

# Dominion Lending Centres Inc.

Q1 2026

## Management's Discussion & Analysis





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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 months ended March 31, 2026, as well as information about our financial condition and future prospects. We recommend reading this MD&A, which has been prepared as of May 7, 2026, in conjunction with the interim condensed consolidated financial statements and related notes for the three months ended March 31, 2026 (“interim financial statements”), and our 2025 audited annual consolidated financial statements. Our interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”), 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](http://www.dlcg.ca), and on SEDAR+ at [www.sedarplus.com](http://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-B2O 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 8,500 agents and \$16.4 billion in mortgage origination during the three months ended March 31, 2026 (\$84.5 billion for the year ended December 31, 2025). 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 what management believes to be an underserved segment of the Canadian residential housing market, utilizing common-sense lending policies. 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 brokers.

## USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

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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 Accounting Standards. Non-IFRS measures are defined and reconciled to the most directly-comparable IFRS Accounting Standards 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.

## FIRST QUARTER 2026 FINANCIAL RESULTS

<i>(in thousands, except per share and KPIs)</i>	Three months ended March 31,		
	2026	2025	Change
<b>Revenues</b>	\$ 19,954	\$ 18,732	7%
Income from operations	7,145	6,885	4%
<b>Adjusted EBITDA <sup>(1) (2)</sup></b>	<b>8,728</b>	8,031	9%
Adjusted EBITDA margin <sup>(1)</sup>	44%	43%	1%
<b>Net income</b>	<b>4,812</b>	6,267	(23%)
Diluted earnings per Common Share	0.06	0.08	(25%)
<b>Adjusted net income <sup>(1)</sup></b>	<b>4,999</b>	4,925	2%
Adjusted diluted earnings per Common Share <sup>(1)</sup>	0.06	0.06	-%
Dividends declared per share	0.04	0.03	33%
Cash inflows from operating activities	5,079	7,743	(34%)
Free cash flow attributable to common shareholders <sup>(1)</sup>	\$ 6,825	\$ 6,797	-%

(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 for the three months ended March 31, 2026 (March 31, 2025 - \$0.3 million).

### Key Performance Indicators ("KPIs")

<i>(in thousands, except per share and KPIs)</i>	Three months ended March 31,		
	2026	2025	Change
<b>Funded mortgage volumes <sup>(1)</sup></b>	<b>16.4</b>	16.4	-%
Number of franchises <sup>(2)</sup>	505	504	-%
Number of brokers <sup>(2)</sup>	8,689	8,544	2%
% of funded mortgage volumes submitted through Velocity <sup>(3)</sup>	85%	79%	6%

(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 following are included in the above income from operations:

<i>(in thousands)</i>	Three months ended March 31,		
	2026	2025	Change
Direct costs	\$ 1,560	\$ 2,129	(27%)
General and administrative expenses	9,787	8,583	14%
Share-based payments expense	426	87	390%
Depreciation and amortization	1,036	1,048	(1%)
<b>Operating expenses</b>	<b>\$ 12,809</b>	\$ 11,847	8%

Other income (expense), included in net income includes:

<i>(in thousands)</i>	Three months ended March 31,		
	2026	2025	Change
Finance expense	\$ (417)	\$ (322)	(30%)
Loss from equity-accounted investments	(155)	(276)	44%
Gain on sale of equity-accounted investment	-	1,362	(100%)
Other income	88	265	(67%)
<b>Other (expense) income, net</b>	<b>\$ (484)</b>	\$ 1,029	NMF <sup>(1)</sup>

(1) Percentage change is not a meaningful figure.

## FIRST QUARTER 2026 FINANCIAL REVIEW

The DLC Group generated solid results in the first quarter of 2026 with a 7% increase in revenues compared to Q1 2025 and 9% growth in Adjusted EBITDA. The Corporation delivered consistent funded mortgage volumes in Q1 2026 despite a strong comparable quarter in Q1 2025 (in which funded mortgage volumes increased 46% over Q1 2024), heightened winter storm activity early in the quarter and a muted residential sales market. The increase in adoption of Velocity, strength in the mortgage renewal market, and expansion in our broker network were the primary drivers of the growth in revenue.

