MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Second Quarter Ended June 30, 2026
August 5, 2026

The following management's discussion and analysis ("**MD&A**") provides information concerning the consolidated financial condition and results of operations of Propel Holdings Inc. ("**Propel**", the "**Company**", "**we**", "**our**" or "**us**"). This MD&A should be read in conjunction with our unaudited condensed interim consolidated financial statements together with the notes thereto dated as at June 30, 2026. This MD&A is dated as of **August 5, 2026** and is current to this date unless otherwise stated. The financial information presented in this MD&A is derived from the Company's unaudited condensed interim consolidated financial statements and the related notes thereto described above, all of which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). All amounts are in United States ("**US**") dollars except where otherwise indicated.

Forward-Looking Information

Certain statements made in this MD&A may constitute forward-looking information under applicable securities laws. These statements may relate to our expected future growth, the impact of the Column partnership and the rollout of the *Freshline*™ offering on our operational footprint and growth in the near-prime consumer segment, the impact of the introduction of enhanced AI capabilities on our costs and the expected impact on our operating efficiencies and leverage, the uncertain macroeconomic environment across our core operating markets and its impact on our business, the continued growth of QuidMarket in the UK and Fora in Canada, the expected impact of continued growth in returning and existing customers, customer graduation to lower cost credit products and the aging of the portfolio on our Annualized Revenue Yield[1], and the expected offsetting benefits from higher-yielding programs like the MoneyKey Bank Service Program, QuidMarket and the Company's Lending-as-a-Service ("**LaaS**") program, lower expected loss rates from higher credit quality segments resulting in strong unit economics, our expansion into new geographies, the integration, management and operation of QuidMarket, the success of our marketing strategies, our ability to achieve scale in variable pricing and graduation programs and the resulting growth in loans and advances receivable and Ending Combined Loan and Advance Balances[1], the benefits from favorable industry dynamics, tightening across the credit supply chain and the ongoing industry transition away from brick-and-mortar to online lending, the short term and long term impact of the Company's portfolio growth, our future underwriting practices, the increase in our salaries, wages, benefits and administrative expenses as a result of supporting continued business development and growth, the expected growth in future revenues over upcoming periods, the expected changes in Annualized Revenue Yield[1] and future Net Charge-Off[1] rates as a result of the expansion of our facilitation of lower cost products and enhanced underwriting, our disciplined underwriting approach and proprietary credit model enabling the Company to substantially increase origination volumes and new customer origination while maintaining stable credit performance and achieving its target profitability objectives, our expectation for future loan loss provisions and other liabilities going forward, our marketing investments and their ability to strengthen brand awareness and consumer engagement earlier in the customer journey while improving visibility across both traditional search engines and emerging generative AI-powered search experiences, the anticipated reduction in the cost of credit of products offered through our platform and lower default rates resulting from the growth in new products, the impact of tariffs, inflation and the overall macroeconomic environment on Net Charge-Offs[1] and profitability, expected future interest rates, the resiliency of our target consumers and expected future consumer demand for credit, the expansion and enhancement of margins, allowance for credit losses, future changes in accounting policy and purchases under the Company's Normal Course Issuer Bid ("**NCIB**"), QuidMarket's ability to absorb higher acquisition and data expenses while remaining profitable, the impact and potential rollout of our generative AI pilot project, the scalability of our operating model and our disciplined approach to balancing near-term investments with long-term profitability, our business development pipeline's impact on our long-term growth and profitability. Such statements are based on management's reasonable assumptions and beliefs in light of the information currently available to us and are made as of the date of this MD&A. However, we do not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada. Actual results and the timing of events may differ materially from those anticipated in the forward-looking information as a result of various factors, including those described in "Risks and Uncertainties". Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the Company's annual information form dated March 2, 2026 (the "**AIF**"). These factors are not intended to represent a complete list of the factors that could affect us; however, these factors should be considered carefully. A copy of the AIF and the Company's other publicly filed documents can be accessed under the Company's profile on SEDAR+ at www.sedarplus.ca.

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(1) See "Non-IFRS Financial Measures and Industry Metrics".

Non-IFRS Financial Measures and Industry Metrics

This MD&A makes reference to certain non-IFRS financial measures and industry metrics. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. The non-IFRS financial measures include "Adjusted EBITDA", "Adjusted EBITDA Margin", "Adjusted Net Income", "Adjusted Net Income Margin", "Adjusted Earnings per Share", "Adjusted Return on Equity", "Average Combined Loan and Advance Balances", "EBITDA", "EBITDA Margin", "Ending Combined Loan and Advance Balances", "Net Charge-Offs", and "Net Charge-Offs as a Percentage of Average Combined Loan and Advance Balances". This MD&A also makes reference to industry metrics that are considered supplementary measures under applicable securities laws. These industry metrics include "Annualized Revenue Yield", "Cost Per Funded Origination", "Cost Per New Customer Funded Origination", "Total Originations Funded" and "New Customer % of Total Originations Funded." See "Key Components of Results of Operations" in this MD&A for definitions of such non-IFRS financial measures and industry metrics.

For a reconciliation of the non-IFRS financial measures referenced herein, please see "Reconciliation of Non-IFRS Financial Measures" in this MD&A.

These non-IFRS financial measures and industry metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS financial measures and industry metrics in the evaluation of issuers. The Company's management also uses non-IFRS financial measures and industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts, and to determine components of management and executive compensation. The key performance indicators used by the Company may be calculated in a manner different than similar key performance indicators used by other similar companies.

Business Overview

Propel is the fintech company building a new world of financial opportunity for consumers, partners, and investors. We do this by facilitating access to credit for millions of American, Canadian and United Kingdom ("**UK**") consumers underserved by traditional financial institutions. Through our artificial intelligence ("**AI**")-powered technology platform and regulated banking infrastructure, Propel evaluates consumers in a more comprehensive way than traditional credit scores can. The result is the ability to offer better products to an expanded credit market for consumers, while creating sustainable, profitable growth for Propel. We operate under *Fora Credit*™ in Canada, *QuidMarket*™ in the UK, and *CreditFresh™*, *MoneyKey™* and our white-labelled LaaS product line in the US. Propel International Bank, Inc. ("**Propel Bank**") supports lending and servicing activities and provides additional regulatory and operational flexibility to the US business.

To build a new world of financial opportunity, we are constantly driving towards our core mission built on three pillars: inclusion, evolution and experience – based on the principles that every individual deserves access to credit, that consumers should be able to evolve to better products over time, and that they deserve a best-in-class experience.

Propel enables access to credit through two types of credit products currently available on our platform:

- Installment Loans — fixed term, fully amortizing loans with a fixed repayment schedule; and
- Lines of Credit — open-ended lines of credit that provide consumers the flexibility to draw cash advances and repay any amount up to their available credit with a minimum payment due each period.

Transparency is at the foundation of how we operate. The terms and conditions of the credit products vary depending on the jurisdiction in which they are offered and the program through which they are offered. Credit products facilitated through the Propel platform are intended to be simple, transparent and easy to understand. The cost of the product and other important terms and product details are presented to the consumer upfront and in plain language. There are no surprise fees or prepayment penalties for any of the products offered through our platform.

Propel Bank

On December 2, 2025, Propel launched Propel Bank, a wholly owned subsidiary of Propel, which operates as a regulated banking platform based in Puerto Rico under an International Financial Entity ("**IFE**") license regulated by the Office of the Commissioner of Financial Institutions of Puerto Rico ("**OCFI**"). Propel Bank became operational in Q1 2026 and supports lending and servicing activities across the Company's US programs, complementing Propel's existing Bank Partner and LaaS models. Propel Bank is designed to support the Company's long-term global growth strategy of expanding access to credit while enhancing regulatory and operational flexibility. Over time, Propel Bank is expected to enable product and service diversification and support geographic expansion, while maintaining Propel's disciplined approach to underwriting, compliance, and consumer service. The launch of Propel Bank represents an extension of the Company's established platform and capabilities, rather than a change in business model, and is intended to support scalable, sustainable growth as the business continues to evolve.

Lending-as-a-Service

On June 20, 2023, Propel announced that it had officially launched its LaaS service offering through a five-year agreement to operate as the primary LaaS partner for Pathward®, N.A. ("**Pathward**"), a national bank chartered by the Office of the Comptroller of the Currency ("**OCC**"). Powered by Propel's AI-powered technology platform, Pathward provides a sub-36% APR line of credit through its partner network and also through Propel's marketing acquisition engine. In 2024, Propel expanded its LaaS offering by launching two additional LaaS partnerships through its CreditFresh brand with its existing Bank Partners. On November 6, 2025, Propel announced an additional LaaS partnership with Column National Association ("**Column**"), a nationally chartered bank, further expanding the Company's LaaS capabilities and geographic reach. The Column partnership was officially launched on March 10, 2026, alongside the rollout of the *Freshline™* offering under the CreditFresh program. The Column LaaS partnership is supported by $210 million of committed forward flow capital, including $60 million from Mesirow Alternative Credit and $150 million from an additional institutional investor. This represents the largest capital commitment supporting any of Propel's LaaS partnerships to date and is expected to support the rollout of *Freshline™*, expand the Company's operational footprint across additional US states, and accelerate growth into the near-prime customer segment. Together with its existing LaaS partnerships, the Column relationship enhances Propel's ability to deliver scalable, capital-light growth while maintaining a consistent underwriting and servicing framework across Bank Partners.

Through its LaaS service offering, Propel provides white labelled technology and service solutions, with Propel earning fee income for customer acquisition services, provision of loan management software, licensing of proprietary AI-powered risk and response scores and credit servicing capabilities. The credit products are offered by the CreditFresh Bank Partners, Column and Pathward and are structurally distinct from the Company's on-balance sheet programs, as the lines of credit originated are acquired and held by unaffiliated third-party financial institutions pursuant to forward flow arrangements. The credit products offered under the CreditFresh LaaS program are similar to those credit products currently originated by the Company's Bank Partners under the CreditFresh program. Through the LaaS service offering, Propel will be able to provide access to credit to a broader population of underserved consumers across the US. These LaaS partnerships accelerate Propel's strategic plan to diversify its current product and service offerings and expand its geographic reach, while leveraging its proven core competencies and proprietary technology platform.

Acquisition of QuidMarket

On September 26, 2024, Propel announced that it was expanding into the UK market and had entered into a definitive share purchase agreement to acquire 100% of Stagemount Limited (dba "**QuidMarket**") for $71 million in cash (the "**Acquisition**"). Based in Nottingham, UK, QuidMarket is a leading digital fintech lender specializing in credit for underserved consumers and has operated in the UK since 2011. The UK market has an estimated 20 million underserved consumers and provides a foothold in the large underserved European market for Propel. Existing QuidMarket management, with deep experience in the UK market, remained with the company to operate on a go-forward basis. QuidMarket provides short-term installment loans that range from 3-6 months and also offers loans up to 12-months to qualifying return customers. The Acquisition was financed from the net proceeds of an $82 million (C$115 million) bought deal offering of subscription receipts, which closed on October 3, 2024. Following the receipt of applicable regulatory approvals, including the approval of the Financial Conduct Authority ("**FCA**"), the Acquisition closed on November 15, 2024.

Credit Facilities

In the US, we operate under the MoneyKey and CreditFresh brands. Generally, the MoneyKey brand serves consumers with a higher credit risk profile than the CreditFresh brand. The CreditFresh Bank Program is supported by a revolving credit facility that provides for up to $400 million of borrowing capacity at any time as of June 30, 2026. The MoneyKey Bank Service Program is financed through a non-bank financial institution ("**NBFI**") that has a program agreement with a Bank Partner, pursuant to which the NBFI purchases an economic interest in the advances originated under the program. In addition, in Canada, the Fora Credit ("**Fora**") direct lending program is supported by a revolving credit facility that provides for up to C$40 million of borrowing capacity at any time as of June 30, 2026. On April 28, 2026, the Fora revolving credit facility was amended and upsized to the current C$40 million (see "**Liquidity and Capital Resources**" in this MD&A). The amendment also resulted in a reduction in the interest rate for the facility by approximately 200 bps. Lastly, the QuidMarket direct lending program acquired in the UK (see "**Acquisition of QuidMarket**" above), is not currently supported by a standalone credit facility and is primarily funded through internally generated operating cash flow. While we believe QuidMarket is able to support its operations through retained earnings, Propel may obtain a standalone credit facility for the business in the future. For further detail around working capital, liquidity, and debt financing, see "**Liquidity and Capital Resources**" in this MD&A.

Summary of Factors Affecting Our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us. These factors are also subject to a number of inherent risks and challenges, some of which are discussed below and in the "Risk Factors" section of the AIF.

Our ability to continue to grow the business and generate improvements in the financial performance depends on our ability to execute on our three-pronged strategy of: (i) continuing to generate strong and stable revenue growth by facilitating additional credit to new, existing, and returning customers; (ii) maintaining and improving strong credit performance through continuously enhancing our AI-powered, Bank Partner approved, underwriting capabilities; and (iii) driving operating cost efficiencies across our platform by increasing automation and online customer self-service capabilities, and managing our key operating costs such as customer acquisition, personnel, and our cost of debt.

Origination and Revenue Growth

A key pillar of our Company mission is "credit inclusion" – we aim to enable access to credit for consumers underserved by traditional financial institutions. As a credit and services provider, our ability to generate strong, stable revenue growth and profitability depends on several factors including: i) our ability to grow our Ending Combined Loan and Advance Balances[1] while maintaining target loan losses across the three countries that we currently operate in; and ii) our ability to grow our LaaS program.

The loan portfolio, which is comprised of loan and advance balances, grows through a combination of attracting new customers (for us and our Bank Partners) and by retaining and continuing to provide credit to existing customers. A growing, diversified suite of credit products is available through our platform and across our four operating brands. The diversified suite of products facilitated through our platform, coupled with our robust servicing capabilities allows us to maintain high customer retention rates for us and our Bank Partners. The potential for us and our Bank Partners to develop new credit products or services and/or enter into new jurisdictions, coupled with the consistent transition in our industry from brick and mortar to online services, is expected to allow us to further grow the loan portfolio.

Our ability to access debt capital on attractive terms is critical to our ability to make or facilitate loans, grow our receivables and grow our business. We have long-term relationships with many of our debt capital partners and have attractive economic terms that underpin our ability to grow loan and advance balances profitably. Furthermore, we continue developing relationships with prospective new debt partners who may ultimately provide additional debt capital to the business in the future, as required.

As discussed above under "Business Overview", one of the distinctions of the LaaS program is that any credit products originated through the LaaS program are acquired and held by unaffiliated third-party financial institutions through forward flow arrangements. Therefore, our access to and our ability to establish relationships with these unaffiliated third-party financial institutions on attractive terms is critical to our ability to facilitate additional loans through the LaaS program. We currently operate with several unaffiliated third-party financial institutions through forward flow arrangements and we continue developing relationships with prospective parties who may ultimately provide additional capital for the LaaS program.

In November 2024, we closed on the Acquisition of QuidMarket in the UK (see "**Business Overview**" above). Continuing to expand QuidMarket's loan and advance balances and revenue is dependent on several factors including: i) our ability to integrate the business successfully and not materially disrupt the existing operations; ii) our ability to apply our expertise and technology capabilities to QuidMarket; and iii) the ability for QuidMarket to access capital on attractive terms.

Certain credit products facilitated through our platform are offered by our state-chartered, Federal Deposit Insurance Corporation ("**FDIC**") insured Bank Partners and state-chartered, FDIC insured and federally regulated LaaS partners. We plan on deepening our relationships with our existing Bank and LaaS Partners and developing new relationships with other banks as we diversify the suite of products and services available through the Propel platform and enter new markets.

Together with our Bank Partners, we currently (as of June 30, 2026) offer and facilitate the offer of credit products in 46 states across the US, including those states serviced through our LaaS program, 6 provinces in Canada and across all countries within the UK. We plan on entering new geographies in both the US and Canada either through our direct lending model, in combination with our existing Bank Partners, through our existing LaaS partnerships, or through potential new partnerships.

In order to be served effectively, the consumers that we and our Bank Partners work with require a deeper level of credit adjudication which looks beyond traditional credit scores and sources. Thus, growing originations is dependent on our partnerships and our technology integrations with a plethora of data providers to obtain numerous inputs, including alternative credit bureau data and income and employment data.

Continuing to develop new, and enhancing existing relationships with marketing partners, enables us to fulfill on our multichannel, diversified marketing strategy which helps drive growth and increases access to consumer markets, geographically and across the credit spectrum.

Maintaining and Improving Credit Performance

Coupled with maintaining a growing loan portfolio, our business is dependent on ensuring that loan losses remain low on a relative basis and within a target range to ensure profitability. We have developed and operate a proprietary AI, machine learning underwriting technology, which is approved by our Bank Partners, focused on improving and optimizing our real-time loan decision-making to ensure that we are effective in evaluating a consumer's creditworthiness when factoring in thousands of applicant specific attributes as well as current macroeconomic and credit market conditions. Maintaining and improving target loan loss rates is critical to the business's profitability and to the continued growth of our loan and advance balances.

Cost Efficiencies

Our main variable costs are those related to loan and advance originations, which consist primarily of marketing costs, acquisition costs, and data costs related to underwriting. Our ability to achieve target cost efficiencies on each funded origination dollar is based on managing marketing costs through innovative partnerships and marketing strategies, managing our data costs by effectively leveraging products and data from our data providers, as well as increasing customer retention and scaling our business. In addition to acquiring new customers, we also focus on retaining existing customers on the Propel platform, generally at a significantly lower cost than acquiring new customers.

Apart from customer acquisition costs, operating costs are an important factor in our profitability. As we grow our business, we expect to generate further meaningful operating cost efficiencies relating to salaries and overhead costs, as well as processing costs connected with the funding and servicing of loans originated and serviced through our proprietary technology platform.

A key driver of these efficiencies is our continued investment in technology and automation, including the application of AI across our platform. Our AI capabilities support underwriting, customer acquisition, servicing and collections, enabling higher levels of automation, improved decision accuracy and increased operational efficiency. These capabilities allow us to increase the proportion of auto-decisioned originations, enhance customer targeting and conversion, and streamline servicing workflows, which reduces reliance on manual processes and improves scalability.

In addition, ongoing investments in AI-powered tools and digital capabilities within our contact center operations are improving human agent productivity and enabling a more efficient customer experience through increased self-service, AI-assisted interactions and digital engagement. While these investments may result in incremental costs in the near term, we are realizing early returns on these investments and expect them to drive increasingly meaningful operating efficiencies and leverage over time as volumes scale, supporting our ability to grow revenue faster than operating expenses.

Seasonality

Typically for our US and Canadian businesses, a higher proportion of loan and advance balance growth is generated during the second half of the year (with the three-months ending December 31 (“**Q4**”) having strongest demand), which includes back-to-school and holiday seasons where the need for disposable income generally increases. Conversely, we tend to see higher rates of repayment of credit products coupled with lower rates of default in the first three months of the year ending March 31 (“**Q1**”), particularly in late February and into March when consumers receive their tax refunds. This, when coupled with the lower post-holiday demand, typically results in more disposable income. As a result, in a normalized economic environment, our Ending Combined Loan and Advance Balances[1] experience their highest rate of growth and hit their high point near the end of the year while experiencing their lowest rate of growth over the course of Q1. Revenues, which are generated from these outstanding balances, therefore tend to be highest in Q4 and margins tend to be highest in Q1.

Macroeconomic Environment and Outlook

Our ability to operate the business and our financial performance are influenced by several macroeconomic factors, including but not limited to interest rates, inflation, unemployment levels, wage growth and overall consumer confidence. The macroeconomic environment remains dynamic, shaped in part by evolving global trade policy, geopolitical conflicts, energy/agricultural input price volatility and their potential impact on price stability and economic activity. Recent inflation data indicate that price pressures remain elevated in certain markets despite having moderated from prior peaks. In the US, the Consumer Price Index (“**CPI**”) increased 3.5% year-over-year in June 2026, remaining above the Federal Reserve’s target despite continued moderation in underlying inflation. In Canada, CPI increased 2.8% year-over-year in June 2026, remaining near the upper end of the Bank of Canada’s target range and reflecting continued inflationary pressures. In the UK, CPI increased 2.6% year-over-year in June 2026, the weakest increase since March 2025 and a decrease from 2.8% in May.

Notwithstanding the recent inflation data and the possibility of further inflationary pressures from global trade policy, geopolitical conflicts, and higher energy prices, moderating labour-market conditions and softer economic growth in certain markets have contributed to central banks maintaining policy rates following a series of reductions over the past two years. The Bank of Canada currently maintains a policy rate at 2.25%, following cumulative reductions of 275 basis points since June 2024. The US Federal Reserve currently maintains a target range for the federal funds rate of 3.50% - 3.75%, following cumulative reductions of 175 basis points since it began easing in 2024. The Bank of England currently maintains its Bank Rate at 3.75%, after cutting rates by a cumulative 150 basis points since August 2024.

Our operations may be adversely impacted by higher interest rates relative to historical levels and inflation, primarily through higher operating costs, including employee compensation and financing costs. Furthermore, higher interest rates may have a negative impact on the overall economy including upward pressure on unemployment and increases in the cost of living. An increase in unemployment, as well as persistent cost pressures for essential goods and services and higher debt servicing costs, may reduce consumers’ ability to repay outstanding loans. These pressures are more pronounced for consumers in our segment, who allocate a disproportionately larger share of their income to essential goods and services such as food, energy, housing and healthcare. According to the most recent Consumer Expenditure Survey published by the US Bureau of Labor Statistics (“**BLS**”), households in the lowest income quintile devoted approximately 67% of total spending to food, housing and healthcare, compared with approximately 47% for the highest income quintile. Wage growth has also moderated from prior highs. The Federal Reserve Bank of Atlanta shows that as of June 2026, median nominal wage growth for workers in the lowest quartile of the wage distribution was 3.6%, compared with 3.8% for the overall population. After adjusting for inflation, real wage growth for many lower-income households has moderated. Notwithstanding these dynamics, labour markets in our served markets remain relatively resilient. In the US, total nonfarm payroll employment increased by 57,000 in June 2026 and the unemployment rate remained relatively low at 4.2%, with continued job growth in sectors that employ many of our customers, including healthcare.

