MCAN FINANCIAL GROUP RELEASES Q2 2025 RESULTS AND DECLARES 41 CENTS CASH DIVIDEND

Core business performing in current environment

Toronto, Ontario - August 6, 2025. MCAN Mortgage Corporation d/b/a MCAN Financial Group ("MCAN", the "Company" or "we") (TSX: "MKP") reported **net income of $20.2 million ($0.51 earnings per share) for the second quarter of 2025**, an increase from net income of $19.7 million ($0.52 earnings per share) in the second quarter of 2024.

Second quarter 2025 return on average shareholders' equity[1] was 13.19% compared to 13.63% for the same period in the prior year.

Our Q2 results were mainly impacted by higher mortgage spread income and higher income from MCAP partially offset by higher provisions for credit losses compared to the same prior year period.

For YTD 2025, we reported net income of $36.8 million ($0.94 earnings per share), a decrease from net income of $43.0 million ($1.17 earnings per share) for the same prior year period.

Return on average shareholders' equity[1] was 12.10% for YTD 2025 compared to 15.31% for the same prior year period.

We reported lower total net income for YTD mainly as a result of higher provisions for credit losses due to the forecasted economic and geopolitical environment.

We are committed to a strategy of managing controllable factors to protect our bottom line and capital. We expect to take advantage of opportunities that arise in the current market environment. We believe that we have a quality loan portfolio with conservative loan to value ratios supporting our loans.

The Board of Directors **declared a third quarter regular cash dividend of $0.41 per share** to be paid on September 29, 2025 to shareholders of record as of September 15, 2025. As a mortgage investment corporation, we pay out all of our taxable income to shareholders through dividends.

"We recorded quality results for the second quarter of 2025 up 22% from Q1 2025 and 2% from Q2 2024. We continue to leverage our brand and exceptional customer service to take advantage in the marketplace, with record originations in our insured residential lending business while maintaining our spreads. Although we recorded higher provisions for credit losses than the prior year, our credit quality remains resilient as it has since our founding," said Derek Sutherland, CEO of MCAN. "In July 2025, we launched a new uninsured residential mortgage third-party securitization program with one of the major Canadian banks which will add to our securitization income and allow us to grow our uninsured originations. Looking ahead, we are focused on tapping new growth opportunities to drive value for all our stakeholders."

HIGHLIGHTS

- Total assets reached $5.7 billion at June 30, 2025, a net increase of $391 million (7.3%) from December 31, 2024.
- Non-securitized mortgage portfolio totalled $2.7 billion at June 30, 2025, a net increase of $277 million (11%) from December 31, 2024.
    - Uninsured residential mortgages totalled $1.2 billion at June 30, 2025, a net increase of $53 million (5%) from December 31, 2024. Uninsured residential mortgage originations totalled $231 million for YTD 2025, an increase of $34 million (17%) from YTD 2024. The economic and interest rate environment and its impact on the housing market and borrowers had improved somewhat due to expectations about further interest rate cuts. We had steady uninsured residential mortgage renewal rates with renewals of $245 million for YTD 2025 compared to $259 million for YTD 2024. This business is supported by outstanding service to our brokers, originators and customers.
    - Construction and commercial mortgages totalled $1.2 billion at June 30, 2025, a net increase of $77 million (7%) from December 31, 2024. In 2025, the movement in the construction and commercial portfolios is attributed to new loan advances of $323 million in construction and commercial mortgages, slightly offset by repayments from completing projects. Originations have been steady this year and some extensions of projects due to normal construction delays or normal delays relating to the permitting and zoning process meant that we have not experienced as much run-off in the portfolio as expected. To date, projects continue to progress toward completion.
- Securitized mortgages totalled $2.4 billion at June 30, 2025, a net increase of $9 million (0.4%) from December 31, 2024.

- Our insured residential mortgage securitization volumes were $211 million in Q2 2025, an increase of $54 million (34%) from Q2 2024 and $264 million YTD 2025, a decrease of $107 million (29%) from YTD 2024. We use various channels in funding the insured residential mortgage portfolio, in the context of market conditions and net contributions over the life of the mortgages, in order to support our overall business. We have seen better securitization spreads compared to prior year.

