lower prices in order to generate sufficient cash for operations. There can be no assurance that the fair market value of any properties held by the Corporation will not decrease in the future.

Financing Risk

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

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.

CHALLENGES

Uncertain Economy

Many economists are cautiously optimistic that Canada will avoid a recession and instead see modest growth in 2026. Management is seeing the same, with Q1 NOI from same asset properties up 6.3% to \$46.3 million versus \$43.5 million in Q1 2025. However, issues like inflation and tariffs remain wildcards in the economic landscape.

Inflation raises costs for materials, labour/wages, utilities, supply chain and renovation/repairs which can tighten margins or trigger rental rate adjustments. However, during a slower economy, more households delay homeownership in favour of affordable rental options, reinforcing demand for Mainstreet's properties. Also, tariffs and protectionist policies from the United States are creating trade uncertainty and ballooning construction costs in a number of industries across Canada.

Immigration and Migration Slowdown

Across the country, all provinces other than Alberta are experiencing negative growth due to immigration policy changes and a decline in interprovincial migration, with British Columbia marking a population drop of 0.3% in Q3 2025. Mainstreet was already seeing the effects of immigration policy in late-2025 as Canada experienced the largest and only second-ever decline in population since 1946; population growth is expected to be neutral throughout 2026. This reduction in immigration can have a negative effect on labour, as the rental housing market relies in part on international workers, immigrants, and international students to fill lower-skilled positions.

Vacancy Rates

According to CMHC, Canada's national vacancy rate for rental apartments rose to 3.1% in late 2025, up from 2.2% in 2024, stemming from new supply built to help address the housing shortage. CMHC expects that new supply start will be absorbed in 2026, especially in stronger markets like Calgary, Edmonton, Regina and Saskatoon. While the vacancy rates eased for the most affordable rental units, these units remain in high demand.

OUTLOOK

Opening the Energy Corridor

With Canada seeking new trade partners in the face of tensions with the United States, the federal government has committed to major energy infrastructure and nation-building mega projects, most notably relating to LNG. This will once again open up the West and elevate Canada into a global energy superpower. Growth in the energy corridor will stimulate job creation, increase population inflows and energize economic activity across Western Canada, directly increasing demand for rental housing. With a well-established presence across the region, Mainstreet is strategically positioned to capture the growth as this economic sector develops.

Putting the S in ESG

Canada's persistent housing supply shortage highlights the need for affordable rental options. Mainstreet remains dedicated to providing high-quality, affordable housing for middle-income Canadians, contributing to social well-being while offering an attainable rental alternative as homeownership becomes less accessible for many households.

Nominal Dividends⁴

With strong free cash flow, Mainstreet introduced a nominal dividend in 2024 to broaden its shareholder base, enhance trading liquidity and support market capitalization while preserving capital for future non-dilutive growth. In 2026, Mainstreet raised the dividend by 100% to \$0.32 per share annually, or \$0.08 per quarter. As a Corporation, this underscores its commitment to delivering shareholder value while maintaining financial flexibility to support strategic organic expansion and non-dilutive growth of its asset base

⁴ We note that any decision to pay dividends, and the amount of any such dividends on the shares, will be made by the Board Directors at the relevant time, on the basis of Mainstreet's earnings, financial requirements and the 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.

RUNWAY ON EXISTING PORTFOLIO

1. **Trading at a Discount:** Management believes MEQ shares continue to trade below their net asset value (NAV), a trend that may be amplified by ongoing macroeconomic volatility. As Mainstreet sees a significant drop in its market cap due to these macroeconomic headwinds, Mainstreet has ability to repurchase its own shares for cancellation pursuant to its Normal Course Issuer Bid (NCIB). In Q1, Mainstreet repurchased 5,400 shares under this program and management intends to continue to do so, boosting ownership value for continuing shareholders.
2. **Expanding the Portfolio:** With approximately \$818 million in available liquidity in the remaining FY 2026, after already expending \$68 million cash for the acquisition of unstabilized assets in Q1 2026, Mainstreet has substantial capacity to acquire underperforming assets at attractive valuations without issuing new equity, thus supporting long-term asset growth on a non-dilutive basis. It is currently anticipated that the next three quarters will be focussed around aggressive growth through acquisition.
3. **Closing the NOI Gap:** At any given time, roughly 12% of the portfolio is undergoing active repositioning. Upon stabilization, these units are expected to generate approximately \$45 million in incremental annualized NOI, highlighting significant embedded value and the earnings potential based on mark-to-market gaps within the existing portfolio.
4. **Rezoning for Growth:** Persistent housing shortages are prompting municipalities to support increased density through rezoning initiatives. The dedicated in-house land planning team is advancing land optimization strategies, including subdividing underutilized parcels, converting unused space into additional rental units, and pursuing density relaxations. These initiatives enhance long-term portfolio value with minimal incremental capital.