Real GDP trends continue to illustrate some divergence across our core operating markets. In the US, real GDP increased at an annualized rate of approximately 1.5% in the second quarter of 2026, reflecting a moderation in overall economic growth. However, consumer spending remained resilient, increasing at an annualized rate of approximately 3.2% during the quarter, supported by continued strength in household spending despite ongoing macroeconomic uncertainty. In Canada, real GDP was unchanged in the first quarter of 2026 following a modest decline in Q4 2025. More recent data, however, suggest that economic activity has strengthened, with real GDP increasing 0.3% in May and Statistics Canada's advance estimate indicating that second quarter real GDP is tracking at an annualized growth rate of approximately 3.4%. While Canada's macroeconomic environment remains somewhat uncertain, including the impact of tariffs and trade-related dynamics, which may have a more pronounced effect on certain sectors of the Canadian economy, recent economic activity has proven more resilient than earlier in the year. Canada's labour market has also remained relatively soft, with the unemployment rate at approximately 6.5% in June 2026. However, Canada represented approximately 2% of the Company's overall revenue during the Q2 2026 period (see revenue breakout in "**Revenue**" section of the MD&A below). In the UK, real GDP increased by approximately 0.7% over the three months ended May 2026, and recent data indicate continued, albeit modest, economic growth. Labour market conditions in the UK have also softened modestly, with the unemployment rate at approximately 4.9% in the latest release. Overall, macroeconomic conditions across the Company's core operating markets remain mixed. Consumer spending and labour markets in the US have remained resilient, Canada's economy has shown signs of improving momentum despite ongoing trade-related uncertainty, and the UK continues to experience modest economic growth.

We do not currently anticipate any material direct impact from US tariffs or evolving global trade policies on Propel's operations. In light of the dynamic macroeconomic environment, we and our Bank Partners continue to actively manage underwriting standards based on prevailing economic conditions. Together with our Bank Partners, we actively monitor economic conditions and adjust underwriting standards as appropriate.

In the event that economic conditions soften due to inflation, slower employment growth, geopolitical developments, or other macroeconomic factors, we believe there are several countervailing factors that may help mitigate potential impacts. Firstly, as discussed above, labour market conditions have remained resilient. The US unemployment rate was 4.2% in June 2026, remaining relatively low, while employment across many essential service sectors that employ a significant portion of our customers has continued to remain stable. In addition, our target customers have historically demonstrated resilience through periods of economic uncertainty. They are experienced at managing tighter household budgets, have historically adjusted spending patterns quickly when needed and, on balance, have been able to replace lost employment income relatively quickly. This resilience is also reflected in the Company's own customer data. In a recent survey of Propel and its Bank Partners' customers, the majority of respondents indicated they expect to spend more on essential items such as groceries and fuel over the coming months. Rather than expecting to fall behind financially, most respondents indicated they plan to offset these higher costs by reducing discretionary spending elsewhere. Management believes these responses are consistent with the resilience historically demonstrated by the Company's target customer base during periods of economic uncertainty. Together with our disciplined underwriting approach and AI-powered credit decisioning, management believes these factors continue to support stable credit performance across our portfolio. Secondly, while inflation, higher interest rates and broader economic uncertainty have continued to pressure many lower- and middle-income households, we believe these conditions have supported continued demand for responsible access to credit as traditional financial institutions have maintained disciplined lending standards. Consistent with this, the Federal Reserve's most recent Senior Loan Officer Opinion Survey indicates that banks have generally continued to maintain disciplined underwriting standards, citing uncertainty regarding the economic outlook and potential credit deterioration. In addition, the Federal Reserve Bank of New York reported that applications for any type of credit during the previous twelve months increased in June 2026 to their highest level since October 2021, suggesting consumers continue to actively seek access to credit despite a more selective lending environment. Consistent with these broader trends, we continue to observe strong consumer demand across our platform, including higher application volumes and engagement across our marketing channels. Management believes this reflects both resilient consumer demand and the continued need for responsible access to credit in an environment where many traditional lenders remain disciplined. Management also believes these trends are likely to persist beyond the current economic cycle, as a growing number of consumers continue to fall outside the lending criteria of traditional financial institutions, further expanding the addressable market for the Company's products and services.

From a macroeconomic and seasonal perspective, we observed a typical Q2 period, with continued strong consumer demand across our core operating markets. Throughout the quarter, demand was supported by the expansion of marketing partners, customer acquisition channels and geographic coverage, as well as continued favorable competitive dynamics. Credit performance remained stable and in line with our expectations, supported by disciplined underwriting and healthy repayment behavior across both new and returning customer cohorts. The Company and its Bank Partners maintained a disciplined approach to portfolio growth during the quarter, while significantly increasing new customer originations and continuing to serve returning and existing customers at attractive credit quality levels. Originations from new customers and from returning and existing customers were both quarterly records. The New Customer % of Total Originations Funded[1] was approximately 46% in Q2 2026, compared with approximately 43% during Q2 2025. We believe this reflects both the strength of our underwriting framework and our confidence in the credit environment, while also demonstrating our ability to successfully acquire high-quality new customers through continued investments in marketing, distribution and geographic expansion. Overall, the Company continued to observe broad-based strength across all three operating markets during the quarter, with strong demand, disciplined underwriting and continued credit performance contributing to record Total Originations Funded[1], record Ending Combined Loan and Advance Balances[1] and continued growth across the Propel platform. While we and our Bank Partners continue to actively monitor the macroeconomic environment and maintain a prudent underwriting posture, we remain encouraged by credit trends that continue to perform in line with expectations and by the sustained strength of consumer demand as we progress through 2026.

The Annualized Revenue Yield[1] increased to 117% in Q2 2026, compared to 114% in Q2 2025. The year-over-year increase primarily reflects the continued evolution of the Company's business and product mix, including the growing contributions from the MoneyKey Bank Service Program, QuidMarket and the Company's LaaS program, together with strong new customer originations across all programs. These factors more than offset the impact of continued growth in returning and existing customers, customer graduation to lower-cost credit products and other portfolio-mix factors that may place downward pressure on the overall yield. On a sequential basis, the Annualized Revenue Yield[1] increased from 112% in Q1 2026 to 117% in Q2 2026. The sequential increase reflects the growing contribution from higher-yielding programs, including the MoneyKey Bank Service Program and QuidMarket, increased revenue contribution from LaaS, strong new customer originations and the timing and composition of portfolio growth during the quarter. Annualized Revenue Yield[1] reflects the composition of the Company's business and portfolio, as well as deliberate product, pricing and customer-mix decisions. As the business continues to evolve across products, geographies, customer cohorts and Bank Partner programs, the Annualized Revenue Yield[1] may fluctuate from period to period. While factors such as growth in returning and existing customers, customer graduation to lower-cost credit products and the aging of the portfolio may place modest downward pressure on the overall yield, these factors are expected to be offset, in part, by the ongoing growth of the MoneyKey Bank Service Program, the increasing contribution from QuidMarket, the continued expansion of the Company's LaaS program and strong new customer originations.

US Regulatory Environment Update

In the US, Propel must comply with various federal consumer protection regimes, both pursuant to the financial products and services we provide directly and as a service provider to our Bank Partners. Our main federal regulator is the Consumer Financial Protection Bureau (“**CFPB**”), which oversees compliance with and enforces federal consumer financial protection laws. Since the beginning of 2025, the US administration has implemented several changes at the CFPB, including a reduction in workforce, updated supervisory and enforcement priorities, rescinding guidance documents and revisiting certain rules that the bureau has previously released. Additionally, the budget reconciliation act signed by the US President in 2025 has sharply reduced the funds available to the CFPB. Propel remains committed to consumer protection and continues to be a compliance-first organization which continues to adhere to all applicable rules and regulations. The Company is closely monitoring all federal and state regulatory developments, including changes to any applicable laws. Furthermore, any recently passed rules, such as the Payday, Vehicle Title, and Certain High-Cost Installment Loans Rule that was implemented in March 2025, and our adherence thereof is reflected in the Company’s fiscal year 2026 Operating and Financial Targets that were disclosed March 2, 2026.

(1) See “Non-IFRS Financial Measures and Industry Metrics”.

Financial and operational highlights for Q2 2026

Comparable metrics relative to Q2 2025, unless otherwise stated

- ***Revenue*****:** increased by 26% to $179.6 million, representing a record
- ***Adjusted EBITDA*****[1]:** increased by 24% to $43.7 million, representing a record
- ***Net income:*** increased by 7% to $16.2 million
- ***Adjusted Net Income[1]:*** increased by 29% to $24.8 million, representing a record
- ***Diluted EPS*****:** increased by 7% to $0.38 (C$0.53)
- ***Adjusted Diluted EPS[1]:*** increased by 28% to $0.58 (C$0.81), representing a record
- ***Return on equity[2]:*** achieved 23% on an annualized basis
- ***Adjusted Return on Equity[1]:*** achieved 35% on an annualized basis
- ***Loans and Advances Receivable*****:** increased by 21% to $492.3 million, a record ending balance
- ***Ending Combined Loan and Advance Balances[1]:*** increased by 23% to $639.1 million, a record ending balance
- ***Dividend:*** paid a Q2 2026 dividend of C$0.24 per common share on June 3, 2026, representing a 7% increase to our Q1 2026 dividend

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(1) See “Non-IFRS Financial Measures and Industry Metrics”.

(2) See “Supplementary Financial Measures”.

Key Components of Results of Operations

The measures below are used by management in assessing our business. We refer to certain measures used by management, some of which are not recognized under IFRS. See "Non-IFRS Financial Measures and Industry Metrics" in this MD&A.

Loans and advances receivable

Loans and advances receivable include the following: (i) all MoneyKey direct lending products including Installment Loans and Lines of Credit; (ii) participation interest held in Line of Credit products originated by our Bank Partners pursuant to the CreditFresh Bank Program; (iii) Fora direct lending Line of Credit product; (iv) QuidMarket direct lending Installment Loans; (v) Installment Loans that have become delinquent and have been purchased pursuant to the guarantee obligation under the MoneyKey credit service organization ("**CSO**") program; (vi) Line of Credit advances that have defaulted and are purchased from a NBFI pursuant to the MoneyKey Bank Service Program; (vii) fees and interest that have been earned in accordance with our revenue recognition policy (See December 31, 2025 consolidated financial statements accounting policy "Material accounting policies" in Note 3); (viii) acquisition transaction costs; and (ix) allowances for credit losses that are computed by applying the Expected Credit Loss ("**ECL**") methodology (see "**Material Accounting Policies and Estimates — Loans and advances receivable**" in this MD&A). It should be further noted that the Company's LaaS program does not contribute to its loans and advances receivable balance as these loans are held by unaffiliated third-party financial institutions through forward flow arrangements.

Revenue

For the MoneyKey direct lending, Fora, QuidMarket, and CreditFresh Bank Program products, our revenues consist of interest and/or fees that are earned from Installment Loans and Lines of Credit originated by Propel and/or facilitated through Propel's lending platform. We also earn CSO fee revenue in conjunction with the MoneyKey CSO program in Texas. Under the MoneyKey Bank Service Program, we earn revenues consisting of service fees for marketing, analytics, and loan servicing provided to a NBFI who in turn has a partnership with a Utah based FDIC insured state-chartered bank. For the LaaS program, revenue includes fee income for customer acquisition services, loan management software, licensing of proprietary AI-powered risk and response scores and loan servicing capabilities earned by Propel through the partnership (see "**Business Overview**" above for further details). All revenues are recognized as they are earned, to the extent that it is probable that the economic benefits will flow to the Company. See December 31, 2025 consolidated financial statements accounting policy for revenue recognition in "Material accounting policies" in Note 3.

Provision for loan losses and other liabilities

Our provision for loan losses and other liabilities is composed of the following:

Gross Charge-Offs**:** Loans and advances receivable are charged-off when they are in non-performing (Stage 3) status for greater than 30 days, or generally 120 days in arrears. The charged-off balance is recognized as a component of provision for loan losses and other liabilities under the consolidated statement of operations.

Recoveries on charged-off loans and advances: All amounts collected on charged-off account balances are recorded as recoveries. Also included within recoveries are proceeds from the sale of charged-off debt.

Provision for movements in our allowance for credit losses: The allowance for credit losses is calculated by applying an ECL methodology in accordance with IFRS 9 (see "**Material Accounting Policies and Estimates — Loans and advances receivable**" in this MD&A) against our receivables. Factors used in the calculation of the allowance include the probability of default, loss given default, and exposure at default. These factors are based on historical performance, quantitative and qualitative adjustments for other relevant risk factors, as well as forward-looking indicators, which include the impact of macroeconomic forces.

Provisions for CSO Guarantee Liability and Bank Service Program liability: For our MoneyKey CSO product, and as part of being a CSO, we are required to guarantee the loans made and owned by an unaffiliated third-party lender with whom we partner. The provision for financial guarantee represents the movement in the CSO guarantee liability that is estimated by management. Such estimate is made by applying expected credit loss estimates on the loans owned by the third-party lender.

Under the MoneyKey Bank Service Program, the NBFI that holds participation in the Line of Credit advances, originated by their Bank Partner, has the right to sell accounts that default to MoneyKey. The Bank Service Program liability represents management's estimate of expected losses on accounts that we project to purchase. The movement in this liability is included as a component of provision for loan losses and other liabilities.

Other Lending Program Costs: Other costs such as consumer discounts, refunds, and other adjustments relating to the credit products are included under other lending program costs.

Acquisition and data expense

Acquisition expenses include costs incurred to attract consumers through our established marketing channels. Such channels include, but are not limited to: lead affiliate partners, online marketplace partners, search engine optimization and direct mail initiatives.

Data expenses include costs incurred for data and tools that are required as key inputs in the Company's proprietary underwriting machine learning algorithms and process. Our AI and machine learning models, which are approved by our Bank Partners, incorporate and use third-party data in addition to proprietary data as an input for determining the creditworthiness of a potential customer and what they may qualify for. These costs include amounts paid to credit bureaus and alternative data providers. Together, acquisition and data expenses form the basis of our Cost Per Funded Origination[1] metric, which helps management assess the efficiency of our marketing and underwriting strategies. We capitalize acquisition transaction costs that are incremental and directly attributable to the origination of a Loan or Line of Credit advance to loans and advances receivable as per the guidance in IFRS 9. For customer acquisition data costs, we capitalize these expenditures to intangible assets as per the guidance in IAS 38 to the extent that the asset will generate probable future economic benefits. We recognize the acquisition transaction costs over the estimated term of the related credit products and recognize the customer acquisition data costs over the estimated useful life of the data. We amortize both of these costs to acquisition and data expense, and expense all other acquisition and data costs as incurred on the consolidated statement of operations. See December 31, 2025 consolidated financial statements accounting policy "Material accounting policies" in Note 3.

Salaries, wages and benefits

Salaries, wages and benefits include payroll and other personnel-related expenses. This includes salaries, wages, bonuses, stock-based compensation expense, and benefits; all of which are recognized in the period that they are incurred.

A portion of salaries, wages and benefits relating to the development of our technology and proprietary lending platform is capitalized as intangible assets in accordance with IAS 38 and recognized over the estimated life of those assets. See "**Material Accounting Policies and Estimates – Capitalization of intangible assets**" in this MD&A.

General and administrative expense

General and administrative expenses include occupancy (not including rent) and office expenses, legal, accounting and professional fees, telecommunications expenses, travel, and general office expenses. All expenses are recognized in the period incurred.

Processing, technology and program servicing

Processing expenses include all costs associated with payment processing for credit products originated through our technology platform. This includes automated clearing house processing fees, electronic funds transfer fees, card and other payment form processing fees, general banking expenses, and fees paid to our Bank Partners.

Technology expenses include web hosting expenses, as well as any expenses relating to software and computer hardware that are expensed as incurred.

Program servicing costs represent the ongoing expenses incurred under our loan servicing programs. These costs include activities related to loan servicing, processing and reporting. Specifically for the LaaS program, its servicing costs also encompass expenses related to the acquisition of consumers, consumer data, and payment processing. LaaS servicing costs are expensed as incurred which is in line with the recognition of LaaS fees revenue for customer acquisition services.

Interest and fees on credit facilities, and lease liabilities

See “**Liquidity and Capital Resources**” in this MD&A for a full breakdown and discussion around our credit facilities.

Amortization of internally developed software, customer relationships, brand, right-of-use assets, and depreciation of property and equipment

Amortization of right-of-use assets relates to our lease obligations in accordance with IFRS 16. In accordance with IAS 38, we capitalize allowable software development costs and amortize those costs using a straight-line method over the estimated useful life of the related intangible assets. Costs associated with software development research and post-deployment are expensed as incurred. Intangible assets acquired separately are measured on initial recognition at cost and amortized using a straight-line method over the estimated useful life of the related intangible asset. The costs of intangible assets acquired in a business combination are their estimated fair values at the date of acquisition.

This expense does not include customer acquisition data costs that are capitalized to intangible assets in accordance with IAS 38 (see “**Acquisition and data expense**” above). We amortize these costs over their estimated useful life to acquisition and data expense on the consolidated statement of operations.

Supplemental Financial Measures

Below are additional financial measures that are used by management as well as our shareholders, prospective investors, and analysts in evaluating the Company’s operating performance and financial condition. We refer to certain measures used by management, some of which are not recognized under IFRS. See “**Non-IFRS Financial Measures and Industry Metrics**” in this MD&A.

Return on equity

Return on equity equals net income divided by the average shareholders’ equity for the given period and is presented on an annualized basis. The average shareholders’ equity is derived by using the average of each average quarterly shareholders’ equity balance for a given period. We believe that return on equity is an important measure used by our shareholders, prospective investors, and analysts in evaluating the Company’s ability to utilize shareholders’ capital in the business.

Debt-to-equity

Debt-to-equity equals total indebtedness, which represents the total amount drawn on its credit facilities, divided by the ending shareholder’s equity for the given period. We believe that debt-to-equity is an important measure used by our shareholders, prospective investors, analysts and lenders in evaluating the Company’s financial position.

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(1) See “Non-IFRS Financial Measures and Industry Metrics”.

Non-IFRS Financial Measures and Industry Metrics

Non-IFRS Financial Measures

Ending Combined Loan and Advance Balances

Ending Combined Loan and Advance Balances measures the ending balances of all credit products originated by Propel and/or facilitated through the Propel platform as at the end of a relevant period. Such balances include (i) MoneyKey's direct lending products; (ii) participation interest held in Line of Credit receivables originated by CreditFresh Bank Program partners; (iii) Fora direct lending Line of Credit product; (iv) QuidMarket direct lending Installment Loan product; (v) Installment Loans originated and owned by third-party lenders pursuant to the MoneyKey CSO product; and (vi) participation interest held in receivables purchased by an unaffiliated NBFI pursuant to the MoneyKey Bank Service Program. It should be further noted that the Company's LaaS program does not contribute to its Ending Combined Loan and Advance Balances as these loans are held by unaffiliated third-party financial institutions through forward flow arrangements. As some credit products facilitated over the Propel platform are neither originated nor owned by our brands and thus not recognized as loans and advances receivable under IFRS, we believe that this measure provides investors with important information to evaluate the magnitude of potential revenue performance.

Average Combined Loan and Advance Balances

Average Combined Loan and Advance Balances measures the average outstanding balances of all credit products originated by Propel and/or facilitated through the Propel platform over the relevant period. Such average balances include (i) MoneyKey's direct lending products; (ii) participation interest held in Line of Credit receivables originated by CreditFresh Bank Program partners; (iii) Fora direct lending Line of Credit product; (iv) QuidMarket direct lending Installment Loan product; (v) Installment Loans originated and owned by third-party lenders pursuant to the MoneyKey CSO product; and (vi) participation interest held in receivables purchased by an unaffiliated NBFI pursuant to the MoneyKey Bank Service Program. As some credit products facilitated over the Propel platform are neither originated nor owned by our brands and thus not recognized as loans and advances receivable under IFRS, we believe that this measure provides investors with important information to evaluate the magnitude of potential revenue performance. Average Combined Loan and Advance Balances is calculated by using the average of the beginning and ending balances for a given period.

EBITDA

EBITDA is a supplemental measure used by management and other users of our financial statements including shareholders and lenders, to assess the financial performance of our business without regard to financing methods or capital structure. For the applicable period, EBITDA equals net income/loss plus (i) interest and financing costs, plus (ii) amortization on intangible assets, right-of-use assets, and depreciation of property and equipment, plus (iii) income taxes, in each case to the extent deducted from net income in such period determined on a consolidated basis in accordance with IFRS.

EBITDA Margin

EBITDA Margin equals EBITDA divided by revenue for the given period.

Adjusted EBITDA

Adjusted EBITDA is a supplemental measure used by management and other users of our financial statements that removes the effect of the non-cash forward-looking credit loss provisions that are recorded on accounts within our loans and advances receivable that are otherwise in good standing with no past-due amounts owed. Under IFRS 9 we are required to apply an ECL model where twelve months of estimated losses are booked on loans and advances as soon as they are originated while their associated income is recognized over their lifetimes as well as on accounts that are in good standing (current or Stage 1 accounts — see "**Material Accounting Policies and Estimates — Loans and advances receivable**" in this MD&A). Furthermore, the non-cash provision for the CSO guarantee liabilities and bank service program liabilities are also removed from Adjusted EBITDA.

These provisions are included in our provision for loan losses and other liabilities and management believes that adjusting for them provides investors a more accurate picture of the portfolio's credit performance and the Company's overall financial results for a given period. In addition, we remove the effect from, as applicable, certain expenses, costs, charges or benefits incurred in a given period which in management's view are not indicative of continuing operations, including financing transaction costs as an example. Lastly, we also remove the effect of unrealized gains and losses related to changes in foreign exchange rates. The unrealized gains and losses are a result of the Company using derivative instruments, such as currency forwards, to hedge certain currency exposure. We do not believe that the unrealized change in value of such derivative instruments should impact current period earnings when analyzing the Company's true operating performance until the gain or loss is realized at maturity.

