Propel Holdings Inc.

Condensed Interim Consolidated Financial Statements (Unaudited)

Period ended March 31, 2025

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

	Note	As at March 31, 2025	As at December 31, 2024
Assets			
Cash	4	**29,151,548**	20,502,070
Restricted cash	4	**37,309,209**	42,229,068
Loans and advances receivable	5	**380,076,015**	375,164,992
Other receivables		**8,907,372**	12,088,113
Prepaids	7	**3,737,521**	3,277,754
Property and equipment	9	**454,112**	483,425
Deferred tax assets		**25,762,269**	25,376,724
Right-of-use assets	11	**1,803,223**	1,964,716
Intangible assets	10	**27,625,884**	26,944,305
Goodwill		**44,697,836**	42,976,255
Total Assets		**559,524,989**	551,007,422
Liabilities			
Accounts payable	12	**6,053,409**	10,563,371
Accrued liabilities	12	**27,813,183**	36,989,553
Derivative instruments	8	**345,955**	832,353
Credit facilities	13	**271,554,814**	271,960,377
Income taxes payable		**15,898,838**	16,017,036
Lease liabilities	11	**2,153,380**	2,327,551
Deferred tax liabilities		**2,791,955**	2,202,719
Total Liabilities		**326,611,534**	340,892,960
Shareholders' Equity			
Share capital	14	**157,759,010**	157,625,625
Retained earnings		**70,122,142**	51,063,709
Accumulated other comprehensive loss		**(708,698)**	(3,393,863)
Contributed surplus		**5,741,001**	4,818,991
Total Shareholders' Equity		**232,913,455**	210,114,462
Total Liabilities and Shareholders' Equity		**559,524,989**	551,007,422

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

Approved on behalf of the Board

(signed) "Clive Kinross"
____________________________, Director

(signed) "Karen Martin"
____________________________, Director

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

	Note	For the three-month periods ended March 31, 2025	March 31, 2024
Revenue			
Interest and fees on loans and advances receivable	6	**110,570,167**	77,627,922
Service fees	6	**27,182,094**	18,403,836
Other revenue	6	**1,185,306**	471,848
Total revenue		**138,937,567**	96,503,606
Provision for loan losses and other liabilities	5	**58,678,626**	42,361,627
Operating expenses			
Acquisition and data	5, 10	**17,981,988**	11,496,889
Salaries, wages and benefits	15, 18	**11,778,633**	9,396,722
General and administrative		**3,209,164**	2,475,417
Processing and technology		**5,355,548**	3,633,968
Total operating expenses		**38,325,333**	27,002,996
Operating income		**41,933,608**	27,138,983
Other expenses (income)			
Interest and fees on credit facilities	13	**8,648,654**	7,104,827
Interest expense on lease liabilities	11	**65,661**	72,521
Amortization of internally developed software, customer relationships and brand	10	**1,720,297**	949,783
Depreciation of property and equipment	9	**54,566**	51,632
Depreciation of right-of-use assets	11	**210,386**	188,684
Foreign exchange loss		**524,408**	74,211
Unrealized (gain) loss on derivative instruments	8	**(486,398)**	536,309
Total other expenses		**10,737,574**	8,977,967
Income before income tax		**31,196,034**	18,161,016
Income tax expense (recovery)			
Current		**7,490,654**	6,249,475
Deferred		**204,849**	(1,210,312)
Net income		**23,500,531**	13,121,853
Weighted average number of shares outstanding:			
Basic	14	**38,854,698**	34,328,364
Diluted	14	**42,175,454**	36,993,717
Earnings per share:			
Basic	14	**0.60**	0.38
Diluted	14	**0.56**	0.35
Dividends per share:			
Total dividends		**4,442,098**	3,030,807
Dividends per share		**0.114**	0.088

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

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

Condensed interim consolidated statements of other comprehensive income (unaudited)

	Note	For the three-month periods ended March 31, 2025	March 31, 2024
Net income		**23,500,531**	13,121,853
Other comprehensive income to be subsequently reclassified to net income			
Change in foreign currency translation reserve, net of tax		**2,685,165**	(215,357)
Comprehensive income		**26,185,696**	12,906,496

