MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") provides an explanation of the financial position, operating results, performance and outlook of Mainstreet Equity Corp. ("Mainstreet" or the "Corporation") as at and for the three and nine months ended June 30, 2026 and 2025. 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 three and nine months ended June 30, 2026 and 2025 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 International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) applicable to preparation of interim financial statements under IAS 34, Interim Financial Reporting. This MD&A has been reviewed and approved by the Audit Committee and Board of Directors of the Corporation and is effective as of August 5, 2026. 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 2026 and 2025 refers to the three and nine months periods ended June 30, 2026 and 2025, 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 August 5, 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 (collectively, "specified financial measures" as defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure). These specified financial measures include non-IFRS financial measures and non-IFRS ratios, each as described below. These measures and ratios are not standardized financial measures or ratios under IFRS Accounting Standards and might not be comparable to similar financial measures disclosed by other issuers.

These non-IFRS financial measures and non-IFRS ratios 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.

Non-IFRS Measures

Funds from Operations ("FFO") is widely accepted as a supplemental measure of the performance of Canadian real estate entities and management believes FFO provides useful information to investors as it is a widely accepted supplemental measure of the operating performance of Canadian real estate entities, excluding the impact of fair value adjustments and other non-cash items that do not directly reflect the Corporation's underlying rental operations. Management uses FFO to evaluate the Corporation's operating performance and to facilitate comparisons with other real estate entities.

FFO is defined as profit before change in fair value of investment properties, 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. The most directly comparable financial measure disclosed in the primary financial statements of the Corporation is net profit. Reconciliation of FFO to net 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" and is further discussed below. This non-IFRS measures are prepared in accordance with REALPAC.

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.

Funds from Operations of Stabilized Properties ("FFO of Stabilized Properties") is a non-IFRS financial measure. FFO of Stabilized Properties is defined as FFO attributable to the Corporation's stabilized property portfolio, being those properties for which the stabilization process (renovation and repositioning at current market rents) has been substantially completed. FFO of Stabilized Properties is calculated on the same basis as FFO but includes only the rental and ancillary revenue, property operating expenses, interest income, general and administrative expenses, financing costs, depreciation of computers and vehicles, and current income tax expense attributable to the stabilized property portfolio. The most directly comparable financial measure disclosed in the primary financial statements of the Corporation is net profit. FFO of Stabilized Properties provides useful information to investors as it isolates the operating performance of the Corporation's mature, income-producing properties from those still undergoing renovation and repositioning, allowing investors to assess the earnings capacity of the Corporation's core stabilized portfolio. Management uses this measure to evaluate the return generated by stabilized assets and to assess progress on its value creation strategy. A quantitative reconciliation of FFO of Stabilized Properties is provided in the table under the heading "Funds from Operations of Stabilized Properties" in this MD&A, which presents the derivation from rental and ancillary revenue of stabilized properties through to FFO of Stabilized Properties.

Non-IFRS Ratios

FFO per Share is a non-IFRS ratio. FFO per share is calculated by dividing FFO (a non-IFRS financial measure, as described above) by the weighted average number of basic and fully diluted common shares outstanding during the period. FFO per share provides useful information to investors as it enables a per-share assessment of the Corporation's operating performance on the same basis as FFO, facilitating comparison with other real estate entities that report on a per-share basis. Management uses FFO per share to evaluate per-share operating performance and to assess whether the Corporation's growth strategy is accretive to existing shareholders.

FFO of Stabilized Properties per Share is a non-IFRS ratio. It is calculated by dividing FFO of Stabilized Properties (a non-IFRS financial measure, as described above) by the weighted average number of basic and fully diluted common shares outstanding during the period. FFO of Stabilized Properties per share provides useful information to investors as it enables a per-share assessment of the earnings generated by the Corporation's stabilized property portfolio. Management uses this measure to assess the per-share contribution of its mature, income-producing properties.

OPERATIONS OVERVIEW

Leasing and tenant support: Mainstreet has leveraged its technological investment to enable paperless leasing processes across its portfolio. The systems significantly improve 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 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 $868 million[1] in available liquidity in FY2026, which management believes is sufficient for its operations, including 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 2026 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 has seen significant inflation in the recent years, the effects of which have continued to be felt in 2026. 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,

[1] Including $135 million net cash-on-hand, $598 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.

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 programs 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.

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

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 facilitate 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.

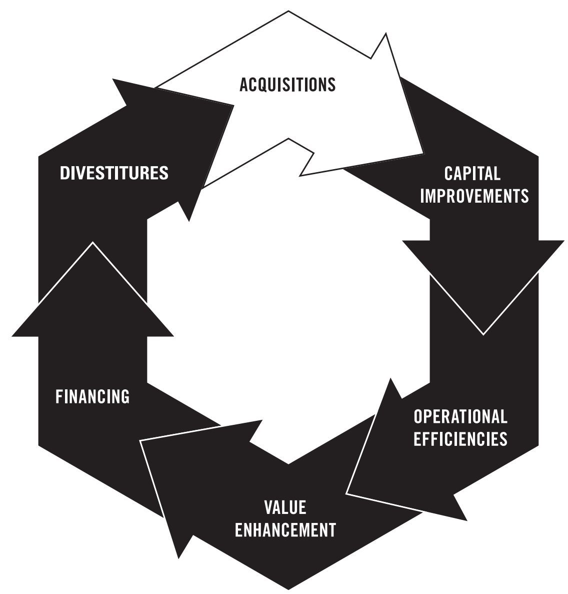
Mainstreet is listed on the Toronto Stock Exchange ("TSX") and its common shares are traded under the symbol "MEQ".

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 CMHC insured mortgage loans; and
- Divestitures: Occasionally sell mature real estate properties to redirect capital into newer, higher potential properties.

The Mainstreet
VALUE CHAIN



ADD VALUE
Improving the life of Canadians

IFRS ACCOUNTING STANDARDS

The financial statements of the Corporation prepared in conjunction with this MD&A have been prepared in accordance with IFRS Accounting Standards and IAS 34.

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 Standards ("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, the fair value of the sampled investment properties held by the Corporation 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. In addition, the Corporation performs internal valuations of its investment properties by grouping properties in each city based on property type and geographic location. Selected representative samples from each group are subject to independent appraisal by external valuation professionals quarterly and annually. 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. Properties are selected on a rotational basis and approximately 40% of the Corporation's portfolio is externally valued on an annual basis.

The fair values are most sensitive to changes in net operating income and capitalization rates. Mainstreet's total portfolio is valued at $3.9 billion as of June 30, 2026 ($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 June 30, 2026 and September 30, 2025, respectively.