Adjusted EBITDA equals EBITDA plus (i) non-recurring costs (i.e. financing transaction costs); minus or plus (ii) unrealized gains (minus) and losses (plus) related to changes in foreign exchange rates; plus (iii) provision for loan losses on good standing current principal (Stage 1 — Performing) balances (see "**Material Accounting Policies and Estimates — Loans and advances receivable**" in this MD&A); plus (iv) Provision for CSO Guarantee Liabilities and Bank Service Program liabilities.

Adjusted EBITDA Margin

Adjusted EBITDA Margin equals Adjusted EBITDA divided by revenue for the given period.

Adjusted Net Income

Adjusted Net Income is a supplemental measure used by management and other users of our financial statements that removes the effect of the non-cash forward-looking credit loss provisions that are recorded on accounts within our loans and advances receivable that are otherwise in good standing with no past-due amounts owed on an after-tax basis. Under IFRS 9 we are required to apply an ECL model where twelve months of estimated losses are booked on loans and advances as soon as they are originated while their associated income is recognized over their lifetimes as well as on accounts that are in good standing (current or Stage 1 accounts — see "**Material Accounting Policies and Estimates — Loans and advances receivable**" in this MD&A). Furthermore, the non-cash provision for the CSO guarantee liabilities and bank service program liabilities are also removed from Adjusted Net Income on an after-tax basis.

These provisions are included in our provision for loan losses and other liabilities and management believes that adjusting for them provides investors a more accurate picture of the portfolio's credit performance and the Company's overall financial results for a given period. In addition, we remove the effect from, as applicable, certain expenses, costs, charges or benefits incurred in a given period on an after-tax basis, which in management's view are not indicative of continuing operations, including financing transaction costs as an example. Lastly, we also remove the effect of i) the amortization of intangible assets acquired in connection with the Acquisition of QuidMarket; and ii) unrealized gains and losses related to changes in foreign exchange rates (see "**Non-IFRS Financial Measures - Adjusted EBITDA**" above). The intangible assets acquired in connection with the Acquisition of QuidMarket include software, customer relationships and brand, each of which have finite useful lives and are amortized over a certain period of time (see the Company's December 31, 2025 consolidated financial statements for further information on the intangible assets acquired through the QuidMarket transaction and the associated amortization period). The Company believes the amortization related to the assets acquired through the QuidMarket transaction are outside of normal business activities and are not reflective of the Company's true operating performance.

Adjusted Net Income equals net income plus the after-tax impact of (i) non-recurring costs (i.e. financing transaction costs); plus (ii) the amortization of intangible assets acquired in connection with the Acquisition of QuidMarket; minus or plus (iii) unrealized gains (minus) and losses (plus) related to changes in foreign exchange rates; plus (iv) provision for loan losses on good standing current principal (Stage 1 — Performing) balances (see "**Material Accounting Policies and Estimates — Loans and advances receivable**" in this MD&A); plus (v) Provision for CSO Guarantee Liabilities and Bank Service Program liabilities.

Adjusted Net Income Margin

Adjusted Net Income Margin equals Adjusted Net Income divided by revenue for the given period.

Adjusted Earnings per Share

Adjusted Earnings per Share is a supplemental measure used by management and other users of our financial statements that removes the effect of the non-cash forward-looking credit loss provisions recognized on accounts within our loans and advances receivable that are otherwise in good standing with no past-due amounts owed, together with the non-cash provision for the CSO guarantee liabilities and bank service program liabilities. It also removes certain expenses or benefits incurred which, in management's view, are not indicative of continuing operations and not reflective of underlying business performance on an after-tax basis (see definition of "**Adjusted Net Income**" above). Adjusted Earnings per Share equals Adjusted Net Income divided by the weighted average number of shares outstanding for the given period.

Adjusted Return on Equity

Adjusted Return on Equity is a non-IFRS measure used by management and other users of our financial statements that removes the effect of the non-cash forward-looking credit loss provisions recognized on accounts within our loans and advances receivable that are otherwise in good standing with no past-due amounts owed, together with the non-cash provision for the CSO guarantee liabilities and bank service program liabilities. It also removes certain expenses or benefits incurred which in management's view are not indicative of continuing operations and not reflective of underlying business performance on an after-tax basis (see definition of "**Adjusted Net Income**" above). Adjusted Return on Equity equals Adjusted Net Income divided by the average shareholders' equity for the given period and is presented on an annualized basis. The average shareholders' equity is derived by using the average of each average quarterly shareholders' equity balance for a given period. We believe that Adjusted Return on Equity is an important measure used by our shareholders, prospective investors, and analysts in evaluating the Company's ability to utilize shareholders' capital in the business.

Net Charge-Offs

Net Charge-Offs represent principal balances of credit products originated or facilitated on our platform that are charged off, net of any recoveries. Accounts are charged-off once they are in default (non-performing) status for greater than 30 days. Furthermore, an account is generally considered in default after a period of delinquency (having contractual payments in arrears) in excess of 90 days. We believe that the Net Charge-Offs methodology provides important information regarding credit quality and performance over a specified period.

Net Charge-Offs as a Percentage of Average Combined Loan and Advance Balances

Net Charge-Offs as a Percentage of Average Combined Loan and Advance Balances represents the amount of Net Charge-Offs we experience in relation to the average outstanding balances during the period and is presented on a quarterly basis. We believe that Net Charge-Offs as a percentage of Average Combined Loan and Advance Balances is an important measure used by our shareholders, prospective investors, and analysts in evaluating the Company's credit quality and performance over a specified period.

Industry Metrics

Annualized Revenue Yield

Annualized Revenue Yield is calculated by dividing the Revenue generated over a specific period by the Average Combined Loan and Advance Balances outstanding over the same period and multiplying such quotient by an amount necessary to annualize the yield. We believe that, in addition to providing a view on the portfolio's revenue generation, this metric also provides investors a meaningful representation of the Company's mix of products that make up the loan and advance portfolio.

Cost Per Funded Origination

Cost Per Funded Origination represents total acquisition and data expense incurred for each dollar funded through Installment Loans and Lines of Credit to new and repeat customers and to existing Line of Credit customers via redraws. This metric is the amount of direct costs incurred during a period divided by the total dollars funded during that same period. We believe that this metric provides investors a view of (i) how much we spend per dollar funded; and (ii) trends on how much it costs to grow the loan and advance portfolio. We would note that the Company's LaaS program offering is excluded from the acquisition and data expense and the total dollars funded used for the calculation of Cost Per Funded Origination (see "**Acquisition and Data expense**" above).

<u>Cost Per New Customer Funded Origination</u>

Cost Per New Customer Funded Origination represents total acquisition and data expense incurred for each dollar funded through Installment Loans and Lines of Credit to new customers only. This metric is the amount of direct costs incurred during a period divided by the total dollars funded by new customers during that same period. As noted later in the MD&A under "**Acquisition and Data Expense**", we incur the vast majority of acquisition and data expense on new customer originations. We believe that this metric provides investors a view of (i) how much we spend per new dollar funded; and similar to Cost Per Funded Origination, (ii) trends on how much it costs to grow the loan and advance portfolio. Similar to the Cost Per Funded Origination discussed above, the Company's LaaS program offering is excluded from the acquisition and data expense and the total dollars funded used for the calculation of Cost Per New Customer Funded Origination (see "**Acquisition and Data expense**" above).

<u>Total Originations Funded</u>

Total Originations Funded represents the dollar amounts of all credit products originated by Propel and/or facilitated through the Propel platform across all of Propel's products and programs, not all of which are originated or owned by Propel and thus not treated as loans and advances receivable under IFRS. The funded amount includes new and returning customers for Installment Loans and Lines of Credit as well as redraws on Lines of Credit. Total Originations Funded may be useful to an investor because it helps provide an understanding of total Propel platform volumes and the growth and trajectory of our revenues. We would note that the Company's LaaS program offering is excluded from the Total Originations Funded.

<u>New Customer % of Total Originations Funded</u>

New Customer % of Total Originations Funded represents the percentage of all Total Originations Funded (see above for definition) originated to those customers that are new to the Propel platform. We believe this metric may be useful to an investor because it helps provide an understanding of what proportion of originations are attributable to new customers versus existing customers in the portfolio. As noted above, the Company's LaaS program offering is excluded from the Total Originations Funded.

Selected Financial Information

Results of Operations for Consolidated statements of operations

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenue	179,604,747	142,952,714	345,677,291	281,890,281
Provision for loan losses and other liabilities	89,991,448	71,188,088	164,756,931	129,866,714
Operating expenses				
Acquisition and data	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	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	8,350,090	8,153,863	17,098,693	16,802,517
Interest expense on lease liabilities	288,793	173,812	544,845	239,473
Depreciation and amortization	2,700,098	2,191,431	5,281,785	4,176,680
Foreign exchange loss (gain)	(18,260)	(222,206)	(147,450)	302,202
Unrealized loss (gain) on derivative financial Instruments	403,879	(600,128)	620,793	(1,086,526)
Total other expenses (income)	**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 for the period	**16,157,561**	**15,075,979**	**36,871,448**	**38,576,510**
Earnings per share ($USD):				
Basic	0.41	0.39	0.94	0.99
Diluted	0.38	0.36	0.87	0.91
Earnings per share ($CAD):				
Basic	0.57	0.54	1.29	1.40
Diluted	0.53	0.49	1.20	1.29
Return on equity(1)	23%	25%	27%	33%
Dividends:				
Dividends	6,837,144	5,100,068	13,325,355	9,542,166
Dividend per share	0.174	0.131	0.339	0.245

(1) See “Supplementary Financial Measures”.

Quarter over quarter results for Consolidated statements of operations

	2026		2025				2024	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	179,604,747	166,072,544	155,849,670	152,067,808	142,952,714	138,937,567	129,307,037	117,169,442
Provision for loan losses and other liabilities	89,991,448	74,765,483	87,998,912	78,996,521	71,188,088	58,678,626	65,582,578	61,283,816
Provision for loan losses and other liabilities as a % of revenue	*50%*	*45%*	*56%*	*52%*	*50%*	*42%*	*51%*	*52%*
Operating expenses								
Acquisition and data[1]	26,088,080	24,266,127	23,248,294	18,301,712	18,597,770	16,125,923	15,749,887	12,980,562
Salaries, wages and benefits	14,424,301	14,158,667	12,845,663	11,736,681	11,948,950	11,778,633	11,501,710	9,453,082
General and administrative	3,603,497	3,823,201	3,647,953	3,233,180	3,623,866	3,209,164	3,961,838	4,615,304
Processing, technology and program servicing	12,709,176	9,502,335	8,880,196	8,191,663	8,289,373	7,211,613	6,343,739	4,792,013
Total operating expenses	**56,825,054**	**51,750,330**	**48,622,106**	**41,463,236**	**42,459,959**	**38,325,333**	**37,557,174**	**31,840,961**
Operating income	**32,788,245**	**39,556,731**	**19,228,652**	**31,608,051**	**29,304,667**	**41,933,608**	**26,167,285**	**24,044,665**
Other expenses (income)								
Interest and fees on credit facilities	8,350,090	8,748,603	8,639,271	8,600,196	8,153,863	8,648,654	8,514,528	8,401,947
Interest expense on lease liabilities	288,793	256,052	230,773	223,375	173,812	65,661	65,828	60,980
Depreciation and amortization	2,700,098	2,581,687	2,470,896	2,361,671	2,191,431	1,985,249	1,732,843	1,307,584
Foreign exchange loss (gain)	(18,260)	(129,190)	269,150	(21,299)	(222,206)	524,408	275,067	(45,238)
Unrealized loss (gain) on derivative financial instruments	403,879	216,914	(401,157)	459,925	(600,128)	(486,398)	896,192	(112,925)
Total other expenses	11,724,600	11,674,066	11,208,933	11,623,868	9,696,772	10,737,574	11,484,458	9,612,348
Income before transaction costs and income tax	**21,063,645**	**27,882,665**	**8,019,719**	**19,984,183**	**19,607,895**	**31,196,034**	**14,682,827**	**14,432,317**
Income tax expense (recovery)								
Current	8,573,040	8,257,769	555,750	6,665,455	6,549,421	7,490,654	5,206,917	6,391,842
Deferred	(3,666,956)	(1,088,991)	1,526,990	(1,688,082)	(2,017,505)	204,849	(2,133,268)	(2,480,782)
Net income for the period	**16,157,561**	**20,713,887**	**5,936,979**	**15,006,810**	**15,075,979**	**23,500,531**	**11,609,178**	**10,521,257**
Net income margin	9%	12%	4%	10%	11%	17%	9%	9%
Weighted average number of shares outstanding:								
Basic	39,368,757	39,362,753	39,357,716	39,254,377	38,919,940	38,854,698	37,326,076	34,398,790
Diluted	42,518,840	42,332,763	42,246,973	42,257,982	42,257,598	42,175,454	40,300,803	37,275,049
Earnings per share ($USD):								
Basic	0.41	0.53	0.15	0.38	0.39	0.60	0.31	0.31
Diluted	0.38	0.49	0.14	0.36	0.36	0.56	0.29	0.28
Earnings per share ($CAD):								
Basic	0.57	0.72	0.21	0.53	0.54	0.87	0.43	0.42
Diluted	0.53	0.67	0.20	0.49	0.49	0.80	0.40	0.39
Return on equity[2]	23%	31%	9%	24%	25%	42%	27%	34%
Dividends:								
Dividends	6,837,144	6,488,211	5,910,007	5,568,308	5,100,068	4,442,098	4,132,444	3,552,647
Dividends per share	0.174	0.165	0.150	0.142	0.131	0.114	0.111	0.103

(1) Comparative figures have been updated to conform with current presentation.

(2) See “Supplementary Financial Measures”.

Selected Consolidated Financial Information

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
(US$ other than percentages)				
Revenue	179,604,747	142,952,714	345,677,291	281,890,281
Net income	16,157,561	15,075,979	36,871,448	38,576,510
Earnings per share ($USD):				
Basic	0.41	0.39	0.94	0.99
Diluted	0.38	0.36	0.87	0.91
Earnings per share ($CAD):				
Basic	0.57	0.54	1.29	1.40
Diluted	0.53	0.49	1.20	1.29
Return on equity(1)	23%	25%	27%	33%
Adjusted Net Income(2)	24,788,839	19,191,974	47,757,601	42,554,409
Adjusted Earnings per Share ($USD)(2) :				
Basic	0.63	0.49	1.21	1.09
Diluted	0.58	0.45	1.13	1.01
Adjusted Earnings per Share ($CAD)(2) :				
Basic	0.87	0.68	1.67	1.54
Diluted	0.81	0.63	1.55	1.42
Adjusted Return on Equity(2)	35%	32%	35%	37%

(1) See "Supplementary Financial Measures".

(2) See "Non-IFRS Financial Measures and Industry Metrics".

	As at June 30,		As at Dec 31,
	2026	2025	2025
(US$ other than percentages)			
Loans and advances receivable	492,318,244	407,334,617	459,764,282
Total Assets	706,575,533	604,594,259	671,786,802
Total Liabilities	422,097,015	354,435,014	410,608,427
Total Non-Current Liabilities	344,665,329	296,702,891	343,435,305

(US$ other than percentages)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Non-IFRS financial measures				
Ending Combined Loan and Advance Balances(1)	639,083,326	520,403,519	639,083,326	520,403,519
Average Combined Loan and Advance Balances(1)	615,915,009	501,807,203	603,531,204	491,856,925
Net Charge-Offs(1)	73,365,800	60,729,754	147,901,047	117,189,285
Net Charge-Offs as % of Average CLAB(1)	12%	12%	12%	12%
EBITDA(1)	32,402,626	30,127,001	71,871,633	72,022,599
EBITDA Margin(1)	18%	21%	21%	26%
Adjusted EBITDA(1)	43,654,995	35,236,127	85,700,993	76,452,973
Adjusted EBITDA Margin(1)	24%	25%	25%	27%
Adjusted Net Income(1)	24,788,839	19,191,974	47,757,601	42,554,409
Adjusted Net Income Margin(1)	14%	13%	14%	15%
Adjusted Earnings per Share ($USD)(1) :				
Basic	0.63	0.49	1.21	1.09
Diluted	0.58	0.45	1.13	1.01
Adjusted Earnings per Share ($CAD)(1) :				
Basic	0.87	0.68	1.67	1.54
Diluted	0.81	0.63	1.55	1.42
Adjusted Return on Equity(1)	35%	32%	35%	37%
Industry Metrics				
Total Originations Funded(1)	243,423,212	194,394,548	442,772,721	348,063,973
Annualized Revenue Yield(1)	117%	114%	115%	115%
Cost Per Funded Origination(1)	0.107	0.096	0.114	0.100
Cost Per New Customer Funded Origination(1)	0.235	0.224	0.250	0.233

(1) See “Non-IFRS Financial Measures and Industry Metrics”.

Analysis of Results for the three and six months ended June 30, 2026, compared to June 30, 2025

The following section provides an overview of our financial performance during the three and six month periods ended June 30, 2026 compared to the three and six month periods ended June 30, 2025.

	As at June 30,		% Change	As at Dec 31,	% Change
	2026	2025		2025	
Loans and advances receivable	492,318,244	407,334,617	21%	459,764,282	7%
Ending Combined Loan and Advance Balances[1]	639,083,326	520,403,519	23%	589,548,106	8%

	Three months ended June 30,		% Change
	2026	2025	
Average Combined Loan and Advance Balances[1]	615,915,009	501,807,203	23%
Total Originations Funded[1]	243,423,212	194,394,548	25%

	Six months ended June 30,		% Change
	2026	2025	
Average Combined Loan and Advance Balances[1]	603,531,204	491,856,925	23%
Total Originations Funded[1]	442,772,721	348,063,973	27%

	Three Months ended							
	2026		2025				2024	
	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30
Total Originations Funded [1]	243,423,212	199,349,509	220,896,069	205,303,622	194,394,548	153,669,425	175,542,515	150,041,053
Quarter over Quarter % change	22%	(10)%	8%	6%	27%	(12)%	17%	4%
New Customer % of Total Originations Funded[1]	46%	45%	43%	44%	43%	43%	47%	45%

(1) See "Non-IFRS Financial Measures and Industry Metrics"

Loans and advances receivable

Loans and advances receivable increased by 21% to a record $492.3 million as at June 30, 2026, compared to $407.3 million as at June 30, 2025. The increase was primarily driven by: i) growth in Total Originations Funded[1] from new, returning and existing customers; ii) the continued growth of the Bank Programs; iii) the ongoing expansion of QuidMarket in the UK and Fora in Canada; iv) the expansion of variable pricing and graduation capabilities; and vi) increased originations generated through new and existing marketing partners, distribution channels and geographic markets. At a macroeconomic level, demand for credit remained strong, supported by continued tightening across the credit supply chain and the ongoing transition from brick-and-mortar to online lending, which contributed to increased application volumes and customer quality across the Propel platform (see "**Macroeconomic Environment and Outlook**" above). It should be further noted that the Company's LaaS program does not contribute to its loans and advances receivable, as loans originated through this program are held by unaffiliated third-party financial institutions pursuant to forward flow arrangements. Furthermore, loans and advances receivable excludes balances originated through the MoneyKey Bank Service Program, as these balances are held by the Company's Bank Partner under an off-balance-sheet structure, other than defaulted balances repurchased by the Company.

The continued growth of the Bank Programs contributed meaningfully to the increase in loans and advances receivable during the three- and six-month periods ended June 30, 2026. Variable pricing and customer graduation capabilities, developed in collaboration with the Company's Bank Partners, also supported portfolio growth by enabling the Company and its Bank Partners to serve a broader range of consumers across the credit spectrum. Customer graduation capabilities provide qualifying existing customers with strong payment histories access to lower-cost credit products and/or higher credit limits, while variable pricing enables lower-cost products to be offered to qualifying new customers with stronger credit risk profiles. These capabilities support the Company's mission of "credit inclusion and evolution" by helping ensure that consumers receive credit products tailored to their risk profiles, while expanding the overall addressable market served through the Propel platform.

Ultimately, growth in loans and advances receivable is driven primarily by Total Originations Funded[1], which increased by 25% to a quarterly record $243.4 million for the three months ended June 30, 2026, compared to $194.4 million for the same period in 2025, and increased by 27% to a six-month record $442.8 million for the six months ended June 30, 2026, compared to $348.1 million for the same period in 2025. The record level of Total Originations Funded[1] achieved during Q2 2026 was the primary driver of the 21% year-over-year increase in loans and advances receivable. The strong growth in Total Originations Funded[1] reflects continued broad-based demand across the Company's operating markets, supported by the expansion of marketing partners, customer acquisition channels and geographic markets, together with the continued growth of the Company's North American programs and QuidMarket in the UK. As discussed above, the Company achieved record originations from new customers, returning and existing customers during the quarter. The New Customer % of Total Originations Funded[1] was approximately 46% during Q2 2026, compared with approximately 43% during Q2 2025, reflecting continued confidence in the Company's underwriting framework and credit performance, together with the continued expansion of marketing partnerships and distribution channels. While certain macroeconomic uncertainties remain, including evolving trade policies, inflationary pressures and higher interest rates relative to historical levels in certain markets, the Company and its Bank Partners continued to actively manage underwriting standards throughout the quarter. Stable credit performance and favourable portfolio trends provided the confidence to continue expanding originations while maintaining disciplined credit risk management and portfolio quality.

Overall, the Company achieved record loans and advances receivable and record Total Originations Funded[1] during the quarter. The Company believes demand for its products remains strong and that the vintages originated during the period continue to perform in line with expectations. See "**Macroeconomic Environment and Outlook**" above for additional detail of the factors influencing the loans and advances receivable. See sections below for commentary on the financial results generated from the growth in loans and advances receivable.