Condensed interim consolidated statements of changes in equity (unaudited)

	Note	**Share capital**	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive income (loss)**	**Total equity**
Balance as at December 31, 2024		**157,625,625**	**4,818,991**	**51,063,709**	**(3,393,863)**	**210,114,462**
Comprehensive income		**-**	**-**	**23,500,531**	**2,685,165**	**26,185,696**
Transactions recorded directly in equity						
Dividends declared and paid		**-**	**-**	**(4,442,098)**	**-**	**(4,442,098)**
Stock-based compensation	15	**-**	**929,698**	**-**	**-**	**929,698**
Shares issued	14	**-**	**-**	**-**	**-**	**-**
Share issuance costs	14	**-**	**-**	**-**	**-**	**-**
Options exercised	14	**133,385**	**(7,688)**	**-**	**-**	**125,697**
Balance as at March 31, 2025		**157,759,010**	**5,741,001**	**70,122,142**	**(708,698)**	**232,913,455**

	Note	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	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

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

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

		For the three-month periods ended	
		March 31, 2025	March 31, 2024
	Note		
Cash flows from (used in) operating activities			
Net income		**23,500,531**	13,121,853
Items not affecting cash:			
Provision for loan losses	5	**58,936,189**	39,661,921
Unrealized (gain) loss on derivative instruments	8	**(486,398)**	536,309
Deferred income tax recovery (expense)		**203,691**	(1,189,972)
Amortization of acquisition transaction costs and customer acquisition data	5, 10	**3,496,981**	2,950,922
Amortization of transaction costs on credit facilities		**238,381**	165,677
Depreciation of property and equipment	9	**54,566**	51,632
Amortization of internally developed software, customer relationships and brand	10	**1,720,297**	949,783
Depreciation of right-of-use assets	11	**210,386**	188,684
Stock-based compensation	15	**929,698**	393,965
		88,804,322	56,830,774
Changes in:			
Restricted cash	4	**4,919,859**	(6,990,795)
Prepaids	7	**(459,767)**	(15,840)
Acquisition transaction costs and customer acquisition data	5, 10	**(4,579,450)**	(4,025,392)
Other receivables		**3,180,741**	455,850
Income taxes payable		**(118,198)**	(5,477,414)
Accounts payable and accrued liabilities	12	**(13,620,671)**	(1,644,142)
Net additions of loans and advances receivable	5	**(70,920,558)**	(56,747,136)
Principal loans and advances receivable recoveries	5	**8,284,311**	6,295,706
Net cash from (used in) operating activities		**15,490,589**	(11,318,389)
Cash flows from (used in) financing activities			
Advances from credit facilities, net of payments	13	**(650,000)**	12,465,340
Payments on lease liabilities	11	**(121,247)**	(286,422)
Dividends paid		**(4,442,098)**	(3,030,807)
Proceeds from options exercised	14	**125,697**	17,904
Net cash (used in) from financing activities		**(5,087,648)**	9,166,015
Cash flows from (used in) investing activities			
Purchases of property and equipment	9	**(15,141)**	(18,393)
Cost of internally developed software	10	**(2,117,678)**	(1,383,708)
Net cash used in investing activities		**(2,132,819)**	(1,402,101)
Effect of exchange rate changes on cash		**379,356**	(215,357)
Net change in cash		**8,270,122**	(3,554,475)
Cash, beginning of period		**20,502,070**	13,750,726
Cash, end of period		**29,151,548**	9,980,894
Supplemental cash flow information			
Interest received		**16,103,081**	4,684,998
Interest paid		**8,193,778**	6,741,807
Income taxes paid		**7,495,113**	11,755,279

1. Incorporation and operations

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

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

The Company, through its MoneyKey brand, is a state-licensed direct lender and currently offers either installment loans or lines of credit to new customers in several United States ("US") states. The type of product offered in each state is dependent on the specific regulatory requirements within each state. As of March 31, 2025, 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, 2025, 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, 2025, 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, 2025, the CreditFresh Bank Program was offered in 22 states across the US and is regulated by the FDIC and other bank regulators.