- Beginning in July 2025, we have an agreement with a Canadian Schedule I Chartered bank to participate in an uninsured residential mortgage third-party securitization program sponsored by the bank. Under this agreement, we can sell our uninsured residential mortgages into the program and they remain in the program until maturity. In July 2025, we sold $80.2 million into this program. This is an integral part of our diversification and capital optimization strategy.

FINANCIAL UPDATE

- Net non-securitized mortgage spread income[1] increased by $0.5 million for Q2 2025 from Q2 2024 mainly due to a higher average non-securitized mortgage portfolio balance from mortgage portfolio growth, offset by a reduction in the spread of non-securitized mortgages over term deposit interest and expenses. For YTD 2025, net non-securitized mortgage spread income[1] decreased by $1.2 million from YTD 2024 mainly due to a reduction in the spread of non-securitized mortgages over term deposit interest and expenses partially offset by a higher average non-securitized mortgage portfolio balance from continued originations and renewals.

- Net securitized mortgage spread income[1] increased by $0.5 million for Q2 2025 from Q2 2024 and increased $1.0 million YTD 2025 from YTD 2024 due to a higher average securitized mortgage portfolio balance and an increase in the spread of securitized mortgages over liabilities.

- For Q2 2025, we had a provision for credit losses on our non-securitized mortgage portfolio of $2.2 million compared to a provision for credit losses of $1.4 million in Q2 2024. For YTD 2025, we had a provision for credit losses on our non-securitized mortgage portfolio of $5.3 million compared to a provision for credit losses of $0.8 million for 2024.

- Equity income from MCAP Commercial LP totalled $9.7 million in Q2 2025, an increase of $2.0 million (26%) from $7.7 million in Q2 2024, and totalled $15.3 million for YTD 2025, an increase of $0.4 million (3%) from $14.9 million for YTD 2024.

Credit Quality

- Arrears total mortgage ratio[1] was 2.49% at June 30, 2025 compared to 2.24% at March 31, 2025 and 2.06% at December 31, 2024. The majority of our residential mortgage arrears activity occurs in the 1-30 day category, in which the bulk of arrears are resolved and do not migrate to arrears categories over 30 days. While greater than 30 days arrears has increased in our uninsured residential mortgages, we believe overall that we have a quality uninsured residential mortgage loan portfolio with an average LTV of 64.0% at June 30, 2025 compared to 64.3% at March 31, 2025 and 63.7% at December 31, 2024 based on an industry index of current real estate values. With respect to our construction and commercial loan portfolio, we have a strong track record with our default management processes and asset recovery programs as the need arises.

- Impaired non-securitized mortgage ratio[1] was 2.34% at June 30, 2025 compared to 2.31% at March 31, 2025 and 2.46% at December 31, 2024. At June 30, 2025, impaired mortgages mainly represent five impaired construction mortgages as well as uninsured residential mortgages where asset recovery programs have been initiated or we expect the loans to be brought current.

- Impaired total mortgage ratio[1] was 1.25% at June 30, 2025 compared to 1.20% at March 31, 2025 and 1.25% at December 31, 2024.

Capital

- We have a Base Shelf prospectus allowing us to make certain public offerings of debt or equity securities during the period that it is effective, through Prospectus Supplements. Our Base Shelf prospectus and our Prospectus Supplement for our ATM Program expire in September 2025 and we intend to renew both.
    - We have an ATM Program, established pursuant to a Prospectus Supplement to our Base Shelf prospectus, allowing us to issue up to $30 million common shares to the public from time to time at the market prices prevailing at the time of sale. In Q2 2025, we sold 305,700 common shares at a weighted average price of $19.37 for gross proceeds of $5.9 million and net proceeds of $5.6 million including $0.1 million of agent commission paid and $0.2 million of other share issuance costs under the ATM Program. So far in 2025, we sold 366,900 common shares at a weighted average price of $19.19 for gross proceeds of $7.0 million and net proceeds of $6.7 million including $0.1 million of agent commission paid and $0.2 million of other share issuance costs under the ATM Program. At June 30, 2025, we have $13.9 million remaining available to be issued through our ATM Program. The volume and timing of distributions under the ATM Program are determined at MCAN's sole discretion.

- We issued $2.5 million in new common shares in Q2 2025 compared to $4.4 million in Q2 2024 and $7.0 million YTD 2025 compared to $12.5 million YTD 2024 through the Dividend Reinvestment Plan ("DRIP"). The DRIP participation rate for the 2025 second quarter dividend was 15% compared to 30% for the second quarter of 2024.