Ending and Average Combined Loan and Advance Balances[1]

Ending Combined Loan and Advance Balances[1] increased by 23% to a record $639.1 million as at June 30, 2026, compared to $520.4 million as at June 30, 2025. Average Combined Loan and Advances Balances[1] increased by 23% to $615.9 million for the three months ended June 30, 2026, compared to $501.8 million for the same period in 2025, and increased by 23% to $603.5 million for the six months ended June 30, 2026, compared to $491.9 million over the same period in 2025. Growth in Ending Combined Loan and Advance Balances[1] was driven by the same factors that contributed to growth in loans and advances receivable, including record Total Originations Funded[1], continued expansion of marketing partners, distribution channels and geographic markets, continued growth of the Bank Programs and QuidMarket, and sustained consumer demand across the Propel platform (see above).

In addition, Ending Combined Loan and Advance Balances[1] includes balances originated through the MoneyKey Bank Service Program, whereas these balances are not included in loans and advances receivable because they are held by the Company's Bank Partner under an off-balance-sheet structure. As a result, Ending Combined Loan and Advance Balances[1] provides investors with a more comprehensive measure of the total customer balances managed across the Propel platform, regardless of whether those balances are held on or off the Company's balance sheet. The MoneyKey Bank Service Program continued to deliver strong growth during the period, with Ending Combined Loan and Advance Balances[1] associated with the program increasing 79% year-over-year and 29% sequentially. Growth was driven by expansion into additional states, the continued migration of customers from the Company's legacy MoneyKey direct lending and CSO products into the Bank Service Program, and particularly strong growth in new customer originations, which increased by nearly 60% compared to Q1 2026. As at June 30, 2026, the program facilitated credit products across 22 states. As previously discussed, the Company began transitioning certain states from its legacy MoneyKey direct lending and CSO programs to the Bank Service Program structure in late 2025, including the successful transition of Texas in Q4 2025. Since then, the Company has successfully migrated the majority of its legacy MoneyKey programs, with only a limited number of legacy originations remaining that are expected to transition substantially by the end of 2026. This transition reflects the Company’s broader strategy to simplify and standardize its product offerings by migrating toward Bank Partner programs that operate under a unified underwriting, pricing and servicing framework. Compared to legacy direct lending and CSO structures, the Bank Service Program provides a more consistent operating model across jurisdictions, enables broader product standardization and supports expansion into a larger addressable market. These structural advantages are expected to improve unit economics over time through more efficient customer acquisition, unified underwriting processes, and lower administrative and operational complexity, while also contributing to higher Annualized Revenue Yield[1] as the program continues to scale. As a result, the MoneyKey Bank Service Program is expected to continue to represent an increasing proportion of the Company’s overall platform and is expected to remain an important driver of growth in Ending Combined Loan and Advance Balances[1], Average Combined Loan and Advance Balances[1], and revenue. See “**Reconciliation of IFRS measures**” in this MD&A for a comparison of these measures and “**Off-Balance Sheet Arrangements**” for additional detail.

Revenue

Revenue increased by 26% to a record $179.6 million for the three months ended June 30, 2026, compared to $143.0 million for the corresponding period in 2025, and increased by 23% to a record $345.7 million for the six months ended June 30, 2026, compared to $281.9 million for the corresponding period in 2025. The increase was primarily driven by the 23% growth in Average Combined Loan and Advance Balances[1] during both the three- and six-month periods ended June 30, 2026, together with the continued expansion of the Company’s LaaS program and the increase in Annualized Revenue Yield[1] to 117% during Q2 2026.

The growth in Average Combined Loan and Advance Balances[1] and Ending Combined Loan and Advance Balances[1], as outlined above (see “**Loans and advances receivable**”), reflects the continued expansion of the Company's Bank Programs, including CreditFresh and the MoneyKey Bank Service Program, continued growth of QuidMarket in the UK and Fora in Canada, strong consumer demand, and the expansion of marketing partners, customer acquisition channels and geographic markets. Revenue growth also benefited from the continued expansion of the Company's LaaS programs, which generate revenue but are not included in Average Combined Loan and Advance Balances[1] because loans originated through these programs are held by unaffiliated third-party financial institutions pursuant to forward flow arrangements. As discussed above, the Company continues to benefit from favourable industry dynamics, including tightening across the credit supply chain and the ongoing transition from brick-and-mortar to online lending, which continue to support consumer demand across the Propel platform. The Company believes these factors, together with continued expansion of its Bank Programs, QuidMarket, Fora and LaaS program, position it well for continued revenue growth over time. See “**Loans and advances receivable**” above for additional details on the business factors that drove growth and consequently revenue and see “**Macro Economic Environment and Outlook**” for the macroeconomic factors that impacted revenue. These factors are also expected to contribute to continued growth in future revenue over the upcoming periods.

The continued growth of the CreditFresh Bank Program is reflected in the charts below. CreditFresh revenue grew by 13% to a record $104.7 million for the three months ended June 30, 2026, compared to $93.0 million in the corresponding quarter of the previous year, and increased by 12% to a record $208.6 million for the six months ended June 30, 2026, compared to $185.7 million in the corresponding period of the previous year. The record performance reflects continued strong consumer demand, disciplined underwriting and the ongoing expansion of the CreditFresh Bank Program. Products originated by the Company’s Bank Partners under the CreditFresh brand represented 58% of Propel’s revenue during the three months ended June 30, 2026, compared to 65% in the corresponding quarter of the previous year, and represented 60% of revenue during the six months ended June 30, 2026, compared to 66% in the corresponding period of the previous year. The lower proportion of total revenue primarily reflects the Company's continued diversification across other strategic growth initiatives, including the MoneyKey Bank Service Program, QuidMarket and the Company's LaaS program, all of which experienced faster growth during the period. As at June 30, 2026, CreditFresh Bank Program products were offered by the Company’s Bank Partners in 22 states.

The MoneyKey Bank Service Program was offered in 22 states as at June 30, 2026 as compared to 16 states as at March 31, 2026 through the originating Bank Partner. As reflected in the charts below, revenue from the program increased by 75% to a record $37.6 million for the three months ended June 30, 2026, compared to $21.4 million in the corresponding quarter of the previous year, and increased by 66% to a record $69.4 million for the six months ended June 30, 2026, compared to $41.8 million in the corresponding period of the previous year. Products originated under the MoneyKey Bank Program represented 21% of Propel’s revenue during the three months ended June 30, 2026, compared to 15% in the corresponding quarter of the previous year, and represented 20% of revenue during the six months ended June 30, 2026, compared to 15% in the corresponding period of the previous year. The significant increase reflects continued expansion of the program, including additional geographic expansion, the ongoing migration of originations from legacy MoneyKey direct lending and CSO products into the Bank Service Program structure, and continued confidence in expanding originations given the stable credit performance experienced by the program. This includes the transition of originations in Texas, the largest state under the legacy MoneyKey program, which commenced in Q4 2025 and continued to contribute to growth during Q2 2026. The continued migration toward the MoneyKey Bank Service Program forms part of the Company's broader strategy to simplify and standardize its product offerings by consolidating activity within scalable Bank Partner programs operating under a unified underwriting, pricing and servicing framework. In addition to improving operational efficiency, enhancing scalability and increasing consistency across jurisdictions, the Bank Service Program also provides access to a broader range of marketing partnerships and distribution channels that are available through the Company's Bank Partner programs, further supporting customer acquisition and originations. Accordingly, while revenue from legacy MoneyKey direct lending and CSO products is expected to continue to decline as those portfolios transition or run off, the MoneyKey Bank Service Program is expected to represent an increasing proportion of the Company's overall platform. Compared to the CreditFresh Bank Program, customers served through the MoneyKey Bank Service Program typically have a higher credit risk profile and, accordingly, generate a higher Annualized Revenue Yield[1].

Overall, the growth in the Bank Programs under both the CreditFresh brand and the MoneyKey Bank Service Program reflects the Company’s strategy of expanding state coverage and providing access to credit across a broader and increasingly diverse customer base through direct and indirect Bank Programs.

Revenue generated from the Company’s MoneyKey direct lending and CSO products decreased by 51% to $4.2 million for the three months ended June 30, 2026, compared to the same quarter of the previous year. These products represented 2% of Propel’s total revenue during the quarter, compared to 6% in corresponding quarter of 2025. For the six months ended June 30, 2026, revenue decreased by 46% to $9.7 million compared to the corresponding period of the previous year. These products represented 3% of Propel’s total revenue during the six-month period, compared to 6% in the corresponding period of 2025. The decline in both revenue and revenue mix reflects the Company's ongoing transition of originations in certain states from legacy MoneyKey direct lending and CSO products to the MoneyKey Bank Service Program, as discussed above. This transition forms part of the Company's broader strategy to simplify and standardize its product offerings by consolidating activity within scalable Bank Partner programs operating under a unified underwriting, pricing and servicing framework. Accordingly, revenue generated from the legacy MoneyKey direct lending and CSO products is expected to continue to decline over time as these portfolios transition or run off.

Revenue generated from the Company’s Fora program increased by 14% to a record \$3.4 million for the three-months ended June 30, 2026 and increased by 23% to a record \$6.8 million for the six months ended June 30, 2026, reflecting continued growth and strong execution in the Canadian market. The Company continues to take a disciplined approach to growth in Canada, taking into account the reduction in the maximum allowable rate of interest to 35% APR and the broader operating environment (see “**Macroeconomic Environment and Outlook**” above). Notwithstanding this disciplined approach, the Fora program achieved record revenue during both periods, supported by continued expansion of marketing and distribution channels, and the ongoing enhancement of the Company’s data, analytics and underwriting capabilities. The Company continues to believe there is a significant long-term opportunity to build a scalable and sustainable business in the Canadian market.

Revenue generated from the Company’s LaaS program increased by 150% to \$11.1 million for the three months ended June 30, 2026 compared to the same quarter in the previous year and increased by 136% to \$17.0 million for the six months ended June 30, 2026. The revenue for the program represents record performance for both periods. The program represented 6% of Propel’s total revenues for the three month period ending June 30, 2026, increasing from 3% in the comparable period in 2025, and represented 5% of Propel’s total revenues for the six months ended June 30, 2026 compared to 3% in the corresponding period of the previous year, reflecting continued strong growth and increasing contribution to overall revenue diversification.

As mentioned above under “**Business Overview**”, following the launch of the Pathward LaaS partnership, Propel expanded its LaaS platform in 2024 through two additional LaaS partnerships under the CreditFresh brand with its existing Bank Partners, and in Q1 2026 with the official launch of its Column partnership. Through the LaaS program, Propel earns fee-based income from a range of services, including customer acquisition, provision of loan management software, licensing of proprietary AI-powered risk and response scores, and credit servicing capabilities. The LaaS model enables Propel to expand its geographic footprint and increase its addressable market across the US by partnering with Bank Partners and third-party purchasers through forward flow arrangements. This structure supports the Company’s ability to enter new states, launch new products and serve a broader range of customer segments, while maintaining a capital-light operating model in which loans are originated by Bank Partners and ultimately held by unaffiliated financial institutions. The recently launched Column partnership supports the rollout of new credit products, including the *Freshline*™ offering, and expands the Company’s operational footprint across additional US states and customer segments. The Column partnership is supported by approximately \$210 million of committed forward flow capital, including \$60 million from Mesirow Alternative Credit and \$150 million from an additional institutional investor, representing the largest capital commitment supporting any of the Company’s LaaS programs to date. During the quarter, the Company continued to execute against the operationalization of its LaaS platform, with strong performance across key operating and financial metrics, including customer acquisition, conversion rates and credit performance. The Company continues to leverage extensive proprietary data and analytics to optimize program performance across its LaaS partnerships. With the capital now committed from existing purchasers, management expects the LaaS program to continue scaling through the expansion of existing partnerships, including Column, together with continued expansion into additional states, products and distribution channels. As the program continues to scale, management expects LaaS to represent an increasingly meaningful contributor to the Company's revenue growth while further expanding its capital-light business segment, geographic reach and long-term platform diversification.

Lastly, the QuidMarket direct lending business operates throughout the UK and contributed a record $17.3 million of revenue for the three months ended June 30, 2026, representing year-over-year growth of 53%, and a record $32.0 million for the six months ended June 30, 2026, representing year-over-year growth of 49%. QuidMarket represented 10% and 9% of Propel's total revenue for the three- and six-month periods ended June 30, 2026, respectively, increasing from 8% in the corresponding periods of the prior year. This growth was driven by strong consumer demand in the UK, disciplined underwriting, continued product expansion, the continued expansion of marketing and customer acquisition channels, and the ongoing leveraging of Propel's underwriting, marketing, data analytics, technological and operational expertise. Credit performance has remained strong, supporting continued growth in originations throughout the period. Given the size of the underserved market in the UK and continued favorable demand dynamics, management expects QuidMarket to represent an increasingly meaningful proportion of the Company's overall business and to remain a key driver of growth over the long term.

	Three months ended June 30,					
	2026		**2025**		**Period to period change**	
(US$ other than percentages)	**Amount**	**Percentage of Revenues**	**Amount**	**Percentage of Revenues**	**Amount**	**Percentage**
MoneyKey direct lending and CSO	4,229,215	2%	8,581,160	6%	(4,351,945)	(51)%
CreditFresh Bank program	104,698,591	58%	93,015,180	65%	11,683,411	13%
MoneyKey Bank Service Program	37,601,444	21%	21,426,464	15%	16,174,980	75%
Fora direct lending	3,415,643	2%	3,008,943	2%	406,700	14%
QuidMarket direct lending	17,299,860	10%	11,306,756	8%	5,993,104	53%
Lending-as-a-Service fees	11,135,613	6%	4,452,107	3%	6,683,506	150%
Other revenue(1)	1,224,381	1%	1,162,104	1%	62,277	5%
Total Combined Revenue	179,604,747		142,952,714		36,652,033	26%

	Six months ended June 30,					
	2026		**2025**		**Period to period change**	
(US$ other than percentages)	**Amount**	**Percentage of Revenues**	**Amount**	**Percentage of Revenues**	**Amount**	**Percentage**
MoneyKey direct lending and CSO	9,734,008	3%	17,982,958	6%	(8,248,950)	(46%)
CreditFresh Bank program	208,617,168	60%	185,656,732	66%	22,960,436	12%
MoneyKey Bank Service Program	69,424,516	20%	41,784,460	15%	27,640,056	66%
Fora direct lending	6,770,785	2%	5,507,858	2%	1,262,927	23%
QuidMarket direct lending	31,986,576	9%	21,419,804	8%	10,566,772	49%
Lending-as-a-Service fees	16,996,914	5%	7,191,059	3%	9,805,855	136%
Other revenue(1)	2,147,324	1%	2,347,410	1%	(200,086)	(9)%
Total Combined Revenue	345,677,291		281,890,281		63,787,010	23%

(1) Other revenue includes deposit interest income, lead resales and recoveries on the acquired QuidMarket loan book.

(2) Not meaningful

Annualized Revenue Yield[1] for the three-month period ended June 30, 2026 increased to 117% from 114% for the corresponding period in the previous year. The increase primarily reflects the continued growth of higher-yielding programs, including the MoneyKey Bank Service Program and QuidMarket, as well as the increasing contribution from the Company's LaaS program and continued growth in new customer originations. For the six-month period ended June 30, 2026, Annualized Revenue Yield[1] remained consistent at 115% compared to the corresponding period in the previous year. As discussed above and in prior MD&As, underwriting actions implemented during the second half of 2025 resulted in a greater proportion of originations to higher credit quality customer segments, including returning and existing customers. These actions had a meaningful impact on Annualized Revenue Yield[1] resulting in 109% during the fourth quarter of 2025 and 112% in the first quarter of 2026. Accordingly, the moderation in Annualized Revenue Yield[1] during the first quarter of 2026 was the primary factor contributing to the relatively consistent Annualized Revenue Yield[1] for the six-month period ended June 30, 2026. As these underwriting actions have become more fully reflected in the portfolio and the contribution from higher-yielding programs has continued to increase, Annualized Revenue Yield[1] increased to 117% in the second quarter of 2026.

As described above and in previous MD&As, the Company rolled out variable pricing and graduation functionality on its platform for its Bank Partners in late 2021. This is consistent with our strategy of providing access to credit to a larger segment of underserved consumers, while facilitating a lower cost of credit to new customers, who would otherwise go elsewhere for their credit needs, as well as existing customers who demonstrate positive payment behavior over a period of time. These capabilities enable the Company to further increase origination volumes across our platform by expanding up the credit spectrum by facilitating access to lower and appropriately priced products to customers with lower credit risk attributes. The fee graduation functionality on our platform allows us and our Bank Partners to offer reduced rates to customers exhibiting strong payment performance, which enhances customer retention and supports improved credit outcomes over time. While these initiatives contribute to a moderation in Annualized Revenue Yield[1], they are expected to support improved risk-adjusted returns over time through lower expected loss rates across higher credit quality segments and stronger customer lifetime value. The timing and magnitude of these benefits may vary across periods depending on portfolio mix, origination volumes and broader macroeconomic conditions.

	Three months ended June 30,		%
(US$ other than percentages)	**2026**	**2025**	**Change**
Revenue	179,604,747	142,952,714	26%
Average Combined Loan and Advance Balances(1)	615,915,009	501,807,203	23%
Annualized Revenue Yield(1)	117%	114%	3%

	Six months ended June 30,		%
(US$ other than percentages)	**2026**	**2025**	**Change**
Revenue	345,677,291	281,890,281	23%
Average Combined Loan and Advance Balances(1)	603,531,204	491,856,925	23%
Annualized Revenue Yield(1)	115%	115%	—%

(1) See “Non-IFRS Financial Measures and Industry Metrics”

Provision for loan losses and other liabilities

Provision for loan losses and other liabilities increased by 26% to $90.0 million for the three-months ended June 30, 2026, compared to $71.2 million in the corresponding quarter of the previous year and increased by 27% to $164.8 million for the six months ended June 30, 2026, compared to $129.9 million in the corresponding period of the previous year. The provision for loan losses and other liabilities as a percentage of revenue remained consistent at 50% for the three months ended June 30, 2026 compared to the corresponding period in 2025, and increased modestly to 48% for the six months ended June 30, 2026 as compared to 46% for the corresponding period in 2025.

The increase in provision for loan losses and other liabilities for both the three- and six-month periods primarily reflects the Company's continued growth in originations, including a higher proportion of new customer originations, which require higher upfront expected credit loss provisioning under IFRS accounting. Notwithstanding the increase in provision, credit performance remained stable during the quarter and in line with management's expectations, supported by disciplined underwriting and broad-based stability across the portfolio. This stability was further demonstrated by provision for loan losses and other liabilities remaining consistent at 50% of revenue compared to Q2 2025, despite record originations and 23% year-over-year growth in Ending Combined Loan and Advance Balances[1]. The modest increase in provision for loan losses and other liabilities as a percentage of revenue for the six-month period primarily reflects the exceptionally strong credit performance experienced during the first quarter of 2025, which contributed to an unusually low provision ratio during the corresponding prior-year period. The Company and its Bank Partners maintained a disciplined underwriting posture throughout the quarter while remaining comfortable increasing new customer originations given the stable and consistent credit performance observed across the portfolio and continued strong consumer demand across the platform. More recent origination vintages continue to perform in line with management's expectations, with broad-based stability observed across all three operating markets. Overall, provision for loan losses and other liabilities representing approximately 50% of revenue during the quarter reflects the Company's disciplined underwriting approach and the strength of its proprietary credit models, enabling the Company to substantially increase origination volumes and new customer acquisition while maintaining stable credit performance and achieving its target profitability objectives.

As outlined in prior MD&As, the Company's provision for loan losses and other liabilities as a percentage of revenue generally increases during periods of higher growth and decreases during periods of lower growth. This is due to several factors. First, new and recently originated customers typically exhibit higher default rates relative to existing customers in the portfolio that have been consistently making payments. Therefore, in periods of higher new and recent origination growth, the overall receivables portfolio could experience higher average missed payments and delinquency rates, and consequently a higher provision as a percentage of revenue. Conversely, during periods of slower growth, the portfolio is more mature, leading to lower missed payment rates, defaults, and consequently provisions as a percentage of revenue. For the three months ended June 30, 2026, provision for loan losses and other liabilities represented approximately 50% of revenue, reflecting continued stable credit performance despite record origination volumes and increased new customer acquisition during the quarter. This outcome is consistent with the Company's disciplined underwriting framework and long-term target economics. Secondly, under IFRS, the Company records loan loss provisions based on expected future credit losses at the time of loan origination, while the associated revenue is recognized over the life of the loan. As a result, periods of accelerated origination growth generally result in a higher provision for loan losses and other liabilities as a percentage of revenue due to the timing difference between the recognition of expected credit losses and the earning of related revenue (for a further discussion of this accounting treatment see "**Material Accounting Policies and Estimates — Loans and advances receivable**" in this MD&A).

As noted previously, under IFRS, the Company is required to establish allowances for expected future credit losses across all accounts, including new originations and accounts in good standing that have no evidence of underperformance, related to loans and advances included in Ending Combined Loan and Advance Balances[1]. This excludes loans originated under the Company's LaaS program, which are excluded from Ending Combined Loan and Advance Balances[1]. The movement in these allowances has a material impact on the provision for loan losses and other liabilities expense. The Company employs an Expected Credit Loss ("**ECL**") methodology and model that incorporates extensive amounts of data, estimates, and other factors such as macroeconomic variables. The overall allowances for expected future credit losses as a percentage of Loan and Advance owned by the Company (including Fees and interest receivable) remained stable at 24% as at June 30, 2026, consistent with both June 30, 2025 and December 31, 2025. This stability reflects the offsetting impact of several factors, including continued portfolio growth, a higher proportion of new customer originations during the quarter, and ongoing expansion across geographies and products, balanced by the continued maturation of the portfolio, a meaningful contribution from returning and existing customers, and originations at higher credit quality tiers. Generally, a loan portfolio with a higher proportion of new customers will typically require a higher allowance for future expected credit losses, while a more mature portfolio with returning and existing customers, who have demonstrated an ability and propensity to make their loan repayments reliably over a sustained period of time, will carry a lower relative allowance. Overall, the consistency of the allowance ratio reflects the continued stability of the portfolio as it grows, matures and diversifies. The Company continues to apply prudent macroeconomic assumptions within its ECL model. Allowances reflect portfolio-specific factors discussed above, including credit performance trends and portfolio aging, which support a measured and disciplined reserve position. The expected credit loss model also incorporates forward-looking macroeconomic assumptions, including interest rate and inflation expectations. These inputs are updated each reporting period and ensure that allowance levels remain appropriately calibrated to both portfolio performance and prevailing economic conditions. See "**Material Accounting Policies and Estimates — Loans and advances receivable**" below for the table reflecting these percentages as well as a further discussion of the accounting treatment relating to allowances for future credit losses.

