Management's Discussion and Analysis

For the three and six months ended June 30, 2026

August 12, 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 and six months ended June 30, 2026 should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026 (the "Q2 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 Q2 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.

Statements made in this MD&A and in the Q2 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) and of the Mr. Lube + Tires franchisor business disclosed 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, Mr. Lube + Tires adjusted EBITDA, distributable cash, Mr. Lube + Tires distributable cash, DIV Royalty Entitlement, DIV Royalty Entitlement net of NND Royalties LP Expenses, adjusted royalty income, adjusted royalty partner revenue and combined contribution. 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 and of the Mr. Lube + Tires franchisor business.

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 the Company and its Royalty Partners and of the Mr. Lube + Tires franchisor business. 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, its Royalty Partners and the Mr. Lube + Tires franchisor business 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 Royalty Partner Revenue

DIV Royalty Entitlement, adjusted royalty income and adjusted royalty partner revenue (previously referred to as 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 Q2 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 from DIV's Royalty Partners, plus the DIV Royalty Entitlement received by NND Royalties LP from Nurse Next Door. Adjusted royalty partner revenue is calculated as adjusted royalty income plus management fees received from Royalty Partners. 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 Partners" provides a reconciliation of adjusted royalty income and adjusted royalty partner revenue to royalty income, the most comparable IFRS measure disclosed in the financial statements.

Mr. Lube + Tires adjusted EBITDA

Mr. Lube + Tires adjusted EBITDA is calculated as DIV franchise royalties and other income less Mr. Lube + Tires' marketing fund contribution, DIV management fees and other Mr. Lube + Tires items including: salaries and benefits, share-based compensation, professional fees, general and administration expenses, corporate store expense, adjusted for transaction costs and non-cash depreciation and amortization expenses and other non-recurring items. DIV management believes Mr. Lube + Tires adjusted EBITDA provides useful information as it provides supplemental information regarding the financial performance from the Mr. Lube + Tires franchisor business. While Mr. Lube + Tires adjusted EBITDA is not recognized measures under IFRS, management of the Company believes that it provides investors with an indication of cash available for distribution from Mr. Lube + Tires, the Company's subsidiary, to DIV. The methodology used by the Company to determine Mr. Lube + Tires adjusted EBITDA may differ from those utilized by other issuers or companies and, accordingly, Mr. Lube + Tires adjusted EBITDA as used in this MD&A may not be comparable to similar measures used by other issuers or companies. Readers are cautioned that Mr. Lube + Tires adjusted 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 "Mr. Lube + Tires adjusted EBITDA" provides a reconciliation of Mr. Lube + Tires adjusted EBITDA to franchise royalties and other income, the most comparable IFRS measure disclosed in the financial statements.

Combined Contribution

Combined contribution is calculated as the adjusted royalty partner revenue of DIV plus Mr. Lube + Tires adjusted EBITDA after giving effect to the Acquisition (as defined below). DIV management believes combined contribution provides useful information as it provides supplemental information regarding DIV's total combined financial performance from its Royalty Partners and the Mr. Lube + Tires franchisor business. The most comparable IFRS measure to combined contribution is royalty income on the Q2 2026 Financial Statements. The table under the section "Combined Contribution" provides a reconciliation of combined contribution to royalty income on 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:

	Three months ended June 30,		Six months ended June 30,	
(000's)	**2025**	**2024**	**2026**	**2025**
Distributions received from NND LP	$ 1,345	$ 1,321	$ 2,690	$ 2,646
Add: NND Royalties LP expenses	11	7	21	19
DIV Royalty Entitlement	1,356	1,328	2,711	2,665
Less: NND Royalties LP expenses	(11)	(7)	(21)	(19)
DIV Royalty Entitlement, net of NND Royalties LP expenses	**$ 1,345**	**$ 1,321**	**$ 2,690**	**$ 2,646**

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.

Mr. Lube + Tires Distributable Cash

Mr. Lube + Tires distributable cash is defined as Mr. Lube + Tires adjusted EBITDA less interest expense on the credit facilities and current income tax expense. Management believes that Mr. Lube + Tires distributable cash provides investors with useful information about the amount of cash Mr. Lube + Tires has generated to cover dividend distributions to DIV, its parent company. Readers should be cautioned, however, that Mr. Lube + Tires distributable cash should not be construed as an alternative to the statement of cash flows as a measure of liquidity and cash flows of Mr. Lube + Tires or 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. The table under the section "Mr. Lube

+ Tires adjusted EBITDA" provides a reconciliation of Mr. Lube + Tires distributable cash to franchise royalties and other income, 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), less Mr. Lube + Tires distributable cash attributable to NCI, 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 Q2 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 Q2 2025 as $12,703, compared to $12,452 under the current from of the calculation and $23,841 for the six months ended June 30, 2025, compared to $23,353 under the current from 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 Q2 2025 as $0.0753, compared to $0.0738 per share under the current form of the calculation and $0.1420 for the six months ended June 30, 2025, compared to $0.1391 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 Q2 2025 as 83.0% compared to 84.7% under the current form of the calculation and 88.0% for the six months ended June 30, 2025 compared to 89.9% 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 franchisor business, 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 the locations in the entire Mr. Lube + Tires franchisor business after giving effect to the Acquisition, 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 and by Mr. Lube LP for figures prior to the Acquisition (see "Third Party Information"). DIV's and 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. Prior to the Acquisition, DIV reported SSSG solely in respect of the Mr. Lube + Tires franchise locations included in the Mr. Lube LP Royalty Pool. Current and prior period SSSG figures included in this MD&A are for the entire Mr. Lube + Tires franchisor business; accordingly, such figures will not be directly comparable DIV's previously reported SSSG figures for prior periods.

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 Q2 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 top-line 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, through its subsidiary Mr. Lube Canada Ltd. ("Mr. Lube + Tires"), also operates the Mr. Lube + Tires franchisor business (refer to "The Acquisition" below). Mr. Lube + Tires is the leading Canadian automotive service chain specializing in fast, drive-in and drive-through, no-appointment-needed vehicle maintenance.

The Company's primary objectives are to: (i) acquire predictable, growing royalty streams from Royalty Partners, and (ii) increase distributable cash per share, a non-IFRS measure, by making accretive royalty purchases and through the growth of the Mr. Lube + Tires franchisor business. 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 six months ended June 30, 2026 consists of (i) revenue generated through the Mr. Lube + Tires franchisor business consisting of franchise royalties, licenses and fees from franchisees as well as sales and services sold through one Mr. Lube + Tires corporate store location for the period from the date of the completion of the Acquisition on June 16, 2026 to and including June 30, 2026, and (ii) royalties and management fees that are contractually agreed to between the Company and its following Royalty Partners:

- Mr. Lube Canada Limited Partnership ("Mr. Lube LP"): royalties up to and including June 15, 2026 were based on the top-line system sales of Mr. Lube LP locations in the royalty pool (the "Mr. Lube LP Royalty Pool"), in which Mr. Lube LP had 149 locations. In addition to the royalty, Mr. Lube LP was required to pay the Company a management fee for strategic and other services. The royalty and management fee arrangements were both terminated on June 16, 2026 in connection with the Acquisition. Refer to "The Acquisition" below.
- 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 1st thereafter during the ten-year term of the amended licenses. See "Royalty Partners – AIR MILES® Reward Program" below for further information.
- Sutton Group Realty Services Ltd. ("Sutton"): Sutton royalties are based on a fixed monthly payment based on the number of Sutton agents in the royalty pool (the "Sutton Royalty Pool"). As at June 30, 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 Partners – 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 Partners – 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 June 30, 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 Partners – 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 June 30, 2026 and as of the date of this MD&A, Mr. Mikes had (i) 49 restaurants in operation, and (ii) 44 restaurants in the Mr. Mikes Royalty Pool. As at June 30, 2026 and as of the date of this MD&A, 5 locations in the Mr. Mikes Royalty Pool have been permanently closed. 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 Partners – 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 Partners – 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 November 2026 and 4% each November thereafter. As of June 30, 2026 and as of the date of this MD&A, Stratus had 94 master franchise locations. See “Royalty Partners – 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 2025 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 June 30, 2026 and as of the date of this MD&A, BarBurrito had 400 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 Partners – 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$5.1 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 June 30, 2026 Cheba Hut had 87 restaurant locations and as of the date of this MD&A, Cheba Hut had 88 restaurant locations. See “Royalty Partners – 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. With respect to the Mr. Lube + Tires franchisor business, ongoing cash expenditures are currently comprised of corporate store expense, salaries and benefits, general and administration, interest on credit facilities, marketing fund expense, and head lease expenses. The success of the Company currently depends largely on the ability of its Royalty Partners (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, and on the ability of the Mr. Lube + Tires franchisor business to open new flagship locations and increase systems sales across its network of franchises. See “Risk Factors” for further information.

The Acquisition

On May 14, 2026, DIV and its newly formed wholly owned subsidiary Mr. Lube + Tires, entered into a definitive agreement (the “Acquisition Agreement”) with Mr. Lube LP and Mr. Lube Canada GP Inc. and certain other parties (together, the “Vendors”) for the acquisition of the Mr. Lube + Tires franchisor business in Canada (the “Acquisition”) for the purchase price of $227.9 million (the “Purchase Price”), subject to customary post-closing adjustments and the assumption of certain liabilities.

The cash portion of the adjusted Purchase Price payable on closing of the Acquisition, plus transaction and lending costs of approximately $4.5 million, was funded by: (i) $30.0 million from DIV’s cash on hand, (ii) $38.5 million from DIV’s existing undrawn acquisition facility capacity (the “Acquisition Facility”), and (iii) $212.5 million drawn from a new senior credit facility obtained by Mr. Lube + Tires (the “Mr. Lube + Tires Credit Facility”) (resulting in a net increase in senior debt of $127.6 million after the application of $84.9 million of the loan proceeds to pay down existing debt within ML Royalties Limited Partnership (“ML LP”) as described further below). In addition, on account of the adjusted Purchase Price payable on closing of the Acquisition, (i) $13.7 million in DIV common shares were issued at a price of $3.98 per share on a private placement basis (3,440,953 shares) to various equity holders of Mr. Lube LP (which shares are subject to a statutory four-month hold period), (ii) $20.6 million of equity was rolled into Mr. Lube + Tires by former senior management of Mr. Lube LP (in addition to the $1.95 million of Class B common shares of Mr. Lube + Tires issued to former senior management of Mr. Lube LP in connection with the Acquisition) resulting in former senior management of Mr. Lube LP retaining an approximate 4% interest in Mr. Lube + Tires on a non-diluted basis (approximately 6% fully diluted), and (iii) $8.3 million of liabilities of the Vendors was assumed by Mr. Lube + Tires.

Mr. Lube LP also provided Mr. Lube + Tires with an $11.6 million non-interest-bearing loan to fund the GST (the “GST Note”) related to the Acquisition, of which $9.3 million is payable by Mr. Lube + Tires on the earlier of six months following closing of the Acquisition and the receipt by Mr. Lube + Tires of a GST refund in respect of the Acquisition, and of which $2.4 million, representing an indemnity holdback, is payable by Mr. Lube + Tires one-year post closing, subject to indemnity claims of Mr. Lube + Tires under the Acquisition Agreement.

Pursuant to the Acquisition, Mr. Lube + Tires acquired substantially all of the remaining assets of Mr. Lube LP that it did not already own, including Mr. Lube LP’s franchise agreements and supplier contracts. The Acquisition did not include the head leases (the “Head Leases”) to the franchised locations leased by Mr. Lube LP and the subleases of these locations, which are subleased by Mr. Lube LP to its franchisees (the “Subleases” and together with the Head Leases, the “ML Leases”). The ML Leases remain with Mr. Lube LP and are managed by Mr. Lube + Tires as Mr. Lube LP’s exclusive manager pursuant to a lease management agreement entered into at the closing of the Acquisition (the “Lease Management Agreement”). The ML Leases are expected to be assigned by Mr. Lube LP to Mr. Lube + Tires over time pursuant to the Lease Management Agreement in accordance with the terms related to each ML Lease.

