

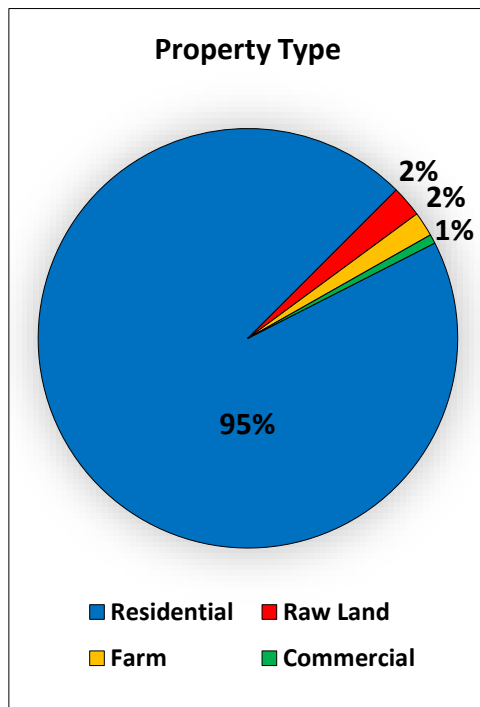


November 25, 2025

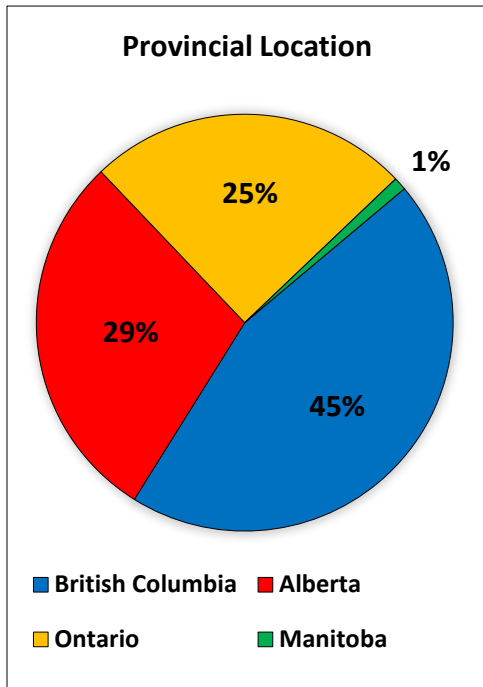
The Shareholders
Premiere Canadian Mortgage Corp.

PORTFOLIO ANALYSIS REPORT – FISCAL YEAR ENDED AUGUST 31, 2025

The following information will provide a detailed analysis of our mortgage portfolio, as well as additional background on our underwriting, pricing, and account management practices.

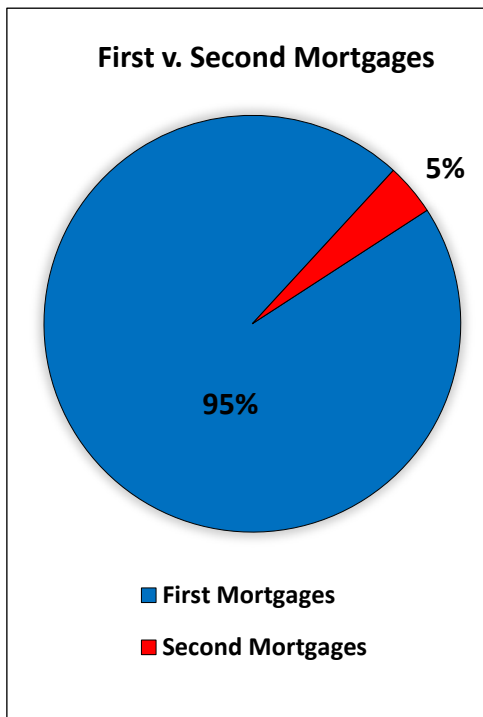


- Our portfolio is almost entirely comprised of typical residential properties, most of which are owner occupied.
- **Residential** - \$111 million – 430 accounts
- **Raw Land** - \$2.7 million – 15 accounts
- **Farm** - \$2.2 million – 8 accounts
- **Commercial** - \$537,000 – 3 accounts
- **Construction & Development** – no accounts



- Just under half of our investments are in British Columbia, with the balance split more or less equally between Alberta and Ontario. We anticipate this will be the case for the foreseeable future, although we will be working to increase our presence in Ontario as a percentage of our total portfolio over time.

