Dominion Lending Centres Inc.

Q3 2025

Management's Discussion & Analysis

CONTENTS

This Management's Discussion and Analysis ("MD&A") contains important information about the results of operations of Dominion Lending Centres Inc. ("we", "our", or the "Corporation") for the three and nine months ended September 30, 2025, as well as information about our financial condition and future prospects. We recommend reading this MD&A, which has been prepared as of November 6, 2025, in conjunction with the interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2025 ("interim financial statements"), and our 2024 audited annual consolidated financial statements. Our interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), specifically International Accounting Standard 34 – Interim Financial Reporting. Unless otherwise indicated, all amounts are presented in Canadian dollars.

When preparing our MD&A, we consider the materiality of information. Information is considered material if (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity.

The Corporation's class A common shares ("Common Shares") trade on the Toronto Stock Exchange (the "Exchange" or "TSX") under the symbol "DLCG". Continuous disclosure materials are available on our website at www.dlcg.ca, and on SEDAR+ at www.sedarplus.com.

OVERVIEW OF OUR BUSINESS

The Corporation is a Canadian mortgage brokerage franchisor and mortgage broker data connectivity provider with operations across Canada.

The DLC Group consists of the Corporation and its three main subsidiaries, being:

- MA Mortgage Architects Inc. ("MA");
- MCC Mortgage Centre Canada Inc. ("MCC"); and
- Newton Connectivity Systems Inc. ("Newton").

The Corporation also holds an indirect 40% equity interest in a non-B20 lender, Heartwood Financial, LP ("Heartwood"). The Corporation is not responsible for Heartwood's debts and Heartwood operates independently from the DLC Group. The investment in Heartwood is an equity-accounted investment.

The following is the corporate structure reflecting the material entities:

Mortgage Brokerage Franchising (DLC, MA, and MCC)

The DLC Group is Canada's leading network of mortgage professionals. The mortgage brokerage franchisor business of DLC is carried on under the DLC, MA, and MCC brands and has operations across Canada. The DLC Group's mortgage brokerage network includes over 9,000 agents and $61.0 billion in mortgage origination during the nine months ended September 30, 2025 ($67.4 billion for the year ended December 31, 2024). The DLC Group franchise model provides secure long-term relationships with mortgage professionals, and the Corporation provides training, technology, marketing, recruitment, and operational support to its franchises and brokers.

Mortgage professionals provide services related to property purchases, mortgage refinances and renewals, credit lines, and other borrowing needs. Mortgage professionals originate mortgages but do not themselves lend money. The Corporation's agent growth is achieved both organically through ongoing recruiting efforts and by acquisitions, with a strong pipeline for future growth opportunities.

Newton Connectivity Systems Inc.

Newton is a financial technology company which provides a secure all-in-one operating platform in Canada called Velocity. Velocity connects mortgage brokers to lenders and various third parties. It provides end-to-end services to automate the entire mortgage application, approval, underwriting, and funding process, along with additional services to assist brokers with the management of their daily operations and access to data resources.

The operating platform provides services through various lender- and broker-facing products. Lender-facing products provide encrypted exchange networks to connect brokers with lenders and third parties. These include web-based services connecting brokers on Velocity to lenders and third-party suppliers, which allow for direct and secure submission of mortgage applications and supporting documents to lenders, and underwriting platforms to deliver digital credit applications from brokers to lenders. Broker-facing products provide deal-management tools and services, including the ability to automatically manage the brokers' revenue and distributions through Velocity, with additional services to match lender-verified products to a client's criteria, and automation of the payroll process. Further, Newton provides services to third-party users through the Velocity platform, ranging from consumer credit reports to borrower banking information.

Heartwood Financial, LP

Heartwood is a non-B20 residential mortgage lender focused on an underserved segment of the Canadian residential housing market. Heartwood operates independently from the Corporation and the Corporation is not responsible for Heartwood's debts. Heartwood's residential mortgage loans are offered exclusively through the DLC Group's network of borrowers who are best suited to Heartwood's product offerings and qualify under its common-sense lending policies.

USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

This MD&A includes certain non-IFRS financial measures which we use as supplemental indicators of our operating performance. These non-IFRS measures do not have any standardized meaning and therefore are unlikely to be comparable to the calculation of similar measures used by other companies, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Non-IFRS measures are defined and reconciled to the most directly-comparable IFRS measure within the Non-IFRS Financial Performance Measures section of this MD&A. Non-IFRS financial performance measures used in our MD&A include adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA margin, adjusted net income, adjusted net earnings per share, and free cash flow attributable to common shareholders.

THIRD QUARTER 2025 FINANCIAL RESULTS

(in thousands, except per share and KPIs)	Three months ended Sept. 30, 2025	2024	Change	Nine months ended Sept. 30, 2025	2024	Change
Revenues	**$ 26,381**	$ 22,073	20%	**$ 69,722**	$ 54,497	28%
Income from operations	**12,684**	10,215	24%	**30,608**	21,063	45%
Adjusted EBITDA (1) (2)	**14,160**	12,218	16%	**34,830**	25,746	35%
Adjusted EBITDA margin (1) (2)	**54%**	55%	(1%)	**50%**	47%	3%
Net income	**8,956**	5,271	70%	**22,949**	11,987	91%
Diluted earnings per Common Share	**0.11**	0.11	-	**0.29**	0.25	16%
Adjusted net income (1)	**8,983**	3,754	139%	**21,661**	7,792	178%
Adjusted diluted earnings per Common Share (1)	**0.11**	0.08	38%	**0.27**	0.16	69%
Dividends declared per share	**0.04**	0.03	33%	**0.11**	0.09	22%
Cashflows from operating activities	**9,343**	11,269	(17%)	**27,863**	26,869	4%
Free cash flow attributable to common shareholders (1)	**9,512**	5,609	70%	**26,888**	10,529	155%

(1) Please see the Non-IFRS Financial Performance Measures section of this document for additional information.
(2) Adjusted EBITDA and Adjusted EBITDA margin includes a loss from our equity-accounted investment in Heartwood of $0.3 million and $1.0 million for the three and nine months ended September 30, 2025, respectively. Excluding the loss from Heartwood, Adjusted EBITDA margin would have been 55% and 51% for the three and nine months ended September 30, 2025, respectively.