Following completion of the Acquisition, Mr. Lube + Tires now employs the entire former senior management team of Mr. Lube LP who historically operated the Mr. Lube + Tires franchisor business. In addition, all former employees of Mr. Lube LP are now employees of Mr. Lube + Tires who along with the senior management team, continue to manage and operate the Mr. Lube +Tires franchisor business, including managing the ML Leases pursuant to the Lease Management Agreement. Mr. Lube LP continued to pay royalties and management fees to ML LP and DIV, respectively, up to and including June 15, 2026, upon which those arrangements were terminated. In addition, pursuant to the Acquisition Agreement, DIV, ML LP and Mr. Lube LP waived 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 true-up in respect of the 2025 adjustment to the Mr. Lube + Tires royalty pool.

Mr. Lube + Tires entered into a credit agreement with a lending syndicate (the “Mr. Lube + Tires Credit Agreement”) which governs the $222.5 million Mr. Lube + Tires Credit Facility of which $212.5 million was drawn to fund a portion of the Purchase Price. In connection with the Acquisition, DIV caused $84.9 million of existing term loan indebtedness of ML LP to be repaid from the proceeds of the Mr. Lube + Tires Credit Facility, resulting in a net increase in consolidated senior debt in Mr. Lube + Tires of $127.6 million. The Mr. Lube + Tires 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 (the “Mr. Lube + Tires Operating Loan Facility”), of which $50 million was used to partially finance the Acquisition, and a non-revolving term facility of $162.5 million which was fully drawn to partially finance the Acquisition (the “Mr. Lube + Tires Term Loan Facility”). The Mr. Lube + Tires Term Loan Facility has a term of approximately five years, bears interest at a floating rate based on the Prime Rate or CORRA plus a spread based on prevailing market rates and amortizes on a scheduled basis following an initial six-month interest-only period. The Mr. Lube + Tires Operating Loan Facility has a term of approximately five years, bears interest at a floating rate based on the Prime Rate, CORRA, or the US commercial loan or overnight federal funds rate plus a spread based on prevailing market rates. The Mr. Lube + Tires Credit Facility is secured by the assets of Mr. Lube + Tires and ML LP and the Mr. Lube + Tires Credit Agreement has covenants customary for this type of credit facility. DIV also financed $38.5 million of the Purchase Price through a draw on its existing Acquisition Facility, as amended in connection with the Acquisition. The amount drawn under the Acquisition Facility was repaid in full on July 7, 2026 (see “Acquisition Facility” below) and was subject to a floating interest rate based on CORRA plus a spread based on prevailing market rates prior to repayment. 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.

The Acquisition closed on June 16, 2026.

DIV believes Mr. Lube + Tires’ economic model is superior with strong store level economics, and its franchisees are generating market leading economic returns and are keen to continue opening new locations across Canada. DIV is a leading provider of royalty financing to owners of North American franchisors, and this will continue to be a primary focus of DIV.

FINANCIAL HIGHLIGHTS

(000's except per share amounts and SSSG%)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Consolidated:				
Revenue[1]	$ 21,683	$ 17,848	$ 39,165	$ 33,487
Adjusted royalty partner revenue[2,3]	19,479	19,177	38,316	36,145
Royalty income[8]	17,987	17,697	35,313	33,185
Adjusted royalty income[2,3]	19,343	19,026	38,024	35,843
Mr. Lube + Tires adjusted EBITDA[3]	2,239	-	2,239	-
Combined contribution[3]	21,718	19,177	40,555	36,145
Normalized EBITDA[3]	20,553	18,138	38,258	34,058
Distributable cash[3]	13,053	12,452	25,090	23,353
Dividends declared	12,231	10,543	24,396	20,986
Income from operations	9,151	16,225	23,172	30,456
Net income - basic and diluted	3,141	9,020	10,706	17,013
Weighted average number of shares outstanding - basic	172,139	168,695	171,456	167,913
Weighted average number of shares outstanding - diluted	174,707	170,452	174,117	169,678
Basic income per share	$ 0.02	$ 0.05	$ 0.06	$ 0.10
Diluted income per share	0.02	0.05	0.06	0.10
Distributable cash per share[3]	0.0758	0.0738	0.1463	0.1391
Dividends declared per share	0.0711	0.0625	0.1423	0.1250
Total assets	$ 1,075,330	$ 612,252	$ 1,075,330	$ 612,252
Total non-current financial liabilities	621,008	278,339	621,008	278,339
Adjusted royalty partner revenue [3]				
Mr. Lube LP[8]	$ 7,605	$ 9,060	$ 15,083	$ 16,241
Stratus[4]	2,410	2,293	4,799	4,674
BarBurrito	2,369	2,184	4,616	4,313
Nurse Next Door[2]	1,377	1,350	2,753	2,699
Cheba Hut[5]	1,754	214	3,124	214
Oxford	1,302	1,283	2,571	2,532
Mr. Mikes	1,013	1,076	2,028	2,101
AIR MILES®	982	818	1,904	1,574
Sutton[6]	667	899	1,438	1,797
	$ 19,479	$ 19,177	$ 38,316	$ 36,144
Mr. Lube + Tires SSSG[3,9]	1.2%	12.4%	2.4%	11.4%
Oxford SSSG[3, 7]	2.9%	6.5%	3.4%	6.0%
Mr. Mikes SSSG[3]	0.0%	-0.5%	0.9%	0.5%

1) Revenue includes franchise royalties, licenses and fees from Mr. Lube + Tires from closing of the Acquisition onwards from June 16 to June 30, 2026.
2) Q2 2026 and 2025 and year-to-date ended June 30, 2026 and 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.
3) Adjusted royalty partner revenue, adjusted royalty income, combined contribution, normalized EBITDA, distributable cash, and Mr. Lube + Tires adjusted EBITDA 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 Partners", "EBITDA and Normalized EBITDA", "Distributable Cash", "Combined Contribution", "Mr. Lube + Tires adjusted EBITDA and Distributable Cash" and "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.
4) Stratus adjusted royalty partner revenue for the three and six months ended June 30, 2026 was US$1.7 million and US$3.5 million, respectively, translated at an average foreign exchange rate of $1.3843 and $1.3779 to US$1, respectively (three and six months ended June 30, 2025 – royalty income of US$1.7 million and US$3.3 million, respectively, translated at an average foreign exchange rate of $1.3839 and $1.4091 to US$1, respectively).
5) Cheba Hut adjusted royalty partner revenue for the three and six months ended June 30, 2026 was US$1.3 million and US$2.3 million, respectively, translated at an average foreign exchange rate of $1.3843 and $1.3779 to US$1, respectively (three and six months ended June 30, 2025 – US$156 thousand, translated at an average foreign exchange rate of $1.3694 to US$1 for the period from closing of the Cheba Hut acquisition to the end of the quarter).
6) Refer to the section "Royalty Partners - Sutton" below. Management fees from Sutton are not subject to royalty relief or deferral.
7) After the impact of foreign currency translation, SSSG was 2.9% and 3.6% for the three and six months ended June 30, 2026, compared to 6.7% and 6.5% for the three and six months ended June 30, 2025, respectively.
8) Royalty income from Mr. Lube LP is for the periods of April 1 to June 15, 2026 and January 1 to June 15, 2026, respectively.
9) SSSG of the entire system within the Mr. Lube + Tires franchisor business for the three and six months ended June 30, 2026 and 2025.

REPORTING SEGMENTS

DIV has two reportable segments as described below:

Reportable Segments	Operations
Mr. Lube + Tires franchisor business	Franchisor business generating franchise revenue and through its corporate store provides no-appointment needed vehicle maintenance services and tire sales
Royalty Partners	Generate monthly fixed or variable royalty revenue and management fees

MR. LUBE + TIRES FRANCHISOR BUSINESS

Following the Acquisition, DIV, through its wholly owned subsidiary Mr. Lube + Tires, owns and operates the Mr. Lube + Tires franchisor business. Mr. Lube + Tires is the leading Canadian automotive service chain specializing in fast, drive-in drive-through, no appointment-needed vehicle maintenance and has expanded its offerings to include other light automotive services including tire sales and installations.

Mr. Lube + Tires SSSG

SSSG is a non-IFRS measure of the percentage change in net sales of Mr. Lube + Tires stores that were open in the current and prior periods, excluding stores that were permanently closed. For clarity and comparability, only stores that have been in operation for more than 12 months are included in the SSSG calculation. The Acquisition closed June 16, 2026 and therefore results of Mr. Lube + Tires operations are for the two weeks ended June 30, 2026 after giving effect to the Acquisition; however, SSSG is presented for the three and six months ended June 30, 2026 and the 2025 comparable to provide a better indication of the change in year-over-year sales of the locations in the entire system within the Mr. Lube + Tires franchisor business. Refer to “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” and “Third Party Information” in this MD&A.

Second Quarter

SSSG was 1.2% for the three months ended June 30, 2026, compared to SSSG of 12.4% in the comparative period in 2025. The lower growth rate was largely driven by ongoing economic uncertainty, combined with inflationary pressures on gas and other inputs to operate a vehicle.

Year-To-Date

SSSG was 2.4% for the six months ended June 30, 2026, compared to SSSG of 11.4% in the comparative period in 2025. The reduced growth rate was largely driven by unfavourable weather patterns resulting in a milder than expected spring tire season, combined with ongoing consumer uncertainty associated with the current economic climate.

Mr. Lube + Tires Flagship Locations

As of June 30, 2026, the Mr. Lube + Tires franchisor business consisted of 189 flagship locations across Canada, of which 188 were operated by 37 franchisees, and one was corporate-owned and operated. No store closures occurred during fiscal 2026.

Flagship Locations, January 1, 2026	**185**
Store openings	**4**
Store closures	-
Flagship Locations, June 30, 2026	**189**

As of the date of this MD&A, Mr. Lube + Tires has 191 flagship locations.

Mr. Lube + Tires System Sales

Second Quarter and Year-To-Date

System sales, a supplementary financial measure, for Mr. Lube + Tires was $21.6 million for the two weeks period from June 16, 2026 to June 30, 2026 after giving effect to the Acquisition. As the Acquisition closed June 16, 2026, there are no comparative period results.

Mr. Lube + Tires Revenue

Second Quarter and Year-To-Date

Revenue for Mr. Lube + Tires was $3.6 million for the two weeks period from June 16, 2026 to June 30, 2026 after giving effect to the Acquisition. As the Acquisition closed June 16, 2026, there are no comparative period results.

For further information regarding the impact of the Acquisition on the DIV's consolidated business, including DIV's pro-forma condensed consolidated financial statements as at March 31, 2026 and for the three months ended March 31, 2026 and year ended December 31, 2025, refer to the business acquisition report ("BAR"), dated June 29, 2026. In addition, refer to the publicly filed Mr. Lube Canada Limited Partnership financial statements for further information related to System Sales and Revenue of the business for periods prior to ownership. Copies of the BAR and Mr. Lube Canada Limited Partnership financial statements are available under DIV's profile on SEDAR+ at www.sedarplus.ca.

Mr. Lube + Tires Adjusted EBITDA and Distributable Cash

The following table reconciles the non-IFRS financial measures of Mr. Lube + Tires Adjusted EBITDA and Mr. Lube + Tires distributable cash to franchise royalties and other income, the most directly comparable IFRS measure disclosed in the financial statements:

(000's)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Franchise royalties and other income	$ 3,696	$ 151	$ 3,852	$ 302
Less: Mr. Lube + Tires marketing fund contribution	(805)	-	(805)	-
Less: DIV Management fees	(136)	(151)	(292)	(302)
Mr. Lube + Tires franchise royalties, license, fees and other income	2,755	-	2,755	-
Adjustments:				
Salaries and benefits	(214)	-	(214)	-
Share-based compensation	(449)	-	(449)	-
Professional fees	(39)	-	(39)	-
General and administration	(2,481)	-	(2,481)	-
Corporate store expense	(51)	-	(51)	-
Depreciation and amortization	391	-	391	-
Transaction costs	1,999	-	1,999	-
Other non-recurring costs	328	-	328	-
Mr. Lube + Tires Adjusted EBITDA[1]	**$ 2,239**	**$ -**	**$ 2,239**	**$ -**
Less: current tax expense	-	-	-	-
Less: interest paid on credit facilities	(555)	-	(555)	-
Mr. Lube + Tires Distributable Cash[1]	**$ 1,684**	**$ -**	**$ 1,684**	**$ -**
Attributable to:				
Shareholders of DIV	1,616	-	1,616	-
Non-controlling interest	67	-	67	-

1) Mr. Lube + Tires Adjusted EBITDA and Mr. Lube + Tires distributable cash are non-IFRS financial measures 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.