As at Jun 30, 2026	Number of properties	Number of units	Market value ($million)	Average value per unit ($000)	Average capitalization rate as at Jun 30, 2026
Lower Mainland, British Columbia (Note 1)	41	3,350	$ 1,045	312	3.99%
British Columbia excluding Lower Mainland (Note 2)	25	1,112	172	155	5.37%
Calgary, Alberta (Note 3)	126	4,125	999	242	5.40%
Edmonton, Alberta (Note 4)	182	6,615	1,076	163	5.48%
Saskatoon, Saskatchewan	64	2,668	386	145	5.86%
Regina, Saskatchewan	62	991	145	146	5.92%
Winnipeg, Manitoba	4	405	51	126	5.06%
Total investment properties	504	19,266	$ 3,874	$ 201	5.11%

Note (1) – includes the City of Abbotsford, the City of Chilliwack, the City of Maple Ridge, the City of New Westminister, the City of Surrey and the City of Mission
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 Westminster and the City of Surrey
Note (2) – includes the City of Courtenay, the City of Esquimalt, the City of Kamloops, the City of Nelson, the City of Penticton, the City of Prince George, the City of Vernon, 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 three months ended June 30, 2026		For nine months ended June 30, 2026	
	2026	2025	2026	2025
	Mission, Saskatoon	Red Deer, Saskatoon	Calgary, Edmonton, Surrey & Red Deer Mission, Saskatoon	Abbotsford, Calgary, Edmonton & Prince George, Red Deer, Saskatoon
Number of rental units	**63**	183	**517**	300
Total costs	**$ 9,150**	$ 15,545	**$ 89,487**	$ 34,330
Average price per apartment unit	**$ 145**	$ 85	**$ 173**	$ 114

Employing a strict set of criteria, Mainstreet identifies and acquires underperforming rental properties in major residential centres in Western Canada that offer the potential to enhance the Corporation's asset value and its long-term revenues through increased rental rates. In Q3 2026, Mainstreet acquired 63 investment property units in the Province of British Columbia and Province of Saskatchewan for a total consideration of $9.2 million. Since Mainstreet's previous financial year-end (September 30, 2025), the Corporation has grown its portfolio of investment properties by 3%.

As of June 30, 2026, Mainstreet's portfolio included 19,256 units in its investment properties, 10 units in freestanding commercial properties and 50 units in a property being held for sale. The portfolio excludes two regional office buildings and two warehouses which are classified as property and equipment. Mainstreet's investment properties include townhouses, garden-style apartments, concrete mid-rise and high-rise apartments and condo suites. As of June 30, 2026, a total of 95%, (2025 – 95%) of Mainstreet's units in its investment properties were rented, while 3% were being renovated and the remaining 2% were left vacant.

Since 1997, the Corporation's investment property portfolio has increased from 10 to 504 buildings, while the fair value of the investment properties within this portfolio has grown from approximately $17 million to $3.9 billion as of June 30, 2026.

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 9 months ended Jun. 30, 2026	Disposition 9 months ended Jun. 30, 2026	Number of units as at Jun. 30, 2026	%Growth
Lower Mainland, British Columbia (Note 1)	3,236	114	-	3,350	4%
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	226	-	6,615	4%
Saskatoon, Saskatchewan	2,644	24	-	2,668	1%
Regina, Saskatchewan	991	-	-	991	-
Winnipeg, Manitoba	405	-	-	405	-
Investment properties	18,749	517	-	19,266	3%
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 Westminster, the City of Surrey and the City of Mission

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 Q3 2026, the Corporation spent $9.8 million (2025 - $8.1 million) on capital improvements, of which $7.8 million (2025 - $6.1 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 improvements 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 June 30,			Nine months ended June 30,		
	2026	2025	% change 2025	2026	2025	% change 2025
Gross revenue	**$ 74,290**	$ 71,629	4%	**$ 221,067**	$ 210,769	5%
Net profit and total comprehensive income	**33,741**	46,561	-28%	**82,143**	194,262	- 58%
Change in fair value	**(13,182)**	(29,608)	-55%	**(23,211)**	(154,274)	- 85%
Gain from disposal of assets	-	(130)	-100%	-	(515)	-100%
Depreciation	**94**	112	-16%	**295**	319	-8%
Deferred income tax expense	**5,774**	7,400	-22%	**15,001**	29,537	-49%
Funds from operations – Non IFRS Measurement (Note 1)	**$ 26,427**	$ 24,335	9%	**$ 74,228**	$ 69,329	7%
Interest income	**(1,118)**	(1,963)	-43%	**(4,774)**	(4,929)	-3%
General and administrative expenses	**5,263**	4,591	15%	**15,859**	13,778	15%
Financing costs	**16,920**	16,820	1%	**51,408**	47,966	7%
Depreciation (computer and vehicle)	**46**	46	-	**131**	141	-7%
Current income tax expense	**3,071**	3,200	-4%	**7,555**	7,183	5%
Net operating income	**$ 50,609**	$ 47,029	8%	**$ 144,407**	$ 133,468	8%
Dividends declared	**$ 741**	$ 373	99%	**$ 2,228**	$ 1,118	99%
Operating margin from operations	**69%**	68%		**67%**	65%	
Profit per share						
Basic and fully diluted	**$ 3.64**	$ 5.00	-27%	**$ 8.84**	$ 20.85	-58%
Funds from operations per share						
Basic and fully diluted	**$ 2.85**	$ 2.61	9%	**$ 7.99**	$ 7.44	7%
Dividends declared per share	**$ 0.08**	$ 0.04	100%	**$ 0.24**	$ 0.12	100%
Basic and fully diluted						
Weighted average number of shares						
Basic and fully diluted	**9,280,836**	9,318,818		**9,293,772**	9,318,818	
Total Assets	**$4,044,437**	$ 4,081,210				
Total Long term liabilities	**$1,926,986**	$ 1,984,152				

[1] *FFO is a non-IFRS financial measure calculated as profit before change in fair value of investment properties, 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 not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar financial measures disclosed by other issuers. However, FFO is widely accepted as a supplemental measure of the performance of Canadian real estate entities. The IFRS Accounting Standards measurement most directly comparable to FFO is net profit (for which reconciliation is provided above). FFO should not be construed as an alternative to net 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 of the Corporation's rental portfolio. See "Non-IFRS Measures" for additional information.*

RESULTS OF OPERATIONS – THREE AND NINE MONTHS ENDED JUNE 30

The discussion in this section includes commentary on both the three and nine month periods ended June 30, 2026 and 2025. Where specific quarterly information is presented (including references to "Q3 2026" and "Q3 2025"), management has included such information to provide additional context on trends within the nine month period. Unless otherwise noted, variances described below are driven primarily by changes in (i) portfolio growth and stabilization activity, (ii) changes in vacancy and rental rates across the Corporation's operating markets, (iii) changes in operating costs (including utilities, insurance, property taxes and personnel), and (iv) interest rate trends affecting financing costs.

