

# d l c g

MORTGAGE GROUP

TSX: DLCG  
[www.dlcg.ca](http://www.dlcg.ca)

November 5, 2024



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Adjusted EBITDA is defined as earnings before finance expense, taxes, depreciation, amortization, and any unusual, certain non-cash or one-time items. While adjusted EBITDA is not a recognized measure under IFRS, management believes that it is a useful supplemental measure as it provides management and investors with an insightful indication of the performance of the Corporation. Adjusted EBITDA is an assessment of the normalized results and cash generated by the main operating activities, prior to the consideration of how these activities are financed or taxed, as a facilitator for valuation and a proxy for cashflow. Management applies adjusted EBITDA in its operational decision making as an indication of the financial performance of its main operating activities. Investors should be cautioned, however, that adjusted EBITDA should not be construed as an alternative to a statement of cash flows as a measure of liquidity and cash flows. The methodologies we use to determine adjusted EBITDA may differ from those utilized by other issuers or companies and, accordingly, adjusted EBITDA as used in this presentation may not be comparable to similar measures used by other issuers or companies. Readers are cautioned that adjusted EBITDA should not be construed as an alternative to net income (loss) determined in accordance with IFRS as indicators of an issuer's performance, nor should it be construed as an alternative to cash flows from operating, investing and financing activities as measures of liquidity and cash flows. Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue.

Please see the Corporation's latest Management Discussion and Analysis ("MD&A") dated November 5, 2024, for the three and nine months ended September 30, 2024, for further information on adjusted EBITDA within the "Non-IFRS Financial Performance Measures" section. The Corporation's MD&A is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Forward-Looking Information:** Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate," "believe," "estimate," "will," "expect," "plan," "intend," or similar words suggesting future outcomes or outlooks. Forward-looking information in this document includes, but is not limited to: that our diversified revenue will provide resilience against market fluctuations, that our EBITDA margins will be positively impacted by revenue growth and we will be able to further increase EBITDA as DLC Group grows its broker network and funded mortgage volumes, our intention to continue to pay a quarterly dividend, that we will be able to continue to have organic growth from existing broker and recruit new mortgage brokers, that our Newton adoption will continue to grow, that we will be able to expand our reach and capture growth in Canada's evolving mortgage landscape.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Such forward-looking information is necessarily based on many factors including those identified below that, while considered reasonable by the Corporation as at the date hereof considering management's experience and perception of current conditions and expected developments, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, changes in taxes and legislation; increased operating, general and administrative, and other costs; changes in interest rates; general business, economic and market conditions; the uncertainty of estimates and projections relating to future revenue, taxes, costs and expenses; the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and other risks and uncertainties described elsewhere in this document and in our other filings with Canadian securities authorities.

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# dlcg : The Winning Equation

MORTGAGE GROUP

## Three franchise brands



## Proprietary technology platform

## Industry leading results

**>\$62<sup>(1)</sup>**  
Billion

Funded mortgages

**>\$32<sup>(1)(2)</sup>**  
Million

EBITDA

**>8,500<sup>(3)</sup>**

Mortgage professionals

**>500<sup>(3)</sup>**

Franchises Across Canada

(1) Last twelve months ending September 30, 2024

(2) Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures. Please see the "Non-IFRS Measures" section of this document for additional information.

(3) As at September 30, 2024

# What is a mortgage broker?

**Mortgage brokers help borrowers secure loans from lenders with favourable terms, saving them time, money, and effort by handling the process.**

- ✓ A mortgage broker is a licensed professional who acts as an intermediary between borrowers and lenders.
- ✓ Rather than lending money directly, mortgage brokers help clients source and secure mortgage loans with lenders.
- ✓ Mortgage brokers earn commissions from lenders based on the funded mortgage volumes placed.



# Why use a mortgage broker?

## First-time homebuyers

Seek guidance on navigating the mortgage process for the first time

## Homeowners looking to refinance

Interested in reducing rates, shortening terms, or consolidating debt

## Those seeking competitive rates

Want to compare options and secure the best available rates

## Long-term relationships

Building long-term relationships allows personalized support

## Self-employed and non-traditional borrowers

May find more flexibility with brokers due to unique financial profiles

## Access to multiple lenders

Brokers provide access to a broad range of lenders, increasing the chance of finding the best rate and terms

## Personalized mortgage advice

Brokers assess individuals' needs and match borrowers with suitable loan products

## Simplified process

Brokers handle paperwork, negotiations and approvals, making it easier and often quicker for clients

## Transparent advice

Brokers offer objective advice, as they are not tied to one lender



# Who should use a mortgage broker?



## Everyone

**Saves Time**

**Better Rates**

**No Cost**

**Mortgage brokers simplify the mortgage journey for everyone.**

# Understanding Funded Mortgage Volumes

**Funded mortgage volumes are a key performance indicator for DLC Group, as much of our success depends on this metric.**

The following factors contribute to the growth of our funded mortgage volumes:



## **Number of Canadians that use a mortgage broker**

As mortgage financing becomes more complicated, more homebuyers use a broker



## **Number of mortgage brokers in our network**

Recruiting agents increases funded mortgage volumes



## **Mortgage refinancing**

Drives funded volumes largely independent of home sales



## **Number of home sale transactions & housing prices**

Increases in home sales and prices increase funded mortgage volumes

# What is a mortgage brokerage franchise?

Franchise owners run their own business under the DLC Group umbrella as a recognized brand, leveraging reputation, relationships, lender agreements, training, and resources.