Pursuant to the Bank Program agreements, the Bank Partners earn all program fees during the mutually agreed upon period of time prior to any offer being made to the Company. Following the purchase by the DSTs of the 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 condensed interim consolidated statement of financial position. Additionally, the Bank Partners continue to earn a trailing fee calculated based on the amounts collected by the DSTs.

1. Incorporation and operations (continued)

The Company, through its Fora Credit brand, launched a line of credit product to new customers in Canada. The type of product offered in each province is dependent on the specific regulatory requirements within each province. As of March 31, 2025, the Company, through its Fora Credit brand, offered products as a provincial-licensed direct lender in 6 provinces across Canada. The functional currency of this entity is the Canadian dollar ("CAD").

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

On November 15, 2024, the Company completed the acquisition of Stagemount Ltd (dba QuidMarket). Launched in 2011, QuidMarket is a leading UK-based digital only consumer lender specializing in providing short-term installment loans to individuals with limited access to traditional financial solutions.

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 6, 2025.

Functional and presentation currency

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

Basis of consolidation

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

Material Accounting Judgements, Estimates and Assumptions

The preparation of these Interim Financial Statements in conformity with IFRS(R) Accounting Standards ("IFRS") requires management to make estimates, judgements 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, judgements 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

There are no significant updates to the future accounting developments disclosed in Note 3 of the Company's audited annual consolidated financial statements.

4. Cash and restricted cash

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

Restricted cash is comprised of (a) reserves held as a form of collateral by unaffiliated third-party lenders (for CSO programs), Bank Partners, Bank Service Partners, banks, trustees, and payment processors for processing payments, and (b) funds held in restricted accounts for the benefit of credit facility lenders. Such restricted cash is redeemable when the stipulations for release within the related agreements have been met. As of March 31, 2025, the restricted cash balance was $37,309,209 (December 31, 2024 - $42,229,068).

For the periods ended March 31, 2025 and 2024 (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 $2,107,364 for the three-month period ended March 31, 2025 (March 31, 2024 - $1,818,293) and is included in acquisition and data expense on the condensed interim consolidated statement of operations.

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

	As at	
	March 31, 2025	December 31, 2024
Gross loans and advances receivable	**421,134,327**	418,348,811
Fees receivable	**51,697,404**	49,534,769
Interest receivable	**4,286,309**	3,057,744
Allowance for credit losses	**(113,704,371)**	(111,227,713)
Acquisition transaction costs	**16,662,346**	15,451,381
	380,076,015	375,164,992

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

	As at	
	March 31, 2025	December 31, 2024
Bank Program Advances (CreditFresh)	**351,673,380**	354,904,778
Installment loans and LOC advances (MoneyKey)	**17,168,381**	17,955,895
LOC advances (Fora Credit)	**28,815,434**	25,977,423
Bank Service Program advances (MoneyKey)	**4,743,772**	4,822,841
Installment loans (QuidMarket)	**18,733,360**	14,687,874
	421,134,327	418,348,811

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 $5,775,914 (December 31, 2024 - $6,288,333) 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 $11,392,467 (December 31, 2024 - $11,667,562) and QuidMarket installment loans will mature within a 12-month period.

For the periods ended March 31, 2025 and 2024 (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, 2025			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Bank Program Advances (CreditFresh)	**282,014,143**	**56,487,870**	**13,171,367**	**351,673,380**
Installment loans and LOC advances (MoneyKey)	**8,042,361**	**7,210,935**	**1,915,085**	**17,168,381**
LOC advances (Fora Credit)	**25,342,893**	**2,914,312**	**558,229**	**28,815,434**
Bank Service Program advances (MoneyKey)	**-**	**1,603,923**	**3,139,849**	**4,743,772**
Installment loans (QuidMarket)	**11,336,682**	**4,410,302**	**2,986,376**	**18,733,360**
	326,736,079	**72,627,342**	**21,770,906**	**421,134,327**

