Dominion Lending Centres Inc.

Q2 2026
Management's Discussion & Analysis

Dominion Lending Centres

Mortgage Architects

The Mortgage Centre

newton Connectivity Systems

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 six months ended June 30, 2026, as well as information about our financial condition and future prospects. We recommend reading this MD&A, which has been prepared as of August 6, 2026, in conjunction with the interim condensed consolidated financial statements and related notes for the three and six months ended June 30, 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, 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:

On July 31, 2026, the Corporation acquired 100% ownership of Filogix, one of Canada's leading mortgage connectivity platforms, further enhancing DLC Group's technology, data, and connectivity capabilities across the Canadian mortgage ecosystem. The purchase price of $58.5 million, subject to closing adjustments, was funded through borrowings under the Corporation's Senior Credit Facilities.

Mortgage Brokerage Franchising (DLC, MA, and MCC)

The DLC Group is Canada's leading network of mortgage professionals. The mortgage brokerage franchisor business of the DLC Group is carried on under the DLC, MA, and MCC brands and has operations across Canada. The DLC Group's mortgage brokerage network includes over 8,800 agents and $38.5 billion in mortgage origination during the six months ended June 30, 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.

Newton Connectivity Systems Inc. (Velocity)

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.

Filogix Inc. ("Filogix")

Effective July 31, 2026, Filogix became a wholly-owned subsidiary of DLC. Filogix owns and operates a mortgage technology software platform connecting Canada's mortgage brokers, suppliers, and lenders. Through its core products, including Expert, Expert Plus, and FXLink, Filogix provides digital infrastructure connecting more than 8,000 mortgage brokers with approximately 350 lenders and other industry participants. The Expert platform supports the end-to-end mortgage application process, from submission through underwriting, and provides workflow, compliance, and data solutions to participants across the mortgage ecosystem.

DLC Group intends for Filogix to operate as a standalone entity, maintaining operational independence from Newton (Velocity) while ensuring uninterrupted service and continuity for customers and partners.

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

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.

SECOND QUARTER 2026 FINANCIAL RESULTS

(in thousands, except per share and KPIs)	Three months ended June 30, 2026	2025	Change	Six months ended June 30, 2026	2025	Change
Revenues	**$ 24,937**	$ 24,609	1%	**$ 44,891**	$ 43,341	4%
Income from operations	**10,592**	11,039	(4%)	**17,737**	17,924	(1%)
Adjusted EBITDA (1) (2)	**12,557**	12,639	(1%)	**21,285**	20,670	3%
Adjusted EBITDA margin (1) (2)	**50%**	51%	(1%)	**47%**	48%	(1%)
Net income	**7,108**	7,726	(8%)	**11,920**	13,993	(15%)
Diluted earnings per Common Share	**0.09**	0.10	(10%)	**0.15**	0.18	(17%)
Adjusted net income (1)	**7,112**	7,753	(8%)	**12,111**	12,678	(4%)
Adjusted diluted earnings per Common Share (1)	**0.09**	0.10	(10%)	**0.15**	0.16	(6%)
Dividends declared per share	**0.05**	0.04	25%	**0.09**	0.07	29%
Cashflows from operating activities	**12,168**	10,777	13%	**17,247**	18,520	(7%)
Free cash flow (1)	**10,224**	10,579	(3%)	**17,049**	17,376	(2%)

(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 $0.5 million and $0.8 million for the three and six months ended June 30, 2026, respectively (June 30, 2025 - $0.6 million and $0.9 million).

Key Performance Indicators ("KPIs")

	Three months ended June 30, 2026	2025	Change	Six months ended June 30, 2026	2025	Change
Funded mortgage volumes (1)	**$ 22.1**	$ 21.1	5%	**$ 38.5**	$ 37.5	3%
Number of franchises (2)	**509**	504	1%	**509**	504	1%
Number of brokers (2)	**8,805**	8,984	(2%)	**8,805**	8,984	(2%)
% of funded mortgage volumes submitted through Velocity (3)	**87%**	82%	5%	**86%**	81%	5%

(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:

(in thousands)	Three months ended June 30, 2026	2025	Change	Six months ended June 30, 2026	2025	Change
Direct costs	**$ 2,966**	$ 3,216	(8%)	**$ 4,526**	$ 5,345	(15%)
General and administrative	**9,085**	8,653	5%	**18,872**	17,236	9%
Share-based payments expense	**1,242**	655	90%	**1,668**	742	125%
Depreciation and amortization	**1,052**	1,046	1%	**2,088**	2,094	-
Operating expenses	**$ 14,345**	$ 13,570	6%	**$ 27,154**	$ 25,417	7%

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

(in thousands)	Three months ended June 30, 2026	2025	Change	Six months ended June 30, 2026	2025	Change
Finance expense	**$ (535)**	$ (405)	(32%)	**$ (952)**	$ (727)	(31%)
Loss from equity-accounted investments	**(427)**	(405)	(5%)	**(582)**	(681)	15%
Gain on disposal of an equity-accounted investment	**-**	-	-	**-**	1,362	100%
Other (expense) income	**92**	277	(67%)	**180**	542	67%
Other (expense) income, net	**$ (870)**	$ (533)	(63%)	**$ (1,354)**	$ 496	373%

Second Quarter 2026 Financial Review (Three Months)

The DLC Group delivered stable second quarter results with 5% growth in funded mortgage volumes, strong Adjusted EBITDA margins of 50% and solid free cash flow.

- Funded mortgage volume increased 5% in the quarter driven by higher broker productivity. Total revenue increased 1% year-over-year to $24.9 million, reflecting 4% growth in Franchise and Brokering of Mortgages revenue, partially offset by a 4% decline in Newton revenue. The decline in Newton revenue was due primarily to revenue reclassification recorded in Q2 2025, which included $0.3 million revenue related to Q1 2025. Growth in Franchise and Brokering of Mortgages revenue was also impacted by $0.3 million higher amortization of franchise rights payments, which are recognized over time and do not move in line with funded volume.
- Direct costs decreased 8% over Q2 2025 primarily from lower cost of royalty revenue reflecting the cost savings following the realignment of our sales team structure in Q4 2025, which was partly offset by an increase in costs related to monthly fee revenue. On a percent-of-revenue basis, direct costs declined to 11.9% in Q2 2026 from 13.1% in Q2 2025.
- General and administrative expenses increased 5%, or $0.4 million, compared to Q2 2025. The increase was driven primarily by $0.3 million in higher personnel and IT-related costs and was partly offset by a $0.2 million reduction in advertising expenses due to timing of events. The Company is currently undergoing an expense review to identify potential cost savings. On a percent-of-revenue basis, general and administrative expenses increased to 36.4% from 35.2% in Q2 2025.
- Adjusted EBITDA of $12.6 million was consistent with Q2 2025, while Adjusted EBITDA margin remained strong at 50%, compared to 51% in the prior-year period. Adjusted EBITDA includes a loss from the Company's equity-accounted investment in Heartwood of $0.5 million for the three months ended June 30, 2026, compared to $0.6 million in the prior-year period.
- Net income of $7.1 million decreased by $0.6 million compared to Q2 2025 due primarily to a $0.6 million increase in share-based payments expense and higher general and administrative expenses. The increase in share-based payments expense reflects additional RSU grants under the RSU Plan and the impact of graded vesting on previously issued awards.
- Adjusted diluted earnings per common share was $0.09 in Q2 2026, compared to $0.10 in Q2 2025. Adjusted net income of $7.1 million decreased by $0.6 million compared to Q2 2025, as higher revenue was more than offset by increased share-based payments expense as explained above.
- Cash flow from operating activities increased 13% to $12.2 million compared to Q2 2025, primarily due to a $1.2 million favourable change in non-cash working capital, largely driven by the timing of accounts receivable collections.
- Free cash flow attributable to common shareholders was $10.2 million, compared to $10.6 million in Q2 2025, as cash flow from operations, adjusted for non-cash working capital fluctuations, was more than offset by higher maintenance capital expenditures related to franchise renewal payments.
- The Corporation ended the quarter with adjusted total debt-to-EBITDA (on a trailing twelve-month basis) of 0.89x compared to 0.51x at the same period last year.
- On March 24 2026, the Corporation announced an increase to 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 was paid on June 15, 2026 to common shareholders of record on June 1, 2026.

