Propel Holdings Inc.

Condensed Interim Consolidated Financial Statements (Unaudited)

Period ended March 31, 2024

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

	Note	As at March 31, 2024	As at December 31, 2023
Assets			
Cash		9,980,894	13,750,726
Restricted cash	4	36,281,101	29,290,306
Loans and advances receivable	5	271,227,279	259,313,236
Other receivables		6,270,243	6,726,093
Prepaids	7	1,927,796	1,911,956
Derivative financial instruments	8	34,946	571,255
Property and equipment	9	396,716	429,955
Deferred tax assets		18,443,352	17,036,277
Right-of-use assets	11	1,605,237	1,793,921
Intangible assets	10	13,823,240	13,439,379
Total Assets		**359,990,804**	344,263,104
Liabilities			
Accounts payable	12	3,405,281	4,322,220
Accrued liabilities	12	23,363,903	24,108,072
Credit facilities	13	211,797,596	199,166,579
Income taxes payable		5,389,270	10,866,684
Lease liabilities	11	2,080,428	2,349,884
Deferred tax liabilities		2,147,583	1,930,480
Total Liabilities		**248,184,061**	242,743,919
Shareholders' Equity			
Share capital	14	78,991,647	78,964,450
Retained earnings		28,764,141	18,673,095
Accumulated other comprehensive income		3,388	218,745
Contributed surplus		4,047,567	3,662,895
Total Shareholders' Equity		**111,806,743**	101,519,185
Total Liabilities and Shareholders' Equity		**359,990,804**	344,263,104

Approved on behalf of the Board

(signed) "Clive Kinross", Director (signed) "Karen Martin", Director

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

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

	Note	For the three-month periods ended March 31, 2024	March 31, 2023
Revenue	6	**96,503,606**	65,617,332
Provision for loan losses and other liabilities	5	**42,361,627**	31,136,673
Operating expenses			
Acquisition and data	10	11,496,889	6,896,837
Salaries, wages and benefits	15, 18	9,396,722	7,164,215
General and administrative		2,475,417	2,325,676
Processing and technology		3,633,968	2,228,981
Total operating expenses		**27,002,996**	18,615,709
Operating income		**27,138,983**	15,864,950
Other income (expenses)			
Interest and fees on credit facilities	13	7,104,827	4,856,533
Interest expense on lease liabilities	11	72,521	85,467
Amortization of internally developed software	10	949,783	785,889
Depreciation of property and equipment	9	51,632	47,778
Depreciation of right-of-use assets	11	188,685	161,712
Foreign exchange loss		74,210	22,631
Unrealized loss on derivative financial instruments	8	536,309	26,032
Total other expenses		**8,977,967**	5,986,042
Income before income tax		**18,161,016**	9,878,908
Income tax expense (recovery)			
Current		6,249,475	1,885,374
Deferred		(1,210,312)	578,356
Net income		**13,121,853**	7,415,178
Weighted average number of shares outstanding:			
Basic	14	34,328,364	34,325,320
Diluted	14	36,993,717	36,449,680
Earnings per share:			
Basic	14	$0.38	$0.22
Diluted	14	$0.35	$0.20
Dividends per share:			
Total dividends		3,030,807	2,402,353
Dividends per share		$0.09	$0.07

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

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

Condensed interim consolidated statements of comprehensive income (unaudited)

	Note	For the three-month periods ended March 31, 2024	March 31, 2023
Net income		**13,121,853**	7,415,178
Other comprehensive income to be subsequently reclassified to net income			
Change in foreign currency translation reserve, net of tax		(215,357)	-
Comprehensive income		**12,906,496**	7,415,178

Condensed interim consolidated statements of changes in equity (unaudited)

	Note	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balance as at December 31, 2023		**78,964,450**	**3,662,895**	**18,673,095**	**218,745**	**101,519,185**
Comprehensive income		-	-	13,121,853	(215,357)	**12,906,496**
Transactions recorded directly in equity						
Dividends declared and paid		-	-	(3,030,807)	**-**	**(3,030,807)**
Stock-based compensation	15	-	393,965	-	**-**	**393,965**
Options exercised	14	27,197	(9,293)	-	**-**	**17,904**
Balance as at March 31, 2024		**78,991,647**	**4,047,567**	**28,764,141**	**3,388**	**111,806,743**

	Note	Share Capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balance as at December 31, 2022		78,952,871	1,656,827	1,030,977	-	81,640,675
Comprehensive income		-	-	7,415,178	-	7,415,178
Transactions recorded directly in equity						
Dividends declared and paid		-	-	(2,402,353)	-	(2,402,353)
Stock-based compensation	15	-	455,003	-	-	455,003
Balance as at March 31, 2023		78,952,871	2,111,830	6,043,802	-	87,108,503

