

MEDIA RELEASE

for immediate distribution

Melcor Developments announces results for 2025, declares quarterly dividend of \$0.15 per share and special dividend of \$0.35 per share

Edmonton, Alberta | March 10, 2026

Melcor Developments Ltd. (TSX: MRD), an Alberta-based real estate development and asset management company, today reported results for the fourth quarter and year ended December 31, 2025. The annual Management Discussion & Analysis (MD&A) and Condensed Interim Financial Statements are available on our website (www.melcor.ca) under Investors, or on SEDAR+ (www.sedarplus.ca).

Timothy Melton, Melcor's Executive Chair and Chief Executive Officer, commented: "2025 marks a milestone year for Melcor, with revenues exceeding \$400 million and funds from operations exceeding \$100 million, both for the first time in Melcor's history. Importantly, this achievement was realized while maintaining a conservative balance sheet and a disciplined, long-term approach to value creation.

Our Land division had an exceptional year, with revenues up 28.7% to \$292.49 million (2024 - \$227.27 million). Results were significantly influenced by the sale of 198.40 acres of unserviced land in La Privada, Arizona which contributed to the \$65.21 million in revenue generated from our US Land division in early 2025. Revenues within our Canadian region also delivered strong and balanced performance, with our Edmonton and Calgary regions together contributing \$201.99 million (2024 - \$196.27 million) in revenues.

In 2025, we continued to actively reshape the Properties portfolio through the strategic disposition of non-core assets while selectively reinvesting in new development. During the year, we completed the sale of four commercial properties - Evans Business Centre, Melcor Crossing, Coast Home Centre, and Westgrove Common - for total net proceeds of \$87.25 million. Subsequent to year end, we also sold our Staples Building for net proceeds of \$12.07 million. We also completed the development of 7 new commercial buildings, totaling 82,209 sf. As a result of the property sales, revenue from our Properties division was down 4.7% to \$106.61 million (2024 - \$111.92 million).

Our Properties portfolio has continued to be impacted by fair value adjustments driven by broader market conditions outside of managements control. In 2025, we recognized a fair value loss of \$25.88 million (2024 - \$28.44 million). These changes are a reflection of fluctuations in valuation inputs such as market pricing, interest rates and investor return expectations rather than underlying performance. As a result, fair value adjustments may fluctuate period to period despite a consistent portfolio strategy.

Our Golf division saw an increase of rounds played in 2025 of 5.5% to 129,612 (2024 - 122,824), with revenues also increasing 9.1% to \$12.49 million (2024 - \$11.45 million) in the year.

In April 2025, we completed the acquisition of the public interest in Melcor REIT for \$5.50 per unit. By bringing the REIT's assets back under a single corporate structure, we reunited ownership and operations. Despite the large cash outlay required for the REIT transaction, we have reduced our general debt in the past 12 months by \$62.60 million to \$548.74 million (December 31, 2024: \$611.34 million) primarily the result of property disposals and strong Land division revenue. Our debt-to-equity ratio on December 31, 2025 was 0.62, down from 0.70 at December 31, 2024.

Following an exceptional year, the Board has declared a special dividend of \$0.35 per share, reflecting our commitment to returning capital to shareholders. In addition, we declared our regular quarterly dividend of \$0.15 per share, underscoring the strength of our business and balance sheet.

The special dividend and quarterly dividend are payable on March 31, 2026 to shareholders of record on March 20, 2026. Both dividends are eligible dividends for Canadian tax purposes.

MELCOR REIT TRANSACTION (the "Transaction")

Melcor and Melcor REIT ("REIT" or "the REIT") entered into an arrangement agreement (the "Arrangement") in late 2024 whereby Melcor would acquire its unowned equity interest (approximately 44.6%) in Melcor REIT Limited Partnership ("REIT LP") for \$5.50 per Class A LP Unit, for total consideration of \$71.30 million (the "REIT LP Sale").

The Arrangement was approved by the REIT's unitholders and the Court of King's Bench of Alberta granted the final order in respect of the Arrangement in early 2025. The Transaction closed on April 23, 2025 and the REIT's Units were delisted from the Toronto Stock Exchange after the markets closed on April 24, 2025. The REIT ceased to be a reporting issuer and terminated its public reporting obligations after the Units were delisted. Proceeds from the REIT LP Sale were used to repurchase and cancel all of the REIT's

(1) Readers are reminded that established key performance measures may not have standardized meaning under GAAP. For further information on the Melcor's non-standard measures, non-GAAP measures, operating measures and non-GAAP ratios, refer to the information in the press release below along with the Non-GAAP and Non-Standard Measures section in the MD&A

outstanding participating trust units (each, a "Unit") for consideration (the "Consideration") of \$5.50 per Unit less any applicable withholding taxes.

