



**Management's Discussion and Analysis  
For the three months ended March 31, 2026**

**May 14, 2026**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

### BASIS OF PRESENTATION

This management's discussion and analysis ("MD&A") in respect of the results of operations and financial condition of Diversified Royalty Corp. ("DIV" or the "Company") for the three months ended March 31, 2026 should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2026 (the "Q1 2026 Financial Statements") and the annual consolidated financial statements and the notes thereto of the Company for the year ended December 31, 2025 (the "2025 Financial Statements"). The Q1 2026 Financial Statements of the Company are presented in thousands of Canadian dollars and have been prepared in accordance with IAS 34, *Interim Financial Reporting*.

Additional information related to the Company, including its Annual Information Form dated March 19, 2026 for the year ended December 31, 2025, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Statements made in this MD&A and in the Q1 2026 Financial Statements are subject to the risks and uncertainties identified under the headings "Risk Factors" and "Forward Looking Information" and those identified elsewhere in this MD&A.

### DESCRIPTION OF NON-IFRS FINANCIAL MEASURES, NON-IFRS RATIOS AND SUPPLEMENTARY FINANCIAL MEASURES

#### Non-IFRS Financial Measures

Readers are cautioned that, in addition to reported results, the Company has also included non-IFRS financial measures that are historical, non-IFRS ratios and supplementary financial measures to assess its results and the results of its Royalty Partners (as defined below) in this MD&A. Non-IFRS financial measures are utilized to assess the Company's business and to measure the Company's overall performance. Non-IFRS financial measures used in this MD&A include EBITDA, normalized EBITDA, distributable cash, DIV Royalty Entitlement, DIV Royalty Entitlement net of NND Royalties LP Expenses, adjusted royalty income and adjusted revenue. Non-IFRS ratios are ratios that include a non-IFRS financial measure as one or more of its components. Non-IFRS ratios used in this MD&A include distributable cash per share and payout ratio. Supplementary financial measures used in this MD&A include same store sales growth or SSSG and system sales of certain of DIV's Royalty Partners.

Management believes that disclosing certain non-IFRS financial measures, non-IFRS ratios and supplementary financial measures provides readers of this MD&A with important information regarding the Company's financial performance and its ability to pay dividends and the performance of its Royalty Partners. By considering these measures in combination with the most closely comparable IFRS measure, management believes that investors are provided with additional and more useful information about the Company and its Royalty Partners than investors would have if they simply considered IFRS measures alone. The non-IFRS financial measures do not have standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as a substitute or an alternative to net income, revenue or cash flows from operating activities as determined in accordance with IFRS.

#### *DIV Royalty Entitlement, Adjusted Royalty Income and Adjusted Revenue*

DIV Royalty Entitlement, adjusted royalty income and adjusted revenue are reported to allow readers to assess the performance of DIV's royalty arrangement with Nurse Next Door (as defined below) on a basis consistent with the royalties received from DIV's other Royalty Partners. Under IFRS, DIV is required to record its investment in NND Royalties LP (as defined below) as a financial instrument and the income earned from this investment as finance income, which does not allow for a direct comparison of the income received from this investment to the royalties received from DIV's other Royalty Partners, which attract different treatment under IFRS. The most comparable IFRS measure to DIV Royalty Entitlement is "distributions received from NND LP" on the Q1 2026 Financial Statements. DIV Royalty Entitlement is calculated as distributions received from NND LP plus NND Royalties LP expenses, which include legal, audit, tax and advisory services. Note that distributions received from NND LP is derived from the royalty paid by Nurse Next Door to NND LP. Adjusted royalty income is calculated as royalty income, plus the DIV Royalty Entitlement received by NND Royalties LP from Nurse Next Door. Adjusted revenue is calculated as adjusted royalty income plus management fees. The table under the section "DIV Royalty Entitlement net of NND Royalties LP Expenses" provides a reconciliation of DIV Royalty Entitlement to distributions received from NND LP on the financial statements and the table under the section "Royalty Pools" provides a reconciliation of adjusted royalty income and adjusted revenue to royalty income, the most comparable IFRS measure disclosed in the financial statements.

#### *DIV Royalty Entitlement net of NND Royalties LP Expenses*

DIV Royalty Entitlement net of NND Royalties LP expenses is calculated as the DIV Royalty Entitlement less expenses related to NND Royalties LP, which include legal, audit, tax and advisory services. In addition to net income and cash flow from operations, DIV Royalty Entitlement net of NND Royalties LP expenses is a useful supplemental measure as it provides investors with an indication of cash available for distribution generated by NND Royalties LP.

The following table reconciles DIV Royalty Entitlement net of NND Royalties LP Expenses to the most directly comparable IFRS measure disclosed in the financial statements:

(000's)	Three months ended March 31,	
	2026	2025
Distributions received from NND LP	\$ 1,345	\$ 1,325
Add: NND Royalties LP expenses	10	4
DIV Royalty Entitlement	1,355	1,329
Less: NND Royalties LP expenses	(10)	(4)
<b>DIV Royalty Entitlement, net of NND Royalties LP expenses</b>	<b>\$ 1,345</b>	<b>\$ 1,325</b>

#### *EBITDA and Normalized EBITDA*

EBITDA is calculated as earnings before interest, taxes, depreciation and amortization. Normalized EBITDA is calculated as EBITDA before certain items including: share-based compensation, other finance costs, the fair value adjustment on financial instruments and payment of lease obligations, but including the DIV Royalty Entitlement net of NND Royalties LP expenses. While EBITDA and normalized EBITDA are not recognized measures under IFRS, management of the Company believes that, in addition to net income, EBITDA and normalized EBITDA are useful supplemental measures as they provide investors with an indication of cash available for distribution prior to debt service needs, litigation expenditures and interest income, as applicable. The methodologies used by the Company to determine EBITDA and normalized EBITDA may differ from those utilized by other issuers or companies and, accordingly, EBITDA and normalized EBITDA as used in this MD&A may not be comparable to similar measures used by other issuers or companies. Readers are cautioned that EBITDA and normalized EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS as indicators of an issuer's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows. The table under the section "EBITDA, Normalized EBITDA, and Distributable Cash" provides a reconciliation of these non-IFRS financial measures to net income or loss, the most comparable IFRS measure disclosed in the financial statements.

#### *Distributable Cash*

Distributable cash is defined as Normalized EBITDA less interest expense on the credit facilities, less distributions on exchangeable partnership units, less gross current income tax expense (before foreign tax credit and excluding US withholding taxes paid), plus interest income. Management believes that distributable cash provides investors with useful information about the amount of cash the Company has generated to cover dividends on its common shares during the applicable period. Readers should be cautioned, however, that distributable cash should not be construed as an alternative to the statement of cash flows as a measure of liquidity and cash flows of the Company. The Company's method of calculating distributable cash may differ from that of other issuers and companies and, accordingly, distributable cash may not be comparable to similar measures used by other issuers or companies. Distributable cash was previously calculated in Q1 2025 as Normalized EBITDA less interest expense on the credit facilities, less distributions on exchangeable partnership units, less net current income tax expense (after foreign tax credit on US withholding taxes paid), plus interest income. The calculation has been revised as management believes the updated calculation provides a more representative view of the Distributable Cash generated by DIV. Under the previous calculation method, distributable cash was previously reported by DIV in Q1 2025 as \$11,138, compared to \$10,900 for Q1 2025 under the current form of the calculation. The table under the section "EBITDA, Normalized EBITDA, and Distributable Cash" provides a reconciliation of this non-IFRS financial measure to net income and cash flows from operating activities, the most comparable IFRS measures disclosed in the financial statements.

#### **Non-IFRS Ratios**

##### *Distributable Cash per Share*

Distributable cash per share is defined as distributable cash divided by the weighted average number of common shares outstanding during the period. Distributable cash per share is a non-IFRS ratio and is not recognized under IFRS, however, management of the Company believes that it provides supplemental information regarding the amount of cash per common share the Company has generated to cover dividends in the applicable period. Under the previous calculation method for distributable cash, distributable cash per share was previously reported by DIV in Q1 2025 as \$0.0666, compared to 0.0652 per share under the current form of the calculation. The Company's method of calculating distributable cash per share may differ from that of other issuers and companies and, accordingly, distributable cash per share may not be comparable to similar measures used by other issuers or companies.

##### *Payout Ratio*

The payout ratio is calculated by dividing the dividends per share during the period by the distributable cash per share generated in that period. The payout ratio is a non-IFRS ratio and is not recognized under IFRS, however, management of the Company believes that it provides supplemental information regarding the extent to which the Company distributes cash as dividends, when compared to its cash flow capacity. Under the previous calculation method for distributable cash, payout ratio was previously reported by DIV in Q1 2025 as 93.8% compared to 95.8% under the current form of the calculation. The

Company's method of calculating the payout ratio may differ from that of other issuers and companies and, accordingly, the payout ratio may not be comparable to similar measures used by other issuers or companies.

## **Supplementary Financial Measures**

### *Same Store Sales Growth or SSSG and System Sales*

Same store sales growth or SSSG is the percentage increase in top-line store sales ("System Sales") over the prior comparable period for locations that are included in the Mr. Lube + Tires Royalty Pool, the Oxford Royalty Pool or the Mr. Mikes Royalty Pool (as defined below), as applicable, and were open in both the current and prior periods, excluding stores that were permanently closed. Same store sales growth is a supplementary financial measure and does not have a standardized meaning prescribed by IFRS. However, the Company believes that SSSG is a useful measure as it provides investors with an indication of the change in year-over-year sales of Mr. Lube + Tires locations included in the Mr. Lube + Tires Royalty Pool, Oxford locations in the Oxford Royalty Pool and Mr. Mikes Restaurants in the Mr. Mikes Royalty Pool, as applicable. SSSG figures are reported to the Company by its Royalty Partners (see "Third Party Information"). The applicable Royalty Partners' methods of calculating same store sales growth may differ from those of other issuers or companies and, accordingly, same store sales growth may not be comparable to similar measures used by other issuers or companies.

## **ADDITIONAL IFRS MEASURES**

IFRS mandates certain minimum line items for financial statements and requires presentation of additional line items, headings and subtotals when such presentation is relevant to an understanding of the issuer's financial position or performance. IFRS also requires that notes to the financial statements provide information that is not presented elsewhere in the financial statements but is relevant to understanding them. Such financial measures outside the minimum mandated line items are considered additional IFRS measures. The Q1 2026 Financial Statements include certain additional IFRS measures where management considers such information to be useful to understanding the Company's financial results.

## **OVERVIEW**

DIV is a multi-royalty corporation, engaged in the business of acquiring royalties from well-managed multi-location businesses and franchisors in North America ("Royalty Partners"). The Company believes that its royalty structure provides a strong incentive for a Royalty Partner to continue growing its business while retaining control of its business.

The Company's primary objectives are to: (i) purchase stable and growing royalty streams from Royalty Partners, and (ii) increase distributable cash per share, a non-IFRS measure, by making accretive royalty purchases. These objectives are intended to allow the Company to pay a dividend to shareholders, while increasing the dividend as distributable cash per share allows. Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

The Company's revenue for the three months ended March 31, 2026 consists of royalties and management fees that are contractually agreed to between the Company and its following Royalty Partners:

- Mr. Lube Canada Limited Partnership ("Mr. Lube + Tires"): royalties are based on the top-line system sales of Mr. Lube + Tires locations in the royalty pool (the "Mr. Lube + Tires Royalty Pool"). As at March 31, 2026, Mr. Lube + Tires had 186 locations, of which 149 were in the Mr. Lube + Tires Royalty Pool. As of the date of this MD&A, Mr. Lube + Tires had 187 locations, of which 149 were in the Mr. Lube + Tires Royalty Pool. In addition to the royalty, Mr. Lube + Tires is required to pay the Company a management fee of approximately \$0.2 million per year for strategic and other services. See "Royalty Pools – Mr. Lube + Tires" below for further information.
- AIR MILES®: prior to February 1, 2026, royalties were based on gross billings generated by AIR MILES Loyalty Inc. (which company has been renamed BMO Blue Rewards, Inc. and is referred to in this MD&A as "AIR MILES") (and is an affiliate of Bank of Montreal ("BMO")) through its operation of the AIR MILES® reward program in Canada (the "AIR MILES® Reward Program"). Effective February 1, 2026, AIR MILES pays a fixed royalty that grows at 2.42% per year commencing February 1, 2027 and each February 1<sup>st</sup> thereafter during the ten-year term of the amended licenses. See "Royalty Pools – AIR MILES® Reward Program" below for further information.
- Sutton Group Realty Services Ltd. ("Sutton"): Sutton royalties are based on fixed monthly payment based on the number of Sutton agents in the royalty pool (the "Sutton Royalty Pool"). As at March 31, 2026, the fixed payment was equal to \$4.4 million per annum which increases each July at a fixed rate of 2% (before 33.3% royalty relief – see "Royalty Pools – Sutton" below for further information). In addition to the royalty, Sutton is required to pay the Company a management fee of approximately \$0.1 million per year for strategic and other services. See "Royalty Pools – Sutton" below for further information.
- Oxford Learning Centres, Inc. ("Oxford"): royalties are based on the system sales of Oxford locations in the royalty pool (the "Oxford Royalty Pool"). As at March 31, 2026 and as of the date of this MD&A, Oxford had 166 locations, of which 146 were in the Oxford Royalty Pool (of which 11 locations have permanently closed). In addition, Oxford is required to pay the Company a management fee of approximately \$0.05 million per year for strategic and other services. See "Royalty Pools – Oxford" below for further information.