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

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

	Note	For the three-month periods ended March 31, 2024	March 31, 2023
Cash flows from (used in) operating activities			
Net income		13,121,853	7,415,178
Items not affecting cash:			
Provision for loan losses	5	39,661,921	30,333,159
Unrealized loss on derivative financial instruments	8	536,309	26,032
Deferred income tax (recovery) expense		(1,189,972)	579,305
Amortization of acquisition transaction costs and customer acquisition data	5,10	2,950,922	2,208,193
Amortization of transaction costs on credit facilities		165,677	-
Depreciation of property and equipment	9	51,632	47,778
Amortization of internally developed software	10	949,783	785,889
Depreciation of right-of-use assets	11	188,685	161,712
Change in foreign currency translation reserve		(215,357)	-
Stock-based compensation	15	393,965	455,003
		56,615,418	42,012,249
Changes in:			
Restricted cash	4	(6,990,795)	1,802,313
Prepaids	7	(15,840)	148,025
Acquisition transaction costs and customer acquisition data	5,10	(4,025,393)	(1,971,504)
Other receivables		455,850	33,650
Income taxes payable		(5,477,414)	1,947,196
Accounts payable and accrued liabilities	12	(1,644,143)	(385,521)
Net additions of loans and advances receivable	5	(56,747,135)	(35,023,358)
Principal loans and advances receivable recoveries	5	6,295,706	4,441,146
Net cash (used in) from operating activities		**(11,533,746)**	13,004,196
Cash flows from (used in) financing activities			
Advances from credit facilities	13	12,465,340	750,000
Transaction costs paid on credit facilities		-	(2,009,879)
Payments on lease liabilities	11	(286,422)	(254,290)
Dividends paid		(3,030,807)	(2,402,353)
Proceeds from options exercised	14	17,904	-
Net cash from (used in) financing activities		**9,166,015**	(3,916,522)
Cash flows from (used in) investing activities			
Purchases of property and equipment	9	(18,393)	(10,965)
Cost of internally developed software	10	(1,383,708)	(1,222,806)
Net cash used in investing activities		**(1,402,101)**	(1,233,771)
Net change in cash		(3,769,832)	7,853,903
Cash, beginning of period		13,750,726	7,658,837
Cash, end of period		**9,980,894**	15,512,740
Supplemental cash flow information			
Interest received		4,684,998	3,034,616
Interest paid		6,741,807	4,691,309
Income taxes paid		11,755,279	15,988

1. Incorporation and operations

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

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

The Company, through its MoneyKey brand, is a state-licensed direct lender and currently offers either installment loans or lines of credit to new customers in several United States ("US") states. The type of product offered in each state is dependent on the specific regulatory requirements within each state. As of March 31, 2024, the Company, through its MoneyKey brand, offered products as a state-licensed direct lender in 9 states across the US.

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

The Company, through its MoneyKey brand, also operates as a bank servicer which provides marketing, analytics, and loan servicing services to an unaffiliated non-bank financial institution ("NBFI"). The NBFI has a program agreement with a Federal Deposit Insurance Corporation ("FDIC") insured Utah state-chartered bank ("NBFI Bank Partner" and together with NBFI, "Bank Service Partners") to whom it provides certain services, some of which have been outsourced by the NBFI to the Company. The NBFI Bank Partner offers unsecured open-ended lines of credit ("the "Bank Service Program"). The Company provides, among other things, technology and underwriting services required for the Bank Service Program. The NBFI Bank Partner approves all key decisions regarding the marketing, underwriting, product features and pricing of the Bank Service Program. Under the program, the Company also entered an agreement to purchase loans originated through the Bank Service Program should the loans default or become non-performing ("Bank Service Program Liability"). As of March 31, 2024, the Bank Service Program was offered in 14 states across the US and is regulated by the FDIC and other bank regulators.

The Company, through its CreditFresh brand, operates as a bank servicer which provides marketing, technology, and loan servicing services to unaffiliated, FDIC insured, state-chartered banks in the US ("Bank Program"). As of March 31, 2024, the Company maintained two Bank Programs with a Kansas state-chartered, FDIC insured, bank and a Utah state-chartered, FDIC insured, bank ("Bank Partner(s)"). Through the Bank Program, the Bank Partner offers unsecured open-ended lines of credit and is the sole originator of such lines of credit. The Bank Partner licenses technology, proprietary credit decisioning and underwriting capabilities from the Company and approves all key decisions regarding the marketing, underwriting, product features and pricing of the lines of credit offered through the Bank Program. The Delaware Statutory Trusts (the "DST I" and "DST II", collectively the "DSTs") have the obligation to purchase an economic interest in the principal balances of the lines of credit originated by the Bank Partner (such purchased economic interest referred to as "Bank Program Advances") once offered by such Bank Partner. The Company, through its wholly owned subsidiaries, has the sole beneficial interest in the DSTs. As of March 31, 2024, the CreditFresh Bank Program was offered in 23 states across the US and is regulated by the FDIC and other bank regulators.

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

The Company, through its Fora Credit brand, launched a line of credit product to new customers in Canada. The type of product offered in each province is dependent on the specific regulatory requirements within each province. As of March 31, 2024, the Company, through its Fora Credit brand, offered products as a provincial-licensed direct lender in 7 provinces across Canada. The functional currency of this entity is the Canadian dollar ("CAD").

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

2. Basis of presentation

Statement of compliance

These unaudited condensed interim consolidated financial statements ("Interim Financial Statements") have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, using the same accounting policies as disclosed in our most recent annual consolidated financial statements. These Interim Financial Statements do not include all of the disclosures included in the Company's audited annual consolidated financial statements. Accordingly, these unaudited Interim Financial Statements should be read together with the most recent audited annual consolidated financial statements.

These Interim Financial Statements were authorized for issue by the Company's Board of Directors on May 8, 2024.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which a reporting entity operates and is normally the currency in which the entity generates and expends cash. Each subsidiary of the Company determines its own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency. The Company's Interim Financial Statements are presented in US dollar, which is the Company's functional currency.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of these Interim 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 Interim Financial Statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates, judgments and assumptions used in the most recent audited annual consolidated financial statements do not differ materially from those used for these Interim Financial Statements.