2026 Year-to-Date Financial Review (Six Months)

The DLC Group delivered stable year-to-date results for the six months ended June 30, 2026, with increased revenues compared to the same period in 2025 and continued strong Adjusted EBITDA margins. Funded mortgage volumes remained consistent in the first quarter of 2026 against a strong prior-year comparable and increased 5% year-over-year in the second quarter of 2026, despite a weak residential housing market.

- Revenue increased 4% to $44.9 million for the six months ended June 30, 2026, supported by a 3% increase in funded mortgage volumes and continued growth in Velocity adoption, which increased to 86% from 81% in 2025. Revenue from Franchise and Brokering of Mortgages increased 3% year over year, while Newton revenue increased 5%.
- Direct costs decreased 15% compared to the same period in 2025, primarily due to cost savings following the Q4 2025 realignment of the Corporation's sales team structure, and lower advertising fund expenditures due to the timing of advertising initiatives. As a percentage of revenue, direct costs declined to 10.1% in 2026 from 12.3% in 2025.
- General and administrative expenses increased 9%, or $1.6 million, compared to the same period in 2025, primarily due to $0.9 million in higher personnel, IT-related costs, and approximately $0.4 million of first-quarter advertising expenses related to the Corporation's 20th anniversary marketing initiatives. Higher personnel costs reflected increased headcount, wage inflation, and higher EBITDA-based executive incentive compensation. As a percentage of revenue, general and administrative expenses increased to 42.0% from 39.8% in 2025.
- Adjusted EBITDA increased 3% to $21.3 million compared to the six months ended June 30, 2025, reflecting revenue growth and lower direct costs, partially offset by higher general and administrative expenses. Adjusted EBITDA margin remained strong at 47%, compared to 48% in the prior-year period. Adjusted EBITDA includes a loss from the Corporation's equity-accounted investment in Heartwood of $0.8 million for the six months ended June 30, 2026, compared to a loss of $0.9 million for the same period in 2025.
- Net income of $11.9 million decreased by $2.1 million compared to the six months ended June 30, 2025, primarily due to a $1.4 million gain on disposal of an equity-accounted investee recognized in the prior-year period that did not recur in 2026, and a $0.9 million increase in share-based payments expense. The increase in share-based payments expense reflects additional RSU grants under the RSU Plan and the impact of graded vesting on previously issued awards.
- Adjusted diluted earnings per common share was $0.15 in 2026, compared to $0.16 in the same period in 2025. Adjusted net income decreased to $12.1 million from $12.7 million in 2025, as higher revenues were more than offset by higher general and administrative expenses and increased share-based payments expense as explained above.
- Cash flow from operating activities decreased 7% to $17.2 million compared to the same period in 2025, primarily reflecting a change in non-cash working capital due to the timing of commissions payable.
- Free cash flow attributable to common shareholders was $17.0 million, compared to $17.4 million in 2025, as cash flow from operations, adjusted for non-cash working capital fluctuations, was more than offset by higher maintenance capital expenditures related to franchise renewal payments.