- Mr. Mikes Restaurants Corporation (“Mr. Mikes”): royalties are based on the actual system sales of the Mr. Mikes restaurants in the royalty pool (the “Mr. Mikes Royalty Pool”). As at March 31, 2026 and as of the date of this MD&A, Mr. Mikes had (i) 50 restaurants in operation, and (ii) 44 restaurants in the Mr. Mikes Royalty Pool. As at March 31, 2026, 4 locations in the Mr. Mikes Royalty Pool have been permanently closed and 5 have permanently closed as of the date of this MD&A. In addition to the royalty, Mr. Mikes is required to pay the Company a management fee of approximately \$0.05 million per year for strategic and other services. See “Royalty Pools – Mr. Mikes” below for further information.
- Nurse Next Door Professional Homecare Services Inc. (“Nurse Next Door”): DIV’s royalty entitlement from Nurse Next Door, a non-IFRS measure (the “DIV Royalty Entitlement”), is currently equal to approximately \$5.4 million per year, and grows at a fixed rate of 2.0% per annum. In addition to the royalty, Nurse Next Door is required to pay the Company a management fee of approximately \$0.08 million per year for strategic and other services. See “Royalty Pools – Nurse Next Door” below for further information, and refer to “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” in this MD&A.
- SBS Franchising, LLC (“Stratus”, a US based company): royalties are based on a fixed monthly payment currently equal to US\$7.0 million per annum which increases each November at a rate of 5% each year until and including 2026 and 4% each November thereafter. As of March 31, 2026 and as of the date of this MD&A, Stratus had 93 master franchise locations. See “Royalty Pools – Stratus” below for further information.
- BarBurrito Restaurants Inc. (“BarBurrito”): royalties are based on a fixed monthly payment equal to \$9.4 million per annum (including the 2026 BarBurrito Adjustment, as defined below) which grows at a fixed rate of 4% per annum each March from and including March 2026 to and including March 2030 and, commencing on January 1, 2031, will fluctuate based on the gross sales of the BarBurrito locations in the royalty pool (the “BarBurrito Royalty Pool”). As of March 31, 2026, BarBurrito had 403 franchise locations of which 234 were in the BarBurrito Royalty Pool. As of the date of this MD&A, BarBurrito had 405 franchise locations of which 234 were in the BarBurrito Royalty Pool. In addition to the royalty, BarBurrito is required to pay the Company a management fee of approximately \$0.09 million per year for strategic advice and other services, which fee is adjusted annually based on changes in the Canadian consumer price index. See “Royalty Pools – BarBurrito” below for further information.
- Cheba Hut Franchising, Inc. (“Cheba Hut”, a US based company): royalties are based on a fixed monthly payment equal to US\$4.9 million per annum (including the Incremental Cheba Hut Royalty, as defined below) which increases each April at a rate equal to the greater of 3.5% and the U.S. Consumer Price Index (“U.S. CPI”) plus 1.5% per year. As of March 31, 2026 and as of the date of this MD&A, Cheba Hut had 84 restaurant locations. See “Royalty Pools – Cheba Hut” below for further information.

The Company’s ongoing cash expenditures are currently comprised of salaries and benefits, general and administration (including public company costs), professional fees, and interest on credit facilities. The success of the Company currently depends largely on the ability of Mr. Lube + Tires, Sutton, Mr. Mikes, Oxford, Nurse Next Door, Stratus, BarBurrito, and Cheba Hut to maintain and increase the sales or number of agents in the respective royalty pools or franchise networks, as applicable. See “Risk Factors” for further information.

## FINANCIAL HIGHLIGHTS

(000's except per share amounts and SSSG%)	Three months ended March 31,	
	2026	2025
<i>Consolidated:</i>		
Revenue	\$ 17,482	\$ 15,639
Adjusted revenue <sup>1,2</sup>	18,837	16,968
Royalty income	17,326	15,488
Adjusted royalty income <sup>1,2</sup>	18,681	16,817
Normalized EBITDA <sup>2</sup>	17,705	15,920
Distributable cash <sup>2</sup>	12,037	10,900
Income from operations	14,021	14,231
Net income - basic and diluted	7,565	7,993
Dividends declared	12,165	10,443
Weighted average number of shares outstanding - basic	170,762	167,123
Weighted average number of shares outstanding - diluted	173,307	168,669
Basic income per share	\$ 0.04	\$ 0.05
Diluted income per share	0.04	0.05
Distributable cash per share <sup>2</sup>	0.0705	0.0652
Dividends declared per share	0.0712	0.0625
Total assets	\$ 656,704	\$ 574,706
Total non-current financial liabilities	317,558	250,091
<i>Adjusted Revenue<sup>2</sup> by Royalty Partner</i>		
Mr. Lube + Tires	\$ 7,478	\$ 7,180
Stratus <sup>3</sup>	2,389	2,380
BarBurrito	2,247	2,129
Nurse Next Door <sup>1</sup>	1,376	1,349
Cheba Hut <sup>4</sup>	1,370	-
Oxford	1,269	1,249
Mr. Mikes	1,015	1,026
AIR MILES®	922	756
Sutton <sup>5</sup>	771	899
	\$ 18,837	\$ 16,968
Mr. Lube + Tires SSSG <sup>2</sup>	3.0%	9.5%
Oxford SSSG <sup>2,6</sup>	4.4%	5.5%
Mr. Mikes SSSG <sup>2</sup>	1.8%	1.5%

1) Q1 2026 and Q1 2025 figures include the impact of the DIV Royalty Entitlement and management fees received from Nurse Next Door. Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

2) Adjusted revenue, adjusted royalty income, normalized EBITDA, and distributable cash are non-IFRS financial measures and as such, do not have standardized meanings under IFRS. Distributable cash per share is a non-IFRS ratio and SSSG is a supplementary financial measure. For additional information, refer to the sections "Royalty Pools", "EBITDA, Normalized EBITDA and Distributable Cash" and "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

3) Stratus adjusted revenue for the three months ended March 31, 2026 was US\$1.7 million translated at an average foreign exchange rate of \$1.3716 to US\$1 (three months ended March 31, 2025 - US\$1.7 million, translated at an average foreign exchange rate of \$1.4344 to US\$1).

4) Cheba Hut adjusted revenue for the three months ended March 31, 2026 was US\$1.0 million, translated at an average foreign exchange rate of \$1.3716 to US\$1 (three months ended March 31, 2025 - US\$nil).

5) Sutton royalty income for the three months ended March 31, 2026 is net of a 33.3% royalty relief. Sutton royalty income for the three months ended March 31, 2025 is net of a 20% royalty deferral. Management fees from Sutton are not subject to royalty relief or deferral. See "Royalty Pools - Sutton."

6) After the impact of foreign currency translation, SSSG was 3.8% for the three months ended March 31, 2026, compared to 6.4% for the three months ended March 31, 2025.

## ROYALTY POOLS

The following table reconciles the non-IFRS financial measures of adjusted royalty income and adjusted revenue to royalty income, the most directly comparable IFRS measure disclosed in the financial statements:

(000's)	Three months ended March 31,	
	2026	2025
Mr. Lube + Tires	\$ 7,417	\$ 7,120
Stratus <sup>2</sup>	2,389	2,380
BarBurrito	2,225	2,108
Cheba Hut <sup>3</sup>	1,370	-
Oxford	1,258	1,238
Mr. Mikes	1,004	1,015
AIR MILES®	922	756
Sutton <sup>4</sup>	741	871
<b>Royalty income</b>	<b>\$ 17,326</b>	<b>\$ 15,488</b>
DIV Royalty Entitlement <sup>1</sup>	1,355	1,329
<b>Adjusted royalty income<sup>1</sup></b>	<b>\$ 18,681</b>	<b>\$ 16,817</b>
Management fees	156	151
<b>Adjusted revenue<sup>1</sup></b>	<b>\$ 18,837</b>	<b>\$ 16,968</b>

1) DIV royalty entitlement, adjusted royalty income and adjusted revenue are non-IFRS financial measures and as such, do not have standardized meanings under IFRS. For additional information, refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

2) Stratus royalty income for the three months ended March 31, 2026 was US\$1.7 million, translated at an average foreign exchange rate of \$1.3716 to US\$1 (three months ended March 31, 2025 – US\$1.7 million, translated at an average foreign exchange rate of \$1.4344 to US\$1).

3) Cheba Hut royalty income for the three months ended March 31, 2026 was US\$1.0 million, translated at an average foreign exchange rate of \$1.3716 to US\$1 (three months ended March 31, 2025 – US\$nil).

4) Sutton royalty income is net of a 20% royalty deferral applied in the first quarter of 2025 and net of a 33.3% royalty relief applied in the first quarter of 2026. See "Royalty Pools – Sutton."

### Mr. Lube + Tires

ML Royalties Limited Partnership ("ML LP"), an entity controlled by the Company, owns all the trademarks and certain other intellectual property rights utilized by Mr. Lube + Tires (the "ML Rights") in its business of franchising automotive maintenance businesses.

ML LP licensed the ML Rights to Mr. Lube + Tires for a 99 year term ending on August 19, 2114, in exchange for a royalty payment currently equal to 7.95% of the system sales of flagship Mr. Lube + Tires locations in the Mr. Lube + Tires Royalty Pool, with the exception of system sales on tires and rims ("Tire Sales") that are subject to a royalty rate of 2.5% (collectively, the "Mr. Lube + Tires Royalty Rate") of flagship Mr. Lube + Tires locations in the Mr. Lube + Tires Royalty Pool.

Subject to certain performance criteria being met, the Mr. Lube + Tires Royalty Pool is adjusted annually on May 1 (the "Adjustment Date") to include new Mr. Lube + Tires locations and to remove Mr. Lube + Tires locations that have been permanently closed during the previous year. See "Mr. Lube + Tires Royalty Pool Additions" below.

Mr. Lube + Tires has the option, subject to meeting certain performance criteria, to increase the Mr. Lube + Tires Royalty Rate on non-Tire Sales in two further 0.5% increments during the life of the royalty. As consideration for the Mr. Lube + Tires Royalty Rate increases, Mr. Lube + Tires is entitled to exchange certain limited partnership units of ML LP for DIV shares, or cash at DIV's election, based on a formula that is intended to be accretive to DIV. For Mr. Lube + Tires, changes in system sales are derived from both SSSG, a supplementary financial measure, from existing locations in the Mr. Lube + Tires Royalty Pool and from the addition of new Mr. Lube + Tires locations to the Mr. Lube + Tires Royalty Pool.

#### Mr. Lube + Tires Royalty Pool Additions

On May 1, 2025, the Mr. Lube + Tires Royalty Pool was adjusted to include the royalties from six new Mr. Lube + Tires locations and remove one permanently closed location (five net new locations). With the adjustment for these five net new locations, the Mr. Lube + Tires Royalty Pool increased to 149 locations effective May 1, 2025.

The initial consideration paid to Mr. Lube + Tires for the estimated net additional royalty revenue from the five net new locations was \$4.0 million, representing 80% of the total estimated consideration of \$5.0 million. The initial consideration of \$4.0 million was elected by DIV to be paid in the form of 1,460,419 common shares on the basis of the 20-day volume weighted average closing price of the common shares for the period ended April 24, 2025 of \$2.7363 per common share.

Under the Acquisition Agreement (as defined below) with Mr. Lube + Tires Acquisition (as defined below), Mr. Lube + Tires and DIV agreed to waive the annual adjustment to the Mr. Lube + Tires Royalty Pool in 2026, any adjustment to the Mr. Lube + Tires royalty rate in 2026 and the payment of the remaining consideration in respect of the May 1, 2025 adjustment to the Mr. Lube + Tires Royalty Pool provided the Mr. Lube + Tires Acquisition completes in accordance with the Acquisition

Agreement (as defined below), failing which these transactions will be deferred to a later date in 2026. See “Subsequent Events” for further information. Notwithstanding this agreement, DIV has recorded the remaining consideration of \$0.9 million in respect of the remaining consideration payable in respect of the five net new Mr. Lube + Tires locations added to the Mr. Lube + Tires Royalty Pool on May 1, 2025 and accrued \$0.1 million in respect of the dividends Mr. Lube + Tires would have received in the period from May 1, 2025 to May 1, 2026 had the DIV common shares in respect of the remaining consideration been issued on May 1, 2025. These accrued payable amounts will be written off upon closing of the Mr. Lube + Tires Acquisition.