REVENUE

In Q3 2026, revenue primarily consisted of rental and ancillary revenue totalling $73.2 million (2025 - $69.7 million) and interest income. Overall, rental revenue increased 5% as compared to Q3 2025, which is discussed and analysed in the section entitled "Rental Operations" below.

NET PROFIT

For the three and nine months ended June 30, 2026, Mainstreet reported a net profit of $33.7 million ($3.64 per basic share) and $82.1 million ($8.84 per basic share) as compared to a net profit of $46.6 million ($5.00 per basic share) and $194.3 million ($20.85 per basic share) in 2025, including a fair value gain of $13.2 million in Q3 2026 compared to a fair value gain of $29.6 million in Q3 2025, which will be further discussed and analysed below.

Net profit is further analysed as follows:

(000s of dollars)

	Three months ended June 30,			Nine months ended June 30,		
	2026	**2025**	**% change**	**2026**	**2025**	**% change**
Funds from operations-Non IFRS measurement (see Note 1 previous table)	**$ 26,427**	$ 24,335	9%	**$ 74,228**	$ 69,329	7%
Change in fair value	**13,182**	29,608	-55%	**23,211**	154,274	-85%
Gain from disposal of assets	**-**	130	-100%	**-**	515	-100%
Depreciation	**(94)**	(112)	-16%	**(295)**	(319)	-8%
Deferred income tax expense	**(5,774)**	(7,400)	-22%	**(15,001)**	(29,537)	-49%
Net profit and total comprehensive income – IFRS measurement	**$ 33,741**	$ 46,561	-28%	**$ 82,143**	$ 194,262	-58%

Funds from operations in Q3 2026 are further discussed and analysed below.

In Q3 2026, Mainstreet realized a fair value gain of $13.2 million, compared with a fair value gain of $29.6 million in Q3 2025. This was mainly due to changes as identified below:

(000s of dollars)

	Three months ended June 30,		Nine months ended June 30,	
Change in Fair value	**2026**	**2025**	**2026**	**2025**
Lower Mainland, BC (Note 1)	**$ 1,782**	$ (50)	**$ 6,318**	$ 17,641
BC excluding Lower Mainland (Note 2)	**181**	-	**3,861**	(61)
Calgary (Note 3)	**19,317**	29,873	**35,362**	76,070
Edmonton (Note 4)	**(11,396)**	14,851	**5,582**	79,730
Saskatoon	**8,802**	(7,850)	**(16)**	8,087
Regina	**2,380**	911	**(460)**	(3,440)
Winnipeg	**1,870**	-	**1,870**	-
	22,936	37,735	**52,517**	178,027
Capital expenditure	**(9,754)**	(8,127)	**(29,306)**	(23,753)
Change in fair value	**$ 13,182**	$ 29,608	**$ 23,211**	$ 154,274

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

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 and nine months ended June 30, 2026 and 2025. The amount of change was determined by the market value of Mainstreet's investment properties at the quarter-end dates of June 30, 2026 and 2025, which was regarded as a non-operating expense.

FUNDS FROM OPERATIONS – NON-IFRS FINANCIAL MEASURE

FFO is a non-IFRS financial measure. Management believes that FFO is 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 Accounting Standards measurement most directly comparable to FFO is net 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). FFO is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar financial measures disclosed by other issuers. 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 9% to $26.4 million in Q3 2026, compared with $24.3 million in Q3 2025. The increase in FFO for Q3 2026 was mainly attributable to increased rental revenue and slightly 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 $5.3 million in Q3 2026 as compared to $4.6 million in Q3 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)

	Three months ended June 30,			Nine months ended June 30,		
	2026	2025	% Change	**2026**	2025	% Change
Mortgage interest	**$ 14,402**	$ 14,150	2%	**$ 43,764**	$ 41,226	6%
Amortization of deferred financing cost	**2,518**	2,670	-6%	**7,644**	6,740	13%
Financing costs	**$ 16,920**	$ 16,820	1%	**$ 51,408**	$ 47,966	7%

Mortgage interest expenses increased by 2% to $14.4 million in Q3 2026 from $14.2 million in Q3 2025.

The increase was primarily driven by higher mortgage loan balances arising from the refinancing of maturing mortgages and the addition of new clear-title mortgages upon completion of the stabilization process. This was partially offset by a reduction in mortgage interest expense resulting from the repayment of certain maturing mortgages using available cash on hand.

Five-year CMHC-insured mortgage rates dropped from a peak of approximately 4.5% at the end of FY2023 to around 3.8% in Q3 2026.

RENTAL OPERATIONS

(000s of dollars except per unit data)

	Total Portfolio			Same Asset			Acquisition		
For three months ended June 30,	2026	2025	% change	2026	2025	%change	2026	2025	%change
Rental and ancillary revenue	$ 73,172	$ 69,666	5%	$ 69,758	$ 68,592	2%	$ 3,414	$ 1,074	218%
Operating expenses	22,563	22,637	-0.3%	21,279	22,175	-4%	1,284	462	178%
Net operating income	$ 50,609	$ 47,029	8%	$ 48,479	$ 46,417	4%	$ 2,130	$ 612	248%
Operating margin	69%	68%		69%	68%		62%	57%	
Average vacancy rate	4.6%	5.0%	-8%	4.7%	5.0%	-6%	3.4%	9.3%	-63%
Weighted average number of units	19,293	18,643	3%	18,335	18,335	0%	958	308	211%
Average rental rate per unit per month	$ 1,264	$ 1,246	1%	$ 1,268	$ 1,247	2%	$ 1,188	$ 1,162	2%
Average operating expense per unit per month	$ 390	$ 405	-4%	$ 387	$ 403	-4%	$ 447	$ 500	-11%