SUMMARY OF QUARTERLY RESULTS

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

(in thousands except per share amounts)	**Jun. 30, 2026**	**Mar. 31, 2026**	**Dec. 31, 2025**	**Sept. 30, 2025**	**Jun. 30, 2025**	**Mar. 31, 2025**	**Dec. 31, 2024**	**Sept. 30, 2024**	**Jun. 30, 2024**
Funded mortgage volumes [(1)]	**22.1**	**16.4**	23.5	23.5	21.1	16.4	19.6	19.7	16.9
Revenues	**$24,937**	**$19,954**	$26,552	$26,381	$24,609	$18,732	$22,256	$22,073	$18,788
Income from operations	**10,592**	**7,145**	12,726	12,684	11,039	6,885	8,453	10,215	7,380
Adjusted EBITDA[(2)]	**12,557**	**8,728**	13,979	14,160	12,639	8,031	10,248	12,218	8,532
Net income (loss) [(3)]	**7,108**	**4,812**	1,888	8,956	7,726	6,267	(138,755)	5,271	4,085
Adjusted net income[(2)]	**7,112**	**4,999**	10,543	8,983	7,753	4,925	3,021	3,754	2,599
Net income (loss) attributable to:									
Common shareholders [(3)]	**7,068**	**4,803**	1,833	8,844	7,645	6,234	(138,980)	5,190	4,033
Non-controlling interests	**40**	**9**	55	112	81	33	225	81	52
Adjusted net income attributable to: [(2)]									
Common shareholders	**7,072**	**4,990**	10,488	8,871	7,672	4,892	2,796	3,673	2,547
Non-controlling interests	**40**	**9**	55	112	81	33	225	81	52
Net earnings (loss) per Common Share:									
Basic	**0.09**	**0.06**	0.02	0.11	0.10	0.08	(2.63)	0.11	0.08
Diluted	**0.09**	**0.06**	0.02	0.11	0.10	0.08	(2.63)	0.11	0.08
Adjusted net earnings per Common Share: [(2)]									
Diluted	**0.09**	**0.06**	$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 increased in the quarter compared to Q1 2026 primarily due to seasonality and higher funded mortgage volumes during the period.
- Income from operations and Adjusted EBITDA increased compared to Q1 2026, primarily due to higher revenues and lower general and administrative expenses, partially offset by higher direct costs. The decrease in general and administrative expenses was mainly due to the timing of advertising and event initiatives, while the increase in direct costs reflected higher advertising fund campaign activity.

Net income increased compared to Q1 2026, primarily reflecting higher income from operations, driven by increased revenues and lower general and administrative expenses, partially offset by higher direct costs.

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 the Canadian housing market activity was softer than expected during the first half of 2026, with home sales declining 5.1% compared to the same period last year due to geopolitical tensions and the resulting macroeconomic uncertainty, recent months have shown some signs of improvement. Lower mortgage rates, improving affordability and a gradual increase in buyer activity have contributed to a more constructive outlook.

Reflecting the slower start to the year, the Canadian Real Estate Association ("CREA") recently revised its forecast and now expects residential home sales to decline 1.4% in 2026 [1], compared to its previous forecast for growth of 1.0%. CREA also increased its forecast for 2027 residential home sales growth to 3.7% from 2.1%, reflecting expectations for a gradual improvement in market conditions supported by improving affordability and lower borrowing costs.

Despite the slow-start to the year, the Corporation remains confident in the long-term fundamentals of the Canadian mortgage market. The mortgage renewal market continues to support healthy origination activity, while improving housing market conditions are expected to provide a more constructive back drop for mortgage origination volumes in the second half of 2026.

Against this backdrop, the Corporation remains focused on executing its strategic growth initiatives. While recruiting high-quality brokers remains a key driver of long-term growth, the Corporation has increasingly focused on helping our brokers and franchise partners build larger, more productive businesses. The recent launch of Broker Performance Lab, a new initiative designed to help brokers build more efficient and scalable businesses through enhanced coaching, operational best practices and technology-enabled tools, together with the Gold Rush and Goal Getter programs, is expected to improve productivity and retention while further strengthening the DLC Group's recruiting efforts by enhancing our value proposition for both existing and prospective brokers.

The Corporation also remains focused on disciplined capital allocation by investing in high-return organic initiatives, pursuing strategic acquisitions that enhance our market position and technology platform, maintaining a strong and sustainable dividend and opportunistically repurchasing our shares. 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 and addressable market size.

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.

On July 31, 2026, the Corporation acquired 100% ownership of Filogix, one of Canada's leading mortgage connectivity platforms, further enhancing DLC Group's technology, data, and connectivity capabilities across the Canadian mortgage ecosystem. The purchase price of $58.5 million, subject to closing adjustments, was funded through borrowings under the Corporation's Senior Credit Facilities.

The acquisition adds a profitable, cash-generating business and is expected to be immediately accretive to Adjusted EPS, while maintaining a conservative pro forma leverage profile. In the trailing twelve months ended May 31, 2026, Filogix processed approximately $60 billion in annual funded mortgage volumes. DLC Group expects Filogix to contribute approximately $15 million to $18 million of Adjusted EBITDA during the first twelve months following closing.