On May 1, 2023, the Mr. Lube + Tires Royalty Pool was adjusted to include royalties from five new flagship Mr. Lube + Tires locations. The initial consideration previously paid by DIV was \$4.7 million, which represented 80% of the total estimated consideration for those five locations, which estimate was based on the forecast system sales of these five locations for year ending December 31, 2023. As a result of a previously-announced amendment (the “LP Amendment”) to the amended and restated limited partnership agreement (the “LP Agreement”) of ML LP, the remaining consideration payable for the additional royalty revenue of the five Mr. Lube + Tires locations (the “2023 True-Up Locations”) added to the Mr. Lube + Tires Royalty Pool on May 1, 2023 was to be paid to Mr. Lube + Tires on May 1, 2025 (as opposed to May 1, 2024), and adjusted to reflect the actual system sales of these five new locations for the year ended December 31, 2024 (as opposed to the actual system sales for the year ended December 31, 2023).

The actual system sales for the 2023 True-Up Locations added to the Royalty Pool on May 1, 2023 has been determined for the year ended December 31, 2024 to be \$10.1 million. The total consideration payable to Mr. Lube + Tires for the additional royalty revenue of these 2023 True-Up Locations based on their actual system sales for the year ended December 31, 2024 was \$7.1 million. After taking into account the \$4.7 million previously paid by DIV to Mr. Lube + Tires on May 1, 2023 for the 2023 True-Up Locations, DIV paid Mr. Lube + Tires the remaining \$2.4 million of cash consideration for the additional royalty revenue of these 2023 True-Up Locations on May 1, 2025.

In addition, Mr. Lube + Tires elected in 2025 to defer the third royalty rate increase until the next Adjustment Date in respect of which the Mr. Lube + Tires Royalty Rate is eligible to be increased (subject to Mr. Lube + Tires’ right to further defer the increase to the Mr. Lube + Tires Royalty Rate at such date).

For further details with respect to the manner in which annual adjustments of the Mr. Lube + Tires Royalty Pool occur and the agreements underlying the procedures therefor, see DIV’s Annual Information Form dated March 19, 2026 as well as the LP Agreement and the LP Amendment, copies of each of which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### *First Quarter*

System sales, a supplementary financial measure, reported by Mr. Lube + Tires for the Mr. Lube + Tires locations within the Mr. Lube + Tires Royalty Pool were \$99.1 million in the first quarter of 2026, compared to \$93.9 million in the first quarter of 2025. SSSG, which is made up of both tire and non-tire sales at different royalty rates, for the Mr. Lube + Tires locations within the Mr. Lube + Tires Royalty Pool was reported by Mr. Lube + Tires as 3.0% in the first quarter of 2026, compared to SSSG of 9.5% in the first quarter of 2025. SSSG remained positive, albeit at a reduced level compared to the same prior period due in large part to unseasonal weather patterns that impacted consumer behaviour. Refer to “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” in this MD&A.

Royalty income from Mr. Lube + Tires was \$7.4 million in the first quarter of 2026, an increase of 4.2% compared to the first quarter of 2025. The increase in royalty income was due to positive SSSG as well as the addition to the Mr. Lube + Tires Royalty Pool of five net new Mr. Lube + Tires locations on May 1, 2025.

#### **AIR MILES® Reward Program**

AM Royalties Limited Partnership (“AM LP”) (a wholly owned subsidiary of the Company) owns the Canadian AIR MILES® trademarks and certain related Canadian intellectual property rights (collectively, the “AIR MILES® Rights”). AIR MILES has an exclusive right to use the AIR MILES® Rights in exchange for a royalty payment which (i) prior to February 1, 2026, was equal to 1% of gross billings from the AIR MILES® Reward Program, and (ii) effective February 1, 2026, is a fixed royalty payment as described below.

Gross billings for the AIR MILES® Reward Program was derived from several AIR MILES® metrics, with AIR MILES® reward miles issued being the primary metric, and other metrics including AIR MILES® reward miles redeemed, service revenue, commissions and promotional items. Variations in these metrics collectively effected DIV’s royalty income under the AIR MILES® Licenses during the current and prior period.

On January 26, 2026, AM Royalties LP entered into an amendment agreement (the “Amendment”) with AIR MILES and the Bank of Montreal to amend the terms of the AIR MILES® Licenses pursuant to which the AIR MILES® Rights are licensed to AIR MILES. The terms of AIR MILES® Licenses have been amended to provide a 10-year, fixed annual royalty payment of \$3.9 million, paid quarterly. The fixed royalty is effective February 1, 2026. The fixed royalty will grow at a rate of 2.42% per

annum commencing February 1, 2027, and each February 1<sup>st</sup> thereafter during the remaining term of the AIR MILES® Licenses. AM LP will have the right to sell, license or otherwise monetize the AIR MILES® trademarks to any other party on or after February 1, 2032. AIR MILES will have the right on or after February 1, 2032, to buy-out the remaining term of the AIR MILES® Licenses and acquire the intellectual property related to the AIR MILES® Reward Program, but not the AIR MILES® trademarks, for a cash payment equal to the net present value of the remaining royalty payments at such time. As disclosed by BMO in its news release dated January 26, 2026, Bank of Montreal is transitioning from the AIR MILES® Reward Program to a new loyalty program.

#### *First Quarter*

For the first quarter of 2026, royalty income of \$0.9 million was generated from the AIR MILES® Licenses compared to \$0.8 million generated in the first quarter of 2025, an increase of 22.0%. The increase is largely due to the new fixed royalty agreement effective February 1, 2026, compared to royalty income based on gross billings for the three months ended March 31, 2025.

#### **Sutton**

SGRS Royalties Limited Partnership (“SGRS LP”), an entity controlled by the Company, owns all the Canadian and US trademarks and certain other intellectual property rights utilized by Sutton in its residential real estate franchise business (the “SGRS Rights”).

On September 19, 2015, SGRS LP licensed the SGRS Rights to Sutton for 99 years in exchange for a fixed monthly royalty payment (the “Sutton Royalty Rate”), based on the number of agents in the Sutton Royalty Pool. The Sutton Royalty Rate grows by 2.0% per year, effective July 1<sup>st</sup> of each year. As at March 31, 2026, the fixed monthly payment was equal to \$4.4 million per annum (\$2.3 million per annum after 33.3% royalty relief).

SGRS LP entered into an agreement with Sutton for a 20% deferral of royalties paid by Sutton for the period beginning October 1, 2024 to December 31, 2025. Subsequently, in December 2025, SGRS LP entered into an agreement to provide, among other things, that (i) the 20% deferred royalties payable by Sutton for the months of October 2024 to September 2025 are forgiven, and (ii) 33% of the royalties payable by Sutton for the months of October 2025 to December 2026 are waived. The royalty relief agreement is intended to support Sutton’s continued investment in business development initiatives to increase its agent base.

#### *First Quarter*

Royalty income was \$0.7 million in the first quarter of 2026 which is net of the 33.3% royalty relief, compared to \$0.9 million in the first quarter of 2025 which was net of the 20% royalty deferral.

#### **Oxford**

OX Royalties Limited Partnership (“OX LP”), an entity controlled by DIV, owns the trademarks and certain other intellectual property rights utilized by Oxford in its franchised supplementary education services business (the “Oxford Rights”).

On February 20, 2020, OX LP licensed the Oxford Rights to Oxford for 99 years in exchange for a royalty equal to 7.67% of the gross sales (the “Oxford Royalty Rate”) from Oxford’s 146 franchise and corporate locations in Canada and the United States included in the Oxford Royalty Pool. So long as certain royalty coverage tests are met, Oxford is eligible to add new Oxford locations to the Oxford Royalty Pool on May 1<sup>st</sup> of each year. In consideration for the addition of net new Oxford locations into the Oxford Royalty Pool, Oxford will be entitled, subject to TSX approval, to exchange certain of the limited partnership units of OX LP held by Oxford for common shares of DIV, or cash at DIV’s election.

Oxford will also, subject to meeting certain performance criteria, be provided opportunities to increase the Oxford Royalty Rate in six 0.25% increments during the life of the royalty. In consideration for each incremental Oxford Royalty Rate increase, Oxford will be entitled, subject to TSX approval, to exchange certain of the limited partnership units of OX LP for common shares of DIV, or cash at DIV’s election.

On October 31, 2025, DIV and Oxford agreed to amend the terms of the limited partnership agreement governing OX LP to revise the formula used to determine the consideration payable for (i) the addition of net new Oxford locations into the Oxford Royalty Pool, and (ii) incremental increases to the Oxford Royalty Rate (ii), in each case, so as to be determined based on the estimated incremental royalty revenue from such transactions multiplied by the applicable agreed fixed multiple set forth in the amended limited partnership agreement as opposed to a floating multiple determined with reference to the yield on the Company’s common shares.

As at March 31, 2026, of the 146 locations in the Oxford Royalty Pool, 135 locations were operating and 11 locations were permanently closed, for which OX LP is accruing and collecting make-whole payments from Oxford.

#### *First Quarter*

System sales, a supplementary financial measure, reported by Oxford for Oxford locations within the Oxford Royalty Pool was \$16.2 million in the first quarter of 2026, compared to \$15.9 million in the first quarter of 2025.

Oxford reported that Oxford locations in the Oxford Royalty Pool generated SSSG, a supplementary financial measure, on a constant currency basis of 4.4% in the first quarter of 2026 (after the impact of foreign currency translation, SSSG was 3.8%), compared to 5.5% in the first quarter of 2025 (after the impact of foreign currency translation, SSSG was 6.4%). Oxford's positive SSSG for the quarter is due to the solid performance of the Oxford system during the quarter. Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

Royalty income from Oxford was \$1.3 million in the first quarter of 2026, compared to \$1.2 million in the first quarter of 2025. The increase in royalty income was due to positive SSSG.

### **Mr. Mikes**

MRM Royalties Limited Partnership ("MRM LP"), an entity controlled by the Company, owns the trademarks and certain related other intellectual property rights utilized by Mr. Mikes in its restaurant business (the "MRM Rights").

On May 20, 2019, MRM LP licensed the MRM Rights to Mr. Mikes for 99 years for a fixed royalty payment. On November 9, 2022, DIV, MRM LP, MRM Royalties GP Inc. and Mr. Mikes, as applicable, entered into an amended set of agreements effective June 13, 2022, including an amended and restated royalty agreement, pursuant to which Mr. Mikes now pays a royalty to MRM LP equal to 4.35% (the "Mr. Mikes Royalty Rate") of the gross sales of the Mr. Mikes restaurants in the Mr. Mikes Royalty Pool. As at March 31, 2026, of the 44 locations in the Mr. Mikes Royalty Pool, 40 locations were operating and 4 locations were permanently closed.

On March 9, 2026, DIV and Mr. Mikes agreed to amend the terms of the limited partnership agreement governing MRM LP to, among other things, revise the formula used to determine the consideration payable for (i) the addition of net new Mr. Mikes locations into the Mr. Mikes Royalty Pool, and (ii) incremental increases to the Mr. Mikes Royalty Rate, in each case, so as to be determined based on the estimated incremental royalty revenue from such transactions multiplied by the applicable agreed fixed multiple set forth in the amended limited partnership agreement as opposed to a floating multiple determined with reference to the yield on the Company's common shares. As a result of the amendments to the terms of the MRM LP limited partnership agreement, additions to the Mr. Mikes Royalty Pool or increases in the Mr. Mikes Royalty Rate cannot occur until April 1, 2029.

#### *First Quarter*

Mr. Mikes reported that SSSG, a supplementary financial measure, for Mr. Mikes restaurants in the Mr. Mikes Royalty Pool was approximately 1.8% in the first quarter of 2026, compared to 1.5% in the first quarter of 2025.

Royalty income from Mr. Mikes was \$1.0 million in the first quarters of both 2026 and 2025, respectively. The Q1 2026 results were flat due to the positive SSSG being offset by lower royalty income from recent store closures.

### **Nurse Next Door**

On November 15, 2019, NND Royalties Limited Partnership ("NND Royalties LP") licensed the trademarks and certain other intellectual property rights utilized by Nurse Next Door in its premium home care business (the "NND Rights") to Nurse Next Door for 99 years in exchange for a gross royalty (the "Gross Royalty") equal to the greater of: (i) 6% of gross sales from Nurse Next Door franchises and corporate stores in Canada and the United States, and (ii) approximately \$0.45 million per month currently, which amount increases at a fixed rate of 2% per annum (being the DIV Royalty Entitlement, a non-IFRS measure). To the extent the Gross Royalty is greater than the DIV Royalty Entitlement, Nurse Next Door is entitled to receive the excess amount in the form of a cash distribution paid by NND Royalties LP on the NND Exchangeable Units held by Nurse Next Door (the "Nurse Next Door Distribution Entitlement").

Subject to certain royalty coverage tests being met, Nurse Next Door is eligible to sell incremental royalties to NND Royalties LP. In consideration for the incremental royalty, Nurse Next Door will be entitled, subject to TSX approval, to indirectly exchange certain of the limited partnership units of NND Royalties LP held by Nurse Next Door for common shares of DIV, or cash at DIV's election, based on a formula that is intended to be accretive to DIV.