	Total Portfolio			Same Asset			Acquisition		
For nine months ended June 30,	2026	2025	% change	2026	2025	%change	2026	2025	%change
Rental and ancillary revenue	$ 216,293	$205,840	5%	$ 207,958	$203,782	2%	$ 8,335	$ 2,058	305%
Operating expenses	71,886	72,372	-1%	68,752	71,476	-4%	3,134	896	250%
Net operating income	$ 144,407	$133,468	8%	$139,206	$132,306	5%	$ 5,201	$ 1,162	348%
Operating margin	67%	65%		67%	65%		62%	56%	
Average vacancy rate	5.3%	4.6%	15%	5.3%	4.6%	15%	4.9%	8.9%	-45%
Weighted average number of units	19,123	18,522	3%	18,335	18,335	-	788	187	321%
Average rental rate per unit per month	$ 1,257	$ 1,235	2%	$ 1,260	$ 1,235	2%	$ 1,175	$ 1,223	-4%
Average operating expense per unit per month	$ 418	$ 434	-4%	$ 417	$ 433	-4%	$ 442	$ 532	-17%

The vacancy rate decreased to 4.6% in Q3 2026, from 5.0% in Q3 2025, mainly due to an improving rental demand in the Corporation's operating markets. As of June 30, 2026, overall vacancy in Mainstreet's portfolio was at 4.3% which was composed of 4.0% in Calgary, 5.6% in Edmonton, 4.5% in Saskatoon, 3.4% in Regina and 2.9% in British Columbia. Subsequent to Q3 2026, operating momentum improved, with overall vacancy declining to 4.3% by August 5, 2026.

The average monthly rental rate increased 1% to $1,264 per unit in Q3 2026, compared with $1,246 per unit in Q3 2025. Overall rental and ancillary revenue increased 5% to $73.2 million in Q3 2026 as compared to $69.7 million in Q3 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 June 30, 2026 and 2025, rental and ancillary revenue increased 2% to $69.8 million in Q3 2026 from $68.6 million in Q3 2025.The average monthly rental rate increased by 2% to $1,268 per unit in Q3 2026, from $1,247 per unit in Q3 2025.

Mainstreet's overall operating expenses decreased modestly by 0.3% to $22.56 million in Q3 2026, from $22.63 million in Q3 2025, mainly due to the reduction in utilities expenses, which reduction was set off against an increase in property tax and personnel expenses.

The overall operating expenses on a per unit basis in Q3 2026 decreased by 4%, while those of the same asset properties decreased by 4% as compared to Q3 2025.

As a result, overall net operating income increased 8% to $50.6 million in Q3 2026, from $47.0 million in Q3 2025, and net operating margins increased to 69% in Q3 2026, from 68% in Q3 2025.

For the same asset properties, net operating income increased 4% to $48.5 million in Q3 2026, from $46.4 million in Q3 2025. The net operating margins increased to 69% in Q3 2026, from 68% in Q3 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 10% increase in rental revenue in its British Columbia portfolio in Q3 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 2026 and achieved 5% growth in average unit count in its BC portfolio in Q3 2026. The average vacancy rate decreased to 3.1% in Q3 2026 from 4.2% in Q3 2025. As a net result, rental revenue per unit increased to $1,338 per month in Q3 2026 from $1,280 per month in Q3 2025.

Operating expenses per unit decreased 15% to $294 per month in Q3 2026 compared with $346 per month in Q3 2025, due mainly to decrease in property tax and utilities expenses. As a result, net operating income increased 17%, and net operating margins increased to 78% from 73% in Q3 2025.

(000s of dollars except per unit data)

	For three months ended June 30,			For nine months ended June 30,		
	2026	**2025**	**% change**	**2026**	**2025**	**% change**
Rental and ancillary revenue	**$ 17,911**	$ 16,338	10%	**$ 52,441**	$ 48,296	9%
Operating expenses	**3,933**	4,417	-11%	**13,738**	13,772	0%
Net operating income	**$ 13,978**	$ 11,921	17%	**$ 38,703**	$ 34,524	12%
Weighted average number of units	**4,462**	4,255	5%	**4,416**	4,242	4%
Average rent per unit per month	**$ 1,338**	$ 1,280	5%	**$ 1,319**	$ 1,265	4%
Operating cost per unit per month	**$ 294**	$ 346	-15%	**$ 346**	$ 361	-4%
Average vacancy rate	**3.1%**	4.2%		**3.6%**	3.6%	
Operating margin	**78%**	73%		**74%**	71%	

ALBERTA

Mainstreet achieved 5% growth in its Alberta portfolio in Q3 2026, with the weighted average number of rental units growing to 10,789 units, compared to 10,299 units in Q3 2025. The rental income increased by 5% to $41.2 million in Q3 2026 from $39.4 million in Q3 2025. The average vacancy rate decreased to 5.3% in Q3 2026 from 6.1% in Q3 2025, mainly due to an improving demand for apartment rentals in the province. Rental revenue per unit remained relatively stable at $1,274 per month in Q3 2026. Operating expenses per unit decreased by 4% to $418 per month in Q3 2026, compared to $434 per month in Q3 2025, mainly due to lower repair and maintenance expense and utility expenses. As a result, net operating income increased by 7% to $27.7 million in Q3 2026 from $26.0 million in Q3 2025, and net operating margin increased to 67% in Q3 2026 from 66% in Q3 2025.

(000s of dollars except per unit data)

	For three months ended June 30,			For nine months ended June 30,		
	2026	**2025**	**% change**	**2026**	**2025**	**% change**
Rental and ancillary revenue	**$ 41,224**	$ 39,431	5%	**$ 122,186**	$ 116,542	5%
Operating expenses	**13,514**	13,420	0.7%	**42,077**	42,318	-1%
Net operating income	**$ 27,710**	$ 26,011	7%	**$ 80,109**	$ 74,224	8%
Weighted average number of units	**10,789**	10,299	5%	**10,667**	10,197	5%
Average rent per unit per month	**$ 1,274**	$ 1,276	-0.2%	**$ 1,273**	$ 1,270	0%
Operating cost per unit per month	**$ 418**	$ 434	-4%	**$ 438**	$ 461	-5%
Average vacancy rate	**5.3%**	6.1%		**6.0%**	5.5%	
Operating margin	**67%**	66%		**66%**	64%	

SASKATCHEWAN

Mainstreet achieved a 1% increase in its Saskatchewan portfolio rental revenues in Q3 2026. The average vacancy rate was 4.5% in Q3 2026 compared to 2.9% in Q3 2025, however rental revenue per unit increased 1% to $1,167 per month in Q3 2026 from $1,158 per month in Q3 2025, primarily due to continued rental rate increases and a reduction in concession expenses.

Operating expenses per unit increased 8% to $425 per month in Q3 2026, from $394 per month in Q3 2025 due mainly to higher repair and maintenance and water expenses. As a result, net operating income decreased 3% and net operating margins decreased to 64% in Q3 2026 from 66% in Q3 2025.