## Franchisee Independence

Franchisees manage their own brokerage and clients but receive guidance and support from DLC Group

## Established Brand & Resources

Franchisees benefit from brand recognition, marketing support, training, and processes provided by DLC Group

## Access to a Wide Lender Network

Franchisees gain access to multiple lenders, allowing them to offer competitive mortgage products to their clients

## Technology Platform

DLC Group's proprietary technology platform streamlines the entire mortgage application process

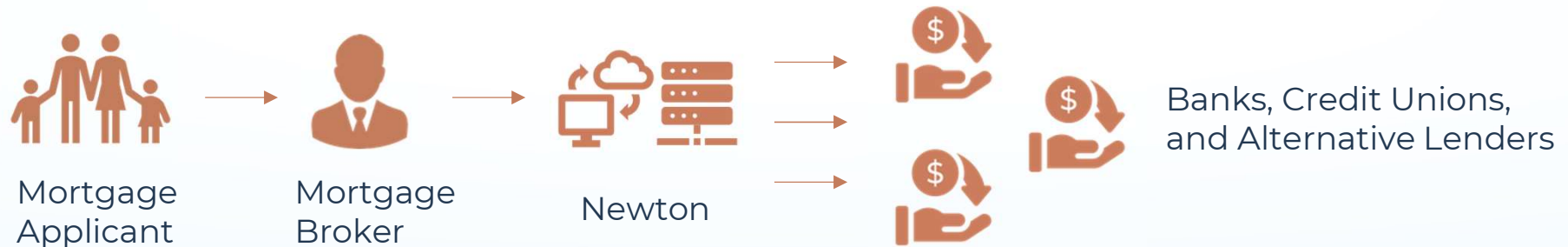




# Connectivity Technology: How Mortgage Brokers Connect with Lenders & Borrowers



Newton Connectivity Systems Inc. is wholly owned by the DLC Group. Newton's fintech platform, Velocity, is an integrated end-to-end operating system that handles the entire mortgage submission and approval process, facilitating the interactions between borrower, mortgage professional, lender, and third-party suppliers.



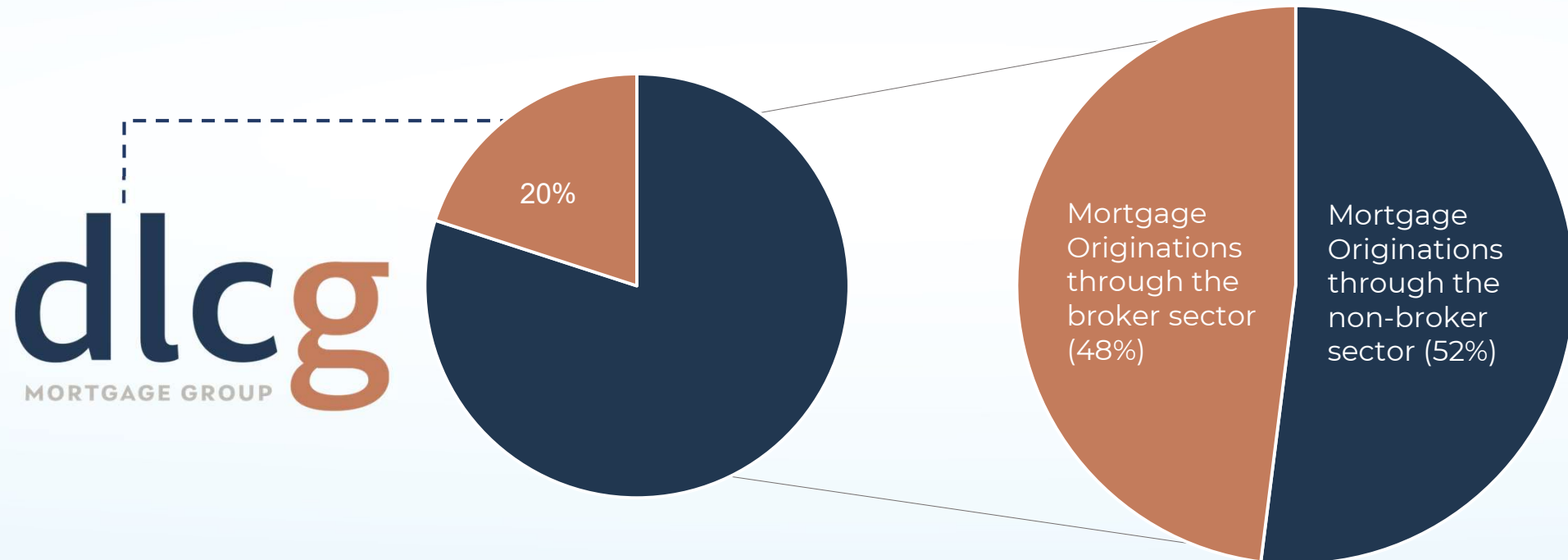
**Newton provides DLC Group with multiple high margin revenue streams while empowering our franchisees with a seamless, efficient mortgage platform that adds value at every step.**

# Understanding the Canadian Mortgage Market<sup>10</sup>

- The Mortgage Broker sector accounts for an estimated 48%<sup>(1)</sup> of all mortgages funded in Canada.
- DLGG's estimated market share of the broker sector is ~20%<sup>(2)</sup>.

## Broker Sector

## Total Market



(1) 2024 CMHC Mortgage Consumer Survey.

(2) Estimate is calculated based on the Corporation's 2023 Funded Volume (\$56.5B) divided by: the total loan value originated in 2023 per the CMHC Residential Mortgage Industry Data Dashboard multiplied by the estimated % of loans originated through the broker sector (48%).

# Trusted Partnerships with Lenders & Suppliers

Robust, trusted alliances with leading lenders and key suppliers.



# Why Invest in DLC Group?



Extensive  
Distribution &  
Resilient  
Business model



Financial  
Strength &  
Efficiency



Growth  
Opportunities

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# Extensive Distribution & Resilient Business Model <sup>14</sup>

## Asset-light



Franchise network



Technology platform



Multiple revenue streams

vs.