Key Performance Indicators ("KPIs")

	Three months ended Sept. 30, 2025	2024	Change	Nine months ended Sept. 30, 2025	2024	Change
Funded mortgage volumes (1)	**$ 23.5**	$ 19.7	19%	**$ 61.0**	$ 47.8	28%
Number of franchises (2)	**503**	521	(3%)	**503**	521	(3%)
Number of brokers (2)	**9,086**	8,784	3%	**9,086**	8,784	3%
% of funded mortgage volumes submitted through Velocity (3)	**85%**	73%	12%	**82%**	72%	10%

(1) Funded mortgage volumes are presented in billions and are a key performance indicator that allows us to measure performance against our operating strategy.
(2) The number of franchises and brokers are as at the respective period end date (not in thousands).
(3) Representing the percentage of the DLC Group's funded mortgage volumes that were submitted through Velocity.

The number of brokers in our network increased by 3% over prior year to 9,086 primarily from the continued recruitment efforts. Franchise count decreased 3% primarily due to the departure of low-volume locations. Broker count is subject to seasonality, typically decreasing in the first quarter due to annual re-licensing requirements associated with attrition of less productive brokers.

The following are included in the above income from operations:

(in thousands)	Three months ended Sept. 30, 2025	2024	Change	Nine months ended Sept. 30, 2025	2024	Change
Direct costs	**$ 2,500**	$ 2,666	(6%)	**$ 7,845**	$ 7,290	8%
General and administrative	**9,658**	7,622	27%	**26,894**	22,619	19%
Share-based payments expense	**496**	453	9%	**1,238**	531	133%
Depreciation and amortization	**1,043**	1,117	(7%)	**3,137**	2,994	5%
Operating expenses	**$ 13,697**	$ 11,858	16%	**$ 39,114**	$ 33,434	17%

Other (expense) income included in net income includes:

(in thousands)	Three months ended Sept. 30, 2025	2024	Change	Nine months ended Sept. 30, 2025	2024	Change
Finance expense	**$ (404)**	$ (605)	33%	**$ (1,131)**	$ (2,072)	45%
Finance expense on the Preferred Share liability	**-**	(2,025)	100%	**-**	(4,539)	100%
(Loss) income from equity-accounted investments	**(305)**	10	NMF (1)	**(986)**	327	NMF (1)
Gain on sale of an equity-accounted investment	**-**	-	-	**1,362**	681	(100%)
Non-cash impairment of an equity-accounted investment	**-**	-	-	**-**	(198)	100%
Other income	**214**	331	(35%)	**756**	1,751	57%
Other (expense) income, net	**$ (495)**	$ (2,289)	78%	**$ 1**	$ (4,050)	100%

(1) Percentage change is not a meaningful figure.

Third Quarter 2025 Financial Review

The DLC Group continued to generate strong results during the third quarter with strength in the mortgage renewal market as well as improved activity in the housing market. The third quarter results also reflect successful execution across our strategic growth initiatives, namely our focus on recruitment, adoption of Velocity, and expanding our addressable market size. While we experienced additional costs related to our bi-annual National Sales Conference in the quarter, we generated strong Adjusted EBITDA growth and maintained our strong balance sheet.

- Revenue increased 20% from Q3 2024 to $26.4 million, driven by a 19% increase in funded mortgage volume from Q3 2024, and an increase in the adoption of Velocity across our broker network to 85% from 72% in Q3 2024. The growth in funded mortgage volume resulted from several different factors, including the growth in our broker network, an increase in broker productivity, and continued strength in the Canadian residential mortgage renewal market.
- Revenue from Franchise and Brokering of Mortgages increased 11% year over year, while Newton revenue rose 45%. Beginning in the second quarter of 2025, revenue generated from a third-party supplier was reclassified from Franchise to Newton revenue. The third quarter impact was a $0.3 million increase in Newton revenue and a corresponding $0.3 million decrease in Franchise revenue. In addition to the impact from the reclassification, Franchise and Brokering of Mortgages revenue grew at a slower rate than funded mortgage volumes reflecting the influence of certain revenue components that do not directly correlate with funded mortgage volumes.
- General and administrative expenses increased 27%, or $2.0 million, over Q3 2024. The increase was largely due to the timing of advertising expenses including costs associated with the 2025 bi-annual DLC Group National Sales Conference, which occurred in September 2025 and totalled approximately $0.7 million. Also contributing to the increase in expenses was higher personnel costs and higher IT-related costs. On a percent-of-revenue basis, general and administrative expenses increased to 36.6% from 34.5% in Q3 2024, with the increase associated with the timing of events costs that were incurred in the quarter. Direct costs decreased 6% over Q3 2024 from lower advertising fund expenditures due to timing of advertising initiatives. On a percent-of-revenue basis, direct costs declined to 9.5% in Q3 2025 from 12.1% in Q3 2024.
- Adjusted EBITDA grew 16% to $14.2 million compared to Q3 2024, and Adjusted EBITDA margins remained relatively consistent at 54% compared to 55% last year. Adjusted EBITDA margins benefited from the strength of Newton revenue, partly offset by higher operating expenses due to timing of advertising and event expenses. Adjusted EBITDA for Q3 2025 includes a $0.3 million loss from our equity-accounted investment in Heartwood, which began operations in Q2 2025.
- Net income of $9.0 million increased from $5.3 million in Q3 2024 due to the higher revenue and the decrease in finance expense related to the preferred share liability, partly offset by higher operating expenses and a loss

on equity-accounted investments. The loss on equity-accounted investments includes a $0.3 million loss on Heartwood.

- Adjusted diluted earnings per common share increased to $0.11 in Q3 2025 up from $0.08 in Q3 2024. Adjusted net income increased to $9.0 million from $3.8 million in Q3 2024 representing an increase of 139%, mainly due to higher revenue, strong margin performance, and no longer having Preferred Shareholders in 2025 or their related attributed income.
- Cash flow from operating activities decreased 17% to $9.3 million from Q3 2024 levels, as the increase in income from operations was more than offset by cash used in non-cash working capital due to timing of payments.
- The strong cash flow from operations, coupled with full retention of free cash flow following the conclusion of Preferred Shareholder allocations, resulted in $9.5 million in free cash flow attributable to common shareholders compared to $5.6 million in Q3 2024, a 70% increase.
- The Corporation ended the quarter with adjusted total debt-to-EBITDA (on a trailing twelve-month basis) of 0.61x compared to 0.70x at the same period last year.
- The Corporation paid a dividend of $0.04 per share on September 15, 2025, to shareholders of record on September 2, 2025.

2025 Year-to-Date Financial Review

The DLC Group's performance for the year-to-date period was generally consistent with Q3 trends. The year-to-date period reflects continued revenue growth, as well as strong profitability and cash flow.