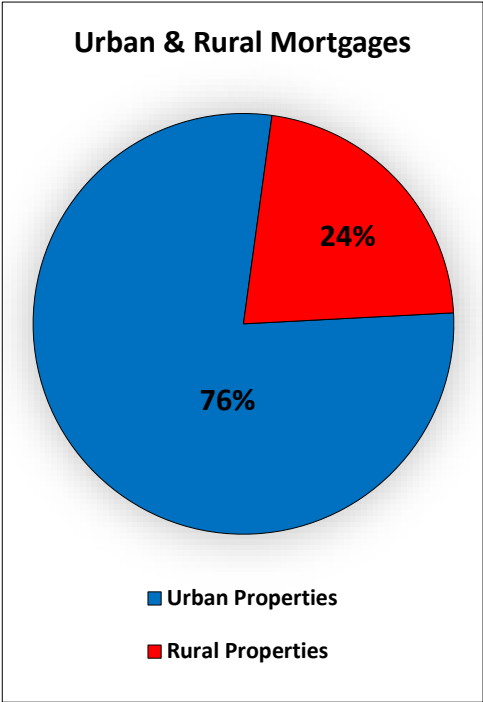
- **British Columbia** - \$52.8 million – 201 accounts
- **Alberta** - \$33.6 million – 145 accounts
- **Ontario** - \$29.4 million – 106 accounts
- **Manitoba** - \$600,000 – 4 accounts. As we no longer lend in Manitoba, these remaining mortgages will be paid out through normal attrition over time.



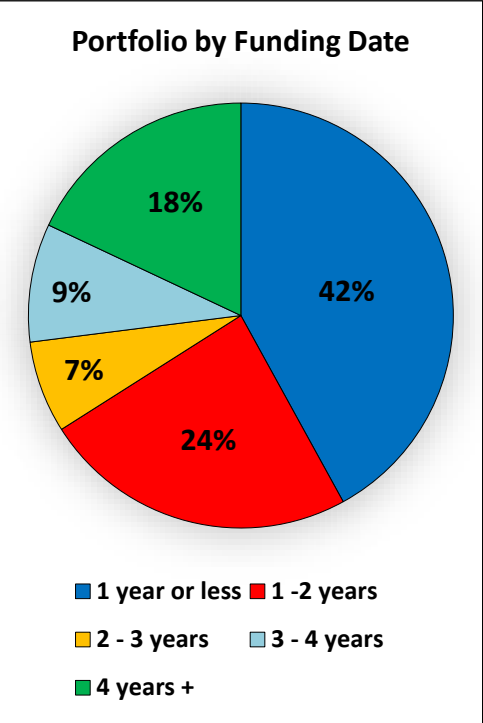
- **1st Mortgages** - \$110.4 million – 410 accounts
- **2nd Mortgages** - \$6.0 million – 46 accounts
- 1st mortgage investments continue to be our preferred lending product. 1st mortgages provide for better security as there are no priority charges (as is the case with 2nd mortgages) which could erode equity and increase the potential for loss in the event of a foreclosure or power of sale action.

- We continue to pursue 2nd mortgage applications in all markets, although our loan to value guidelines are sometimes reduced to address the added risk associated with these investments (usually by 5% or more as compared to 1st mortgages).

- 2nd mortgages will generally yield 2 – 3% higher than 1st mortgages to compensate for the additional risk associated with these investments.