## Traditional Lender



Funds loans



Credit Risk



Loan records

**Asset-light structure with minimal capital requirements and no credit risk exposure. Minimal direct asset ownership reduces capital requirements and increases DLC Group's scalability without taking on loan risk.**



# Extensive Distribution & Resilient Business Model <sup>15</sup>

## Asset-light

### Minimal Capital Requirements

Lower capital requirements enables more flexible and efficient use of resources

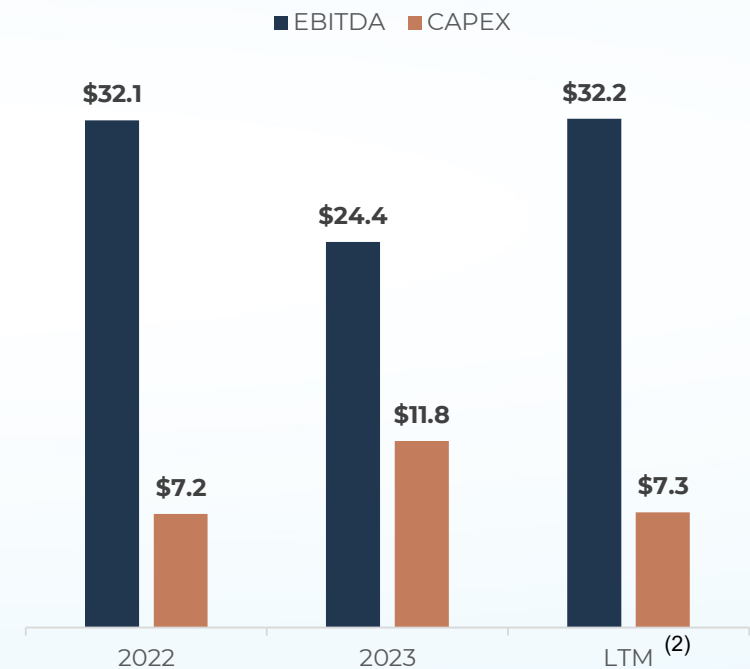
### High Revenue Efficiency

Generates strong revenue without heavy asset investment

### Franchise-based model

Leverages a franchise structure that reduces operational costs and lowers financial risk.

## Adjusted EBITDA<sup>(1)</sup> & CAPEX



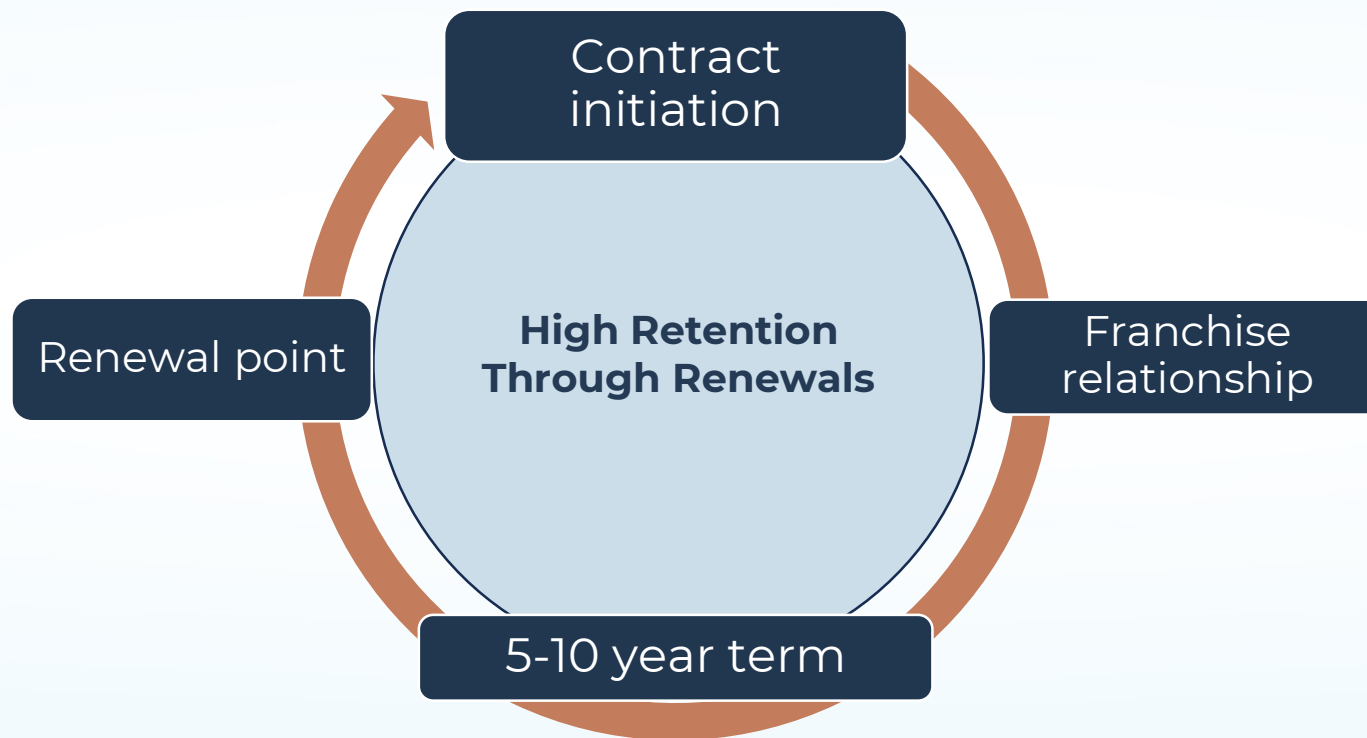
**Asset-light and low capital requirements, our model drives revenue growth without heavy capital investment.**



(1) Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures. Please see the "Non-IFRS Measures" section of this document for additional information.  
 (2) Last twelve months ending September 30, 2024

# Extensive Distribution & Resilient Business Model <sup>16</sup>

Franchise structure with long-term contracts



Franchise relationships ensure long-term partnerships with mortgage brokers, enhancing stability and retention.