- Revenue increased 28% from year-to-date September 30, 2024, to $69.8 million, and was driven by a 28% increase in funded mortgage volume from 2024, as well as an increase in the adoption of Velocity across our broker network to 82% from 71% in 2024. Consistent with our Q3 quarterly results, the strong funded mortgage volume growth was the result of an increase in the number of brokers in our network, internal initiatives to leverage Velocity to increase broker productivity, and growth in the Canadian mortgage renewal market.
- Revenue from Franchise and Brokering of Mortgages increased 18% while Newton revenue rose 57%. The change in classification of a third-party supplier revenue from Franchise to Newton positively impacted Newton revenue and in turn negatively impacted Franchise revenue by $1.0 million year-to-date.
- General and administrative expenses increased 19% or $4.3 million over 2024 levels, with the increase stemming from: two brokerage acquisitions completed in Q2 2024, timing of advertising expenses including costs associated with the bi-annual 2025 DLC Group National Sales Conference (approximately $0.7 million), and higher personnel costs and IT-related costs. The additional general and administrative expenses from the two acquired brokerages was $1.4 million for the nine months ended September 30, 2025. On a percent-of-revenue basis, general and administrative expense declined to 38.6% from 41.5% in 2024, and direct costs increased 8% over 2024 levels stemming from higher advertising fund expenditures due to timing of advertising initiatives and from costs that are tied directly to movement in royalty revenues.
- Adjusted EBITDA grew 35% to $34.8 million compared to 2024 while Adjusted EBITDA margins increased to 50% from 47% last year. Adjusted EBITDA margins benefited from the strength of Newton revenue as well as the decline in operating expenses as a percent of revenue. Adjusted EBITDA for 2025 includes a $1.0 million loss from our equity-accounted investment in Heartwood, which commenced operations in Q2, 2025.
- Net income of $23.0 million increased from $12.0 million in 2024 due to the higher revenue, the reduction of finance expense related to the preferred share liability, and a gain on sale of an equity-accounted investment, partly offset by higher operating expenses and a loss on equity-accounted investments. The loss on equity-accounted investments includes a $1.0 million loss on Heartwood.
- Adjusted net income increased to $21.7 million from $7.8 million in 2024 or up 178%, mainly due to higher revenue, strong margin performance, and no longer having Preferred Shareholders in 2025 or their related attributed income.
- Cash flow from operating activities increased 4% to $27.9 million from 2024 levels, driven by higher income from operations, partly offset by cash used in changes in non-cash working capital.

- The strong cash flow from operations coupled with full retention of free cash flow following the conclusion of Preferred Shareholder allocations, resulted in $26.9 million in free cash flow attributed to common shareholders compared to $10.5 million in 2024.

SUMMARY OF QUARTERLY RESULTS

Selected unaudited financial data published for our operations during the last eight quarters are as follows:

(in thousands except per share amounts)	**Sept. 30, 2025**	**Jun. 30, 2025**	**Mar. 31, 2025**	**Dec. 31, 2024**	**Sept. 30, 2024**	**Jun. 30, 2024**	**Mar. 31, 2024**	**Dec. 31, 2023**
Funded mortgage volumes (1)	**23.5**	21.1	16.4	19.6	19.7	16.9	11.2	14.2
Revenues	**$26,381**	$24,609	$18,732	$22,256	$22,073	$18,788	$13,636	$15,758
Income from operations	**12,684**	11,039	6,885	8,453	10,215	7,380	3,468	3,914
Adjusted EBITDA (2)	**14,160**	12,639	8,031	10,248	12,218	8,532	4,996	6,507
Net income (loss) (3)	**8,956**	7,726	6,267	(138,755)	5,271	4,085	2,631	(2,003)
Adjusted net income(2)	**8,983**	7,753	4,925	3,021	3,754	2,599	1,439	1,775
Net income (loss) attributable to:								
Common shareholders (3)	**8,844**	7,645	6,234	(138,980)	5,190	4,033	2,627	(2,008)
Non-controlling interests	**112**	81	33	225	81	52	4	5
Adjusted net income attributable to: (2)								
Common shareholders	**8,871**	7,672	4,892	2,796	3,673	2,547	1,435	1,770
Non-controlling interests	**112**	81	33	225	81	52	4	5
Net earnings (loss) per Common Share:								
Basic	**0.11**	0.10	0.08	(2.63)	0.11	0.08	0.05	(0.04)
Diluted	**0.11**	0.10	0.08	(2.63)	0.11	0.08	0.05	(0.04)
Adjusted net earnings per Common Share: (2)								
Diluted	**$0.11**	$0.10	$0.06	$0.05	$0.08	$0.05	$0.03	$0.04

(1) Funded mortgage volumes are presented in billions.
(2) Please see the Non-IFRS Financial Performance Measures section of this document for additional information.
(3) Net income for the three months ended December 31, 2024 includes $144.5 million of non-cash finance expense on the Preferred Share liability (three months ended September 30, 2024 includes $2.0 million expense, three months ended June 30, 2024 includes $2.7 million expense, and three months ended March 31, 2024 includes $0.2 million recovery).

Quarterly trends and seasonality

Funded mortgage volumes are subject to seasonal variances that move in line with the normal home buying season, which is typically highest from June through September.

- Revenue increased in the quarter compared to Q2 2025 primarily due to seasonality and higher funded mortgage volumes during the period.
- Income from operations and adjusted EBITDA increased over Q2 2025, from an increase in revenues, partly offset by higher operating expenses. Higher operating expenses was primarily due to timing of advertising expenses.
- Net income increased compared to Q2 2025 primarily due to an increase in income from operations and lower loss from equity-accounted investment.

OUTLOOK

The information in this section is forward-looking and should be read in conjunction with the Cautionary Note Regarding Forward-Looking Information section.

While overall economic activity in Canada remained relatively flat in the third quarter, the housing market demonstrated continued signs of recovery. A recent decline in interest rates, coupled with pent-up demand, contributed to a 4.2% year-over-year increase in residential sales activity during the quarter. With improved activity levels, the Canadian Real Estate Association increased its 2026 residential sales forecast, now calling for 7.7% year-over-year growth, up from its previous forecast of 6.3%.[1]

The mortgage renewal market remained strong during the third quarter, as Canadian homeowners renewed mortgages originated during the pandemic and took advantage of lower interest rates to refinance existing mortgages. Over the past five years, we have seen a notable shift in borrower preferences regarding mortgage terms. In late 2020, five-year fixed-rate mortgages accounted for approximately 40% of total originations by chartered banks. However, as interest rates rose from record lows, borrowers became increasingly reluctant to lock in for extended terms, resulting in a steady decline in market share to only 17% as of August 2025. Shorter-term (three- to five-year) fixed-rate products have captured much of this share, with their market share increasing to 42% in August 2025 from 22% at the end of 2020.[2]

This shift toward shorter-term mortgage terms is positive for DLC Group, as it increases the frequency of renewal and refinancing opportunities across its franchise and broker network. Given this shift, coupled with the expected rise in renewals coming from mortgages originated during the pandemic, we expect to see continued strength in the renewal and refinancing market in the coming years.

