

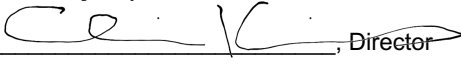
Propel Holdings Inc.
Condensed Interim Consolidated Financial Statements (Unaudited)
As at June 30, 2026 and for the three and six month period ended June 30, 2026

Propel Holdings Inc.**Condensed interim consolidated statements of financial position (unaudited)***(expressed in US dollars)*

		As at	
		June 30, 2026	December 31, 2025
	<u>Note</u>		
Assets			
Cash	4	21,065,406	23,928,571
Restricted cash	4	44,757,000	50,012,050
Loans and advances receivable	5	492,318,244	459,764,282
Other receivables		19,680,685	14,500,987
Prepays	7	4,320,702	4,531,718
Derivative instruments	8	-	195,404
Property and equipment		2,249,258	613,782
Deferred tax assets		34,867,621	30,692,821
Right-of-use assets	10	7,734,871	8,280,364
Intangible assets	9	33,818,517	32,804,308
Goodwill	9	45,763,229	46,462,515
Total Assets		706,575,533	671,786,802
Liabilities			
Accounts payable	11	18,459,166	13,933,837
Accrued liabilities	11	46,697,491	38,500,436
Derivative instruments	8	425,389	-
Credit facilities	12	330,361,252	329,631,502
Income taxes payable		12,038,787	13,681,687
Lease liabilities	10	9,100,614	9,405,630
Deferred tax liabilities		5,014,316	5,455,335
Total Liabilities		422,097,015	410,608,427
Shareholders' Equity			
Share capital	14	161,864,288	161,732,918
Retained earnings		112,828,667	89,394,165
Accumulated other comprehensive income		718,723	2,995,697
Contributed surplus		9,066,840	7,055,595
Total Shareholders' Equity		284,478,518	261,178,375
Total Liabilities and Shareholders' Equity		706,575,533	671,786,802

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Approved on behalf of the Board

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Propel Holdings Inc.
Condensed interim consolidated statements of operations (unaudited)
(expressed in US dollars)

		For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2026	2025	2026	2025
	Note				
Revenue					
Interest and fees on loans and advances receivable	6	129,643,309	112,387,401	256,652,756	222,957,568
Service fees	6	48,737,057	29,403,209	86,877,211	56,585,303
Other revenue	6	1,224,381	1,162,104	2,147,324	2,347,410
Total revenue		179,604,747	142,952,714	345,677,291	281,890,281
Provision for loan losses and other liabilities	5	89,991,448	71,188,088	164,756,931	129,866,714
Operating expenses					
Acquisition and data	9	26,088,080	18,597,770	50,354,207	34,723,693
Salaries, wages and benefits		14,424,301	11,948,950	28,582,968	23,727,583
General and administrative		3,603,497	3,623,866	7,426,698	6,833,030
Processing, technology and program servicing	13	12,709,176	8,289,373	22,211,511	15,500,986
Total operating expenses		56,825,054	42,459,959	108,575,384	80,785,292
Operating income		32,788,245	29,304,667	72,344,976	71,238,275
Other expenses (income)					
Interest and fees on credit facilities	12	8,350,090	8,153,863	17,098,693	16,802,517
Interest expense on lease liabilities	10	288,793	173,812	544,845	239,473
Depreciation and amortization	9, 10	2,700,098	2,191,431	5,281,785	4,176,680
Foreign exchange (gain) loss		(18,260)	(222,206)	(147,450)	302,202
Unrealized loss (gain) on derivative instruments	8	403,879	(600,128)	620,793	(1,086,526)
Total other expenses		11,724,600	9,696,772	23,398,666	20,434,346
Income before income tax		21,063,645	19,607,895	48,946,310	50,803,929
Income tax expense (recovery)					
Current		8,573,040	6,549,421	16,830,809	14,040,075
Deferred		(3,666,956)	(2,017,505)	(4,755,947)	(1,812,656)
Net income		16,157,561	15,075,979	36,871,448	38,576,510
Weighted average number of shares outstanding:					
Basic	14	39,368,757	38,919,940	39,365,755	38,887,319
Diluted	14	42,518,840	42,257,598	42,425,802	42,216,526
Earnings per share:					
Basic	14	0.41	0.39	0.94	0.99
Diluted	14	0.38	0.36	0.87	0.91
Dividends per share:					
Total dividends		6,837,144	5,100,068	13,325,355	9,542,166
Dividends per share		0.174	0.131	0.339	0.245

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Propel Holdings Inc.**Condensed interim consolidated statements of other comprehensive income and changes in equity (unaudited)***(expressed in US dollars)***Condensed interim consolidated statements of other comprehensive income (unaudited)**

	Note	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2026	2025	2026	2025
Net income		16,157,561	15,075,979	36,871,448	38,576,510
Other comprehensive income to be subsequently reclassified to net income					
Change in foreign currency translation reserve, net of tax		(364,795)	5,191,174	(2,276,974)	7,876,339
Comprehensive income		15,792,766	20,267,153	34,594,474	46,452,849

Condensed interim consolidated statements of changes in equity (unaudited)

	Note	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Balance as at December 31, 2025		161,732,918	7,055,595	89,394,165	2,995,697	261,178,375
Comprehensive income		-	-	36,871,448	(2,276,974)	34,594,474
Transactions recorded directly in equity						
Dividends declared and paid		-	-	(13,325,355)	-	(13,325,355)
Stock-based compensation	15	-	2,066,720	-	-	2,066,720
Common shares purchased for cancellation	14	(47,495)	-	(111,591)	-	(159,086)
Options exercised	14	178,865	(55,475)	-	-	123,390
Balance as at June 30, 2026		161,864,288	9,066,840	112,828,667	718,723	284,478,518

	Note	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Balance as at December 31, 2024		157,625,625	4,818,991	51,063,709	(3,393,863)	210,114,462
Comprehensive income (loss)		-	-	38,576,510	7,876,339	46,452,849
Transactions recorded directly in equity						
Dividends declared and paid		-	-	(9,542,166)	-	(9,542,166)
Stock-based compensation	15	-	1,780,628	-	-	1,780,628
Options exercised	14	1,863,760	(510,288)	-	-	1,353,472
Balance as at June 30, 2025		159,489,385	6,089,331	80,098,053	4,482,476	250,159,245

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Propel Holdings Inc.**Condensed interim consolidated statements of cash flows (unaudited)***(expressed in US dollars)*