	As at December 31, 2024			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Bank Program Advances (CreditFresh)	282,694,735	57,354,221	14,855,822	354,904,778
Installment loans and LOC advances (MoneyKey)	8,532,453	7,173,773	2,249,669	17,955,895
LOC advances (Fora Credit)	22,366,602	2,935,837	674,984	25,977,423
Bank Service Program advances (MoneyKey)	-	1,126,579	3,696,262	4,822,841
Installment loans (QuidMarket)	10,085,566	4,602,308	-	14,687,874
	323,679,356	73,192,718	21,476,737	418,348,811

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

	As at March 31, 2025		
	Stage 2 (Under-Performing)	**Stage 3 (Non-Performing)**	**Total**
0-30	**26,793,906**	**-**	**26,793,906**
31-60	**24,639,471**	**-**	**24,639,471**
61-90	**20,618,740**	**-**	**20,618,740**
91-120	**255,989**	**18,930,514**	**19,186,503**
120+	**319,236**	**2,840,392**	**3,159,628**
	72,627,342	**21,770,906**	**94,398,248**

	As at December 31, 2024		
	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
0-30	32,832,714	-	32,832,714
31-60	22,072,394	-	22,072,394
61-90	17,683,417	-	17,683,417
91-120	385,438	21,086,088	21,471,526
120+	218,755	390,649	609,404
	73,192,718	21,476,737	94,669,455

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, 2025 and 2024 (expressed in US dollars)

5. Loans and advances receivable (continued)

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

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

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

	As at March 31, 2025			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Low risk	**212,764,239**	**1,173,943**	**4,399**	**213,942,581**
Normal risk	**113,616,305**	**37,091,619**	**25,195**	**150,733,119**
High risk	**355,535**	**34,361,780**	**21,741,312**	**56,458,627**
	326,736,079	**72,627,342**	**21,770,906**	**421,134,327**

	As at December 31, 2024			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Low risk	171,222,486	2,055,681	-	173,278,167
Normal risk	126,968,756	42,946,768	5,657	169,921,181
High risk	25,488,114	28,190,269	21,471,080	75,149,463
	323,679,356	73,192,718	21,476,737	418,348,811

For the periods ended March 31, 2025 and 2024 (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, 2025			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Balance as at December 31, 2024	**323,679,356**	**73,192,718**	**21,476,737**	**418,348,811**
Additions to gross loans and advances receivable	**126,562,365**	**14,933,660**	**-**	**141,496,025**
Principal payments and other adjustments	**(67,701,037)**	**(5,397,577)**	**(868,053)**	**(73,966,667)**
Transfers to (from)				
Stage 1 (Performing)	**20,599,198**	**(20,599,198)**	**-**	**-**
Stage 2 (Under-Performing)	**(76,403,803)**	**76,403,803**	**-**	**-**
Stage 3 (Non-Performing)	**-**	**(65,906,064)**	**65,906,064**	**-**
Gross charge-offs	**-**	**-**	**(64,743,842)**	**(64,743,842)**
Balance as at March 31, 2025	**326,736,079**	**72,627,342**	**21,770,906**	**421,134,327**

	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 periods ended March 31, 2025 and 2024 (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, 2025			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Balance as at December 31, 2024	**39,357,422**	**53,119,534**	**18,750,757**	**111,227,713**
Additions to gross loans and advances receivable	**10,836,256**	**8,627,542**	**-**	**19,463,798**
Principal payments and other adjustments, including remeasurement	**(2,486,525)**	**8,930,802**	**(750,647)**	**5,693,630**
Transfers to (from)				
Stage 1 (Performing)	**3,217,652**	**(10,515,269)**	**-**	**(7,297,617)**
Stage 2 (Under-Performing)	**(11,087,134)**	**31,208,222**	**-**	**20,121,088**
Stage 3 (Non-Performing)	**-**	**(36,588,799)**	**57,288,837**	**20,700,038**
Net amounts written off against allowance	**-**	**-**	**(56,204,279)**	**(56,204,279)**
Balance as at March 31, 2025	**39,837,671**	**54,782,032**	**19,084,668**	**113,704,371**

	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) including remeasurement				
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

Changes in allowance for credit losses were as follows:

	For the three month period ended	
	March 31, 2025	March 31, 2024
Balance at beginning of period	**111,227,713**	79,093,294
Charge-offs	**(64,743,842)**	(47,066,746)
Recoveries	**8,284,311**	6,295,706
Provision for loan losses	**58,936,189**	39,661,921
Balance at end of period	**113,704,371**	77,984,175

For the periods ended March 31, 2025 and 2024 (expressed in US dollars)

5. Loans and advances receivable (continued)

Provisions for loan losses and other liabilities is as follows:

	For the three month period ended	
	March 31, 2025	March 31, 2024
Provision for loan losses	**58,936,189**	39,661,921
Other lending program costs	**415,040**	1,244,882
Provision for CSO Guarantee Liabilities (MoneyKey)	**(129,074)**	(33,892)
Provision for Bank Service Program Liabilities (MoneyKey)	**(543,529)**	1,488,716
Total Provision for loan losses and other liabilities	**58,678,626**	42,361,627

Breakdown of provision for loan losses:

	For the three month period ended	
	March 31, 2025	March 31, 2024
Provision for loan losses on Bank Program Advances (CreditFresh)	**38,646,589**	29,463,766
Provision for loan losses on installment loans and LOC advances and Bank Service Program advances (MoneyKey)	**15,073,011**	8,714,924
Provision for loan losses on LOC advances (Fora Credit)	**2,091,544**	1,483,231
Provision for loan losses on installment loans (QuidMarket)	**3,125,045**	-
Total Provision for loan losses	**58,936,189**	39,661,921

As of March 31, 2025, the outstanding amount of active installment loans originated by an unaffiliated third party lender under the CSO programs was $4,853,215 (December 31, 2024 - $5,892,783), for which the risk of customer default is guaranteed by the Company. As of March 31, 2025, the outstanding amount of active LOC advances originated by NBFI Bank Partner under the Bank Service Program ("Bank Service Program advances") was $57,223,345 (December 31, 2024 - $56,360,814). These CSO loans and Bank Service Program advances are not included in the tables above and are not included on the Company's condensed interim consolidated statement of financial position.

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

	For the three months ended	
	March 31, 2025	March 31, 2024
CSO program products (MoneyKey)		
Fees from CSO program (Note 6)	**4,085,146**	3,017,873
Loans and advances receivables	**5,071,108**	2,713,358
CSO Guarantee Liabilities (Note 12)	**359,087**	273,226
CSO obligation (Note 12)	**2,505,583**	1,891,826
Installment loan borrower balances (off-balance sheet)	**4,853,215**	3,606,703
Reserve balances (reflected in Company's Restricted cash)	**2,762,772**	2,110,362
Bank Service Program advances (MoneyKey)		
Fees from Bank Service Program (Note 6)	**20,357,996**	14,698,425
Loans and advances receivables	**4,743,772**	2,871,345
Bank Service Program guarantee liability (Note 12)	**10,414,301**	7,844,286
Bank Service Program obligation (Note 12)	**1,361,625**	790,666
Line of credit borrower balances (off-balance sheet)	**57,223,345**	41,080,010
Reserve balances (reflected in Company's Restricted cash)	**17,011,360**	12,341,872

For the periods ended March 31, 2025 and 2024 (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 judgement is then applied to determine probability weightings to each of these scenarios to determine a probability weighted allowance for credit losses as of the reporting date.

	Optimistic	**Neutral**	**Pessimistic**
Impact of macroeconomic factors	-3.5%	-0.5%	+8.0%

This assignment of probability weighting for the multiple scenarios using these FLIs involves, in addition to judgement, 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 $8,260,354. Conversely, if 100% probability were to be assigned to the Optimistic scenario, the decrease in the allowance would be approximately $3,613,905. 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 period ended	
	March 31, 2025	March 31, 2024
Interest and fees on loans and advances receivable		
Interest and fees from borrowers on purchased receivables (CreditFresh)	**92,641,552**	71,126,223
Interest from borrowers in direct lending (MoneyKey)	**3,491,118**	3,261,837
Fees from borrowers in direct lending (MoneyKey)	**1,825,534**	1,816,701
Interest from borrowers in direct lending (Fora Credit)	**2,498,915**	1,423,161
Interest from borrowers in direct lending (QuidMarket)	**10,113,048**	-
	110,570,167	77,627,922
Service Fees		
Fees from CSO program (MoneyKey)	**4,085,146**	3,017,873
Fees from Bank Service Program (MoneyKey)	**20,357,996**	14,698,425
Lending-as-a-Service fees	**2,738,952**	687,538
	27,182,094	18,403,836
Other revenue	**1,185,306**	471,848
Total revenue	**138,937,567**	96,503,606