Velocity adoption across the broker network continued to increase during the quarter with adoption rates increasing to 85% from 73% in Q3 2024 and 64% in Q3 2023. As previously mentioned, adoption rates are not expected to exceed 90% as certain volumes, such as commercial mortgages, are not always submitted through Velocity. Our outlook for Velocity remains positive, as we continue to focus on making additional gains in our adoption rate, expanding beyond the DLC Group broker network and leveraging the Velocity platform to increase customer engagement and introducing new products.

Heartwood, in which DLC Group owns a 40% equity stake, successfully funded its first loans in the third quarter while activity levels and ramp-up costs remain consistent with initial expectations. The Corporation continues to anticipate that Heartwood will pursue a disciplined approach to growth in 2025, reach profitability in 2026, and will contribute meaningfully to profit, growth, and long-term value creation for the DLC Group and its shareholders.

The Corporation also continued to execute on its capital allocation strategy during the third quarter, investing in the ongoing growth of the broker network, repurchasing 865,947 shares, and returning $3.1 million to shareholders through dividend payments. The balance sheet remains a core strength, ending the quarter with a net debt-to-EBITDA ratio of 0.61x, providing significant financial flexibility to support future growth initiatives.

While we expect to continue to face tougher year-over-year comparisons in the fourth quarter of 2025 and the first quarter of 2026, following the strong performance recorded in the same periods of 2024 and early 2025, we maintain our positive revenue and EBITDA growth outlook for 2025. As we look forward, our strategic priorities remain unchanged: expanding our broker network through active recruitment, educating Canadian consumers on the benefits of working with mortgage brokers, increasing Velocity's market share, and pursuing selective, strategic acquisitions.

This growth strategy will continue to be balanced with a disciplined focus on profitability and prudent balance sheet management, positioning the DLC Group to deliver sustainable growth and enhanced shareholder value over the long term.

[1] CREA. Residential Market Forecast.
[2] Canada Mortgage and Housing Corporation

LIQUIDITY AND CAPITAL RESOURCES

BALANCE SHEET SUMMARY

See the Liquidity section below for information on the changes in cash and working capital deficiency.

(in thousands, except shares outstanding)	As at September 30, 2025	December 31, 2024
Cash	**$ 3,495**	$ 4,732
Working capital deficiency	**(15,751)**	(16,603)
Total assets	**222,178**	218,890
Total loans and borrowings [(1)]	**33,984**	35,894
Total non-current liabilities	**41,457**	44,406
Shareholders' equity	**136,432**	132,140
Common Shares outstanding	**77,736,891**	78,724,438

(1) Net of debt issuance and transaction costs.

LIQUIDITY

(in thousands, except shares outstanding)	As at September 30, 2025	December 31, 2024
Cash	**$ 3,495**	$ 4,732
Trade and other receivables	**20,441**	17,177
Prepaid expenses and deposits	**3,010**	2,267
Revolving loans and borrowings	**(7,434)**	(5,176)
Accounts payable and accrued liabilities	**(29,000)**	(29,522)
Term loans and borrowing	**(5,152)**	(5,152)
Deferred contract liability	**(719)**	(551)
Lease obligation	**(392)**	(378)
Working capital deficiency	**$ (15,751)**	$ (16,603)

Our principal sources of liquidity are cash generated from our business operations and borrowings under our credit facilities. Our primary uses of cash are for operating expenses, recruiting and support costs, debt repayment, and debt servicing costs. At this time, management expects to have sufficient liquidity to meet its short- and long-term objectives of meeting the Corporation's obligations as they come due.

Our capital strategy mirrors our business strategy with prioritization on ensuring sufficient liquidity to fund operations, service debt obligations, fund future recruiting opportunities, and drive organic revenue growth to increase free cash flow.

The decrease in working capital deficit from the comparative period is primarily due to:

- Trade receivables increased due to timing of receipts, partly offset by an increase in trade payables due to timing of payments; and
- A decrease in cash combined with an increase in amounts drawn on the Revolving Facility cash. Inflows from operating activities combined with the cash inflow from the sale of an equity-accounted investment were used to fund investments in intangible assets, contributions to equity-accounted investees, share repurchases, payments on long term debt, and dividends.

Working capital may fluctuate from time to time based on seasonality or timing of the use of cash and cash resources to fund operations. The Corporation has credit facilities to support its operations and working capital needs and fluctuations. See the Capital Resources section.

As at September 30, 2025, we have several financial commitments (see Commitments under the Commitments and Contingencies section of this MD&A for further information), which will require that we have various sources of capital to meet the obligations associated with these commitments. The Corporation expects to have sufficient liquidity, and we expect that we will be able to fund these commitments through existing financing and cash flows from operations.

SOURCES AND USES OF CASH

The following table is a summary of our consolidated statement of cash flows:

(in thousands)	Three months ended Sept. 30, 2025	2024	Nine months ended Sept. 30, 2025	2024
Cash provided by operating activities	**$ 9,343**	$ 11,269	**$ 27,863**	$ 26,869
Cash used in investing activities	**(3,333)**	(1,696)	**(7,270)**	(3,677)
Cash used in financing activities	**(6,325)**	(5,078)	**(21,830)**	(18,930)
(Decrease) increase in cash	**(315)**	4,495	**(1,237)**	4,262
Cash, beginning of period	**3,810**	5,381	**4,732**	5,614
Cash, end of period	**$ 3,495**	$ 9,876	**$ 3,495**	$ 9,876

Operating activities

(in thousands)	Three months ended Sept. 30, 2025	2024	Nine months ended Sept. 30, 2025	2024
Cash flow provided by operating activities	**$ 9,343**	$ 11,269	**$ 27,863**	$ 26,869
Changes in non-cash working capital and other non-cash items	**3,379**	(620)	**4,068**	(2,929)
Cash provided by operations excluding changes in non-cash working capital and other non-cash items	**$ 12,722**	$ 10,649	**$ 31,931**	$ 23,940

Cash from operating activities for the three and nine months ended September 30, 2025, excluding non-working capital and other non-cash items, increased primarily from higher revenues and income from operations driven by the increase in funded mortgage volumes.