- Revenue increased 7% from Q1 2025 to \$20.0 million, driven by an increase in Velocity adoption to 85% from 79% in Q1 2025. Revenue from Franchise and Brokering of Mortgages increased 2% year over year, while Newton revenue rose 20%. Funded mortgage volumes in the current period were consistent with prior year following a strong Q1 2025 performance.
- Direct costs decreased 27% over Q1 2025 primarily from lower cost of royalty revenue reflecting the cost savings following the realignment of our sales team structure in Q4 2025 and from lower advertising fund expenditures due to timing of advertising initiatives. On a percent-of-revenue basis, direct costs declined to 7.8% in Q1 2026 from 11.4% in Q1 2025.
- General and administrative expenses increased 14%, or \$1.2 million, compared to Q1 2025. The increase was driven primarily by \$0.6 million in higher personnel costs, approximately \$0.4 million in advertising expenses related to the Corporation's 20th anniversary marketing initiatives, and increased IT-related costs. The increase in personnel costs primarily related to higher headcount, wage inflation, and higher EBITDA-based executive incentive compensation. On a percent-of-revenue basis, general and administrative expenses increased to 49.0% from 45.8% in Q1 2025, driven primarily by the timing of events.
- Adjusted EBITDA grew 9% to \$8.7 million compared to Q1 2025, and Adjusted EBITDA margins increased to 44% compared to 43% last year. Adjusted EBITDA margins benefited primarily from the strength of Newton. Adjusted EBITDA and Adjusted EBITDA margin includes a loss from our equity-accounted investment in Heartwood of \$0.3 million for the three months ended March 31, 2026 and the three months ended March 31, 2025.
- Net income of \$4.8 million decreased \$1.5 million compared to Q1 2025. The prior year included a \$1.4 million gain on sale of an equity-accounted investee, which did not reoccur in 2026.
- Adjusted diluted earnings per common share was consistent at \$0.06 in Q1 2026 and Q1 2025. Adjusted net income of \$5.0 million in Q1 2026 was flat compared to \$4.9 million in Q1 2025, mainly due to higher revenue and improved margins offset by higher share-based payments expense and other expenses. The increase in share-based payments reflects the impact of graded vesting for both April 2024 and April 2025 RSU grants, as compared to the prior year which only reflected the expense related to the April 2024 grant.
- Cash flow from operating activities decreased 34% to \$5.1 million from Q1 2025 levels as the increase in income from operations was more than offset by \$3.2 million changes in non-cash working capital due primarily to timing of commissions payable.
- Cash flow from operations, adjusted for non-cash working capital fluctuations, was offset by higher maintenance capital expenditures for renewal franchise payments which resulted in \$6.8 million in free cash flow attributable to common shareholders, which was consistent with \$6.8 million in Q1 2025.
- The Corporation ended the quarter with adjusted total debt-to-EBITDA (on a trailing twelve-month basis) of 1.06x compared to 0.58x at the same period last year.
- The Corporation paid a dividend of \$0.04 per share on March 13, 2026 to shareholders of record on March 2, 2026.
- On March 24 2026, the Corporation announced an increase in its quarterly dividend from \$0.04 per common share to \$0.05 per common share. The first quarterly dividend of \$0.05 per common share is expected to be effective for the June 2026 dividend and will be paid on June 15, 2026 to common shareholders of record on June 1, 2026.