- Income tax assets to capital ratio[3] was 5.42 at June 30, 2025 compared to 5.41 at March 31, 2025 and 5.24 at December 31, 2024.

- Common Equity Tier 1 ("CET 1") and Tier 1 Capital to risk-weighted assets ratios[2] were 18.90% at June 30, 2025 compared to 19.12% at March 31, 2025 and 19.02% at December 31, 2024. Total Capital to risk-weighted assets ratio[2] was 19.22% at June 30, 2025

compared to 19.43% at March 31, 2025 and 19.28% at December 31, 2024. Leverage ratio[2] was 9.32% at June 30, 2025 compared to 9.64% at March 31, 2025 and 9.72% at December 31, 2024. All of our capital and leverage ratios are within our internal risk appetite and regulatory guidelines.

[1] *Considered to be a non-GAAP and other financial measure. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this new release. Non-GAAP and other financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.*
[2] *These measures have been calculated in accordance with OSFI's Leverage Requirements and Capital Adequacy Requirements guidelines.*
[3] *Tax balances are calculated in accordance with the Tax Act.*

FURTHER INFORMATION

See our complete 2025 Second Quarter Report filed on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca and on the Company's website at www.mcanfinancial.com.

For our Outlook, refer to the "Outlook" section of the 2025 Second Quarter Report.

MCAN is a public company listed on the Toronto Stock Exchange under the symbol **MKP** and is a reporting issuer in all provinces and territories in Canada. MCAN also qualifies as a Mortgage Investment Corporation ("MIC") under the Income Tax Act (Canada). MCAN is the largest MIC in Canada and the only federally regulated MIC that issues term deposits eligible for Canada Deposit Insurance Corporation deposit insurance.

MCAN's primary objective is to generate a reliable stream of income by investing in a diversified portfolio of Canadian mortgages, including residential mortgages, residential construction, non-residential construction, and commercial loans, as well as other types of securities, loans, and real estate investments. MCAN is **Investing in Communities and Homes for Canadians**.

For how to enroll in the DRIP, please refer to the Management Information Circular dated March 21, 2025 or visit our website at www.mcanfinancial.com. Under the DRIP, dividends paid to shareholders are automatically reinvested in common shares issued out of treasury at the weighted average trading price for the five days preceding such issue less a discount of 2% until further notice from MCAN.

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NON-GAAP AND OTHER FINANCIAL MEASURES

This news release references a number of non-generally accepted accounting principles ("non-GAAP") and other financial measures and ratios to assess our performance such as return on average shareholders' equity, net non-securitized mortgage spread income, net securitized mortgage spread income, impaired non-securitized mortgage ratio, impaired total mortgage ratio, and arrears total mortgage ratio. These measures are not calculated in accordance with International Financial Reporting Standards ("IFRS"), are not defined by IFRS and do not have standardized meanings that would ensure consistency and comparability between companies using these measures. These metrics are considered to be non-GAAP and other financial measures and are incorporated by reference and defined in the "Non-GAAP and Other Financial Measures" section of our 2025 Second Quarter Management's Discussion and Analysis of Operations ("MD&A") available on SEDAR+ at www.sedarplus.ca. Below are reconciliations for our non-GAAP financial measures included in this news release using the most directly comparable IFRS financial measures.

Net Non-securitized Mortgage Spread Income

Non-GAAP financial measure that is an indicator of net interest profitability of income-earning assets less cost of funding for our non-securitized mortgage portfolio. It is calculated as the difference between non-securitized mortgage interest and term deposit interest and expenses.

(in thousands)	Q2	Q2	Change	YTD	YTD	Change
For the Periods Ended June 30	**2025**	**2024**	**($)**	**2025**	**2024**	**($)**
Mortgage interest - non-securitized assets	$ 46,882	$ 48,422		$ 92,030	$ 96,430	
Term deposit interest and expenses	25,502	27,526		50,384	53,596	
Net Non-securitized Mortgage Spread Income	**$ 21,380**	**$ 20,896**	**$ 484**	**$ 41,646**	**$ 42,834**	**$ (1,188)**

Net Securitized Mortgage Spread Income

Non-GAAP financial measure that is an indicator of net interest profitability of income-earning securitization assets less cost of securitization liabilities for our securitized mortgage portfolio. It is calculated as the difference between securitized mortgage interest and interest on financial liabilities from securitization.