3. Future changes in accounting policies

Except for Amendments to IAS 1, adopted as of January 1, 2024 as described below, the Q1 2024 Interim Financial Statements are based on accounting policies consistent with those described in the most recent audited annual consolidated financial statements.

In January 2020, the IASB issued *Classification of liabilities as current or non-current (Amendments to IAS 1)* to clarify how to classify debt and other liabilities as current or non-current. The amendments are effective for reporting periods beginning on or after January 1, 2024. This standard, which we adopted as of January 1, 2024, did not have a material impact on the Interim Financial Statements.

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 replaces IAS 1 Presentation of Financial Statements and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard applies to annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. The Company has not yet adopted the new standard and is currently assessing the impact on the consolidated financial statements.

4. Restricted cash

Restricted cash is comprised of (a) reserves held as a form of collateral by unaffiliated third-party lenders (for CSO programs), Bank Partners, Bank Service Partners, banks, trustees, and payment processors for processing payments, and (b) funds held in restricted accounts for the benefit of credit facility lenders. Such restricted cash is redeemable when the stipulations for release within the related agreements have been met. As of March 31, 2024, the restricted cash balance was $36,281,101 (December 31, 2023 - $29,290,306).

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

5. Loans and advances receivable

Loans and advances receivable are comprised of gross consumer loans receivable (including installment loans, line of credit ("LOC") advances, Bank Program Advances, and non-performing loans originated through the Bank Service Program), fees and interest receivable on such loans and advances, allowance for credit losses, and acquisition transaction costs. Allowance for credit losses consists of the expected credit losses ("ECLs") of the associated loans and advances receivable based on their portfolio and stages. The term of the loans and advances receivable varies based on compliance with individual state or provincial regulations applicable to each type of product. Acquisition transaction costs consist of costs that are directly attributable and incremental to originated loans and advances receivable and are deferred and expensed over the estimated lifetime of the loans and advances receivable. Amortization of acquisition transaction costs was $1,818,293 for the three-months ended March 31, 2024 (March 31, 2023 - $1,033,073) and is included in acquisition and data expense on the condensed interim consolidated statements of operations.

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

	As at	
	March 31, 2024	December 31, 2023
Gross loans and advances receivable	304,541,703	296,766,862
Fees receivable	37,488,992	35,730,617
Interest receivable	480,456	333,282
Allowance for credit losses	(77,984,175)	(79,093,294)
Acquisition transaction costs	6,700,303	5,575,769
	271,227,279	259,313,236

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

	As at	
	March 31, 2024	December 31, 2023
Bank Program Advances (CreditFresh)	274,022,767	267,290,892
Installment loans and LOC advances (MoneyKey)	12,974,931	13,278,081
LOC advances (Fora Credit)	14,672,660	11,028,596
Bank Service Program advances (MoneyKey)	2,871,345	5,169,293
	304,541,703	296,766,862

Bank Program Advances, LOC advances and Bank Service Program advances all consist of open-ended lines of credit with no specific maturity date. MoneyKey LOC advances of $5,146,296 (December 31, 2023 - $5,440,069) are also open-ended lines of credit with no specific maturity date. Management expects to realize materially all of these assets within a 12-month period from the reporting date. MoneyKey installment loans of $7,828,635 (December 31, 2023 - $7,838,012) will mature within a 12-month period.

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

5. Loans and advances receivable (continued)

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

	As at March 31, 2024			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Bank Program Advances (CreditFresh)	222,647,409	40,835,822	10,539,536	274,022,767
Installment loans and LOC advances (MoneyKey)	7,254,016	4,623,660	1,097,255	12,974,931
LOC advances (Fora Credit)	12,943,334	1,479,769	249,557	14,672,660
Bank Service Program advances (MoneyKey)	-	617,928	2,253,417	2,871,345
	242,844,759	**47,557,179**	**14,139,765**	**304,541,703**

	As at December 31, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Bank Program Advances (CreditFresh)	212,221,597	44,573,897	10,495,398	267,290,892
Installment loans and LOC advances (MoneyKey)	7,385,666	4,673,962	1,218,453	13,278,081
LOC advances (Fora Credit)	9,640,446	1,204,836	183,314	11,028,596
Bank Service Program advances (MoneyKey)	-	2,860,304	2,308,989	5,169,293
	229,247,709	53,312,999	14,206,154	296,766,862

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

	As at March 31, 2024		
	Stage 2 (Under-Performing)	**Stage 3 (Non-Performing)**	**Total**
0-30	20,213,387	2,000	20,215,387
31-60	14,263,816	1,069	14,264,885
61-90	11,653,717	7,232	11,660,949
91-120	499,577	13,587,604	14,087,181
120+	926,682	541,860	1,468,542
	47,557,179	**14,139,765**	**61,696,944**

	As at December 31, 2023		
	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
0-30	22,346,370	13,904	22,360,274
31-60	14,789,208	8,018	14,797,226
61-90	15,243,152	13,422	15,256,574
91-120	437,398	13,909,011	14,346,409
120+	496,871	261,799	758,670
	53,312,999	14,206,154	67,519,153

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

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

5. Loans and advances receivable (continued)

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

	For the three-month period ended March 31, 2024			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Balance as at December 31, 2023	229,247,709	53,312,999	14,206,154	296,766,862
Additions to gross loans and advances receivable	93,461,867	5,614,788	2,602,362	101,679,017
Principal payments and other adjustments	(42,789,425)	(3,350,626)	(697,379)	(46,837,430)
Transfers to (from)				
Stage 1 (Performing)	13,410,580	(13,410,580)	-	-
Stage 2 (Under-Performing)	(50,485,972)	50,485,972	-	-
Stage 3 (Non-Performing)	-	(45,095,374)	45,095,374	-
Gross charge-offs	-	-	(47,066,746)	(47,066,746)
Balance as at March 31, 2024	**242,844,759**	**47,557,179**	**14,139,765**	**304,541,703**