## SUMMARY OF QUARTERLY RESULTS

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

<i>(in thousands except per share amounts)</i>	<b>Mar. 31, 2026</b>	<b>Dec. 31, 2025</b>	<b>Sept. 30, 2025</b>	<b>Jun. 30, 2025</b>	<b>Mar. 31, 2025</b>	<b>Dec. 31, 2024</b>	<b>Sept. 30, 2024</b>	<b>Jun. 30, 2024</b>
Funded mortgage volumes <sup>(1)</sup>	<b>16.4</b>	23.5	23.5	21.1	16.4	19.6	19.7	16.9
Revenues	<b>\$19,954</b>	\$26,552	\$26,381	\$24,609	\$18,732	\$22,256	\$22,073	\$18,788
Income from operations	<b>7,145</b>	12,726	12,684	11,039	6,885	8,453	10,215	7,380
Adjusted EBITDA <sup>(2)</sup>	<b>8,728</b>	13,979	14,160	12,639	8,031	10,248	12,218	8,532
Net income (loss) <sup>(3)</sup>	<b>4,812</b>	1,888	8,956	7,726	6,267	(138,755)	5,271	4,085
Adjusted net income <sup>(2)</sup>	<b>4,999</b>	10,543	8,983	7,753	4,925	3,021	3,754	2,599
<b>Net income (loss) attributable to:</b>								
Common shareholders <sup>(3)</sup>	<b>4,803</b>	1,833	8,844	7,645	6,234	(138,980)	5,190	4,033
Non-controlling interests	<b>9</b>	55	112	81	33	225	81	52
<b>Adjusted net income attributable to: <sup>(2)</sup></b>								
Common shareholders	<b>4,990</b>	10,488	8,871	7,672	4,892	2,796	3,673	2,547
Non-controlling interests	<b>9</b>	55	112	81	33	225	81	52
<b>Net earnings (loss) per Common Share:</b>								
Basic	<b>0.06</b>	0.02	0.11	0.10	0.08	(2.63)	0.11	0.08
Diluted	<b>0.06</b>	0.02	0.11	0.10	0.08	(2.63)	0.11	0.08
<b>Adjusted net earnings per Common Share: <sup>(2)</sup></b>								
Diluted	<b>0.06</b>	\$0.13	\$0.11	\$0.10	\$0.06	\$0.05	\$0.08	\$0.05

(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, and three months ended June 30, 2024 includes \$2.7 million expense).

### 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 decreased in the quarter compared to Q4 2025 primarily due to seasonality and lower funded mortgage volumes during the period.
- Income from operations and adjusted EBITDA decreased over Q4 2025, primarily due to a decrease in revenues, partly offset by lower operating expenses. Lower operating expenses was primarily due to timing of advertising initiatives.
- Net income increased compared to Q4 2025 primarily due to a loss on contract settlements totaling \$8.7 million recognized in Q4 2025, which did not reoccur in Q1 2026. The loss on contract settlements in Q4 2025 related to the revision and restatement of consulting agreements for four separate sales team members, which amendments included the acquisition and termination of certain trailing commission entitlements. In connection with the trailer commission terminations, the Corporation made one-time payments to settle the outstanding trailer commission obligations.

## OUTLOOK

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

The DLC Group reported continued growth in the first quarter of 2026 with revenue increasing by 7% and Adjusted EBITDA rising 9%, despite an uncertain macroeconomic environment, a challenging prior-year comparison and a slower start to the quarter due to heightened winter storm activity. The first quarter of 2025 represented a particularly strong benchmark, with funded mortgage volumes increasing 46% (over Q1 2024) and Adjusted EBITDA rising 61%.

While the outlook for the Canadian housing market has moderated, we remain positive on our outlook for 2026. Housing activity was initially expected to improve through the year on the back of pent-up demand, however, recent geopolitical developments and volatility in oil prices have led the Canadian Real Estate Association (CREA) to revise its April forecast for residential housing transactions to 1% growth in 2026, compared to 5.1% previously. Despite this more tempered outlook, our expectations for 2026 are supported by continued execution of our core strategic initiatives, as well as anticipated strength in the mortgage renewal market, driven by elevated borrowing volumes recorded during the pandemic period. With a national network of approximately 8,500 brokers and a leading position in the Canadian residential mortgage broker market, we believe we are well positioned to continue capturing renewal-driven activity.

Building on this foundation, we remain focused on executing our key strategic priorities, including expanding our broker network, increasing broker productivity, and leveraging Velocity to drive market share gains. With Velocity now broadly adopted across our network, we are well positioned to further enhance broker productivity and support incremental growth. In support of these priorities, we continue to build on the success of our Gold Rush initiative, which has strengthened broker engagement with clients and supported increased mortgage originations through more consistent and targeted customer outreach. Complementing these efforts, our Goal Getter program, a 12-week initiative led by our Co-Founder and CEO and involving approximately 600 of our brokers, continues to support broker development, with a focus on improving productivity and growing their businesses.

Consistent with our long-term strategy, we remain focused on disciplined capital allocation. This includes investing in high-return organic and inorganic growth opportunities, maintaining a sustainable and strong dividend, and pursuing opportunistic share repurchases. During the quarter, we acquired a 51% interest in Clear Trust Mortgages Inc. and a 50% equity interest in Dundarave Management Ltd., further strengthening our competitive position and expanding our presence in the alternative lending market. In addition, the Board approved an increase to the quarterly dividend to \$0.05 per share from \$0.04 effective for the June 2026 dividend payment.