- **Urban Properties** - \$88.0 million – 325 accounts. Urban properties are those located in or within commuting distance to larger urban centres (min. 10,000 population).
- **Rural Properties** - \$28.4 million – 131 accounts. Rural properties are those located in smaller communities and/or rural locations, including acreages and farms.
- In Ontario, our classification for urban real estate is more expansive as compared to British Columbia and Alberta. This is due to the province’s significantly higher population density and longer commutes to urban centres being the accepted norm.
- We anticipate the approximate 75/25 split between urban and small town/rural properties in our portfolio will continue this coming fiscal year.



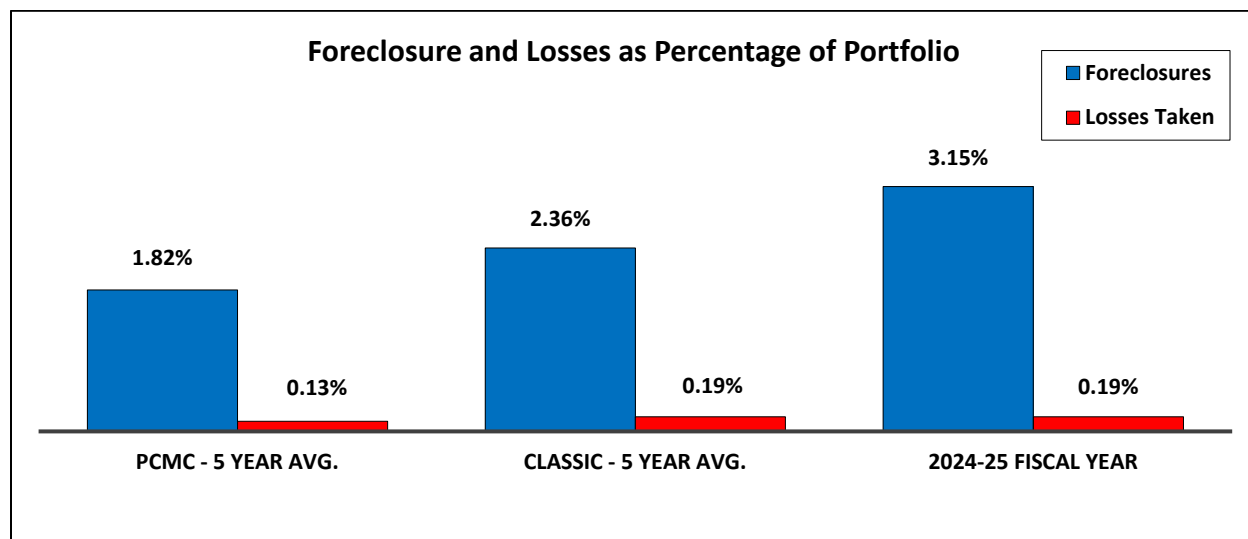
- **At present, 42% of total mortgage investments (in dollars) were funded within the past year, with 73% of our total portfolio funded within the last three fiscal years.**
- Turnover in our portfolio this past year was very high, with roughly 69% of our portfolio paying out over the past fiscal year. Historically, over the past five fiscal years (pre-amalgamation), our portfolio averaged roughly 50% in annual turnover.
- Although greater turnover does present challenges with overall portfolio growth, it does reflect the higher quality of our mortgage investments as more of our borrowers are able to move to conventional financing (and/or sell their properties) in a reasonably short timeframe.