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 Canadian Auditing Standards. The Audit Committee recommended their approval of the statements to the Board of Directors. The Board of Directors has approved the financial statements on the recommendation of the Audit Committee.



Bob Dhillon
Director

February 10, 2026



Joe Amantea
Director

MAINSTREET EQUITY CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

UNAUDITED

(000s of Canadian dollars)

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

See accompanying notes to these interim condensed consolidated financial statements



Bob Dhillon, Director



Joe Amantea, Director

February 10, 2026

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

UNAUDITED

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

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

See accompanying notes to these interim condensed consolidated financial statements

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

UNAUDITED

(000s of Canadian dollars)

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

See accompanying notes to these interim condensed consolidated financial statements

MAINSTREET EQUITY CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS

UNAUDITED

(000s of Canadian dollars)

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

See accompanying notes to these interim condensed consolidated financial statements

MAINSTREET EQUITY CORP.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025 and 2024

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

1. GENERAL

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of compliance

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

b) Basis of presentation

These interim condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair value. The interim condensed consolidated financial statements are prepared on a going concern basis and have been prepared in Canadian dollars which is the functional currency rounded to the nearest thousand. The material accounting policies and critical accounting estimates and judgements as disclosed in the 2025 audited annual consolidated financial statements have been applied consistently in the preparation of these condensed consolidated financial statements.

3. INVESTMENT PROPERTIES

(000s of dollars)

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

The Corporation prepares internal valuations of its investment properties based on the same assumptions and valuation techniques used by the external valuation professionals. The Corporation groups its investment properties in each city by their types and geographic locations. Samples are selected in each group for independent appraisal. The fair value of the sampled investment properties held by the Corporation as of December 31, 2025 and September 30, 2025, were determined through external valuations obtained from independent qualified real estate appraisers who are members of the Appraisal Institute of Canada and have appropriate qualifications and experience in the valuation of the Corporation's investment properties in the relevant locations. The appraised values of the samples selected are compared with their appraised values of the previous corresponding financial quarters. The percentage changes in values of those samples selected were applied to the whole population of each group in the determination of the fair value of investment properties of the Corporation. Properties are selected on a rotational basis and approximately 40% of the Corporation's portfolio is externally valued annually. For the three months ended December 31, 2025, a fair value gain of \$ 30 million was recorded as a result of changes in the fair value of investment properties based on the most recent market conditions in the reporting periods.

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

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

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

As at December 31, 2025

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

As at September 30, 2025

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

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

4. PROPERTY HELD FOR SALE

During the year ended September 30, 2021, the Corporation acquired a property in Calgary, Alberta, comprising 136 units for resale purposes. As of December 31, 2025, 86 units have been sold. The uncertainty of current market conditions and sales activity indicates that the timing of full disposal may extend beyond the short term.

5. MORTGAGES PAYABLE

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

(000s of dollars)

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

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

(000s of dollars)

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

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

(000s of dollars)

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

6. BANK INDEBTEDNESS

Effective January 2014, the Corporation entered into a banking facility to a maximum of \$85 million with a syndicate of chartered financial institutions. The facility is secured by a floating charge against the Corporation's assets and carries an interest rate of prime plus 0.95%. The facility requires monthly interest payments and is renewable every three years subject to the mutual agreement of the lenders and the Corporation. The Corporation has extended the maturity date to December 1, 2028, and the available borrowing capacity increased from \$85 million to \$90 million, providing additional financial flexibility. As at December 31, 2025, the Corporation has drawn \$Nil (September 30, 2025 - \$Nil) against this credit facility.

Additionally, in 2022, the Corporation entered a \$45 million revolving credit facility with a third-party financial institution, which carries an interest rate equal to the prime rate. As at December 31, 2025, the Corporation has drawn \$Nil (September 30, 2025 - \$Nil) against this credit facility.

Both facilities contain financial covenants to maintain an overall funded debt to gross book value ratio of not more than 65% and debt service ratio of not less than 1.2. As of December 31, 2025, the Corporation's overall funded debt to gross book value ratio and debt service coverage ratio are 43% and 2.06, respectively.

7. SHARE CAPITAL

Authorized:

Unlimited number of common voting shares with no par value

Unlimited number of preferred shares with no par value

There are no preferred shares outstanding or issued.