Investing activities

Third Quarter

The cash used in investing activities for the three months ended September 30, 2025 consisted primarily of $3.4 million of investments in intangible assets.

The cash used in investing activities for the three months ended September 30, 2024 consisted primarily of investments in intangible assets of $1.2 million and a $0.5 million contribution to an equity-accounted investment.

2025 Year-to-Date

The cash used in investing activities for the nine months ended September 30, 2025 consisted primarily of $4.0 million in contributions to equity-accounted investees ($3.5 million related to Heartwood), $5.9 million of investments in intangible assets, and $0.2 million of distributions paid to non-controlling interests, which was partly offset by $2.8 million in proceeds from the sale of an equity-accounted investment.

The cash used in investing activities for the nine months ended September 30, 2024 consisted primarily of investments in intangible assets of $6.2 million (which included payments of $0.5 million accrued at December 31, 2023) and investments in business acquisitions of $1.0 million (net of cash acquired), and a $0.5 million contribution to an equity-accounted investee, and was partly offset by proceeds from the sale of an equity-accounted investment of $3.7 million and distributions from equity-accounted investments of $0.3 million.

Financing activities

Third Quarter

Cash used in financing activities for the three months ended September 30, 2025 consisted of $7.6 million for shares purchased under the NCIB and block share purchases, $3.1 million for dividends paid to common shareholders, $1.1

million for shares purchased by the trust for the RSU plan, and lease payments of $0.1 million, offset by net proceeds of $5.6 million on term debt and revolving loans and borrowings (repayments of $1.3 million on long term debt and $6.9 million draw on the Revolving Facility).

Cash used in financing activities for the three months ended September 30, 2024 consisted primarily of dividends paid to the Preferred Shareholders of $1.7 million, dividends paid to common shareholders of $1.4 million, repayments on debt of $1.3 million, Common Shares purchased for the RSU plan of $0.6 million, and lease payments of $0.1 million.

2025 Year-to-Date

Cash used in financing activities for the nine months ended September 30, 2025 consisted primarily of $8.6 million for dividends paid to common shareholders, $8.7 million for shares purchased under the NCIB and block share purchases, $2.3 million for shares purchased by the trust for the RSU plan, net repayments on term debt and revolving loans and borrowings of $1.6 million (repayments of $3.9 million on long term debt and $2.3 million draw on the Revolving Facility), $0.3 million of transaction costs associated with the debt extension to 2030 and additional capacity on the Revolving Facility, and lease payments of $0.3 million.

Cash used in financing activities for the nine months ended September 30, 2024 consisted primarily of dividends paid to the Preferred Shareholders of $5.4 million, dividends paid to common shareholders of $4.3 million, repayments on debt of $8.1 million, Common Shares purchased for the RSU plan of $0.9 million, and lease payments of $0.3 million.

CAPITAL RESOURCES

Our capital structure is composed of total shareholders' equity and loans and borrowings, less cash. The following table summarizes our capital structure.

	As at			
(in thousands)		**September 30, 2024**		December 31, 2024
Term loans and borrowings, net of debt issuance costs	**$**	**26,550**	$	30,718
Revolving loans and borrowings		**7,434**		5,176
Less: cash		**3,495**		4,732
Net loans and borrowings	**$**	**30,489**	$	31,162
Shareholders' equity	**$**	**136,432**	$	132,140

Loans and borrowings

	As at			
(in thousands)		**September 30, 2025**		December 31, 2024
Revolving loans and borrowings				
Revolving Facility	**$**	**7,434**	$	5,176
Term loans and borrowings				
Term Facility	**$**	**27,046**	$	30,910
Debt issuance costs		**(496)**		(192)
Total term loans and borrowings	**$**	**26,550**	$	30,718

The Corporation's loans and borrowings are composed of two senior credit facilities (collectively, the "Senior Credit Facilities"). The Senior Credit Facilities consist of a revolving working capital credit line (the "Revolving Facility") and a term loan ("Term Facility").

On February 18, 2025, the Senior Credit Facilities term was extended from December 19, 2026 to February 18, 2030, and the Revolving Facility increased from $15.0 million to $25.0 million.

Borrowings under the Senior Credit Facilities are composed of floating-rate advances or Term CORRA advances. Floating-rate advances bear interest at a rate equal to prime plus 0.00% to 0.50%. Term CORRA advances bear interest at a rate determined at the time of their renewal plus a credit fee of 1.75% to 2.25%.

Quarterly financial covenants for the Senior Credit Facilities include the requirement to maintain an adjusted total debt-to-EBITDA ratio less than 2.75:1.00 and a fixed charged coverage ratio greater than 1.10:1.00. At September 30, 2025, the Corporation's adjusted total debt-to-EBITDA ratio and fixed charge coverage ratio were 0.61:1.00 and 4.10:1.00, respectively, and as such, the Corporation was in compliance with all such covenants.

SHARE CAPITAL

As of November 6, 2025 and September 30, 2025, the Corporation had 77,736,891 Common Shares outstanding (December 31, 2024—78,724,438). As of November 6, 2025 and September 30, 2025, the Corporation had 565,700 and 535,700 Common Shares held in trust under the RSU Plan, respectively (December 31, 2024—265,258).

RSU plan

On April 15, 2024, the Corporation issued 421,444 RSUs to corporate board members and certain executives, which vest on April 15, 2027. On April 15, 2025, the Corporation issued another 335,234 RSUs to corporate board members and certain executives. The 2025 RSUs vest one-third on each of April 15, 2026, April 15, 2027, and April 15, 2028 for management and on April 15, 2028 for independent board members. Pursuant to the RSU Plan, holders are entitled to receive additional RSUs in lieu of dividends on each dividend payment date. As such, for the nine months ended September 30, 2025, the Corporation issued an additional 8,314 RSUs in lieu of dividends.

On September 30, 2025, there were 773,344 RSUs issued and outstanding (December 31, 2024—429,796).

An independent trustee purchases Common Shares in the open market and holds such shares until completion of the vesting period. The Common Shares purchased in the open market are initially recorded as a reduction to Share Capital. The grant date fair value of RSUs is recognized over the vesting period as share-based compensation expense, with a corresponding increase to Contributed Surplus. Upon vesting of awards, the related Contributed Surplus is reclassified to Share Capital.