Delinquency – Foreclosures and Losses

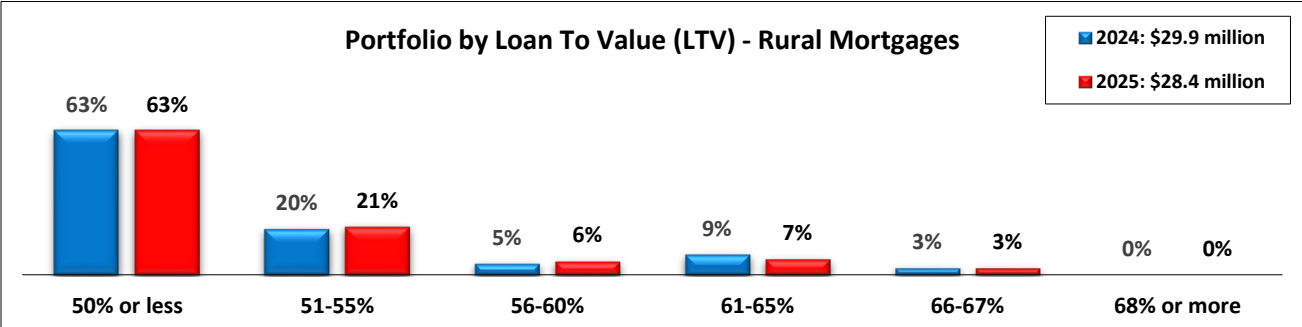
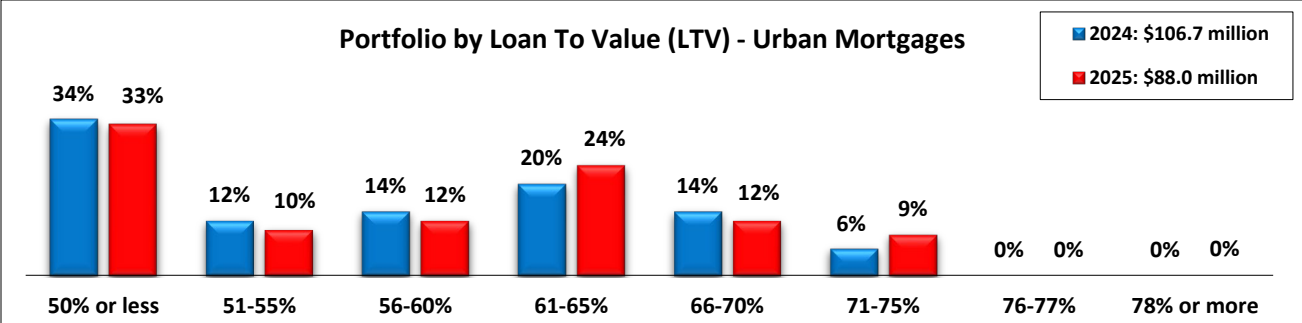
Over the course of the past fiscal year, we carried an average of 15 foreclosures in progress at any given time (3% of total accounts), and incurred losses of just under \$226,000. These losses were fully offset by accumulated loan loss reserves already in place, totaling just over \$1.5 million, along with the applicable management fee offset (as detailed below). As a result, these write offs had no impact on profitability or our annual net return to shareholders for the 2024-25 fiscal year.

At present, we have 11 foreclosures in progress (2.5% of total accounts). Of these active foreclosures, we have sales pending on two default properties and expect to have most of the remaining properties listed for sale under our court actions over the next few months. As well, write offs incurred thus far have been nominal at approximately \$23,500, with a further \$35,000 - \$40,000 in additional write offs forecasted at this juncture with our remaining legal accounts. Overall, foreclosure activity and general delinquency (NSFs) continues to be stable and well managed.