Second Quarter and Year-To-Date

Mr. Lube + Tires adjusted EBITDA, a non-IFRS financial measure, for Mr. Lube + Tires was $2.2 million for the two week period from June 16, 2026 to June 30, 2026 after giving effect to the Acquisition. Mr. Lube + Tires distributable cash, a supplementary financial measure, for Mr. Lube + Tires was $1.7 million for the two week period from June 16, 2026 to June 30, 2026 after giving effect to the Acquisition. As the Acquisition closed June 16, 2026, there are no comparative period results.

COMBINED CONTRIBUTION

The following table reconciles the non-IFRS financial measure of combined contribution to revenue, the most directly comparable IFRS measure disclosed in the financial statements:

(000's)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Royalty income	**$ 17,987**	**$ 17,697**	**$ 35,313**	**$ 33,185**
DIV Royalty Entitlement[1]	1,356	1,329	2,711	2,658
Adjusted royalty income[1]	**$ 19,343**	**$ 19,026**	**$ 38,024**	**$ 35,843**
Add: DIV Management fees	136	151	292	302
Adjusted royalty partner revenue[1]	**$ 19,479**	**$ 19,177**	**$ 38,316**	**$ 36,145**
Add: Mr. Lube + Tires Adjusted EBITDA[1]	2,239	-	2,239	-
Combined contribution[1]	**$ 21,718**	**$ 19,177**	**$ 40,555**	**$ 36,145**

1) DIV Royalty Entitlement, adjusted royalty income, adjusted royalty partner revenue, Mr. Lube + Tires Adjusted EBITDA and combined contribution are non-IFRS financial measures and as such, do not have standardized meanings under IFRS. For additional information, refer to the sections "Royalty Partners", "Mr. Lube + Tires Adjusted EBITDA", and "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

Second Quarter and Year-To-Date

Combined contribution, a supplementary financial measure, was $21.8 million in the second quarter of 2026 and $40.6 million for the six months ended June 30, 2026, compared to $19.2 million in the second quarter of 2025 and $36.1 million for the six months ended June 30, 2025. The increase in the period is due to the recent Acquisition where Mr. Lube + Tires adjusted EBITDA is added to DIV's adjusted royalty partner revenue.

ROYALTY PARTNERS

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

(000's)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Mr. Lube LP[5]	$ 7,565	$ 9,001	$ 14,982	$ 16,121
Stratus[2]	2,410	2,294	4,799	4,674
BarBurrito	2,348	2,163	4,573	4,271
Cheba Hut[3]	1,754	214	3,124	214
Oxford	1,290	1,271	2,548	2,509
Mr. Mikes	1,002	1,065	2,006	2,080
AIR MILES®	982	818	1,904	1,574
Sutton[4]	636	871	1,377	1,742
Royalty income	**$ 17,987**	**$ 17,697**	**$ 35,313**	**$ 33,185**
DIV Royalty Entitlement[1]	1,356	1,329	2,711	2,658
Adjusted royalty income[1]	**$ 19,343**	**$ 19,026**	**$ 38,024**	**$ 35,843**

1) DIV royalty entitlement and adjusted royalty income 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 and six months ended June 30, 2026 was US$1.7 million and US$3.5 million, respectively, translated at an average foreign exchange rate of $1.3843 and $1.3779 to US$1, respectively (three and six months ended June 30, 2025 – royalty income of US$1.7 million and US$3.3 million, respectively, translated at an average foreign exchange rate of $1.3839 and $1.4091 to US$1, respectively).
3) Cheba Hut royalty income for the three and six months ended June 30, 2026 was US$1.3 million and US$2.3 million, respectively, translated at an average foreign exchange rate of $1.3843 and $1.3799 to US$1, respectively (three and six months ended June 30, 2025 – US$156 thousand, translated at an average foreign exchange rate of $1.3694 to US$1 for the period from closing of the Cheba Hut acquisition to the end of the quarter).
4) Refer to the section "Royalty Partners - Sutton" below.
5) Royalty income from Mr. Lube LP is for the periods of April 1 to June 15, 2026 and January 1 to June 15, 2026, respectively.

Mr. Lube LP

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 LP for a 99 year term ending on August 19, 2114, in exchange for a royalty payment equal to 7.95% of the system sales of flagship locations in the Mr. Lube LP Royalty Pool, with the exception of system sales on tires and rims that were subject to a royalty rate of 2.5% of flagship locations in the Mr. Lube LP Royalty Pool.

Mr. Lube LP continued to pay royalties and management fees to ML LP and DIV, respectively, up to and including June 15, 2026, upon which those arrangements were terminated in connection with the closing of the Acquisition.

On May 1, 2025, the Mr. Lube LP Royalty Pool was adjusted to include the royalties from six new Mr. Lube + Tires locations and remove one permanently closed location. With the adjustment for these five net new locations, the Mr. Lube LP 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. Under the Acquisition Agreement, Mr. Lube + Tires and DIV agreed to waive the annual adjustment to the Mr. Lube LP Royalty Pool in 2026, any adjustment to the Mr. Lube LP royalty rate in 2026, the payment of the remaining consideration in respect of the May 1, 2025 adjustment to the Mr. Lube LP Royalty Pool, and the accrued $0.1 million in respect of the dividends Mr. Lube LP 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 were written off upon closing of the Acquisition.

Second Quarter

System sales, a supplementary financial measure, reported by Mr. Lube LP for the Mr. Lube LP locations within the Mr. Lube LP Royalty Pool were $105.2 million for the period from April 1, 2026 up to and including June 15, 2026 and $123.1 million for the second quarter of 2025. 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 $7.6 million for the period from April 1, 2026 up to and including June 15, 2026 and $9.0 million in the second quarter of 2025.

Year-To-Date

System sales, a supplementary financial measure, reported by Mr. Lube LP for the Mr. Lube LP locations within the Mr. Lube LP Royalty Pool were $204.3 million for the period January 1, 2026 up to and including June 15, 2026 and $217.0 million for the six months ended June 30, 2025. See "Third Party Information".

Royalty income from Mr. Lube + Tires was $15.0 million for the period January 1, 2026 up to and including June 15, 2026, and $16.1 million for the six months ended June 30, 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 descried 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 periods up to and including January 31, 2026.

On January 26, 2026, AM 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 1st 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.

Second Quarter and Year-To-Date

For the second quarter of 2026, royalty income of $1.0 million was generated from the AIR MILES® Licenses compared to $0.8 million generated in the second quarter of 2025, an increase of 20.0%. In the six months ended June 30, 2026, royalty income of $1.9 million was generated from the AIR MILES® Licenses compared to $1.6 million in the same prior period of 2025, an increase of 20.9%. The increases are largely due to the new fixed royalty agreement effective February 1, 2026, compared to royalty income based on gross billings for the three and six months ended June 30, 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 1st of each year. As at June 30, 2026, the fixed monthly payment was equal to $4.4 million per annum ($3.0 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 (the "Sutton Royalty Relief 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 Sutton Royalty Relief Agreement is intended to support Sutton's continued investment in business development initiatives to increase its agent base.

Sutton Royalty

The Company and SGRS LP are currently in non-binding discussions with Sutton with respect to potential amendments to the royalty arrangements between the parties to replace the current fixed royalty payments with variable royalty payments. Those discussions are nearing conclusion, and DIV expects the revised royalty arrangements with Sutton to be entered into before the end of Q3 2026, subject to the finalization of legal documents and lender consent. The revised royalty arrangements, if entered into, are expected to be retroactive to May 1, 2026, and in connection therewith the Sutton Royalty Relief Agreement would also be terminated retroactively as of May 1, 2026. Given these expectations, DIV has accrued royalty income from Sutton for Q2 2026 for the period (i) from April 1, 2026 to April 30, 2026, based on the current fixed royalty net of the agreed 33% royalty relief and certain other adjustments, and (ii) from May 1, 2026 to June 30, 2026 on the basis of the proposed variable royalty arrangements with Sutton. Under the proposed variable royalty arrangements, Sutton would pay SGRS LP a variable royalty based on a baseline amount in May 2026 which then moves up or down depending on amounts collected from paying Sutton agents (the "Sutton Variable Royalty"). If the amended royalty arrangements for the Sutton Variable Royalty are not entered into, Sutton may require additional royalty relief. As at June 30, 2026, DIV recorded a non-cash impairment charge in the amount of $7.2 million to intangible assets related to SGRS Rights based on estimated associated future cash flows from Sutton, which cash flow estimates are based on the proposed Sutton Variable Royalty. See "*Royalty Partners – Sutton*" and "*Risk Factors*".

Second Quarter and Year-To-Date

Royalty income was $0.6 million and $1.4 million for the three and six months ended June 30, 2026, compared to $0.9 million and $1.7 million for the three and six months ended June 30, 2025, respectively, which reflects the contractual 2% annual increase effective July 1, 2025 and is net of a 20% royalty deferral (which deferral was subsequently forgiven under the Sutton Royalty Relief Agreement).

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 1st 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, 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 June 30, 2026, of the 146 locations in the Oxford Royalty Pool, 135 locations were operating and 11 locations were permanently closed, for which permanently closed locations OX LP is accruing and collecting make-whole payments from Oxford.

Second Quarter and Year-To-Date

System sales, a supplementary financial measure, reported by Oxford for Oxford locations within the Oxford Royalty Pool was $16.5 million in the second quarter of 2026 and $32.7 million for the six months ended June 30, 2026, compared to $16.4 million in the second quarter of 2025 and $32.3 million for the six months ended June 30, 2025.

Oxford reported that Oxford locations in the Oxford Royalty Pool generated SSSG, a supplementary financial measure, on a constant currency basis of 2.9% in the second quarter of 2026 and 3.4% for the six months ended June 30, 2026 (after the impact of foreign currency translation, SSSG was 2.9% and 3.6%, respectively), compared to 6.5% 6.0% for the same respective periods of 2025 (after the impact of foreign currency translation, SSSG was 6.7% and 6.5%, respectively in the prior periods). Oxford's positive SSSG for the quarter is due to the consistent positive 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 Oxford was $1.3 million and $2.6 million for the three and six months ended June 30, 2026, respectively, compared to $1.3 million and $2.5 million in the same respective prior periods 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 June 30, 2026, of the 44 locations in the Mr. Mikes Royalty Pool, 39 locations were operating and 5 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.

Second Quarter and Year-To-Date

Mr. Mikes reported that SSSG, a supplementary financial measure, for Mr. Mikes restaurants in the Mr. Mikes Royalty Pool was approximately 0% and 0.9% for the three and six months ending June 30, 2026, respectively, compared to -0.5% and 0.5% for the same respective periods in 2025. Overall, the results for Mr. Mikes were relatively flat for both the three and six months periods ended June 30, 2026 compared to the respective prior periods.

Royalty income from Mr. Mikes was $1.0 million and $2.0 million for the three and six months ended June 30, 2026, respectively, compared to $1.1 million and $2.1 million for the same respective prior periods of 2025. The three and six months ended June 30, 2026 results slightly decreased due to the lower royalty income from the two recent store closures during the six month period ended June 30, 2026.

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.

Second Quarter and Year-To-Date

The DIV Royalty Entitlement was $1.4 million and $2.7 million for the three and six months ended June 30, 2026, respectively, and reflects the contractual 2.0% increase effective October 1, 2025, compared to the same prior period in 2025. 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.