Nurse Next Door has the ability to repurchase the NND Rights from NND Royalties LP (the "NND Buy-Out Option") at any time after November 15, 2026. Due to the NND Buy-Out Option, NND Royalties LP does not satisfy the tests under IFRS to establish control over the NND Rights; accordingly, the Company cannot recognize the NND Rights as an intangible asset on its consolidated statement of financial position and the transaction is accounted for as a financing arrangement. Under IFRS, DIV is required to record its investment in NND Royalties LP as a financial instrument and the income earned from this investment as finance income, which does not allow for a direct comparison of the income received from this investment to the royalties received from DIV's other Royalty Partners, which attract different treatment under IFRS. To allow readers to assess the performance of DIV's royalty arrangements with Nurse Next Door on a basis consistent with the royalties received from DIV's other Royalty Partners, the Company reports the DIV Royalty Entitlement as a non-IFRS financial measure. Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

### *First Quarter*

The DIV Royalty Entitlement was \$1.4 million in the first quarter of 2026, and reflects the contractual 2.0% increase effective October 1, 2025, compared to the same prior periods. Refer to the “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” section of this MD&A.

### **Stratus**

On November 14, 2022, the Company acquired through Strat-B Royalties Limited Partnership (“Strat-B LP”) (an entity controlled by the Company), the trademarks and certain other intellectual property rights utilized by Stratus in its commercial cleaning and building maintenance franchise business (the “Stratus Rights”) for a purchase price of US\$59.4 million. Strat-B LP granted Stratus a license to use the Stratus Rights in exchange for a royalty payment currently equal to US\$6.7 million per annum which increases each November at a rate of 5% until and including November 2026 and 4% each November thereafter.

Stratus may increase the annual royalty payable on April 1st of each year subject to Stratus satisfying certain royalty coverage tests.

### *First Quarter*

Royalty income was \$2.4 million (US\$1.7 million, translated at an average foreign exchange rate of \$1.3716 to US\$1) in the first quarter of 2026 and \$2.4 million (US\$1.7 million, translated at an average foreign exchange rate of \$1.4344 to US\$1) in the first quarter of 2025, and reflects the contractual 5.0% increase effective November 15, 2025.

### **BarBurrito**

On October 4, 2023, the Company acquired through BARB Royalties Limited Partnership (“BARB LP”) (an entity controlled by the Company), the trademarks and certain other intellectual property rights utilized by BarBurrito in its quick service Mexican restaurants in Canada (the “BarBurrito Rights”) for a total purchase price of \$108.0 million.

On October 4, 2023, BARB LP licensed the BarBurrito Rights back to BarBurrito for 99 years, in exchange for an initial royalty payment of \$8.3 million per annum. The Royalty grows at a fixed rate of 4% per annum each March from and including March 2026 to and including March 2030 and, commencing on January 1, 2031, will fluctuate based on the gross sales of the BarBurrito locations in the BarBurrito Royalty Pool. So long as certain royalty coverage tests are met, BarBurrito is able to include eligible new BarBurrito locations in the BarBurrito Royalty Pool on March 1<sup>st</sup> of each year.

Commencing January 1, 2031, when the royalty begins to fluctuate based on the gross sales of the BarBurrito locations in the BarBurrito Royalty Pool and subject to meeting certain performance criteria, BarBurrito will be permitted to increase the royalty rate then payable in six, 0.25% increments during the life of the royalty. As consideration for such increases to the royalty rate, BarBurrito will be entitled to exchange certain limited partnership units of BARB LP for DIV shares, or cash at DIV’s election, based on a formula that is intended to be accretive to DIV.

### *BarBurrito Royalty Pool Additions*

On March 1, 2026, the BarBurrito Royalty Pool was adjusted to add nine eligible BarBurrito restaurants to the BarBurrito Royalty Pool (the “2026 BarBurrito Adjustment”). The 2026 BarBurrito Adjustment resulted in an annual increase of \$0.4 million to the royalty payment payable by BarBurrito to BARB LP effective March 1, 2026. The consideration paid by BARB LP to BarBurrito for the incremental royalty revenue was \$3.3 million, resulting in a corresponding reduction to the BARB LP promissory note.

### *First Quarter*

Royalty income was \$2.2 million in the first quarter of 2026, which reflects the additional royalty from the 2026 BarBurrito Adjustment plus the contractual 4.0% increase effective March 1, 2026, compared to \$2.1 million in the same prior period.

### **Cheba Hut**

On June 17, 2025, the Company acquired through Cheeb Royalties Limited Partnership (“Cheeb LP”) (an entity controlled by the Company), the trademarks and certain other intellectual property rights utilized by Cheba Hut in its quick service toasted submarine sandwich franchise business (the “Cheba Hut Rights”) for a purchase price of US\$36 million. Cheeb LP granted Cheba Hut a license to use the Cheba Hut Rights in exchange for a royalty payment currently equal to US\$5.1 million per annum, which increases each April at a rate equal to the greater of 3.5% and U.S. CPI plus 1.5%.

Cheba Hut may increase the annual royalty payable on April 1st of each year subject to Cheba Hut satisfying certain royalty coverage tests.

### *Incremental Cheeba Hut Royalty*

On April 1, 2026, Cheeb LP purchased a US\$0.9 million annualized incremental royalty from Cheba Hut for US\$7.2 million. The incremental royalty acquired from Cheba Hut of US\$75,000 per month (“Incremental Cheba Hut Royalty”) is effective

April 1, 2026. In addition, on each adjustment date the royalty payable by Cheba Hut is automatically increased at a rate equal to the greater of 3.5% and the U.S. CPI + 1.5% per year without any further consideration payable by DIV or Cheeb LP. After giving effect to the Incremental Cheba Hut Royalty and annual increase effective April 1, 2026, the annual royalty payment from Cheba Hut is now US\$5.1 million.

#### First Quarter

Royalty income was \$1.4 million for the three months ended March 31, 2026 translated at an average foreign exchange rate of \$1.3716 to US\$1, compared to \$nil for the same respective prior period of 2025.

### EBITDA, NORMALIZED EBITDA AND DISTRIBUTABLE CASH

The following table reconciles the non-IFRS financial measures of EBITDA, normalized EBITDA, and distributable cash to net income, the most directly comparable IFRS measure disclosed in the financial statements:

(000's except per share amounts and payout ratio%)	Three months ended March 31,	
	2026	2025
<b>Net income</b>	\$ 7,565	\$ 7,993
Interest expense on credit facilities	3,965	3,150
Income tax expense	2,942	2,997
Depreciation expense	25	24
<b>EBITDA<sup>1</sup></b>	<b>14,497</b>	<b>14,164</b>
Adjustments:		
Share-based compensation	796	368
Impairment loss	348	-
Other finance costs, net	1,226	995
Fair value adjustment on financial instruments	(1,677)	(904)
Payment of lease obligations	(28)	(28)
Transaction costs	1,198	-
DIV Royalty Entitlement, net of NND Royalties LP expenses <sup>1</sup>	1,345	1,325
<b>Normalized EBITDA<sup>1</sup></b>	<b>17,705</b>	<b>15,920</b>
Add: interest income	80	135
Less: distributions on exchangeable units	(21)	(48)
Less: current tax expense <sup>2</sup>	(1,762)	(1,957)
Less: interest paid on credit facilities	(3,965)	(3,150)
<b>Distributable cash<sup>1</sup></b>	<b>\$ 12,037</b>	<b>\$ 10,900</b>
Distributable cash per share <sup>1</sup>	\$ 0.0705	\$ 0.0652
Dividends declared per share	0.0712	0.0625
Weighted average number of shares outstanding - basic	170,762	167,123
<b>Payout Ratio<sup>1</sup></b>	<b>101.1%</b>	<b>95.8%</b>

1) EBITDA, normalized EBITDA, distributable cash and DIV Royalty Entitlement net of NND Royalties LP Expenses are non-IFRS financial measures and as such, do not have standardized meanings under IFRS. Distributable cash per share and payout ratio are non-IFRS ratios. For additional information, refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

2) Gross income tax before foreign tax credit and excluding US withholding taxes paid.

The following table reconciles the non-IFRS financial measure distributable cash to cash flows generated from operating activities, the most directly comparable IFRS measure disclosed in the financial statements:

(000's)	Three months ended March 31,	
	2026	2025
<b>Cash flows generated from operating activities</b>	\$ 7,718	\$ 10,160
Current tax expense <sup>1</sup>	(1,762)	(1,957)
Accrued interest on convertible debentures	(1,350)	(788)
Accrued interest on bank loans	(260)	(374)
Distributions on exchangeable MRM units	(21)	(48)
Payment of lease obligations	(28)	(28)
Transaction costs	1,198	-
NND LP expenses	(10)	(4)
Accrued DIV Royalty Entitlement, net of distributions	10	4
Foreign exchange and other	22	49
Changes in working capital	174	850
Taxes paid	3,066	3,036
Payment of contingent consideration	3,280	-
<b>Distributable cash<sup>2</sup></b>	<b>\$ 12,037</b>	<b>\$ 10,900</b>

1) Gross income tax before foreign tax credit and excluding US withholding taxes paid.

2) Distributable cash is a non-IFRS financial measure and as such, does not have a standardized meaning under IFRS. For additional information, refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

#### *Distributable Cash*

In the first quarter of 2026, distributable cash, a non-IFRS financial measure, increased to \$12.0 million compared to \$10.9 million in the prior period (an increase of \$0.0053 per share). The increase in distributable cash was primarily due to higher adjusted revenue, a non-IFRS measure (see "Revenue" below), partially offset by higher general and administration expenses, higher professional fees, and higher interest expense. The increase in distributable cash per share, a non-IFRS ratio was primarily due to an increase in distributable cash, partially offset by a higher weighted average number of common shares outstanding. Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" and "Dividends to Shareholders" in this MD&A.

#### *Dividends Declared*

In the first quarter of 2026, the Company declared dividends in the aggregate amount of \$12.2 million (\$0.0712 per share), compared to \$10.4 million (\$0.0625 per share) in the prior period. The increase in the total amount of dividends declared was due to a higher weighted average number of common shares outstanding in the first quarter of 2026 and the increase in the monthly dividend per share in July and December 2025 (see "Dividends to Shareholders").

#### *Payout Ratio*

The payout ratio, a non-IFRS ratio, is calculated by dividing the dividends paid in that period by the distributable cash, a non-IFRS measure, generated in that period. In the first quarter of 2026, the payout ratio was 101.1% based on dividends of \$0.0712 per share for the quarter compared to the payout ratio in the first quarter of 2025 of 95.8% based on dividends of \$0.0625 per share. On a pro forma basis, if the dividends in the first quarter of 2025 were paid out at \$0.0712 per share, the payout ratio would have been 109.2%. Historically, first quarters have a higher payout ratio due to seasonality in certain of our royalty partners' businesses, predominantly driven by seasonally lower Mr. Lube + Tires sales in the first quarter of the year.

The payout ratio does not factor in any cash savings to the Company as a result of the Company's dividend reinvestment plan ("DRIP"). Refer to the section "Dividends to Shareholders – Dividend Reinvestment Plan" below. Payout ratio is a non-IFRS ratio and as such, does not have a standardized meaning under IFRS. For additional information, refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" and "Dividends to Shareholders" in this MD&A.

## RESULTS OF OPERATIONS

The following table sets out select information from the financial statements of the Company together with other data and should be read in conjunction with the Q1 2026 Financial Statements:

(000's)	Three months ended March 31,	
	2026	2025
Royalty income	\$ 17,326	\$ 15,488
Management fees	156	151
	17,482	15,639
Expenses:		
Salaries and benefits	696	696
Share-based compensation	796	368
General and administration	1,415	214
Professional fees	206	130
Impairment loss	348	-
	3,461	1,408
Income from operations	14,021	14,231
Interest expense on credit facilities	(3,965)	(3,150)
Other finance costs, net	(1,226)	(995)
Fair value adjustment on financial instruments	1,677	904
Income before income taxes	10,507	10,990
Income tax expense	2,942	2,997
<b>Net income</b>	<b>\$ 7,565</b>	<b>\$ 7,993</b>
<b>Other comprehensive income</b>		
Item that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustment	1,417	11
<b>Other comprehensive income</b>	<b>\$ 1,417</b>	<b>\$ 11</b>
<b>Total comprehensive income</b>	<b>\$ 8,982</b>	<b>\$ 8,004</b>

### Revenue

#### First Quarter

Revenue in the first quarter of 2026 was \$17.5 million compared to \$15.6 million in the comparable quarter in 2025. After taking into account the DIV Royalty Entitlement, a non-IFRS measure related to Nurse Next Door, adjusted revenue, a non-IFRS measure, was \$18.8 million in the first quarter of 2026 compared to \$17.0 million in the comparable quarter in 2025. Adjusted revenue increased primarily due to Mr. Lube + Tires' and Oxford's positive SSSG, a supplementary financial measure, the 5% contractual increase in the Stratus royalty, the 4% contractual increase in the BarBurrito royalty, the new fixed higher AIR MILES® royalty effective February 1, 2026, the contractual 2% increase in the DIV Royalty Entitlement from Nurse Next Door, incremental royalty revenue from the 2026 BarBurrito Adjustment effective March 1, 2026, incremental royalty revenue from Cheba Hut and the five net new Mr. Lube + Tires locations added to the Mr. Lube + Tires royalty pool on May 1, 2025, partially offset by the 33.3% royalty relief of the Sutton royalties in the quarter. Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

### Salaries and Benefits

#### First Quarter

Salaries and benefits expense was flat for the three months ended March 31, 2026, compared to the same prior period. Salaries were higher in the current period, offset by lower management incentive amounts.