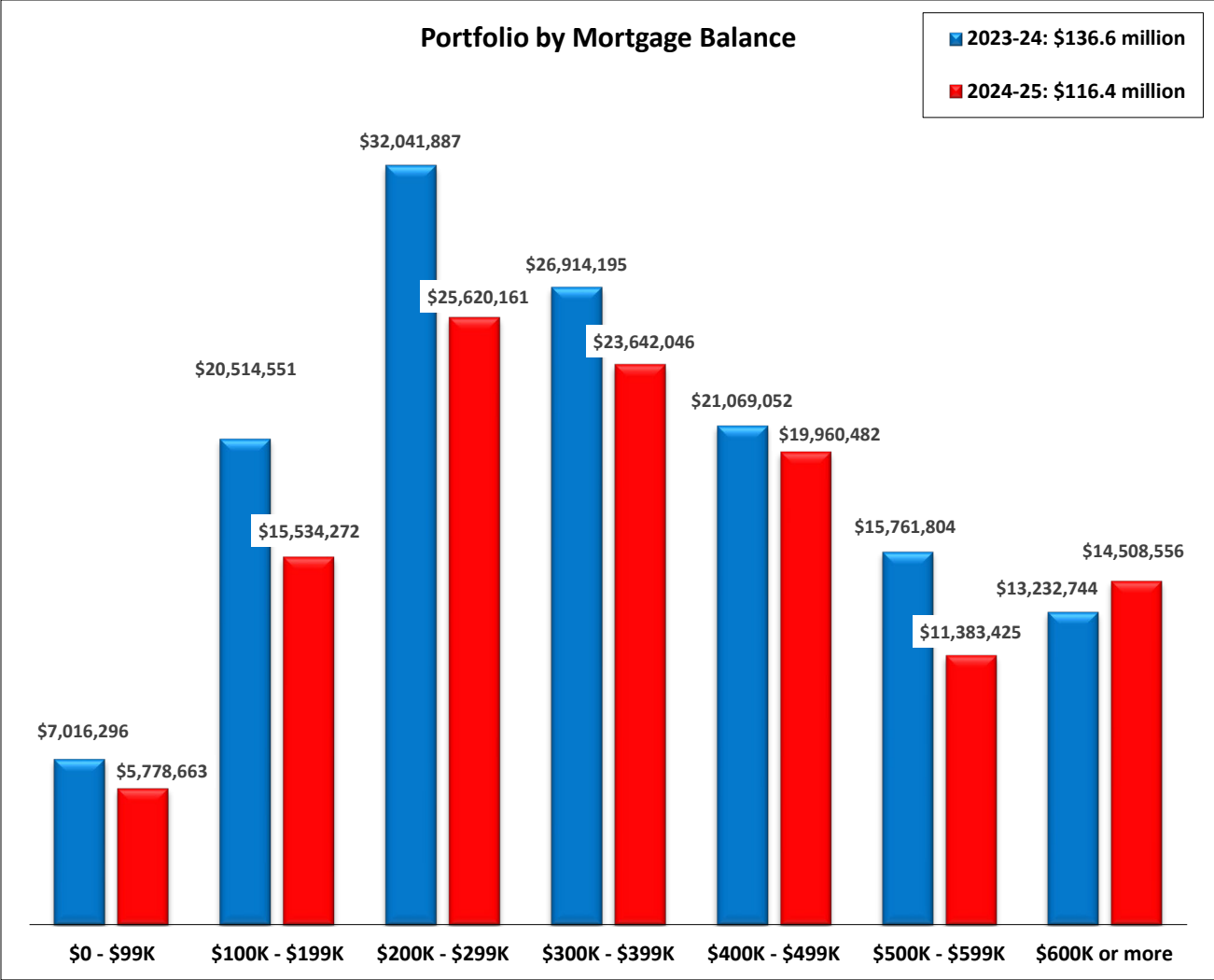
In addition, our portfolio remains very well positioned to address any future losses we may incur. Significant loan loss reserves, totaling roughly \$1.3 million for the 2025-26 fiscal year, along with the management fee offset provision will provide a substantial safeguard for shareholders against a reduced rate of return due to losses. As a reminder, as part of the amalgamation terms, Premiere Mortgage (as Manager) will absorb up to the first \$100,000 in annual losses incurred during for first three fiscal years post-amalgamation (non-cumulative). This offset is achieved by reducing applicable management fees payable equal to the amount of the write off taken in the month the loss was incurred. This benefit to Premiere Canadian shareholders was fully utilized during the 2024-25 fiscal year, and this provision will apply until completion of the 2026-27 fiscal year. As well, management fees will not apply on the recovery of existing loan loss reserves (\$1.3 million remaining) as they are taken back into income to offset write offs incurred.