Subsequent to the Transaction, Melcor owned 100% of the REIT and REIT LP and the REIT Unit liability was settled. As a result of the Transaction, there was an additional \$23.09 million in deferred tax expense recorded in 2025 as Melcor's ownership in the REIT LP increased from 55.4% to 100%. We also recorded \$7.08 million in transaction costs and other fees related to the Transaction of which \$5.88 million were considered directly attributable to the acquisition and accordingly included in Adjustments related to REIT units in the consolidated statement of income, with the balance of costs recorded through general and administrative expenses.

On November 30, 2025 the REIT was terminated pursuant to the Declaration of Trust. Subsequent to year end, on January 30, 2026 REIT LP was wound up, Melcor continues to own Melcor REIT GP Inc.

Further details regarding the Transaction are contained in a REIT management information circular which was filed on SEDAR+ under the REIT's profile at www.sedarplus.ca.

Financial Highlights

Financial highlights of our performance are summarized below:

Fourth quarter:

- Revenue was up 9.7% to \$187.12 million (Q4-2024: \$170.54 million)
- Net income was down 2.3% to \$31.65 million (Q4-2024: \$32.38 million)
- Funds from operations (FFO) was up 12.4% to \$48.82 million (Q4-2024: \$43.44 million)
- Basic earnings per share was down 1.9% to \$1.05 per share (Q4-2024: \$1.07 per share)

Year-to-date:

- Revenue was up 17.5% to \$410.55 million (2024: \$349.50 million)
- Net income was up 73.0% to \$58.02 million (2024: \$33.53 million)
- Funds from operations (FFO) was up 30.2% to \$122.14 million (2024: \$93.81 million)
- Basic earnings per share was up 74.5% to \$1.92 per share (2024: \$1.10 per share)

Selected Highlights

(\$000s except as noted)	Three Months Ended December 31,			Year Ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Revenue	187,122	170,538	9.7%	410,547	349,501	17.5%
Gross margin (%) ⁽³⁾	38.1%	41.1%	(7.3)%	46.2%	45.0%	2.7%
Fair value adjustment on investment properties	(20,596)	(2,825)	629.1%	(25,878)	(28,439)	(9.0)%
Net income	31,652	32,384	(2.3)%	58,019	33,528	73.0%
Net margin (%) ⁽³⁾	16.9%	19.0%	(11.1)%	14.1%	9.6%	46.9%
Funds from operations ⁽¹⁾	48,824	43,436	12.4%	122,137	93,806	30.2%
Per Share Data (\$)						
Basic earnings	1.05	1.07	(1.9)%	1.92	1.10	74.5%
Diluted earnings	1.05	1.05	—%	1.91	1.09	75.2%
Funds from operations ⁽²⁾	1.64	1.42	15.5%	4.04	3.08	31.2%
Dividends	1.42	1.42	—%	0.48	0.44	9.1%

As at (\$000s except share and per share amounts)	December 31, 2025	December 31, 2024	% Change
Shareholders' equity	1,268,073	1,242,630	2.0%
Total assets	2,051,135	2,108,553	(2.7)%
Total Shares outstanding	30,102,605	30,367,626	(0.9)%
Book value ⁽²⁾	42.13	40.92	3.0%

(1) Non-GAAP financial measure. Refer to the Non-GAAP and Non-Standard Measures section in the MD&A for further information.

(2) Non-GAAP financial ratio. Refer to the Non-GAAP and Non-Standard Measures section in the MD&A for further information.

(3) Supplementary financial measure. Refer to the Non-GAAP and Non-Standard Measures section in the MD&A for further information.

2025 marked a milestone year for Melcor, with record-breaking revenue exceeding \$400 million and FFO exceeding \$100 million, both for the first time in our history. We also successfully completed the Transaction with Melcor in April 2025 and acquire the unowned equity interest (approximately 44.6%) in the REIT consolidating Melcor back to one entity. These results reflect strong execution and were achieved amid a dynamic economic environment characterized by global trade tensions, moderated interest rates, and rising construction costs. Despite these challenges, Alberta's market demonstrated resilience throughout the year, with demand for new development activity remaining stable.

In 2025, we recorded revenues of \$410.55 million, up 17.5% from revenues of \$349.50 million 2024. Net income was up 73.0% to \$58.02 million and FFO was up 30.2% to \$122.14 million. The sale of 198.40 acres of unserviced land in La Privada, Arizona contributed to the \$62.14 million in revenue in the US Land region and was a key contributor to 2025 results.