	For the three-month period ended March 31, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at December 31, 2022	174,573,446	23,115,392	25,722,348	223,411,186
Additions to gross loans and advances receivable	64,544,257	1,612,958	4,840,820	70,998,035
Principal payments and other adjustments	(31,859,200)	(1,912,008)	(1,171,641)	(34,942,849)
Transfers to (from)				
Stage 1 (Performing)	11,002,733	(11,002,733)	-	-
Stage 2 (Under-Performing)	(41,256,208)	41,256,208	-	-
Stage 3 (Non-Performing)	-	(32,975,934)	32,975,934	-
Gross charge-offs	-	-	(36,648,172)	(36,648,172)
Balance as at March 31, 2023	177,005,028	20,093,883	25,719,289	222,818,200

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

5. Loans and advances receivable (continued)

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

	For the three-month period ended March 31, 2024			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Balance as at December 31, 2023	27,363,803	39,278,025	12,451,466	79,093,294
Additions to gross loans and advances receivable	8,438,322	3,628,263	2,290,496	14,357,081
Principal payments and other adjustments, including remeasurement	(2,697,697)	6,276,374	(707,885)	2,870,792
Transfers to (from)				
Stage 1 (Performing)	1,965,254	(6,202,471)	-	(4,237,217)
Stage 2 (Under-Performing)	(6,163,200)	26,379,167	-	20,215,967
Stage 3 (Non-Performing)	-	(33,093,396)	38,087,686	4,994,290
Net amounts written off against allowance	-	-	(39,310,032)	(39,310,032)
Balance as at March 31, 2024	**28,906,482**	**36,265,962**	**12,811,731**	**77,984,175**

	For the three-month period ended March 31, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at December 31, 2022	17,506,732	11,980,089	20,357,549	49,844,370
Additions to gross loans and advances receivable	7,253,428	746,899	3,972,484	11,972,811
Principal payments and other adjustments, including remeasurement	(3,747,533)	(1,638,563)	(770,155)	(6,156,251)
Transfers to (from)				
Stage 1 (Performing)	1,346,146	(4,716,547)	-	(3,370,401)
Stage 2 (Under-Performing)	(4,421,977)	18,869,062	-	14,447,085
Stage 3 (Non-Performing)	-	(15,542,431)	25,708,996	10,166,565
Net amounts written off against allowance	-	-	(28,933,677)	(28,933,677)
Balance as at March 31, 2023	17,936,796	9,698,509	20,335,197	47,970,502

Changes in allowance for credit losses were as follows:

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
Balance at beginning of period	79,093,294	49,844,370
Charge-offs	(47,066,746)	(36,648,172)
Recoveries	6,295,706	4,441,146
Provision for loan losses	39,661,921	30,333,159
Balance at end of period	**77,984,175**	47,970,503

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

5. Loans and advances receivable (continued)

Provisions for loan losses and other liabilities is as follows:

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
Provision for loan losses	39,661,921	30,333,159
Other lending program costs	1,244,882	168,529
Provision for CSO Guarantee Liabilities (MoneyKey)	(33,892)	(71,369)
Provision for Bank Service Program liabilities (MoneyKey)	1,488,716	706,354
Total Provision for loan losses and other liabilities	**42,361,627**	31,136,673

Breakdown of provision for loan losses:

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
Provision for loan losses on Bank Program Advances (CreditFresh)	29,463,767	24,176,411
Provision for loan losses on installment loans and LOC advances and Bank Service Program advances (MoneyKey)	8,714,924	6,036,521
Provision for loan losses on LOC advances (Fora Credit)	1,483,231	120,227
Total Provision for loan losses	**39,661,922**	30,333,159

As of March 31, 2024, the outstanding amount of active installment loans originated by an unaffiliated third party lender under the CSO programs was $3,606,703 (December 31, 2023 - $3,779,004), for which the risk of customer default is guaranteed by the Company. As of March 31, 2024, the outstanding amount of active LOC advances originated by NBFI Bank Partner under the Bank Service Program ("Bank Service Program advances") was $41,080,010 (December 31, 2023 - $36,736,938). These CSO loans and Bank Service Program advances are not included in the tables above and are not included on the Company's consolidated statements of financial position.

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

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
CSO program products (MoneyKey)		
Fees from CSO program and other revenue (Note 6)	3,017,873	2,143,409
Loans and advances receivables	2,713,358	1,411,561
CSO Guarantee Liabilities (Note 12)	273,226	375,557
CSO obligation (Note 12)	1,891,826	1,416,912
Installment loan borrower balances (off-balance sheet)	3,606,703	2,670,846
Reserve balances (reflected in Company's Restricted cash)	2,110,362	1,568,928
Bank Service Program advances (MoneyKey)		
Fees from Bank Service Program and other revenue (Note 6)	14,698,425	8,349,978
Loans and advances receivables	2,871,345	3,311,065
Bank Service Program guarantee liability (Note 12)	7,844,286	5,492,072
Bank Service Program obligation (Note 12)	790,666	570,964
Line of credit borrower balances (off-balance sheet)	41,080,010	22,562,194
Reserve balances (reflected in Company's Restricted cash)	12,341,872	4,499,707

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

5. Loans and advances receivable (continued)

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

	Optimistic	**Neutral**	**Pessimistic**
Impact of macroeconomic factors	-3.5%	+0.0%	+10.0%

This assignment of probability weighting for the multiple scenarios using these FLIs involves, in addition to judgment, a robust internal modelling process, review, and analysis to arrive at a collective view on the likelihood of each scenario. If management were to assign a 100% probability to the Pessimistic scenario, the increase in the allowance for credit losses would be approximately $7,414,693. Conversely, if 100% probability were to be assigned to the Optimistic scenario, the decrease in the allowance would be approximately $2,595,142. Note, such sensitivity does not consider the proactive and reactive steps management would take to alter exposure and/or modify credit risk to mitigate any potential impact to credit losses.