Our strong balance sheet continues to provide flexibility to execute on our strategic priorities. We maintain an active pipeline of acquisition opportunities and remain well positioned to pursue investments that expand our broker network, expand on market reach and support long-term growth.

While we remain mindful of the macroeconomic uncertainty, we are confident in our ability to deliver continued long-term profitable growth, supported by our national broker platform, leading technology infrastructure, disciplined capital allocation, and strong financial position.

## LIQUIDITY AND CAPITAL RESOURCES

### BALANCE SHEET SUMMARY

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

<i>(in thousands, except shares outstanding)</i>	As at	
	March 31, 2026	December 31, 2025
Cash	\$ 1,536	\$ 2,009
Working capital deficiency	(30,914)	(19,195)
Total assets	224,131	218,736
Total loans and borrowings <sup>(1)</sup>	46,945	34,647
Total non-current liabilities	37,675	38,134
Shareholders' equity	135,366	134,623
Common Shares outstanding	77,736,891	77,736,891

(1) Net of debt issuance and transaction costs.

### LIQUIDITY

<i>(in thousands, except shares outstanding)</i>	As at	
	March 31, 2026	December 31, 2025
Cash	\$ 1,536	\$ 2,009
Trade and other receivables	14,788	21,235
Prepaid expenses and deposits	3,148	2,845
Revolving loans and borrowings	(23,104)	(9,405)
Accounts payable and accrued liabilities	(20,728)	(29,843)
Term loans and borrowing	(5,152)	(5,152)
Deferred contract liability	(1,013)	(488)
Lease obligation	(389)	(396)
<b>Working capital deficiency</b>	<b>\$ (30,914)</b>	<b>\$ (19,195)</b>

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

- An increase in amounts drawn on the Revolving Facility. Cash and amounts drawn on the Revolving Facility were used to fund investments in intangible assets and investments for equity-accounted investees and a business acquisition;
- Trade receivables decreased due to timing of receipts; and partly offset by
- Accounts payable and accrued liabilities decreased due to timing of payments.

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 March 31, 2026, 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 flow:

<i>(in thousands)</i>	Three months ended March 31,	
	2026	2025
Cash provided by operating activities	\$ 5,079	\$ 7,743
Cash (used in)/provided by investing activities	(13,536)	85
Cash provided by/ (used in) financing activities	7,984	(8,396)
Decrease in cash	(473)	(568)
Cash, beginning of period	2,009	4,732
<b>Cash, end of period</b>	<b>\$ 1,536</b>	<b>\$ 4,164</b>

### *Operating activities*

<i>(in thousands)</i>	Three months ended March 31,	
	2026	2025
Cash flow provided by operating activities	\$ 5,079	\$ 7,743
Changes in non-cash working capital and other non-cash items	3,212	(27)
<b>Cash provided by operations excluding changes in non-cash working capital and other non-cash items</b>	<b>\$ 8,291</b>	<b>\$ 7,716</b>

Cash from operating activities, excluding non-working capital and other non-cash items, increased primarily from higher revenues and income from operations driven by the increase in Newton revenues.

### *Investing activities*

The cash used in investing activities for the quarter consisted primarily of \$5.4 million investment in intangible assets and \$8.2 million investment in equity-accounted investees and a business acquisition.

The cash provided by investing activities for the comparative quarter consisted primarily of \$2.8 million proceeds from sale of an equity-accounted investee which was partly offset by \$1.2 million investment in intangible assets and \$1.5 million contribution to equity-accounted investees.

### *Financing activities*

Cash provided by financing activities for the quarter consisted primarily of proceeds from the Revolving Facility of \$13.7 million, partly offset by repayments on term debt of \$1.3 million, \$0.1 million of transaction costs associated with the debt extension to 2031 and additional capacity on the Revolving Facility, \$3.1 million dividends paid to common shareholders, \$1.1 million shares purchased by the trust for the RSU plan, and lease payments of \$0.1 million.