### Share-based Compensation

#### First Quarter

Share-based compensation increased by \$0.4 million for the three months ended March 31, 2026, compared to the same prior period. The increase is primarily due to the higher fair valuation loss on outstanding restricted share units ("RSUs") granted to management that will be settled in future years, plus incremental share-based compensation from the settlement of RSUs.

## General and Administration

### First Quarter

General and administration expense increased by \$1.2 million for the three months ended March 31, 2026, compared to the same prior period. The increase was primarily due to a significant increase in professional fees related to the Mr. Lube + Tires Acquisition, including quality of earnings, tax planning and legal fees (see “Subsequent Events”), partially offset by a decrease in office expenses.

## Professional Fees

### First Quarter

Professional fees are comprised of legal, audit, tax, advisory, and consulting services. Professional fees increased by \$0.1 million for the three months ended March 31, 2026, compared to the same prior period. The increase was primarily due to a slight increase in legal, audit and tax expenses.

## Impairment of Intangible Assets

The Company recorded an impairment loss of \$0.3 million for the three months ended March 31, 2026 in connection with the AIR MILES® Rights. Given the 10-year, fixed royalty payment period of the Amendment governing the royalty payable by AIR MILES, DIV expects there to be partial impairments each year during the term of the Amendment as the associated future cash flows will reduce over the term.

## Interest Expense on Credit Facilities

### First Quarter

Interest expense on credit facilities for the three months ended March 31, 2026 increased by \$0.8 million, compared to the prior period. The increase was due to: (i) a US\$5.0 million incremental DIV term loan and a US\$5.0 million incremental Cheeb LP term loan related to the acquisition of the Cheba Hut Rights; (ii) the incremental interest on the \$21.2 million draw on the Acquisition Facility related to the acquisition of the Cheba Hut Rights; and (iii) the incremental interest on the 2031 Convertible Debentures; partially offset by: (i) the lower interest expense on the AM LP loan due to the \$1.5 million partial principal payment on February 24, 2025; (ii) the lower interest expense on Nurse Next Door Holdings Limited Partnership (“NNDH LP”) loan due to the \$4.0 million partial principal payment on March 6, 2025; and (iii) lower interest rates on the unswapped portion of the Company’s term loan facilities.

## Other Finance Costs, Net

The following table summarizes other finance income (costs), net for the three months ended March 31, 2026 and 2025:

(000's)	Three months ended March 31,	
	2026	2025
Finance income	\$ 80	\$ 135
Distributions on Exchangeable Units	(21)	(48)
Foreign exchange gain	160	6
Amortization of deferred financing charges	(357)	(209)
Accretion expense and other	(1,088)	(879)
	<u>\$ (1,226)</u>	<u>\$ (995)</u>

### First Quarter

Other finance costs, for the three months ended March 31, 2026, increased by \$0.2 million compared to the same prior period. The increase was primarily due to higher accretion expense and amortization of deferred financing costs due to the 2031 Convertible Debentures and incremental loans from the Cheba Hut transaction, partially offset by a higher foreign exchange gain from the strengthened USD against CAD, compared to the prior quarter.

## Fair Value Adjustment on Financial Instruments

The fair value adjustment on financial instruments consists of fair value changes on the Company’s interest rate swaps, the Company’s investment in NND Royalties LP, and the MRM LP exchangeable units.

### First Quarter

The fair value gain on financial instruments of \$1.7 million in the first quarter of 2026, primarily consists of a \$1.4 million gain on the Company's investment in NND royalties LP and a \$0.4 million gain on the Company's interest rate swaps, partially offset by \$0.1 million loss on the MRM LP exchangeable units.

The fair value gain on financial instruments in the first quarter of 2025 consists of a \$1.3 million gain on the Company's investment in NND royalties LP and a \$0.03 million gain on the MRM LP exchangeable units, partially offset by a \$0.5 million loss Company's interest rate swaps.

## Income Tax Expense

### First Quarter

Income tax expense decreased by \$0.1 million for the three months ended March 31, 2026, compared to the comparable prior periods. The decrease for the three months ended March 31, 2026 was primarily due to lower income before taxes.

Income tax expense includes US withholding tax which consists of United States federal taxes withheld at a rate of 10% of gross royalty income generated from sources within the United States. Income tax expense includes \$0.4 million for the three months ended March 31, 2026 in US withholding tax on royalty income earned through Strat-B LP and Cheeb LP.

### Undepreciated Capital Cost Allowance

The Company has intangible assets related to the SGRS Rights, ML Rights, AIR MILES® Rights, MRM Rights, Oxford Rights, Stratus Rights, BarBurrito Rights, and Cheba Hut Rights, which have an aggregate undepreciated capital cost allowance of approximately \$363.1 million at March 31, 2026. In addition, pursuant to NND Royalties LP's limited partnership agreement, its undepreciated capital cost allowance of approximately \$37.4 million at March 31, 2026 is allocated to the Company for tax purposes.

## Other Comprehensive Income

The foreign currency translation adjustment for the three months ended March 31, 2026 relates to the translation of Strat-B LP's and Cheeb LP's assets and liabilities from US dollar functional currency to Canadian dollar presentation currency.

### First Quarter

The other comprehensive gain is primarily due to a \$0.9 million of foreign exchange gain on translation of Strat-B LP's net assets, plus a \$0.5 million other comprehensive gain on the translation of Cheeb LP's net assets.

## SUMMARY OF QUARTERLY RESULTS

The following table discloses certain unaudited financial data for the eight most recently completed quarters:

	1	2	3	4	5	6	7	8
(000's except per share amounts)	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Revenue	\$ 17,482	\$ 19,059	\$ 18,261	\$ 17,848	\$ 15,639	\$ 17,032	\$ 16,097	\$ 16,781
Net income	\$ 7,565	\$ 11,007	\$ 8,669	\$ 9,020	\$ 7,993	\$ 4,015	\$ 6,887	\$ 8,212
Income per common share								
Basic	\$ 0.04	\$ 0.06	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.02	\$ 0.04	\$ 0.05
Diluted	\$ 0.04	\$ 0.06	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.02	\$ 0.04	\$ 0.05

## Revenue

The first quarter of 2026 reflects positive SSSG, a supplementary financial measure, from Mr. Lube + Tires of 3.0% and from Oxford's of 4.4% on a constant currency basis. The AIR MILES® Amendment provided for a fixed royalty payment effective February 1, 2026, resulting in increased revenues in the quarter. Stratus, BarBurrito and Cheba Hut paid 100% of their contractual royalties, which includes the impact of a 4% contractual increase in BarBurrito's royalty payment, plus the incremental royalty from the 2026 BarBurrito Adjustment. Mr. Mikes' results were flat and Sutton continued to make partial contractual payments net of the 33.3% royalty relief.

The fourth quarter of 2025 reflects positive SSSG, a supplementary financial measure, from Mr. Lube + Tires of 7.2. Oxford also saw positive results with SSSG of 3.7% on a constant currency basis; however, the softness in the AIR MILES® Reward Program continued and Mr. Mikes produced negative SSSG results of -1.1%. Stratus, BarBurrito and Cheba Hut paid 100% of their contractual royalties, which includes the impact of a 5% contractual increase in Stratus' royalty payment. Sutton continued to make partial contractual payments net of the 33.3% royalty relief.

The third quarter of 2025 reflects the positive SSSG from Mr. Lube + Tires of 10.1%. Oxford had positive results in Q3 2025, with SSSG of 4.4% on a constant currency basis. Mr. Mikes produced positive SSSG results at 1.0%; however, the softness in the AIR MILES® Reward Program continued in the quarter. Stratus and BarBurrito paid 100% of their contractual royalties. Sutton made partial contractual payments net of the 20% royalty deferral. In addition, the third quarter of 2025 reflects the first full quarter of incremental royalty revenue from the five net Mr. Lube + Tires locations added to the Mr. Lube + Tires royalty pool on May 1, 2025 and the first full quarter of incremental royalty revenue from Cheba Hut.

The second quarter of 2025 reflects the incremental revenue contribution from the Cheba Hut acquisition and continued positive SSSG, a supplementary financial measure, from Mr. Lube + Tires of 11.1%. Oxford's SSSG was 6.5% on a constant currency basis. Mr. Mikes produced slightly negative SSSG results of -0.5% and the AIR MILES® Reward Program produced negative results. Stratus and BarBurrito paid 100% of their contractual royalties, which includes the impact of a 4% contractual increase BarBurrito's royalty payment in March 2025. Five net new Mr. Lube + Tires locations were added to the Mr. Lube + Tires Royalty Pool on May 1, 2025. Sutton made partial contractual payments due to the 20% royalty deferral.

The first quarter of 2025 reflects positive SSSG, a supplementary financial measure, from Mr. Lube + Tires of 9.5%. Oxford positive results also continued in Q1 2025 with SSSG of 5.5% on a constant currency basis. Following negative SSSG in Q4 2024, Mr. Mikes saw a slight recovery with positive SSSG of 1.5%. While AIR MILES® weak results continued, Stratus and BarBurrito paid 100% of their contractual royalties, which includes the impact of a 4% contractual increase BarBurrito's royalty payment in March 2025. Sutton made partial contractual payments due to the 20% royalty deferral.

The fourth quarter of 2024 reflects positive results from Mr. Lube + Tires following its strong first three quarters of 2024 as it continued to generate positive SSSG, a supplementary financial measure. Oxford saw positive results from consecutive quarters, with SSSG in the quarter of 4.0% on a constant currency basis. Mr. Mikes produced negative SSSG results at - 4.7% and AIR MILES® weak results continued. Stratus and BarBurrito continued to pay 100% of their contractual royalties and the Stratus royalty saw an incremental 5% contractual increase in November 2024, whereas Sutton made partial contractual payments due to a 20% royalty deferral for the quarter.

The third quarter of 2024 saw positive results from Mr. Lube + Tires as it continued to generate positive SSSG, a supplementary financial measure. Oxford saw a slight recovery from the second quarter of 2024 with SSSG of 1.8% on a constant currency basis. Mr. Mikes produced negative SSSG results at -3.1% and AIR MILES® produced weak results. Stratus, Sutton and BarBurrito paid 100% of their contractual royalties.

The second quarter of 2024 saw continued momentum from Mr. Lube + Tires from the first quarter of 2024 as it continued to generate positive SSSG, a supplementary financial measure. Oxford and Mr. Mikes continued slightly negative results from the first quarter of 2024, at -2.3% and -0.8% respectively, while AIR MILES® produced weak results. Stratus, Sutton and BarBurrito paid 100% of their contractual royalties.

Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

## **Net Income**

Net income reflects the trend in quarterly revenue, offset by fluctuations associated with the fair value adjustments (including with respect to DIV's investment in NND Royalties LP, interest rate swaps and exchangeable partnership units), and income tax expense.

## **FINANCIAL AND OTHER INSTRUMENTS**

In the normal course of business, the Company is exposed to financial risks, including credit risk, liquidity risk, currency risk, and interest rate risk. The Board of Directors of the Company, in consultation with management, has responsibility for the oversight of the Company's risk management framework and closely monitors the Company's internal controls and ability to pay future dividends.

### **Credit risk**

Credit risk is associated with the Company's cash, royalties and management fees receivable, amounts receivable, promissory note receivable and investment in NND Royalties LP. Credit risk on the Company's cash is mitigated by holding these amounts with Canadian chartered banks of high creditworthiness. Credit risk on the royalties and management fees receivable, promissory note receivable and the investment in NND Royalties LP is monitored through regular review of the Company's Royalty Partners.

### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities and other contractual obligations. The Company monitors its consolidated cash flow to ensure that there is sufficient liquidity

to meet liabilities when due. In addition, the Company manages its liquidity risk by preparing rolling cash flow forecasts, taking into consideration various scenarios and assumptions, monitoring the business operations of its Royalty Partners, and monitoring compliance with the terms of financing arrangements.

As at March 31, 2026, the Company had a cash balance of \$46.5 million (December 31, 2025 - \$4.6 million) and working capital of \$35.1 million (December 31, 2025 – working capital deficit of \$5.5 million).

As at March 31, 2026, the Company also had \$5.9 million (December 31, 2025 - \$5.9 million) in undrawn operating lines of credit.

As at March 31, 2026, the following table summarizes the Company's contractual obligations, including estimated interest payments and the interest rate swap arrangements, on a consolidated basis:

	Carrying amount	Contractual cash flow	2026	2027	2028	2029	Thereafter
Accounts payable and accrued liabilities	\$ 4,514	\$ 4,514	\$ 4,514	\$ -	\$ -	\$ -	\$ -
Contingent consideration	24,268	37,650	-	6,714	12,873	18,063	-
Lease obligation	537	624	86	117	120	123	178
Long-term bank loans	184,324	202,746	14,317	122,958	29,337	25,447	10,687
Convertible debentures	113,743	147,288	7,349	58,043	3,968	3,968	73,960
<b>Total contractual obligations</b>	<b>\$ 327,386</b>	<b>\$ 392,822</b>	<b>\$ 26,266</b>	<b>\$ 187,832</b>	<b>\$ 46,298</b>	<b>\$ 47,601</b>	<b>\$ 84,825</b>

It is not currently expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

As at March 31, 2026, the Company was in compliance with all financial covenants associated with its Acquisition Facility and other credit facilities.