Second Quarter and Year-To-Date

Royalty income was $2.4 million and $4.8 million for the three and six months ended June 30, 2026, respectively (US$1.7 million and US$3.5 million, respectively, translated at an average foreign exchange rate of $1.3843 and $1.3779 to US$1, respectively), and reflects the contractual 5.0% increase effective November 15, 2025, compared to the same prior periods in 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 $72 million in cash plus a $36 million promissory note.

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 2025 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 1st 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.

Second Quarter and Year-To-Date

Royalty income was $2.3 million and $4.6 million for the three and six months ended June 30, 2026, respectively, which reflects the contractual 4.0% increase each March 1st and the incremental royalty revenue from the 2026 BarBurrito Adjustment, compared to the same prior periods in 2025.

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 Cheba 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.

Second Quarter and Year-To-Date

Royalty income was $1.8 million and $3.1 million for the three and six months ended June 30, 2026, respectively (US$1.3 million and US$2.3 million, respectively, translated at an average foreign exchange rate of $1.3843 and $1.3779 to US$1, respectively), and reflects the contractual increase each April at a rate equal to the greater of 3.5% and U.S. CPI plus 1.5%, compared to US$156 thousand for the three and six months ended June 30, 2025, translated at an average foreign exchange rate of $1.3694 to US$1 for the period from closing of the Cheba Hut acquisition to the end of the Q2 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:

	Three months ended June 30,		Six months ended June 30,	
(000's except per share amounts and payout ratio%)	2026	2025	2026	2025
Net income	$ 3,106	$ 9,020	$ 10,671	$ 17,013
Interest expense on credit facilities	5,003	3,315	8,968	6,465
Income tax expense	2,169	3,555	5,111	6,552
Depreciation and amortization expenses	416	24	441	48
EBITDA[1]	10,694	15,914	25,191	30,078
Adjustments:				
Share-based compensation	763	596	1,559	964
Impairment loss	7,543	-	7,891	-
Other finance costs, net	1,236	1,373	2,462	2,368
Fair value adjustment on financial instruments	(2,363)	(1,038)	(4,040)	(1,942)
Payment of lease obligations	(37)	(28)	(65)	(56)
Net marketing fund expense	(65)	-	(65)	-
Transaction costs	1,401	-	2,599	-
Other non-recurring costs	36	-	36	-
DIV Royalty Entitlement, net of NND Royalties LP expenses[1]	1,345	1,321	2,690	2,646
Normalized EBITDA[1]	20,553	18,138	38,258	34,058
Add: interest income	235	77	315	212
Less: distributions on exchangeable units	(45)	(36)	(66)	(84)
Less: current tax expense[2]	(2,620)	(2,411)	(4,382)	(4,368)
Less: interest paid on credit facilities	(5,003)	(3,315)	(8,968)	(6,465)
Less: Mr. Lube + Tires distributable cash attributable to NCI	(67)	-	(67)	-
Distributable cash[1]	**$ 13,053**	**$ 12,452**	**$ 25,090**	**$ 23,353**
Distributable cash per share[1]	$ 0.0758	$ 0.0738	$ 0.1463	$ 0.1391
Dividends declared per share	0.0711	0.0625	0.1423	0.1250
Weighted average number of shares outstanding - basic	172,139	168,695	171,456	167,913
Payout Ratio[1]	**93.7%**	**84.7%**	**97.2%**	**89.9%**

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:

	Three months ended June 30,		Six months ended June 30,	
(000's)	2026	2025	2026	2025
Cash flows generated from operating activities	$ 5,367	$ 9,464	$ 13,085	$ 19,624
Current tax expense[1]	(2,620)	(2,412)	(4,382)	(4,368)
Accrued interest on convertible debentures	(204)	788	(1,554)	-
Accrued interest on bank loans	(75)	(65)	(335)	(439)
Distributions on exchangeable MRM units	(45)	(36)	(66)	(84)
Payment of lease obligations	(37)	(28)	(65)	(56)
Net marketing fund expense	(65)	-	(65)	-
Transaction costs	1,401	-	2,599	-
Other non-recurring costs	36	-	36	-
Foreign exchange and other	44	35	66	84
Changes in w orking capital	6,984	2,757	7,158	3,607
Taxes paid	2,334	1,949	5,400	4,985
Payment of contingent consideration	-	-	3,280	-
Mr. Lube + Tires distributable cash attributable to NCI	(67)	-	(67)	-
Distributable cash[2]	**$ 13,053**	**$ 12,452**	**$ 25,090**	**$ 23,353**

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 second quarter of 2026, distributable cash, a non-IFRS financial measure, increased to $13.1 million compared to $12.5 million in the prior period (an increase of $0.0020 per share). The increase in distributable cash was primarily due to higher adjusted royalty partner revenue and incremental Mr. Lube + Tires adjusted EBITDA, partially offset by higher interest expense, professional fees, general and administrative expenses, and salaries and benefits. 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 for the quarter. Refer to “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” and “Dividends to Shareholders” in this MD&A.

For the six months ended June 30, 2026, distributable cash increased to $25.1 million compared to $23.4 million in the prior period (an increase of $0.0072 per share). The increase in distributable cash was primarily due to higher adjusted royalty partner revenue and incremental Mr. Lube + Tires adjusted EBITDA, partially offset by higher interest expense, professional fees, general and administrative expenses, and salaries and benefits. The increase in distributable cash per share was primarily due to an increase in distributable cash, partially offset by a higher weighted average number of common shares outstanding.

Dividends Declared

In the second quarter of 2026, the Company declared dividends in the aggregate amount of $12.2 million ($0.0711 per share), compared to $10.5 million ($0.0625 per share) in the same prior period of 2025. The increase in the total amount of dividends declared was due to a higher weighted average number of common shares outstanding in the second quarter of 2026 and the increases in the monthly dividend per share in July and December 2025 (see “Dividends to Shareholders”).

For the six months ended June 30, 2026, the Company declared dividends in the aggregate amount of $24.4 million ($0.1423 per share), compared to $21.0 million ($0.1250 per share) in the same prior period of 2025. The increase in the total amount of dividends declared was due to a higher weighted average number of common shares outstanding for the six months ended June 30, 2026 and the increases 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 second quarter of 2026, the payout ratio was 93.7% based on dividends of $0.0711 per share for the quarter compared to the payout ratio in the second quarter of 2025 of 84.7% based on dividends of $0.0625 per share. On a pro forma basis, if the dividends in the second quarter of 2025 were paid out at $0.0711 per share, the payout ratio would have been 96.3%.

For the six months ended June 30, 2026, the payout ratio was 97.2% on dividends of $0.1423 per share compared to the payout ratio in the same prior period of 2025 of 89.9% on dividends of $0.1250 per share. On a pro forma basis, if the dividends for the six months ended June 30, 2025 were paid out at $0.1423 per share, the payout ratio would have been 102.3%.

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 Q2 2026 Financial Statements:

(000's)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Royalty income	$ 17,987	$ 17,697	$ 35,313	$ 33,185
Franchise royalties and other income	3,696	151	3,852	302
	21,683	17,848	39,165	33,487
Expenses:				
Salaries and benefits	880	613	1,576	1,309
Share-based compensation	763	596	1,559	964
General and administration	2,292	277	3,707	491
Professional fees	263	137	469	267
Marketing fund expense	740	-	740	-
Corporate store expense	51	-	51	-
Impairment	7,543	-	7,891	-
	12,532	1,623	15,993	3,031
Income from operations	9,151	16,225	23,172	30,456
Interest expense on credit facilities	(5,003)	(3,315)	(8,968)	(6,465)
Other finance costs, net	(1,236)	(1,373)	(2,462)	(2,368)
Fair value adjustment on financial instruments	2,363	1,038	4,040	1,942
Income before income taxes	5,275	12,575	15,782	23,565
Income tax expense	2,169	3,555	5,111	6,552
Net income	**$ 3,106**	**$ 9,020**	**$ 10,671**	**$ 17,013**
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation adjustment	2,089	(3,560)	3,506	(3,549)
Other comprehensive income	**$ 2,089**	**$ (3,560)**	**$ 3,506**	**$ (3,549)**
Total comprehensive income	**$ 5,195**	**$ 5,460**	**$ 14,177**	**$ 13,464**

The description of results of operations below are provided on a consolidated basis. Mr. Lube + Tires' results of operations reflects the two week period from closing of the Acquisition on June 16 to June 30, 2026 and includes revenue from franchise royalties, license, fees and other income as well as operating expenses, including salaries and benefits, general and administration, professional fees, marketing fund expense, and interest expense on credit facilities. For further information Refer to the segment reporting section of the Q2 2026 Financial Statements (note 25). In addition, for details regarding Mr. Lube + Tires operating results, on a pro forma basis for Q1 2026, refer to the business acquisition report ("BAR"), a copy of which is available under DIV's profile on SEDAR+ at www.sedarplus.ca.

Revenue

Second Quarter

Revenue in the second quarter of 2026 was $21.7 million compared to $17.8 million in the comparable quarter in 2025. After taking into account the DIV Royalty Entitlement, a non-IFRS financial measure related to Nurse Next Door, adjusted royalty partner revenue, a non-IFRS financial measure, was $19.4 million in the second quarter of 2026 compared to $19.2 million in the comparable quarter in 2025. Adjusted royalty partner revenue increased primarily due to Mr. Lube + Tires' and Oxford's positive SSSG, a supplementary financial measure, higher royalty income from AIR MILES®, the 5% contractual increase in the Stratus royalty, the 4% contractual increase in the BarBurrito royalty, the contractual 2% increase in the DIV Royalty Entitlement from Nurse Next Door, incremental royalty revenue from the five net Mr. Lube + Tires locations added to the Mr. Lube + Tires royalty pool on May 1, 2025, the 2026 BarBurrito Adjustment effective March 1, 2026 and the contractual royalty increase from Cheba Hut plus the Incremental Cheba Hut Royalty, both effective April 1, 2026, partially offset by the decrease in the Sutton royalty in the quarter. Combined contribution, a non-IFRS financial measure, was $21.7 million due to $2.2 million from Mr. Lube + Tires adjusted EBITDA, a non-IFRS financial measure. Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

Year-To-Date

Revenue for the six months ended June 30, 2026 was $39.1 million compared to $33.5 million in the comparable period of 2025. After taking into account the DIV Royalty Entitlement, a non-IFRS financial measure related to Nurse Next Door, adjusted royalty partner revenue, a non-IFRS financial measure, was $38.2 million in the second quarter of 2026 compared to $36.1 million in the comparable period of 2025. Adjusted royalty partner revenue increased primarily due to Mr. Lube + Tires', Mr. Mikes' and Oxford's positive SSSG, a supplementary financial measure, higher royalty income from AIR MILES®, the 5% contractual increase in the Stratus royalty, the 4% contractual increase in the BarBurrito royalty, the contractual 2% increase in the DIV Royalty Entitlement from Nurse Next Door, incremental royalty revenue from the five net Mr. Lube + Tires locations added to the Mr. Lube + Tires royalty pool on May 1, 2025, the BarBurrito Adjustment effective March 1, 2026 and the contractual royalty increase from Cheba Hut plus the Incremental Cheba Hut Royalty, both effective April 1, 2026, partially offset by the decrease in the Sutton royalty in the period. Combined contribution, a non-IFRS financial measure, was $40.6 million due to $2.2 million from Mr. Lube + Tires adjusted EBITDA, a non-IFRS financial measure. Refer to "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in this MD&A.

Salaries and Benefits

Second Quarter and Year-To-Date

Salaries and benefits expense increased by $0.3 million, respectively, for the three and six months ended June 30, 2026, when compared to the same prior periods. The increases were primarily due to incremental salaries and benefits related to Mr. Lube + Tires management following the Acquisition.

