MCAN FINANCIAL GROUP REPORTS ANNUAL RESULTS AND DECLARES 5% INCREASE IN NEXT QUARTER'S CASH DIVIDEND

Net income steady despite interest rates dropping from prior year highs

Toronto, Ontario - February 23, 2026. MCAN Mortgage Corporation d/b/a MCAN Financial Group ("MCAN", the "Company" or "we") (TSX: MKP), a leading Canadian mortgage investment corporation, today announced its financial results for the three and twelve months ended December 31, 2025. The results compared to the prior year periods mainly reflected significant growth in our assets under management slightly offset by the impact of lower net interest margin from a decline in interest rates. We also had higher income from our investment in MCAP and higher fair value on our securities partially offset by provisions for credit losses due to uncertainty in the forecasted economic and geopolitical environment.

Q4 2025 highlights compared to Q4 2024

- **Net interest income:** $24.7 million, —% y/y
- **Net income:** $17.6 million, +128% y/y
- **ROE[1]:** 11.02%
- **EPS:** $0.44
- **Book value per share:** $15.93
- **Total assets under management[1]:** $7.8 billion, +30% y/y
- **Cash dividends declared:** $0.41

2025 highlights compared to 2024

- **Net interest income:** $95.8 million, -1% y/y
- **Net income:** $74.9 million, -3% y/y
- **ROE[1]:** 12.07%
- **EPS:** $1.89
- **Total Capital and CET1 ratio[2]:** 18.82%
- **Income tax assets to capital ratio[3]:** 5.10

"We achieved steady results for the year despite the decline in interest rates from recent highs as we grew our assets under management by 30% y/y and utilized our hedging strategies to minimize interest rate volatility. We achieved strong growth in all our main portfolios including record growth in our uninsured residential mortgage originations – up 33% y/y. We also successfully diversified our funding base by launching our uninsured residential mortgage securitization program this year. MCAP continues to remain a key strategic partner and a driver of our returns for our shareholders," said Derek Sutherland, CEO of MCAN. "While we recorded higher provisions for credit losses than in the prior year, our credit quality remains resilient, as strong underwriting has been an area of strength since our founding. Looking ahead, we will invest in new products and infrastructure with a multi-year focus on delivering sustainable and profitable growth."

Record mortgage originations bringing total residential mortgage assets to $4.6 billion, +26% in 2025, including uninsured residential mortgage assets of $1.3 billion, +16% in 2025, and insured residential mortgage assets of $3.3 billion, +30% in 2025

- Uninsured residential mortgage originations increased +33% and insured residential mortgage originations increased +38% in 2025, along with strong renewal volumes.
- This performance during the year reflects our outstanding service to our brokers and customers despite a challenging and competitive market.
- This growth was supported by the successful launch of our uninsured residential mortgage securitization program this year. We look to continue to grow this portfolio as part of our funding diversification and capital optimization strategy.

Construction and commercial mortgages balances grew to $1.2 billion, +5% in 2025

- Loan advances of $631.4 million for the year despite market conditions
- Originations have been steady this year with some extensions of projects due to normal construction delays or normal delays relating to the permitting and zoning process as well as the current economic environment.

MCAP continued to perform ahead of expectations

- Income from MCAP in 2025 of $33.4 million, +16% y/y, driven by higher securitization income from a higher average portfolio balance and lower non-securitized interest expenses as interest rates declined.
- Our investment in and strategic partnership with MCAP continues to remain a key driver of returns for our shareholders.

Provisions for credit losses reflected uncertain market conditions; however, credit quality continues to remain resilient

- Provision for credit losses were $13.5 million for the year mainly due to interest provisioning on our impaired residential construction loans, growth in our uninsured residential mortgages and worsening macroeconomic forecasts.
- Impaired non-securitized mortgage ratio[1] was 1.69% at December 31, 2025 compared to 2.46% at December 31, 2024. At December 31, 2025, impaired mortgages represent certain impaired construction loans as well as uninsured residential mortgages where asset recovery programs have been initiated or we expect the loans to be brought current. The decrease in the quarter is mainly due to successful resolution in our impaired construction loans.
- We believe overall that we have a quality loan portfolio with average LTVs at December 31, 2025 of (i) 66.3% for our uninsured residential mortgages based on an industry index of current real estate values; and (ii) 60.7% for our construction loans based on appraisal values.