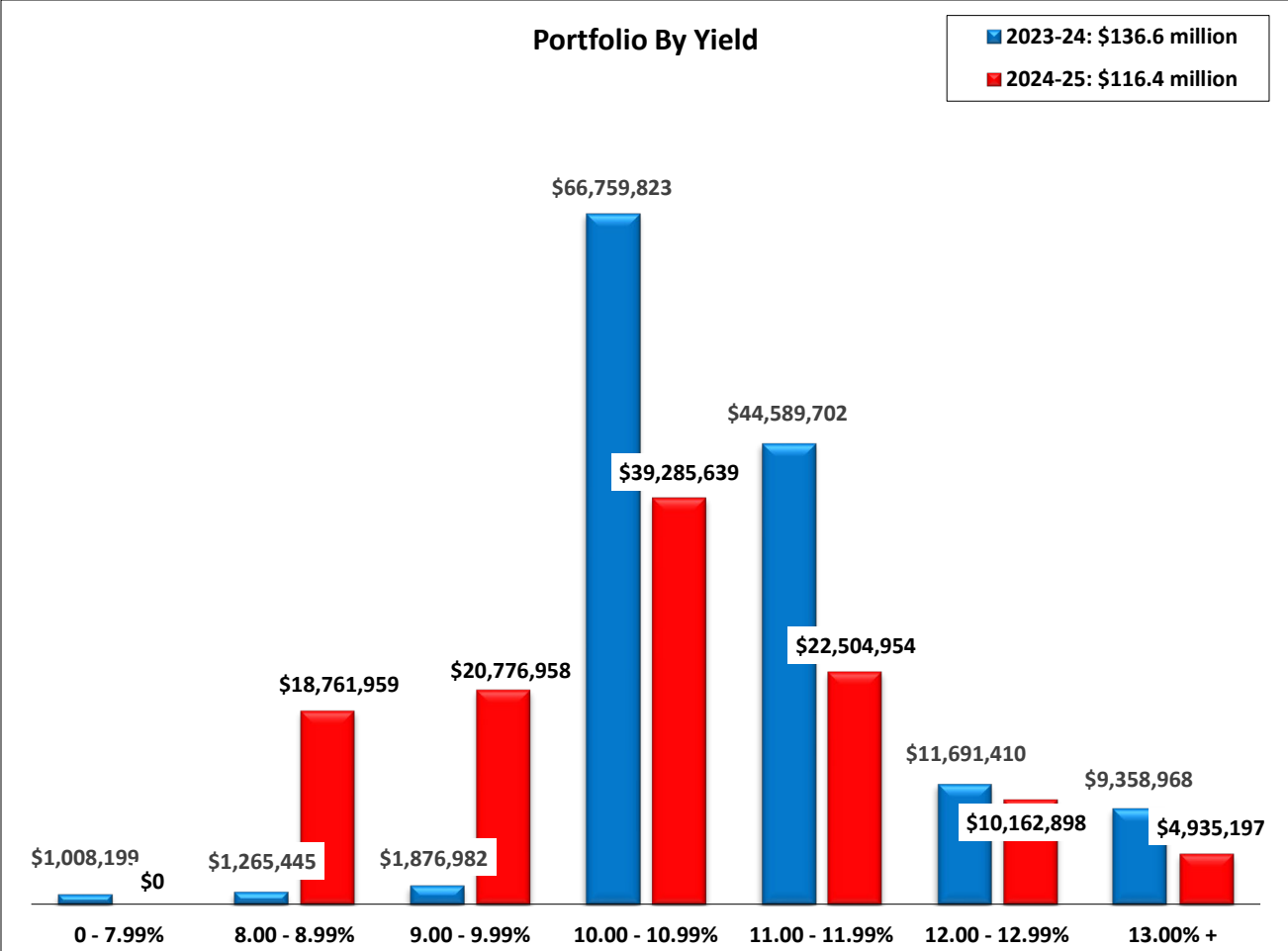
As noted above, we did have a modest increase in foreclosure activity as a percentage of our total portfolio this past fiscal year as compared to our historical averages (pre-amalgamation). However, actual losses taken, which is the more relevant factor to consider in terms of profitability and rate of return, remains very low. Based on current default activity, we anticipate losses and any impact they may have on profitability and shareholder return will be nominal for the 2025-26 fiscal year.