Cash used in financing activities for the comparative quarter consisted primarily of repayments on term debt and revolving loans and borrowings of \$5.2 million, \$0.3 million of transaction costs associated with the debt extension to 2030 and additional capacity on the Revolving Facility, \$2.3 million dividends paid to common shareholders, \$0.5 million shares purchased by the trust for the RSU plan, and lease payments of \$0.1 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.

<i>(in thousands)</i>	As at	
	March 31, 2026	December 31, 2025
Term loans and borrowings, net of debt issuance costs	\$ 23,841	\$ 25,242
Revolving loans and borrowings	23,104	9,405
Less: cash	1,536	2,009
Net loans and borrowings	\$ 45,409	\$ 32,638
Shareholders' equity	\$ 135,366	\$ 134,623

### Loans and borrowings

<i>(in thousands)</i>	As at	
	March 31, 2026	December 31, 2025
<b>Revolving loans and borrowings</b>		
Revolving Facility	\$ 23,104	\$ 9,405
<b>Term loans and borrowings</b>		
Term Facility	\$ 24,470	\$ 25,758
Debt issuance costs	(629)	(516)
Total term loans and borrowings	\$ 23,841	\$ 25,242

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 26, 2026, the Senior Credit Facilities term was extended from February 18, 2030 to February 26, 2031, and the Revolving Facility increased from \$25,000 to \$40,000.

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 March 31, 2026, the Corporation's adjusted total debt-to-EBITDA ratio and fixed charge coverage ratio were 1.06:1.00 and 3.09 0:1.00, respectively, and as such, the Corporation was in compliance with all such covenants.

## SHARE CAPITAL

As of May 7, 2026 and March 31, 2026, the Corporation had 77,736,891 Common Shares outstanding (December 31, 2025—77,736,891). As of May 7, 2026 and March 31, 2026, the Corporation had 631,213 and 701,300 Common Shares held in trust under the RSU Plan, respectively (December 31, 2025—581,700).

### RSU plan

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 three months ended March 31, 2026, the Corporation issued an additional 3,859 RSUs in lieu of dividends.

On March 31, 2026, there were 780,369 RSUs issued and outstanding (December 31, 2025—776,510). The RSUs vest according to the following schedule.

April 15, 2026	92,687
April 15, 2027	531,817
April 15, 2028	155,865
<b>Outstanding RSUs, March 31, 2026</b>	<b>780,369</b>

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.

## 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	\$ 20,728	\$ -	\$ -	\$ -	<b>20,728</b>
Term loans and borrowings <sup>(1)</sup>	5,152	10,303	9,015	-	<b>24,470</b>
Revolving Facility	-	-	23,104	-	<b>23,104</b>
Long-term accrued liabilities	-	610	-	-	<b>610</b>
Leases <sup>(2)</sup>	388	168	41	-	<b>597</b>
	<b>\$ 26,268</b>	<b>\$ 11,081</b>	<b>\$ 32,160</b>	<b>\$ -</b>	<b>\$ 69,509</b>

(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 May 7, 2026 or March 31, 2026.

## 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 risk limits and controls, and to monitor risks and adherence to limits. We employ risk management strategies to ensure that our 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 and monitor these risks.

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 decrease of income before tax for the three months ended March 31, 2026 (March 31, 2025—\$0.1 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 March 31, 2026, \$0.3 million of our trade receivables were greater than 90 days outstanding (December 31, 2025—\$0.2 million), and the provision for total expected credit losses as at March 31, 2026 was \$0.2 million (December 31, 2025—\$0.2 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.

<i>(in thousands)</i>	As at	
	March 31, 2026	December 31, 2025
Cash	\$ 1,536	\$ 2,009
Trade receivables, other receivables, and other assets	15,305	21,515
	\$ 16,841	\$ 23,524

## 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

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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 2025 Annual MD&A and our 2025 Annual Information Form dated March 24, 2026.

## RELATED PARTY TRANSACTIONS

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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 three months ended March 31, 2026, the total costs incurred under these leases were \$0.1 million (March 31, 2025—\$0.1 million). The lease terms mature 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 three months ended March 31, 2026, the total costs incurred under this lease was \$15 thousand (March 31, 2025—\$23 thousand). The lease term 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 three months ended March 31, 2026 were \$0.3 million (March 31, 2025—\$0.2 million).