		For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2026	2025	2026	2025
	<u>Note</u>				
Cash flows (used in) from operating activities					
Net income		16,157,561	15,075,979	36,871,448	38,576,510
Items not affecting cash:					
Provision for loan losses	5	81,361,321	66,988,091	154,173,637	125,751,157
Unrealized loss (gain) on derivative instruments	8	403,879	(600,128)	620,793	(1,086,526)
Deferred income tax recovery		(3,666,956)	(2,017,505)	(4,755,947)	(1,812,656)
Amortization of acquisition transaction costs and customer acquisition data	5, 9	6,292,215	3,745,410	12,010,697	7,242,391
Amortization of transaction costs on credit facilities		140,605	317,244	432,679	555,625
Depreciation and amortization	9, 10	2,700,098	2,191,431	5,281,785	4,176,680
Stock-based compensation	15	1,262,145	850,930	2,066,720	1,780,628
		104,650,868	86,551,452	206,701,812	175,183,809
Changes in:					
Restricted cash	4	(8,369,021)	(5,511,994)	5,255,050	(592,135)
Prepays	7	429,966	707,162	211,016	247,395
Acquisition transaction costs and customer acquisition data	5, 9	(12,826,895)	(5,677,065)	(21,623,123)	(10,256,515)
Other receivables		(5,426,426)	(2,827,757)	(5,179,698)	352,984
Income taxes payable		113,596	(2,923,305)	(1,642,900)	(3,041,503)
Accounts payable and accrued liabilities	11	20,769,537	14,454,334	13,267,229	833,663
Net additions of loans and advances receivable	5	(117,412,599)	(103,084,899)	(205,922,429)	(174,005,457)
Principal loans and advances receivable recoveries	5	14,822,652	9,722,562	26,008,226	18,006,873
Net cash (used in) from operating activities		(3,248,322)	(8,589,510)	17,075,183	6,729,114
Cash flows from (used in) financing activities					
Advances from credit facilities, net of payments	12	6,433,400	10,000,000	964,407	9,350,000
Transaction costs paid on credit facilities		(274,285)	(1,445,888)	(265,084)	(1,445,888)
Payments on lease liabilities	10	(304,988)	(104,723)	(619,807)	(225,970)
Dividends paid		(6,837,144)	(5,100,068)	(13,325,355)	(9,542,166)
Common shares purchased for cancellation	14	-	-	(159,086)	-
Proceeds from options exercised	14	62,215	1,227,775	123,390	1,353,472
Net cash from (used in) financing activities		(920,802)	4,577,096	(13,281,535)	(510,552)
Cash flows from (used in) investing activities					
Purchases of property and equipment		(1,645,193)	(14,034)	(1,751,223)	(29,175)
Cost of internally developed software	9	(2,562,368)	(2,364,547)	(5,161,308)	(4,482,225)
Net cash used in investing activities		(4,207,561)	(2,378,581)	(6,912,531)	(4,511,400)
Effect of exchange rate changes on cash		438,468	2,658,839	255,718	3,210,160
Net change in cash		(8,376,685)	(6,390,995)	(3,118,883)	1,707,162
Cash, beginning of period		29,003,623	29,151,548	23,928,571	20,502,070
Cash, end of period		21,065,406	25,419,392	21,065,406	25,419,392
Supplemental cash flow information					
Interest received		127,803,934	110,632,871	252,664,983	218,936,329
Interest paid		8,282,426	7,716,854	16,759,438	15,976,293
Income taxes paid		8,547,527	8,389,705	14,547,527	15,884,818

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

1. Incorporation and operations

Propel Holdings Inc. ("Propel") was incorporated under the Business Corporations Act (Ontario) on June 16, 2011 and its head office is located in 69 Yonge Street, Toronto, Ontario, Canada. The Company issued shares publicly traded on the Toronto Stock Exchange ("TSX") under the symbol "PRL" on October 20, 2021.

Propel Holdings Inc. and all of the companies that it controls (collectively referred to as the "Company") is a leading financial technology company, committed to credit inclusion and helping underserved consumers by providing fair, fast, and transparent access to credit with exceptional service. The Company operates through its four brands: *MoneyKey*, *CreditFresh*, *Fora Credit*, and *QuidMarket*.

The Company, through its MoneyKey brand, is a state-licensed direct lender and currently offers either installment loans or lines of credit to new customers in several United States ("US") states. The type of product offered in each state is dependent on the specific regulatory requirements within each state. As of June 30, 2026, the Company, through its MoneyKey brand, offered products as a state-licensed direct lender in 9 states across the US.

The Company, through its MoneyKey brand, is also a state-licensed Credit Access Business ("CAB") and Credit Services Organization ("CSO") in the state of Texas. Through its CSO program, the Company provides services related to an unaffiliated third-party lenders' consumer loan products in accordance with applicable state laws. These services include arranging loans, assisting in the preparation of loan applications and documents, and providing guarantees of consumer loan payment obligations to the unaffiliated third-party lender in the event that the customer defaults on their loan payments ("CSO Guarantee Liabilities").

The Company, through its MoneyKey brand, also operates as a bank servicer which provides marketing, analytics, and loan servicing services to an unaffiliated non-bank financial institution ("NBFI"). The NBFI has a program agreement with a Federal Deposit Insurance Corporation ("FDIC") insured Utah state-chartered bank ("NBFI Bank Partner" and together with NBFI, "Bank Service Partners") to whom it provides certain services, some of which have been outsourced by the NBFI to the Company. The NBFI Bank Partner offers unsecured open-ended lines of credit ("the Bank Service Program"). The Company provides, among other things, technology and underwriting services required for the Bank Service Program. The NBFI Bank Partner approves all key decisions regarding the marketing, underwriting, product features and pricing of the Bank Service Program. Under the program, the Company also entered an agreement to purchase loans originated through the Bank Service Program should the loans default or become non-performing ("Bank Service Program Liability"). As of June 30, 2026, the Bank Service Program was offered in 22 states across the US and is regulated by the FDIC and other bank regulators.

The Company, through its CreditFresh brand, operates as a bank servicer which provides marketing, technology, and loan servicing services to unaffiliated, FDIC insured, state-chartered banks in the US ("Bank Program"). As of June 30, 2026, the Company maintained two Bank Programs with a Kansas state-chartered, FDIC insured, bank and a Utah state-chartered, FDIC insured, bank (each a "Bank Partner" and together "Bank Partners"). Through the Bank Program, each Bank Partner offers unsecured open-ended lines of credit and is the sole originator of such lines of credit. The Bank Partners license technology, proprietary credit decisioning and underwriting capabilities from the Company and approves all key decisions regarding the marketing, underwriting, product features and pricing of the lines of credit offered through the Bank Program. The Delaware Statutory Trusts (the "DST I" and "DST II", collectively the "DSTs") have the obligation to purchase an economic interest in the principal balances of the lines of credit originated by each Bank Partner (such purchased economic interest referred to as "Bank Program Advances") once offered by such Bank Partner. The Company, through its wholly owned subsidiaries, has the sole beneficial interest in the DSTs. As of June 30, 2026, the CreditFresh Bank Program was offered in 22 states across the US and is regulated by the FDIC and other bank regulators.

Pursuant to the Bank Program agreements, the Bank Partners earn all program fees during the mutually agreed upon period of time prior to any offer being made to the Company. Following the purchase by the DSTs of the loans and advances receivable, the Bank Partners continue to hold legal title to the loans and advances receivable and maintain the relationship with the customer, which includes the funding of any future advances under the line of credit. The DSTs acquire an economic interest in the line of credit advances and the Company records the same as a loans and advances receivable on its condensed interim consolidated statement of financial position. Additionally, the Bank Partners continue to earn a trailing fee calculated based on the amounts collected by the DSTs.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

1. Incorporation and operations (continued)

The Company, through its Fora Credit brand, launched a line of credit product to new customers in Canada. The type of product offered in each province is dependent on the specific regulatory requirements within each province. As of June 30, 2026, the Company, through its Fora Credit brand, offered products as a provincial-licensed direct lender in 6 provinces across Canada. The functional currency of this entity is the Canadian dollar ("CAD").

The Company also provides a Lending-as-a-Service ("LaaS") technology solution which uses the Company's proprietary fintech platform to provide white labelled technology and service solutions for partner consumer lending capabilities.

The Company, through its QuidMarket brand, operates a UK-based digital only consumer lender specializing in providing short-term installment loans to individuals with limited access to traditional financial solutions. The functional currency of this entity is the Pound Sterling ("GBP").