Overall, the Company's provision for loan losses and other liabilities during the quarter remained consistent with its underwriting framework and long-term target economics, demonstrating its ability to continue growing the business, increase new customer acquisition and maintain stable credit performance simultaneously.

	Three months ended June 30,		**%**
(US$ other than percentages)	**2026**	**2025**	**Change**
Provision for loan losses and other liabilities	89,991,448	71,188,088	26%
Provision for loan losses and other liabilities as a % of Revenue(1)	50%	50%	—%
Net Charge-Offs(1)	73,365,800	60,729,754	21%
Net Charge-Offs as a % of Average CLAB(1)	12%	12%	—%

	Six months ended June 30,		**%**
(US$ other than percentages)	**2026**	**2025**	**Change**
Provision for loan losses and other liabilities	164,756,931	129,866,714	27%
Provision for loan losses and other liabilities as a % of Revenue(1)	48%	46%	4%
Net Charge-Offs(1)	147,901,047	117,189,285	26%
Net Charge-Offs as a % of Average CLAB(1)	12%	12%	—%

(1) See "Non-IFRS Financial Measures and Industry Metrics".

Net Charge-Offs

Net Charge-Offs[1] increased by 21% to $73.4 million for the three months ended June 30, 2026, compared to $60.7 million in the corresponding quarter of the previous year, and increased by 26% to $147.9 million for the six months ended June 30, 2026, compared to $117.2 million in the corresponding period of the previous year. Net Charge-Offs[1] represent the actual credit losses on the portfolio over a specified period of time and are a key component of provision for loan losses and other liabilities (see "**Reconciliation of Non-IFRS Measures**" in this MD&A). While provision for loan losses and other liabilities includes a forward-looking component reflecting expected future credit losses, Net Charge-Offs[1] measure realized losses and therefore largely reflect origination activity, credit conditions, and underwriting decisions from prior periods. As a result, Net Charge-Offs[1] typically lag changes in underwriting posture, portfolio composition and macroeconomic conditions. Together, Net Charge-Offs[1] and provision for loan losses and other liabilities provide a comprehensive view of the Company's credit performance.

Net Charge-Offs[1] as a percentage of Average Combined Loans and Advance Balances[1] remained consistent at 12% for both the three and six months ended June 30, 2026, compared to the corresponding periods in 2025. The current quarter reflects continued stable credit performance and remains within management's targeted range despite record origination volumes, increased new customer acquisition and continued portfolio growth. Credit performance remained stable throughout the quarter, with repayment behaviour consistent across the portfolio. More recent origination vintages continue to perform in line with management's expectations, while the QuidMarket portfolio continued to deliver stable credit performance and the Fora portfolio continued to improve as underwriting refinements have taken effect and the portfolio has matured. Net Charge-Offs[1] as a percentage of Average Combined Loans and Advance Balances[1] are influenced by portfolio mix, including the relative contribution of products, customer segments and geographies. The Company continues to benefit from several factors that support lower loss rates over time, including continued enhancements to underwriting and AI capabilities, growth of lower-risk products facilitated through the CreditFresh Bank Program, and the continued scaling of Fora, which has historically experienced lower default rates relative to higher-yielding segments of the portfolio. At the same time, the continued expansion of the MoneyKey Bank Service Program and other higher-yielding products serving consumers with relatively higher credit risk profiles may contribute to periodic fluctuations in Net Charge-Offs[1] as portfolio mix evolves. While the Company and its Bank Partners continue to actively monitor the macroeconomic environment and maintain a disciplined underwriting posture, management remains confident in the performance of the portfolio and expects Net Charge-Offs[1] to remain within its targeted range while continuing to deliver strong risk-adjusted returns. Despite the significant increase in origination volumes and continued growth anticipated for 2026, as well as ongoing macroeconomic uncertainty, including tariff dynamics, increased oil and gas prices, and elevated interest rates, particularly in the US, the Company expects a number of factors to mitigate potential increases in Net Charge-Offs[1]. These include some of the macroeconomic and internal operating dynamics noted above and in prior MD&As including: i) consumers in our segment have historically demonstrated more resilience than prime borrowers and have generally performed better through recent periods of economic uncertainty; ii) continued refinements to underwriting and acquisition strategy that have driven increases in credit scores and income levels of originations facilitated through our platform; iii) updates to the AI models approved by our Bank Partners that adjusted how a consumer's risk was evaluated, ultimately allowing us to facilitate more loans to consumers across the credit spectrum, while keeping defaults within targeted ranges; and iv) ongoing operational and technological enhancements that are deployed across Propel's platform.

Acquisition and data expense

Acquisition and data expense increased by 40% to $26.1 million for the three months ended June 30, 2026, compared to $18.6 million for the corresponding quarter of the previous year. Acquisition and data expense also increased by 45% to $50.4 million for the six months ended June 30, 2026, compared to $34.7 million for the corresponding period in 2025. The increase for both the three and six month periods primarily reflects higher Total Originations Funded[1] and an increase in Cost Per Funded Origination[1] as the Company continued to invest in profitable growth opportunities across its platform. During the quarter, the Company continued to expand customer acquisition through existing and new marketing partners and channels, increase new customer originations, continue the geographic expansion of its lending programs and invest in attractive growth opportunities across its platform. The drivers of the increase in Cost Per Funded Origination[1] are discussed further below.

Total Originations Funded[1] grew by 25% to $243.4 million for the three months ended June 30, 2026, compared to $194.4 million for the corresponding quarter of the previous year, and increased by 27% to $442.8 million for the six months ended June 30, 2026, compared to $348.1 million for the corresponding period in 2025. Origination volumes accelerated meaningfully during the second half of Q4 2025 as management elected to lean into strong consumer demand following the stabilization of credit trends observed mid-quarter. This momentum continued into 2026, with growth during both the three- and six-month periods driven in part by record new customer originations. Ultimately, the primary driver of acquisition and data expense and the Cost Per Funded Origination[1] is the new customer originations proportion of Total Originations Funded[1] where the vast majority of these expenses are incurred. The New Customer % of Total Originations Funded[1] was 46% equaling $111.0 million in Q2 2026 compared to 43% equaling $83.1 million in Q2 2025 and 45% equaling $201.2 million for the six months ended June 30, 2026 compared to 43% equaling $148.8 million for the six months ended June 30, 2025. This translated into year-over-year growth in new customer originations of 34% and 35% for the three- and six-month periods, respectively.

Given that acquisition and data expenses are primarily incurred to acquire new customers, the higher proportion and growth of new customer originations was the principal driver of the increase in both acquisition and data expense and Cost Per Funded Origination[1]. The Cost Per Funded Origination[1] increased to $0.107 in Q2 2026 as compared to $0.096 in Q2 2025 and increased to $0.114 for the six months ended June 30, 2026 as compared to $0.100 for the same period in 2025. On a Cost Per New Customer Funded Origination[1] basis, acquisition and data expense increased more modestly to $0.235 for Q2 2026 as compared to $0.224 for Q2 2025, and increased to $0.250 for the six months ended June 30, 2026 as compared to $0.233 for the six months ended June 30, 2025. Sequentially, Cost Per New Customer Funded Origination[1] improved from $0.269 in Q1 2026, while Cost Per Funded Origination[1] decreased from $0.122. Management believes this reflects the continued expansion of marketing partnerships and distribution channels, together with ongoing investments in AI-powered marketing capabilities, supporting improved customer acquisition efficiency while continuing to acquire high-quality new customers.

There are a number of factors that drive the acquisition and data expense and consequently the Company's Cost Per New Customer Funded Origination[1] that make up the overall acquisition strategy.

Firstly, as described in prior MD&As, the Company has continued to increase its investment in organic marketing initiatives since early 2023. During the first half of 2026, management continued to increase organic marketing spend to capitalize on strong demand conditions and support continued growth across its marketing channels. Organic marketing initiatives include pay-per-click, SEM/SEO, direct mail and other direct branded marketing activities that require upfront investment and typically take time to translate into higher origination volume. The Company is also increasing investment in mid-funnel marketing initiatives, including connected television and online video, social media advertising and AI-optimized digital content. These investments are intended to strengthen brand awareness and consumer engagement earlier in the customer journey, while improving visibility across both traditional search engines (SEO) and emerging generative AI-powered search experiences (GEO). Based on the Company's historical experience, customers acquired through organic marketing channels generally exhibit stronger credit performance and higher long-term customer value than those acquired through certain third-party marketing channels. As a result, while organic marketing initiatives result in higher near-term acquisition costs, they are expected to drive improved credit performance and stronger long-term customer value. In addition, continued investment in organic marketing supports increased application volume and strengthens the Company's presence across digital channels where consumers are actively seeking credit solutions. Accordingly, despite the higher organic marketing expense in the immediate term, we expect the better relative credit performance along with the longer term brand development will result in continued strong and increasing profitability, and as a result we and our Bank Partners are comfortable continuing to operate on this basis. Furthermore, organic marketing spend contributes meaningfully to building Propel's consumer facing brands over the long term. The increased investment in organic marketing contributed to the higher Cost Per New Customer Funded Origination[1] during the three and six months ended June 30, 2026. Notwithstanding this increase, acquisition costs remain within management's range to achieve targeted profitability during a period of significant growth.

Secondly, the Company continued to expand its customer acquisition platform through the addition of new marketing channels and the onboarding of new marketing partners. During the first half of 2026, the Company onboarded approximately 20 new marketing partners across its customer acquisition platform. These initiatives support the Company's expanding addressable market across the US, including expansion into new states, the rollout of new products, and the ability to serve a broader range of customer segments. The Company accelerated these initiatives during the second half of 2025, and continued to build on this momentum throughout the first half of 2026. While these initiatives are expected to support long-term growth and diversification of customer acquisition sources, they typically result in higher upfront acquisition and data costs as new marketing channels and partners are tested, optimized and scaled over time. During the initial ramp period, conversion rates and efficiency metrics are generally lower as the Company calibrates targeting, pricing and channel mix, which contributes to a higher Cost Per Funded Origination[1] in the near term. Management believes these investments are appropriate given the continued strength of credit performance, the attractive unit economics of new customer acquisition and the opportunity to support sustainable long-term growth across the platform.

Thirdly, a significant component of acquisition and data expense relates to the cost to underwrite and adjudicate new customer originations. These costs include credit bureau data, fraud prevention tools, identity verification services and other third-party data sources used throughout the underwriting process. During the first half of 2026, the Company continued to incur higher underwriting and verification costs per funded loan as management elected to significantly expand application flow in response to strong consumer demand while maintaining a disciplined underwriting posture and relatively stable acceptance rates. Management believes this additional application volume represents an attractive investment given the continued strength of credit performance and long-term customer economics. As a result, a greater number of applications required evaluation for each funded origination, increasing underwriting and data costs on both a Cost Per New Customer Funded Origination[1] and Cost Per Funded Origination[1] basis. Management believes these incremental costs represent a prudent investment to preserve portfolio quality while supporting continued profitable growth.

Lastly, QuidMarket incurs a higher acquisition and data cost compared to other products offered through Propel's platform. While average loan amounts are smaller, this is offset by a higher cost of credit (and consequently higher Annualized Revenue Yield[1]), together with a lower provision for loan losses and other liabilities as a percentage of revenue. As noted in the "**Provision for Loan Losses and Other Liabilities**" section above, QuidMarket continued to exhibit strong and stable credit performance during the quarter. This profile enables the program to absorb higher acquisition and data expenses while generating strong margins and profitability. Although QuidMarket increases the Cost Per Funded Origination[1] and Cost Per New Customer Funded Origination[1], the product continues to generate attractive unit economics and profitability, with the higher acquisition and data costs remaining well within management's targeted return thresholds.

As part of the Company's drive for continuous improvement, management continues to optimize and enhance the Company's acquisition and underwriting models, which are approved by its Bank Partners, and ultimately lead to improved efficiency for the business as the Company is able to originate and/or facilitate and fund more dollars to new consumers while improving credit performance and consequently growing profitability.

The business has a consistent focus on improving its acquisition capabilities, reach, and spend through innovative partnerships and strategies, expansion of marketing channels, and enhancements to our proprietary acquisition model and technology. A key strategic initiative for 2026 is the continued diversification and expansion of our marketing footprint, including onboarding new strategic partners, deepening relationships with existing aggregators and marketplaces, expanding direct mail and organic channels, leveraging multiple AI tools to enhance the Company's marketing strategy, and investing in brand and performance marketing initiatives to broaden our reach across the credit spectrum, including connected television and online video, social media advertising, AI-enabled content development and GEO initiatives designed to improve visibility across generative AI search and discovery platforms. Central to this strategy is the enhanced deployment of AI-driven acquisition capabilities, supported by enriched third-party and proprietary data, to optimize channel selection, customer targeting, pricing and conversion in real time. Together, these initiatives are designed to improve marketing efficiency, increase conversion rates and support scalable, profitable growth. These efforts are expected to drive increasing conversion rates over time from applicants approved through our proprietary underwriting engine, which is approved by our Bank Partners, and support a reduction in cost per funded acquisition for new customer originations over the longer term. In the near term, however, we expect Cost Per New Customer Funded Origination[1] to remain at approximately current levels through 2026 as the Company continues to invest in expanding and optimizing its marketing channels, before benefiting from improved efficiency and scale over time.

Salaries, wages and benefits

Salaries, wages, and benefits expense increased by 21% to $14.4 million for the three months ended June 30, 2026, compared to $11.9 million during the corresponding quarter of the previous year, and increased by 20% to $28.6 million for the six months ended June 30, 2026, compared to $23.7 million during the corresponding period in 2025. The increase primarily reflects the continued growth of the business as reflected by the 26% and 23% increase in revenue for the three and six-month periods ending June 30, 2026, respectively, and the 23% increase in Ending Combined Loan and Advance Balances[1]. While the Company continues to realize meaningful efficiencies across its operations, particularly within its contact center functions, these efficiencies have been partially offset by deliberate investments in corporate, technology and infrastructure roles to support strategic growth initiatives. These include the continued expansion of *Freshline*™ through the Company's partnership with Column, the operationalization of Propel Bank and its supporting infrastructure in Puerto Rico, and the continued development of products serving customers across a broader range of the credit spectrum. Despite these investments, salaries, wages and benefits declined as a percentage of revenue to 8.0% for the three months ending June 30, 2026 compared to 8.4% for the 2025 comparative period, and to 8.3% for the six months ending June 30, 2026 compared to 8.4% for the 2025 comparative period. We note that certain components of these expenses, particularly contact center headcount, are variable with overall loan volume and new customer originations, while corporate and infrastructure-related costs are more fixed in nature.

Furthermore, the Company continues to realize meaningful efficiencies in people-related costs across its contact center operations through ongoing enhancements to operational processes, automation, and technology through ongoing investment in AI applications. Customer experience remains a key pillar of Propel's mission, and the Company continues to focus on delivering a streamlined, low-friction experience across the full customer lifecycle, from origination and servicing through repayment by expanding self-service capabilities and increasing the use of digital (non-voice) communication channels and virtual agents in both digital and voice communication channels. These initiatives include additional self-service repayment options, automated customer outreach and interaction tools, and continued automation across origination and loan funding processes. Together, these enhancements reduce reliance on manual intervention, improve employee productivity, and drive lower unit costs over time while maintaining a high standard of service.

The Company has also continued to benefit from operating efficiencies driven by ongoing enhancements to ‘LEO’, the user interface to its proprietary JAG loan management system, which supports origination processing across the MoneyKey, CreditFresh and Fora programs. During the first half of 2026, the Company continued to enhance its proprietary underwriting technology, increasing automation throughout the customer acquisition journey and achieving record levels of auto-decisioned originations. The Company has also deployed an industry-leading AI platform to enhance contact-center productivity and customer experience through real-time interaction guidance, knowledge assistance, and workflow automation. Deployment of this platform has progressed and now supports elements of customer acquisition, servicing, payment processing and collections. In addition, we implemented AI-powered virtual digital agents (chatbots) to support customer interactions, with these tools now handling up to approximately 65% of web-chat interactions end-to-end for the programs in which they have been deployed. In Q2 2026, the Company also introduced a limited pilot of virtual voice agents in the customer acquisition and servicing call-flows which, over time, management expects will bring similar efficiencies and customer experience enhancements to all voice interactions with customers. These initiatives are already contributing to measurable productivity improvements across the Company's contact center operations. During Q2 2026, loans originated per customer service representative reached a record level, increasing by approximately 30% compared to the prior year period. Together, these initiatives are improving scalability, enhancing employee productivity and supporting continued operating leverage while maintaining a high standard of customer service. Management believes these technology investments will enable the Company to continue scaling originations and customer accounts while growing operating expenses at a meaningfully slower rate than revenue over the longer term. Looking beyond customer-facing operations, we have initiated controlled pilot programs using generative AI (“GenAI”) tools across several internal functions, including software development and testing, communications, marketing, compliance and project and program management. These initiatives are already delivering measurable productivity gains. For example, Propel’s software engineering team recently doubled unit test coverage within a six-month period in 2025. During the first half of 2026, the Company continued expanding its use of AI tools across the software development lifecycle, including requirements gathering, software development, testing and administrative processes. During Q2 2026, AI contributed to almost 50% of the net new code written by the Company's software engineering teams, enabling developers to enhance Propel's proprietary technology platform more efficiently while accelerating the delivery of new products and features. These capabilities enable our engineering teams to enhance Propel’s proprietary technology platform more efficiently, accelerate the delivery of new products and features, and focus more of their time on higher-value development activities. In addition, the Company has recently deployed GenAI tools across multiple corporate and operational support functions, improving productivity, content creation and collaboration. Management expects to continue expanding these capabilities throughout 2026 as part of its broader strategy to improve efficiency, execution and scalability across the organization.

Collectively, these initiatives have enabled the Company to reduce salaries, wages and benefits to approximately 8.0% of revenue during the three months ended June 30, 2026, compared to 8.4% in the corresponding period of the previous year, despite continued investment in personnel to support strategic growth initiatives. At the same time, the Company continues to incur incremental infrastructure and personnel expenses to support the expansion of its LaaS program, launched in mid-2023, and the continued operationalization of Propel Bank, both of which are expected to deliver increasing economic benefits as they continue to scale. Furthermore, the Company’s business development pipeline remains strong, with several initiatives in active development that management believes will positively impact future performance. While these initiatives have not yet been publicly announced nor contributed to current period revenue, management believes they represent significant long-term opportunities. In anticipation of these future launches, the Company has made deliberate investments in personnel and infrastructure to support the build-out and execution of these initiatives. These initial costs, primarily reflected in higher corporate and technology-related headcount, are essential to position the Company for sustained growth. Although these investments have impacted operating expenses in the short-term, management expects them to yield substantial economic benefits over the medium to long term. Importantly, this proactive investment approach is occurring alongside continued productivity improvements across other areas of the business. For example, as discussed above, operational efficiencies have allowed the Company to optimize contact center staffing levels, and the resulting savings help to offset, in part, the incremental expenses associated with scaling the Company’s corporate and technology capabilities in advance of new product and business launches. This balance underscores the Company’s disciplined approach to managing near-term costs while strategically allocating resources to drive long-term profitable growth.

General and administrative expense

General and administrative expenses ("**G&A**") remained relatively unchanged at $3.6 million for the three months ended June 30, 2026, compared to the corresponding quarter of the previous year, and increased by 9% to $7.4 million for the six months ended June 30, 2026, compared to $6.8 million during the corresponding period in 2025. Despite these investments, G&A as a percentage of revenue declined to 2.0% in Q2 2026 from 2.5% during the corresponding quarter of the previous year and declined to 2.1% for the six months ended June 30, 2026 from 2.4% during the corresponding period in 2025, reflecting continued operating leverage as the business scaled.

The year-over-year change in G&A primarily reflects targeted investments to support the continued scaling of the Company's strategic initiatives, including LaaS, Propel Bank and other recently launched products and partnerships. These investments included higher legal, professional, tax and structuring advisory costs, together with continued investment in systems and infrastructure required to support these initiatives. While these expenditures increased overhead in absolute dollars, management expects them to generate attractive long-term returns as these initiatives continue to scale and contribute more meaningfully to revenue. Importantly, these investments have been made alongside continued efficiency improvements across the Company's core operations, allowing G&A to grow substantially more slowly than revenue. Management believes this reflects the scalability of the Company's operating model and its disciplined approach to balancing near-term investment with long-term profitability.

Processing, technology and program servicing

Processing, technology and program servicing costs increased by 53% to $12.7 million for the three months ended June 30, 2026, compared to $8.3 million for the corresponding quarter of the previous year, and increased by 43% to $22.2 million for the six months ended June 30, 2026, compared to $15.5 million for the corresponding period in 2025. The increase for both the three- and six-month periods primarily reflects higher origination volumes and the continued expansion of the Company's LaaS program. Total Originations Funded[1] increased by 25% and 27% for the three- and six-month periods, respectively, while Ending Combined Loan and Advance Balances[1] increased by 23% year over year. In addition, LaaS revenue increased 150% and 136% for the three- and six-month periods ended June 30, 2026, respectively (see "**Revenue**" above). As discussed above under "**Key Components of Results and Operations**", processing, technology and program servicing expenses include servicing costs associated with the LaaS program. These costs primarily relate to customer acquisition services provided under the program. Total LaaS program costs included in processing, technology and program servicing expense declined as a percentage of LaaS revenue to 62% during the three months ended June 30, 2026 from 76% during the corresponding quarter of the previous year and declined to 65% for the six months ended June 30, 2026 from 80% during the corresponding period in 2025. This improvement reflects continued operating leverage as the program scales and servicing volumes increase. Despite these improvements, the rapid growth of the LaaS program, which carries a higher servicing cost profile than the Company's core lending business, resulted in processing, technology and program servicing expense increasing as a percentage of total revenue during the period as LaaS represented a larger proportion of the Company's overall revenue mix. Management expects the margin profile of the LaaS program to continue improving as the platform matures. At the outset, margins are primarily driven by a markup on acquisition-related servicing activities. However, as the underlying portfolio builds and matures, the Company begins to generate additional recurring revenue streams through servicing fees, technology platform fees, and other program-related charges. These economics accumulate progressively, with a delayed but compounding effect on profitability. As such, the full margin potential of the LaaS program materializes over time, supporting further margin improvement as volumes grow and additional fee-based revenue streams scale. While the expansion of the LaaS program increases processing, technology and program servicing expenses, these costs are directly associated with the Company's growing fee-based, capital-light LaaS model, which continues to diversify revenue and expand the Company's addressable market.