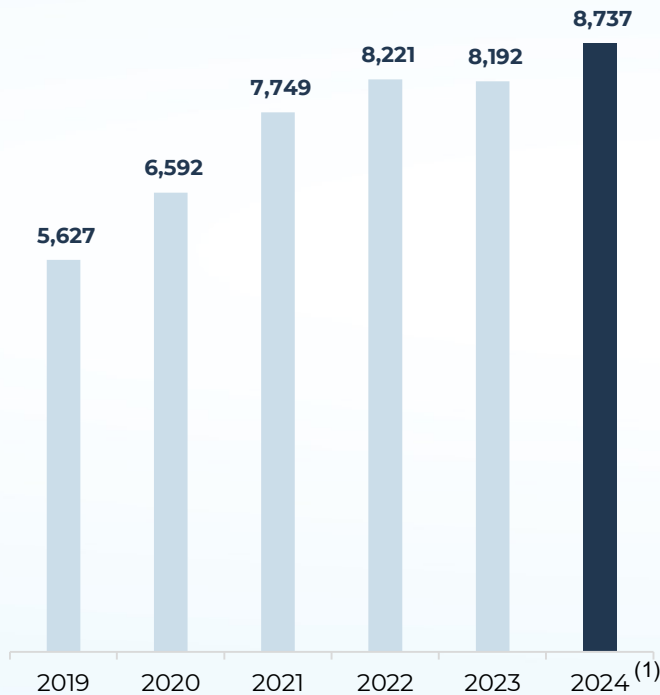




# Extensive Distribution & Resilient Business Model <sup>17</sup>

## Ongoing Recruitment & Acquisitions

### Total Brokers



- Constant recruitment efforts and acquisition opportunities to convert competitors' brokerages and onboard new brokers.



Continually strengthening our network with top talent, ensuring growth, market reach, and enhanced client service across Canada.

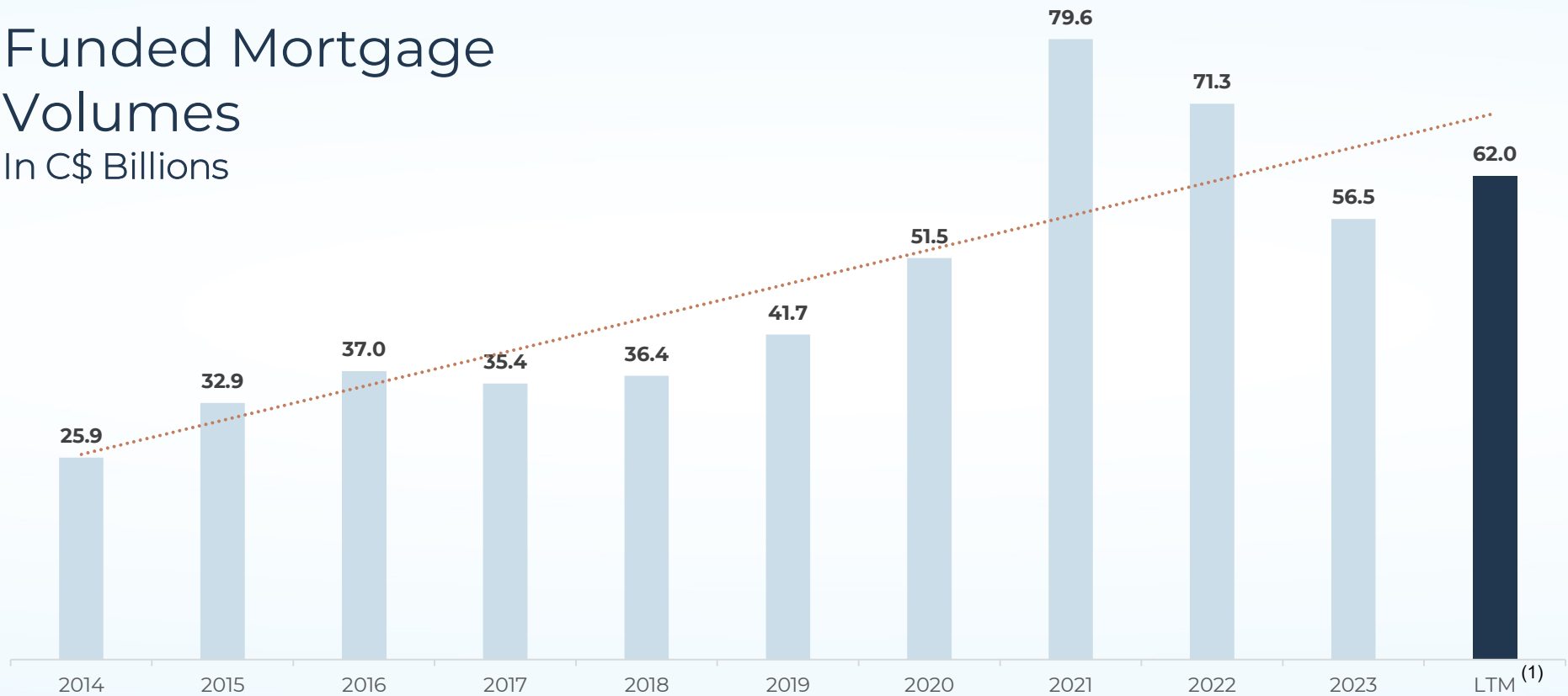


(1) As at September 30, 2024. All other figures are presented as at December 31.

# Extensive Distribution & Resilient Business Model <sup>18</sup>

Long standing history of increasing funded mortgage volumes

## Funded Mortgage Volumes In C\$ Billions



Through market challenges, our funded mortgage volumes have demonstrated resilience and a strong upward trend, highlighting our ability to adapt and grow over the past decade.