2. Basis of presentation***Statement of compliance***

These unaudited condensed interim consolidated financial statements ("Interim Financial Statements") have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using the same accounting policies as disclosed in the most recent annual consolidated financial statements, except for the required adoption of amendments to IFRS 9 and IFRS 7 described below. These Interim Financial Statements do not include all of the disclosures included in the Company's audited annual consolidated financial statements. Accordingly, these unaudited Interim Financial Statements should be read together with the most recent audited annual consolidated financial statements.

These Interim Financial Statements were authorized for issue by the Company's Board of Directors on August 5, 2026.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which a reporting entity operates and is normally the currency in which the entity generates and expends cash. Each subsidiary of the Company determines its own functional currency and items included in the consolidated financial statements of each subsidiary are measured using that functional currency. Based on an analysis of the primary and secondary indicators, the functional currency of all subsidiaries have been determined to be US dollar, with the exception of Fora Credit Inc. and QuidMarket which have been determined to be Canadian dollar and pound sterling, respectively. The Company's Interim Financial Statements are presented in US dollar, which is the Company's functional currency.

Basis of consolidation

The Interim Financial Statements include accounts of the Company and all the entities it controls. Control is achieved over an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Material Accounting Judgments, Estimates and Assumptions

The preparation of these Interim Financial Statements in conformity with IFRS^(R) Accounting Standards ("IFRS") requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the Interim Financial Statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates, judgments and assumptions used in the most recent audited annual consolidated financial statements do not differ materially from those used for these Interim Financial Statements.

Propel Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

2. Basis of presentation (continued)

Presentation change

Effective April 1, 2025, the Company relabelled the “processing and technology” line item on the condensed interim consolidated statement of operations to “processing, technology and program servicing”. The Company reclassified program servicing costs associated with the LaaS program from “acquisition and data” to “processing, technology and program servicing” to better reflect evolving business changes. Comparative periods have been restated to conform to current period presentation (Note 13). This change does not affect total operating income, income before income tax, net income, or the statement of cash flows.

Adoption of amendments to IFRS 9 and IFRS 7

The Company adopted Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) effective January 1, 2026. The amendments clarify when a financial asset or financial liability is recognized and derecognized and introduce an exception that permits an entity to derecognize a financial liability settled in cash via a qualifying electronic payment system before the settlement date, provided specified criteria are met. The adoption of the amendments was not material and did not require restatement of prior periods in accordance with the transition provisions.

3. Future changes in accounting policies

There are no other significant updates to the future accounting developments disclosed in Note 4 of the Company's audited annual consolidated financial statements, other than those discussed below.

Standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements (“IFRS 18”). IFRS 18, which replaces IAS 1 Presentation of Financial Statements, will modify the presentation of the Company's Consolidated Statements of Operations by requiring income and expenses to be classified into three categories: operating, investing and financing. The standard also introduces new disclosure requirements for management-defined performance measures, and additional requirements for aggregation and disaggregation of information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 requires retrospective application with specific transition provisions. Adoption is retrospective.

The Company has not early adopted IFRS 18, and continues to evaluate the impact of the standard on the presentation and disclosure of its consolidated financial statements. Based on the assessment completed to date, the Company does not currently expect the adoption of IFRS 18 to have a material impact on its consolidated financial statements. The assessment remains ongoing as the Company continues to prepare technical memos, draft disclosures, and plan any comparative restatements as necessary.

4. Cash and restricted cash

Certain cash on deposit at banks earns interest at floating rates based on daily bank deposit rates.

Restricted cash is comprised of (a) reserves held as a form of collateral by unaffiliated third-party lenders (for CSO programs), Bank Partners, Bank Service Partners, banks, trustees, and payment processors for processing payments, and (b) funds held in restricted accounts for the benefit of credit facility lenders. Such restricted cash is redeemable when the stipulations for release within the related agreements have been met. As of June 30, 2026, the restricted cash balance was \$44,757,000 (December 31, 2025 - \$50,012,050).

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

5. Loans and advances receivable

Loans and advances receivable are comprised of gross consumer loans receivable (including installment loans, line of credit ("LOC") advances, Bank Program Advances, and non-performing loans originated through the Bank Service Program), fees and interest receivable on such loans and advances, allowance for credit losses, and acquisition transaction costs. Allowance for credit losses consists of the expected credit losses ("ECLs") of the associated loans and advances receivable based on their portfolio and stages. The term of the loans and advances receivable varies based on compliance with individual state or provincial regulations applicable to each type of product. Acquisition transaction costs consist of costs that are directly attributable and incremental to originated loans and advances receivable and are deferred and expensed over the estimated lifetime of the loans and advances receivable.

Amortization of acquisition transaction costs was \$3,371,710 for the three-month periods ended June 30, 2026 (June 30, 2025 - \$2,291,168) and \$6,363,042 for the six-month period ended June 30, 2026 (June 30, 2025 - \$4,398,532) and is included in acquisition and data expense on the condensed interim consolidated statement of operations.

A breakdown of the Company's loans and advances receivable balance is as follows:

	As at	
	June 30, 2026	December 31, 2025
Gross loans and advances receivable	524,328,289	507,757,870
Fees receivable	57,110,623	58,953,731
Interest receivable	23,388,742	8,724,055
Allowance for credit losses	(143,548,303)	(137,659,188)
Acquisition transaction costs	31,038,893	21,987,814
	492,318,244	459,764,282

The allocation of the Company's gross loans and advances receivable by product type is as follows:

	As at	
	June 30, 2026	December 31, 2025
Bank Program Advances (CreditFresh)	427,113,217	414,198,542
Installment loans and LOC advances (MoneyKey)	10,282,396	16,848,052
LOC advances (Fora Credit)	39,039,926	38,960,127
Bank Service Program advances (MoneyKey)	9,521,584	8,028,950
Installment loans (QuidMarket)	38,371,166	29,722,199
	524,328,289	507,757,870

Bank Program Advances, LOC advances and Bank Service Program advances all consist of open-ended lines of credit with no specific maturity date. MoneyKey LOC advances of \$5,665,617 (December 31, 2025 - \$6,004,747) are also open-ended lines of credit with no specific maturity date. Management expects to realize materially all of these assets within a 12-month period from the reporting date. MoneyKey installment loans of \$4,616,779 (December 31, 2025 - \$10,843,305) and QuidMarket installment loans will mature within a 12-month period.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

5. Loans and advances receivable (continued)

Classification of the gross loans and advances receivable by ECL stage is as follows:

	As at June 30, 2026			
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	Total
Bank Program Advances (CreditFresh)	337,498,674	72,978,369	16,636,174	427,113,217
Installment loans and LOC advances (MoneyKey)	5,858,854	3,373,854	1,049,688	10,282,396
LOC advances (Fora Credit)	34,298,578	4,033,858	707,490	39,039,926
Bank Service Program advances (MoneyKey)	-	2,799,703	6,721,881	9,521,584
Installment loans (QuidMarket)	25,267,063	10,916,549	2,187,554	38,371,166
	402,923,169	94,102,333	27,302,787	524,328,289

	As at December 31, 2025			
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	Total
Bank Program Advances (CreditFresh)	323,326,688	73,812,338	17,059,516	414,198,542
Installment loans and LOC advances (MoneyKey)	8,200,351	7,632,088	1,015,613	16,848,052
LOC advances (Fora Credit)	33,836,193	4,232,757	891,177	38,960,127
Bank Service Program advances (MoneyKey)	-	2,451,433	5,577,517	8,028,950
Installment loans (QuidMarket)	17,485,391	10,442,648	1,794,160	29,722,199
	382,848,623	98,571,264	26,337,983	507,757,870

Aging of Stage 2 and Stage 3 gross loans and advances receivable from date of delinquency:

As at June 30, 2026			
	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
0-30	37,499,939	-	37,499,939
31-60	28,142,543	-	28,142,543
61-90	26,305,605	-	26,305,605
91-120	726,295	26,212,516	26,938,811
120+	1,427,951	1,090,271	2,518,222
	94,102,333	27,302,787	121,405,120

As at December 31, 2025			
	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
0-30	41,908,717	-	41,908,717
31-60	24,572,313	-	24,572,313
61-90	30,630,671	-	30,630,671
91-120	835,566	25,925,515	26,761,081
120+	623,997	412,468	1,036,465
	98,571,264	26,337,983	124,909,247

Aging of Stage 2 (Under-Performing) commences from first missed payment of a given delinquency cycle. As such, some collections will have been received after initial delinquency start, supporting no further deterioration of the loan, but will not restart the delinquency aging until Propel collects all past due balances.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

5. Loans and advances receivable (continued)

The Company's risk rating system involves judgment and combines multiple borrower-specific factors to arrive at a behavioural credit score to assess the borrower's probability of default in the determination of risk ratings. The risk ratings are defined as follows:

- Low risk - Loans classified within the low risk category have a lower probability of default and below average expected credit losses relative to the overall portfolio.
- Normal risk - Loans classified within the normal risk category have a normal probability of default and average expected credit losses relative to the overall portfolio.
- High risk - Loans classified within the high risk category have a higher probability of default and above average expected credit losses relative to the overall portfolio.

The classification of loans into low, normal, and high risk categories is based on the Company's internally generated program-specific behavioural credit scoring model. The following tables provide the gross consumer loans and advances receivable segregated by the Company's risk ratings and staging classification:

As at June 30, 2026				
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	Total
Low risk	237,973,698	-	-	237,973,698
Normal risk	132,531,785	64,318,264	-	196,850,049
High risk	32,417,686	29,784,069	27,302,787	89,504,542
	402,923,169	94,102,333	27,302,787	524,328,289

As at December 31, 2025				
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	Total
Low risk	228,558,843	-	-	228,558,843
Normal risk	123,272,057	66,000,885	-	189,272,942
High risk	31,017,723	32,570,379	26,337,983	89,926,085
	382,848,623	98,571,264	26,337,983	507,757,870

Propel Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

5. Loans and advances receivable (continued)

An analysis of the changes in the classification of gross loans and advances receivable is as follows:

For the six-months ended June 30, 2026				
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	Total
Balance as at December 31, 2025	382,848,623	98,571,264	26,337,983	507,757,870
Additions to gross loans and advances receivable	337,584,659	38,931,876	-	376,516,535
Principal payments and other adjustments	(166,469,875)	(15,046,608)	(1,899,202)	(183,415,685)
Foreign currency translation	(1,658,704)	(345,775)	(616,679)	(2,621,158)
Transfers to (from)				
Stage 1 (Performing)	40,853,399	(40,853,399)	-	-
Stage 2 (Under-Performing)	(190,234,933)	190,234,933	-	-
Stage 3 (Non-Performing)	-	(177,389,958)	177,389,958	-
Gross charge-offs	-	-	(173,909,273)	(173,909,273)
Balance as at June 30, 2026	402,923,169	94,102,333	27,302,787	524,328,289

For the six-months ended ended June 30, 2025				
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	Total
Balance as at December 31, 2024	323,679,356	73,192,718	21,476,737	418,348,811
Change in accounting estimate (Note 2)	105,656	369,763	(2,432,939)	(1,957,520)
Additions to gross loans and advances receivable	283,619,256	30,202,002	-	313,821,258
Principal payments and other adjustments	(137,636,846)	(10,490,503)	(1,616,944)	(149,744,293)
Foreign currency translation	2,446,982	625,368	35,129	3,107,479
Transfers to (from)				
Stage 1 (Performing)	35,741,063	(35,741,063)	-	-
Stage 2 (Under-Performing)	(159,761,653)	159,761,653	-	-
Stage 3 (Non-Performing)	-	(136,502,941)	136,502,941	-
Gross charge-offs	-	-	(133,238,638)	(133,238,638)
Balance as at June 30, 2025	348,193,814	81,416,997	20,726,286	450,337,097

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

5. Loans and advances receivable (continued)

An analysis of the changes in the classification of the allowance for credit losses is as follows:

For the six-months ended June 30, 2026				
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	Total
Balance as at December 31, 2025	44,464,030	67,983,334	25,211,824	137,659,188
Additions to gross loans and advances receivable	27,648,172	23,369,659	53,999	51,071,830
Principal payments and other adjustments, including remeasurement	(6,720,916)	16,536,717	(2,796,278)	7,019,523
Foreign currency translation	(109,178)	(158,279)	(116,018)	(383,475)
Transfers to (from)				
Stage 1 (Performing)	5,738,589	(20,023,903)	-	(14,285,314)
Stage 2 (Under-Performing)	(22,483,623)	98,145,839	-	75,662,216
Stage 3 (Non-Performing)	-	(116,542,652)	155,680,917	39,138,265
Net amounts written off against allowance	-	-	(152,333,930)	(152,333,930)
Balance as at June 30, 2026	48,537,074	69,310,715	25,700,514	143,548,303

For the six-months ended June 30, 2025				
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	Total
Balance as at December 31, 2024	39,357,422	53,119,534	18,750,757	111,227,713
Change in accounting estimate (Note 2)	(1,357,245)	695,370	(2,041,479)	(2,703,354)
Additions to gross loans and advances receivable	23,584,662	16,304,047	1,088,605	40,977,314
Principal payments and other adjustments, including remeasurement	(4,059,645)	17,491,744	(1,267,878)	12,164,221
Foreign currency translation	153,156	482,637	210,439	846,232
Transfers to (from) including remeasurement				
Stage 1 (Performing)	5,640,219	(18,637,799)	-	(12,997,580)
Stage 2 (Under-Performing)	(21,109,781)	86,749,391	-	65,639,610
Stage 3 (Non-Performing)	-	(96,467,639)	117,166,084	20,698,445
Net amounts written off against allowance	-	-	(115,216,784)	(115,216,784)
Balance as at June 30, 2025	42,208,788	59,737,285	18,689,744	120,635,817

Changes in allowance for credit losses were as follows:

	For the six-month periods ended	
	June 30, 2026	June 30, 2025
Balance at beginning of period	137,659,188	111,227,713
Charge-offs	(173,909,273)	(135,196,158)
Recoveries	26,008,226	18,006,873
Provision for loan losses	154,173,637	125,751,157
Foreign currency translation	(383,475)	846,232
Balance at end of period	143,548,303	120,635,817

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

5. Loans and advances receivable (continued)

Provisions for loan losses and other liabilities is as follows:

	For the six-month periods ended	
	June 30, 2026	June 30, 2025
Provision for loan losses	154,173,637	125,751,157
Other lending program costs	1,447,771	2,807,268
Provision for CSO Guarantee Liabilities (MoneyKey)	(212,471)	(13,080)
Provision for Bank Service Program liabilities (MoneyKey)	9,347,994	1,321,369
Total Provision for loan losses and other liabilities	164,756,931	129,866,714

Breakdown of provision for loan losses:

	For the six-month periods ended	
	June 30, 2026	June 30, 2025
Provision for loan losses on Bank Program Advances (CreditFresh)	99,373,010	85,418,967
Provision for loan losses on installment loans and LOC advances and Bank Service Program advances (MoneyKey)	41,180,018	30,281,313
Provision for loan losses on LOC advances (Fora Credit)	5,639,274	4,931,493
Provision for loan losses on installment loans (QuidMarket)	7,981,335	5,119,384
Total Provision for loan losses	154,173,637	125,751,157