Share-based Compensation

Second Quarter and Year-To-Date

Share-based compensation increased by $0.2 million and $0.6 million for the three and six months ended June 30, 2026, respectively, when compared to the same prior periods. The increases were primarily due to 1) $0.4 million in incremental share-based compensation expenses in connection with Mr. Lube + Tire management being issued 12,000,000 Class D preferred shares of Mr. Lube + Tires in connection with the Acquisition, which vest over 5 years, 2) the timing of DSUs granted to the directors of DIV and 3) fair valuation of RSUs granted to DIV management.

General and Administration

Second Quarter and Year-To-Date

General and administration expense increased by $2.0 million and $3.2 million for the three and six months ended June 30, 2026, respectively, when compared to the same prior periods. The increases were primarily due to the non-recurring transaction costs related to the Acquisition and non-recurring dead deal costs.

Professional Fees

Second Quarter and Year-To-Date

Professional fees are comprised of legal, audit, tax, advisory, and consulting services. Professional fees increased by $0.1 million for the three months and $0.2 million for the six months ended June 30, 2026, respectively, when compared to the same prior period. The increases were primarily due to incremental consulting fees and accounting, tax and legal expenses (unrelated to the Acquisition) compared to the prior periods.

Marketing Fund Expense

Second Quarter and Year-To-Date

Mr. Lube + Tires participates in a marketing fund established to collect and administer franchisee funds contributed for use in advertising and promotional programs. Marketing fund contributions received from franchisees are required to be made by franchisees under the franchise license agreement of which gross amounts are recorded under franchise royalties and other income. Marketing fund expenses are reported on a gross basis on the statement of profit or loss. Marketing fund expenses were $0.7 million, respectively, for the three and six months ended June 30, 2026. As the Acquisition closed June 16, 2026, there are no comparative period results.

Corporate Store Expense

Second Quarter and Year-To-Date

Mr. Lube + Tires owns one corporate store in Calgary, AB. Corporate store expense is comprised of cost of sales, labour, marketing and other fixed and variable expenses. Corporate store expenses were $0.05 million, respectively, for the three and six months ended June 30, 2026. As the Acquisition closed June 16, 2026, there are no comparative period results.

Impairment of Intangible Assets

The Company recorded an impairment loss of $0.3 million and $0.7 million for the three and six months ended June 30, 2026, respectively, 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.

As discussed above, the Company and SGRS LP are currently in non-binding discussions with Sutton with respect to potential amendments to the royalty arrangements between the parties to replace the current fixed royalty payments with variable royalty payments. Those discussions are nearing conclusion, and DIV expects the revised royalty arrangements with Sutton to be entered into before the end of Q3 2026, subject to the finalization of legal documents and lender consent. The revised royalty arrangements, if entered into, are expected to be retroactive to May 1, 2026, and in connection therewith the Sutton Royalty Relief Agreement would also be terminated retroactively as of May 1, 2026. For the three and six months ended June 30, 2026, DIV recorded a non-cash impairment charge in the amount of $7.2 million to intangible assets related to SGRS Rights based on estimated associated future cash flows from Sutton, which cash flow estimates are based on the proposed Sutton Variable Royalty.

Interest Expense on Credit Facilities

Second Quarter

Interest expense on credit facilities for the three months ended June 30, 2026 increased by $1.7 million, compared to the same prior period. The increase was due to: (i) incremental interest expense as a result of the new Mr. Lube + Tires Credit Facility; (ii) the incremental interest on the $38.5 million draw on the Acquisition Facility related to the Acquisition; and (iii) the incremental interest on the 2031 Convertible Debentures; partially offset by: (i) lower interest rates on the unswapped portion of the Company's term loan facilities and (ii) lower interest expense due to the partial conversion of the 2027 Convertible Debentures.

Year-To-Date

Interest expense on credit facilities for the six months ended June 30, 2026 increased by $2.5 million, compared to the prior period. The increase was due to: (i) incremental interest expense as a result of the new Mr. Lube + Tires Credit Facility; (ii) the incremental interest on the $38.5 million draw on the Acquisition Facility related to the Acquisition; (iii) 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; (iv) the incremental interest on the $21.2 million draw on the Acquisition Facility related to the acquisition of the Cheba Hut Rights; and (v) 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; (iii) lower interest rates on the unswapped portion of the Company's term loan facilities and (iv) lower interest expense due to the partial conversion of the 2027 Convertible Debentures.

Other Finance Costs, Net

The following table summarizes other finance costs, net for the three and six months ended June 30, 2026 and 2025:

	Three months ended June 30,		Six months ended June 30,	
(000's)	**2026**	**2025**	**2026**	**2025**
Finance income	$ 235	$ 77	$ 315	$ 212
Foreign exchange gain (loss)	115	(118)	275	(112)
Distributions on Exchangeable Units	(45)	(36)	(66)	(84)
Loss on settlement of shares issued	-	(195)	-	(195)
Amortization of deferred financing charges	(419)	(210)	(776)	(419)
Accretion expense and other	(1,122)	(891)	(2,210)	(1,770)
	$ (1,236)	$ (1,373)	$ (2,462)	$ (2,368)

Second Quarter and Year-To-Date

Other finance costs, net for the three and six months ended June 30, 2026, decreased by $0.1 million and increased by $0.1 million, respectively, compared to the same prior periods. The decrease during the three months ended June 30, 2026 was primarily due to finance income of $0.2 million, amortization of deferred financing charges of $0.4 million and accretion expense of $1.1 million. The increase during the six months ended June 30, 2026 was primarily due to finance income of $0.3 million, amortization of deferred financing charges of $0.8 million and accretion expense of $2.2 million.

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, the ML LP units and the MRM LP exchangeable units.

Second Quarter

The fair value gain on financial instruments in the second quarter of 2026 consists of a $1.5 million gain on the Company's investment in NND royalties LP, a $1.0 million gain on the extinguishment of the accrued liability related to the ML LP units on closing of the Acquisition and a $0.01 million gain on the Company's interest rate swaps, partially offset by a $0.2 million loss on the MRM LP exchangeable units.

The fair value gain on financial instruments in the second quarter of 2025 consists of a $1.3 million gain on the Company's investment in NND royalties LP, partially offset by a $0.1 million loss on the MRM LP exchangeable units and a $0.2 million loss on the Company's interest rate swaps.

Year-To-Date

The fair value gain on financial instruments for the six months ended June 30, 2026 consists of a $2.9 million gain on the Company's investment in NND royalties LP, a $1.0 million gain on the extinguishment of the accrued liability related to the ML LP units on closing of the Acquisition and a $0.5 million gain on the Company's interest rate swaps, partially offset by a $0.4 million loss on the MRM LP exchangeable units.

The fair value gain on financial instruments for the six months ended June 30, 2025 consists of a $2.7 million gain on the Company's investment in NND royalties LP, partially offset by a $0.1 million loss on the MRM LP exchangeable units and a $0.6 million loss on the Company's interest rate swaps.

Income Tax Expense

Second Quarter and Year-To-Date

Income tax expense decreased by $1.4 million for both the three and six months ended June 30, 2026, respectively, when compared to the comparable prior period. The decrease for the three and six months ended June 30, 2026 was primarily due to the increase tax shield from the Acquisition and lower net income before taxes in the respective periods.

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 and $0.8 million for the three and six months ended June 30, 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 $368.1 million at June 30, 2026. Pursuant to NND Royalties LP's limited partnership agreement, its undepreciated capital cost allowance of approximately $36.9 million as at June 30, 2026 is allocated to the Company for tax purposes. In addition, giving effect to the Acquisition, the undepreciated capital cost allowance of the intangible assets acquired as part of the Acquisition, consisting of Mr. Lube + Tires franchise license agreements and supplier contracts (the "Mr. Lube + Tires Rights"), is $72.2 million and $134.3 million from goodwill as at June 30, 2026.

Other Comprehensive Income

Second Quarter

The foreign currency translation adjustment for the three months ended June 30, 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. The other comprehensive gain is primarily due to a $1.3 million of foreign exchange gain on translation of US$60.0 million in Strat-B LP's intangible assets, partially offset by the foreign exchange loss on translation of Strat-B LP's US$15.0 million in long-term debt, between the March 31, 2026 rate ($1.3916 to US$1) and the period-end rate at June 30, 2026 ($1.4196 to US$1), plus a $0.8 million other comprehensive gain on the translation of $43.6 million in Cheeb LP's intangible assets, partially offset by the foreign exchange loss on translation of Cheeb LP's US$12.5 million in long-term debt.

Year-To-Date

The foreign currency translation adjustment for the six months ended June 30, 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. The other comprehensive gain is primarily due to a $2.2 million of foreign exchange gain on translation of US$60.0 million in Strat-B LP's intangible assets, partially offset by the foreign exchange loss on translation of Strat-B LP's US$15.0 million in long-term debt, between the December 31, 2025 rate ($1.3724 to US$1) and the period-end rate at June 30, 2025 ($1.4196 to US$1), plus a $1.3 million other comprehensive gain on the translation of $43.6 million in Cheeb LP's intangible assets, partially offset by the foreign exchange loss on translation of Cheeb LP's US$12.5 million in long-term debt.

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)	**Q2 2026**	**Q1 2026**	**Q4 2025**	**Q3 2025**	**Q2 2025**	**Q1 2025**	**Q4 2024**	**Q3 2024**
Revenue	$ 21,683	$ 17,482	$ 19,059	$ 18,261	$ 17,848	$ 15,639	$ 17,032	$ 16,097
Net income	$ 3,106	$ 7,565	$ 11,007	$ 8,669	$ 9,020	$ 7,993	$ 4,015	$ 6,887
Income per common share								
Basic	$ 0.02	$ 0.04	$ 0.06	$ 0.05	$ 0.05	$ 0.05	$ 0.02	$ 0.04
Diluted	$ 0.02	$ 0.04	$ 0.06	$ 0.05	$ 0.05	$ 0.05	$ 0.02	$ 0.04

Revenue

The second quarter of 2026 reflects the incremental revenue from Mr. Lube + Tires as a result of the Acquisition and also the incremental royalty revenue from the Incremental Cheba Hut Royalty and the contractual increase to the Cheba Hut royalty effective April 1, 2026. The second quarter of 2026 also reflected positive SSSG, a supplementary financial measure, from Oxford of 2.9% on a consistent currency basis. The fixed royalty payment as a result of the AIR MILES® Amendment also continued. Stratus and BarBurrito paid 100% of their contractual royalties. Mr. Mikes and Sutton royalties both decreased in the quarter.

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.

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, Mr. Lube + Tires’ recoverable decommissioning obligations and the investment in NND Royalties LP is monitored through regular review of the Company’s Royalty Partners and Mr. Lube + Tires’ franchisees by Mr. Lube + Tires.

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 of Mr. Lube + Tires and monitoring compliance with the terms of financing arrangements.

As at June 30, 2026, the Company had a cash balance of $13.7 million (December 31, 2025 - $4.6 million) and working capital deficit of $55.4 million (December 31, 2025 – working capital deficit of $5.5 million). On July 29, 2026, the Company extended the maturity date of the OX LP term loan by three years to July 29, 2029. In addition, the Company is confident in its ability to generate positive cash flow from operations and it has a history of being able to successfully raise capital through either equity to pay off current debt. On July 6, 2026, the Company closed on its bought deal public offering of 12,339,500 common shares, including 1,609,500 common shares issued pursuant to the full exercise of the over-allotment option, at a price of $4.66 per common share for total gross proceeds of approximately $57.5 million, of which $38.5 million was used to paydown the outstanding balance on the Acquisition Facility.

As at June 30, 2026, the Company also had $14.9 million (December 31, 2025 - $5.9 million) in undrawn operating lines of credit.

As at June 30, 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	$ 19,423	$ 19,423	$ 19,423	$ -	$ -	$ -	$ -
Contingent consideration	24,930	37,650	-	6,714	12,873	18,063	-
Lease obligation	167,452	299,286	8,306	18,320	17,920	17,251	237,490
Long-term bank loans	314,624	397,425	9,644	19,132	55,419	71,983	241,247
Acquisition Facility	38,376	45,913	-	1,059	9,818	9,818	25,218
Convertible debentures	110,940	139,332	3,441	53,995	3,968	3,968	73,960
Total contractual obligations	$ 675,745	$ 939,029	$ 40,814	$ 99,220	$ 99,998	$ 121,083	$ 577,915

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 June 30, 2026, the Company was in compliance with all financial covenants associated with its Acquisition Facility and other credit facilities.