Normal-Course Issuer Bid ("NCIB")

The Corporation implemented an NCIB on June 5, 2025. The NCIB has a twelve-month duration, which commenced on June 5, 2025, and ends the earlier of June 4, 2026, or the date on which the maximum number of Common Shares that can be acquired pursuant to the NCIB are purchased. Under the NCIB, the Corporation may purchase up to 2,100,000 Common Shares, representing 2.5% of the issued and outstanding Common Shares at implementation. Pursuant to the rules of the TSX, the maximum number of Common Shares that the Corporation may purchase under the NCIB in any one day is 19,408, which is 25% of the average daily trading volume of the Common Shares on the TSX for the six-month period ended May 31, 2025 (the total average daily trading volume being 77,635 Common Shares). The Corporation may also make one block purchase per calendar week which exceeds such daily purchase restriction, subject to the rules of the TSX. Any Common Shares purchased pursuant to the NCIB will be cancelled by the Corporation. During the nine months ended September 30, 2025, the Corporation made repurchases under the NCIB of 278,300 Common Shares at an average price of $9.10 per Common Share. The repurchased shares were cancelled and returned to treasury. The actual number of Common Shares purchased, and the timing of any such purchases was determined by the Corporation and were made in accordance with the requirements of the Exchange. Purchases of Common Shares under the NCIB were completed using available working capital. Any shareholder may obtain, for no charge, a copy of the notice in respect of the NCIB filed with the Exchange by contacting the Corporate Secretary of the Corporation at 403-560-0821.

Block share repurchase

In addition to the shares repurchased and cancelled through the NCIB, the Corporation purchased 709,247 Common Shares of the Corporation for a purchase price of $6,205,911 (being $8.75 per share) pursuant to an issuer bid exemption. The shares were acquired for cancellation from a former employee.

COMMITMENTS AND CONTINGENCIES

COMMITMENTS

The following table summarizes the payments due in the next five years and thereafter in respect to our contractual obligations. See notes 6, 7, and 14 of the financial statements for more information.

(in thousands)	Less than 1 year	1–3 years	4–5 years	After 5 years	Total
Accounts payable and accrued liabilities	$ 29,000	$ -	$ -	$ -	$ **29,000**
Revolving loans and borrowings	-	-	7,434	-	**7,434**
Term loans and borrowings [1]	5,152	10,303	11,591	-	**27,046**
Long-term accrued liabilities	-	403	-	-	**403**
Leases [2]	449	306	67	-	**822**
	$ 34,601	$ 11,012	$ 19,092	$ -	$ **64,705**

(1) Gross of debt issuance costs.
(2) Undiscounted lease payments.

Contingencies

In the normal course of operations, the Corporation may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings, and legal actions. The outcome of outstanding, pending, or future proceedings cannot be predicted with certainty. For claims where outcomes are not determinable, no provision for settlement has been made in the condensed consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

We did not have any off-balance sheet arrangements as at November 6, 2025, or September 30, 2025.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

FINANCIAL INSTRUMENTS

Our financial risk management policies have been established to identify and analyze risks that we face, to set appropriate limits and controls, and to monitor risks and adherence to limits. We employ strategies to ensure that risks and related exposures are consistent with our business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for our risk management framework, our management has the responsibility to administer risk management strategy and monitor the outcome.

We are exposed in varying degrees to a variety of risks from the use of financial instruments, which mainly include cash, trade and other receivables, loans and borrowings, investments, and trade payables and accrued liabilities. Because of the use of these financial instruments, we are exposed to risks including market risk, credit risk, and liquidity risk. This section describes our objectives, policies, and processes for managing these risks and the methods used to measure them.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed primarily of interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk on our variable-rate loans and borrowings. A 1%

change in the interest rates on the loans and borrowings would have had a $0.1 million and $0.3 million decrease of income before tax for the three and nine months ended September 30, 2025, respectively (September 30, 2024—$0.1 million and $0.3 million decrease of income before tax).

CREDIT RISK

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's credit risk is mainly attributable to its cash, and trade and other receivables.

The Corporation has determined that its exposure to credit risk on its cash is minimal as the Corporation's cash is held with financial institutions in Canada.

The Corporation's primary source of credit risk, therefore, relates to the possibility of franchisees, agents, or other customers not paying receivables. The Corporation manages its credit risk by performing credit risk evaluations on its franchisees and agents, and by monitoring overdue trade and other receivables. As at September 30, 2025, $0.6 million of our trade receivables were greater than 90 days outstanding (December 31, 2024—$0.3 million), and the provision for total expected credit losses as at September 30, 2025 was $0.4 million (December 31, 2024—$0.4 million). A decline in economic conditions, or other adverse conditions, could lead to reduced revenue and gross margin, and could impact the collectability of accounts receivable. The Corporation mitigates this risk by monitoring economic conditions and managing its customer credit risk.

The Corporation's maximum exposure to credit risk, as related to certain financial instruments identified in the table below, approximates the carrying value of the assets of the Corporation's condensed consolidated statements of financial position.

(in thousands)		**As at September 30, 2025**		December 31, 2024
Cash	**$**	**3,495**	$	4,732
Trade receivables, other receivables, and other assets		**21,020**		17,853
	$	**24,515**	$	22,585

LIQUIDITY RISK

Liquidity risk is the risk that we will not meet our financial obligations as they fall due. We manage this risk by continually monitoring our actual and projected cash flows to ensure there is sufficient liquidity to meet our financial liabilities when they become due. See the Liquidity and Capital Resources section of this MD&A for further discussion on our liquidity risk.

The Corporation's objective when managing its capital is to safeguard its ability to continue as a going concern, so that it generates returns for shareholders, expands business relationships with stakeholders, and identifies risk and allocates its capital accordingly. There can be no guarantee that the Corporation will continue to generate sufficient cash flow from operations to meet required interest and principal payments. Further, the Corporation is subject to the risk that any of its existing indebtedness may not be able to be refinanced upon maturity or that the terms of such refinancing may not be as favorable as the terms of its existing indebtedness.

The credit facilities contain several financial covenants that require the Corporation to meet certain financial ratios and conditions tests. A failure to comply with the obligations in the credit facilities could result in a default which, if not cured or waived, may permit acceleration of the repayment of the relevant indebtedness. If the repayments under the credit facilities were to be accelerated, there can be no assurance that the assets of the Corporation would be sufficient to repay that indebtedness in full.

BUSINESS RISKS AND UNCERTAINTIES

The Corporation is subject to a number of business risks. There were no changes to our principal risks and uncertainties from those reported in our 2024 Annual MD&A and our 2024 Annual Information Form dated March 27, 2025.