As of June 30, 2026, the outstanding amount of active installment loans originated by an unaffiliated third party lender under the CSO programs was \$8,162 (December 31, 2025 - \$3,087,349), for which the risk of customer default is guaranteed by the Company. As of June 30, 2026, the outstanding amount of active LOC advances originated by NBF Bank Partner under the Bank Service Program ("Bank Service Program advances") was \$114,746,875 (December 31, 2025 - \$78,702,887). These CSO loans and Bank Service Program advances are not included in the tables above and are not included on the Company's condensed interim consolidated statement of financial position.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

5. Loans and advances receivable (continued)

A breakdown of the Company's gross loans and advances receivables and off-balance sheet arrangements is as follows:

	For the six-month periods ended	
	June 30, 2026	June 30, 2025
<u>CSO program products (MoneyKey)</u>		
Fees from CSO program (Note 6)	455,781	7,609,784
<u>Bank Service Program advances (MoneyKey)</u>		
Fees from Bank Service Program (Note 6)	69,424,516	41,784,460
	As at	
	June 30, 2026	December 31, 2025
<u>CSO program products (MoneyKey)</u>		
Loans and advances receivables	86,833	3,845,728
CSO Guarantee Liabilities (Note 11)	140	212,611
CSO obligation (Note 11)	(9,852)	1,362,339
Installment loan borrower balances (off-balance sheet)	8,162	3,087,349
Reserve balances (reflected in Company's Restricted cash)	20,803	1,667,735
<u>Bank Service Program advances (MoneyKey)</u>		
Loans and advances receivables	9,521,584	8,028,950
Bank Service Program liabilities (Note 11)	22,930,599	13,582,605
Bank Service Program obligation (Note 11)	883,024	1,431,668
Line of credit borrower balances (off-balance sheet)	114,746,875	78,702,887
Reserve balances (reflected in Company's Restricted cash)	16,824,600	23,220,064

As part of calculating the allowance for credit losses, the Company utilizes internally developed credit risk models considering the probability of default, loss given default, and exposure at default based on historical performance, as well as quantitative and qualitative adjustments for other relevant risk factors. The Company's measurement of ECLs is influenced by forward-looking indicators ("FLIs") which include the impact of macroeconomic forces on the Company's business. With respect to macroeconomic forces, consideration is given to variables such as unemployment rate, inflation rate, and wage growth that have an influence on the business and its customer segment. As part of the process, 3 forward looking scenarios are developed 1) Optimistic; 2) Neutral; and 3) Pessimistic. The table below shows the impact of the FLIs under each scenario which is developed using internally developed models in consideration of each macroeconomic factor. Management judgment is then applied to determine probability weightings to each of these scenarios to determine a probability weighted allowance for credit losses as of the reporting date.

	Optimistic	Neutral	Pessimistic
Impact of macroeconomic factors	-3.5%	-0.5%	+7.0%

This assignment of probability weighting for the multiple scenarios using these FLIs involves, in addition to judgment, a robust internal modelling process, review and analysis to arrive at a collective view on the likelihood of each scenario. If management were to assign a 100% probability to the Pessimistic scenario, the increase in the allowance for credit losses would be approximately \$9,955,405. Conversely, if 100% probability were to be assigned to the Optimistic scenario, the decrease in the allowance would be approximately \$4,977,702. Note, such sensitivity does not consider the proactive and reactive steps management would take to alter exposure and/or modify credit risk to mitigate any potential impact to credit losses.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

6. Revenue

Disaggregation of revenue:

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2026	2025	2026	2025
Interest and fees on loans and advances receivable				
Interest and fees from borrowers on purchased receivables (CreditFresh)	104,698,591	93,015,180	208,617,168	185,656,732
Interest from borrowers in direct lending (MoneyKey)	2,331,888	3,377,187	5,491,629	6,868,305
Fees from borrowers in direct lending (MoneyKey)	1,897,327	1,679,335	3,786,598	3,504,869
Interest from borrowers in direct lending (Fora Credit)	3,415,643	3,008,943	6,770,785	5,507,858
Interest from borrowers in direct lending (QuidMarket)	17,299,860	11,306,756	31,986,576	21,419,804
	129,643,309	112,387,401	256,652,756	222,957,568
Service Fees				
Fees from CSO program (MoneyKey)	-	3,524,638	455,781	7,609,784
Fees from Bank Service Program (MoneyKey)	37,601,444	21,426,464	69,424,516	41,784,460
Fees from LaaS	11,135,613	4,452,107	16,996,914	7,191,059
	48,737,057	29,403,209	86,877,211	56,585,303
Other revenue	1,224,381	1,162,104	2,147,324	2,347,410
Total revenue	179,604,747	142,952,714	345,677,291	281,890,281

7. Prepaids

Prepaid expenses consist of operating costs that are expensed over the periods they benefit. Prepaid costs are as follows:

	As at	
	June 30, 2026	December 31, 2025
Prepaids	4,320,702	4,531,718

8. Derivative instruments

The nature of the Company's business activities expose it to foreign currency risk. The Company has forward contracts available to reduce its exposure to foreign exchange rate fluctuations. As at June 30, 2026, the Company had open forward exchange contracts with a financial institution that matures between July 31, 2026 and December 31, 2026 and obligates the Company to sell US\$17,000,000 at prevailing forward market exchange rates. The contracts were entered into by the Company for the purpose of managing its foreign exchange exposure on Canadian expenditures.

As at June 30, 2026, the Company has open foreign exchange forward contracts with a fair market value of \$(425,389) (December 31, 2025 – \$195,404). For the three months ended June 30, 2026, the Company recorded an unrealized loss on derivative instruments of \$403,879 (June 30, 2025 – unrealized gain of \$600,128). For the six-months ended June 30, 2026, the Company recorded an unrealized loss on derivative instruments of \$620,793 (June 30, 2025 – unrealized gain of \$1,086,526).

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

9. Intangible assets and goodwill

	Customer acquisition data	Internally developed software	Brand	Customer relationships	Total
Cost					
Balance as at December 31, 2025	13,294,480	38,268,892	2,015,760	9,003,728	62,582,860
Additions	6,199,771	5,161,308	-	-	11,361,079
Removal of fully amortised costs	(3,378,428)	-	-	-	(3,378,428)
Foreign currency translation	-	(15,036)	(30,338)	(135,511)	(180,885)
Balance as at June 30, 2026	16,115,823	43,415,164	1,985,422	8,868,217	70,384,626
Accumulated amortization					
Balance as at December 31, 2025	6,135,808	21,424,288	117,586	2,100,870	29,778,552
Amortization	5,638,424	3,626,025	48,600	868,320	10,181,369
Removal of fully amortised costs	(3,378,428)	-	-	-	(3,378,428)
Foreign currency translation	-	(1,532)	(734)	(13,118)	(15,384)
Balance as at June 30, 2026	8,395,804	25,048,781	165,452	2,956,072	36,566,109
Net Book Value					
Balance as at December 31, 2025	7,158,672	16,844,604	1,898,174	6,902,858	32,804,308
Balance as at June 30, 2026	7,720,019	18,366,383	1,819,970	5,912,145	33,818,517
Cost					
Balance as at December 31, 2024	8,357,640	28,299,122	1,864,510	8,328,144	46,849,416
Additions	3,057,244	4,482,225	-	-	7,539,469
Removal of fully amortised costs	(2,306,510)	-	-	-	(2,306,510)
Foreign currency translation	-	113,976	189,650	847,104	1,150,730
Balance as at June 30, 2025	9,108,374	32,895,323	2,054,160	9,175,248	53,233,105
Accumulated amortization					
Balance as at December 31, 2024	4,074,005	15,525,466	16,200	289,440	19,905,111
Amortization	2,811,550	2,654,774	48,600	868,320	6,383,244
Removal of fully amortised costs	(2,306,510)	-	-	-	(2,306,510)
Foreign currency translation	-	78,542	3,672	65,606	147,820
Balance as at June 30, 2025	4,579,045	18,258,782	68,472	1,223,366	24,129,665
Net Book Value					
Balance as at December 31, 2024	4,283,635	12,773,656	1,848,310	8,038,704	26,944,305
Balance as at June 30, 2025	4,529,329	14,636,541	1,985,688	7,951,882	29,103,440