- Based on our latest property appraisals and/or valuations, our portfolio breaks down as follows:
 - **Urban Mortgages** - 91% of capital is invested at 70% LTV or less (79% at 65% LTV or less).
 - **Rural Mortgages** - 90% of capital is invested at 60% LTV or less (84% at 55% LTV or less).
- We continue to maintain a prudent approach to new mortgage underwriting, with most mortgage investments falling into the lower LTV categories as noted above. That said, we actively consider risk appropriate investments up to our maximum LTV ratios of 75% for urban residential properties, and up to 65% LTV on small town and rural residential properties. In most cases, mortgages approved to these maximum LTV ratios will be purchase financing and/or better-quality refinance transactions.
- The small number of mortgages where the present LTV ratios exceed our usual maximums of 75% on urban real estate and 65% on small town/rural properties fall into one of two categories:
 - The first relates to foreclosure mortgages where property valuations have been updated on a “forced sale” basis, which usually results in a lower market value and a higher LTV ratio. As of August 31, 2025, three foreclosure accounts (2 – urban, 1 – rural) totalling roughly \$1.1 million fell into this category.
 - The second relates to mortgage renewals and our on-going practice of capitalizing applicable renewal fees at maturity, rather than requiring the borrower to pay these costs up front (in cash). Once renewal fees are capitalized, if the revised LTV ratios exceed our usual maximums of 75% (urban) and 65% (rural) by more than 2%, these mortgages are reviewed to determine if a revised renewal decision and/or an updated property valuation is appropriate. At year-end, one account (excluding foreclosures) totaling just over \$382,000 exceeded our LTV maximums as noted above.



- At present, our average mortgage balance for the portfolio is just over \$255,300, up modestly from our average balance of roughly \$243,000 at the beginning of the fiscal year. If we breakdown our results further, our 1st mortgage investments averaged roughly \$270,000 and \$130,000 for our 2nd mortgage investments.
- Overall, in dollars invested, 61% of our mortgages (371 accounts) were written for \$400,000 or less, with 40% of our mortgages (303 accounts) written for \$300,000 or less. Of our 456 accounts, we have only 85 mortgages (19% of total accounts) with a current balance more than \$400,000, including 40 accounts over \$500,000. Our largest mortgage is just under \$1.1 million. These larger mortgages are all 1st mortgage investments, mostly in urban locations, with a conservative average LTV of 57%.
- As detailed above, our portfolio continues to be comprised of mostly smaller mortgage investments relative to the size of our total portfolio. We believe this approach will provide for a more diversified investment and reduces the risk of any disproportionately larger mortgages going into default, which could have a more detrimental impact on profitability and security of funds.



- As of August 31, 2025, our total portfolio was producing an overall yield of 10.48%, with our urban portfolio generating 10.22% and 11.27% with our rural portfolio. At present, newly funded urban 1st mortgages are generating yields in the 8.25% - 10.00% range, with small town and rural 1st mortgages yielding slightly higher at 9.25% - 10.50%. Yields on 2nd mortgages are usually 2 - 3% higher than 1st mortgages.
- With the sizable reduction in interest rates over the past fiscal year, particularly with the bank prime rate, we have experienced significant downward pressure on available yields in the private mortgage space. This trend, along with very aggressive pricing amongst our competitors has influenced our pricing strategies over the past year. We anticipate these market influences will continue over the course of the 2025-26 fiscal year. Expanded commentary on yield and interest rate trends will be provided in the Annual Report.
- Actual pricing continues to be based on the required LTV ratio, property type, location, purpose of funds, as well as competitive influences. These factors are considered with each mortgage investment to ensure Premiere Canadian is best positioned within the current marketplace, while maintaining our established criteria relative to pricing, risk, and security of funds. A more in-depth analysis of overall business and market conditions will be provided in our Annual Report.