During first quarter of 2026, DIV used partial net proceeds from the Offering (defined below) to make voluntary payments of US\$6.5 million and \$12.4 million on the outstanding U.S. and Canadian dollar portions of its Acquisition Facility, respectively, reducing those outstanding balances to \$nil.

### Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. During the first quarter of 2026, DIV was exposed to currency risk from US dollar-denominated cash of U\$7.5 million as at March 31, 2026 (December 31, 2025 – US\$1.1 million). Additionally, the Company was exposed to currency risk from the US\$5.0 million in the DIV term loan facility.

Strat-B LP and Cheeb LP are also exposed to currency risk from Canadian dollar-denominated balances. As at March 31, 2026, cash in Canadian dollars was \$0.02 million (December 31, 2025 – \$0.02 million), while accounts payable and accrued liabilities was \$0.1 million (December 31, 2025 – \$0.02 million).

DIV is primarily exposed to the impact of foreign exchange rate risk through its Royalty Partners operating in the United States where the functional currency is the US dollar, and the Strat-B LP and Cheeb LP US dollar credit facilities. As DIV does not currently utilize hedging instruments, these foreign currency fluctuations may affect the Company's earnings and cash flows.

### 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 interest rates.

The Company has bank loans that are subject to floating interest rates. An increase in prevailing interest rates will impact the floating interest rate portion of our bank loans and increase overall interest expense. As at March 31, 2026, the interest rate risk related to bank loans is mitigated by interest rate swap arrangements that fix the interest rates on \$119.4 million of the Company's \$185.0 million term loan facilities.

As at March 31, 2026, the Company had a note receivable (being the Sutton Promissory Note) of \$1.8 million, that is subject to a floating interest rate.

The investment in NND Royalties LP is a financial asset measured at fair value. The valuation of this financial asset includes an estimate of the discounted cash flow receivable from Nurse Next Door and takes into consideration the likelihood of Nurse Next Door exercising the NND Buy-Out Option and the NND Exchange Mechanism (defined below). The NND Buy-Out Option and NND Exchange Mechanism are embedded derivatives with a negligible value at March 31, 2026. The contractual cash flows receivable from Nurse Next Door were discounted at a rate of 16.8% (December 31, 2025 – 16.8%). Although the cash flows are fixed and contractual, the fair value of the investment in NND Royalties LP will fluctuate because of changes in interest rates. As at March 31, 2026, the investment in NND Royalties LP was valued at \$39.9 million (March 31, 2025 – \$40.9

million) and a fair value gain of \$1.4 million was recorded for the three months ended March 31, 2026 (fair value gain of \$1.3 million for the three months ended March 31, 2025).

## CASH FLOWS

(000's)	Three months ended March 31,	
	2026	2025
Cash flows generated from operating activities	\$ 7,718	\$ 10,160
Cash flows generated from (used in) financing activities	34,086	(14,606)
Cash flows used in investing activities	(5)	-
Net increase (decrease) in cash	41,799	(4,446)
Cash, beginning of the period	4,609	19,692
Effect of foreign exchange rate changes on cash	82	6
Cash, end of the period	\$ 46,490	\$ 15,252

### *Cash From Operating Activities*

Cash generated from operating activities for the three months ended March 31, 2026 was lower compared to the prior respective period due to higher taxes, general and administration costs, professional fees, and interest paid, partially offset by higher royalty income received.

For the three months ended March 31, 2026, if the US foreign exchange rate had been \$0.01 to US\$1 lower with all other variables held constant, revenue recognized and cash flows generated from operating activities for the period would have been approximately \$0.03 million lower due to lower US dollar denominated revenue generated from Stratus and Cheba Hut.

### *Cash From Financing Activities*

Cash generated in financing activities for the three months ended March 31, 2026 was higher compared to the same prior period due to the proceeds from the issuance of the 2031 Convertible Debentures, partially offset by full paydowns of US\$6.5 million and \$12.4 million on the Acquisition Facility plus incremental dividends paid.

### *Cash From Investing Activities*

Cash used in investing activities for the three months ended March 31, 2026 was due to the purchase of nominal fixed assets.

## CAPITAL RESOURCES

The Company's capital includes shareholders' equity, the Company's Acquisition Facility, term loan facilities, the 2027 Convertible Debentures, the 2031 Convertible Debentures, net of cash and cash equivalents. In managing its capital, the Company may issue new common shares, issue warrants, issue new debt, draw on its operating lines of credit, purchase common shares for cancellation pursuant to normal course issuer bids, temporarily suspend the DRIP, reduce the monthly dividend or reduce debt.

### **Acquisition Facility**

DIV has a \$70.0 million senior secured credit facility (the "Acquisition Facility") with a Canadian chartered bank that matures on June 17, 2028. The Acquisition Facility is subject to a customary annual standby fee and draws under the facility are subject to prevailing market interest rates at the time of the draw subject to a credit spread. Draws under the Acquisition Facility are interest only for twelve months, then amortize over 60 months. The Acquisition Facility is secured by a general security interest over the assets of the Company and, if requested by the lender, may be secured by specific assignments of certain material agreements entered into by the Company from time to time.

On June 17, 2025, the Company drew \$13.6 million plus US\$8.0 million on the Acquisition Facility, for a total of \$24.5 million to partially fund the purchase price of the Cheba Hut Acquisition.

During the year ended December 31, 2025, DIV made voluntary partial paydowns in aggregate totalling US\$1.5 million and \$1.2 million, respectively, on its Acquisition Facility.

On February 17, 2026, using partial net proceeds from the Offering (defined below) DIV voluntarily made payments of US\$6.5 million and \$12.4 million on the outstanding U.S. and Canadian dollar portions of its Acquisition Facility, respectively, reducing those outstanding balances to \$nil.

Copies of the credit agreement, and the amendments thereto, governing the Acquisition Facility are available under DIV's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Term Loan Facilities

As at March 31, 2026, the Company and the Company's subsidiaries had term loan facilities with a total carrying value of \$184.3 million. These term loan facilities have floating interest rates based on Prime, CORRA or SOFR, depending on the facility, plus a credit spread ranging from 0.4% to 3.3%.

The Company's subsidiaries also have operating lines of credit with a total value of \$5.9 million that had undrawn balances at March 31, 2026 and May 14, 2026.

It is the Company's intention to acquire future royalty streams in separate legal entities without cross-collateralization so that, to the maximum extent possible, any liability exposure in one legal entity does not affect the balance sheet of any other legal entity. However, there can be no assurance that this will be achieved.

On May 14, 2026, Cheeb LP amended the terms of its credit agreement to increase its credit facility by US\$7.5 million from US\$5.0 million to US\$12.5 million, with US\$5.0 million of such increase to be used to pay down the US\$5.0 DIV term facility in full. This amendment also extended the maturity date of the Cheeb LP term loan from June 17, 2028 to May 14, 2029, and removed any further accordion feature from the credit facility.

## Convertible Debentures

As at March 19, 2026, there was \$52.5 million aggregate principal amount of unsecured subordinated convertible debentures issued and outstanding (the "2027 Convertible Debentures") and \$69.0 million aggregate principal amount of unsecured subordinated convertible debentures issued and outstanding (the "2031 Convertible Debentures").

The 2027 Convertible Debentures mature on June 30, 2027 and bear interest at 6.00% per annum, payable on June 30th and December 31st of each year. The 2027 Convertible Debentures are convertible by their terms for an aggregate of 12,962,963 common shares at a conversion price of \$4.05 per common share.

On February 9, 2026, the Company issued \$60 million aggregate principal amount of 5.75% convertible unsecured subordinated debentures (the "2031 Convertible Debentures"), at a price of \$1,000 per debenture pursuant to a prospectus (the "Offering"). The 2031 Convertible Debentures mature on March 31, 2031 and bear interest at an annual rate of 5.75% payable semi-annually in arrears on the last day of March and September in each year. At the holder's option, the 2031 Convertible Debentures may be converted into common shares of the Company at any time prior to the earlier of the last business day immediately preceding March 31, 2031 and the date specified by the Company for redemption. The conversion price will be \$5.35 per common share, subject to adjustment in certain circumstances. On February 12, 2026, the Company issued an additional \$9.0 million aggregate principal amount of 2031 Convertible Debentures upon the exercise by the underwriters of the over-allotment option in full.

The 2031 Convertible Debentures are not redeemable prior to March 31, 2029, except upon the satisfaction of certain conditions after a change of control has occurred. On and after March 31, 2029 and prior to March 31, 2030, the Debentures may be redeemed in whole or in part from time to time at DIV's option, provided that the volume weighted average trading price of the common shares on the Toronto Stock Exchange during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is not less than 125% of the conversion price.

On or after March 31, 2031 and prior to the maturity date, DIV may, at its option, redeem the 2031 Convertible Debentures, in whole or in part, from time to time at par plus accrued and unpaid interest. On redemption or at maturity, the Company will repay the indebtedness of the 2031 Convertible Debentures by paying an amount equal to the principal amount of the outstanding debentures, together with accrued and unpaid interest thereon.

The Company may, at its option, elect to satisfy its obligation to repay the principal amount of the 2031 Convertible Debentures, which are to be redeemed or which have matured, by issuing shares to the holders of the convertible debentures, subject to regulatory approval. The number of shares to be issued will be determined by dividing the principal amount of the 2031 Convertible Debentures by 95% of the current market price on the maturity date or redemption date, as applicable.

On February 17, 2026, the Company used approximately \$18.5 million of the proceeds from the Offering of the 2031 Convertible Debentures to voluntarily pay off the remaining US and Canadian dollar portions of its Acquisition Facility, reducing those outstanding balances to \$nil. DIV intends to use the remaining net proceeds of the Offering to fund a portion of the purchase price for the Acquisition of the Mr. Lube + Tires franchisor business, additions to the royalty pools of certain Royalty Partners, for working capital and general corporate purposes (see "Subsequent Events").

The table below compares the estimated and actual use of proceeds from the Offering as at March 31, 2026:

	Estimate Use of Proceeds	Actual Use of Proceeds	Variance
Proceeds used to repay outstanding amounts under the Acquisition Facility	\$ 22,000	\$ 21,174	\$ 826
Payment of underwriter fees	2,760	2,760	-
Offering transaction costs	640	553	87
Proceeds allocated to fund royalty pool additions, and for working capital and general corporate purposes	43,600	44,513	(913)
<b>Total</b>	<b>\$ 69,000</b>	<b>\$ 69,000</b>	<b>\$ -</b>

### Common Shares

As at May 14, 2026, there were 171,267,620 common shares issued and outstanding.

### Share Options

As at May 14, 2026, there were 3,263,889 options outstanding, which may be exercised to purchase an equivalent number of common shares at exercise prices ranging between \$2.72 per share to \$3.00 per share.

### Restricted Share Units (RSUs)

As at May 14, 2026, there were 592,117 RSUs outstanding, which may be settled for an equivalent number of common shares or cash upon vesting.

### Deferred Share Units (DSUs)

As at May 14, 2026, there were 465,860 DSUs outstanding, which may be settled for an equivalent number of common shares.

## DIVIDENDS TO SHAREHOLDERS

The Company currently has a dividend policy providing for the payment of a monthly dividend, subject to the approval of the Board of Directors.

The determination to declare and pay dividends is at the discretion of the Board of Directors, and until declared payable, the Company has no requirement to pay cash or other dividends to its shareholders. The Board of Directors reviews this dividend policy on an ongoing basis and may amend the policy at any time in light of the Company's then current financial position, profitability, cash flow, applicable legal requirements and other factors considered relevant by the Board of Directors. In addition, the Company is prohibited from paying dividends or making other distributions to its shareholders pursuant to the terms of the Acquisition Facility agreement if the Company is not in compliance with certain financial covenants set forth therein. The Company monitors the financial covenants under its and its subsidiaries' credit facilities closely in order to ensure compliance therewith prior to the payment of any distributions by its subsidiaries to the Company and the payment of any dividends by the Company to its shareholders.

The Company's dividends are deemed eligible dividends for Canadian tax purposes. Dividends declared in 2026 are as follows:

<b>2026</b>	<b>Payment date</b>	<b>Dividend / share</b>
May 2026	May 29, 2026	\$ 0.02375
April 2026	April 30, 2026	\$ 0.02375
March 2026	March 31, 2026	\$ 0.02375
February 2026	February 27, 2026	\$ 0.02375
January 2026	January 30, 2026	\$ 0.02375

On June 17, 2025, in connection with the Cheba Hut Acquisition, the Board of the Directors approved an increase to DIV's monthly dividend from \$0.02083 per share (\$0.250 per share on an annualized basis) to \$0.02292 per share (\$0.275 per share on an annualized basis), effective with the dividend declared in the month of July 2025.