The year-over-year increase also reflects higher transaction volumes, banking fees associated with the LaaS program and other lending program costs, together with incremental third-party software subscriptions and licensing costs. Processing, technology and program servicing expenses are predominantly variable in nature and directly tied to the origination and servicing of loans facilitated through the Propel platform. These expenses also include fees paid to the Company's Bank Partners (see "**Key Components of Results of Operations**" above). Excluding the impact of the LaaS program, these variable costs increased at a slower rate than the Company's revenue growth, reflecting continued operating leverage across the Company's core lending platform. As a result, the year-over-year increase in processing, technology and program servicing expense was primarily driven by the continued expansion of the Company's capital-light LaaS business, rather than increases in the underlying servicing cost structure of its core lending operations.

	Three months ended June 30,		
	2026	2025	
(US$ other than percentages)	Amount	Amount	% Change
LaaS service fees	11,135,613	4,452,107	150%
Processing, technology and other program costs	5,821,079	4,885,160	19%
LaaS servicing costs	6,888,097	3,404,213	102%
Total processing, technology and program servicing expense	12,709,176	8,289,373	53%
LaaS servicing costs as a % of LaaS service fees	62%	76%	

	Six months ended June 30,		
	2026	2025	
(US$ other than percentages)	Amount	Amount	% Change
LaaS service fees	16,996,914	7,191,059	136%
Processing, technology and other program costs	11,187,281	9,773,098	14%
LaaS servicing costs	11,024,230	5,727,888	92%
Total processing, technology and program servicing expense	22,211,511	15,500,986	43%
LaaS servicing costs as a % of LaaS service fees	65%	80%	

Interest and fees on credit facilities, and lease liabilities

Total interest expense (per the table below) increased by 4% to $8.6 million for the three months ended June 30, 2026, compared to $8.3 million for the corresponding quarter of the previous year, and increased by 4% to $17.6 million for the six months ended June 30, 2026, compared to $17.0 million for the corresponding period in 2025. The modest increase in total interest expense primarily reflects higher utilization of the Company's credit facilities to support the growth in loans and advances receivable. This increase was substantially offset by lower borrowing costs resulting from reductions in central bank rates by both the Bank of Canada and the US Federal Reserve since 2024 (see "**Macroeconomic Environment and Outlook**" for further discussion on central bank policy rates), together with several credit facility repricings completed over the past fifteen months. In April 2025, the Company completed amendments to both the MoneyKey and CreditFresh credit facilities, reducing interest rates by approximately 600 bps and 130 bps, respectively. In addition, the Company completed an amendment to the Fora credit facility in April 2026, resulting in a further reduction in borrowing costs (see "**Liquidity and Capital Resources - Credit Facilities**" for further detail). The benefit of the MoneyKey facility repricing was particularly evident during the six months ended June 30, 2026, as the facility remained outstanding until its repayment and termination in April 2026, allowing the Company to benefit from the lower interest rate for a portion of the period. The average daily facility outstanding (per the table below) increased by 17% to $322.2 million for the three months ended June 30, 2026, compared to $274.6 million during the corresponding quarter of the previous year, and increased by 19% to $328.5 million for the six months ended June 30, 2026, compared to $275.1 million during the corresponding period in 2025. This increase reflects the continued growth in loans and advances receivable and the expansion of the Company's lending platform. The average effective interest rate on the Company's credit facilities (which include other facility related fees) decreased to 10.2% during the three months ended June 30, 2026 from 11.4% during the corresponding quarter of the previous year and decreased to 10.1% for the six months ended June 30, 2026 from 11.8% during the corresponding period in 2025. The Company also continues to generate strong operating cash flow, which provides a meaningful source of funding for portfolio growth and reduces the need to draw incremental amounts under its credit facilities. Together with lower borrowing costs and disciplined capital management, this has enabled the Company to support continued balance sheet growth while maintaining a relatively stable level of interest expense.

The decrease in the average effective interest rate on the Company's credit facilities for the three- and six-months ended June 30, 2026 was driven by the reduction of central bank rates and the reduction in interest rates on the MoneyKey, CreditFresh and Fora credit facilities discussed above. The credit facility rates have variable components that are currently tied to 3-month Term SOFR and CAD Prime (see "**Liquidity and Capital Resources – Credit Facilities**" for further detail). In addition, the variable component on the CreditFresh credit facility contains a rate floor of 1.75% for 3-month Term SOFR. During the three months ending June 30, 2026, 3-month SOFR increased to 3.73% from 3.69% at March 31, 2026.

As at June 30, 2026, the debt-to-equity[2] ratio for the Company was 1.17/1. With the sizable credit available under the debt facilities, the facilities structure from an advance rate perspective, and the relatively low debt-to-equity[2] ratio carried by the Company, management believes it is in a strong position to continue to significantly grow its loans and advances receivable. See "**Liquidity and Capital Resources**" for further detail on the structure and credit availability under the credit facilities.

	Three months ended June 30,			
	2026	**2025**	**Period over period change**	
(US$ other than percentages)	**Amount**	**Amount**	**Amount**	**Percentage**
Effective interest on credit facilities	8,209,485	7,836,619	372,866	5%
Average daily facility outstanding	322,184,315	274,565,676	47,618,639	17%
Average effective interest rate on credit facilities	10.2%	11.4%		
Other credit facility costs(1)	140,605	317,244	(176,639)	(56)%
Interest expense on lease liabilities	288,793	173,812	114,981	66%
Total Interest Expense	8,638,883	8,327,675	311,208	4%

	Six months ended June 30,			
	2026	**2025**	**Period over period change**	
(US$ other than percentages)	**Amount**	**Amount**	**Amount**	**Percentage**
Effective interest on credit facilities	16,666,014	16,246,892	419,122	3%
Average daily facility outstanding	328,473,477	275,137,481	53,335,996	19%
Average effective interest rate on credit facilities	10.1%	11.8%		
Other credit facility costs(1)	432,679	555,625	(122,946)	(22)%
Interest expense on lease liabilities	544,845	239,473	305,372	128%
Total Interest Expense	17,643,538	17,041,990	601,548	4%

(1) This includes the amortization of transaction costs capitalized as part of the new CreditFresh revolving credit facility that closed on February 23, 2023 and the CreditFresh revolving credit facility upsize that closed on April 25, 2025. See "Liquidity and Capital Resources" below.

Net income

Net income increased by 7% to $16.2 million for the three months ended June 30, 2026 from $15.1 million for the corresponding quarter of the previous year and decreased by 4% to $36.9 million for the six months ended June 30, 2026 from $38.6 million for the corresponding period in 2025. The year-over-year change in net income reflects continued strong revenue growth driven by higher origination volumes, growth in loans and advances receivable and the continued expansion of the Company's lending platform, including the LaaS program. These benefits were partially offset by higher provision for loan losses and other liabilities for the six months ended June 30, 2026, increased acquisition and data expense associated with record new customer originations, and continued investment in strategic growth initiatives, including the expansion of the Company's lending platform, Propel Bank and technology capabilities.

As discussed throughout this MD&A, Ending Combined Loan and Advance Balances[1] increased by 23% year over year, driving revenue growth of 26% and 23% for the three- and six-month periods ended June 30, 2026, respectively. Growth was supported by: i) continued expansion of the Company's Bank Programs, including the transition of legacy MoneyKey products to bank-partner structures; ii) broader marketing reach through new and existing acquisition channels; iii) continued expansion across the consumer credit spectrum through lower-fee products such as *Freshline™*; iv) increasing contributions from Fora, QuidMarket and the LaaS program; and v) continued strong consumer demand for credit given the macroeconomic environment, the continued shift from brick and mortar to online lending, and the tightening across the credit supply chain which has increased application volume on our platform. These initiatives have further diversified the Company's revenue base while expanding its addressable market and long-term growth opportunities. See "**Loans and advances receivable**" for further detail and drivers.

To realize and deliver the growth and initiatives outlined above, the Company is required to invest in and absorb larger costs in the short-term while realizing a significant portion of the associated revenues and economic benefits over future periods. Accordingly, under IFRS, the Company recognizes a number of these costs upfront, primarily relating to: (i) provision for loan losses and other liabilities associated with strong portfolio growth and elevated new customer originations; (ii) acquisition and data expense associated with expanding the Company's customer acquisition platform; and (iii) operating expenses, including salaries, wages, and benefits, general and administrative expense, and processing, technology and program servicing expense, as the Company continued to invest in infrastructure and capacity to support higher origination volumes, portfolio growth, and the scaling of strategic initiatives, including the LaaS program, the expansion of *Freshline™* through the Company's partnership with Column, and Propel Bank. As a result of these investments, net income margin was 9% for the three months ended June 30, 2026 compared to 11% for the corresponding quarter of the previous year, and was 11% for the six months ended June 30, 2026 compared to 14% for the corresponding period of 2025. Overall, the moderation in net income margin during the period was primarily driven by higher acquisition and data expense associated with record new customer originations, higher processing, technology and program servicing expense resulting from the continued scaling of the LaaS program, and the impact of unfavorable foreign exchange movements. These factors were partially offset by lower interest expense as a percentage of revenue together with continued operating leverage across salaries, wages and benefits and general and administrative expense. While these investments moderated near-term earnings growth, they supported record origination volumes, continued platform expansion and the ongoing diversification of the Company's business.

In prior periods and MD&As, the Company has discussed the operating leverage generated across its core business as operating expenses have generally declined as a percentage of revenue over time, primarily within the MoneyKey and CreditFresh platforms. This operating leverage continues to be evident across the core business despite ongoing investment in strategic growth initiatives. Total operating expenses, including acquisition and data expense, salaries, wages, and benefits, general and administrative expense, and processing, technology and program servicing expense, increased to 32% of revenue for the three months ended June 30, 2026 from 30% for the corresponding quarter of the previous year, and increased to 31% for the six months ended June 30, 2026 from 29% for the corresponding period in 2025. Excluding acquisition and data expense, operating expenses remained at approximately 17% of revenue for the three months ended June 30, 2026 compared to the corresponding quarter of the previous year, and increased modestly to 17% for the six months ended June 30, 2026 from 16% for the corresponding period in 2025. This modest increase primarily reflects continued investment in recently launched strategic initiatives, including the LaaS program, *Freshline™* through the Company's partnership with Column, Propel Bank, and technology capabilities, while continuing to demonstrate the scalability of the Company's core operating platform. The increase in total operating expenses as a percentage of revenue primarily reflects: i) the continued scaling of strategic initiatives that require upfront investment before the associated economic benefits are fully realized; ii) expansion of customer acquisition channels and higher new customer origination volumes; and iii) as discussed under "Salaries, wages, and benefits" and "General and administrative expense" above, incremental infrastructure and personnel investments supporting the Company's continued growth and platform expansion including *Freshline™* through the Company's partnership with Column and the operationalization of Propel Bank and associated infrastructure in Puerto Rico (see "**Business Overview**"), which are expected to further expand our distribution channels, geographic reach, and product capabilities. Management expects these investments to contribute more meaningfully to revenue growth, operating leverage and profitability as they mature and scale. See the individual operating expense sections above for further discussion.

From a macroeconomic perspective, the Company continued to observe strong employment levels within its consumer segment and stable credit performance within targeted risk parameters throughout the quarter. Credit performance remained stable and within targeted risk parameters, reflecting the disciplined underwriting approach maintained by the Company and its Bank Partners. While the broader macroeconomic environment remains uncertain, management believes the Company's diversified funding model, disciplined credit strategy and continued investment in technology and operating efficiency position the business well to support continued profitable growth. Furthermore, our consumer segment has historically demonstrated resiliency through periods of economic stress. Please see "**Macroeconomic Environment and Outlook**" above for additional factors influencing net income.

	Three Months Ended June 30,		
(US$ other than percentages)	**2026**	**2025**	**% Change**
Net income	16,157,561	15,075,979	7%
Net income as % of revenue	9%	11%	
Earnings per share ($USD):			
Basic	0.41	0.39	6%
Diluted	0.38	0.36	7%
Earnings per share ($CAD):			
Basic	0.57	0.54	6%
Diluted	0.53	0.49	7%
Adjusted Net Income(1)	24,788,839	19,191,974	29%
Adjusted Net Income Margin(1)	14%	13%	
Adjusted Earnings per Share ($USD)(1)			
Basic	0.63	0.49	28%
Diluted	0.58	0.45	28%
Adjusted Earnings per Share ($CAD)(1)			
Basic	0.87	0.68	28%
Diluted	0.81	0.63	28%
EBITDA(1)	32,402,626	30,127,001	8%
EBITDA Margin(1)	18%	21%	
Adjusted EBITDA(1)	43,654,995	35,236,127	24%
Adjusted EBITDA Margin(1)	24%	25%	

(US$ other than percentages)	Six months ended June 30, 2026	2025	% Change
Net income	36,871,448	38,576,510	(4)%
Net income as % of revenue	11%	14%	
Earnings per share ($USD):			
Basic	0.94	0.99	(6)%
Diluted	0.87	0.91	(5)%
Earnings per share ($CAD):			
Basic	1.29	1.40	(8)%
Diluted	1.20	1.29	(7)%
Adjusted Net Income(1)	47,757,601	42,554,409	12%
Adjusted Net Income Margin(1)	14%	15%	
Adjusted Earnings per Share ($USD)(1)			
Basic	1.21	1.09	11%
Diluted	1.13	1.01	12%
Adjusted Earnings per Share ($CAD)(1)			
Basic	1.67	1.54	8%
Diluted	1.55	1.42	9%
EBITDA(1)	71,871,633	72,022,599	—%
EBITDA Margin(1)	21%	26%	
Adjusted EBITDA(1)	85,700,993	76,452,973	12%
Adjusted EBITDA Margin(1)	25%	27%	

(1) See “Non-IFRS Financial Measures and Industry Metrics”.

Adjusted Net Income[1]

Adjusted Net Income[1] increased by 29% to a record $24.8 million for the three months ended June 30, 2026 from $19.2 million for the corresponding quarter in 2025, and increased by 12% to a record $47.8 million for the six months ended June 30, 2026 from $42.6 million for the corresponding period in 2025.

The year-over-year increase in Adjusted Net Income[1] reflects continued strong revenue growth and expansion of the Company’s loan portfolio, partially offset by increased acquisition and data expense and continued investment in growth initiatives and platform expansion, as discussed in the preceding sections. Unlike net income, Adjusted Net Income[1] excludes non-cash Stage 1 expected credit loss provisions recognized on performing loans and advances receivable under IFRS, as well as movements in the CSO guarantee liabilities and the bank service program liabilities associated with the MoneyKey Bank Service Program. During Q2 2026, the Company experienced exceptionally strong new customer growth, with new customer originations increasing approximately 23% sequentially from Q1 2026. While Combined Loan and Advance Balances[1] increased by approximately $46 million during the quarter representing 8% sequential growth, the Company originated approximately $111 million of new customer loans, which shifted the portfolio composition towards more recently originated loans. Newly originated loans generally carry higher expected credit loss allowances than more seasoned loans that have demonstrated consistent repayment performance. As a result of this dynamic, periods of strong sequential new customer growth generally result in a higher blended allowance rate as well as higher relative CSO guarantee liability and bank service program liability as a percentage of the off-balance-sheet balances. This relationship has been consistent over time. The Company experienced similar increases in the rate of Stage 1 allowances and relative CSO guarantee liabilities and bank service program liabilities during prior periods of strong sequential new customer growth, including Q2 2025, Q4 2024 and Q2 2024 where the sequential new customer origination growth was approximately 26%, 22% and 22%, respectively. The large sequential increases in new customer originations ultimately led to the higher relative allowance, guarantee liabilities and bank service program liabilities rates mentioned above which in turn lead to higher relative adjustments to net income and EBITDA[1]. These adjustments primarily reflect the timing of portfolio growth and changes in portfolio composition. The movement in the bank service program liabilities was particularly higher during Q2 2026, reflecting the continued expansion of the MoneyKey Bank Service Program. Ending Combined Loan and Advance

Balances[1] associated with this program increased 79% year-over-year and 29% sequentially, while new customer originations increased by 56% compared to Q1 2026. As discussed under "Off-Balance Sheet Arrangements," products originated through the MoneyKey Bank Service Program generally generate higher Annualized Revenue Yields[1] and carry correspondingly higher allowance rates that are incorporated in the bank service program liabilities. Accordingly, the significant growth in new customer originations within the MoneyKey Bank Service Program contributed to a larger non-cash movement in the bank service program liability during the quarter and consequently a particularly larger adjustment to net income and EBITDA[1] in Q2 2026. Notwithstanding the higher relative allowance rate for this program, it is offset by the higher relative Annualized Revenue Yield, thereby achieving targeted profitability for the overall Company. Adjusted Net Income[1] continues to reflect the Company's operating investments, including expenditures related to customer acquisition, strategic growth initiatives, AI-enabled technology development, Propel Bank and other infrastructure enhancements, and therefore captures the impact of these investments on current period profitability. Management views these investments as foundational to supporting long-term growth, expanding product capabilities and enhancing the scalability of the Company's operating platform.

As referenced above, Adjusted Net Income[1] removes the effects of non-cash estimated credit loss provisions that are required under IFRS to be recorded against balances that are otherwise in good standing (see “**Material Accounting Policies and Estimates — Loans and advances receivable**” in this MD&A). Furthermore, the provision for CSO Guarantee Liabilities and Bank Service Program Liabilities are also removed from Adjusted Net Income[1]. As a result, in periods of significant growth where we record estimated loan losses on new originations without any corresponding income, our margins can appear artificially decreased and do not reflect the actual credit performance of the portfolio and the overall financial performance of the business. On the other hand, in periods where loan balances contract, the opposite may hold true. Furthermore, we also remove the effect of i) the amortization of intangible assets acquired in connection with the Acquisition of QuidMarket; and ii) unrealized gains and losses related to changes in foreign exchange rates (see “**Reconciliation of Non-IFRS measures**” in this MD&A). Management believes Adjusted Net Income[1] is a truer reflection of business performance for the respective period. Notwithstanding the above, Adjusted Net Income[1] is impacted by similar dynamics and factors as those driving net income.

EBITDA[1]

EBITDA[1] increased by 8% to $32.4 million for the three months ended June 30, 2026, from $30.1 million for the corresponding quarter in 2025 and remained relatively consistent at $71.9 million for the six months ended June 30, 2026, from $72.0 million for the corresponding period in 2025. The year-over-year change in EBITDA[1] reflects continued strong revenue growth and expansion of the Company's loan portfolio, partially offset by continued investment in customer acquisition, strategic growth initiatives and platform expansion. The movements in EBITDA[1] can be explained by similar dynamics and factors as those driving net income (see above).

Adjusted EBITDA[1]

Adjusted EBITDA[1] increased by 24% to a record $43.7 million for the three months ended June 30, 2026 from $35.2 million for the corresponding quarter in 2025 and increased by 12% to a record $85.7 million for the six months ended June 30, 2026 from $76.5 million for the corresponding period in 2025.

Adjusted EBITDA[1] removes the effects of non-cash estimated credit loss provisions that are required under IFRS to be recorded against balances that are otherwise in good standing (see "**Material Accounting Policies and Estimates — Loans and advances receivable**" in this MD&A). Furthermore, the provision for CSO Guarantee Liabilities and Bank Service Program Liabilities are also removed from Adjusted EBITDA[1]. As a result, in periods of significant growth where we record estimated loan losses on new originations without any corresponding income, our margins can appear artificially decreased and do not reflect the actual credit performance of the portfolio and the overall financial performance of the business. On the other hand, in periods where loan balances contract, the opposite may hold true. Such adjustments relating to the non-cash expected credit loss provisions recorded on good standing balances and the adjustments relating to the CSO Guarantee Liabilities and Bank Service Program Liabilities are consistent with the adjustments made to Adjusted Net Income[1] albeit on a pre-tax basis. Furthermore, we also remove i) the effect of unrealized gains and losses related to changes in foreign exchange rates (see "**Reconciliation of Non-IFRS measures**" in this MD&A). Accordingly, see "Adjusted Net Income" above for a discussion of the portfolio growth, new customer origination and MoneyKey Bank Service Program dynamics that resulted in larger non-cash Stage 1 expected credit loss provisions and bank service program liability adjustments during the three and six month periods ending June 30, 2026. Furthermore, see "**Reconciliation of Non-IFRS measures**" in this MD&A. Management believes Adjusted EBITDA[1] is a truer reflection of business performance over the respective periods. Notwithstanding the above, Adjusted EBITDA[1] is impacted by similar dynamics and factors as those driving net income, EBITDA[1] and Adjusted Net Income[1].

Return on equity[2]

Return on equity[2] was 23% for the three months ended June 30, 2026 on an annualized basis compared to 25% for the corresponding quarter in 2025, and was 27% for the six months ended June 30, 2026 on an annualized basis compared to 33% for the corresponding period in 2025. As discussed in "**Supplemental Financial Measures**" above, return on equity[2] is derived from net income and average shareholders' equity for the applicable period, with the average shareholders' equity calculated using the average of each average quarterly shareholders' equity balance during the period. Notwithstanding the decline, management believes a return on equity[2] of 23% for the three months ended June 30, 2026 and 27% for the six months ended June 30, 2026, continue to demonstrate the Company's ability to generate attractive returns on shareholders' capital while continuing to invest in long-term growth initiatives.