(000s of dollars except per unit data)

	For three months ended June 30,			For nine months ended June 30,		
	2026	2025	% change	**2026**	2025	% change
Rental and ancillary revenue	**$ 12,730**	$ 12,621	1%	**$ 37,803**	$ 37,313	1%
Operating expenses	**4,637**	4,298	8%	**14,305**	14,488	-1%
Net operating income	**$ 8,093**	$ 8,323	-3%	**$ 23,498**	$ 22,825	3%
Weighted average number of units	**3,637**	3,634	0.1%	**3,636**	3,634	0%
Average rent per unit per month	**$ 1,167**	$ 1,158	1%	**$ 1,155**	$ 1,141	1%
Operating cost per unit per month	**$ 425**	$ 394	8%	**$ 437**	$ 443	-1%
Average vacancy rate	**4.5%**	2.9%		**5.1%**	3.2%	
Operating margin	**64%**	66%		**62%**	61%	

MANITOBA

Rental revenue in Mainstreet's Manitoba portfolio has increased by 2% in Q3 2026. The overall average vacancy rate in Manitoba increased to 3.4% in Q3 2026 from 2.3% in Q3 2025, however, the rental revenue per unit increased 2% to $1,076 per month in Q3 2026 compared to $1,050 per month in Q3 2025.

Operating expenses per unit decreased to $394 per month in Q3 2026 compared to $413 in Q3 2025 due to a decrease in utility expenses. As a result, net operating income increased by 7% to $828,000 in Q3 2026 from $774,000 in Q3 2025 and net operating margin increased to 63% in Q3 2026 from 61% in Q3 2025.

(000s of dollars except per unit data)

	For three months ended June 30,			For Nine months ended June 30,		
	2026	2025	% change	**2026**	2025	% change
Rental and ancillary revenue	**$ 1,307**	$ 1,276	2%	**$ 3,863**	$ 3,689	5%
Operating expenses	**479**	502	-5%	**1,766**	1,794	-2%
Net operating income	**$ 828**	$ 774	7%	**$ 2,097**	$ 1,895	11%
Weighted average number of units	**405**	405	-	**405**	405	-
Average rent per unit per month	**$ 1,076**	$ 1,050	2%	**$ 1,060**	$ 1,012	5%
Operating cost per unit per month	**$ 394**	$ 413	-5%	**$ 484**	$ 492	-2%
Average vacancy rate	**3.4%**	2.3%		**3.6%**	4.1%	
Operating margin	**63%**	61%		**54%**	51%	

SUMMARY OF QUARTERLY RESULTS[2]

(000s of dollars except per share amounts)

	Jun 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
Rental revenue								
British Columbia	$ 17,515	$ 17,184	$ 16,660	$ 16,358	$ 16,000	$ 15,824	$ 15,560	$ 15,331
Alberta	40,654	40,097	39,746	39,277	38,899	38,222	37,813	37,166
Saskatchewan	12,528	12,325	12,332	12,470	12,433	12,220	12,125	11,829
Manitoba	1,131	1,108	1,097	1,097	1,099	1,054	1,042	1,034
Total rental revenue	$ 71,828	$ 70,714	$ 69,835	$ 69,202	$ 68,431	$ 67,320	$ 66,540	$ 65,360
Ancillary revenue	1,344	1,524	1,047	1,251	1,235	1,240	1,073	1,524
Total rental and ancillary revenue	$ 73,172	$ 72,238	$ 70,882	$ 70,453	$ 69,666	$ 68,560	$ 67,613	$ 66,884
Interest income	$ 1,118	$ 1,076	$ 2,580	$ 2,621	$ 1,963	$ 1,816	$ 1,149	$ 788
Change in fair value	$ 13,182	$ (20,257)	$ 30,287	$ 80,161	$ 29,608	$ 84,432	$ 40,234	$ 48,527
Net profit and total comprehensive income	**$ 33,741**	**$ 133**	**$ 48,269**	**$ 50,462**	**$ 46,561**	**$ 91,469**	**$ 56,232**	**$ 113,526**
Net profit per share								
-Basic & Diluted	$ 3.64	$ 0.01	$ 5.19	$ 5.42	$ 5.00	$ 9.82	$ 6.03	$ 12.18
Same assets rental and ancillary revenue								
British Columbia	$ 16,927	$ 16,763	$ 16,389	$ 14,811	$ 14,584	$ 14,446	$ 14,264	$ 14,362
Alberta	38,797	38,658	38,773	36,859	36,716	36,603	36,159	35,841
Saskatchewan	12,725	12,577	12,497	11,624	11,610	11,376	11,316	11,119
Manitoba	1,309	1,291	1,266	1,274	1,276	1,215	1,200	1,197
Total same assets rental and ancillary revenue	$ 69,758	$ 69,289	$ 68,925	$ 64,568	$ 64,186	$ 63,640	$ 62,939	$ 62,519
Same assets vacancy rate	4.7%	5.8%	5.4%	4.7%	4.9%	4.6%	4.2%	3.4%
Same assets net operating income								
British Columbia	$ 13,390	$ 12,096	$ 11,762	$ 11,996	$ 10,874	$ 10,137	$ 10,340	$ 11,174
Alberta	26,168	24,410	25,780	25,344	24,242	22,496	23,011	23,307
Saskatchewan	8,091	7,513	8,088	7,874	7,682	6,574	6,807	7,345
Manitoba	830	630	640	805	774	557	566	837
Total same assets net operating income	$ 48,479	$ 44,649	$ 46,270	$ 46,019	$ 43,572	$ 39,764	$ 40,724	$ 42,663
Net operating income	$ 50,609	$ 46,498	$ 47,299	$ 49,914	$ 47,029	$ 42,715	$ 43,724	$ 45,654
Funds from operations of stabilized properties - Non-IFRS measurement (Note 1)	$ 24,119	$ 20,774	$ 21,435	$ 23,575	$ 20,990	$ 19,154	$ 19,528	$ 20,365
Funds from operations-before current income tax expense - Non-IFRS measurement	$ 29,498	$ 25,026	$ 27,259	$ 30,038	$ 27,535	$ 23,604	$ 25,374	$ 26,800
Funds from operations - Non-IFRS measurement	$ 26,427	$ 23,160	$ 24,641	$ 26,741	$ 24,335	$ 21,974	$ 23,021	$ 24,218
Funds from operations of stabilized properties per share - Non-IFRS measurement								
-Basic & Diluted	$ 2.60	$ 2.23	$ 2.31	$ 2.53	$ 2.25	$ 2.06	$ 2.10	$ 2.19
Funds from operations before current income tax expense per share - Non-IFRS measurement (Note 1)								
-Basic & Diluted	$ 3.18	$ 2.69	$ 2.93	$ 3.22	$ 2.95	$ 2.53	$ 2.72	$ 2.88
Funds from operations per share - Non-IFRS measurement (Note 1)								
-Basic & Diluted	$ 2.85	$ 2.49	$ 2.65	$ 2.87	$ 2.61	$ 2.36	$ 2.47	$ 2.60
Average vacancy rate								
British Columbia	3.1%	3.7%	4.1%	4.1%	4.2%	3.8%	2.7%	2.0%
Alberta	5.3%	6.7%	6.1%	5.9%	6.1%	5.3%	5.1%	4.1%
Saskatchewan	4.5%	5.8%	5.1%	3.8%	2.9%	3.5%	3.3%	2.9%
Manitoba	3.4%	3.2%	4.3%	2.3%	2.3%	4.4%	5.6%	5.8%
Total average vacancy rate	4.6%	5.7%	5.4%	5.0%	5.0%	4.6%	4.2%	3.4%