Amortization of customer acquisition data is recorded in the acquisition and data line on the condensed interim consolidated statement of operations. When the future economic benefits of the customer acquisition data costs have been fully realized the costs are recorded into the removal of fully amortized costs line in the table above. There are no gains or losses on derecognition.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

9. Intangible assets and goodwill (continued)

Goodwill is carried in GBP and revalued at each reporting period at the prevailing market rate with revaluation recorded in the foreign currency translation reserve in the condensed interim consolidated statements of changes in equity. Goodwill was \$45,763,229 (December 31, 2025 - \$46,462,515) as at June 30, 2026 which is wholly attributable to the acquisition of QuidMarket, the CGU to which it relates. There were no indicators of impairment identified during the reporting period.

10. Right-of-use assets and lease liabilities***Right-of-use assets***

The Company's incremental borrowing rate was determined to be in the range of 9-13% and was used as the discount rate for measuring the lease liabilities. The carrying amount of the right-of-use asset is listed below:

	For the six-month periods ended	
	June 30, 2026	June 30, 2025
Cost		
Balance as at December 31	12,393,634	5,198,695
Additions	88,391	7,358,812
Disposals	(278,386)	(85,144)
Foreign currency translation	(12,526)	73,076
Balance as at June 30	12,191,113	12,545,439
Accumulated depreciation		
Balance as at December 31	4,113,270	3,233,979
Charge for the period	625,852	498,451
Disposals	(278,386)	(85,144)
Foreign currency translation	(4,494)	6,308
Balance as at June 30	4,456,242	3,653,594
Net Book Value		
Balance as at December 31	8,280,364	1,964,716
Balance as at June 30	7,734,871	8,891,845

The Company's right-of-use assets include office spaces and office equipment, with the majority made up of office space.

On May 7, 2025, the Company entered into a lease agreement for a new head office location in Toronto. This lease has a non-cancellable term of 10 years with two 5 year options to extend the lease. At the commencement of the lease, the Company recognized a right-of-use asset of \$7,279,612 with a corresponding lease liability, representing the present value of future lease payments over a 15 year lease term, discounted using an incremental borrowing rate of 9%.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

10. Right-of-use assets and lease liabilities (continued)**Lease liabilities**

Carrying amount of lease liabilities are as follows:

	For the six-month periods ended	
	June 30, 2026	June 30, 2025
Balance as at December 31	9,405,630	2,327,551
Additions	88,391	7,358,812
Interest	544,845	239,473
Payments	(619,807)	(225,970)
Foreign currency translation	(318,445)	(140,249)
Balance as at June 30	9,100,614	9,559,617

The maturity schedule of undiscounted lease payments is presented below:

	As at	
	June 30, 2026	December 31, 2025
Year 1	1,050,006	1,057,162
Year 2	1,665,492	1,495,092
Year 3	1,636,334	1,659,572
Year 4	1,450,663	1,619,600
Year 5	1,419,786	1,465,467
Onwards	16,446,141	17,823,437
Total	23,668,422	25,120,330

11. Accounts payable and accrued liabilities

	As at	
	June 30, 2026	December 31, 2025
Accounts payable	18,459,166	13,933,837
Accrued liabilities		
Accrued liabilities	11,099,707	10,142,912
Bank Service Program liabilities	22,930,599	13,582,605
Bank Service Program obligation	883,024	1,431,668
Accrued salaries and bonuses	5,445,799	5,119,680
Accrued Bank Partner fees and interest	6,348,074	6,648,621
CSO obligations	(9,852)	1,362,339
CSO Guarantee Liabilities	140	212,611
Total accrued liabilities	46,697,491	38,500,436

Bank Service Program liabilities are comprised of expected net losses on all outstanding Bank Service Program advances which the Company shall purchase upon default (non-performing), which represents the estimated fair value of the liabilities at that date. The fair value of the Bank Service Program liabilities are classified as Level 3 under IFRS 7. The expected net losses is included in accrued liabilities as the Company does not take title to the Bank Service Program advances and they are not included in the condensed interim consolidated statement of financial position.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

12. Credit facilities

	As at	
	June 30, 2026	December 31, 2025
Fora Credit facility		
Opening balance	11,138,250	9,522,823
Advances from credit facility	14,521,597	4,278,760
Payments on credit facility	(4,057,190)	(2,862,536)
Foreign currency translation	(402,252)	199,203
Ending facility balance	21,200,405	11,138,250
MoneyKey facility		
Opening balance	7,000,000	7,150,000
Advances from credit facility	-	1,000,000
Payments on credit facility	(7,000,000)	(1,150,000)
Ending facility balance	-	7,000,000
CreditFresh facility		
Opening balance	312,900,000	256,400,000
Advances from credit facility	21,500,000	60,000,000
Payments on credit facility	(24,000,000)	(3,500,000)
Ending facility balance	310,400,000	312,900,000
Facility transaction costs	(1,239,153)	(1,406,748)
Total ending credit facilities	330,361,252	329,631,502

Under these credit facilities, for the three months ended June 30, 2026 the Company incurred interest of \$7,993,633 (June 30, 2025 - \$7,543,042) and other fees related to the credit facilities of \$356,457 (June 30, 2025 - \$610,821) and for the six-months ended June 30, 2026 the Company incurred interest of \$16,214,593 (June 30, 2025 - \$15,736,820) and other fees related to the credit facilities of \$884,100 (June 30, 2025 - \$1,065,697). These amounts are recorded as "interest and fees on credit facilities" on the condensed interim consolidated statement of operations.

Fora Credit facility

On April 28, 2026, the Company completed an amendment and upsize to its existing credit facility for its Fora line of business. The amendment increased the capacity of the credit facility to CAD \$40 million. The Fora Credit facility bears interest at 2.75% plus the Prime rate for CAD drawdowns. The amount drawn on the Fora Credit facility as of June 30, 2026 was \$21,200,405 (December 31, 2025 - \$11,138,250). The Fora Credit facility has a maturity date of May 30, 2028. The Fora Credit facility is secured by a general security agreement over all of the assets of the Company. As at June 30, 2026, the maximum borrowing base under the Fora Credit facility was approximately \$22,772,066 (December 31, 2025 - \$19,171,850).

Under the terms of the Fora Credit facility agreement, the Company is subject to certain financial and non-financial covenants.

Financial covenant	Requirement
Guarantor minimum allowable tangible net worth	\$150 million
Guarantor minimum allowable tangible net worth ratio	25%
Guarantor minimum allowable unrestricted cash test	\$10 million
Guarantor maximum allowable leverage ratio	5.0
Borrower maximum allowable debt to tangible net worth ratio	2.0

As of June 30, 2026, the Company was in compliance with these covenants.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

12. Credit facilities (continued)***MoneyKey facility***

On April 22, 2025, the Company, and certain of its state licensed, direct lending and CSO operating subsidiaries refinanced the MoneyKey facility. On April 23, 2026 the Company fully repaid and terminated the MoneyKey facility. Accordingly, no amounts were outstanding under the MoneyKey facility as at June 30, 2026 (December 31, 2025 - \$7,000,000).