RELATED PARTY TRANSACTIONS

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties.

Property leases
The Corporation leases office spaces from related companies controlled by Chris Kayat and Gary Mauris, who are key members of the Corporation's management. During the nine months ended September 30, 2025, the total costs incurred under these leases were $0.2 million (September 30, 2024—$0.3 million). On June 30, 2025, the lease terms were extended for an additional two years, now maturing in 2027.

The Corporation leases a condo in Toronto from a related company controlled by Chris Kayat and Gary Mauris, who are key members of the Corporation's management. During the nine months ended September 30, 2025, the total costs incurred under this lease was $0.1 million (September 30, 2024—$0.1 million). On June 30, 2025, the lease term was extended for an additional two years and now matures in 2027.

The expenses related to these leases are recorded in finance expense, depreciation and amortization expenses, and general and administrative expenses, and are paid monthly; as such, no amount remains payable within the Corporation's financial statements.

Administrative services
The Corporation has entered into an agreement with a software development company to develop and support a customized mortgage app that is partly owned by key management of the Corporation (Chris Kayat and Gary Mauris). Total fees charged for services under this agreement for the nine months ended September 30, 2025 were $0.7 million (September 30, 2024—$0.7 million).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these interim financial statements requires management to make certain estimates, judgments, and assumptions that affect the amounts reported and disclosed in the interim financial statements and related notes. These include estimates that, by their nature, are uncertain, and actual results could differ materially from these estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Further information on our critical accounting estimates can be found in the notes to the audited consolidated financial statements for the year ended December 31, 2024, as filed on SEDAR+ at www.sedarplus.com. In preparing these interim financial statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2024.

ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements prepared for the year ended December 31, 2024.

CAUTIONARY NOTE REGARDING 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,” or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- The 2025 outlook and strategic objectives;
- our business plan and growth strategy;
- our expectation that there will be continued strength for mortgage renewal landscape in the years ahead;
- Newton adoption rates are not expected to exceed 90% as certain volumes, such as commercial mortgages, are not always submitted through Velocity;
- The strong adoption rates of Velocity are expected to support growth for the DLC Group through improved broker productivity and growth from brokers outside the DLC Group network;
- Heartwood will pursue a disciplined approach to growth in 2025, and will contribute meaningfully to profit, growth and long-term value creation for DLC Group and its shareholders;
- adding additional DLC Group franchises through recruiting activities;
- our expectation that our adjusted EBITDA margins will continue to improve throughout fiscal 2025, if revenues increase;
- our expectation that the Corporation will utilize free cash flow to purchase shares under the NCIB;
- our expectation that the Corporation will continue to pay a quarterly dividend to common shareholders; and
- management's ability to adjust cost structures to improve liquidity and cash flow to meet their expectations to have sufficient liquidity to meet our obligations as they come due.

Such forward-looking information is based on many estimates and assumptions, including material estimates and assumptions, related to the factors identified below that, while considered reasonable by the Corporation as at the date of this MD&A 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:

- Tax rates and legislation;
- operating, general and administrative, and other costs;
- interest rates;
- general business, economic, and market conditions;
- impact and duration of tariffs or other trade actions;
- our ability to obtain services and personnel in a timely manner and at an acceptable cost to carry out our activities;
- The DLC Group's ability to maintain its existing number of franchisees and brokers, and add additional franchisees and brokers;
- Newton's ability to grow its connectivity platform submission volumes and number of third-party users;
- Canadian mortgage lending and mortgage brokerage laws and regulations;
- material changes in the aggregate Canadian mortgage lending marketplace;
- fees paid for mortgage brokerage services in Canada;
- regulatory framework for the Canadian housing and lending sectors;
- demand for the Corporation's products;
- the uncertainty of estimates and projections relating to future revenue, taxes, costs, and expenses;
- laws, regulations, or policies;
- 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.

Many of these uncertainties and contingencies may affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All forward-looking statements made in this MD&A are qualified by these cautionary statements. The foregoing list of risks is not exhaustive. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities laws, we undertake no obligation to update publicly or revise any forward-looking statements or information, whether because of new information, future events, or otherwise.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS

The Corporation takes all necessary steps to ensure that material information regarding the Corporation's reports filed or submitted under securities legislation fairly presents the financial information of the Corporation. Management, including the Executive Chairman & Chief Executive Officer ("EC & CEO") and the Chief Financial Officer ("CFO") are responsible for establishing, maintaining, and evaluating disclosure controls and procedures ("DC&P") and internal controls over financing reporting ("ICFR"). Management has used the Committee of Sponsoring Organizations of the Treadway Commission Framework in Internal Controls – Integrated Framework (2013).

There are inherent limitations in all control systems, such that they can provide only reasonable – not absolute – assurance that all control issues, misstatement, or instances of fraud, if any, within the Corporation have been detected.

During the nine months ended September 30, 2025, there have not been any changes in the Corporation's ICFR that has materially affected or is reasonably likely to materially affect, the Corporation's ICFR.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

ADJUSTED EBITDA

Adjusted EBITDA is defined as earnings before finance expense, taxes, depreciation, amortization, and any unusual, non-operating, certain non-cash, or one-time items. The Corporation considers its main operating activities to be the business of mortgage brokerage franchising and mortgage broker data connectivity services across Canada, and management of its operating subsidiaries.

The non-cash adjustments are expenses incurred during the period which are not the result of the main operating activities of the Corporation or are related to the financing of these activities. Other expenses are unusual, non-cash, or one-time insignificant items included within "other income" on the consolidated statements of income that are not related to the main operating activities.

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 its normalized results and cash generated by its 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 MD&A 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 determined in accordance with IFRS as an indicator of an issuer's performance or 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.

The following table reconciles adjusted EBITDA from income before income tax, which is the most directly-comparable measure calculated in accordance with IFRS:

(in thousands)	Three months ended Sept. 30, 2025	Three months ended Sept. 30, 2024	Nine months ended Sept. 30, 2025	Nine months ended Sept. 30, 2024
Income before income tax	**$ 12,189**	$ 7,926	**$ 30,609**	$ 17,013
Add back:				
Depreciation and amortization	**1,043**	1,117	**3,137**	2,994
Finance expense	**404**	605	**1,131**	2,072
Finance expense on the Preferred Share liability	**-**	2,025	**-**	4,539
	13,636	11,673	**34,877**	26,618
Adjustments:				
Share-based payments expense	**496**	453	**1,238**	531
Gain on sale of equity-accounted investment	**-**	-	**(1,362)**	(681)
Non-cash impairment of equity-accounted investment	**-**	-	**-**	198
Other expense (income) (1)	**28**	92	**77**	(920)
Adjusted EBITDA (2) (3)	**$ 14,160**	$ 12,218	**$ 34,830**	$ 25,746

(1) Other expense (income) for the three and nine months ended September 30, 2025 relates to foreign exchange loss and loss on contract settlement. Other (income) expense for the three and nine months ended September 30, 2024 relates to the reversal of the liquidation rights liability on the sale of Impact, a loss on the disposal of an intangible asset, foreign exchange loss, and loss on contract settlement.