During the first quarter of 2026, DIV used partial net proceeds from the 2026 Debenture 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 at that time.

In July 2026, DIV used partial net proceeds from the 2026 Equity Offering (defined below) to make a voluntary paydown of $38.5 million on the outstanding Acquisition Facility, reducing the outstanding balance 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 second quarter of 2026, DIV was exposed to currency risk from US dollar-denominated cash of US$0.3 million as at June 30, 2026 (December 31, 2025 – US$1.1 million).

Strat-B LP and Cheeb LP are also exposed to a nominal amount of currency risk from Canadian dollar-denominated bank balances as well as accounts payable and accrued liabilities .

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 June 30, 2026, the interest rate risk related to bank loans is mitigated by interest rate swap arrangements that fix the interest rates on $200.7 million of the Company's $314.6 million term loan facilities.

As at June 30, 2026, the Company had a note receivable (being the Sutton Promissory Note) plus accrued interest of $2.0 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 June 30, 2026. The contractual cash flows receivable from Nurse Next Door were discounted at a rate of 16.9% (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 June 30, 2026, the investment in NND Royalties LP was valued at $40.0 million (December 31, 2025 – $39.8 million) and fair value gains of $1.5 million and $2.9 million were recorded for the three and six months ended June 30, 2026, respectively (fair value gains of $1.3 million and $2.7 million for the three and six months ended June 30, 2025, respectively).

CASH FLOWS

(000's)	Three months ended June 30, 2026	2025	Six months ended June 30, 2026	2025
Cash flows generated from operating activities	$ 5,371	$ 9,464	$ 13,085	$ 19,624
Cash flows generated from financing activities	157,704	28,638	191,794	14,032
Cash flows used in investing activities	(195,656)	(49,421)	(195,660)	(49,421)
Net increase (decrease) in cash	(32,581)	(11,319)	9,219	(15,765)
Cash, beginning of the period	46,490	15,252	4,609	19,692
Effect of foreign exchange rate changes on cash	(207)	(118)	(126)	(112)
Cash, end of the period	$ 13,702	$ 3,815	$ 13,702	$ 3,815

Cash From Operating Activities

Cash generated from operating activities for the three months ended June 30, 2026 was higher compared to the prior respective period due higher royalty income received and franchise royalties and other income from the Mr. Lube + Tires franchisor business and lower income taxes paid, partially offset by higher salaries and benefits, general and administration costs, professional fees, and interest paid.

Cash generated from operating activities for the six months ended June 30, 2026 was higher compared to the prior respective period due higher royalty income received and franchise royalties and other income from the Mr. Lube + Tires franchisor business and lower income taxes paid, partially offset by $3.3 million paid against contingent consideration to fund the 2026 BarBurrito Adjustment, higher salaries and benefits, general and administration costs, professional fees, and interest paid.

For the three and six months ended June 30, 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 and $0.06 million lower, respectively, 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 June 30, 2026 was higher compared to the same prior period due to $212.5 million drawn on the Mr. Lube + Tires Credit Facility and $38.5 million draw on the Acquisition Facility to partially fund the Acquisition, partially offset by paydowns of US$6.5 million and $12.4 million on the Acquisition Facility, $84.9 million of ML LP term loan repaid, plus incremental dividends paid.

Cash generated in financing activities for the six months ended June 30, 2026 was higher compared to the same prior period due to the proceeds from the issuance of the 2031 Convertible Debentures and the $212.5 million drawn on the Mr. Lube + Tires Credit Facility and $38.5 million draw on the Acquisition Facility to partially fund the Acquisition, partially offset by paydowns of US$6.5 million and $12.4 million on the Acquisition Facility, $84.9 million of ML LP term loan repaid, plus incremental dividends paid.

Cash From Investing Activities

Cash used in investing activities for the three and six months ended June 30, 2026 was primarily due to cash consideration to fund the Acquisition and to purchase the US$0.9 million annualized incremental royalty from Cheba Hut for US$7.2 million.

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 and instruments convertible into common shares (such as warrants, RSUs, DSUs or convertible debentures), 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 2026 Debenture Offering (defined below), DIV voluntary 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.

On June 15, 2026, the Company drew $38.5 million on the Acquisition Facility to partially fund the purchase price of the Acquisition. On July 7, 2026, the Company used partial net proceeds from the 2026 Equity Offering (defined below) to voluntarily paydown the outstanding balance on the Acquisition Facility 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.

Term Loan Facilities

As at June 30, 2026, the Company and the Company's subsidiaries had term loan facilities with a total carrying value of $314.6 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 $64.9 million that had undrawn balances of $14.9 million at June 30, 2026 and August 12, 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.

On June 16, 2026, Mr. Lube + Tires entered into the Mr. Lube + Tires Credit Agreement which governs the $222.5 million Mr. Lube + Tires Credit Facility of which $212.5 million was drawn to fund a portion of the Purchase Price. In connection with the Acquisition, DIV caused $84.9 million of existing term loan indebtedness of ML LP to be repaid from the proceeds of the Mr. Lube + Tires Credit Facility, resulting in a net increase in consolidated senior debt in Mr. Lube + Tires of $127.6 million. The Mr. Lube + Tires Credit Agreement provides for a total indebtedness of up to $222.5 million consisting of the revolving Mr. Lube + Tires Operating Loan Facility in the maximum amount of $60 million, of which $50 million was drawn to partially finance the Acquisition, and the non-revolving Mr. Lube + Tires Term Loan Facility of $162.5 million. The Mr. Lube + Tires Term Loan Facility has a term of approximately five years, bears interest at a floating rate based on the Prime Rate or CORRA plus a spread based on prevailing market rates and amortizes on a scheduled basis following an initial six-month interest-only period. The Mr. Lube + Tires Operating Loan Facility has a term of approximately five years, bears interest at a floating rate based on the Prime Rate, CORRA, or the US commercial loan or overnight federal funds rate plus a spread based on prevailing market rates. The Mr. Lube + Tires Credit Facility is secured by the assets of Mr. Lube + Tires and ML LP and the Mr. Lube + Tires Credit Agreement has covenants customary for this type of credit facility.

On July 29, 2026, OX LP amended the terms of its credit agreement to extend the maturity date of the OX LP term loan from May 8, 2027 to July 29, 2029 and increase the bank spread from 1.95% to 2.50%.

On July 29, 2026, Strat-B LP amended the terms of its credit agreement to extend the maturity date of the Strat-B LP term loan from November 15, 2027 to July 29, 2029 and increase the bank spread from 2.0% to 2.50%.

Convertible Debentures

As at August 12, 2026, there was $48.6 million aggregate principal amount of 2027 Convertible Debentures (as defined below) and $69.0 million aggregate principal amount of 2031 Convertible Debentures (as defined below).

The Company's unsecured subordinated convertible debentures maturing on June 30, 2027 (the "2027 Convertible Debentures") bear interest at an annual rate of 6.00%, payable semi-annually 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. During the six months period ended June 30, 2026, an aggregate $3.4 million principal amount of 2027 Debentures were converted into 850,368 DIV common shares at the option of the holders, reducing the carrying value of the debentures to $49.1 million.

On July 7, 2026 and July 9, 2026, an additional $0.5 million and $0.01 million, respectively, of the principal amount of 2027 Debentures were converted into 118,765 and 1,234 DIV common shares, respectively, at the option of the holders, reducing the carrying value of the debentures to $48.6 million.

On or after June 30, 2026 and prior to the maturity date, DIV may, at its option, redeem the 2027 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 2027 Convertible Debentures by paying an amount equal to the principal amount of the outstanding debentures, together with accrued and unpaid interest thereon.

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 "2026 Debenture 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 is $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 2026 Debenture 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 at that time. A portion of the net proceeds from the 2026 Debenture Offering was used to fund a portion of the purchase price for the Acquisition and incremental royalty acquisitions completed with certain Royalty Partners and DIV intends to use the remaining net proceeds for working capital and general corporate purposes.

The table below compares the estimated and actual use of proceeds from the 2026 Debenture Offering for the specific uses identified in the prospectus supplement:

	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
Partial funding of the Acquisition	-	30,000	(30,000)
Proceeds allocated to fund royalty pool additions and for working capital and general corporate purposes	43,600	14,513	29,087
Total	**$ 69,000**	**$ 69,000**	**$ -**

Common Shares

On June 16, 2026, 3,440,953 common shares were issued on a private placement basis as part of the Acquisition consideration. Refer to "The Acquisition" section above for further details.

During the three and six months ended June 30, 2026, 317,863 stock options were exercised, resulting in an equivalent number of common shares issued and $3,444,000 aggregate principal amount of 2027 Convertible Debentures were converted, resulting in 850,368 common shares being issued. Between July 1, 2026 and August 12, 2026 a further $486,000 aggregate principal amount of 2027 Convertible Debentures were converted, resulting in 119,999 common shares being issued.

On July 6, 2026, the Company completed a public offering of 12,339,500 common shares, including 1,609,500 common shares pursuant to the full exercise of the over-allotment option, at a price of $4.66 per common share, for gross proceeds of $57.5 million (the "2026 Equity Offering"). After deducting issuance costs of $2.6 million, net proceeds were $54.9 million.

The table below compares the estimated and actual use of proceeds from the 2026 Equity Offering for the specific uses identified in the prospectus supplement:

	Estimate Use of Proceeds	Actual Use of Proceeds	Variance
Proceeds used to repay outstanding amounts under the Acquisition Facility	$ 38,500	$ 38,500	$ -
Payment of underwriter fees	2,588	2,588	-
Offering transaction costs	710	553	157
Proceeds allocated for working capital and general corporate purposes	15,704	15,861	(157)
Total	**$ 57,502**	**$ 57,502**	**$ -**

DIV primarily used the net proceeds of the 2026 Equity Offering to repay $38.5 million outstanding balance on the Acquisition Facility in full on July 7, 2026 and intends to use the remaining net proceeds for working capital and general corporate purposes.

As at August 12, 2026, there were 188,755,592 common shares issued and outstanding.

Share Options

As at August 12, 2026, there were 2,166,666 options outstanding, which may be exercised to purchase an equivalent number of common shares at an exercise price of $2.72 per share.

Restricted Share Units (RSUs)

As at August 12, 2026, there were 606,292 RSUs outstanding, which may be settled for an equivalent number of common shares or cash upon vesting.

Deferred Share Units (DSUs)

As at August 12, 2026, there were 591,311 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:

2026	Payment date	Dividend / share
August 2026	August 31, 2026	$ 0.02375
July 2026	July 31, 2026	$ 0.02375
June 2026	June 30, 2026	$ 0.02375
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, 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 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 June 30, 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 of DIV. Key management personnel of Mr. Lube + Tires are as follows: President and CEO, CFO, COO, Executive VP Brand and Marketing, VP Development, Head of Technology and General Counsel.

The table below summarizes the compensation of key management personnel included in net income:

	Three months ended June 30,		Six months ended June 30,	
(000's)	2026	2025	2026	2025
DIV				
Short-term benefits	$ 602	$ 511	$ 1,164	$ 1,043
Share-based compensation	313	594	1,107	962
	915	1,105	2,271	2,005
Mr. Lube + Tires				
Short-term benefits	$ 106	$ -	$ 106	$ -
Share-based compensation	449	-	449	-
	555	-	555	-
Total key management compensation	$ 1,470	$ 1,105	$ 2,826	$ 2,005

Salaries and benefits expense increased largely due to the inclusion of key management for Mr. Lube + Tires giving effect to the Acquisition. Share-based compensation for DIV for the three months ended June 30, 2026 increased compared to the comparable periods in 2025 largely due to timing and fair valuation of RSUs granted.