MCAN quarterly dividend declared

- The Board of Directors declared a first quarter regular cash dividend of $0.43 per share (an increase of 5% from our fourth quarter 2025 dividend) to be paid March 31, 2026 to shareholders of record on March 13, 2026.

Annual And Special Meeting of Shareholders

- The Company's Annual And Special Meeting of Shareholders will be held at 4:30pm EST on April 30, 2026.

[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 Capital Adequacy Requirements guidelines.*
[3] *Tax balances are calculated in accordance with the Tax Act.*

Consolidated Financial Statements

Consolidated balance sheets
(in thousands of Canadian dollars)

At December 31	2025	2024
Assets		
Non-securitized Assets		
Cash and cash equivalents	$ 79,828	$ 61,703
Marketable securities	54,146	66,345
Mortgages	2,479,588	2,464,091
Non-marketable securities	126,592	117,428
Equity investment in MCAP Commercial LP	133,995	122,265
Derivative financial instruments	1,907	2,508
Deferred tax assets	1,650	1,430
Other assets	27,144	24,547
	2,904,850	**2,860,317**
Securitization Assets		
Cash held in trust	71,856	47,249
Mortgages	3,458,671	2,419,871
Other assets	42,093	20,128
	3,572,620	**2,487,248**
	$ 6,477,470	**$ 5,347,565**
Liabilities and Shareholders' Equity		
Liabilities		
Non-securitized Liabilities		
Term deposits	$ 2,340,483	$ 2,288,226
Demand loans payable	19,438	107
Derivative financial instruments	46	—
Other liabilities	38,772	36,807
	2,398,739	**2,325,140**
Securitization Liabilities		
Financial liabilities from securitization	3,433,883	2,423,236
	3,433,883	**2,423,236**
	5,832,622	**4,748,376**
Shareholders' Equity		
Share capital	491,015	456,683
Contributed surplus	510	510
Retained earnings	153,442	143,620
Accumulated other comprehensive income (loss)	(119)	(1,624)
	644,848	**599,189**
	$ 6,477,470	**$ 5,347,565**

Consolidated statements of income
(in thousands of Canadian dollars except for per share amounts)

Years Ended December 31	2025	2024
Net interest income - non-securitized assets		
Mortgage interest	$ 184,494	$ 191,706
Interest on cash and other	4,194	3,927
	188,688	**195,633**
Term deposit interest and expenses	102,477	108,259
Interest on loans payable	4,701	2,896
	107,178	**111,155**
	81,510	**84,478**
Net interest income - securitized assets		
Mortgage interest	85,892	63,163
Interest on cash and other	1,677	2,017
	87,569	**65,180**
Interest on financial liabilities from securitization	73,240	53,255
	73,240	**53,255**
	14,329	**11,925**
Total Net Interest Income	**95,839**	**96,403**
Non-interest Income		
Equity income from MCAP Commercial LP	33,444	28,803
Distribution income from securities	9,933	10,780
Fees	3,485	3,526
Net gain (loss) on securities	2,109	(6,343)
Other	2,447	—
Gain on dilution of investment in MCAP Commercial LP	—	680
	51,418	**37,446**
Total Income	**147,257**	**133,849**
Provision for credit losses	13,460	3,258
Non-interest Expenses		
Salaries and benefits	27,350	27,762
General and administrative	31,825	26,275
	59,175	**54,037**
Net Income Before Income Taxes	**74,622**	**76,554**
Provision for (recovery of) income taxes		
Current	(28)	62
Deferred	(221)	(1,094)
	(249)	**(1,032)**
Net Income	**$ 74,871**	**$ 77,586**
Basic and diluted earnings per share	$ 1.89	$ 2.06
Cash dividends per share	$ 1.64	$ 1.56
Weighted average number of basic and diluted shares (000's)	39,572	37,635