On November 12, 2025, the Board of the Directors approved an increase to DIV's monthly dividend from \$0.02292 per share (\$0.275 per share on an annualized basis) to \$0.02375 per share (\$0.285 per share on an annualized basis), effective with the dividend declared in the month of December 2025. The monthly dividends of \$0.02375 per share have remained unchanged since.

### Dividend Reinvestment Plan

The DRIP, which is currently active, allows eligible holders of the Company's common shares to reinvest some, or all cash dividends paid in respect of their common shares in additional common shares of the Company. At the Company's election, these additional common shares may be issued from treasury or purchased on the open market. If the Company elects to issue common shares from treasury, the common shares will be purchased under the DRIP at a 3% discount to the volume weighted average of the closing price for the common shares on the TSX for the five trading days immediately preceding the relevant dividend payment date. The Company may, from time to time, change or eliminate the discount applicable to common shares issued from treasury.

### TRANSACTIONS WITH RELATED PARTIES

In addition to information disclosed elsewhere in this MD&A, the Company had the following related party transactions during the three months ended March 31, 2026. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

#### MCM Agreement

In May 2021, DIV entered into a services agreement and cost sharing agreement with Maxam Capital Management Ltd. ("MCM"), an entity in respect of which Sean Morrison, the Company's CEO, is a director and minority shareholder, through which DIV provides certain office space and certain administrative services to MCM (the "MCM Agreements").

#### Key Management Compensation

Key management personnel of the Company include Members of the Board of Directors, the CEO, and the President and CFO. The table below summarizes the compensation of key management personnel included in net income:

(000's)	Three months ended March 31,	
	2026	2025
Short-term benefits	\$ 562	\$ 533
Share-based compensation	794	367
	\$ 1,356	\$ 900

The increase in key management compensation for the three months ended March 31, 2026 compared to 2025 is primarily due to the increase in share-based compensation expense primarily related to the revaluations of cash settled RSUs and settlement of RSUs in shares. RSUs can be settled in either cash or common shares upon vesting in future years.

### SUBSEQUENT EVENTS

On May 14, 2026, DIV announced that it, and its newly formed wholly owned subsidiary (the "Purchaser"), have entered into a definitive agreement (the "Acquisition Agreement") with Mr. Lube Canada Limited Partnership and Mr. Lube Canada GP Inc. (collectively in this Subsequent Events section of this MD&A, "Mr. Lube + Tires") for the strategic acquisition of the Mr. Lube + Tires franchisor business in Canada (the "Acquisition") for an aggregate purchase price of \$235 million, subject to customary closing and post-closing adjustments (the "Purchase Price").

The \$235 million Purchase Price plus estimated transaction costs of \$2.0 million will be funded by (i) \$34 million from DIV's cash on hand, (ii) \$41.1 million from DIV's existing undrawn Acquisition Facility capacity, (iii) \$212.5 million drawn from a new senior credit facility obtained by the Purchaser (the "Purchaser Credit Facility") (resulting in a net increase in senior debt of \$127.6 million as described further below), (iv) \$13.7 million in DIV shares at a price of \$3.98 per share issued on a private placement basis (3.4 million shares) to various equity holders of Mr. Lube + Tires (which shares will be subject to a statutory four-month hold period), and (v) \$20.6 million of rolled equity into the Purchaser issued to management of Mr. Lube + Tires resulting in a retained interest in the Purchaser of approximately 4%. Mr. Lube + Tires will also provide the Purchaser with an \$11.6 million non-interest-bearing loan to fund the GST related to the Acquisition, of which \$9.2 million will be payable by the Purchaser on the earlier of six months following closing of the Acquisition and the receipt by the Purchaser of a GST refund in

respect of the Acquisition, and \$2.4 million, representing an indemnity holdback, will be payable by the Purchaser one year post closing.

The Purchaser entered into a credit agreement with a lending syndicate (the “Purchaser Credit Agreement”) which will govern the \$212.5 million Purchaser Credit Facility to be drawn to fund a portion of the Purchase Price. In connection with the Acquisition, DIV intends to cause \$84.9 million of existing term loan indebtedness of ML LP to be repaid from the proceeds of the Purchaser Credit Facility, resulting in a net increase in consolidated senior debt in the Purchaser of \$127.6 million. The Purchaser Credit Agreement provides for a total indebtedness of up to \$222.5 million consisting of a revolving credit facility in the maximum amount of \$60 million to be used to finance working capital and general corporate requirements, including a portion which may be used to finance the Acquisition, and a non-revolving term facility of \$162.5 million (the “Purchaser Term Loan Facility”). The Purchaser Term Loan Facility has a term of approximately five years, bears interest at a floating rate based on CORRA plus a spread based on prevailing market rates, and amortizes on a scheduled basis following an initial six-month interest-only period. The Purchaser Credit Facility will be secured by the assets of the Purchaser and its subsidiaries and the Purchaser Credit Agreement has covenants customary for this type of credit facility. The advance of funds under the Purchaser Credit Agreement remains subject to customary closing conditions including completion of the Acquisition.

DIV also intends to finance \$41.1 million of the Purchase Price through a draw on its Acquisition Facility, as amended in connection with the Acquisition. The amount drawn under the Acquisition Facility will be interest-only for twelve months and thereafter will amortize over a 60-month period, and will have a floating interest rate based on CORRA plus a spread based on prevailing market rates. The Acquisition Facility is secured by a general security interest over the assets of the Company and has covenants customary for this type of credit facility.

DIV, through ML LP, has owned the ML Rights utilized by Mr. Lube + Tires in its business since 2015 and licenses these rights back to Mr. Lube + Tires in exchange for royalty payments as described above (see “Royalty Pools – Mr. Lube + Tires”). Pursuant to the Acquisition, DIV will acquire the remaining assets of Mr. Lube + Tires that it does not already own, including, most importantly, Mr. Lube + Tires’ franchise agreements and supplier contracts. The Acquisition will not include the head leases to the franchised locations leased by Mr. Lube + Tires and the subleases of these locations which are subleased by Mr. Lube + Tires to its franchisees. These head leases and subleases will remain with Mr. Lube + Tires. Pursuant to a lease management agreement to be entered into at the closing of the Acquisition, Mr. Lube + Tires will appoint the Purchaser as Mr. Lube + Tires’ exclusive manager to administer these head leases and subleases.

Mr. Lube + Tires is required to continue to pay royalties and management fees to DIV and ML LP up to the closing of the Acquisition, upon which those arrangements will be terminated. In addition, pursuant to the Acquisition Agreement, Mr. Lube + Tires and DIV agreed to waive the annual adjustment to the Mr. Lube + Tires royalty pool in 2026, any adjustment to the Mr. Lube + Tires royalty rate and the true-up in respect of the 2025 adjustment to the Mr. Lube + Tires royalty pool provided the Acquisition completes in accordance with the Acquisition Agreement, failing which these transactions will be deferred to a later date in 2026 (see “Royalty Pools – Mr. Lube + Tires”).

Closing of the Acquisition is expected to occur on or before the end of the second quarter of 2026 and is subject to customary closing conditions including the receipt of certain regulatory approvals.

Further details regarding the proposed Acquisition can be found in DIV’s press release dated May 14, 2026.

## **MATERIAL ACCOUNTING POLICIES**

These condensed consolidated interim financial statements have been prepared using the same accounting policies as the annual consolidated financial statements for the year ended December 31, 2025 except for certain pronouncements disclosed below.

### *Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments*

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs, and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for periods beginning on or after January 1, 2026, and adoption of these amendments did not have an effect on our condensed consolidated interim financial statements for the three months ended March 31, 2026.

## **CRITICAL JUDGMENTS AND KEY ESTIMATES**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires estimates and judgments to be made that affect the reported amounts of assets and liabilities, income and expenses, and related disclosures. These estimates are based on historical experience and knowledge of economics, market factors, and the industries that the Company's Royalty Partners operate in, along with various other assumptions that are believed to be reasonable under the circumstances.

Significant estimates and judgments made by management in the application of IFRS that have a significant effect on the amounts recognized in its consolidated financial statements are as follows:

### **Critical Judgments**

#### *Consolidation*

In applying the criteria outlined in IFRS 10 *Consolidated Financial Statements* ("IFRS 10") judgment is required in determining whether DIV controls SGRS LP, ML LP, MRM LP, NND Royalties LP, AM LP, OX LP, Strat-B LP, BARB LP and Cheeb LP. Making this judgment involves taking into consideration the concepts of power over these entities, exposure and rights to variable returns, and the ability to use power to direct the relevant activities of these entities to generate economic returns.

Using these criteria, management has determined that DIV ultimately controls SGRS LP, ML LP, MRM LP, AM LP, OX LP, Strat-B LP, BARB LP and Cheeb LP through its majority ownership of the respective general partners.

Although DIV has 99% ownership over the general partner of NND Royalties LP, management has determined that the definition of control pursuant to IFRS 10 is not met with respect to NND Royalties LP as DIV does not have the ability to direct the activities that most significantly affect the returns of NND Royalties LP for the reasons disclosed under the section "Control of NND Rights" below.

#### *Control of NND Rights*

In determining whether the Company controls an asset, the Company takes into consideration the control model in IFRS 15 *Revenues* ("IFRS 15"), and if there is an agreement to repurchase the asset. If an entity has a right to repurchase the asset, the buyer does not obtain control of the asset because the buyer is limited in its ability to direct the use of, and obtain substantially all of the remaining benefits from, the assets even though the buyer may have physical possession of the asset.

Nurse Next Door has the ability to repurchase the NND Rights from NND Royalties LP at any time after November 15, 2026 pursuant to the NND Buy-Out Option. Due to the NND Buy-Out Option, in accordance with IFRS 15, NND Royalties LP does not have control over the NND Rights and the Company cannot recognize the NND Rights as an intangible asset on its consolidated statement of financial position. Instead, the transaction is accounted for as a financing arrangement.

#### *Determination of business combination or asset acquisition*

At the time of acquisition, the Company considers whether or not the transaction represents a business combination or an asset acquisition. A business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. This requires the Company to make certain judgments as to whether or not the assets acquired during the transaction include the inputs, processes and outputs necessary to constitute a business. If the assets acquired are not a business, the reporting entity shall account for the transaction or other event as an asset acquisition. Under a business combination, acquisition-related costs are recognized as an expense. Under an asset acquisition, acquisition-related costs are capitalized to the respective asset. The Company has determined that the transactions related to the SGRS Rights, ML Rights, AIR MILES® Rights, MRM Rights, Oxford Rights, Stratus Rights, BarBurrito Rights and Cheba Hut Rights were asset acquisitions and the acquisition-related costs were capitalized to the intangible asset.

### **Key Estimates and Assumptions**

#### *Fair Value of Exchangeable Partnership Units in SGRS LP, ML LP, MRM LP, OX LP and BARB LP ("Exchangeable Partnership Units")*

The Company does not assign any value to the Exchangeable Partnership Units if they do not currently meet the relevant criteria for exchange into common shares of DIV (see note 4(b) in the Company's financial statements for the year ended December 31, 2025 for further information).

#### *Intangible Assets*

The Company carries the intangible assets at cost and are not amortized as they have an indefinite life.

The Company tests intangible assets for impairment annually or when there is any indication that an asset may be impaired. This requires the Company to use a valuation technique, which is dependent on a number of different assumptions that requires management to exercise judgment, to determine if impairment exists. These assumptions include the projected sales underlying the royalty payment, as well as the pre-tax discount rate used to determine the value-in-use. As a result, the estimated cash flows the intangible assets are expected to generate could differ materially from actual results. The significant estimates and assumptions used in the impairment tests are disclosed in the Company's financial statements for the year ended December 31, 2025.

#### *Valuation of the Investment in NND Royalties LP*

The Company's investment in NND Royalties LP is a financial instrument recorded at fair value. The valuation of NND Royalties LP includes an estimate of the discounted cash flows receivable from Nurse Next Door and takes into consideration a number of different variables that requires management to exercise judgment. These judgments include the discount rate used to calculate the fair value of the contractual cash flows receivable, the likelihood of Nurse Next Door exercising the NND Buy-Out Option and the likelihood of Nurse Next Door exercising its right to exchange NND Royalties LP Class B units for common shares of DIV, subject to meeting certain criteria (the "NND Exchange Mechanism"). As a result, the estimated cash flows that the investment in NND Royalties LP are expected to generate could differ materially from actual results.