For the periods ended March 31, 2025 and 2024 (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, 2025	December 31, 2024
Prepaids	**3,737,521**	3,277,754

8. Derivative instruments

The nature of the Company's business activities expose it to foreign currency risk. The Company has forward contracts available to reduce its exposure to foreign exchange rate fluctuations. As at March 31, 2025, the Company had open forward exchange contracts with a financial institution that matures between April 30, 2025 and June 30, 2025 and obligates the Company to sell US$7,000,000 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, 2025, the Company has open foreign exchange forward contracts with a fair market value of $(345,955) (December 31, 2024 – $(832,353)). For the three-month period ended March 31, 2025, the Company recorded an unrealized gain on derivative instruments of $486,398 (March 31, 2024 – unrealized loss of $536,309).

For the periods ended March 31, 2025 and 2024 (expressed in US dollars)

9. Property and equipment

	Furniture and fixtures	**Computer equipment***	**Leasehold improvements**	**Total**
Cost				
Balance as at December 31, 2024	**707,551**	**270,937**	**559,914**	**1,538,402**
Additions	**-**	**15,141**	**-**	**15,141**
Disposals	**-**	**(43,693)**	**(59,416)**	**(103,109)**
Foreign currency translation	**437**	**1,505**	**9,568**	**11,510**
Balance as at March 31, 2025	**707,988**	**243,890**	**510,066**	**1,461,944**
Accumulated depreciation				
Balance as at December 31, 2024	**578,026**	**158,968**	**317,983**	**1,054,977**
Depreciation	**13,549**	**25,572**	**15,445**	**54,566**
Eliminated on disposals	**-**	**(43,693)**	**(59,416)**	**(103,109)**
Foreign currency translation	**54**	**180**	**1,164**	**1,398**
Balance as at March 31, 2025	**591,629**	**141,027**	**275,176**	**1,007,832**
Net Book Value				
Balance as at December 31, 2024	**129,525**	**111,969**	**241,931**	**483,425**
Balance as at March 31, 2025	**116,359**	**102,863**	**234,890**	**454,112**

	Furniture and fixtures	Computer equipment*	Leasehold improvements	Total
Cost				
Balance as at December 31, 2023	691,399	265,771	403,070	1,360,240
Additions	-	18,393	-	18,393
Disposals	-	(4,264)	-	(4,264)
Balance as at March 31, 2024	691,399	279,900	403,070	1,374,369
Accumulated depreciation				
Balance as at 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 as at March 31, 2024	540,706	160,575	276,372	977,653
Net Book Value				
Balance as at December 31, 2023	165,075	124,287	140,593	429,955
Balance as at March 31, 2024	150,693	119,325	126,698	396,716

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

As of March 31, 2025, property and equipment with a cost of $nil (December 31, 2024 - $nil) was not amortized as it is work-in-progress.

For the periods ended March 31, 2025 and 2024 (expressed in US dollars)

