

Mainstreet Delivers 15th Straight Quarter of Double-Digit Growth Amid Economic Uncertainty

CALGARY, Alberta - August 7, 2025 – Mainstreet Equity Corp. (TSX: MEQ) today announced its 15th consecutive quarter of double-digit year-over-year growth, reinforcing the strength and resilience of its business model amidst ongoing global economic uncertainty. Funds from operations (“FFO”) increased 10%, while net operating income (“NOI”) increased 16% and rental revenues grew 10%. Same asset NOI rose 12% while revenues on a same-asset basis grew 6%. Operating margins increased from 63.9% in Q3 2024 to 67.5% in Q3 2025, and from 64.5% to 67.9% on the same asset properties over the same period.

“Despite persistent uncertainty—from global trade disruptions to changing policies—Mainstreet has continued to perform and grow,” said Bob Dhillon, Founder and CEO of Mainstreet Equity Corp. “Our long-standing strategy of acquiring and revitalizing undervalued and underperforming mid-market rental assets has created a consistent pattern of non-dilutive growth. While we kept our powder relatively dry in the first two quarters, MEQ is ready to unleash \$815 million of liquidity to generate a new wave of counter-cyclical growth going into 2026. Our goal is to turn today’s uncertainty into tomorrow’s opportunity—just as we’ve done for the past 25 years.”

The Mainstreet Mission: We believe the current operating environment, including continued uncertainty stemming from global trade, economic headwinds, and immigration policy, presents an opportunity for accelerated acquisitions throughout the end of the year and fiscal 2026, potentially paving the way for another new phase of counter-cyclical growth at Mainstreet.

As always, we remain passionately committed to our role as a crucial provider of quality, affordable homes for Canadians, offering renovated apartments and customer services at an average mid-market rental rate of \$1250.

Key Metrics | Q3 2025 Performance Highlights

Rental Revenue

From operations		Up 10% to \$69.7 million (vs. \$63.3 million in Q3 2024)
From same asset properties		Up 6% to \$64.2 million (vs. \$60.6 million in Q3 2024)

Net Operating Income (NOI)

From operations		Up 16% to \$47.0 million (vs. \$40.5 million in Q3 2024)
From same asset properties		Up 12% to \$43.6 million (vs. \$39.1 million in Q3 2024)

Funds from operations (FFO)¹

FFO-before current income tax		Up 17% to \$27.5 million (vs. \$23.5 million in Q3 2024)
FFO per basic share-before current income tax		Up 17% to \$2.95 (vs. \$2.52 in Q3 2024)
FFO-after current income tax		Up 10% to \$24.3 million (vs. \$22.1 million in Q3 2024)
FFO per basic share-after current income tax		Up 10% to \$2.61 (vs. \$2.37 in Q3 2024)

Operating Margin

From operations		67.5% (vs. 63.9% in Q3 2024)
From same asset properties		67.9% (vs. 64.5% in Q3 2024)

Unstabilization rate

Stabilized Units		12% (providing potential for future NOI growth)
		434 properties (16,390 units, 12%) out of 482 properties (18,634 units)

¹ FFO is a non-GAAP financial measure. For more information, please refer to our financial statements and investor relations website.

Net Profit

Net profit per basic share		Net profit of \$46.6 million (vs. Net profit of \$35.3 million in Q3 2024, including change in fair value of \$29.6 million in Q3 2025 vs. \$19.5 million in Q3 2024)
Total Capital Expenditures		\$8.1 million (vs. \$6.2 million in Q3 2024)
Total Capital Expenditure (unstabilized assets)		\$2.0 million (vs. \$1.0 million in Q3 2024)
Total Capital Expenditure (stabilized assets)		\$6.1 million (vs. \$5.3 million in Q3 2024)
Vacancy rate		
From operations		5.0% (vs. 2.8% in Q3 2024)
From same asset properties		4.9% (vs. 2.8% in Q3 2024)
Vacancy rate as of August 7, 2025		4.4% excluding unrentable units
Total Acquisition		
During Q3 2025		\$15.5 million for 183 units (vs. \$91.6 million for 632 units in Q3 2024)
Subsequent to Q3 2025		87 unit (\$14.9 million, \$171,000 per suite) in Alberta and BC
Total YTD Acquisition 2025		387 unit (\$49.2 million)
Total Units		
As of June 30, 2025		18,684 units ²
As of August 7, 2025		18,771 units ³
Fair Market Value		Up 2% to \$3.6 billion (vs. \$3.4 billion in 2024)
Liquidity Position FY2025		\$815 million ⁴