6. Revenue

Disaggregation of revenue:

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
Interest and fees from borrowers on purchased receivables (CreditFresh)	71,126,223	50,213,158
Interest from borrowers in direct lending (MoneyKey)	3,261,837	2,899,175
Fees from borrowers in direct lending (MoneyKey)	1,816,701	1,741,967
Fees from CSO program (MoneyKey)	3,017,873	2,143,409
Fees from Bank Service Program (MoneyKey)	14,698,425	8,340,178
Interest from borrowers in direct lending (Fora Credit)	1,423,161	120,957
Other revenue	1,159,386	158,488
Total revenue	**96,503,606**	65,617,332

* Comparative amounts have been updated to conform with current presentation

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

7. Prepaids

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

	As at	
	March 31, 2024	December 31, 2023
Prepaids	1,927,796	1,911,956

8. Derivative financial instruments

The nature of the Company's business activities expose it to foreign currency risk. The Company has forward contracts available to reduce its exposure to foreign exchange rate fluctuations.

As at March 31, 2024, the Company had open forward exchange contracts with a financial institution that matures between April 30, 2024 and December 31, 2024 and obligates the Company to sell US$18,000,000 at prevailing forward market exchange rates. The contracts were entered into by the Company for the purpose of managing its foreign exchange exposure on Canadian expenditures. As at March 31, 2024, the Company has open foreign exchange forward contracts with a fair market value of $ $34,946 (December 31, 2023 – $571,255). For the three-month period ended March 31, 2024, the Company recorded an unrealized loss on derivative financial instruments of $536,309 (March 31, 2023 – unrealized loss of $26,032).

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

9. Property and equipment

	Furniture and fixtures	**Computer equipment**	**Leasehold improvements**	**Total**
Cost				
Balance, December 31, 2023	691,399	265,771	403,070	**1,360,240**
Additions	-	18,393	-	**18,393**
Disposals	-	(4,264)	-	**(4,264)**
Balance, March 31, 2024	**691,399**	**279,900**	**403,070**	**1,374,369**
Accumulated depreciation				
Balance, December 31, 2023	526,324	141,484	262,477	**930,285**
Depreciation	14,382	23,355	13,895	**51,632**
Eliminated on disposals	-	(4,264)	-	**(4,264)**
Balance, March 31, 2024	**540,706**	**160,575**	**276,372**	**977,653**
Net Book Value				
Balance, December 31, 2023	165,075	124,287	140,593	429,955
Balance, March 31, 2024	**150,693**	**119,325**	**126,698**	**396,716**

	Furniture and fixtures	Computer equipment*	Leasehold improvements	Total
Cost				
Balance, December 31, 2022	631,488	241,561	403,070	1,276,119
Additions	4,795	6,170	-	10,965
Disposals	-	(1,666)	-	(1,666)
Balance, March 31, 2023	636,283	246,065	403,070	1,285,418
Accumulated depreciation				
Balance, December 31, 2022	468,011	76,260	207,215	751,486
Depreciation	13,781	20,420	13,577	47,778
Eliminated on disposals	-	(1,666)	-	(1,666)
Balance, March 31, 2023	481,792	95,014	220,792	797,598
Net Book Value				
Balance, December 31, 2022	163,477	165,301	195,855	524,633
Balance, March 31, 2023	154,491	151,051	182,278	487,820

* Certain comparative amounts have been restated to account for the removal of fully amortized costs

As of March 31, 2024, property and equipment with a cost of $nil (December 31, 2023 - $1,570) was not amortized as it is work-in-progress.

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

10. Intangible assets

	Customer acquisition data	**Internally developed software**	**Total**
Cost			
Balance, December 31, 2023	6,980,879	21,397,551	**28,378,430**
Additions	1,082,565	1,383,708	**2,466,273**
Removal of fully amortised costs*	(981,069)	-	**(981,069)**
Balance, March 31, 2024	**7,082,375**	**22,781,259**	**29,863,634**
Accumulated amortization			
Balance, December 31, 2023	3,632,076	11,306,975	**14,939,051**
Amortization	1,132,629	949,783	**2,082,412**
Removal of fully amortised costs*	(981,069)	-	**(981,069)**
Balance, March 31, 2024	**3,783,636**	**12,256,758**	**16,040,394**
Net Book Value			
Balance, December 31, 2023	3,348,803	10,090,576	13,439,379
Balance, March 31, 2024	**3,298,739**	**10,524,501**	**13,823,240**

	Customer acquisition data	Internally developed software	Total
Cost			
Balance, December 31, 2022	6,895,781	16,065,323	22,961,104
Additions	1,027,626	1,222,806	2,250,432
Removal of fully amortised costs*	(880,980)	-	(880,980)
Balance, March 31, 2023	7,042,427	17,288,129	24,330,556
Accumulated amortization			
Balance, December 31, 2022	3,511,615	7,976,513	11,488,128
Amortization	1,175,120	785,889	1,961,009
Removal of fully amortised costs*	(880,980)	-	(880,980)
Balance, March 31, 2023	3,805,755	8,762,402	12,568,157
Net Book Value			
Balance, December 31, 2022	3,384,166	8,088,810	11,472,976
Balance, March 31, 2023	3,236,672	8,525,727	11,762,399

* There are no gains or losses on derecognition

Amortization of customer acquisition data is recorded in the acquisition and data line on the condensed interim consolidated statements of operations. When the future economic benefits of the customer acquisition data costs have been fully realized the costs are recorded into the removal of fully amortized costs line in the table above.