(1) Last twelve months ending September 30, 2024

Dominion Lending Centres Inc.

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# Why Invest in DLC Group?



Extensive  
Distribution &  
Resilient  
Business model



Financial  
Strength &  
Efficiency



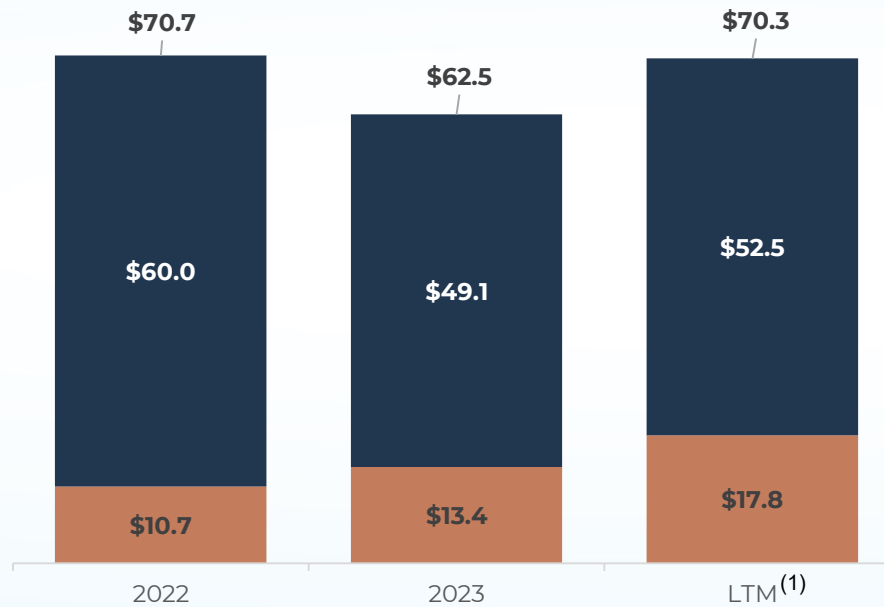
Growth  
Opportunities

# Financial Strength & Efficiency

## Diversified Recurring Revenue Streams

Revenue In C\$ Millions

Funded Mortgage Volumes in C\$ Billions



### Franchise revenue, mortgage brokerage services

- + Franchise royalty fees
- + Lender and supplier fees
- + Advertising
- + Commissions from brokering of mortgages
- + Monthly fees

### Newton revenue

- + Lender fee on funded mortgage volumes
- + Third-party suppliers fee per transaction

	2022	2023	LTM <sup>(1)</sup>
Funded Mortgage Volumes	\$71.3	\$56.5	\$62.0

Diversified revenue base provides resilience against market fluctuations and allows DLC Group to capture value across multiple transaction points.

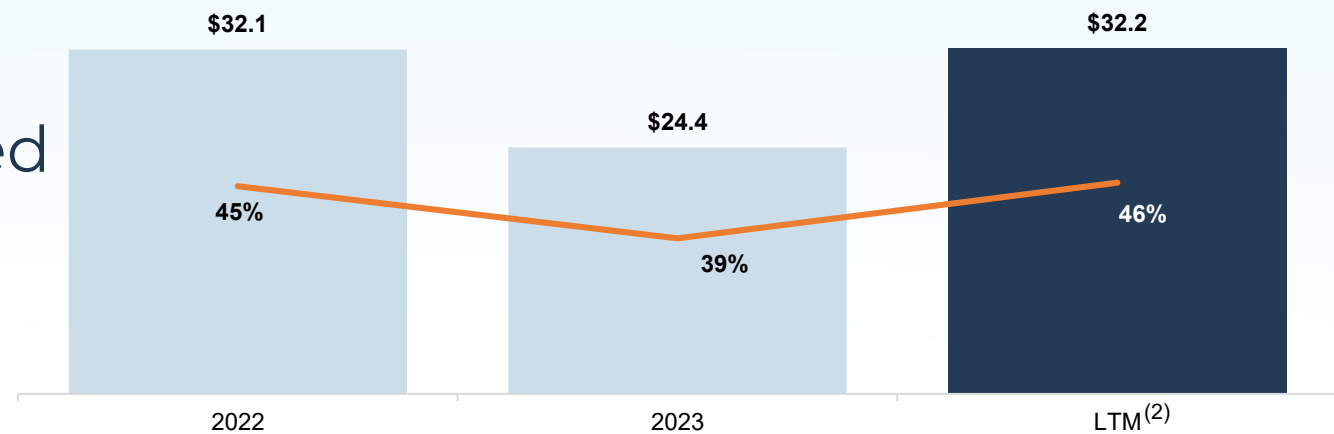


(1) Last twelve months ending September 30, 2024

# Financial Strength & Efficiency

## High margins and strong free cash flow generation

Adjusted  
EBITDA & Adjusted  
EBITDA  
Margins<sup>(1)</sup>  
In C\$ Millions



- Minimal fixed costs paired with high margins, resulting in strong, consistent cash flow and significant EBITDA generation.
- DLC Group margins are positively impacted by its revenue growth, as operating costs remain relatively fixed.
- Potential to further increase adjusted EBITDA as DLC Group grows its broker network and funded mortgage volumes.



(1) Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures. Please see the "Non-IFRS Measures" section of this document for additional information.  
(2) Last twelve months ending September 30, 2024

# Financial Strength & Efficiency

## Commitment to shareholder returns through consistent dividends

### Reliable Returns

Reflects our stable cash flow and ongoing commitment to returning value.

### Shareholder Focused

Reinforces our dedication to providing regular, tangible returns.