Consolidated statements of comprehensive income
(in thousands of Canadian dollars)

Years Ended December 31	2025	2024
Net Income	$ 74,871	$ 77,586
Other comprehensive income items that may be subsequently reclassified to income (loss):		
Cash Flow Hedges		
Net gains (losses) from changes in fair value of cash flow hedges	1,100	(1,949)
Reclassification of net losses (gains) to net income	405	227
Total Other Comprehensive Income	**1,505**	**(1,722)**
Comprehensive Income	**$ 76,376**	**$ 75,864**

Consolidated statements of changes in shareholders' equity
(in thousands of Canadian dollars)

Years Ended December 31	2025	2024
Share Capital		
Balance, beginning of year	$ 456,683	$ 406,528
Share capital issued, net of share issuance costs	34,332	50,155
Balance, end of year	**491,015**	**456,683**
Contributed Surplus	**510**	**510**
Retained Earnings		
Balance, beginning of year	143,620	124,708
Net income	74,871	77,586
Dividends declared	(65,049)	(58,674)
Balance, end of year	**153,442**	**143,620**
Accumulated Other Comprehensive Income		
Balance, beginning of year	(1,624)	98
Other comprehensive income	1,505	(1,722)
Balance, end of year	**(119)**	**(1,624)**
Total Shareholders' Equity	**$ 644,848**	**$ 599,189**

Consolidated statements of cash flows
(in thousands of Canadian dollars)

Years Ended December 31	2025	2024
Cash flows from (for):		
Operating Activities		
Net income	$ 74,871	$ 77,586
Adjustments to determine cash flows relating to operating activities:		
Deferred taxes	(221)	(1,094)
Equity income from MCAP Commercial LP	(33,444)	(28,803)
Gain on dilution of investment in MCAP Commercial LP	—	(680)
Provision for credit losses	13,460	3,258
Net (gain) loss on securities	975	7,384
Amortization of cash flow hedges net losses (gains)	405	227
Amortization of securitized mortgage and liability transaction costs	11,054	10,097
Amortization of other assets	2,268	1,034
Changes in operating assets and liabilities:		
Marketable securities	13,163	(15,224)
Non-securitized and securitized mortgages	(1,075,644)	(549,009)
Non-marketable securities	(11,103)	(15,671)
Derivative Financial Instruments	1,747	(4,260)
Other assets	(18,764)	(8,776)
Cash held in trust	(24,607)	(16,340)
Term deposits	52,257	88,124
Financial liabilities from securitization	1,007,480	502,849
Other liabilities	(1,710)	3,071
Cash flows from (for) operating activities	**12,187**	**53,773**
Investing Activities		
Distributions from MCAP Commercial LP	21,714	18,585
Acquisition of capital and intangible assets	(5,549)	(4,800)
Cash flows from investing activities	**16,165**	**13,785**
Financing Activities		
Proceeds from issuance of common shares, net of share issuance costs	22,386	34,109
Net change in demand loans	19,331	(64,576)
Increase (decrease) in premises lease liability	2,188	6,548
Dividends paid	(54,132)	(42,281)
Cash flows from (for) financing activities	**(10,227)**	**(66,200)**
Increase (decrease) in cash and cash equivalents	18,125	1,358
Cash and cash equivalents, beginning of year	61,703	60,345
Cash and cash equivalents, end of year	**$ 79,828**	**$ 61,703**
Supplementary Information		
Interest received	$ 276,809	$ 265,745
Interest paid	159,883	158,788
Distributions received from securities	9,497	10,823

Further Information

See our complete 2025 Annual 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 Annual 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 **Reimagining Opportunity to Drive Growth for Canadian Communities.**

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.

For further information, please contact:

MCAN Financial Group

Website: www.mcanfinancial.com

e-mail: mcanexecutive@mcanfinancial.com

Derek Sutherland
President and Chief Executive Officer
(416) 203-5931

Santokh Birk
Senior Vice President and Chief Financial Officer
(289) 454-4196

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, 2025, 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.

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. 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 Annual Management's Discussion and Analysis of Operations available on SEDAR+ at www.sedarplus.ca.