There have been no indicators of impairment identified during the three-month period ended March 31, 2024. As a result, there were no impairment charges of intangible assets recorded in the period ended March 31, 2024 (March 31, 2023 – nil).

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

11. Right-of-use assets and lease liabilities

Right-of-use asset

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

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
Cost		
Balance, December 31	4,817,846	4,484,249
Additions	-	4,294
Disposals	(3,876)	-
Balance, March 31	**4,813,970**	4,488,543
Accumulated depreciation		
Balance, December 31	3,023,924	2,367,700
Charge for the period	188,685	161,712
Disposals	(3,876)	-
Balance, March 31	**3,208,733**	2,529,412
Net Book Value		
Balance, December 31	1,793,921	2,116,549
Balance, March 31	**1,605,237**	1,959,131

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

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

11. Right-of-use assets and lease liabilities (continued)

Lease liabilities

Carrying amount of lease liabilities are as follows:

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
Cost		
Balance, December 31	2,349,884	2,672,030
Additions	-	4,294
Interest	72,521	85,467
Payments	(286,422)	(254,290)
Foreign currency translation	(55,555)	2,655
Balance, March 31	**2,080,428**	2,510,156
Reported as:		
Current:		
Balance, December 31	851,064	700,138
Balance, March 31	**818,072**	719,675
Non-current:		
Balance, December 31	1,498,820	1,971,892
Balance, March 31	**1,262,357**	1,790,481
Carrying amount:		
Balance, December 31	2,349,884	2,672,030
Balance, March 31	**2,080,428**	2,510,156

The maturity analysis of lease liabilities is presented below:

	As at March 31, 2024
Year 1	818,072
Year 2	816,556
Year 3	445,800
Total	**2,080,428**

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

12. Accounts payable and accrued liabilities

	As at	
	March 31, 2024	December 31, 2023
Accounts Payable	3,405,281	4,322,220
Accrued Liabilities		
Accrued liabilities	5,256,582	5,364,402
Bank Service Program liabilities	7,844,286	6,355,570
Bank Service Program obligation	790,666	288,168
Accrued salaries and bonuses	1,977,938	5,178,757
Accrued Bank Partner fees and interest	5,329,379	4,513,133
CSO obligations	1,891,826	2,100,924
CSO Guarantee Liabilities	273,226	307,118
Total Accrued Liabilities	**23,363,903**	24,108,072

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

CSO obligations are comprised of: a) principal and interest to which unaffiliated third-party lenders are entitled but which was collected by the Company on such third-party lender’s behalf, b) unearned CSO fees advanced to the Company by unaffiliated third-party lenders on the consumer’s behalf.

CSO Guarantee Liabilities are expected net losses on all originated CSO loans on which the Company is obligated to guarantee principal and interest (net of expected collections and recoveries on guaranteed loans transferred to the Company), which represents the estimated fair value of the guarantees at that date. The fair value of the CSO Guarantee Liabilities are classified as Level 3 under IFRS 7. The expected net losses are included in accrued liabilities as the Company does not take title to the CSO loans and they are not included in the consolidated statements of financial position.

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

13. Credit facilities

	As at	
	March 31, 2024	December 31, 2023
Fora Credit Facility		
Opening Balance	752,444	-
Advances from credit facility	1,465,340	752,444
Ending Facility Balance	**2,217,784**	752,444
MoneyKey Facility		
Opening Balance	4,650,000	4,650,000
Advances from credit facility	-	-
Payments on credit facility	-	-
Ending Facility Balance	**4,650,000**	4,650,000
CreditFresh Facility		
Opening Balance	195,200,000	144,250,000
Advances from credit facility	11,000,000	54,450,000
Payments on credit facility	-	(3,500,000)
Ending Facility Balance	**206,200,000**	195,200,000
Facility transaction costs	(1,270,188)	(1,435,865)
Total Ending Credit Facilities	**211,797,596**	199,166,579

Fora Credit Facility

On November 11, 2022, the Company entered into a revolving credit facility with US and Canadian based lenders for the Company's Fora Credit line of business. The Fora Credit facility bears interest at 10.75% plus the three-month term SOFR for USD drawdowns and bears interest of 2.75% plus the Prime rate for CAD drawdowns. The amount drawn on the Fora Credit facility as of March 31, 2024 was $2,217,784 (December 31, 2023 - $752,444). The entire balance drawn on the facility is classified as non-current. The Fora Credit facility is secured by a general security agreement over all of the assets of the Company.

As at March 31, 2024, the maximum borrowing base under the Fora Credit facility was approximately $10,317,742 (December 31, 2023 - $7,729,330).

Under the terms of the credit facility agreement, the Company is subject to certain financial and non-financial covenants. As of March 31, 2024, the Company was in compliance with these covenants.