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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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, 2025, as filed on SEDAR+ at [www.sedarplus.com](http://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, 2025.

## ACCOUNTING POLICIES

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The accounting policies applied are consistent with those of the annual financial statements prepared for the year ended December 31, 2025.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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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 2026 outlook and strategic objectives;
- our business plan and growth strategy;
- the anticipated strength in the mortgage renewal market, driven by elevated borrowing volumes recorded during the pandemic period and that we are well positioned to continue capturing renewal-driven activity;
- our ability to continue to execute on our proven growth strategy including: (i) recruitment of new brokers and franchise groups; (ii) increasing market share through enhanced broker productivity; (iii) expanding our addressable market by educating consumers on the benefits of working with a mortgage broker and (iv) pursuing strategic acquisitions;
- continued market share gains as we further leverage the strong adoption of Velocity to increase broker productivity across our network;
- that our strong balance sheet will continue to provide flexibility to execute on our strategic priorities;
- our expectation to deliver continued long-term profitable growth, supported by our national broker platform, leading technology infrastructure, disciplined capital allocation, and strong financial position.
- 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

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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 three months ended March 31, 2026, 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

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### 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. Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue.

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 (expense) 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 Accounting Standards, 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 Accounting Standards 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.

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

<i>(in thousands)</i>	Three months ended March 31,	
	2026	2025
<b>Income before tax</b>	\$ 6,661	\$ 7,914
Add back:		
Depreciation and amortization	1,036	1,048
Finance expense	417	322
	<b>8,114</b>	<b>9,284</b>
Adjustments:		
Share-based payments expense	426	87
Gain on disposal of equity-accounted investment	-	(1,362)
Other expense <sup>(1)</sup>	188	22
<b>Adjusted EBITDA <sup>(2)</sup></b>	<b>\$ 8,728</b>	<b>\$ 8,031</b>

(1) Other expense for the three months ended March 31, 2026 relates to a loss on disposal of an intangible asset. Other expense for the three months ended March 31, 2025 relates to a foreign exchange loss and a loss on contract settlement.

(2) Amortization of franchise rights and relationships of \$1.4 million for the three months ended March 31, 2026 (March 31, 2025 – \$1.3 million) is classified as a charge against revenue and has not been added back for adjusted EBITDA.

## 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 (expense) 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 Accounting Standards, 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 Accounting Standards 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 Accounting Standards:

<i>(in thousands)</i>	Three months ended March 31,	
	2026	2025
<b>Cash flow from operating activities</b>	\$ 5,079	\$ 7,743
Changes in non-cash working capital and other non-cash items	3,212	(27)
<b>Cash provided from operations, excluding changes in non-cash working capital and other non-cash items</b>	<b>8,291</b>	7,716
Adjustments:		
Maintenance CAPEX	(1,527)	(746)
Lease payments	(97)	(100)
Loss on contract settlement	-	13
NCI portion of cash provided from operations, excluding changes in non-cash working capital	(30)	(95)
Other non-cash items <sup>(1)</sup>	188	9
<b>Free cash flow</b>	<b>\$ 6,825</b>	<b>\$ 6,797</b>

(1) Other non-cash items for the three months ended March 31, 2026 relates to a loss on disposal of an intangible asset. The three months ended March 31, 2025 represents a 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, and one-time non-recurring items. Other one-time items included within other expense adjustments are insignificant items included within "other (expense) 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 Accounting Standards, 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. 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 Accounting Standards 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 Accounting Standards:

<i>(in thousands)</i>	Three months ended March 31,	
	2026	2025
Net income	\$ 4,812	\$ 6,267
Adjustments:		
Gain on disposal of equity-accounted investment	-	(1,362)
Other expense <sup>(1)</sup>	188	22
Income tax effects of adjusting items	(1)	(2)
<b>Adjusted net income</b>	<b>4,999</b>	<b>4,925</b>
Adjusted net income attributable to common shareholders	4,990	4,892
Adjusted net income attributable to non-controlling interest	9	33
<b>Diluted adjusted earnings per Common Share</b>	<b>\$ 0.06</b>	<b>\$ 0.06</b>

(1) Other expense for the three months ended March 31, 2026 relates to a loss on disposal of an intangible asset. Other expense for the three months ended March 31, 2025 relates to a foreign exchange loss and a loss on contract settlement.