[1] Source: CREA Revises Resale Housing Market Forecast; July 15, 2026

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 June 30, 2026		December 31, 2025
Cash	**$**	**2,780**	$	2,009
Working capital deficiency		**(27,690)**		(19,195)
Total assets		**226,088**		218,736
Total loans and borrowings [(1)]		**42,906**		34,647
Total non-current liabilities		**36,563**		38,134
Shareholders' equity		**138,912**		134,623
Common Shares outstanding		**77,736,891**		77,736,891

(1) Net of debt issuance and transaction costs.

LIQUIDITY

(in thousands, except shares outstanding)		As at June 30, 2026		December 31, 2025
Cash	**$**	**2,780**	$	2,009
Trade and other receivables		**17,664**		21,235
Prepaid expenses and deposits		**1,735**		2,845
Revolving loans and borrowings		**(20,346)**		(9,405)
Accounts payable and accrued liabilities		**(23,429)**		(29,843)
Term loans and borrowing		**(5,152)**		(5,152)
Deferred contract liability		**(567)**		(488)
Lease obligation		**(375)**		(396)
Working capital deficiency	**$**	**(27,690)**	$	(19,195)

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, investments in 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 June 30, 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:

(in thousands)	Three months ended June 30, **2026**	2025	Six months ended June 30, **2026**	2025
Cash provided by operating activities	**$ 12,168**	$ 10,777	**$ 17,247**	$ 18,520
Cash used in investing activities	**(1,990)**	(3,823)	**(15,526)**	(3,738)
Cash used in financing activities	**(8,934)**	(7,308)	**(950)**	(15,704)
Increase (decrease) in cash	**1,244**	(354)	**771**	(922)
Cash, beginning of period	**1,536**	4,164	**2,009**	4,732
Cash, end of period	**$ 2,780**	$ 3,810	**$ 2,780**	$ 3,810

Operating activities

(in thousands)	Three months ended June 30, **2026**	2025	Six months ended June 30, **2026**	2025
Cash flow provided by operating activities	**$ 12,168**	$ 10,777	**$ 17,247**	$ 18,520
Changes in non-cash working capital and other non-cash items	**(434)**	716	**2,778**	689
Cash provided by operations excluding changes in non-cash working capital and other non-cash items	**$ 11,734**	$ 11,493	**$ 20,025**	$ 19,209

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.

<u>Second Quarter</u>

Cash from operating activities for the three months ended June 30, 2026, excluding non-working capital and other non-cash items, was relatively consistent when compared to the three months ended June 30, 2026, primarily due to an increase in revenue partly offset by higher general and administrative expenses.

<u>2026 Year-to-Date Results</u>

Cash from operating activities for the six months ended June 30, 2026, excluding non-working capital and other non-cash items, increased primarily from higher revenues driven by the increase in funded mortgage volumes partly offset by an increase in general and administrative expenses.

Investing activities

<u>Second Quarter</u>

The cash used in investing activities for the quarter consisted primarily of $2.0 million invested in intangible assets.

The cash used in investing activities for the comparative quarter consisted primarily of $2.5 million contributed to equity-accounted investees ($2.0 million related to Heartwood), and $1.4 million invested in intangible assets.

<u>2026 Year-to-Date Results</u>

The cash used in investing activities for the six months ended June 30, 2026 consisted primarily of $7.4 million invested in intangible assets and $8.2 million invested in equity-accounted investees, and a business acquisition.

The cash used in investing activities for the six months ended June 30, 2025 consisted primarily of $4.0 million contributed to equity-accounted investees ($3.5 million related to Heartwood), and $2.6 million invested in intangible assets, which was partly offset by $2.8 million in proceeds from the disposal of an equity-accounted investment.