Adjusted Return on Equity[1]

Adjusted Return on Equity[1] increased to 35% for the three months ended June 30, 2026 on an annualized basis from 32% for the corresponding quarter in 2025, and was 35% for the six months ended June 30, 2026 on an annualized basis compared to 37% for the corresponding period in 2025. As discussed in "**Supplemental Financial Measures**" and "**Non-IFRS Financial Measures and Industry Metrics**" above, Adjusted Return on Equity[1] is derived from Adjusted Net Income[1] and average shareholders' equity for the applicable period, with the average shareholders' equity calculated using the average of each average quarterly shareholders' equity balance during the period. Management believes an Adjusted Return on Equity[1] of 35% for both the three- and six-month periods ended June 30, 2026 continues to demonstrate the Company's ability to generate attractive returns on shareholders' capital while continuing to invest in long-term growth initiatives.

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(1) See "Non-IFRS Financial Measures and Industry Metrics".

(2) See "Supplementary Financial Measures".

Reconciliation of Non-IFRS Financial Measures

The following table provides a reconciliation of our net income to EBITDA[1] and to Adjusted EBITDA[1] for the three and six month periods ending June 30, 2026 and June 30, 2025:

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
(US$ other than percentages)				
Net income	16,157,561	15,075,979	36,871,448	38,576,510
Interest and fees on credit facilities	8,350,090	8,153,863	17,098,693	16,802,517
Interest expense on lease liabilities	288,793	173,812	544,845	239,473
Depreciation and amortization	2,700,098	2,191,431	5,281,785	4,176,680
Income Tax Expense (Recovery)	4,906,084	4,531,916	12,074,862	12,227,419
EBITDA(1)	32,402,626	30,127,001	71,871,633	72,022,599
EBITDA Margin(1)	18%	21%	21%	26%
Unrealized loss (gain) on derivative financial instruments	403,879	(600,128)	620,793	(1,086,526)
Provision for credit losses on current status accounts(2)	2,906,369	2,371,117	4,073,044	2,851,366
Non-cash change in accounting estimate(2)	—	1,357,245	—	1,357,245
Provisions for CSO Guarantee Liabilities and Bank Service Program liabilities	7,942,121	1,980,892	9,135,523	1,308,289
Adjusted EBITDA (1)	43,654,995	35,236,127	85,700,993	76,452,973
Adjusted EBITDA Margin(1)	24%	25%	25%	27%

(1) See “Non-IFRS Financial Measures and Industry Metrics”.

(2) Provision and change in accounting estimate adjustments included for (i) loan losses on good standing current principal (Stage 1 — Performing) balances (see “Material Accounting Policies and Estimates — Loans and advances receivable” in this MD&A).

The following table provides a reconciliation of our Adjusted Return on Equity[1] for the three and six month periods ending June 30, 2026 and June 30, 2025:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
(US$ other than percentages)				
Net income	16,157,561	15,075,979	36,871,448	38,576,510
Unrealized loss (gain) on derivative financial instruments, net of taxes(2)	296,851	(441,094)	456,283	(798,597)
Amortization of acquired intangible assets, net of taxes(2)	360,787	360,787	721,574	721,574
Provision for credit losses on current status accounts, net of taxes(2)(3)	2,136,181	1,742,771	2,993,687	2,095,754
Non-cash change in accounting estimate, net of taxes(2)(3)	—	997,575	—	997,575
Provisions for CSO Guarantee Liabilities and Bank Service Program liabilities, net of taxes(2)	5,837,459	1,455,956	6,714,609	961,593
Adjusted Net Income(1)	24,788,839	19,191,974	47,757,601	42,554,409
Multiplied by number of periods in year	x4	x4	x2	x2
Divided by average shareholders' equity for the period	279,338,527	241,536,350	273,513,491	231,525,154
Adjusted Return on Equity(1)	35%	32%	35%	37%

(1) See "Non-IFRS Financial Measures and Industry Metrics".

(2) Each item is adjusted for after-tax impact, at an effective tax rate of 26.5% for the three and six months ended June 30, 2026 and comparative 2025 periods.

(3) Provision and change in accounting estimate adjustments included for (i) loan losses on good standing current principal (Stage 1 — Performing) balances (see "Material Accounting Policies and Estimates — Loans and advances receivable" in this MD&A).

The following table provides a reconciliation of our net income to Adjusted Net Income[1], and earnings per share to Adjusted Earnings per Share[1], for the three and six month periods ending June 30, 2026 and June 30, 2025:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
(US$ other than percentages)				
Net income	16,157,561	15,075,979	36,871,448	38,576,510
Unrealized loss (gain) on derivative financial instruments, net of taxes(2)	296,851	(441,094)	456,283	(798,597)
Amortization of acquired intangible assets, net of taxes(2)	360,787	360,787	721,574	721,574
Provision for credit losses on current status accounts, net of taxes(2)(3)	2,136,181	1,742,771	2,993,687	2,095,754
Non-cash change in accounting estimate, net of taxes(2)(3)	—	997,575	—	997,575
Provisions for CSO Guarantee Liabilities and Bank Service Program liabilities, net of taxes(2)	5,837,459	1,455,956	6,714,609	961,593
Adjusted Net Income(1)	24,788,839	19,191,974	47,757,601	42,554,409
Adjusted Net Income Margin(1)	14%	13%	14%	15%
Adjusted Return on Equity(1)	35%	32%	35%	37%
Weighted average number of shares outstanding:				
Basic	39,368,757	38,919,940	39,365,755	38,887,319
Diluted	42,518,840	42,257,598	42,425,802	42,216,526
Earnings per share ($USD):				
Basic	0.41	0.39	0.94	0.99
Diluted	0.38	0.36	0.87	0.91
Earnings per share ($CAD):				
Basic	0.57	0.54	1.29	1.40
Diluted	0.53	0.49	1.20	1.29
Adjusted Earnings per Share ($USD)(1):				
Basic	0.63	0.49	1.21	1.09
Diluted	0.58	0.45	1.13	1.01
Adjusted Earnings per Share ($CAD)(1):				
Basic	0.87	0.68	1.67	1.54
Diluted	0.81	0.63	1.55	1.42

(1) See “Non-IFRS Financial Measures and Industry Metrics”.

(2) Each item is adjusted for after-tax impact, at an effective tax rate of 26.5% for the three and six months ended June 30, 2026 and comparative 2025 period.

(3) Provision and change in accounting estimate adjustments included for (i) loan losses on good standing current principal (Stage 1 — Performing) balances (see “Material Accounting Policies and Estimates — Loans and advances receivable” in this MD&A).

The following table provides a reconciliation of our Net Charge-Offs[1] to provision for loan losses and other liabilities for the three and six month periods ending June 30, 2026 and June 30, 2025:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
(US$ other than percentages)				
Charge-offs	88,188,452	70,452,316	173,909,273	135,196,158
Recoveries	(14,822,652)	(9,722,562)	(26,008,226)	(18,006,873)
Net Charge-Offs(1)	73,365,800	60,729,754	147,901,047	117,189,285
Change in Provision for Loan Losses	7,995,521	6,931,446	6,272,590	9,408,104
Provision for loan losses	81,361,321	67,661,200	154,173,637	126,597,389
Movement in financial obligation(2)	7,942,121	1,980,892	9,135,523	1,308,289
Other lending program costs	688,006	1,545,996	1,447,771	1,961,036
Provision for loan losses and other liabilities	89,991,448	71,188,088	164,756,931	129,866,714

(1) See “Non-IFRS Financial Measures and Industry Metrics”.

(2) Movement in financial obligation is equivalent to Provisions for CSO Guarantee Liabilities and Bank Service Program liabilities.

The following table provides a reconciliation of our Ending Combined Loan and Advance Balances[1] to loans and advances receivable for the periods ending June 30, 2026 and June 30, 2025 (See “**Material Accounting Policies and Estimates — Loans and advances receivable**” in this MD&A):

	As at June 30,		As at Dec 31,
(US$ other than percentages)	2026	2025	2025
Ending Combined Loan and Advance balances(1)	639,083,326	520,403,519	589,548,106
Less: Loan and Advance balances owned by third party lenders pursuant to CSO program	(8,162)	(5,766,753)	(3,087,349)
Less: Loan and Advance balances owned by a NBFI pursuant to the MoneyKey Bank Service Program	(114,746,875)	(64,299,669)	(78,702,887)
Loan and Advance owned by the Company	524,328,289	450,337,097	507,757,870
Less: Allowance for Credit Losses	(143,548,303)	(120,635,817)	(137,659,188)
Add: Fees and interest receivable	80,499,365	59,413,526	67,677,786
Add: Acquisition transaction costs	31,038,893	18,219,811	21,987,814
Loans and advances receivable	492,318,244	407,334,617	459,764,282

(1) See “Non-IFRS Financial Measures and Industry Metrics”.

Liquidity and Capital Resources

Overview

Our principal uses of funds are for making loans and advances originated by Propel and/or facilitated through our platform as well as for operating expenses and debt service requirements. We believe that the capacity under our existing credit facilities, as well as the earnings and cash flow generated by the business are sufficient to support the short to medium term growth of our Ending Combined Loan and Advance Balances[1], our ongoing operating expenses, future dividends, and the recent and ongoing initiatives outlined in the sections above (see "**Business Overview**"). However, our ability to fund future Ending Combined Loan and Advance Balances[1] and our operating expenses depends upon, among other things, our continued ability to access debt capital at attractive rates, the credit quality of our Ending Combined Loan and Advance Balances[1] as well as the future growth and stability of our operating performance. See "**Risk Factors**" in the AIF for additional information.

Credit Facilities

	As at June 30, 2026		As at December 31, 2025	
	Max Borrowing Base	Amount Drawn	Max Borrowing Base	Amount Drawn
MoneyKey Facility	-	-	7,269,307	7,000,000
CreditFresh Facility	345,931,912	310,400,000	335,443,487	312,900,000
Fora Facility	22,772,066	21,200,405	19,171,850	11,138,250
Total	368,703,978	331,600,405	361,884,644	331,038,250

MoneyKey Facility

On April 23, 2026, the Company fully repaid and terminated the MoneyKey revolving credit facility. The termination of this credit facility reflects the continued transition of originations from MoneyKey direct lending and CSO products to the MoneyKey Bank Service Program. This transition is consistent with the Company's broader strategy to simplify its product structure, consolidate originations within scalable bank-partner programs, and enhance operational efficiency.

CreditFresh Facility

On February 23, 2023, the Company, CreditFresh DST I and CreditFresh DST II entered into a new revolving credit facility with a US based syndicate of lenders party thereto from time to time (the "**CreditFresh Facility**"). On July 25, 2024, the Company upsized the CreditFresh Facility by $80 million and on April 25, 2025, the Company further upsized the CreditFresh Facility by an additional $70 million and now provides for a maximum borrowing amount of $400 million at an advance rate of 85%. As part of the April 25, 2025 amendment, the interest rate was reduced to 3-month SOFR plus approximately 620 bps from 3-month SOFR plus 750 bps. We also pay an unused fee of 50 bps on unborrowed amounts.

The CreditFresh Facility is secured (i) by a pledge of the beneficial interest of the Company in CreditFresh DST I and CreditFresh DST II and (ii) by general security over all of the assets of CreditFresh DST I and CreditFresh DST II. Under the terms of the CreditFresh Facility, the Company, CreditFresh DST I, and CreditFresh DST II are subject to certain financial and non-financial covenants including restrictions on us, and certain of our operating subsidiaries, subject to certain exceptions as to: indebtedness; liens; dividends; distributions on or redemptions of equity interests; material changes to our business; liquidations, mergers, or consolidations into any other entity; transfers of equity interests of the Company or certain of its operating subsidiaries; minimum equity and liquidity; and leverage. The Company is permitted to pay dividends on its shares provided that an event of default has not occurred and would not occur as a result of the payment of the dividend. In addition, several of the material financial covenants include tangible net worth, liquidity, and leverage tests. Furthermore, several material operating covenants include default and cash recovery tests. The Company continues to be compliant with all such covenants.

Fora Credit Facility

On November 11, 2022, the Company and one of its subsidiaries entered into a revolving credit facility with US and Canadian based lenders party thereto from time to time (the "**Fora Credit Facility**"). On April 28, 2026, the Company completed an amendment and upsize to the Fora Credit Facility. The amendment increased the capacity of the credit facility to C$40 million from approximately C$26 million previously, and reduced the interest rate by approximately 200 bps. The amended Fora Credit Facility matures on May 30, 2028. The Company also pays an unused fee of 0.50% on unborrowed amounts.

The Fora Credit Facility is secured by a general security agreement over all of the assets of the Fora Credit as well as a general security agreement over all of the assets of the Company.

Under the terms of the Fora Credit Facility, the Company is subject to certain financial and non-financial covenants, including restrictions on us, and certain of our operating subsidiaries, subject to certain exceptions as to: indebtedness; liens; dividends; distributions on or redemptions of equity interests; material changes to our business; liquidations, mergers, or consolidations into any other entity; transfers of equity interests of the Company or certain of its operating subsidiaries; minimum equity and liquidity; and leverage. The Company is permitted to pay dividends on its shares provided that an event of default has not occurred and would not occur as a result of the payment of the dividend. In addition, several of the material financial covenants include loan credit performance, tangible net worth, liquidity, and leverage tests. Furthermore, several material operating covenants include default and cash recovery tests. The Company is compliant with all such covenants.

Contractual Obligations

Our contractual obligations consist of principal repayments and interest on long-term debt, capital leases for office equipment, and operating leases for office equipment and facilities. During the three months ending June 30, 2026, the Company had net advances (draws net of repayments) of $6.4 million from our credit facilities to bring the total drawn amount on our existing credit facilities to $331.6 million. As of June 30, 2026, there were no other material changes to the contractual obligations and commitments, as disclosed in the March 31, 2026 MD&A.

Other Commitments

MoneyKey has certain commitments, obligations, and liabilities under both its CSO Program and its Bank Service Program. See "**Off-Balance Sheet Arrangements**" in this MD&A for further detail. Propel has the legal requirement to maintain various cash reserve balances to operate its programs through both brands and for payment processing with banks. Such cash reserves are reported as restricted cash in the Consolidated Statement of Financial Position.

We also enter into forward exchange contracts to hedge against currency fluctuations between the United States dollar and the Canadian dollar. At June 30, 2026, the Company was obligated to sell $17.0 million through such forward contracts. At June 30, 2025 the Company was obligated to sell $10.5 million through such forward contracts.

Cash Flows

Analysis of cash flows for the three and six months ended June 30, 2026 compared to June 30, 2025

Our cash flows in the applicable period are summarized in the following table for the periods indicated, which have been derived from our consolidated financial statements and related notes.

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
(US$ other than percentages)				
Net income	16,157,561	15,075,979	36,871,448	38,576,510
Items not affecting cash	88,493,307	71,475,473	169,830,364	136,607,299
Net additions of loans and advances receivable and principal recoveries	(102,589,947)	(93,362,337)	(179,914,203)	(155,998,584)
Changes in working capital and other	(5,309,243)	(1,778,625)	(9,712,426)	(12,456,111)
Net cash from (used in) 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	6,433,400	10,000,000	964,407	9,350,000
Transaction costs on credit facilities	(274,285)	(1,445,888)	(265,084)	(1,445,888)
Payments on lease liabilities	(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	-	-	(159,086)	-
Proceeds from options exercised	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 generated intangible assets	(2,562,368)	(2,364,547)	(5,161,308)	(4,482,225)
Net cash from (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**

Operating Activities

Net cash generated from (used in) operating activities was $(3.2) million for the three months ended June 30, 2026, compared to $(8.6) million for the corresponding quarter in 2025, and was $17.1 million for the six months ended June 30, 2026, compared to $6.7 million for the corresponding period in 2025.

For the three-month period ended June 30, 2026, operating cash flow improved compared to the prior-year quarter, despite continued investment in the growth of the Company's loan portfolio. Higher non-cash items, primarily related to the provision for loan losses and other liabilities associated with portfolio growth, more than offset higher net additions to loans and advances receivable resulting from increased Total Originations Funded[1] during the quarter and increased cash usage from working capital and other items (see "**Results of Operations**" above).

For the six-month period ended June 30, 2026, operating cash flow increased significantly compared to the prior-year period. Higher non-cash items, primarily related to the provision for loan losses and other liabilities associated with portfolio growth, together with lower cash usage from working capital and other items, more than offset increased investment in loans and advances receivable and slightly lower net income during the period (see "**Results of Operations**" above).

We do note that net additions of loans and advances receivable is the single largest driver of the overall net cash from (used in) operating activities and significant financing capital is required to continue growing these balances. Management believes an alternate view more useful to the reader may be to reclassify net additions of loans and advances receivable and principal recoveries from operating activities to investing activities and deduct actual Net Charge-Offs[1] may provide a more accurate view of the cash generated from the Company's operating activities.

Financing Activities

Net cash generated from (used in) financing activities was $(0.9) million for the three month period ended June 30, 2026, compared to $4.6 million for the corresponding quarter in 2025, and was $(13.3) million for the six month period ended June 30, 2026, compared to $(0.5) million for the corresponding period in 2025.

The decrease in net cash from financing activities for the three-month period ended June 30, 2026 primarily reflects lower net advances from credit facilities, including the repayment and termination of the Company's MoneyKey credit facility during the quarter, together with higher dividends paid to shareholders. The repayment of the MoneyKey facility was supported by the continued growth of the Company's lending platform, including the expansion of the MoneyKey Bank Service Program, which reduced the need for on-balance sheet funding.

For the six-month period ended June 30, 2026, the increase in net cash used in financing activities compared to the prior-year period primarily reflects lower net advances from credit facilities, higher dividend payments to shareholders and the repayment of the MoneyKey credit facility during the second quarter of 2026. These uses of cash were offset by continued strong operating cash flow generation during the period.

Overall, the Company continues to maintain ample access to funding through its credit facilities and remains well positioned to support portfolio growth, while balancing investment in the business with disciplined capital returns to shareholders.

Investing Activities

Net cash used in investing activities was $(4.2) million for the three-month period ended June 30, 2026, compared to $(2.4) million for the corresponding quarter in 2025 and was $(6.9) million for the six-month period ended June 30, 2026, compared to $(4.5) million for the corresponding periods in 2025. The increase in net cash used in investing activities during the quarter primarily reflects continued investments in internally generated intangible assets, together with approximately $1.6 million of property and equipment purchases related to the Company's Toronto headquarters office relocation.

The Company continues to make consistent investments in internally generated intangible assets which are comprised of our proprietary loan management system and AI powered underwriting technology platform, which is approved by our Bank Partners. These continued investments enable us to expand product and service offerings, integrate with new partners including banks, marketing and data partners, enhance our machine learning underwriting capabilities, optimize the online customer experience, and increase automation and ease-of-use for customer service agent activities in our proprietary loan management system, amongst other things. In addition to supporting ongoing enhancements across established programs such as the LaaS program, these investments are also directed toward strategic initiatives, including Column and Propel Bank (see "**Business Overview**" above) and future initiatives that have not yet been launched but are designed to expand the Company's total addressable market. These investments enhance the Company's technology and data infrastructure to support new product categories, additional Bank Partner integrations and broader distribution capabilities, while contributing to greater operational efficiency, scalability and long-term margin expansion, reinforcing the technology-led foundation of Propel's business model.

Off-Balance Sheet Arrangements

Through our MoneyKey brand, we provide services related to unaffiliated third-party lenders' consumer loan products as a state-licensed CAB and CSO in the state of Texas. 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 lenders in the event that the customer defaults on their loan payments. In addition, we provide loan servicing over the duration of the loan. A borrower who obtains a loan through the CSO program pays MoneyKey a fee for the services (the "**CSO Fee**"), which includes the guarantee to the third-party lender of the repayment of the borrower's loan. Once the loan is originated and the guarantee is provided, the Company sets up a reserve with the lender (as a percentage of the outstanding loan amount) which is reported as restricted cash in our consolidated statement of financial position. We estimate a liability for losses associated with the guarantee provided to the lender (the "**CSO Guarantee Liability**") using a similar ECL methodology to the allowance for credit losses on our loans and advances receivable. The loan products provided under this program are Installment Loans. The Company began transitioning originations in Texas, the primary jurisdiction for its CSO program, to the MoneyKey Bank Service Program in Q4 2025 as part of its broader strategy to simplify and standardize its product offerings under bank-partner structures. The Company has continued this transition in additional states and expects to expand these efforts over the coming quarters. As a result, balances associated with the CSO program are expected to continue to decline over time as existing receivables run off. This transition reflects the Company's focus on consolidating operations within scalable bank-partner programs that provide greater consistency in underwriting, pricing and servicing, while supporting expansion across a broader addressable market.

In addition, through our MoneyKey brand, we provide services to an NBFI which has a program agreement with a Bank Partner to whom it provides services, some of which have been outsourced to MoneyKey, including marketing, analytics, and loan servicing services. The Bank Partner offers unsecured Lines of Credit to borrowers in which the NBFI purchases an economic interest in the advances on those Lines of Credit. Under the program, the Company has an agreement to purchase balances originated through this program should the accounts default or become non-performing loans and are presented for sale. Once the economic interest is purchased from the Bank Partner by the NBFI, the Company sets up a reserve with the NBFI (as a percentage of the outstanding advance amount) which is reported as restricted cash in our consolidated statement of financial position. We also estimate a liability (the "**Bank Service Program liability**") for losses associated with the purchase of defaulted loans from the NBFI using a similar ECL methodology to the allowance for credit losses on our loans and advances receivable.

Products originated through the MoneyKey Bank Service Program generally generate a higher Annualized Revenue Yield[1] and serve customers with correspondingly higher expected credit losses relative to other Company programs. As a result, these products generally carry higher expected credit loss allowances, which are reflected through the Bank Service Program liabilities consistent with the Company's expected credit loss methodology. Accordingly, periods of strong growth in the MoneyKey Bank Service Program, particularly those characterized by elevated new customer originations, will generally result in a larger movement in the Bank Service Program liability as the portfolio expands and the proportion of newly originated accounts increases.