(2) Amortization of franchise rights and relationships of $1.3 million and $3.9 million for the three and nine months ended September 30, 2025, respectively (September 30, 2024 – $1.3 million and $3.9 million), is classified as a charge against revenue and has not been added back for adjusted EBITDA.

(3) Adjusted EBITDA includes a loss from our equity-accounted investment in Heartwood of $0.3 million and $1.0 million for the three and nine months ended September 30, 2025, respectfully.

FREE CASH FLOW

Free cash flow represents how much cash a business generates after spending what is required to maintain or expand its current asset base. Free cash flow attributable to common shareholders represents the cash available to the Corporation for general corporate purposes, including: repayments on our credit facilities, investment in growth capital expenditures, return of capital to common shareholders through the repurchases of Common Shares and discretionary payment of dividends to common shareholders, and cash to be retained by the company. This is a useful measure that allows management and users to understand the cash available to enhance shareholder value.

The other adjustments are expenses incurred during the period which are not the result of the main operating activities of the Corporation, or are related to the financing of these activities. Other one-time items included within other expense adjustments are insignificant items included within "other income" on the condensed consolidated statements of income that are not related to the main operating activities.

While free cash flow 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 funds generated by the main operating activities that are available to the Corporation for use in non-operating activities. Free cash flow is determined by adjusting certain investing and financing activities. Investors should be cautioned, however, that free cash flow 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 free cash flow may differ from those utilized by other issuers or companies and, accordingly, free cash flow as used in this MD&A may not be comparable to similar measures used by other issuers or companies. Readers are cautioned that free cash flow should not be construed as an alternative to net income determined in accordance with IFRS as indicators of an issuer's performance, or to cash flows from operating, investing, and financing activities as measures of liquidity and cash flows.

The following table reconciles free cash flow from cash flow from operating activities, which is the most directly-comparable measure calculated in accordance with IFRS:

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
(in thousands)	**2025**	2024	**2025**	2024
Cash flow from operating activities	**$ 9,343**	$ 11,289	**$ 27,863**	$ 26,929
Changes in non-cash working capital and other non-cash items	**3,379**	(620)	**4,068**	(2,929)
Cash provided from operations excluding changes in non-cash working capital and other non-cash items	**12,722**	10,669	**31,931**	24,000
Adjustments:				
Distributions from equity-accounted investees	**31**	-	**31**	285
Maintenance CAPEX	**(2,972)**	(886)	**(4,405)**	(4,349)
Lease payments	**(100)**	(117)	**(303)**	(343)
Loss on contract settlement	**27**	16	**66**	36
NCI portion of cash provided from operations excluding changes in non-cash working capital	**(197)**	(242)	**(443)**	(311)
Other non-cash items (1)	**1**	144	**11**	(888)
	9,512	9,584	**26,888**	18,430
Free cash flow attributable to Preferred Shareholders	**-**	(3,975)	**-**	(7,901)
Free cash flow attributable to common shareholders	**$ 9,512**	$ 5,609	**$ 26,888**	$ 10,529

(1) Other non-cash items for the three and nine months ended September 30, 2025 represent foreign exchange loss and promissory note income. The three months and nine months ended September 30, 2024 includes gain on disposal of an intangible asset, share-based payments, foreign exchange loss, and promissory note income.

ADJUSTED NET INCOME AND ADJUSTED EPS

Adjusted net income and Adjusted EPS are defined as net income before any unusual or non-operating items such as foreign exchange, fair value adjustments, finance expense on the Preferred Share liability, adjusted net income from the Core Business Operations attributable to the Preferred Shareholders, and one-time non-recurring items. Other one-time items included within other expense adjustments are insignificant items included within "other income" on the condensed consolidated statements of income that are not related to the main operating activities.

While adjusted net income 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 operational performance of the Corporation by eliminating certain non-recurring items, adjusting for the net income attributable to the Preferred Shareholders, and excluding the finance expense on the Preferred Share liability. Management applies adjusted net income in its operational decision making as an indication of the results and cash generated by the main operating activities, after consideration of how these activities are financed and taxed. Adjusted net income is used to determine adjusted EPS (defined as adjusted net income attributable to common shareholders on a per-share basis).

Investors should be cautioned, however, that adjusted net income should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of an issuer's performance or to cash flows from operating, investing, and financing activities as a measure of liquidity and cash flows. The methodologies we use to determine adjusted net income may differ from those utilized by other issuers or companies and, accordingly, adjusted net income as used in this MD&A may not be comparable to similar measures used by other issuers or companies.

The following table reconciles adjusted net income from net income, which is the most directly-comparable measure calculated in accordance with IFRS:

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
(in thousands)	**2025**	2024	**2025**	2024
Net income	**$ 8,956**	$ 5,271	**$ 22,949**	$ 11,987
Adjustments:				
Gain on sale of equity-accounted investment	**-**	-	**(1,362)**	(681)
Finance expense on the Preferred Share liability	**-**	2,025	**-**	4,539
Non-cash impairment of equity-accounted investment	**-**	-	**-**	198
Other expense (income) (1)	**28**	92	**77**	(920)
Income tax effects of adjusting items	**(1)**	(25)	**(3)**	(29)
	8,983	7,363	**21,661**	15,094
Income attributable to Preferred Shareholders	**-**	(3,609)	**-**	(7,302)
Adjusted net income	**8,983**	3,754	**21,661**	7,792
Adjusted net income attributable to common shareholders	**8,871**	3,673	**21,435**	7,655
Adjusted net income attributable to non-controlling interest	**112**	81	**226**	137
Diluted adjusted earnings per Common Share	**$ 0.11**	$ 0.08	**$ 0.27**	$ 0.16

(1) Other expense (income) for the three and nine months ended September 30, 2025 relates to foreign exchange loss and loss on contract settlement. Other expense for the three and nine months September 30, 2024 relates to the reversal of the liquidation rights liability on the sale of Impact, loss on the disposal of intangible assets, loss on contract settlement, and foreign exchange loss.