CreditFresh facility

On April 25, 2025, the Company completed an amendment and upsize to its existing syndicated credit facility for its CreditFresh line of business, adding a new bank partner to the lending syndicate and receiving increased commitments from several existing lenders. The upsize represents an increased capacity of \$70 million, for a total aggregate capacity of \$400 million. As of June 30, 2026, the total drawn amount on this credit facility was \$310,400,000 (December 31, 2025 - \$312,900,000). The CreditFresh facility is secured by a pledge of the beneficial interest certificate in the DSTs to the agent for the unaffiliated third-party lenders. The CreditFresh facility has a maturity date of April 25, 2028.

As of June 30, 2026, the maximum borrowing base under the CreditFresh facility was approximately \$345,931,912 (December 31, 2025 - \$335,443,487).

The CreditFresh facility has an annualized blended effective interest rate (including other facility related fees) of 10.2% (based on the three-month SOFR rate; and excluding other lenders fees).

Under the terms of the CreditFresh facility agreement, the Company and DSTs are subject to certain financial and non-financial covenants.

Financial covenant	Requirement
Minimum allowable tangible net worth ratio	25%
Minimum allowable liquidity ratio	1.5
Minimum allowable unrestricted cash test	\$5 million
Maximum allowable leverage ratio	5.0

As of June 30, 2026, the Company and DST's were in compliance with these covenants.

13. Processing, technology and program servicing expense

Processing, technology and program servicing expense includes payment processing costs for credit products originated through the Company's technology platform, technology costs for hosting and other software and computer hardware expenses, and other program operation costs incurred across the Company's various programs (Note 2). It also includes servicing costs incurred as part of the LaaS program.

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2026	2025	2026	2025
Processing, technology and program servicing				
Processing, technology and other program costs	5,821,079	4,885,160	11,187,281	9,773,098
LaaS servicing costs	6,888,097	3,404,213	11,024,230	5,727,888
Total expense	12,709,176	8,289,373	22,211,511	15,500,986

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

14. Share capital**Ordinary shares authorized**

Unlimited number of common shares as at June 30, 2026.

Unlimited blank cheque preferred shares as at June 30, 2026.

Issued

As at June 30, 2026, the Company had 39,372,845 common shares issued and outstanding (December 31, 2025 – 39,363,365).

	For the period ended			
	June 30, 2026		June 30, 2025	
	# of shares	\$	# of shares	\$
Common shares				
Balance, beginning of year	39,363,365	161,732,918	38,841,772	157,625,625
Common shares purchased for cancellation	(12,000)	(47,495)	-	-
Share options exercised (Note 15)	21,480	178,865	153,603	1,863,760
Balance, closing	39,372,845	161,864,288	38,995,375	159,489,385

Earnings per share

In accordance with IAS 33 – Earnings per share, basic and diluted earnings per share amounts are calculated by dividing the net income attributable to common shareholders of the Company by the weighted average number of shares issued during the period.

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Net income for the period	16,157,561	15,075,979	36,871,448	38,576,510
Weighted average number of shares outstanding	39,368,757	38,919,940	39,365,755	38,887,319
Basic earnings per common share	0.41	0.39	0.94	0.99
Dilutive effect of stock-based compensation	3,150,083	3,337,658	3,060,047	3,329,207
Dilutive weighted average number of share outstanding	42,518,840	42,257,598	42,425,802	42,216,526
Diluted earnings per share	0.38	0.36	0.87	0.91

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

15. Stock-based compensation

The Company has a long term incentive plan ("LTIP") that permits the issuance of several types of stock-based compensation, including employee stock options, restricted share units ("RSUs") and deferred share units ("DSUs"). The purpose of the LTIP is to advance the interests of the Company by encouraging key employees to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of, the Company. The general terms of awards under the plans provide that either (1) options in the common shares; or (2) RSUs or DSUs, of the Company are granted to employees, officers, directors and consultants for their services. Employee stock options, RSUs and DSUs are accounted for as equity-settled share-based payment transactions. Stock-based compensation expense is recorded in salaries, wages and benefits, with a corresponding adjustment to contributed surplus.

Options are generally granted at exercise prices equal to the fair market value of common shares at the grant date, vest over a 4-year period and expire after a maximum of 10 years. Under the terms of the stock option plan, the number of shares reserved for issuance pursuant to the exercise of all options may not exceed 10% of the issued and outstanding common shares on a diluted basis at any time.

Options issued and outstanding are as follows:

	For the three-month periods ended			
	June 30, 2026		June 30, 2025	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of period	2,864,391	12.11	3,400,701	11.13
Granted during the period	-	-	1,500	24.26
Surrendered during the period	-	-	(500)	16.53
Exercised during the period	(11,946)	5.89	(138,644)	5.85
Outstanding at the end of the period	2,852,445	12.12	3,263,057	11.35

	For the six-month periods ended			
	June 30, 2026		June 30, 2025	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of period	2,877,350	12.08	3,293,536	10.89
Granted during the period	-	-	124,850	16.62
Surrendered during the period	(3,425)	12.41	(1,726)	10.31
Exercised during the period	(21,480)	6.06	(153,603)	5.80
Outstanding at the end of the period	2,852,445	12.12	3,263,057	11.35

Propel Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

15. Stock-based compensation (continued)

For the three and six-months ending June 30, 2026, the Company recorded stock-based compensation expense related to its stock option plan of \$630,948 and \$1,330,324, respectively (three and six-months ending June 30, 2025 - \$850,930 and \$1,780,628, respectively) in salaries, wages and benefits, with a corresponding adjustment to contributed surplus.

RSUs are generally granted at not less than the fair market value of common shares at the grant date, vest over a 3-year period and are settled upon vesting.

For the three and six-months ending June 30, 2026, the Company recorded an expense of \$555,723 and \$648,343, respectively (three and six-months ending June 30, 2025 - \$nil and \$nil) in stock-based compensation expense related to its RSUs. During the three and six-months ending June 30, 2026, \$nil and 258,450 (three and six-months ending June 30, 2025 - \$nil and \$nil) in RSUs were granted at a weighted-average price of USD \$14.07 (June 30, 2025 - \$nil).

DSUs are generally granted at not less than the fair market value of common shares at the grant date and vest over a 3-year period. The awards are settled with non-employee directors only after such non-employee directors cease to be directors of the Company.

For the three and six-months ending June 30, 2026, the Company recorded an expense of \$75,474 and \$88,053, respectively (three and six-months ending June 30, 2025 - \$nil and \$nil) in stock-based compensation expense related to its DSUs. During the three and six-months ending June 30, 2026, \$nil and 35,100 (three and six-months ending June 30, 2025 - \$nil and \$nil) in DSUs were granted at a weighted-average price of USD \$14.07 (June 30, 2025 - \$nil).

16. Segment information

The Company operates and manages businesses in multiple geographical jurisdictions – providing lending related services to borrowers, banks, and other institutions in North America and in Europe. The chief operating decision maker (“CODM”) is the Chief Executive Officer and Chief Financial Officer or equivalent. The CODM makes decisions and assesses performance of the Company at the reportable segment level. For the period ending June 30, 2026, the Company has concluded that there is only one reportable segment per the guidance under IFRS 8 – Operating Segments.