Other Related Party Transactions

Following completion of the Acquisition, Mr. Lube + Tires now employs the entire former senior management team of Mr. Lube LP who historically operated and now continue to operate the Mr. Lube + Tires franchisor business. Certain members of the Mr. Lube + Tires senior management team indirectly hold a minority ownership stake in Mr. Lube LP. Mr. Lube LP is therefore considered a related party of the Company under IFRS. Mr. Lube + Tires issued Mr. Lube LP an $11.6 million GST Note in connection with the Acquisition, which remains outstanding (see "The Acquisition" above).

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 and certain accounting policies adopted or amended upon the completion of the Acquisition primarily applicable to the Mr. Lube + Tires business, which new and amended policies are described in note 3 to the Q2 2026 Financial Statements.

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 six months ended June 30, 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 and subsidiaries operate in, along with various other assumptions that are believed to be reasonable under the circumstances based on management's consultation with external valuation and accounting professionals.

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 Mr. Lube + Tires, 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 and controls Mr. Lube + Tires through the majority ownership of its common shares.

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 acquisition-related costs were capitalized to the intangible asset.

Accounting for business combinations requires significant judgment, estimates and assumptions at the acquisition date. In developing estimates of fair values at the acquisition date, management uses a variety of factors including market data, market prices, capacity, historical and future expected cash flows, growth rates and discount rates. The fair value of assets acquired and liabilities assumed in a business combination, is estimated based on information available at the date of acquisition. While management uses best estimates and assumptions to accurately value assets acquired and liabilities assumed at the date of acquisition, estimates are inherently uncertain and subject to refinement. The Company has determined that the transaction related to the Acquisition was a business combination and the acquisition-related costs were expensed to the statement of profit or loss in the Q2 2026 Financial Statements.

Key Estimates and Assumptions

Fair Value of Exchangeable Partnership Units in SGRS 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 (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.

Additional risks related to the DIV and the Acquisition are set out below:

Acquisition integration risk

There is no assurance that the Acquisition will produce the intended benefits for the Company and its shareholders. Problems may arise in successfully integrating the Mr. Lube + Tires franchisor business or failing to achieve the expected synergies, resulting in the Company and the Mr. Lube + Tires franchisor business not operating as effectively and efficiently as expected. The Company may also operate less effectively and efficiently because the Company's management must dedicate time and resources to the integration of the businesses instead of using all of their time and resources for operating the Company. The Mr. Lube + Tires franchisor business may operate less effectively and efficiently because the Company's management has limited experience with operating businesses. If any of these acquisition-related risks materialize, it could have an adverse effect on the Company's business, financial condition, results of operations, and prospects.

The Acquisition did not include the ML Leases. While it is intended that the ML Leases ultimately be transferred to Mr. Lube + Tires, there can be no assurance that any or all of the ML Leases will transfer to Mr. Lube + Tires on an acceptable basis or at all.

Pursuant to the Lease Management Agreement, Mr. Lube LP has appointed Mr. Lube + Tires as Mr. Lube LP's exclusive manager to administer the ML Leases. For so long as the ML Leases remain with Mr. Lube LP, Mr. Lube + Tires will rely on the Lease Management Agreement to administer the ML Leases. There can be no assurances the parties to the Lease Management Agreement will comply with their respective obligations or that the counterparties to the ML Leases will recognize the Lease Management Agreement. Any inability of Mr. Lube + Tires to effectively administer the ML Leases could have an adverse impact on the Mr. Lube + Tires franchisor business and, as a result, the Company's business, financial condition, results of operations, and prospects.

In connection with the Acquisition certain third-party consents or waivers were required under contracts relating to the Mr. Lube + Tires franchisor business, including certain of the ML Leases and certain supply contracts and there can be no assurance that Mr. Lube + Tires will obtain such consents and waivers on acceptable terms, or at all. Failure to obtain such consents and waivers may limit Mr. Lube + Tires' ability to operate the Mr. Lube + Tires franchisor business as currently conducted, which could have an adverse impact on the Mr. Lube + Tires franchisor business and, as a result, the Company's business, financial condition, results of operations, and prospects.

Increased exposure to the Mr. Lube + Tires franchisor business

Prior to the completion of the Acquisition, the Company's exposure to the Mr. Lube + Tires franchisor business was primarily through royalty and management fee arrangements. As a result of the completion of the Acquisition, the Company now owns and operates, through Mr. Lube + Tires, the Mr. Lube + Tires franchisor business and is directly exposed to the operating risks associated with that business, including risks relating to franchise operations, system sales, supplier relationships, employees, the environment, litigation, tax matters, cyber-security, franchisees and general business and economic conditions. Accordingly, the risk factors described under "*Risks Related to the Businesses of the Royalty Partners*" in the AIF, which previously applied indirectly to the Company through its Royalty Partners, are also applicable, to the extent relevant, to the Mr. Lube + Tires franchisor business and the Company's ownership and operation thereof through Mr. Lube + Tires. In addition, the occurrence of any such risks are likely to have a more direct and potentially more significant impact on the Company's financial condition, results of operations and ability to pay dividends than was the case prior to the completion of the Acquisition.

Automotive maintenance industry

Mr. Lube + Tires' performance depends in part on the royalties paid by the Mr. Lube + Tire franchisees (the "ML Franchisees") to Mr. Lube + Tires. The amount of the royalty depends on system sales, which are subject to a number of factors that affect the automotive maintenance industry in general and the quick lube segment of this industry. These factors include the competitive nature of the industry, the type, number and proximity of competing quick lube locations, general business conditions, interest rates, fuel prices, the availability of consumer credit, consumer confidence in future economic conditions and regulations governing the automotive industry, such as those related to the production of electric or hybrid vehicles (which have significantly increased in recent years). Any change in these factors may negatively impact the Mr. Lube + Tires franchisor business and could adversely affect Mr. Lube + Tires' and DIV's financial position or results of operations.

Competition within the quick lube and automotive maintenance industry

Mr. Lube + Tires and the ML Franchisees compete with other companies, including quick lube stores, automotive dealerships, gas stations, independent repair shops, big-box retailers and other automotive maintenance service providers. Some of these companies include well-capitalized franchisors and retailers, such as Canadian Tire and Jiffy Lube, with extensive financial, technological, marketing and personnel resources and high brand name recognition and awareness. There can be no assurance that Mr. Lube + Tires or the ML Franchisees will be able to respond to the various competitive factors affecting Mr.

Lube + Tires' franchise operations in the automotive maintenance industry. The quick lube segment of the automotive maintenance industry is highly competitive, particularly with respect to price and service. In any given location, Mr. Lube + Tires locations may encounter competition from national, regional and local companies, many of which have greater financial resources than Mr. Lube + Tires and the ML Franchisees.

Product cost and supply

Sudden or sharp price increases in the cost of products that ML Franchisees provide to their customers, if not passed on to customers, may adversely affect ML Franchisee's profit margins and their ability to pay royalties to Mr. Lube + Tires. If price increases are passed on to customers, there may be an adverse impact on customer visits. The key products susceptible to sudden and sharp price increases are motor oil and lubricants. The raw materials for motor oil and lubricants consist primarily of base oil and additives. Mr. Lube + Tires' profitability is sensitive to changes in the costs of these commodity-like raw materials and other products used in the delivery of quick lube and associated services, driven by supply shifts or other market conditions, over which Mr. Lube + Tires has little or no control. Any rapid or unexpected increase in the price of crude oil, directly or indirectly resulting from war (such as current conflicts in the Middle East, and the ongoing conflict between Russia and Ukraine), armed hostilities, terrorist acts, tariffs, epidemics, pandemics, extreme weather or other incidents, could cause a sudden or sharp increase in the cost of base oils and/or additives. When there are sudden or sharp increases, ML Franchisees may not be able to pass on these increases, in whole or in part, to customers through price increases, or may be significantly delayed in their ability to do so, and even if they can, a reduction in visits and sales may result.

Further, Mr. Lube + Tires' relationships with key suppliers are critical to maintaining an ongoing supply of products. If these suppliers were to end their relationships with Mr. Lube + Tires, replacing them may result in increased cost of goods sold and a temporary shortage of raw materials.

Mr. Lube + Tires has significant supply agreements for motor oils, filtration, tires, vehicle parts, and other fluids. Under these agreements, Mr. Lube + Tires has committed that the Mr. Lube + Tires system will purchase specified volumes of product. If Mr. Lube + Tires is unable to meet these volumes, it may not achieve preferred pricing for these products or may be subject to penalty payments. In either case, Mr. Lube + Tires' costs would increase and may negatively impact its results of operations, and thus DIV's.

Consumer behaviour and demand for the products and services offered by ML Franchisees

A reduction in kilometres driven by automobile owners, or an extension of the interval between regular oil changes, may adversely affect the demand for the products and services offered by ML Franchisees. When the retail cost of gasoline increases, the number of kilometres driven by automobile owners typically decreases, which may result in fewer oil changes. In addition, some automotive manufacturers are increasing the recommended mileage interval between oil changes for newer cars, which could lead to changes in consumer maintenance patterns. A change in consumer maintenance patterns could result in oil changes becoming less frequent. An increase in the number of electric vehicles in the market to replace conventional gasoline driven vehicles may adversely affect the demand for the products and services offered by ML Franchisees. Electric vehicles do not require routine oil changes although regular maintenance is still generally prescribed. There can be no assurance that Mr. Lube + Tires or the ML Franchisees will be able to respond or adapt to the new product and service requirements of electric vehicles. In addition, the increased prevalence of work-from-home and other remote work arrangements may result in a reduction in the use and number of automobiles, which may negatively affect the demand for the products and services offered by Mr. Lube + Tires.

Additional system sales and franchise operations

Mr. Lube + Tires' performance depends on the ability of Mr. Lube + Tires to (i) maintain and grow the current franchise system and the sales at its existing franchised locations, (ii) execute its current growth strategy, (iii) locate new store sites in prime locations, and (iv) obtain qualified operators to become ML Franchisees. Mr. Lube + Tires faces competition for retail locations and ML Franchisees from its competitors and from franchisors of other businesses. Mr. Lube + Tires' inability to successfully obtain qualified ML Franchisees could adversely affect its business development. The opening and success of franchised Mr. Lube + Tires locations depend on multiple factors, including the availability of suitable sites, the negotiation of acceptable lease or purchase terms for new locations, permitting and government regulatory compliance, the availability, training and retention of management and other employees necessary to staff a new Mr. Lube + Tires location, and securing suitable financing. Other factors also play a role. Many of the above matters are beyond the control of Mr. Lube + Tires.

ML Franchisees may lack business skills or access to the financial resources required to open, develop, or operate a Mr. Lube + Tires location in their franchise areas in a manner consistent with Mr. Lube + Tires' standards. In the competitive quick lube market, service levels must be maintained for a Mr. Lube + Tires location to be successful. While Mr. Lube + Tires provides training and support to ML Franchisees, the quality of franchised operations may be diminished by factors beyond its control. Consequently, ML Franchisees may not successfully operate Mr. Lube + Tires locations in a manner consistent with Mr. Lube + Tires' standards and requirements, or may not hire and train qualified managers and other store personnel. If they do not, the image and reputation of Mr. Lube + Tires may suffer, "brand equity" may be diminished, and Mr. Lube + Tires' ability to maintain or enhance system sales may be adversely affected.

Closure of Mr. Lube + Tires service centres may affect Mr. Lube + Tires' financial position and performance

The amount of royalties Mr. Lube + Tires receives will depend on, among other things, aggregate system sales of the ML Franchisees. Each year, some Mr. Lube + Tires locations may close, and there is no assurance that Mr. Lube + Tires will be able to open enough new Mr. Lube + Tires locations to replace the system sales lost from those that have closed, which will adversely impact the financial position and performance Mr. Lube + Tires.