MoneyKey Facility

The MoneyKey facility bears interest at 10.2% plus the three-month term SOFR. The amount drawn on the MoneyKey facility as of March 31, 2024 was $4,650,000 (December 31, 2023 - $4,650,000). The MoneyKey facility is secured by a general security agreement over all of the assets of the Company, and has a requirement for the Company to maintain an errors and omissions insurance policy of $2,000,000 (December 31, 2023 - $2,000,000). On May 12, 2022, the MoneyKey facility was amended to extend the maturity date from May 15, 2022 to May 12, 2025. The entire balance drawn on the facility is classified as non-current.

As at March, 2024, the maximum borrowing base under the MoneyKey facility was approximately $6,451,147 (December 31, 2023 - $6,581,839).

Under the terms of the credit facility agreement, the Company is subject to certain financial and non-financial covenants. As of March 31, 2024, the Company was in compliance with these covenants.

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

13. Credit facilities (continued)

CreditFresh Facility

On February 24, 2023, the Company entered into a new $250,000,000 credit facility for the Company's CreditFresh line of business. This new credit facility replaces and upsizes the previous CreditFresh facility by $90,000,000 and matures on February 24, 2026. As of March 31, 2024, the total drawn amount on this credit facility was $206,200,000 (December 31, 2023 - $195,200,000). The CreditFresh facility is secured by a pledge of the beneficial interest certificate in the DSTs to the agent for the unaffiliated third-party lenders. The entire balance drawn on the facility is classified as non-current.

As of March 31, 2024, the maximum borrowing base under the CreditFresh facility was approximately $226,636,009 (December 31, 2023 - $219,855,184).

The CreditFresh facility has a blended effective interest rate of 13.0% (based on the three-month SOFR rates; excluding other lenders fees). Under the terms of the CreditFresh facility, the DSTs are subject to certain financial and non-financial covenants. As of March 31, 2024, the DST's were in compliance with these covenants.

Under these credit facilities, for the three-month period ended March 31, 2024 the Company incurred interest of $6,741,807 (March 31, 2023 - $4,693,814) and other fees related to the credit facilities of $363,020 (March 31, 2023 - $162,719). These amounts are recorded as "interest and fees on credit facilities" on the condensed interim consolidated statements of operations.

14. Share capital

Ordinary shares Authorized

Unlimited number of common shares as at March 31, 2024.

Unlimited blank cheque preferred shares as at March 31, 2024.

Issued

As at March 31, 2024, the Company had 34,330,312 common shares issued and outstanding (December 31, 2023 – 34,326,732).

	As at			
	March 31, 2024		December 31, 2023	
	# of shares	**$**	# of shares	$
Common shares				
Balance, opening	34,326,732	78,964,450	34,325,320	78,952,871
Share options exercised	3,580	27,197	1,412	11,579
Balance, closing	**34,330,312**	**78,991,647**	34,326,732	78,964,450

Earnings per share

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

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

14. Share capital (continued)

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
Net income for the period	13,121,853	7,415,178
Weighted average number of shares outstanding	34,328,364	34,325,320
Basic earnings per common share	$0.38	$0.22
Dilutive effect of stock-based compensation	2,665,353	2,124,360
Dilutive weighted average number of share outstanding	36,993,717	36,449,680
Diluted earnings per share	$0.35	$0.20

15. Stock-based compensation

The Company has an employee stock option plan. The purpose of the plan is to advance the interests of the Company by encouraging key employees to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of, the Company. The general terms of award under the plan provide that options in the common shares of the Company are granted to employees, officers, directors and consultants for their services. Options are generally granted at exercise prices equal to the fair market value of common shares at the grant date, vest over a 4-year period and expire after a maximum of 10 years. Under the terms of the stock option plan, the number of shares reserved for issuance pursuant to the exercise of all options may not exceed 10% of the issued and outstanding common shares on a diluted basis at any time.

During the three-month period ended March 31, 2024, 439,000 options were granted by the Company (three-month period ended March 31, 2023 – 459,100). For the three-month period ended March 31, 2024, the Company recorded stock-based compensation expense of $393,965 (three-month period ended March 31, 2023 - $455,003) in salaries, wages and benefits with a corresponding adjustment to contributed surplus.

During the three-month period ended March 31, 2024, the fair value of options granted were determined using the Black Scholes option pricing model with the following assumptions:

	For the three-month period ended
	March 31, 2024
Weighted average share price	$11.52
Weighted average exercise price	$11.52
Expected volatility	68.23%
Expected life (years)	7
Risk-free rate	3.51%
Expected dividend yields	2.5%

Expected volatility was determined by calculating the historical volatility of comparable companies' share price over the previous years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

16. Segment information

The Company operates and manages its business in one industry segment – providing lending related services to borrowers, banks, and other institutions in the US and Canada. The Company does not present segmented information as it has determined that its operations fall under this one segment and operates primarily in one geographic region. The chief operating decision maker ("CODM") is the Chief Executive Officer and Chief Financial Officer. The CODM makes decisions and assesses performance of the Company at the consolidated level.

Materially all revenue for the three-month period ended March 31, 2024 was earned fully in the US. All property and equipment, and leased assets are domiciled in Canada.

