

Accord Financial Announces Fourth Quarter and Fiscal 2025 Financial Results and Amendment to its Banking Facility

TORONTO--(BUSINESS WIRE)--March 31, 2026--Accord Financial Corp. (TSX – ACD) today released its financial results for the fourth quarter and year ended December 31, 2025. The financial figures presented in this release are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards.

<u>SUMMARY OF FINANCIAL RESULTS</u>	Three Months Ended		Year Ended	
	Dec. 31		Dec. 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Average funds employed (millions)	385	377	392	423
Revenue (000s)	14,429	21,220	61,898	83,056
Net loss attributable to shareholders (000s)	(25,326)	(1,848)	(29,969)	(3,139)
Adjusted net loss (000s) (note)	(11,917)	(791)	(15,774)	(1,353)
Loss per common share (basic and diluted)	(2.96)	(0.22)	(3.50)	(0.37)
Adj. loss per common share (basic and diluted)	(1.39)	(0.09)	(1.84)	(0.16)
Book value per share (December 31)			\$5.96	\$9.44

Two significant items contributed to a loss at year end. First, recognizing Accord’s imminent exit from the US market, the Company wrote off its US deferred tax assets. Second, the Company recorded a fourth quarter provision for credit losses of \$15.0 million, which boosted the allowance for expected credit losses to \$19.0 million. The Company’s President and CEO, Mr. Simon Hitzig, commented: “Throughout 2025 and into 2026, Accord has focused on repaying its outstanding debt and simplifying the business. Successful US asset sales led to a write-off of US tax assets. And the significant credit provision added to the loss.” The combination of these factors, along with operating losses, reduced book value per common share to \$5.96 at year end.

The Company faced the maturity of its senior secured credit facility (the “Bank Facility”) and unsecured demand and term notes (“Notes”) in July 2025 and the impending maturity of its listed and unlisted debentures (“Debentures”) in January 2026. Beginning on August 15, 2025 the Company announced a series of short-term amendments to its Bank Facility and Notes and today announced further amendments extending the maturity of the Bank Facility to May 15, 2026 and the maturity of the Notes to May 22, 2026. In addition to the maturity date extension, the Bank Facility amendment reduces the total commitment to \$109 million, and incorporates milestones related to refinancing the Company’s debt. The Company also announced that on January 27, 2026, debenture holders approved amendments including an extension of the maturity date to July 31, 2026. “These extensions provide additional time to repay or refinance the Company’s debt,” noted Mr. Hitzig.

In the fourth quarter of 2025 the Company’s Bank Facility declined by \$39.8 million, closing the year at \$148.2 million. At year end, the outstanding balance owing under the Notes was \$17.5 million and under the Debentures was \$27.0 million. In the first quarter of 2026, Accord completed several successful initiatives to exit the US market; on February 10th, the Company announced the sale of its 60% interest in BondIt Media Capital, and on March 13th the Company announced the sale of certain US portfolio assets. These transactions, together with a series of additional loan sales and repayments since December 31, 2025, have reduced the amount outstanding under the Bank Facility to \$72.6 million as of March 27, 2026.

Commenting further, Mr. Hitzig noted, “These initiatives have been aimed at reducing bank debt, as well as simplifying the business. Accord is now entirely focused on small business lending in Canada – one country, one target market, one team. While balance sheet issues must be addressed, “Accord 2.0” is well-positioned with an outstanding suite of products to serve the market we know best.”

During the year the Company took steps to reduce overhead as revenue has declined owing to the smaller loan portfolio. Full year general and administrative expenses came in at \$30.1 million versus \$33.3 million in 2024.

Within the 2025 figure are \$3.1 million of professional fees primarily related to managing, and planning to repay, the Company's debt obligations. While these unusual expenses have been a significant drag on performance, they will recede if and when the Company refinances its debt obligations.

Mr. Hitzig further stated, "By reducing business complexity, the goal is to pave the way to refinance all of Accord's debt – we continue to work with our financial advisors in this regard. While productive steps have been taken and our lenders have granted extensions to provide additional time, there are no assurances that such actions will be successful or sufficient to fully repay our outstanding debt when due or that our lenders will continue to grant extensions such that the Company can continue to operate as a going concern."

About Accord Financial Corp.

Accord Financial is one of Canada's most dynamic commercial finance companies providing fast, versatile financing solutions including asset-based lending, factoring, inventory finance, working capital loans and equipment finance. By leveraging our unique combination of deep experience and independent thinking, we craft winning financial solutions for small and medium-sized businesses, simply delivered, so our clients can thrive.

Note: Non-IFRS measures

The Company's financial statements have been prepared in accordance with IFRS. The Company uses a number of other financial measures to monitor its performance and believes that these measures may be useful to investors in evaluating the Company's operating performance and financial position. These measures may not have standardized meanings or computations as prescribed by IFRS that would ensure consistency between companies using these measures and are, therefore, considered to be non-IFRS measures. The non-IFRS measures presented in this press release are as follows:

1) Adjusted net earnings, adjusted net loss, and adjusted EPS/LPS. The Company derives these measures from amounts presented in its IFRS prepared financial statements. Adjusted net earnings (loss) comprise shareholders' net earnings before gain on AEF sale, write off of deferred tax assets, professional fees related to bank negotiations, stock-based compensation, and restructuring expenses as well as the tax impact of the adjustments. Adjusted EPS/LPS (basic and diluted) is adjusted net earnings (loss) divided by the weighted average number of common shares outstanding (basic and diluted) in the period. Management believes adjusted net earnings (loss) is a more appropriate measure of operating performance as it excludes items which do not relate to ongoing operating activities. The following table provides a reconciliation of the Company's net earnings (loss) to adjusted net earnings (loss):

	Three Months Ended Dec 31		Year Ended Dec 31	
	2025	2024	2025	2024
Shareholders' net loss	(25,326)	(1,848)	(29,969)	(3,139)
Adjustments:				
Gain on AEF sale	-	-	-	(1,068)
Write off of net US deferred tax assets	11,942	-	11,942	-
Restructuring and other expenses	1,196	1,438	3,065	3,498
Tax impact from adjustments	(529)	(381)	(812)	(644)
Adjusted net earnings (loss)	(11,917)	(791)	(15,744)	(1,353)

2) Book value per share – book value is shareholders' equity and is the same as the net asset value (calculated as total assets minus total liabilities) of the Company less non-controlling interests. Book value per share is the book value or shareholders' equity divided by the number of common shares outstanding as of a particular date.

3) Funds employed are the Company's finance receivables and loans, an IFRS measure. Average funds employed are the average finance receivables and loans calculated over a particular period.

Forward-Looking Statements

This news release contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements in this news release include, but are not limited to, statements, management's beliefs, expectations or intentions regarding the financial position of the Company and the ability of the Company to repay or refinance its outstanding debt obligations. Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are subject to various risks and uncertainties including the Company's overall liquidity and capital resource position and its ability to repay its debt obligations when due and those risks identified in the Accord's periodic filings with Canadian securities regulators. If any or all of the Company's outstanding debt obligations are not renewed or replaced upon expiration of their terms, and if the Company is unsuccessful in its ability to generate additional capital from sales of portfolio assets and/or business units and additional alternative financing arrangements to repay same on terms acceptable to the Company, or at all, the Company may not be able to continue to finance its operations and operate as a going concern. See Accord's most recent annual information form and most recent management's discussion and analysis of results of operations and financial condition for a detailed discussion of the risk factors affecting Accord. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

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