The issued, outstanding and fully paid shares are:

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

All common shares have an equal right to dividends.

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

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

8. REVENUE FROM INVESTMENT PROPERTIES

The components of revenue from investments properties are as follows:

(000s of dollars)

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

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

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

9. EXPENSES BY NATURE

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

(000s of dollars)

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

10. FINANCING COSTS

The components of financing costs are as follows:

(000s of dollars)

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

11. PROFIT PER SHARE

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

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

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

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

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

12. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Fair value of financial assets and liabilities

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

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

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

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

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

(000s of dollars)

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

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

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

(000s of dollars)

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

13. RISK ASSOCIATED WITH FINANCIAL ASSETS AND LIABILITIES

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

Market Risks

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

Interest rate risk

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

Credit Risk

Credit risk is the risk that the counterparty to a financial asset will default resulting in a financial loss for the Corporation. The Corporation is exposed to credit risk as some tenants may experience financial difficulty and may default in payment of rent. However, the Corporation attempts to minimize possible risks by conducting in-depth credit assessments of all tenants and collecting security deposits from tenants. The Corporation's tenants are numerous which also reduces the concentration of credit risk. Further, the Corporation does not have material financial exposure to any single tenant or group of tenants. As tenants' rent is due at the beginning of the month, all amounts in accounts receivable are considered overdue by the Corporation. As of December 31, 2025, rents due from current tenants amounted to \$549,000 (September 30, 2025 - \$608,000). The possibility of not receiving payment of rent due from current tenants was covered by security deposits of \$9.3 million (September 30, 2025 - \$9.2 million) and provisions for bad debts of \$160,000 (September 30, 2025 - \$160,000).

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

(000's of dollars)

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

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

Liquidity Risk

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

The timing of cash outflows relating to financial liabilities as at December 31, 2025 are outlined in the table below:

(000's of dollars)	1 year	2 years	3 years	4 years	Beyond 4 years	Total
Mortgages payable	\$ 161,787	124,211	367,586	305,799	886,895	\$ 1,846,278
Mortgages interest payable	57,578	53,778	49,667	35,003	33,375	229,401
Trade and other payable	17,195					17,915
Refundable security deposits	\$ 9,335					\$ 9,335

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

(000's of dollars)	1 year	2 years	3 years	4 years	Beyond 4 years	Total
Mortgages payable	\$ 279,190	94,789	142,891	477,141	966,187	\$ 1,960,198
Mortgages interest payable	60,200	53,538	50,632	45,613	43,374	255,357
Trade and other payable	14,265	-	-	-	-	14,265
Refundable security deposits	\$ 9,197	-	-	-	-	\$ 9,197

14. GUARANTEES, CONTINGENCIES AND COMMITMENTS

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

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

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

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

15. RELATED PARTY TRANSACTIONS

a) The Corporation's President and Chief Executive Officer (the "CEO") is paid a commission at commercial rates in his

capacity as a licensed broker for certain property transactions conducted by the Corporation in its normal course of business. Commissions are determined on an exchange value basis. Except in very limited circumstances, these commissions are paid by the selling third party or third parties to the transaction. The commissions received by the President and Chief Executive Officer during the three months ended December 31, 2025, amounted to \$131,588 (2024 – \$11,188).

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

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

- b) The Corporation paid legal and professional fees and reimbursements for the three months ended December 31, 2025, amounting to \$96,049 (2024 - \$73,059) to a law firm of which a director and officer of the Corporation is a Senior Associate. As at December 31, 2025, the amounts payable to the law firm were \$Nil (September 30, 2025 – \$Nil). These fees were incurred at amounts which in management's opinion, approximate the fair market value that would be incurred by a third-party law firm.

16. SEGMENTED INFORMATION

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

RENTAL OPERATIONS

(000s of dollars)

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

* Unallocated revenue represents interest income and other income.

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

IDENTIFIABLE ASSETS AND LIABILITIES

(000s of dollars)

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

IDENTIFIABLE ACQUISITION AND CAPITAL EXPENDITURES

(000s of dollars)

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

17. CAPITAL MANAGEMENT

The Corporation defines capital that it manages as the aggregate of its shareholders' equity and mortgages payable and, on occasion, bank loans or lines of credit when drawn on. The Corporation's total capital resources as at December 31, 2025 amounted to \$ 3,654 million (September 30, 2025 - \$3,719 million).

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

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

The total managed capital for the Corporation is summarized below:

(000s of dollars)

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

The Corporation's policy for capital risk management is to maintain a debt to fair value of investment properties ratio, as defined below, of no greater than 70%. The ratio as at December 31, 2025 is approximately 43% (September 30, 2025 – 43%).