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

(2) Include 50 units held for sale

(3) Include 50 units held for sale

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

Business Strategy

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

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

We believe that Mainstreet’s key strengths are:

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

Challenges

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

International Students, Immigration, and International Workers

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

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

Supply

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

Outlook

In Q3, we continued to navigate the challenges and headwinds that have persisted since the beginning of 2025—conditions for which we were well prepared. Our trigger-ready liquidity and resilient business model are ready to build on Mainstreet's proven pattern of turning challenges into opportunities for 25 years. Our team stands ready to deploy a wave of counter-cyclical investment, reinforcing our commitment to creating long-term shareholder value.

Trends continue to point to population growth within Alberta specifically (+138,136 in 2024/25) and Western Canada more generally (+233,085 in 2024/25), according to Statistics Canada. With the continued economic opportunity and lower tax rate of Alberta—and affordability more generally across Saskatchewan and Western Canada—it is expected Canadians will continue to move to the west.

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

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

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

Ready to Unleash Growth

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

Runway

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

Forward-Looking Information

Certain statements contained herein constitute "forward-looking statements" as such term is used in applicable Canadian securities laws. These statements relate to analysis and other information based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, statements concerning estimates related to future acquisitions, dispositions and capital expenditures, increase or reduction of vacancy rates, increase or decrease of rental rates and rental revenue, future income and profitability, timing of refinancing of debt and completion, timing and costs of renovations, increased or decreased funds from operations and cash flow, the Corporation's liquidity and financial capacity, improved rental conditions, future environmental impact the Corporation's goals and

the steps it will take to achieve them the Corporation's anticipated funding sources to meet various operating and capital obligations and other factors and events described in this document should be viewed as forward-looking statements to the extent that they involve estimates thereof. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions of future events or performance (often, but not always, using such words or phrases as "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" or "will" be taken, occur or be achieved) are not statements of historical fact and should be viewed as forward-looking statements.

Such forward-looking statements are not guarantees of future events or performance and by their nature involve known and unknown risks, uncertainties and other factors, including those risks described in the Corporation's AIF, dated December 5, 2024 under the heading "Risk Factors", that may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, the effect of inflation on consumers and tenants, the effect of rising mortgage and interest rates on the Corporation, including its financing costs, challenges related to up-financing maturing mortgages or financing of clear titled assets after stabilization, disruptions in global supply chains, labour shortages, the length and severity of geopolitical conflict and the occurrence of additional global turmoil and its effects on global markets and supply chains, changes in government policies regarding immigration and international students, cyber-incidents Corporation (including the effect of the cybersecurity incident which occurred on May 2, 2024), costs and timing of the development or renovation of existing properties, availability of capital to fund stabilization programs, other issues associated with the real estate industry including availability of labour and costs of renovations, supply chain issues, fluctuations in vacancy rates, general economic conditions, trade policies and tensions, including changes in, or the imposition of tariffs and/or trade barriers and the economic impacts, volatility and uncertainty resulting therefrom, competition for tenants, unoccupied units during renovations, rent control, fluctuations in utility and energy costs, carbon tax increases, environmental and other liabilities, effects of climate change, credit risks of tenants, availability of capital, changes in legislation and regulatory regime applicable to the corporation, loss of key personnel, a failure to realise the benefit of acquisitions and/or renovations, the effects of severe weather events on the Corporation's properties, climate change, public health measures (including travel and post-secondary restrictions), uninsured losses, fluctuations in the capital markets and the trading price of the Common Shares, conflicts of interest of the Corporation's directors and officers, and other such business risks as discussed herein. This is not an exhaustive list of the factors that may affect Mainstreet's forward-looking statements. Other risks and uncertainties not presently known to the Corporation could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

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

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

Certain information set out herein may be considered as "financial outlook" within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding the Corporations reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

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