We purchased the publicly held REIT Units in the second quarter which represented a major milestone for us and reinforced our commitment to long-term value creation for our shareholders. The Transaction resulted in a \$71.30 million cash outlay which was funded using availability on our credit facility, included in general debt. Prior to the closing of the Transaction, the REIT Units were recorded as a financial liability, in accordance with IFRS Accounting Standards, and therefore the Transaction did not materially affect total debt levels but did increase general debt. Despite this large cash outlay, in the past 12 months we have reduced our general debt by \$62.60 million to \$548.74 million (December 31, 2024 - \$611.34 million). Our debt-to-equity ratio on December 31, 2025 was 0.62, down from 0.70 at December 31, 2024.

Net income continues to be significantly impacted by non-cash items. Included in 2025 net income was \$23.09 million in deferred tax expense recorded on close of the Transaction, negatively impacting net income in the year. Other non-cash impacts to our net income include fair value adjustments on our investment properties which saw a loss of \$25.88 million in the year (2024 - loss of \$28.44 million). Adjustment related to REIT Units resulted in a fair value loss of \$9.12 million, which includes fair value adjustments on our REIT Units and transaction costs directly attributable to the REIT acquisition which represent cash expenditures incurred during the year (2024 - fair value loss of \$14.78 million related to fair value adjustment on REIT Units and distributions to REIT unitholders).

Management believes that FFO is a more accurate representation of true operating performance. FFO was up 30.2% or \$28.33 million to \$122.14 million from \$93.81 million in 2024. The increase in FFO over 2024 can be directly attributed to higher gross profits which increased 20.5% over 2024 and was directly attributed to our US land sales occurring in the first half of the year.

Investing for growth

Throughout the year, we maintained our conservative and disciplined approach to investment and development activities and the management of our assets and liabilities.

The Canadian property portfolio decreased overall, consistent with a disciplined approach to internal development and ongoing non-core asset dispositions. In 2025, we completed the construction and / or leasing on 7 buildings totaling 82,209 sf which has contributed to an additional \$3.17 million (2024 - \$2.14 million) to NOI as detailed in the same asset NOI table following. This includes:

- 3 buildings at our Winterburn Point development in Edmonton AB (24,990 sf);
- 2 buildings at our Greenwich Village development in Calgary, AB (37,278 sf);
- 1 building at our Woodbend Market development in Leduc, AB (9,913 sf); and
- 1 building at our Chestermere Station development in Chestermere, AB (10,028 sf).

Asset Dispositions

2024 Dispositions:

- 104th Street Building, an office building located in Edmonton, AB for net proceeds of \$2.69 million (\$0.90 million at JV%)
- Lethbridge Industrial, an industrial building located in Lethbridge, AB for net proceeds of \$4.34 million
- Parliament Place, an office building located in Regina, SK for net proceeds of \$4.84 million
- Richter Street Building, an office building located in Kelowna, BC for net proceeds of \$7.48 million
- 14 residential units located at the Edge at Grayhawk in Scottsdale, AZ for net proceeds of \$6.14 million (US\$4.47 million)

2025 Dispositions:

- Evans Business Centre, an office building located in Scottsdale, AZ for net proceeds of \$12.96 million (US\$9.37 million)
- Melcor Crossing, a retail power centre located in Grande Prairie, AB for net proceeds of \$47.31 million
- Coast Home Centre, a retail building located in Edmonton, AB for net proceeds of \$14.52 million
- Westgrove Common, a retail power centre located in Spruce Grove, AB for net proceeds of \$12.46 million
- Seven residential units located at the Edge at Grayhawk in Scottsdale, AZ for net proceeds of \$2.78 million (US\$1.97 million)

2026 Dispositions (subsequent to year-end):

- Staples Building, a retail building located in Calgary, AB for net proceeds of \$12.07 million

Shareholder Highlights

We continued to return value to our shareholders and unitholders:

Melcor Developments:

- On April 23, 2025 Melcor acquired its unowned equity interest in the REIT for \$5.50 per Unit. The REIT used the proceeds to purchase and cancel all of the REIT's outstanding participating trust units.
- We repurchased 344,980 shares for cancellation pursuant to the NCIB at a cost of \$4.78 million during 2025. In 2024 we repurchased 356,703 shares at a cost of \$4.33 million.
- Dividends paid to shareholders increased to \$0.48 per share in 2025, up from \$0.44 per share in 2024.
- On March 10, 2026 we declared a quarterly dividend of \$0.15 per share, and a special dividend of \$0.35 per share. Both dividends are payable on March 31, 2026 to shareholders of record on March 20, 2026. The dividend is an eligible dividend for Canadian tax purposes.

Outlook

Melcor maintains a diversified real estate platform encompassing raw land, land under development, serviced residential, multifamily and commercial lots, income-producing properties, and the operation of championship golf courses. This diversified asset base continues to position us well to respond to demand across multiple real estate segments, regardless of market conditions. While market volatility is an ongoing factor, our long history demonstrates resilience and the ability to operate successfully through various economic cycles.