**\$0.03**

per share

each  
quarter

since Q2-2022

### Sustainable Payouts

Prudent management allows DLC Group to maintain dividends while pursuing growth opportunities

### Long-term Value Creation

Dividend policy is part of the broader strategy to build enduring value, balancing immediate returns with sustainable growth investments



# Financial Strength & Efficiency

## Simple Capital Structure & Flexible Balance Sheet

### Capital Structure Highlights

Share Price (November 4, 2024)	\$5.25
Common Shares Outstanding <sup>(1)</sup>	48.2mm
Proforma Common Shares Outstanding after Preferred Share Transaction <sup>(2)</sup>	78.7mm
Market Capitalization using Proforma Common Shares <sup>(2)</sup>	\$413.1mm
Net Debt <sup>(3)</sup>	\$22.3mm
Net Debt-to-EBITDA	0.70x

#### High Financial Flexibility

With current debt structure, DLC Group maintains a strong balance sheet ready for growth and strategic opportunities.

#### Prudent Financial Management

Disciplined approach to capital allocation ensures resilience and readiness to act on high-return opportunities.

**Positioned for resilience and strategic growth with a flexible balance sheet.**



- 1) Class A common shares ("Common Shares") outstanding as at September 30, 2024.
- 2) Proforma Class A common shares outstanding assuming the completion of the Preferred Share transaction as outlined in the information circular dated October 25, 2024
- 3) Based on debt net of cash (gross of debt issuance costs) as at September 30, 2024.

# Financial Strength & Efficiency

## Fully Aligned Insider Group

	Common Shares held after Preferred Share Transaction <sup>(1)</sup>	% ownership after Preferred Share Transaction <sup>(1)</sup>
Gary Mauris <sup>(2)</sup>	23,979,733	30.5%
Chris Kayat <sup>(3)</sup>	23,253,532	29.5%
Belcorp Industries Inc.	14,657,798	18.6%
Board and officers	2,993,470	3.8%
<b>Total</b>	<b>64,884,533</b>	<b>82.4%</b>

With 82% insider ownership, our leadership is fully aligned in driving long-term value and success for all shareholders.



- 1) Proforma Class A common shares outstanding assuming the completion of the Preferred Share transaction as outlined in the information circular dated October 25, 2024
- 2) Owned by Mauris Family Investments Ltd.
- 3) Owned by 603908 B.C. Ltd.



# Why Invest in DLC Group?



Extensive  
Distribution &  
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Financial  
Strength &  
Efficiency



Growth  
Opportunities

# Growth Opportunities



**DLC Group is positioned for scalable growth through strategic recruitment, expandable technology adoption, leveraging the growing mortgage broker industry and through targeted mergers and acquisitions.**



# Growth Opportunities

## Recruitment & Expansion

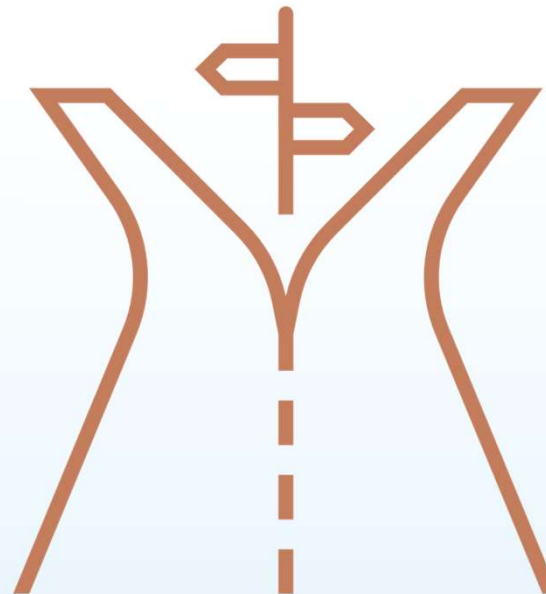
### Organic Growth From Existing Mortgage Brokers

DLC Group brokers are well positioned to capitalize on renewals, refinances, and mortgage market activity.

Leveraging training, technology adoption, advertising, and marketing.