## **RISK FACTORS**

Investing in securities of DIV involves a high degree of risk. In addition to the risks identified elsewhere in this MD&A (including under "Forward Looking Information"), investors should carefully consider all of the risk factors associated with the Company and its business, identified in the Company's Annual Information Form dated March 19, 2026, a copy of which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) (the "AIF"). The occurrence of any of such risks, or other risks not presently known to DIV or that DIV currently believes are immaterial, could materially and adversely affect DIV's investments, prospects, cash flows, results of operations or financial condition, DIV's ability to pay cash dividends to its shareholders and DIV's ability to make principal and interest payments to holders of 2027 Convertible Debentures and the 2031 Convertible Debentures. In that event, the value of DIV's common shares, 2027 Convertible Debentures, 2031 Convertible Debentures and any other securities it may have issued and outstanding from time to time, could decline and investors may lose all or part of their investment. The ongoing and further potential imposition of tariffs and countervailing restrictions between the United States and Canada is a fluid and rapidly evolving situation that is being closely monitored by DIV. While there are no expected direct impacts from tariffs on DIV, tariffs, in general, can have short-to medium-term negative impacts to economic growth, exchange rates, and inflation rates. DIV will continue to actively monitor the situation, including through ongoing engagement with our royalty partners. As the 10-year term of the Amendment governing the AIR MILES® Licenses runs its course, in later years the decreased remaining cash flow may negatively impact the Company's and AM LP's financial condition and results and may result in the required repayment of a portion of AM LP's term loan in the future.

Readers should be aware that upon completion of the Mr. Lube + Tires Acquisition the risks under the heading "Risk Factors – Risks Related to the Businesses of the Royalty Partners" as well as other risk factors under heading "Risk Factors" in the Company's most recent annual information form that reference the Royalty Partners, the respective license and royalty and other contractual agreements with the Royalty Partners and debt covenants insofar as they apply to the Mr. Lube + Tires business will become direct risks to DIV as the owner of such business.

Additional risks related to the Mr. Lube + Tires Acquisition are set forth below under the heading "Forward-Looking Information".

## **DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as such terms are defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109").

DC&P are those controls and other procedures that are designed to provide reasonable assurance that all material information required to be disclosed by the Company in annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Furthermore, DC&P are those controls and other procedures that are designed to ensure that material information required to be disclosed by the Company in annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company has adopted the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission for the three months ended March 31, 2026.

No changes were made in the Company's design of ICFR during the three months ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

In designing such controls, it should be recognized that due to inherent limitations, any controls or control systems, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected or prevented. These inherent limitations include, without limitation: (i) the possibility that management's assumptions and judgments may ultimately prove to be incorrect under varying conditions and circumstances; or (ii) the impact of isolated errors.

Additionally, controls may be circumvented by unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **FORWARD LOOKING INFORMATION**

Certain statements in this MD&A, and documents referred to herein, may constitute "forward-looking information" or "financial outlook" within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, achievements or industry results, to be materially different from any future results, performance, achievements or industry results expressed or implied by such forward-looking information and financial outlook. Forward-looking information and financial outlook are generally identified by the use of terms and phrases such as "anticipate", "continue", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", "should" and similar terms and phrases, including references to assumptions. Such information and outlook includes, but is not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and DIV's objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the estimates or predictions of actions of customers, competitors or regulatory authorities, and statements regarding DIV's future economic performance. DIV has based the forward-looking information and financial outlook contained herein on DIV's current expectations about future events. Some of the specific forward-looking information and financial outlook in this MD&A includes, but is not limited to, statements with respect to: DIV's objective to purchase additional stable and growing royalty streams from growing multi-location businesses and franchisors; DIV's objective to increase distributable cash per share, a non-IFRS financial measure, by making accretive royalty purchases; the amount and timing of the payment for the remaining consideration payable to Mr. Lube + Tires for the additional royalty revenue from the five net new Mr. Lube + Tires locations added to the Mr. Lube + Tires Royalty Pool on May 1, 2025; Mr. Lube + Tires' deferral of the third royalty rate increase; the royalty relief being provided to Sutton for the remainder of 2026; the royalty relief provided to Sutton is intended to support Sutton's continued investment in business development initiatives to increase its agent base; the possibility of AM LP selling, licensing or otherwise monetizing the AIR MILES® trademarks in the future; the right of AIR MILES to buy out the remaining term of the AIR MILES® Licenses; the expected incremental royalty revenue from the addition of nine BarBurrito locations to the BarBurrito Royalty Pool on March 1, 2026; the expected incremental royalty revenue from the Incremental Cheba Hut Royalty; DIV's intention to pay regular monthly cash dividends to shareholders; the Company's Board of Directors reviewing the Company's dividend policy on an ongoing basis and the possibility that the Board of Directors may amend the dividend policy at any time; when the DRIP is in place, DIV may, from time to time, change or eliminate the discount applicable to common shares issued from treasury under the DRIP; DIV's intention to acquire future royalty streams in separate legal entities without cross-collateralization; management's intention to refinance DIV's non-amortizing loans before their respective maturity dates; the expected tax treatment of DIV's dividends to shareholders; DIV's access to available sources of debt and equity financing; the possibility of future increases in the royalty payments made by DIV's Royalty Partners to DIV; foreign currency fluctuations may affect DIV's earnings and cash flows; the expectation that the cash flows included in the maturity analysis in the table under the heading "Liquidity Risk" would not occur significantly earlier than as presented or in significantly different amounts than as presented; expectations relating to the timing, completion and financing of the Acquisition; expected impacts and benefits of the Acquisition; the management of the head leases and sub leases for the franchisee locations following closing through a lease management agreement to be entered into at closing of the Acquisition; Mr. Lube + Tires being required to continue to pay royalties and management fees to DIV and ML LP up to the closing of the Acquisition, upon which those arrangements will be terminated; closing conditions, including the receipt of certain regulatory approvals; and DIV may in managing its capital issue new common shares, issue warrants, issue new debt, draw on its operating lines of credit, purchase common shares for cancellation pursuant to normal course issuer bids, temporarily suspend the DRIP, reduce the monthly dividend or reduce debt.

Forward-looking information and financial outlook contained in this MD&A is based on certain key expectations and assumptions made by the Company, including, without limitation, expectations and assumptions respecting: the general

economy; the payment of royalties and management fees from Royalty Partners and adjustments thereto; the ability to acquire and effect of additional royalties; the business strategy, growth opportunities, budgets, projected costs, goals, plans and objectives of the Company and its Royalty Partners; Sutton's investment of the forgiven royalties will achieve its intended effects; Sutton will not require further royalty relief; DIV will generate sufficient cash flows from its royalties to service its debt and pay dividends to shareholders; lenders will provide any necessary waivers required in order to allow DIV to continue to pay dividends; lenders will provide any necessary covenant waivers to DIV and its Royalty Partners; the performance of DIV's Royalty Partners will be consistent with DIV's and its Royalty Partners' respective expectations; recent positive trends for certain of DIV's Royalty Partners (including their respective franchisees) will continue and not regress; recent negative trends for certain of DIV's Royalty Partners (including their respective franchisees) will not materially regress; DIV will be able to deploy the remaining net proceeds from the offering of the 2031 Convertible Debentures on a timely and accretive basis; all necessary approvals for the Acquisition will be obtained and the Acquisition will be completed in accordance with the timing currently expected and on the currently contemplated terms; following completion of the Acquisition the Mr. Lube + Tires franchisor business in the Purchaser will be successful in executing its business strategies and pursuing its growth opportunities; new store openings will be consistent with budgets and projections; Mr. Lube + Tires' franchisees will continue to generate positive SSSG; there are no material changes in competition or regulation impacting the Mr. Lube + Tires franchisor business; the ability to receive equity and/or debt financing on acceptable terms, including the ability to re-finance existing loans on acceptable terms prior to their respective maturities dates; DIV's business and the businesses of DIV's respective Royalty Partners will not suffer any material adverse effect; tax laws not being changed so as to adversely affect DIV's financing capability, operations, activities, structure or dividends; the ability to retain and continue to attract qualified and knowledgeable personnel; no material changes to government and environmental regulations adversely affecting DIV's or its Royalty Partner's respective operations; and competition for acquisitions, will be consistent with the economic climate. Although the forward-looking information and financial outlook contained in this MD&A are based upon what the Company's management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information and outlook. Undue reliance should not be placed on the forward-looking information and financial outlook contained herein since no assurance can be given that it will prove to be correct.

Forward-looking information and financial outlook reflect current expectations of the Company's management regarding future events and operating performance as of the date of this MD&A. Such information and outlook involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information and financial outlook including, without limitation: the Company's high dependency on the operations of its Royalty Partners; prevailing yields on similar securities; the Company's reliance on key personnel; dividends are not guaranteed and will fluctuate with business performance of DIV and its Royalty Partners (including their respective franchisees) and may be reduced or suspended at any time; the unpredictability and volatility of prices of the Company's common shares and convertible debentures; leverage and restrictive covenants; failure to access financing; credit facilities risk; failure to re-finance or extend existing loans on reasonable terms prior to their respective maturity dates, or at all; the financial health of Royalty Partner cash flows; DIV and its Royalty Partners (including their respective franchisees) may be adversely impacted directly, or indirectly by prevailing economic or socioeconomic conditions; positive trends experienced by certain of DIV's Royalty Partners (including their respective franchisees) may not continue and may regress, and negative trends experienced by certain of DIV's Royalty Partners (including their respective franchisees) may continue and may regress; DIV's lenders may not agree to provide, or continue to provide, as applicable, covenant relief, at all or only on terms that are disadvantageous to DIV; the Royalty Partners' respective lenders may not agree to provide, or continue to provide, as applicable, covenant relief, at all or only on terms that are disadvantageous to the Royalty Partners; Sutton's investment of the forgiven royalties may not achieve their intended effects; Sutton may require further royalty relief beyond that contemplated by the current relief agreement; DIV may not be able to deploy the remaining net proceeds from the offering of the 2031 Convertible Debentures on a timely and accretive basis; failure to realize anticipated benefits of royalty acquisitions; regulatory risk; regulatory filing and licensing requirements; fluctuations in interest rates and inflation; competition for royalty acquisition targets; failure to complete further royalty acquisitions or future royalty acquisitions not being accretive; dependence on the businesses of Sutton, Mr. Lube + Tires, AIR MILES, Mr. Mikes, Nurse Next Door, Oxford, Stratus, BarBurrito, and Cheba Hut to fund dividends; Royalty Partners may not make their respective royalty payments in whole or in part or on time or at all; limitations on future growth and cash flow; sensitivity to general economic conditions and levels of economic activity; financing constraints; foreign exchange exposure; the Acquisition may not close in accordance with the expected timing, on the expected terms, or at all; all closing conditions, including receipt of all required regulatory approvals may not be satisfied; there may be unknown or undisclosed risks or liabilities of Mr. Lube + Tires, that could materially and adversely affect Mr. Lube + Tires' franchisor business and for which the Purchaser would not be permitted to terminate the Acquisition Agreement and would not be indemnified by the existing equity holders of Mr. Lube + Tires following closing; the anticipated benefits of the Acquisition to DIV may be less than anticipated, may not occur on a timely basis or at all; the Mr. Lube + Tires franchisor business in the Purchaser may not be successful in executing its business strategies and pursuing its growth opportunities; new store openings may not be consistent with budgets and projections; Mr. Lube + Tires' franchisees may not continue to generate positive SSSG at estimated levels or at all; and covenants contained in the Purchaser Credit Agreement may effect and could limit the manner in which the Purchaser operates the Mr. Lube + Tires franchisor business following closing and could limit the amount and timing of dividends paid by the Purchaser to DIV, which in turn may limit the amount and timing of dividends paid by DIV to its shareholders. Readers are cautioned that the foregoing list is not exhaustive. For additional information with respect to risks and uncertainties, readers should carefully review and consider the risk factors described under "Risk Factors" and elsewhere in this MD&A and in the Company's Annual Information Form dated March 19, 2026, a copy of which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The information contained in this MD&A,

including the documents referred to herein, identifies additional factors that could affect the operating results and performance of the Company. Readers are urged to carefully consider those factors.

To the extent any forward-looking information in this MD&A constitutes a “financial outlook” within the meaning of applicable securities laws, such information is being disclosed to provide investors with: an estimate of incremental royalty revenue from, and remaining consideration payable by DIV to Mr. Lube + Tires for, the five net new Mr. Lube + Tires locations added to the Mr. Lube + Tires Royalty Pool on May 1, 2025; the incremental royalty revenue from the addition of nine locations to the BarBurrito Royalty Pool on March 1, 2026; incremental royalty revenue from the purchase for Cheeb LP on April 1, 2026; and the potential financial impact to DIV of the Acquisition and the Purchaser Credit Facility. Management of DIV approved the financial outlook as of the date of this MD&A.

The forward-looking information and financial outlook contained in this MD&A are expressly qualified in their entirety by this cautionary statement. Forward-looking information and financial outlook reflect management’s current beliefs and are based on information currently available to the Company. The forward-looking information and financial outlook are disclosed as of the date of this MD&A (or in the case of information contained in a document referred to herein, as of the date of such document), and the Company assumes no obligation to publicly update or revise such forward-looking information or financial outlook to reflect new information, subsequent or otherwise, except as may be required by applicable securities law.

### **Third Party Information**

This MD&A includes information obtained from third party company filings and reports and other publicly available sources as well as financial statements and other reports provided to DIV by its Royalty Partners. Although DIV believes these sources to be generally reliable, such information cannot be verified with complete certainty. Accordingly, the accuracy and completeness of this information is not guaranteed. DIV has not independently verified any of the information from third party sources referred to in this MD&A nor ascertained the underlying assumptions relied upon by such sources.