10. Intangible assets

	Customer acquisition data	**Internally developed software**	**Brand**	**Customer relationships**	**Total**
Cost					
Balance as at December 31, 2024	**8,357,640**	**28,299,122**	**1,864,510**	**8,328,144**	**46,849,416**
Additions	**1,242,659**	**2,117,678**	**-**	**-**	**3,360,337**
Removal of fully amortised costs	**(1,189,590)**	**-**	**-**	**-**	**(1,189,590)**
Foreign currency translation	**-**	**2,450**	**74,690**	**333,616**	**410,756**
Balance as at March 31, 2025	**8,410,709**	**30,419,250**	**1,939,200**	**8,661,760**	**49,430,919**
Accumulated amortization					
Balance as at December 31, 2024	**4,074,005**	**15,525,466**	**16,200**	**289,440**	**19,905,111**
Amortization	**1,371,155**	**1,261,837**	**24,300**	**434,160**	**3,091,452**
Removal of fully amortised costs	**(1,189,590)**	**-**	**-**	**-**	**(1,189,590)**
Foreign currency translation	**-**	**(51)**	**(100)**	**(1,787)**	**(1,938)**
Balance as at March 31, 2025	**4,255,570**	**16,787,252**	**40,400**	**721,813**	**21,805,035**
Net Book Value					
Balance as at December 31, 2024	**4,283,635**	**12,773,656**	**1,848,310**	**8,038,704**	**26,944,305**
Balance as at March 31, 2025	**4,155,139**	**13,631,998**	**1,898,800**	**7,939,947**	**27,625,884**

	Customer acquisition data	Internally developed software	Brand	Customer relationships	Total
Cost					
Balance as at 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 as at March 31, 2024	7,082,375	22,781,259	-	-	29,863,634
Accumulated amortization					
Balance as at 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 as at March 31, 2024	3,783,636	12,256,758	-	-	16,040,394
Net Book Value					
Balance as at December 31, 2023	3,348,803	10,090,576	-	-	13,439,379
Balance as at March 31, 2024	3,298,739	10,524,501	-	-	13,823,240

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

For the periods ended March 31, 2025 and 2024 (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 right-of-use asset is listed below:

	For the three month period ended	
	March 31, 2025	March 31, 2024
Cost		
Balance as at December 31	**5,198,695**	4,817,846
Additions	**24,884**	-
Disposals	**(38,019)**	(3,876)
Foreign currency translation	**25,608**	-
Balance as at March 31	**5,211,168**	4,813,970
Accumulated depreciation		
Balance as at December 31	**3,233,979**	3,023,925
Charge for the period	**210,386**	188,684
Disposals	**(38,019)**	(3,876)
Foreign currency translation	**1,599**	-
Balance as at March 31	**3,407,945**	3,208,733
Net Book Value		
Balance as at December 31	**1,964,716**	1,793,921
Balance as at March 31	**1,803,223**	1,605,237

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

For the periods ended March 31, 2025 and 2024 (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 period ended	
	March 31, 2025	March 31, 2024
Cost		
Balance as at December 31	**2,327,551**	2,349,884
Additions	**24,884**	-
Interest	**65,661**	72,521
Payments	**(121,247)**	(286,422)
Foreign currency translation	**(143,469)**	(55,555)
Balance as at March 31	**2,153,380**	2,080,428
Reported as:		
Current:		
Balance as at December 31	**865,153**	851,064
Balance as at March 31	**919,071**	818,072
Non-current:		
Balance as at December 31	**1,462,398**	1,498,820
Balance as at March 31	**1,234,309**	1,262,356
Carrying amount:		
Balance as at December 31	**2,327,551**	2,349,884
Balance as at March 31	**2,153,380**	2,080,428

The maturity analysis of lease liabilities is presented below:

	As at	
	March 31, 2025	December 31, 2024
Year 1	**919,071**	865,153
Year 2	**669,590**	843,102
Year 3	**238,361**	229,313
Year 4	**227,442**	215,302
Year 5	**98,916**	174,681
Total	**2,153,380**	2,327,551

For the periods ended March 31, 2025 and 2024 (expressed in US dollars)

12. Accounts payable and accrued liabilities

	As at	
	March 31, 2025	December 31, 2024
Accounts Payable	**6,053,409**	10,563,371
Accrued Liabilities		
Accrued liabilities	**5,850,711**	6,486,034
Bank Service Program Liabilities	**10,414,301**	10,957,830
Bank Service Program obligation	**1,361,625**	1,013,256
Accrued salaries and bonuses	**2,042,358**	7,284,070
Accrued Bank Partner fees and interest	**5,279,518**	7,384,850
CSO obligations	**2,505,583**	3,375,352
CSO Guarantee Liabilities	**359,087**	488,161
Total Accrued Liabilities	**27,813,183**	36,989,553

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

CSO obligations are comprised of:

- 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.
- 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 condensed interim consolidated statement of financial position.