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

Highlights of the Corporation's financial results for the third quarter ended June 30, 2026:

- Total rental revenue increased to $71.8 million, compared to $70.7 million in Q2 2026 and $68.4 million in Q3 2025.
- Rental and ancillary revenue increased to $73.2 million, compared to $72.2 million in Q2 2026 and $69.7 million in Q3 2025.
- Net profit increased to $33.7 million, compared to $0.1 million in Q2 2026, and decreased compared to $46.6 million in Q3 2025.
- Average vacancy rate for the quarter was 4.6%, compared with 5.7% in Q2 2026 and 5.0% in Q3 2025.
- Change in fair value for the quarter was a gain of $13.2 million, compared to a loss of $20.3 million in Q2 2026 and a gain of $29.6 million in Q3 2025.
- Net operating income for the quarter was $50.6 million, an increase of 9% from $46.5 million in Q2 2026 and an 8% increase from $47.0 million in Q3 2025.
- Mainstreet's same asset vacancy rate was 4.7% in Q3 2026, a decrease from 5.8% in Q2 2026 and a decrease from 4.9% in Q3 2025. Same asset revenues were $69.8 million in Q3 2026, an increase from $69.3 million in Q2 2026 and $64.2 million in Q3 2025.
- Net operating income on a same asset basis for the quarter was $48.5 million, a 9% increase from $44.6 million in Q2 2026 and a 11% increase from $43.6 million in Q3 2025.
- FFO (a non-IFRS financial measure) for the quarter were $26.4 million, a 14% increase from $23.2 million in Q2 2026 and a 9% increase from $24.3 million in Q3 2025. See "Non-IFRS Measures".
- FFO related to stabilized properties (a non-IFRS financial measure) were $24.1 million in Q3 2026, a 16% increase from $20.8 million in Q2 2026 and a 15% increase from $21.0 million in Q3 2025. See "Non-IFRS Measures".

Discussion of the Corporation's third quarter ended June 30, 2026:

The changes in financial results for Q3 2026 are primarily attributable to the changes in vacancy rates and rental rates across operating markets, interest rates, variations in utility rates and vacancy resulting from renovations to certain properties.

The Corporation's revenues and operations are not materially impacted by seasonality. Decrease in net profit as compared to last financial year was mainly attributable to the recognition of a lower fair value increase of the Corporation's investment properties during the period.

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 June 30, 2026, 463 properties (17,829 units) out of 504 properties (19,266 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 1,437 unstabilized units with an aggregate fair value of $235 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	Jun. 30, 2026	%
Stabilized Units	16,496	88%	-	-	1,333	17,829	93%
Unstabilized Units	2,253	12%	517	-	(1,333)	1,437	7%
Total Investment Properties Units	18,749	100%	517	-	-	19,266	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	Jun. 30, 2026
Numbers of unstabilized units held for renovation	2,253	(1,333)	517	1,437
Number of months				
Average time spent on stabilization	23	29	6	16
Estimated remaining time for stabilization	13	-	21	14

During the nine months ended June 30, 2026, the Corporation acquired the following unstabilized units: 153 in Calgary, Alberta; 120 in Edmonton, Alberta; 106 in Red Deer, Alberta; 75 in Surrey, British Columbia, 39 in Mission, British Columbia, and 24 in Saskatoon, Saskatchewan; Some acquired assets require substantial renovation and have rental rates considered well below market for stabilized units. The Corporation stabilized 356 units in Q3 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 – Non-IFRS Financial Measure

For Q3 2026, FFO of Mainstreet's stabilized property portfolio amounted to $24.1 million ($2.60 per basic share and per fully diluted share). Net profit for Q3 2026 was $33.7 million ($3.64 per basic share). See "Non-IFRS Measures" for composition and reconciliation details.

(000s of dollars except per share amounts)

	Three months ended Jun 30, 2026			Nine months ended Jun 30, 2026		
For three months ended June 30, 2026	Stabilized properties	Non-stabilized properties	Total	Stabilized properties	Non-stabilized properties	Total
Rental and ancillary rental income	$ 67,991	$ 5,181	$ 73,172	$ 202,884	$ 13,409	$ 216,293
Property operating expenses	20,791	1,772	22,563	66,643	5,243	71,886
Net operating income	**$ 47,200**	**$ 3,409**	**$ 50,609**	**$ 136,241**	**$ 8,166**	**$ 144,407**
Operating margin	69%	66%	69%	67%	61%	67%
Vacancy rate	4.7%	3.5%	4.6%	5.3%	4.5%	5.3%
Interest income	$ (1,033)	$ (85)	$ (1,118)	$ (4,333)	$ (441)	$ (4,774)
General & administrative expenses	4,881	382	5,263	14,451	1,408	15,859
Financing cost	16,352	568	16,920	49,634	1,774	51,408
Depreciation (computer and vehicle)	43	3	46	119	12	131
Current income tax expense	2,838	233	3,071	6,857	698	7,555
Funds from operations - Non-IFRS measurement	$ 24,119	$ 2,308	$ 26,427	$ 69,513	$ 4,715	$ 74,228
Depreciation (exclude computer and vehicle)			$ 94			$ 295
Change in Fair Value			13,182			23,211
Gain on disposal			-			-
Deferred income tax expense			5,774			15,001
Net profit and total comprehensive income			**$ 33,741**			**$ 82,143**
Funds from operations per share - Non-IFRS measurement						
Funds from operations per share						
- basic & diluted	$ 2.60	$ 0.25	$ 2.85	$ 7.48	$ 0.51	$ 7.99
Weighted average number of shares						
- basic & diluted			9,280,836			9,293,772

(000s of dollars except per share amounts)

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

In Q3 2026, FFO of the stabilized property portfolio increased 15% to $24.1 million as compared to $21.0 million in Q3 2025, while the number of stabilized units increased 9% to 17,829 units as of June 30, 2026, compared to 16,390 units as of June 30, 2025. 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 June 30,			For nine months ended June 30,		
	2026	2025	% change	2026	2025	% change
FFO of stabilized properties (Note 3)	**$ 24,119**	$ 20,990	15%	**$ 69,513**	$ 61,011	14%
Number of stabilized units	**17,829**	16,390	9%	**17,357**	16,201	7%

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. "Available liquidity" is a supplementary financial measure that represents the availability of sufficient cash to fund ongoing business activities and capital and liability commitments. Available liquidity if composed of 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 $868 million[3] 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 approximately 4.5% at the end of FY2023 to around 3.8% in Q3 2026.The

3 Including $135 million net cash-on-hand, $598 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.

Corporation will continue to cautiously monitor interest rate trends and will consider the same in making decisions when its mortgages mature and are renewed.