	Six months ended June 30,	
(US$ other than percentages)	**2026**	**2025**
CSO Program Products (MoneyKey)		
Fees from CSO program	455,781	7,609,784
Bank Service Program Advances (MoneyKey)		
Fees from Bank Service Program	69,424,516	41,784,460

	As at	
(US$ other than percentages)	**June 30, 2026**	**December 31, 2025**
CSO Program Products (MoneyKey)		
Loans and advances receivable (On Balance Sheet)	86,833	3,845,728
CSO Guarantee Liability	140	212,611
CSO Obligation	(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
Bank Service Program Advances (MoneyKey)		
Loans and advances receivable (On Balance Sheet)	9,521,584	8,028,950
Bank Service Program liability	22,930,599	13,582,605
Bank Service Program obligation	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

Risks and Uncertainties

We are exposed to a variety of financial risks and uncertainties in the normal course of operations including credit risk, industry risk, liquidity risk, interest rate risks, and exchange rate risk. See "**Risk Factors**" in the AIF for a more detailed discussion of risks we may face.

Our overall risk management program and business practices seek to minimize any potential adverse effects on our consolidated financial performance. Risk management is carried out under practices approved by our Board. This includes identifying, evaluating, and hedging financial risks based on our requirements. Our Board provides guidance for overall risk management, covering many areas of risk.

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, and loans and advances receivable. 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, the Company closely monitors its customer default rate and overall recovery per dollar or pound loaned, adjusts its lending terms and policies as deemed necessary and establishes an allowance for credit losses. See "**Analysis of Results for the three and six months ended June 30, 2026, compared to June 30, 2025 — Provision for loan losses and other liabilities**" above for further details.

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 higher credit risk characteristics.

Industry risk

The consumer lending industry within which the Company operates is subject to a number of laws and regulations at both the state and federal levels in the US, both the provincial and federal levels in Canada and at the national level in the UK. Changes to these laws and regulations as well as differences in interpretation when applying them to the Company's business pose a risk to the Company as the impact of these changes could have a material adverse impact on the Company's asset values and overall financial results. The Company manages this risk by, among other things: having a robust and experienced in-house legal department and regulatory compliance department (comprised of lawyers, auditors and other compliance professionals) dedicated to the interpretation, application, monitoring and advisory activities related to applicable laws and regulations; undertaking robust internal analyses and developing in-house processes and systems to manage compliance risk; having business controls in place to manage compliance risk; employing internal and external legal counsel to assist in interpreting and applying new and existing laws and regulations, being an active participant in an industry trade organization and in identifying and monitoring upcoming changes; and by undergoing internal and external audits to ensure ongoing compliance with applicable requirements.

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 as they bear interest at a fixed rate plus 3-month Term SOFR per annum and a fixed rate plus CAD Prime per annum. As of June 30, 2026, and December 31, 2025, we are exposed to interest rate risk on our credit facility balance of $331.6 million and $331.0 million respectively.

Changes in the 3-month Term SOFR and CAD Prime rates may impact our cost of borrowing and any subsequent changes to our credit facility may increase our interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities or will 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 also 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 balance sheet 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 the following contractual maturities of undiscounted cash flows as at June 30, 2026:

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

Foreign currency exchange 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 Canadian dollars for which the related expenses, and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2026 and December 31, 2025, the following items are denominated in a foreign currency:

	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

To minimize foreign currency risk management enters into forward currency hedging instruments to exchange US dollars for Canadian dollars at a rate that is at or close to the Company's budgeted currency rate.

Income tax matters

The income of the Company must be computed in accordance with Canadian, US and UK tax laws, all of which may be changed in a manner that could adversely affect the Company's business, financial condition, or results of operation.

Material Accounting Policies and Estimates

This MD&A uses information from our consolidated financial statements which are prepared in accordance with IFRS. The preparation of these consolidated financial statements in conformity with 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 consolidated 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.

Loans and advances receivable

The recognition of loans and advances receivables owned by the Company and loss allowances requires the Company to assess credit risk and collectability. The Company considers historical trends and any available information indicating a customer could be experiencing liquidity problems as well as available information indicating a change in the status of each customer in performing this assessment.

The Company applies the general approach for measuring and recognizing the loss allowance on loans and advances receivable. The Company has determined the likely impairment loss on loans and advances receivable which have not maintained their contractual loan and advance repayment schedule. The expected credit losses factors in the Company's portfolio and is calculated considering a variety of factors, including, but not limited to: aging, delinquency levels, composition and quality of the portfolio, historical data regarding collection success rate, and the Company's historical charge-off and loss experience. The methodology and assumptions used in setting the expected credit losses are reviewed regularly in an effort to reduce any differences between loss estimates and actual losses experienced.

In reference to our accounting policy note in the December 31, 2025 consolidated financial statements in Note 3, an ECL model applies to our loans and advances receivable. The Company builds an allowance for credit losses irrespective of whether a loss 'trigger' event has occurred or not. Therefore, expected losses are built up against receivables that are otherwise performing as at a specific reporting date. As part of this application, the Company segments its loans and advances into 3 stages:

(1) Stage 1 (Performing) — These are current and good standing loans and advances that have no payments in arrears.

(2) Stage 2 (Under-performing) — These are delinquent loans and advances that have one or more payments in arrears. An account in this status has the potential to go back to Stage 1 if the past due payment is brought up to date, subject to product specific requirements. Accounts generally remain in Stage 2 until payments are past due in excess of 90 days before moving to Stage 3.

(3) Stage 3 (Non-performing) — These are defaulted loans and advances where an account has a payment past due in excess of 90 days. Once an account has moved to Stage 3, it cannot return back to Stage 2 or Stage 1. There is no further judgment applied in determining the time before Stage 3 classification and is deemed non-performing. An account remains in Stage 3 for up to 30 days after which point it is charged-off.

There are no further fees charged to accounts in Stage 3 and the account is no longer cycling actively in our loan management system. Furthermore, the Company does not provide any additional credit to borrowers who are in arrears (whether Stage 2 or Stage 3).

The above stages are further segmented at a program, product and aging level. Allowances for credit losses are applied to each stage by computing ECLs for each granular segment using a combination of detailed historical loan performance data, forward-looking indicators, and an element of management judgment. Additionally, the longest period of time a borrower can go between mandatory repayments is monthly, and as such, impairment of loans can be adequately assessed in a timely manner. For accounts in Stage 1, a 12-month expected credit loss is applied and for accounts in Stages 2 and 3, a lifetime expected credit loss is applied.

Years of vintage performance data by granular segment provides a baseline of how much loan principal ends up being charged-off, net of recoveries and any proceeds from debt sales. As part of this analysis, we examine a combination of the number of accounts that default (probability of default), the average amount lost or charged-off when a default occurs (loss given default), and the expected balances at default (exposure at default). The product of these three elements provides us with the baseline ECL for a particular segment. This baseline ECL is then further analyzed through internally developed credit risk models to make quantitative and qualitative adjustments for risk factors that exist in the portfolio as at the reporting date but may not have been present in the vintage performance data.

Our measurement of ECLs is also influenced by forward looking indicators which include the impact of macroeconomic forces on our business. With respect to the macroeconomic forces, consideration is given to variables such as unemployment rate, inflation rate, and wage growth, among others, that have an influence on our business. As part of the process, three forward looking scenarios are developed 1) Optimistic, 2) Neutral, 3) Pessimistic in consideration of each macroeconomic factor, and management judgment is applied to determine a probability weighted allowance for credit losses as of the reporting date.

	As at Jun 30		As at Dec 31
	2026	2025	2025
Loan and Advance owned by the Company (including Fee and interest receivable) [1]			
Stage 1 - Performing	446,646,304	382,107,832	417,838,517
Stage 2 - Under-Performing	130,289,713	106,401,232	130,202,174
Stage 3 - Non-Performing	27,891,637	21,241,559	27,394,965
Total	604,827,654	509,750,623	575,435,656
Allowance for Credit Losses			
Stage 1 - Performing	(48,537,074)	(42,208,788)	(44,464,030)
Stage 2 - Under-Performing	(69,310,715)	(59,737,285)	(67,983,334)
Stage 3 - Non-Performing	(25,700,514)	(18,689,744)	(25,211,824)
Total	(143,548,303)	(120,635,817)	(137,659,188)
Allowance for Credit Losses %			
Stage 1 - Performing	(11%)	(11%)	(11%)
Stage 2 - Under-Performing	(53%)	(56%)	(52%)
Stage 3 - Non-Performing	(92%)	(88%)	(92%)
Total	(24%)	(24%)	(24%)
Loans and advances receivable (Less: Acquisition transaction costs) [1]			
Stage 1 - Performing	398,109,230	339,899,044	373,374,487
Stage 2 - Under-Performing	60,978,998	46,663,947	62,218,840
Stage 3 - Non-Performing	2,191,123	2,551,815	2,183,141
Total	461,279,351	389,114,806	437,776,468
Acquisition transaction costs	31,038,893	18,219,811	21,987,814
Loans and advances receivable	492,318,244	407,334,617	459,764,282

(1) See "Reconciliation of Non-IFRS financial measures — reconciliation of our Ending Combined Loan and Advance Balances to loans and advances receivable"

The movement in these allowances for loan losses shown above are a large component that drives the provision for loan losses and other liabilities expense (see **"Key Components of Results of Operations — Provision for loan losses and other liabilities"** in this MD&A).

IFRS 9 impact on provision for loan losses and other liabilities

As outlined above, in accordance with IFRS 9 requirements, an ECL methodology applies to our loans and advances receivable — 12-month ECLs for Stage 1 and lifetime ECLs for Stages 2 and 3. This requires the Company to set-up an ECL allowance for credit losses upon acquisition of new finance receivables and irrespective of whether a loss 'trigger' event has occurred or not. Therefore, expected losses are built up against receivables that are otherwise performing and have no negative payment history as at a specific reporting date. This early recognition of future credit losses is materially different than an 'incurred' credit loss methodology and management feels is a very conservative way to account for loan losses.

Under IFRS, an allowance for loan losses is required for Stage 1 representing the total expected credit losses over a 12-month period. Therefore, from an accounting perspective, the Company is required to take a material provision for loan losses and other liabilities expense today and only recognize revenue over the term of the product as it is earned. In periods of significant growth in loans and advances receivable a charge to provision for loan losses and other liabilities is required for future expected losses prior to any revenue being generated. Note that we are also required to set up allowances for estimated CSO Guarantee Liabilities and Bank Service Program liabilities that are computed using the ECL model as well (see "Key Components of Operations — Provision for loan losses and other liabilities"). This is included in the impact to provision for loan losses and other liabilities shown below.

The approximate impact of applying this methodology can be estimated by the movement of the Stage 1 allowance as well as the CSO Guarantee Liabilities and Bank Service Program Liabilities. Therefore, the impact on the Company's provision for loan losses and other liabilities and consequently on EBITDA[1] was approximately $10.8 million for the three-month period ended June 30, 2026 as compared to $4.4 million for the three-month period ended June 30, 2025 and was approximately $13.2 million for the six month period ended June 30, 2026 as compared to $4.2 million for the six month period ended June 30, 2025. As discussed above, the faster the origination volume grows, the larger the non-cash impact will be on provision for loan losses and other liabilities and consequently EBITDA[1] as well as net income on an after-tax basis. Management includes an Adjusted EBITDA[1] as well as an Adjusted Net Income[1] metric in order to present supplemental financial metrics that we believe are more indicative of the actual portfolio credit and overall Company performance.

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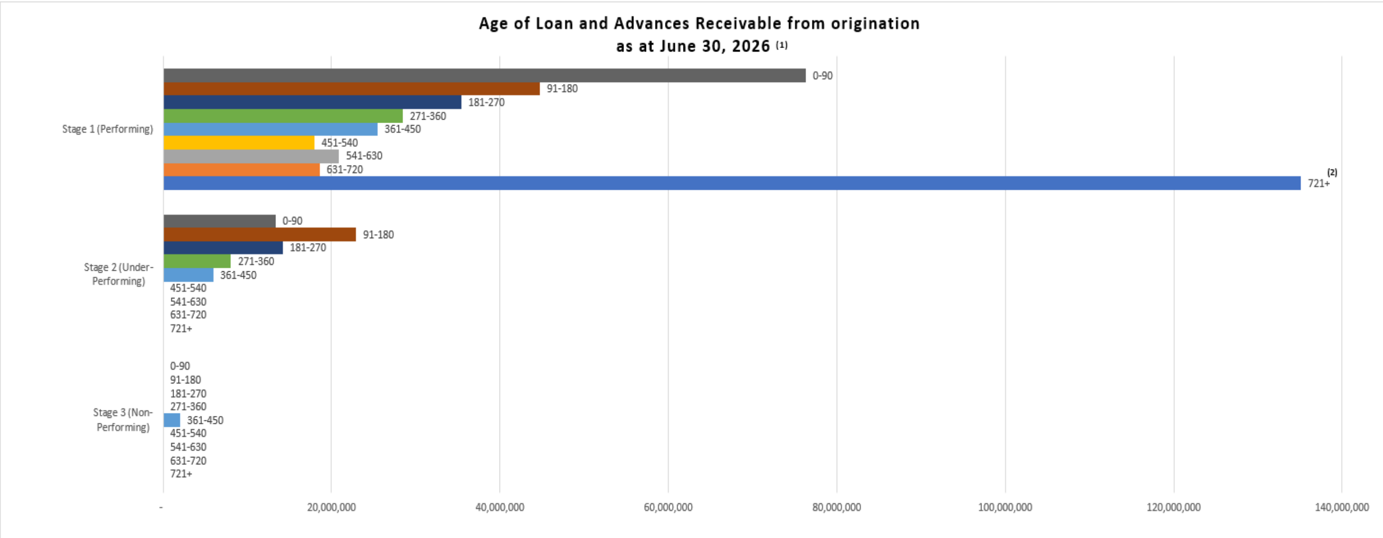
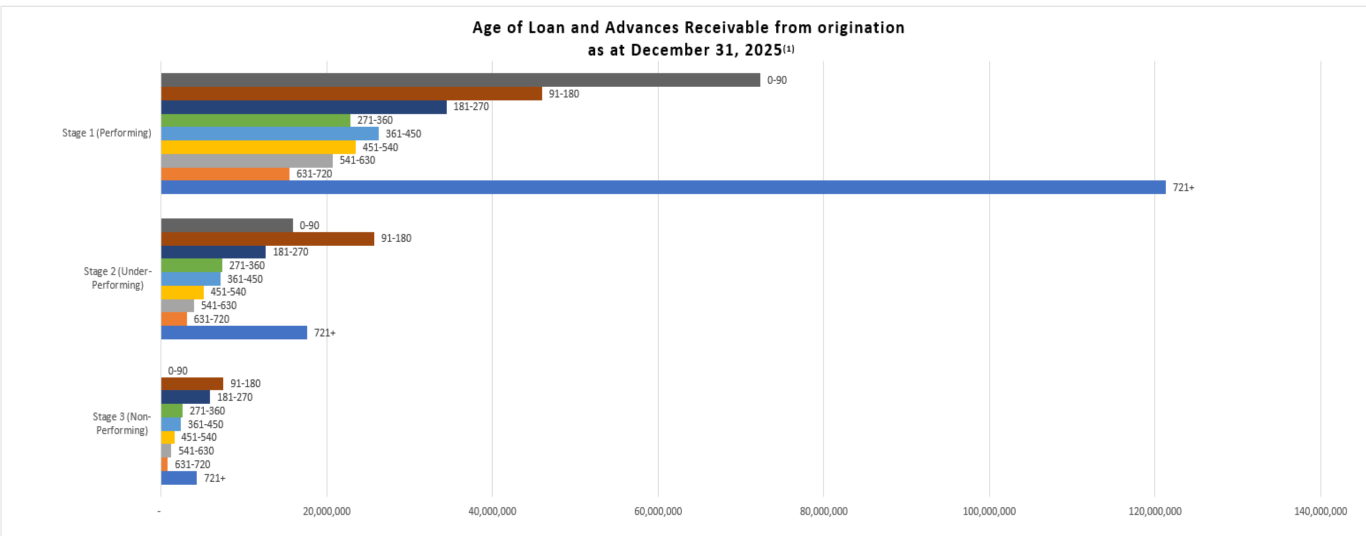
(1) See "Non-IFRS Financial Measures and Industry Metrics".





Notes:

(1) All line of credit advances are aged from the date the line of credit is opened, as opposed to the age of each individual draw. In most instances, balances are drawn, repaid, and then drawn again over the life of the line of credit.

(2) Materially all receivables aged 720+ days are line of credit advances from lines opened for more than 720 days. Management believes these older aged line of credit advances in Stage 1 will continue to perform equal to or better than the younger aged Stage 1 line of credit advances since they have demonstrated strong repayment behavior for longer, while remaining in Stage 1 (performing) status. Given the characteristics of the credit products offered through the Company's platform, including a mandatory principal repayment component on each scheduled payment, delinquent status (Stage 2) and non-performing status (Stage 3) loans have historically been identified shortly after a borrower is unable to repay. In addition, if a borrower has drawn up to its credit limit, they will be unable to draw any further until a principal repayment is collected. If the borrower does not pay any portion of the mandatory scheduled payment, the full principal balance outstanding is moved to delinquent status (Stage 2).

Capitalization of intangible assets

Internally developed intangible assets consist mainly of development costs related to the development of software. These costs are recognized as an intangible asset when the Company can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Management considers all appropriate facts and circumstances in making this assessment including historical experience, costs and anticipated future economic conditions. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of the expected future benefit.

Future Changes in Accounting Policies

There are no 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.

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:

	Six months ended June 30,	
	2026	**2025**
Salaries	4,415,207	5,392,314
Share-based compensation	1,455,526	1,266,764
	5,870,733	**6,659,078**

Share Capital

As of June 30, 2026, the share capital consisted of (i) an unlimited number of common shares, of which 39,372,845 common shares were issued and outstanding, and (ii) an unlimited number of preferred shares, of which none were issued and outstanding. In addition, the Company had 258,450 restricted common share units, 35,100 deferred common share units and 2,852,445 options to acquire common shares issued and outstanding.

Normal Course Issuer Bid

On September 7, 2023, the Company announced the acceptance by the TSX of the Company's notice of intention to proceed with a NCIB (the **"2023 NCIB"**). Pursuant to the 2023 NCIB, the Company proposed to purchase, from time to time, up to an aggregate of 1,716,266 common shares being approximately 5% of Propel's public issued and outstanding common shares as of August 29, 2023. As at August 29, 2023, Propel had 34,325,320 common shares issued and outstanding, and the average daily trading volume for the six months prior to August 31, 2023, was 11,425. Under the 2023 NCIB, daily purchases were limited to 2,856 common shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The purchases were permitted to commence on September 11, 2023 and terminated on September 10, 2024. The Company did not purchase and cancel any common shares under the 2023 NCIB.

On November 7, 2024, the Company renewed its NCIB (the **"2024 NCIB"**). Pursuant to the 2024 NCIB, the Company proposed to purchase, from time to time, up to an aggregate of 1,974,563 common shares representing approximately 10% of Propel's public float. As at October 30, 2024, Propel had 34,400,073 common shares issued and outstanding, and the average daily trading volume for the six months prior to October 31, 2024, was 111,024. Under the 2024 NCIB, daily purchases were limited to 27,756 common shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The purchases were permitted to commence on November 11, 2024, and terminated on November 10, 2025. Under its 2024 NCIB, the Company purchased and cancelled 15,000 common shares through open market purchases on the TSX at a volume weighted average price of C$21.57 per common share for a total cost of approximately C$324,000.

On November 12, 2025, the Company renewed its NCIB (the **"2025 NCIB"**). Pursuant to the 2025 NCIB, the Company proposed to purchase, from time to time, up to an aggregate 2,703,439 common shares representing approximately 10% of Propel's public float. As at October 31, 2025, Propel had 39,354,219 common shares issued and outstanding, and the average daily trading volume for the six months prior to October 31, 2025, was 159,293. Under the 2025 NCIB, daily purchases will be limited to 39,823 common shares, representing 25% of the average trading volume, other than block purchase exemptions. The purchases were permitted to commence on November 14, 2025, and will terminate on November 13, 2026 or on such earlier date as the Company may complete its purchases pursuant to the 2025 NCIB. The 2025 NCIB will be conducted through facilities of the TSX or alternative trading systems, if eligible and will conform to their regulations. Purchases under the 2025 NCIB may be made by means of open market transactions, privately negotiated transactions or other such means as a security regulatory authority may permit. The price that Propel will pay for any Common Shares will be the market price of such shares at the time of acquisition, unless otherwise permitted under applicable rules.

For the three month period ended June 30, 2026, the Company did not purchase and cancel any common shares under the 2025 NCIB. For the six month period ended June 30, 2026, the Company purchased and cancelled 12,000 common shares under its 2025 NCIB through open market purchases on the TSX at a volume weighted average price of C$18.48 per common share for a total cost of approximately C$222,000.

Disclosure Controls & Procedures (“DCP”) and Internal Control Over Financial Reporting (“ICFR”)

Management is responsible for establishing and maintaining adequate DCP and ICFR, each as defined in National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings (“**NI 52-109**”).

Management, under supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company’s DCP, as required in Canada by NI 52-109. Based on this evaluation, the CEO and CFO have concluded that the design of the system of the Company’s disclosure controls and procedures were effective as at June 30, 2026.

Although the Company’s disclosure controls and procedures were designed effectively as of June 30, 2026, there can be no assurance that the Company’s disclosure controls and procedures will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be set forth in the Company’s regulatory filings.

There were no changes in the Company’s ICFR that occurred in the period ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company’s ICFR.

Foreign exchange rates used in the USD to CAD conversion of per share amounts

2026		2025				2024	
Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
1.3843	1.3717	1.3947	1.3773	1.3841	1.4352	1.3982	1.3641

Six months ended June 30, 2026	Six months ended June 30, 2025
1.3781	1.4094

Additional Information

Additional information relating to the Company, including the Company’s AIF is available on SEDAR+ at www.sedarplus.ca. The Company’s Common Shares are listed for trading on the TSX under the symbol “PRL”