Financing activities

Second Quarter

Cash used in financing activities for the quarter consisted primarily of repayments on the Revolving Facility of $2.8 million, repayments on term debt of $1.3 million, $3.8 million for dividends paid to common shareholders, $1.0 million for 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 $2.0 million, $3.1 million for dividends paid to common shareholders, $0.7 million for shares purchased by the trust for the RSU plan, $1.1 million for shares purchased under the NCIB, and lease payments of $0.1 million.

2026 Year-to-Date Results

Cash used in financing activities for the six months ended June 30, 2026 consisted primarily of repayments on term debt of $2.6 million, $0.2 million of transaction costs associated with the debt extension to 2031 and additional capacity on the Revolving Facility, $6.9 million for dividends paid to common shareholders, $2.0 million for shares purchased by the trust for the RSU plan, and lease payments of $0.2 million, partly offset by proceeds from the Revolving Facility of $10.9 million.

Cash used in financing activities for the six months ended June 30, 2025 consisted primarily of repayments on term debt and revolving loans and borrowings of $7.2 million, $0.3 million of transaction costs associated with the debt extension to 2030 and additional capacity on the Revolving Facility, $5.5 million for dividends paid to common shareholders, $1.2 million for shares purchased by the trust for the RSU plan, $1.1 million for shares purchased under the NCIB, and lease payments of $0.2 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.

(in thousands)		As at June 30, 2026		December 31, 2025
Term loans and borrowings, net of debt issuance costs	**$**	**22,560**	$	25,242
Revolving loans and borrowings		**20,346**		9,405
Less: cash		**2,780**		2,009
Net loans and borrowings	**$**	**40,126**	$	32,638
Shareholders' equity	**$**	**138,912**	$	134,623

Loans and borrowings

(in thousands)		As at June 30, 2026		December 31, 2025
Revolving loans and borrowings				
Revolving Facility	**$**	**20,346**	$	9,405
Term loans and borrowings				
Term Facility	**$**	**23,182**	$	25,758
Debt issuance costs		**(622)**		(516)
Total term loans and borrowings	**$**	**22,560**	$	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 $25.0 million to $40.0 million.

On July 31, 2026, the Senior Credit Facilities were amended and restated to introduce a new term facility and reduce the Revolving Facility from $40.0 million to $30.0 million. Concurrently, the Corporation drew $62.3 million under the new term facility to fund the acquisition of Filogix.

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 June 30, 2026, the Corporation's adjusted total debt-to-EBITDA ratio and fixed charge coverage ratio were 0.89:1.00 and 2.76:1.00, respectively, and as such, the Corporation was in compliance with all such covenants.

SHARE CAPITAL

As of August 6, 2026 and June 30, 2026, the Corporation had 77,736,891 Common Shares outstanding (December 31, 2025—77,736,891). As of August 6, 2026 and June 30, 2026, the Corporation had 710,313 and 710,313 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 six months ended June 30, 2026, the Corporation issued an additional 10,306 RSUs in lieu of dividends.

On June 30, 2026, there were 1,128,414 RSUs issued and outstanding (December 31, 2025—776,510). The RSUs vest according to the following schedule.

April 15, 2027	669,677
April 15, 2028	291,565
April 15, 2029	167,172
Outstanding RSUs, June 30, 2026	1,128,414

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 payments 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	$ 23,429	$ -	$ -	$ -	$ **23,429**
Term loans and borrowings [1]	5,152	10,303	7,727	-	**23,182**
Revolving Facility	-	-	20,346	-	**20,346**
Long-term accrued liabilities	-	610	-	-	**610**
Leases [2]	321	136	28	-	**485**
	$ 28,902	$ 11,049	$ 28,101	$ -	$ **68,052**

(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 August 6, 2026 or June 30, 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 and $0.2 million decrease of income before tax for the three and six months ended June 30, 2026, respectively (June 30, 2025—$0.1 million and $0.2 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, notes receivable, and its 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 June 30, 2026, $0.2 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 June 30, 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.

(in thousands)		**As at June 30, 2026**		December 31, 2025
Cash	**$**	**2,780**	$	2,009
Trade receivables, other receivables, and other assets		**18,511**		21,515
	$	**21,291**	$	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

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

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 six months ended June 30, 2026, the total costs incurred under these leases were $0.2 million (June 30, 2025—$0.2 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 six months ended June 30, 2026, the total costs incurred under this lease was $30 thousand (June 30, 2025—$42 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 six months ended June 30, 2026 were $0.5 million (June 30, 2025—$0.5 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, 2025, 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, 2025.