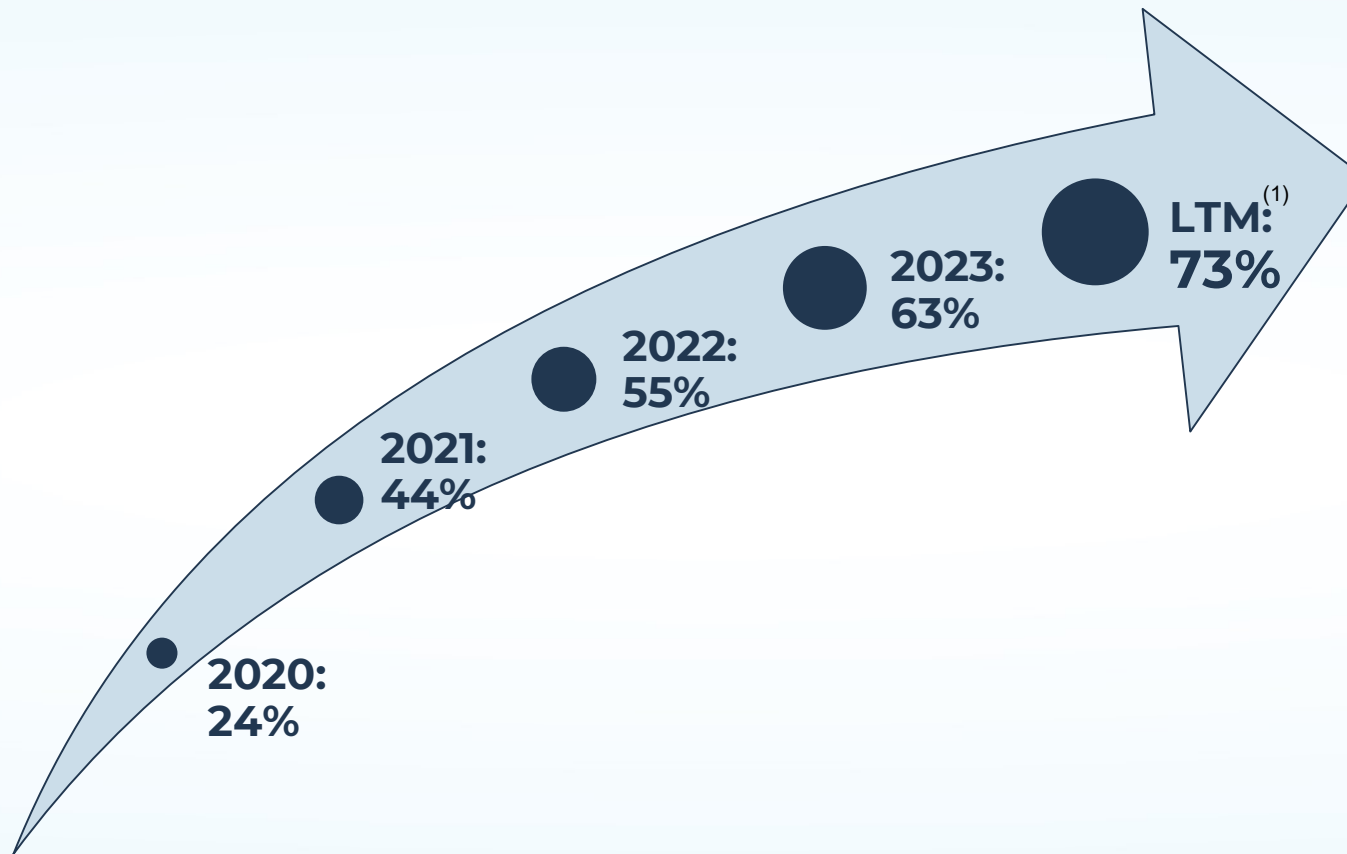
### Adding New Mortgage Brokers

Strong pipeline of accretive acquisition opportunities to 'reflag' competitor brokerages to one of DLC Group's brands.



# Growth Opportunities

## Newton Adoption: % of DLGG Funded Mortgage Volumes Submitted through Velocity



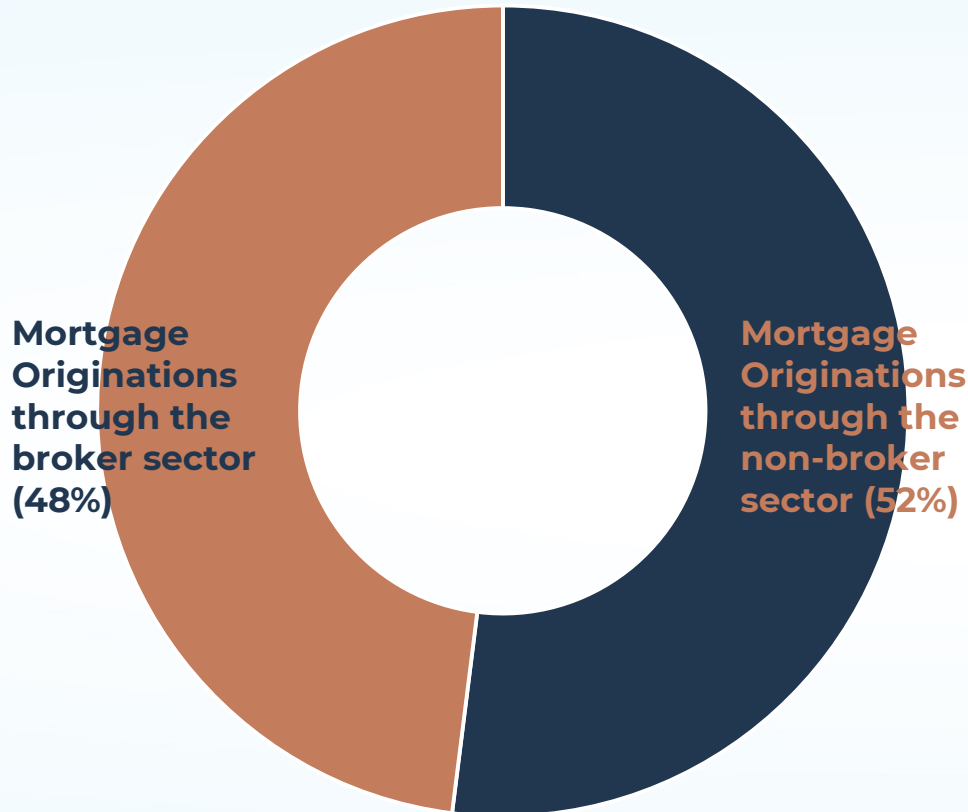
Increasing Newton adoption fuels efficiency, revenue, and market leadership across our network.

(1) Last twelve months ending September 30, 2024



# Growth Opportunities

## Industry Growth



### New Customer Growth

With only 48%<sup>(1)</sup> of Canadians currently using a mortgage broker, DLC Group has significant potential to convert new clients, growing its market share.

### Expanding Broker Network

Continued recruitment and onboarding of brokers across Canada help DLC Group reach more customer and meet growing demand.

### Refinancing Opportunities

DLC Group is well positioned to assist clients seeking refinancing solutions, particularly in changing market conditions.

### Mortgage Renewals

As many mortgages are up for renewal in the coming years, DLC Group's strong broker network is primed to capture this recurring business.

**With a vast market of renewals, new clients, and refinancing needs, DLC Group is primed to expand its reach and capture growth across Canada's evolving mortgage landscape.**

(1) 2024 CMHC Mortgage Consumer Survey.