All property and equipment, and leased assets are domiciled in Canada and the UK.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

17. Financial instruments and risk management

As part of normal operations, the Company is exposed to a variety of financial risks: credit risk, interest rate risk, liquidity risk, foreign currency risk and industry risk. The Company manages these through an integrated risk management framework, including ongoing identification, measurement and monitoring of risks potentially arising in financial and economic markets.

Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash, restricted cash, loans and advances receivable, other receivables and CSO and Bank Service Program liabilities. The maximum amount of credit risk exposure is limited to the carrying amounts of these balances. Cash is maintained with Canadian, US and UK financial institutions. Deposits held with banks may exceed the amount of federal insurance provided on such deposits. Unless otherwise disclosed, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk.

In relation to loans and advances receivable and CSO and Bank Service Program liabilities, the Company closely monitors default rates and overall recovery per dollar funded for all credit products originated through the Company's proprietary technology platform. The Company, its non-bank, and/or Bank Partners adjust lending terms and policies as deemed necessary. The Company establishes an allowance for credit losses on all loans or advances originated through its proprietary technology platform in accordance with IFRS 9. The gross exposure to the Company for CSO and Bank Service Program liabilities are disclosed in Note 5 above. Under the CSO programs, as at June 30, 2026 the amount was \$8,162 (December 31, 2025 - \$3,087,349) and under the Bank Service Program the amount was \$114,746,875 (December 31, 2025 - \$78,702,887). The associated maximum amount of credit risk exposure on such amounts are reflected in the CSO and Bank Service Program liabilities as outlined above.

The Company has a concentration of credit risk because substantially all of its loans and advances receivable balance is comprised of unsecured small dollar, high interest/financing fee advances and loans to US, Canadian and UK customers with similar credit characteristics.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Company is exposed to interest rate cash flow risk on its credit facilities. On the CreditFresh facility, it bears interest at a rate plus a base rate of three-month term SOFR (with a floor of 1.75%). On the Fora Credit facility, it bears interest at a rate plus the Prime rate for CAD drawdowns. If interest rates had been 50 basis points higher and all other variables were held constant, the Company's interest expense for the period ended June 30, 2026 would increase by approximately \$408,468 (June 30, 2025 - \$346,854). If interest rates had been 50 basis points lower and all other variables were held constant, the Company's interest expense for the period ended June 30, 2026 would decrease by approximately \$408,468 (June 30, 2025 - \$346,854). The Company will not always incur the full impact of an interest rate increase or decrease due to the floor in the three-month term SOFR base rate.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

17. Financial instruments and risk management (continued)**Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting obligations associated with financial liabilities or may not have sufficient funds to issue loans and/or advances to its customers. The Company is exposed to liquidity risk depending on the timing of customer payments, customer default rates and the availability of third-party financing. The Company manages its liquidity risk by closely monitoring its available cash on hand, available financing and expected collection rates and timing to ensure it has sufficient cash to meet its financial obligations as they come due and provide loans and advances to customers when requested.

The Company is obligated to the following contractual maturities of undiscounted cash flows:

As at June 30, 2026					
	Carrying amount	Year 1	Year 2	Year 3	Onwards
Accounts payable	18,459,166	18,459,166	-	-	-
Accrued liabilities	46,697,491	46,697,491	-	-	-
Derivative instruments	425,389	425,389	-	-	-
Amount drawn on credit facilities	331,600,405	-	331,600,405	-	-
Income taxes payable	12,038,787	12,038,787	-	-	-
Total	409,221,238	77,620,833	331,600,405	-	-

As at December 31, 2025					
	Carrying amount	Year 1	Year 2	Year 3	Onwards
Accounts payable	13,933,837	13,933,837	-	-	-
Accrued liabilities	38,500,436	38,500,436	-	-	-
Amount drawn on credit facilities	331,038,250	11,138,250	-	319,900,000	-
Income taxes payable	13,681,687	13,681,687	-	-	-
Total	397,154,210	77,254,210	-	319,900,000	-

The Company is obligated to purchase Bank Program Advances that are offered for sale to the Company by both Bank Partners. The amount of Bank Program Advances that were funded by the Bank Partners but not yet offered for sale to the Company as of June 30, 2026 was \$6,784,366 (December 31, 2025 - \$7,385,496). Management has determined no provisions are required on these amounts as of the statement of financial position date, but regularly assesses these amounts and considers whether provisions may be required in advance of an offer to sell.

The Company is obligated to guarantee the principal and interest (net of expected collections and recoveries) of CSO programs in the event that the customer defaults on their loan payments. Management has provided for the guarantee and is included in accrued liabilities as the Company. Refer to Note 11 for further details.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

17. Financial instruments and risk management (continued)**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company enters into transactions denominated in CAD and GBP for which the related expenses, accounts payable, accrued liabilities and lease liabilities are subject to exchange rate fluctuations. As at June 30, 2026, management had entered into foreign currency forward contracts with a notional value of \$17,000,000 to manage the risk from fluctuations in CAD foreign currency risk over time (December 31, 2025 - \$16,000,000). As at June 30, 2026 and December 31, 2025 items are denominated in the following foreign currencies:

	As at			
	June 30, 2026		December 31, 2025	
	\$CAD	£GBP	\$CAD	£GBP
Cash	938,250	3,517,473	1,648,422	3,306,793
Restricted cash	677,089	66,181	351,050	-
Loans and advances receivable	33,814,467	36,170,445	35,461,149	28,106,902
Accounts payable	3,112,186	2,915,049	4,298,294	1,383,573
Accrued liabilities	4,380,135	541,619	3,566,309	190,523
Lease liabilities	8,406,148	694,466	8,606,186	799,444

As at June 30, 2026, if a shift in CAD and GBP foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately \$4,666,207 (December 31, 2025 - \$5,019,754) and \$3,991,385 (December 31, 2025 - \$3,071,567) respectively due to the fluctuation, and this would be recorded in the condensed interim consolidated statement of operations.

Fair value measurement

All assets and liabilities for which fair value was measured or disclosed in the Interim Financial Statements were categorized within the fair value hierarchy, described as follows, based on the lowest level input that was significant to the fair value measurement as a whole:

- Level 1 - valuation based on unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Level 1	Level 2	Level 3
Cash	Derivative instruments	Loans and advances receivables
Restricted cash		Other receivables
		Accounts payable
		Accrued liabilities
		Credit facilities

The fair value of financial instruments classified at amortized cost approximates their fair values due to the short term to maturity or due to them bearing market interest rates. The fair value of derivative instruments is determined using level 2 inputs and is carried at fair value. The fair value of the CSO Guarantee Liabilities and Bank Service Program liabilities are determined using level 3 inputs. There were no transfers between fair value hierarchies in 2026.

Propel Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 2026 and 2025 (expressed in US dollars)

17. Financial instruments and risk management (continued)

Financial instruments measured at fair value using level 3 inputs:

	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and FV
CSO Guarantee Liabilities	Allowance for losses on the guarantee of managed receivables.	- Borrower default rates	- Increases can increase the expected credit loss estimates and these liabilities
Bank Service Program liabilities	Allowance for losses on the obligation of managed receivables.	- Recovery rates - Macroeconomic variables - Operational factors	- Decreases can increase expected credit loss estimates and these liabilities - See Note 11 above

18. Related party transactions

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly which includes all directors of the board and corporate officers.

Compensation expense for the Company's key management personnel is as follows:

	For the six-month periods ended	
	June 30, 2026	June 30, 2025
Salaries	4,415,207	5,392,314
Stock-based compensation	1,455,526	1,266,764
	5,870,733	6,659,078

19. Subsequent events

There are no subsequent events