Mainstreet Equity Corp. Reports Q3 2026 Results Amid Improving Rental Market Conditions

CALGARY, Alberta – August 5, 2026 – Mainstreet Equities has continued to perform well in Q3, posting growth in several key operating metrics. The company reported sequential same asset net operating income (NOI) growth of 4%, net operating income (NOI) up 8%, and funds from operations (FFO) growth of 9%. These metrics combined with lower occupancy rates, Alberta's strong economic growth, and declining new supply point toward strengthening market fundamentals.

Bob Dhillon, Founder and Chief Executive Officer of Mainstreet, says "Over the past year, we've faced a lot of headwinds: a sluggish economy, tariff uncertainty, immigration policy changes and the introduction of new supply. We paused acquisitions to assess these headwinds and now, with improvements in the first three quarters of 2026, we are confident to take our foot off the brake and accelerate."

Mainstreet's Mission: We are passionately committed to our role as a critical provider of quality, affordable homes for Canadians, offering renovated apartments and customer services at an average mid-market rental rate of $1,260.

Key Metrics | Q3 2026 Performance Highlights

Rental Revenue	
From operations	Up 5% to $73.2 million (vs. $69.7 million in Q3 2025)
From same asset properties	Up 2% to $69.8 million (vs. $68.6 million in Q3 2025)
Net Operating Income (NOI)	
From operations	Up **8%** to $50.6 million (vs. $47.0 million in Q3 2025)
From same asset properties	Up 4% to $48.5 million (vs. $46.4 million in Q3 2025)
Funds from operations (FFO)[1](a non-IFRS measure)	
FFO	Up **9%** to $26.4 million (vs. $24.3 million in Q3 2025)
FFO per basic share	Up 9% to $2.85 (vs. $2.61 in Q3 2025)
Operating Margin	
From operations	**69%** (vs. 68% in Q3 2025)
From same asset properties	69% (vs. 68% in Q3 2025)
Unstabilized rate	8% (providing potential for future NOI growth)
Stabilized Units	463 properties (17,829 units) out of 504 properties (19,266 units)
Net (Loss) Profit	
Net profit (Loss) per basic share	Net profit of $33.7 million (vs. profit of $46.6 million in Q3 2025, including a fair value gain of $13.2 million in Q3 2026 vs. $29.6 million in Q3 2025)
Total Capital Expenditures	$9.8 million (vs. $8.1 million in Q3 2025)
Total Capital Expenditure (unstabilized assets)	$2.0M (vs. $2.0M in Q3 2025)
Total Capital Expenditure (stabilized assets)	$7.8M (vs. $6.1M in Q3 2025)
Vacancy rate	
From operations	4.6% (vs. 5.0% in Q3 2025)
From same asset properties	4.7% (vs. 5.0% in Q3 2025)
Vacancy rate as of August 5th, 2026	4.3% excluding unrentable units
Total Acquisition	
During Q3 2026	$9.2 million 63 units (vs. $15.5 million 183 units in in Q3 2025)

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

Total YTD Acquisition 2026	|	517 units ($89.5 million)
Total Units		
As of June 30th, 2026	|	**19,316 units[2] (vs. 18,799 units in 2025)**
Fair Market Value		Up 4% to $3.9 billion (vs. $3.7 billion in 2025)
Liquidity	|	$868 million[3]
Total YTD NCIB buyback shares	|	$10 million (56,520 shares)

Strategic Positioning
Throughout 2025, Mainstreet adopted a disciplined approach to capital allocation as increased new rental supply, changing federal immigration policies and broader economic uncertainty created headwinds across Canada's rental housing market. In response, we elected to pause acquisitions while monitoring evolving market conditions.

In the first three quarters of 2026, however, several encouraging trends emerged that had us taking our foot off the brake and easing onto the accelerator. The Company has delivered sequential same asset revenue growth through each quarter of fiscal 2026, while portfolio vacancy has continued to decline. While it's premature to declare a full market reset, the consistency of these improvements suggests that market fundamentals are beginning to strengthen.

At the same time, new rental supply is beginning to ebb as construction declines, which is expected to reduce future competitive pressures. Western Canada continues to attract interprovincial migrants due largely to the region's improving economic conditions; Alberta maintains one of the highest job growth rates (3% year-over-year in June, according to Government of Alberta) and is projected to lead Canada in economic growth in 2026. We believe the market is transitioning from a period of headwinds to one supported by emerging tailwinds.