Other circumstances that may affect the Corporation's liquidity include the Corporation's share price, general economic conditions and the corresponding changes to the vacancy rates. See section titled "Risk Assessment and Management" in this MD&A 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 Q3 2026, after payments of all required expenses, the Corporation generated funds from operations of $26.4 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 June 30, 2026, potential working capital deficiency is being managed through the available liquidity under banking facilities as well as the ongoing financing of mortgages payable, which is discussed and analysed in the section entitled "Financing" below.

Other Capital Requirements

Mainstreet also needs sufficient capital to finance continued growth and capital improvement. In Q3 2026, the Corporation spent approximately $18.9 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.

Cash flows for the nine months ended June 30, 2026

For the nine months ended June 30, 2026, the Corporation's cash flows were impacted primarily by funds generated from operations, changes in working capital, acquisitions and capital improvement expenditures, and the timing of mortgage repayments and refinancing. A comparison of the Corporation's cash flows to the corresponding period in the prior year is set out below.

Operating Activities

Cash flows from operating activities for the nine months ended June 30, 2026 increased compared to the corresponding period in the prior year, primarily driven by higher net operating income resulting from a 5% increase in rental and ancillary revenue and a modest decrease in operating expenses. The increase in rental revenue was attributable to growth in average rental rates across the Corporation's operating markets and the continued expansion of the Corporation's portfolio, which grew by approximately 3% year-over-year. These positive factors were partially offset by higher general and administrative expenses, which increased 15% due to increased personnel-related costs as the Corporation continues to build its management team in anticipation of continued growth. Changes in non-cash working capital balances also impacted cash flows from operating activities period-over-period, primarily due to timing differences in the collection of rents receivable and payment of trade payables.

Investing Activities

Cash used in investing activities for the nine months ended June 30, 2026 increased compared to the corresponding period in the prior year, reflecting the Corporation's continued execution of its acquisition and capital improvement strategy. The Corporation acquired 517 investment property units across British Columbia, Alberta, and Saskatchewan during the nine months ended June 30, 2026, growing its portfolio by approximately 3%. Capital improvement expenditures also increased year-over-year, with the Corporation spending $9.8 million in Q3 2026 compared to $8.1 million in Q3 2025, as the Corporation continued to upgrade stabilized properties and reposition newly acquired units. These expenditures were primarily directed towards exterior upgrades including roofs, windows, balconies, siding and insulation, as well as mechanical and interior improvements.

Financing Activities

Cash flows from financing activities for the nine months ended June 30, 2026 reflected net repayments of mortgage debt, as total mortgages payable decreased from $1,917 million as of September 30, 2025 to $1,797 million as of June 30, 2026. This decrease was primarily driven by the repayment of certain maturing mortgage loans using available cash on hand, partially offset by new mortgage financings associated with the refinancing of maturing mortgages and the addition of clear-title mortgages upon completion of the stabilization process. The Corporation continued to benefit from a declining interest rate environment, with five-year CMHC-insured mortgage rates decreasing from approximately 4.5% at the end of FY2023 to approximately 3.8% in Q3 2026. Cash used in financing activities was also impacted by the Corporation's Normal Course Issuer Bid, under which 47,488 common shares were purchased and cancelled during the nine months ended June 30, 2026 at an average price of $174.18 per share, compared to no share repurchases in the corresponding period of the prior year. No amounts were drawn against the Corporation's $90 million or $45 million revolving credit facilities during the period.

The interim condensed consolidated financial statements should be referred to for the detailed statements of cash flows.

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.

As of June 30, 2026, the Corporation owned title to 108 clear title properties and 5 development lots having an aggregate fair value of approximately $660 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 2.8% in June 2026. 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 June 30, 2026, 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 June 30, 2026, the Corporation has drawn $Nil million (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 June 30, 2026, the Corporation's overall funded debt to gross book value ratio and debt service coverage ratio are 43% and 2.06, respectively. As of the date of this MD&A, the Corporation is not in default or arrears on any of its debt obligations, lease payments, interest or principal payments, debt covenants, or dividend or distribution payments, nor is there any significant risk of such defaults or arrears. The Corporation has no outstanding redemption, retraction, or sinking fund payment obligations as of the date of this MD&A.

CONTRACTUAL OBLIGATIONS

As of June 30, 2026, the Corporation had the following contractual obligations, which are anticipated to be met using the existing revolving credit facility, funds from operations and proceeds from the refinancing of maturing and floating mortgage loans.

PAYMENTS DUE BY PERIOD

Principal payments required to retire the mortgage obligations as of June 30, 2026 are as follows:

(000s of dollars)

Years ending September 30,	Amount
2026	$ 143,680
2027	95,580
2028	143,808
2029	485,560
2030	519,057
Subsequent	444,957
	1,832,642
Deferred financing cost	(36,084)
	$ 1,796,558

LONG-TERM DEBT

(000s of dollars)

	Amount	% of Debt	Average interest rate (%)
Fixed rate debt			
– CMHC-insured	$ 1,832,642	100%	3.12%
– non-CMHC-insured	-	-	-
Total debt	1,832,642	100%	3.12%
Deferred financing costs	(36,084)		
	$ 1,796,558		

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

As of June 30, 2026, the total mortgages payable were $1,797 million compared to $1,917 million on September 30, 2025, a decrease resulting from repayment of maturing mortgage loans during the nine months ended June 30, 2026.

As of June 30, 2026, 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	135,682	7.4%	2.26%
2027	71,985	3.9%	3.14%
2028	122,875	6.7%	3.64%
2029	481,165	26.3%	3.97%
2030	537,943	29.4%	2.96%
Subsequent	482,992	26.4%	2.56%
	$ 1,832,642	100.0%	3.12%

The average maturing term of mortgage loans is 4.57 years as of June 30, 2026, compared to 4.33 years as of September 30, 2025.