Looking ahead to 2026, we expect continued moderate strength in both residential and commercial development. Ongoing migration to Alberta is anticipated to support demand for serviced residential lots and contribute to the continued shift toward suburban communities. Alberta's positive employment environment and population growth trends are expected to further reinforce development activity. In addition, there is potential for improved land sales within our U.S. operations as market conditions evolve.

Despite the broader economic uncertainties and the opportunities emerging across our markets, our business model has consistently adapted to changing conditions. Melcor remains cautiously optimistic and committed to a disciplined, conservative operating approach. This positions us to maintain profitability, safeguard shareholder capital, and continue delivering value through responsible growth and the distribution of corporate earnings.

Non-GAAP & Non-Standard Measures

FFO is a key measure of performance used by real estate operating companies; however, that is not defined by International Financial Reporting Standards ("IFRS Accounting Standards"), do not have standard meanings and may not be comparable with other industries or income trusts. This non-IFRS Accounting Standards measures are more fully defined and discussed in the Melcor's management discussion and analysis for the period ended December 31, 2025, which is available on SEDAR+ at www.sedarplus.ca.

FFO Reconciliation

Consolidated

(\$000s)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Net income for the period	31,652	32,384	58,019	33,528
Amortization of tenant incentives	1,399	1,798	6,618	8,217
Fair value adjustment on investment properties	20,596	2,825	25,878	28,439
Depreciation on property and equipment	156	188	1,156	1,247
Stock based compensation expense	365	324	1,330	1,238
Non-cash financing costs	(645)	91	1,233	3,974
Gain on sale of asset	—	(2)	(126)	(58)
Deferred income taxes	(4,699)	773	18,911	2,962
Fair value adjustment on REIT units	—	5,055	3,240	14,259
Transaction costs on REIT units acquisition	—	—	5,878	—
FFO	48,824	43,436	122,137	93,806

Properties

(\$000s)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Segment Earnings	17,070	9,243	28,410	25,219
Fair value adjustment on investment properties	21,133	29,966	25,878	28,439
Amortization of tenant incentives	4,630	6,338	6,618	8,217
Divisional FFO	42,833	45,547	60,906	61,875

(1) Refer to note 24 to the consolidated financial statements

MD&A and Financial Statements

Information included in this press release is a summary of results. This press release should be read in conjunction with Melcor's 2025 consolidated financial statements and management's discussion and analysis for the year ended December 31, 2025, which can be found on the Company's website at www.Melcor.ca or on SEDAR+ (www.sedarplus.ca).

About Melcor Developments Ltd.

Melcor is a diversified real estate development and asset management company that transforms real estate from raw land through to high-quality finished product in both residential and commercial built form. Melcor develops and manages mixed-use residential communities, business and industrial parks, office buildings, retail commercial centres and golf courses. Melcor owns a well diversified portfolio of assets in Alberta, Saskatchewan, British Columbia, Arizona and Colorado.

Melcor has been focused on real estate since 1923. The Company has built over 140 communities across western Canada and today manages 4.4 million sf in commercial real estate assets and 445 residential rental units. Melcor is committed to building communities that enrich quality of life - communities where people live, work, shop and play.

Melcor's headquarters are located in Edmonton, Alberta, with regional offices throughout Alberta and in British Columbia and Arizona. Melcor has been a public company since 1968 and trades on the Toronto Stock Exchange (TSX:MRD).

Forward Looking Statements

In order to provide our investors with an understanding of our current results and future prospects, our public communications often include written or verbal forward-looking statements.

Forward-looking statements are disclosures regarding possible events, conditions, or results of operations that are based on assumptions about future economic conditions, courses of action and include future-oriented financial information.

This news release and other materials filed with the Canadian securities regulators contain statements that are forward-looking. These statements represent Melcor's intentions, plans, expectations, and beliefs and are based on our experience and our assessment of historical and future trends, and the application of key assumptions relating to future events and circumstances. Future-looking statements may involve, but are not limited to, comments with respect to our strategic initiatives for 2026 and beyond, future development plans and objectives, targets, expectations of the real estate, financing and economic environments, our financial condition or the results of or outlook of our operations.

By their nature, forward-looking statements require assumptions and involve risks and uncertainties related to the business and general economic environment, many beyond our control. There is significant risk that the predictions, forecasts, valuations, conclusions or projections we make will not prove to be accurate and that our actual results will be materially different from targets, expectations, estimates or intentions expressed in forward-looking statements. We caution readers of this document not to place undue reliance on forward-looking statements. Assumptions about the performance of the Canadian and US economies and how this performance will affect Melcor's business are material factors we consider in determining our forward-looking statements. For additional information regarding material risks and assumptions, please see the discussion under Business Environment and Risk in our annual MD&A.

Readers should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Except as may be required by law, we do not undertake to update any forward-looking statement, whether written or oral, made by the Company or on its behalf.

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