The debt to fair value ratios were as follows:

(000s of dollars)

	Dec. 31, 2025	Sept. 30, 2025
Mortgages payable	\$ 1,805,212	\$ 1,916,859
Cash and cash equivalents	147,620	314,550
Total debts	\$ 1,657,592	\$ 1,602,309
Investment properties	\$ 3,839,952	\$ 3,730,534
Debt to fair value ratio	43%	47%

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

18. SUBSEQUENT EVENTS

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

19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

CORPORATE INFORMATION

OFFICERS

President & CEO

Bob Dhillon
Calgary, AB

Chief Financial Officer

Trina Cui
Calgary, AB

Secretary

Joe Amantea
Calgary, AB

BOARD OF DIRECTORS

Joe Amantea
Calgary, AB

Ron B. Anderson
Vancouver, BC

Bob Dhillon
Calgary, AB

Karanveer Dhillon
San Francisco, CA

Rich Grimaldi
Westport, CT

John Irwin
London, ON

DIRECTORS' COMMITTEES

Executive Committee

Joe Amantea
Calgary, AB

Ron B. Anderson
Vancouver, BC

Bob Dhillon
Calgary, AB

Audit Committee

Chair

John Irwin
London, ON

Rich Grimaldi
Westport, CT

Ron B. Anderson