Q3 Operating Highlights
Mainstreet continued to showcase the resilience of its operating platform during Q3, generating strong performance despite ongoing market uncertainty.

Highlights include:

- Sequential same asset revenue growth every quarter in 2026
- Continued improvement in occupancy as vacancy rates decline to 4.6% as of Q3 2026 from 5.7% in Q2 2026
- Approximately 8% growth in Net Operating Income (NOI), 9% growth in Funds From Operations (FFO)
- Stable operating margins of 69% (166 bps improvement from last year) supported by disciplined cost management and operational efficiencies

The Mainstreet Advantage
Mainstreet's vertically integrated business model continues to differentiate the Company from traditional REIT structures and position it for sustained non-dilutive growth.

Key competitive advantages include:

An established operating platform
Over the past 26 years, the Company has built a sophisticated operating platform supported by investments in technology, standardized operating procedures, supply chain and experienced personnel. This proven platform enables Mainstreet to efficiently acquire, reposition and manage underperforming apartment assets, driving stronger operating performance and creating enduring asset value. As demonstrated by our consistent operating margins, this

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[2] Including 50 units held for sale
[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.

scalable business model allows Mainstreet to continue providing quality mid-market rental housing at affordable price points.

Strong Western Canadian presence
Approximately half of the Company's portfolio is located in Alberta, allowing Mainstreet to benefit from one of Canada's strongest provincial economies and continued migration into Western Canada.

According to ATB Financial, Alberta's GDP is expected to grow approximately 2.6% in 2026 and 2.4% in 2027; in contrast, the Canadian GDP has declined over the past two consecutive quarters, according to Statistics Canada, signalling a technical recession. Alberta's growth is supported by more than $100 billion of announced investment which management believes is expected to support employment, population growth and long-term housing demand across the province, according to Government of Alberta.

Market Environment
While federal immigration policy changes reduced international student and temporary foreign worker admissions across the two-year cap, broader supply-demand dynamics are beginning to improve.

Several key trends are shaping the operating environment:

- New apartment supply is declining significantly as construction activity slows and there is less new supply in the pipeline
- Portfolio vacancy continues to improve
- Tightening vacancy is expected to reduce leasing concessions and create conditions for future rental rate growth
- Interprovincial migration continues to support demand across Western Canada

Capital Allocation and Growth Strategy
Recognizing the elevated uncertainty that characterized the beginning of fiscal 2025, Mainstreet deliberately paused acquisitions while preserving capital and maintaining financial flexibility. As conditions continue to improve, Mainstreet is transitioning from a defensive position to a position of strategic readiness where is may selectively choose to pursue acquisition opportunities. While acquisitions remain disciplined, we believe the Company is well positioned to capitalize on attractive opportunities as they emerge.

At quarter-end, Mainstreet maintained more than $868 million in available liquidity, providing capacity to pursue potential future acquisitions while maintaining a conservative balance sheet.

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, we believe 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.

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, we believe vacancy trends, moderating supply and strong economic fundamentals in Western Canada position the Company favourably over the longer term.

Runway on Existing Portfolio/Non-Dilutive Growth

1. **Trading at a Discount:** We believe 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 us to acquire underperforming assets at attractive valuations without issuing new equity, thereby supporting non-dilutive growth. The Company 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.

This message should be read in conjunction with the Corporation's Management's Discussion and Analysis and interim condensed consolidated financial statements for the three and nine months ended June 30, 2026, available on SEDAR+ (www.sedarplus.ca).

Forward-Looking Information

This message contains forward-looking information within the meaning of applicable Canadian securities legislation, including statements regarding anticipated market conditions, future acquisitions, expected NOI contributions, occupancy trends, population growth and economic conditions in Western Canada, rezoning opportunities and the Corporation's intended use of its Normal Course Issuer Bid. Forward-looking information is based on current expectations, estimates and assumptions that are subject to risks and uncertainties, including those described in the Corporation's Annual Information Form dated December 15, 2025 and Management's Discussion and Analysis for the three and nine months ended June 30, 2026, available on SEDAR+ (www.sedarplus.ca). Actual results may differ materially from those expressed or implied.

Readers are cautioned not to place undue reliance on forward-looking information, which is provided as of the date of this message and which the Corporation disclaims any obligation to update except as required by applicable securities laws.

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