(in thousands)	Q2	Q2	Change	YTD	YTD	Change
For the Periods Ended June 30	**2025**	**2024**	**($)**	**2025**	**2024**	**($)**
Mortgage interest - securitized assets	$ 18,960	$ 14,695		$ 37,702	$ 28,035	
Interest on financial liabilities from securitization	16,276	12,493		32,312	23,680	
Net Securitized Mortgage Spread Income	**$ 2,684**	**$ 2,202**	**$ 482**	**$ 5,390**	**$ 4,355**	**$ 1,035**

A CAUTION ABOUT FORWARD-LOOKING INFORMATION AND STATEMENTS

This news release contains forward-looking information within the meaning of applicable Canadian securities laws. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. All of the forward-looking information in this news release is qualified by this cautionary note. Often, but not always, forward-looking information can be identified by the use of words such as "may," "believe," "will," "anticipate," "expect," "planned," "estimate," "project," "future," and variations of these or similar words or other expressions that are predictions of, or indicate, future events and trends and that do not relate to historical matters. Forward-looking information in this news release includes, among others, statements and assumptions with respect to:

- the current business environment, economic environment and outlook;
- possible or assumed future results;
- our ability to create shareholder value;
- our business goals and strategy;
- the potential impact of new regulations and changes to existing regulations as well as any changes in tax legislation;
- the stability of home prices;
- the effect of challenging conditions on us;
- the performance of our investments;
- factors affecting our competitive position within the housing lending market;
- international trade, including changes in tariffs, international economic uncertainties, failures of international financial institutions and geopolitical uncertainties and their impact on the Canadian economy;
- sufficiency of our access to liquidity and capital resources;
- the timing and effect of interest rate changes on our cash flows; and
- the declaration and payment of dividends.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information reflects management's current beliefs and is based on information currently available to management. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information.

The material factors or assumptions that we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking information, include, but are not limited to:

- our ability to successfully implement and realize on our business goals and strategy;
- government regulation of our business and the cost to us of such regulation;
- factors and assumptions regarding interest rates, including the effect of Bank of Canada actions already taken;
- the effect of supply chain issues;
- the effect of inflation;
- housing sales and residential mortgage borrowing activities;
- the effect of household debt service levels;
- the effect of competition;
- systems failure or cyber and security breaches;
- the availability of funding and capital to meet our requirements;
- investor appetite for securitization products;
- the value of mortgage originations;
- the expected spread between interest earned on mortgage portfolios and interest paid on deposits;
- the relative uncertainty and volatility of real estate markets;
- acceptance of our products in the marketplace;
- the stage of the real estate cycle and the maturity phase of the mortgage market;
- impact on housing demand from changing population demographics and immigration patterns;
- our ability to forecast future changes to borrower credit and credit scores, loan to value ratios and other forward-looking factors used in assessing expected credit losses and rates of default;
- availability of key personnel;
- our operating cost structure;
- the current tax regime; and
- operations within, and market conditions relating to, our equity and other investments.

External geopolitical conflicts and government and Bank of Canada economic policy have resulted in uncertainty relating to the Company's internal expectations, estimates, projections, assumptions and beliefs, including with respect to the Canadian economy, employment conditions, interest rates, supply chain issues, international trade, inflation, levels of housing activity and household debt service levels. There can be no assurance that such expectations, estimates, projections, assumptions and beliefs will continue to be valid. The impacts that any further or escalating geopolitical conflicts will have on our business is uncertain and difficult to predict.

Reliance should not be placed on forward-looking information because it involves known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from anticipated future results expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from those set forth in the forward-looking information include, but are not limited to, the risk that any of the above opinions, estimates or assumptions are inaccurate and the other risks and uncertainties referred to in our Annual Information Form for the year ended December 31, 2024, our MD&A and our other public filings with the applicable Canadian regulatory authorities.

Subject to applicable securities law requirements, we undertake no obligation to publicly update or revise any forward-looking information after the date of this news release whether as a result of new information, future events or otherwise or to explain any material difference between subsequent actual events and any forward-looking information. However, any further disclosures made on related subjects in subsequent reports should be consulted.