Vancouver, BC

Executive Compensation Committee

Chair

Ron B. Anderson
Vancouver, BC

Joe Amantea
Calgary, AB

Risk Management Committee

Chair

Ron B. Anderson
Vancouver, BC

Rich Grimaldi
Westport, CT

Safety Committee

Chair

John Irwin
London, ON

Joe Amantea
Calgary, AB

Cyber Security Committee

Chair

Karanveer Dhillon
San Francisco, CA

Rich Grimaldi
Westport, CT

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SOLICITORS

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BANKERS

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Calgary, AB

ATB
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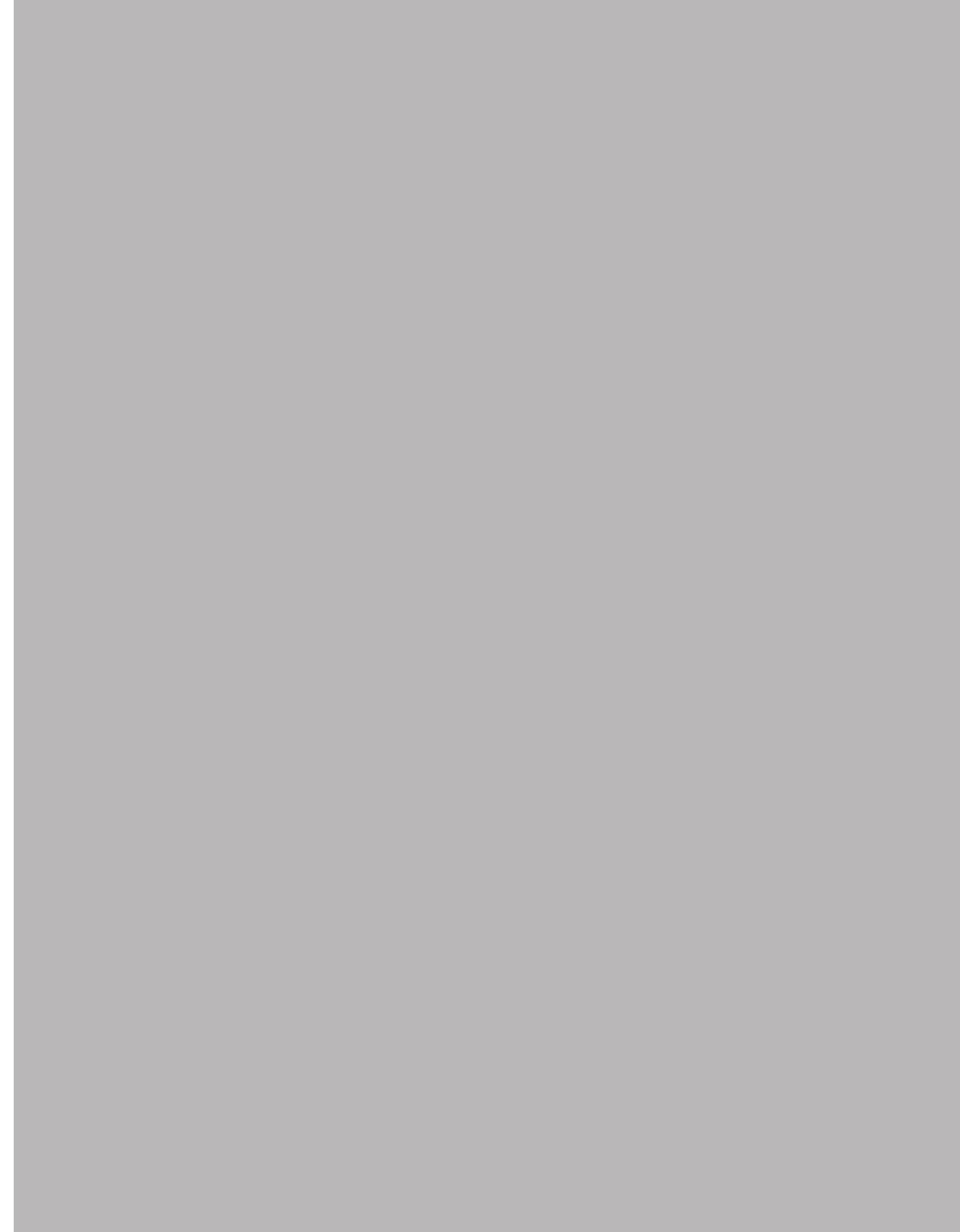
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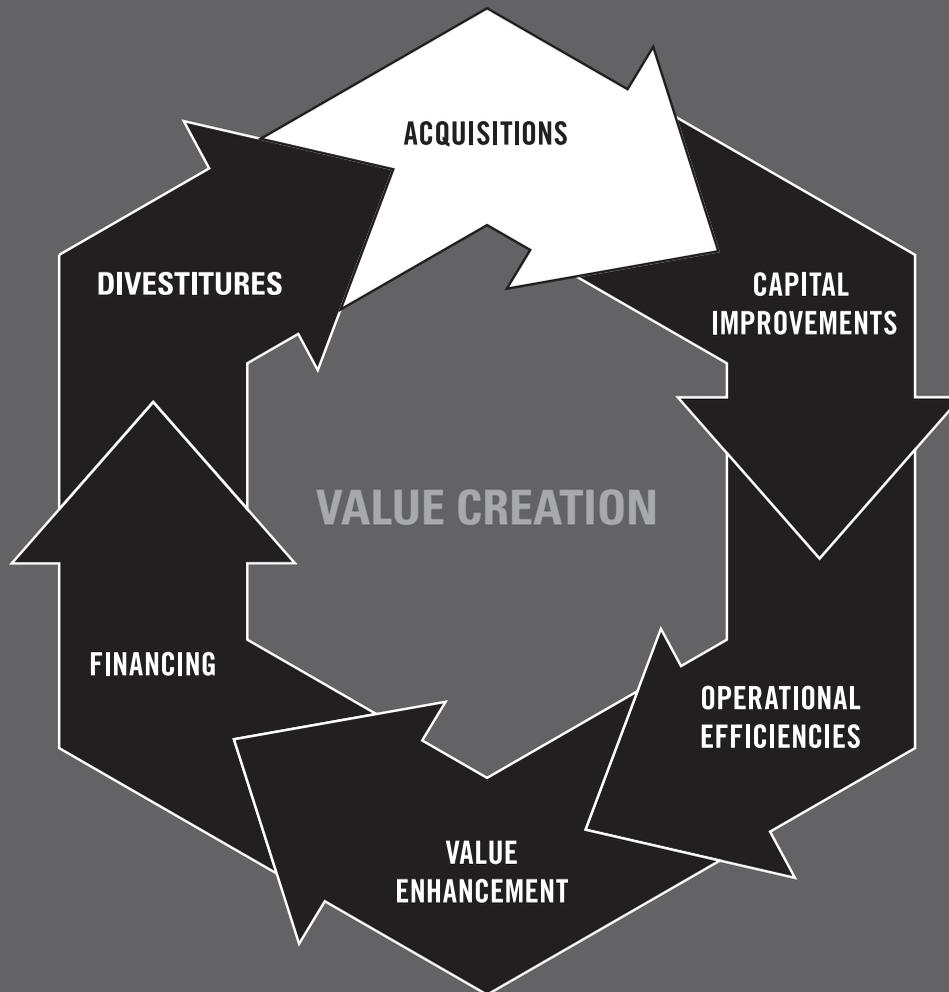
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STOCK EXCHANGE

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 19,147 units (YTD) with appraised values of approximately \$3.8 billion with minimal equity dilution.**

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