ACCOUNTING POLICIES

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

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;
- expectations for a gradual improvement in market conditions supported by improving affordability and lower borrowing costs;
- mortgage renewal market continuing to support healthy origination activity, while improving housing market conditions are expected to provide a more constructive back drop for mortgage origination volumes in the second half of 2026;
- 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;
- 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 Filogix will be a profitable, cash-generating business and will be immediately accretive to Adjusted EPS;
- our expectation that Filogix will contribute approximately $15 million to $18 million of Adjusted EBITDA during the first twelve months following closing;
- 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 six months ended June 30, 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

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:

(in thousands)	Three months ended June 30, **2026**	Three months ended June 30, 2025	Six months ended June 30, **2026**	Six months ended June 30, 2025
Income before income tax	**$ 9,722**	$ 10,506	**$ 16,383**	$ 18,420
Add back:				
Depreciation and amortization	**1,052**	1,046	**2,088**	2,094
Finance expense	**535**	405	**952**	727
	11,309	11,957	**19,423**	21,241
Adjustments:				
Share-based payments expense	**1,242**	655	**1,668**	742
Gain on disposal of equity-accounted investment	**-**	-	**-**	(1,362)
Other expense (income) [(1)]	**6**	27	**194**	49
Adjusted EBITDA [(2)]	**$ 12,557**	$ 12,639	**$ 21,285**	$ 20,670

(1) Other expense for the three and six months ended June 30, 2026 relates to a loss on disposal of an intangible asset. Other expense for the three and six months ended June 30, 2025 relates to a foreign exchange loss and a loss on contract settlement.
(2) Amortization of franchise rights and relationships of $1.6 million and $3.0 million for the three and six months ended June 30, 2026, respectively (June 30, 2025 – $1.3 million and $2.6 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:

(in thousands)	Three months ended June 30, **2026**	2025	Six months ended June 30, **2026**	2025
Cash flow from operating activities	**$ 12,168**	$ 10,777	**$ 17,247**	$ 18,520
Changes in non-cash working capital and other non-cash items	**(434)**	716	**2,778**	689
Cash provided from operations excluding changes in non-cash working capital and other non-cash items	**11,734**	11,493	**20,025**	19,209
Adjustments:				
Maintenance CAPEX	**(1,354)**	(687)	**(2,881)**	(1,433)
Lease payments	**(99)**	(103)	**(196)**	(203)
Loss on contract settlement	**-**	26	**-**	39
NCI portion of cash provided from operations excluding changes in non-cash working capital	**(63)**	(151)	**(93)**	(246)
Other non-cash items (1)	**6**	1	**194**	10
Free cash flow	**$ 10,224**	$ 10,579	**$ 17,049**	$ 17,376

(1) Other non-cash items for the three and six months ended June 30, 2026 relates to a loss on disposal of an intangible asset. The three and six months ended June 30, 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:

	Three months ended June 30,		Six months ended June 30,	
(in thousands)	**2026**	2025	**2026**	2025
Net income	**$ 7,108**	$ 7,726	**$ 11,920**	$ 13,993
Adjustments:				
Gain on disposal of equity-accounted investment	**-**	-	**-**	(1,362)
Other expense (income) (1)	**6**	27	**194**	49
Income tax effects of adjusting items	**(2)**	-	**(3)**	(2)
Adjusted net income	**7,112**	7,753	**12,111**	12,678
Adjusted net income attributable to common shareholders	**7,072**	7,672	**12,062**	12,564
Adjusted net income attributable to non-controlling interest	**40**	81	**49**	114
Diluted adjusted earnings per Common Share	**$ 0.09**	$ 0.10	**$ 0.15**	$ 0.16

(1) Other expense for the three and six months ended June 30, 2026 relates to a loss on disposal of an intangible asset. Other expense for the three and six months ended June 30, 2025 relates to a foreign exchange loss and a loss on contract settlement.