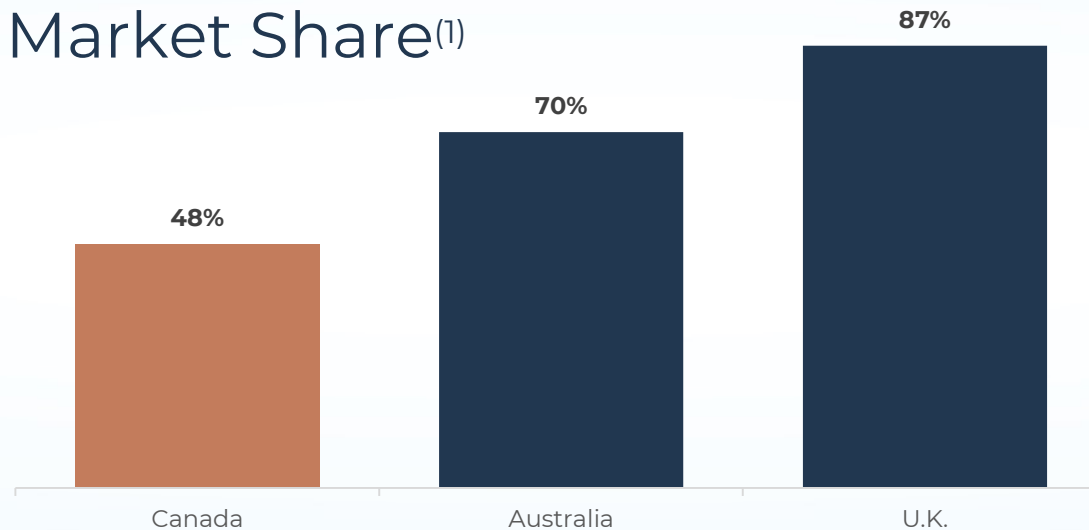


# Growth Opportunities


## Industry Growth

- Comparison of international mortgage broker markets similar to Canada<sup>(1)</sup>

### Broker Channel Market Share<sup>(1)</sup>



**Canada is well positioned for mortgage broker expansion.**

 (1) BMO Capital Markets June 6, 2024 Mortgage Brokers & Canada's Mortgage Ecosystem: 2024 Update

# Growth Opportunities

## Mergers and Acquisitions: Historic success with acquisitions



**With a strong balance sheet and proven acquisition track record, DLC Group is strategically positioned to pursue new opportunities when they align with our growth vision.**

- (1) 50% investment in Real Estate and Mortgage Institute of Canada Inc
- (2) 70% interest in Broker Financial Group Inc. and other corporate owned franchise



# Growth Opportunities

## Mergers and Acquisitions

### Core Business Expansion

Mortgage brokerages

### Complementary Services

Technology and Fintech platforms

Training and certification providers

Digital marketing and lead generation

### Strategic New Verticals

Life insurance

Property insurance

Lenders

Consumer services

Security services





# Why invest in DLC Group: Summary

<b>Resilient &amp; Scalable Model</b>	<b>Long-term contracts</b>
<b>Industry Leader</b>	<b>Growth sector</b>
<b>Asset-light</b>	<b>Diversified revenue streams</b>
<b>High EBITDA margins</b>	<b>Canada-wide network</b>
<b>Strong free cash flow</b>	<b>Proprietary tech platform</b>
<b>Flexible balance sheet</b>	<b>Proven management</b>
<b>Stable dividend</b>	<b>Strategic growth opportunities</b>



**With a solid foundation and strategic vision, we are ready to lead the future of mortgage brokerages and deliver exceptional value to our clients and partners.**



**Gary Mauris**  
Co-Founder,  
Executive Chairman  
& CEO & Director

**Chris  
Kayat**  
Co-Founder,  
Executive Vice  
Chair & Director

## About Gary Mauris

- Gary is the co-founder, Executive Chairman, CEO and a Director of the Corporation, and the largest shareholder
- Gary is a serial entrepreneur, having sold two prior companies to private equity and public markets
- Gary was recognized as a finalist for the Ernst & Young Entrepreneur of the Year 2011 and earned 2016 Tri-Cities Chamber of Commerce Business Leader of the Year
- Additionally, he was inducted into the Canadian Mortgage Hall of Fame in 2016 for his leadership and service to the Canadian mortgage industry

## About Chris Kayat

- Chris is the co-founder and Executive Vice-Chair and a Director of the Corporation
- Prior to co-founding DLCC, he was the largest Royal LePage owner in Western Canada by market share and overall agent count before selling such franchises to Royal LePage Corporate in 2014 to focus on growing DLCC
- Before acquiring his real estate companies in 1997, Chris was one of the most productive realtors in British Columbia; while owning his real estate business, he owned and operated a profitable mortgage brokerage, which became DLCC's first franchise

# Experienced and Proven Management Team



Eddy Coccioallo President, DLGG

- Past mortgage broker with over 25 years' experience in lending and origination



Mike De Eyre President, MA

- 17-year mortgage industry veteran with expertise in sales, marketing, operations, and credit risk



James Bell EVP, Corporate and Chief Legal Officer

- Lawyer with 24 years' experience



Geoff Hague CFO, DLGG

- CPA with over 15 years' experience
- Responsible for all financial systems and reporting within DLGG



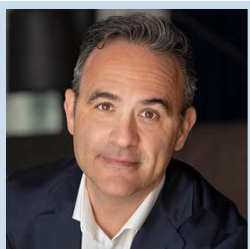
Geoff Willis President, Newton Connectivity Systems

- Over 30 years' experience in the mortgage origination business
- 20 years' experience as a mortgage broker



Kate Brady President, DMC

- Over 17 years' experience in marketing and communications
- Responsible for national advertising, brand awareness, marketing, communications and events



Rich Spence President, MCC

- Over 22 years of direct industry experience
- 10 years' experience leading the Mortgage Creditor division of Manulife

# Dominion Lending Centres Inc.