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 June 30, 2026, Mainstreet has confirmed that it has designed DC&P to provide reasonable assurance that information required to be disclosed by Mainstreet in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by Mainstreet in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to Mainstreet's management, including its certifying officer, as appropriate to allow timely decisions regarding required disclosure. No changes were made to the Corporation's DC&P during the quarter ended June 30, 2026.

As at June 30, 2026, 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 June 30, 2026, 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)

		June 30, 2026		September 30, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:					
Restricted cash	Level 2	**$ 7,335**	**7,335**	$ 6,834	$ 6,834
Cash and cash equivalents	Level 2	**135,213**	**135,213**	314,550	314,550
Trade and other receivables	Level 2	**1,529**	**1,529**	5,482	5,482
Financial liabilities:					
Mortgages payable	Level 2	**1,796,558**	**1,775,216**	1,916,859	1,893,230
Trade and other payables	Level 2	**11,814**	**11,814**	14,265	14,265
Refundable security deposits*	Level 2	**$ 9,737**	**$ 9,737**	$ 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)

		June 30, 2026		September 30, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Non-financial assets:					
Investment properties	Level 3	**$3,874,072**	**$3,874,072**	$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 June 30, 2026 and 2025 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:

	Nine months ended June 30, 2026			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	(47,488)		(135)	(9,100)		(26)
Issued and outstanding,						
-end of the period	9,262,230	$	26,258	9,309,718	$	26,393

All common shares shall have an equal right to dividends.

Normal Course Issuer Bid

On June 4, 2026, Mainstreet announced that it had obtained approval from the TSX to repurchase up to 471,066 common shares of the Corporation under a Normal Course Issuer Bid ("NCIB") commencing June 8, 2026. The current NCIB expires on June 7, 2027. The Corporation's previous NCIB expired on June 2, 2026. On April 30, 2026, Mainstreet also announced that it had entered into an automatic share purchase plan ("ASPP") with its designated broker, which will terminate upon the expiry of the NCIB unless terminated earlier in accordance with the terms of the ASPP. The ASPP is intended to allow for the purchase of Shares under the NCIB during predetermined times when Mainstreet would ordinarily not be permitted to purchase Shares due to customary blackout periods.

During the three and nine months ended June 30, 2026 and 2025, the Corporation purchased and cancelled 27,388 (2025 – Nil) and 47,488 (2025 – Nil) common shares at an average price of $169.83 (2025 – Nil) and $174.18 (2025 – 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 9 and IFRS 7

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

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

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 and nine months ended June 30, 2026, amounted to $75,750 (2025 - Nil) and $267,088 (2025 – $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 and nine months ended June 30, 2026, amounting to $21,149 (2025 - $132,612) and $196,019 (2025 - $431,534) to WBA Law LLP of which a director and officer of the Corporation is a Senior Associate. As at June 30, 2026, 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 June 30, 2026, and no off-balance sheet arrangements were made during Q3 2026.

PROPOSED TRANSACTIONS

The Corporation continues to actively pursue acquisition opportunities consistent with its established Value Chain business model; however, as of the date of this MD&A, the Corporation's Board of Directors has not approved any proposed asset or business acquisitions or dispositions outside of the ordinary course of business that would require disclosure under applicable securities legislation.

SUBSEQUENT EVENTS

Subsequent to the quarter-ended June 30, 2026, the Corporation purchased and cancelled 9,032 common shares at an average price of $173.86 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.

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 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

While fundamentals continue to improve, Mainstreet remains mindful of ongoing macroeconomic risks, including:

- persistent inflation
- elevated interest rates
- geopolitical uncertainty
- unpredictable tariffs and trade-related volatility
- concerns regarding economic softness and potential recessionary pressures
- short-term localized oversupply in certain markets

Recent federal immigration policy changes have slowed national population growth, while the last of the wave of new rental supply continues to be absorbed in the market. Although these factors may continue to influence the rental market in the near term, management believes vacancy trends, moderating supply and strong economic fundamentals in Western Canada position the Company favourably over the longer term.

OUTLOOK

Mainstreet believes the operating environment has improved compared with the first three quarters. Stronger operating performance, diminishing new supply driving vacancy rates and rent concessions down and continued economic strength in Alberta provide encouraging evidence that rental market fundamentals are strengthening.

Supported by continued interprovincial migration, strong employment growth and significant investment in Western Canada, management believes long-term fundamentals remain favourable. Alberta has remained Canada's top destination leading to total population growth, recording positive net increases for three consecutive years of more than 186,375 in 2024, 59,970 in 2025 and 8,926 in Q1 2026, according to Statistics Canada. Continued population inflows, supported by relative housing affordability and employment opportunities, are expected to underpin long-term demand for Mainstreet's affordable mid-market rental housing. However, certain macroeconomic risks remain, as discussed below.

RUNWAY ON EXISTING PORTFOLIO/NON-DILUTIVE GROWTH

1. Trading at a Discount: Management believes MEQ shares continue to trade below the Company's underlying net asset value (NAV). Accordingly, Mainstreet continued to allocate capital under its Normal Course Issuer Bid (NCIB) during Q3, repurchasing 27,388 common shares. Year-to-date, the Corporation has repurchased 56,520 common shares for approximately $10 million and intends to continue utilizing the NCIB to enhance long-term shareholder value.
2. Portfolio Expansion: Mainstreet's large liquidity reserves allow it to acquire underperforming assets at attractive valuations without issuing new equity, thereby supporting non-dilutive growth. The Corporation expects to resume acquisitions as attractive opportunities emerge.
3. Closing the NOI gap: Approximately 8% of the portfolio is in active repositioning at any time. As these assets stabilize, they are expected to contribute, based on management's current estimates, roughly $46 million in incremental annualized NOI, assuming current market rental rates and operating cost levels, reflecting meaningful embedded value within the existing portfolio.
4. Rezoning for growth: As housing shortages continue to drive higher-density development, municipalities are expanding rezoning opportunities. Mainstreet's in-house land planning team is advancing initiatives to optimize its existing portfolio, including parcel subdivisions, the conversion of underutilized spaces into additional rental units and applications for increased density. These initiatives are expected to unlock shareholder value with minimal incremental capital investment.

ADDITIONAL INFORMATION

Additional information about Mainstreet, including its AIF and annual MD&A for the year ending September 30, 2025, is available on the Corporation's website at www.mainst.biz and on SEDAR+ at www.sedarplus.ca.