Franchise revenues and reporting risks

Mr. Lube + Tires' performance is dependent in part on (i) ML Franchisees' ability to generate sales and to pay royalties and other amounts, (ii) Mr. Lube + Tires' ability to enter into arrangements with suppliers and distributors to secure competitive pricing for ML Franchisees and revenue for Mr. Lube + Tires, and (iii) Mr. Lube + Tires' receipt of franchise fees (including initial and renewal fees and rent). Failure of Mr. Lube + Tires to achieve adequate collection levels from ML Franchisees, or the loss of revenue from arrangements with suppliers and distributors could have a material adverse effect on Mr. Lube + Tires' financial position and performance. Pursuant to Mr. Lube + Tires' franchise agreements, ML Franchisees report net sales to Mr. Lube + Tires weekly, without audit or other form of independent assurance. Mr. Lube + Tires seeks to verify net sales reported by ML Franchisees through, among other things, analytical reviews performed by management that consist of historical and year-to-date comparisons of individual Mr. Lube + Tires location performance and system-wide performance. However, there can be no assurance that net sales reported by ML Franchisees are accurate and in accordance with the terms of Mr. Lube + Tires' franchise agreements.

Laws and regulations governing the automotive industry

Changes in government standards and regulations regarding safety, fuel economy, emissions control, and the production of electric, fuel cell, hybrid, or autonomous vehicles may affect the automotive industry. These changes may affect the manufacturing, assembly, and distribution of motor vehicles, which could adversely affect the operations and profitability of the automotive maintenance industry. In addition, changes in federal and provincial taxation laws may result in increased costs to consumers for the purchase and servicing of vehicles, as well as higher fuel costs. In addition, federal and provincial governments may continue existing, or introduce new or additional financial incentives that encourage the purchase of electric vehicles. Such changes to taxation laws and incentives could put downward pressure on the purchase and use of personal vehicles, which would adversely impact the Mr. Lube + Tires franchisor business.

Environmental regulation and liability

Mr. Lube + Tires and the ML Franchisees are subject to environmental laws and regulations. These laws and regulations impose stringent standards on Mr. Lube + Tires' and the ML Franchisees' operations and impose liability to remedy problems for which Mr. Lube + Tires or the ML Franchisees are legally responsible regarding, among other things, the use and handling of hazardous materials, the use, handling and disposal of waste, and the remediation of environmental contamination. Mr. Lube + Tires or an ML Franchisee may incur substantial costs to comply with current or future requirements, to respond to orders or directions made, to remedy problems for which Mr. Lube + Tires or the ML Franchisees are legally responsible or to comply with new environmental laws that may be adopted from time to time. In addition, currently unknown environmental problems or conditions affecting Mr. Lube + Tires' or the ML Franchisees' operations or activities or for which it is otherwise legally responsible may be discovered, and known conditions may worsen. Any such event could have a material adverse effect on Mr. Lube + Tires' or the ML Franchisees' business, financial condition, results of operations or cash flow. Some Mr. Lube + Tires locations (including three franchised locations in respect of which the real estate is owned by Mr. Lube + Tires) are located on decommissioned gas bar sites or are located next to or near to operating gas bars. As the current operator of the site, Mr. Lube + Tires or an ML Franchisee may be liable for environmental contamination caused by the operator of the decommissioned gas bar, or for non-gasoline contamination caused by the operator of near-by gas bars to the extent such contamination is indistinguishable from or has become commingled with contamination from that which has or may have been caused by Mr. Lube + Tires or the ML Franchisee, as applicable, or the operator of the decommissioned gas bar. In such circumstances, Mr. Lube + Tires' or the ML Franchisee's ability to limit its liability will be dependent on Mr. Lube + Tires' or the ML Franchisee's ability to demonstrate that the contamination was caused by the gas bar operations and not by the applicable Mr. Lube + Tires location, except as noted below in respect of Mr. Lube + Tires. In the event the ML Franchisee on such site is found liable for such environmental contamination and the ML Franchisee does not have the financial ability to adequately address the environmental contamination, Mr. Lube + Tires as either head tenant on such site or the manager of the site under the Lease Management Agreement may be required to address such contamination. In the event that Mr. Lube + Tires as owner of such a site is found liable for such environmental contamination, Mr. Lube + Tires may be required to address such contamination. In addition, when Mr. Lube + Tires acquired the real estate that currently underlies three franchised Mr. Lube + Tires locations, Mr. Lube + Tires entered into indemnity agreements with the former owner. Under these indemnity agreements Mr. Lube + Tires agreed to release and indemnify the former owner of such locations from any claim with respect to environmental liabilities that may arise in respect of such locations. Accordingly, if environmental contamination requires remediation at any such sites, Mr. Lube + Tires may be required to incur significant costs to complete such remediation. Notwithstanding the forgoing, Mr. Lube + Tires may have recourse against partners of Mr. Lube LP pursuant to the indemnification provisions in the Acquisition Agreement in respect of environmental liabilities related to Mr. Lube + Tires locations in respect to of which Mr. Lube LP is the head lessor or former owner, subject to the time, quantum and other limitations of such indemnification provisions. In addition, even if such indemnification provisions apply, Mr. Lube + Tires may not be successful in recovering damages from the partners of Mr. Lube LP in whole or in part.

Impairment of intangible assets

When the Company acquires intellectual property from its Royalty Partners, a substantial portion of the purchase price of the acquisition is allocated to intangible assets. As of June 30, 2026, the Company had intangible assets of approximately $637.9 million.

Annually, on December 31, the Company tests the carrying value of its intangible assets for impairment. The Company also considers carrying value when events or changes in circumstances indicate that the not less than the carrying value may not be recoverable. The Company has used the value in use method to determine recoverable amount. In assessing value in use, the estimated future cash flows from a Royalty Partner are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. An impairment loss is recognized for the amount by which the intangible asset’s carrying amount exceeds its recoverable amount.

A previously recognized impairment loss is assessed at each reporting date for any indicators that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the intangible asset’s carrying value does not exceed the carrying amount that would have existed had the original impairment loss not been recognized.

The Company and Sutton entered into the a royalty relief agreement described above under “*Royalty Partners – Sutton*”. As a result, at December 31, 2025, the Company concluded that the carrying amount for the SGRS Rights exceeded the recoverable amount and as a result, the Company recorded an impairment loss of $3.8 million in connection with the SGRS Rights for the year ended December 31, 2025. In addition, As at June 30, 2026, DIV recorded a non-cash impairment charge in the amount of $7.2 million to intangible assets related to SGRS Rights based on estimated associated future cash flows from Sutton, which cash flow estimates are based on the proposed Sutton Variable Royalty (see “Royalty Partners – Sutton”).

Under current accounting standards, if the Company determines intangible property is impaired, the Company will be required to write down these assets. If the Company is required to write down these assets, the Company’s financial condition and results may be negatively affected.

Potential amendments to royalty arrangements with Sutton

There is no guarantee that the Company’s and SGRS LP’s current negotiations with Sutton will result in any amendments to the current royalty arrangements between the parties, and if entered into whether those arrangements will be favourable to the Company and SGRS LP (see “*Royalty Partners – Sutton*”). The amended royalty arrangements, if entered into, will require the consent of the lender to SGRS LP. As a condition to providing its consent, SGRS LP’s lender may require a portion of the SGRS term loan to be repaid in connection therewith and or other changes to the existing credit terms that are less favourable to SGRS LP than the current terms. In addition, there is no guarantee that Sutton will not require additional royalty relief even if the royalty arrangements are amended. The proposed Sutton Variable Royalty contemplates a variable royalty, meaning royalty revenue from Sutton may decrease over time. In addition, the final agreed terms of the Sutton Variable Royalty could differ from those currently contemplated, which could result in a reduction in expected future cash flows from Sutton and further impairment charges.

Reputational and other risks related to the involvement of DIV’s directors and officers with other reporting issuers

Certain of the Company’s directors and officers currently serve on, and may in the future serve on, the boards of directors, or may be officers of, other reporting issuers. Those other reporting issuers and their directors and officers (including directors and officers of the Company serving as directors or officers of such other reporting issuers) may from time to time be subject to claims by securityholders based in whole or in part on, among other things, actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct, all of which may cause reputational harm for such individuals and, in turn, the Company by way of association with such individuals regardless of the merits and outcome of any such claim, which may have a negative impact on the trading price of the Company’s securities, including its Common Shares. In addition, fulfilling duties with respect to other reporting issuers may detract from time such individuals have available to fulfil their duties to the Company. Moreover, conflicts of interest could arise from time to time, which would require such individuals to recuse themselves from the Company’s consideration of material transactions.

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 six months ended June 30, 2026.

For the six months ended June 30, 2026, the CEO and CFO limited the scope of their design of DC&P and ICFR to exclude controls and procedures with respect to the Mr. Lube + Tires franchisor business acquired by DIV on June 16, 2026, being a business DIV acquired through its subsidiary Mr. Lube + Tires not more than 365 days before the last day of the period covered by this MD&A, and summary financial information about the Mr. Lube + Tires franchisor business has been consolidated in the Interim Financial Statements.

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 and through the growth of the Mr. Lube + Tires franchisor business; Mr. Lube + Tires franchisees being keen to continue to open new locations across Canada; DIV's expectation that it will enter into the proposed Sutton Variable Royalty by the end of Q3 2026, subject to the finalization of legal documents and lender consent, and the estimated financial impacts thereof to DIV; 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; DIV's expectation that there will be partial impairments related to the AIR MILES® Rights during the term of the Amendment as the associated future cash flows will reduce over the term; the expected incremental royalty revenue from the 2026 BarBurrito Adjustment; the expected incremental royalty revenue from the Incremental Cheba Hut Royalty; DIV's intended use for the remaining proceeds from the 2026 Equity Offering; 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; expected impacts and benefits of the Acquisition; the expectation that the ML Leases will be assigned by Mr. Lube LP to Mr. Lube + Tires over time pursuant to the Lease Management Agreement in accordance with the terms related to each ML Lease; being a leading provider of royalty financing to owners of North American franchisors continuing to be a primary focus of DIV; 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, its Royalty Partners and Mr. Lube + Tires; the Sutton Variable Royalty will be entered into on the terms currently contemplated and in accordance the timing currently contemplated and SGRS LP will obtain the consent of its lender for the Sutton Variable Royalty; DIV will generate sufficient cash flows from its royalties and Mr. Lube + Tires 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; the 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 2026 Equity Offering on a timely and accretive basis; Mr. Lube + Tires will be successful in executing its business strategies and pursing its growth opportunities; Mr. Lube + Tires 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, Mr. Lube + Tires' and DIV's Royalty Partners' respective businesses 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, Mr. Lube + Tires' 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 and Mr. Lube + Tires; prevailing yields on similar securities; the Company's reliance on key personnel; dividends are not guaranteed and will fluctuate with business performance of DIV, its Royalty Partners (including their respective franchisees) and Mr. Lube + Tires (and its 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 and Mr. Lube + Tires cash flows; DIV, its Royalty Partners (including their respective franchisees) and Mr. Lube + Tires (and its 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; DIV may not enter into the proposed Sutton Variable Royalty on the terms, or in accordance with the timing, currently contemplated, or at all and may not be successful in obtaining lender consent for the Sutton Variable Royalty; Sutton may require further royalty relief beyond that contemplated by the current relief agreement and the Sutton Variable Royalty; DIV may not be able to deploy the remaining net proceeds from the 2026 Equity Offering 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; there may be unknown or undisclosed risks or liabilities of the Mr. Lube + Tires franchisor business, that could materially and adversely affect the Mr. Lube + Tires franchisor business and for which Mr. Lube + Tires would not be indemnified by the Vendors under the Acquisition Agreement; 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 may not be successful in executing its business strategies and pursing its growth opportunities; Mr. Lube + Tires 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 Mr. Lube + Tires Credit Agreement may effect and could limit the manner in which Mr. Lube + Tires operates the Mr. Lube + Tires franchisor business and could limit the amount and timing of dividends paid by Mr. Lube + Tires 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. 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 additional information with respect to: the estimated incremental royalty revenue from the 2026 BarBurrito Adjustment; the estimated incremental royalty revenue from the Incremental Cheba Hut Royalty; and the potential financial impact to DIV of the proposed Sutton Variable Royalty. 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 and Mr. Lube LP. 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.