17. Financial instruments and risk management

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

Credit risk and concentration of credit risk

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

In relation to loans and advances receivable and CSO and Bank Service Program liabilities, the Company closely monitors default rates and overall recovery per dollar funded for all credit products originated through the Company's proprietary technology platform. The Company, its non-bank, and/or Bank Partners adjust lending terms and policies as deemed necessary. The Company establishes an allowance for credit losses on all loans or advances originated through its proprietary technology platform in accordance with IFRS 9. The gross exposure to the Company for CSO and Bank Service Program liabilities are disclosed in Note 6 above. Under the CSO programs, as at March 31, 2024 the amount was $3,606,703 (December 31, 2023 - $3,779,004) and under the Bank Service Program the amount $41,080,010 (December 31, 2023 - $36,736,938). The associated maximum amount of credit risk exposure on such amounts are reflected in the CSO and Bank Service Program liabilities as outlined above.

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

Interest rate risk

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

The Company is exposed to interest rate cash flow risk on its credit facilities. On the CreditFresh facility, it bears interest at a rate plus a base rate of three-month term SOFR (with a floor of 1.75%). On the MoneyKey facility, it bears interest at a rate plus a base rate of three-month term SOFR. On the Fora Credit facility, it bears interest at a rate plus the three-month term SOFR for USD drawdowns and bears interest at a rate plus the Prime rate for CAD drawdowns. If interest rates had been 50 basis points higher and all other variables were held constant, the Company's interest expense for the three-month period ended March 31, 2024 would increase by approximately $260,435 (December 31, 2023: $235,153). If interest rates had been 50 basis points lower and all other variables were held constant, the Company's interest expense for the three-month period ended March 31, 2024 would decrease by approximately $260,435 (December 31, 2023 – $235,153). The Company will not always incur the full impact of an interest rate increase or decrease due to the floor in the three-month term SOFR base rate.

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

17. Financial instruments and risk management (continued)

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 obligated to the following contractual maturities of undiscounted cash flows:

As at March 31, 2024	**Carrying amount**	**Year 1**	**Year 2**	**Year 3**	Onwards
Accounts payable	**3,405,281**	3,405,281	-	-	-
Accrued liabilities	**23,363,903**	23,363,903	-	-	-
Income taxes payable	**5,389,270**	5,389,270			
Amount drawn on credit facilities	**213,067,784**	-	6,867,784	206,200,000	-
Total	**245,226,238**	32,158,454	6,867,784	206,200,000	-

As at December 31, 2023	Carrying amount	Year 1	Year 2	Year 3	Onwards
Accounts payable	4,322,220	4,322,220	-	-	-
Accrued liabilities	24,108,072	24,108,072	-	-	-
Income taxes payable	10,866,684	10,866,684			
Amount drawn on credit facilities	200,602,444	-	5,402,444	195,200,000	-
Total	239,899,420	39,296,976	5,402,444	195,200,000	-

The Company is obligated to purchase Bank Program Advances that are offered for sale to the Company by both Bank Partners. The amount of Bank Program Advances that were funded by the Bank Partners but not yet offered for sale to the Company as of March 31, 2024 was $3,664,658 (December 31, 2023 – $3,590,419). Management has determined no provisions are required on these amounts as of the statement of financial position date, but regularly assesses these amounts and considers whether provisions may be required in advance of an offer to sell.

The Company is obligated to guarantee the principal and interest (net of expected collections and recoveries) of CSO programs in the event that the customer defaults on their loan payments. Management has provided for the guarantee and is included in accrued liabilities as the Company. Refer to Note 12 for further details.

17. Financial instruments and risk management (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company enters into transactions denominated in CAD for which the related expenses, accounts payable, accrued liabilities and lease liabilities are subject to exchange rate fluctuations. As at March 31, 2024, management had entered into foreign currency forward contracts with a notional value of $18,000,000 to manage the risk from fluctuations in foreign currency risk over time (December 31, 2023: $27,000,000). As at March 31, 2024 and December 31, 2023 the following items are denominated in CAD:

	As at	
	March 31, 2024	**December 31, 2023**
Cash	1,730,889	784,109
Restricted cash	527,848	419,971
Loans and advances receivable (Fora Credit)	12,311,059	9,096,554
Accounts payable	1,892,341	1,732,966
Accrued liabilities	1,955,891	2,929,348
Lease liabilities	2,080,428	2,349,884

As at March 31, 2024, if a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately $1,857,025 (December 31, 2023 - $1,573,894) due to the fluctuation, and this would be recorded in the condensed interim consolidated statements of operations.

Fair value measurement

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

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

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

The fair value of financial instruments classified at amortized cost approximates their fair values due to the short term to maturity or due to them bearing market interest rates. The fair value of derivative financial instruments is determined using level 2 inputs and is carried at fair value. The fair value of the CSO Guarantee Liabilities and Bank Service Program liabilities are determined using level 3 inputs.

For the periods ended March 31, 2024 and 2023 (expressed in US dollars)

17. Financial instruments and risk management (continued)

Financial instruments measured at fair value using level 3 inputs:

	Valuation technique	**Significant unobservable inputs**	**Inter-relationships between significant unobservable inputs and FV**
CSO Guarantee Liabilities	Allowance for losses on the guarantee of managed receivables.	-Borrower default rates	- Increases can increase the expected credit loss estimates and these liabilities
Bank Service Program liabilities	Allowance for losses on the obligation of managed receivables.	- Recovery rates - Macroeconomic Variables - Operational factors	- Decreases can increase expected credit loss estimates and these liabilities - See Note 12 above

18. Related party transactions

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

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

	For the three-month periods ended	
	March 31, 2024	March 31, 2023
Salaries	3,468,381	2,517,279
Stock-based compensation	182,542	302,380
Total	**3,650,923**	2,819,659

19. Subsequent events

There have been no subsequent events between the end of the period and the date of filing of these Interim Financial Statements.