For the periods ended March 31, 2025 and 2024 (expressed in US dollars)

13. Credit facilities

	As at	
	March 31, 2025	December 31, 2024
Fora Credit Facility		
Opening Balance	**9,522,823**	752,444
Advances from credit facility	**-**	13,864,943
Payments on credit facility	**-**	(5,094,564)
Foreign currency translation	**6,056**	-
Ending Facility Balance	**9,528,879**	9,522,823
MoneyKey Facility		
Opening Balance	**7,150,000**	4,650,000
Advances from credit facility	**-**	2,500,000
Payments on credit facility	**(1,150,000)**	-
Ending Facility Balance	**6,000,000**	7,150,000
CreditFresh Facility		
Opening Balance	**256,400,000**	195,200,000
Advances from credit facility	**4,000,000**	63,200,000
Payments on credit facility	**(3,500,000)**	(2,000,000)
Ending Facility Balance	**256,900,000**	256,400,000
Facility transaction costs	**(874,065)**	(1,112,446)
Total Ending Credit Facilities	**271,554,814**	271,960,377

Under these credit facilities, for the three-month period ended March 31, 2025 the Company incurred interest of $8,193,778 (March 31, 2024 - $6,741,807) and other fees related to the credit facilities of $454,876 (March 31, 2024 - $363,020). These amounts are recorded as "interest and fees on credit facilities" on the condensed interim consolidated statement of operations.

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, 2025 was $9,528,879 (December 31, 2024 - $9,522,823). The Fora Credit facility has a maturity date of May 31, 2026 and 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, 2025, the maximum borrowing base under the Fora Credit facility was approximately $9,528,878 (December 31, 2024 - $9,522,823).

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

Financial covenant	Requirement
Guarantor minimum allowable tangible net worth	$10 million
Borrower minimum allowable tangible net worth	$2 million
Minimum allowable tangible net worth ratio	25%
Minimum allowable unrestricted cash test	$2.5 million
Maximum allowable leverage ratio	5.0

As of March 31, 2025, the Company was in compliance with these covenants.

For the periods ended March 31, 2025 and 2024 (expressed in US dollars)

13. Credit facilities (continued)

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, 2025 was $6,000,000 (December 31, 2024 - $7,150,000). 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, 2024 - $2,000,000). On February 7, 2025, the MoneyKey facility was amended to extend the maturity date to November 12, 2025. The entire balance drawn on the facility is classified as current.

As at March 31, 2025, the maximum borrowing base under the MoneyKey facility was approximately $7,441,014 (December 31, 2024 - $9,189,124).

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

Financial covenant	Requirement
Minimum allowable tangible net worth ratio	25%
Minimum allowable liquidity ratio	1.5
Minimum allowable unrestricted cash test	$2.5 million
Maximum allowable leverage ratio	5.0

As of March 31, 2025, the Company was in compliance with these covenants.

CreditFresh Facility

On July 25, 2024, the Company announced an upsize to its existing syndicated credit facility for its CreditFresh line of business adding new bank partners to the lending syndicate. The upsize represents an increased capacity of $80 million, for a total aggregate capacity of $330 million and matures on February 24, 2026. As of March 31, 2025, the total drawn amount on this credit facility was $256,900,000 (December 31, 2024 - $256,400,000). 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, 2025, the maximum borrowing base under the CreditFresh facility was approximately $282,587,291 (December 31, 2024 - $285,750,483).

The CreditFresh facility has an annualized blended effective interest rate (including other facility related fees) of 12.0% (based on the three-month SOFR rate; and excluding other lenders fees).

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

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

As of March 31, 2025, the Company and DST’s were in compliance with these covenants.

For the periods ended March 31, 2025 and 2024 (expressed in US dollars)

14. Share capital

Ordinary shares authorized

Unlimited number of common shares as at March 31, 2025.

Unlimited blank cheque preferred shares as at March 31, 2025.

Issued

As at March 31, 2025, the Company had 38,856,731 common shares issued and outstanding (December 31, 2024 – 38,841,772).

	For the period ended			
	March 31, 2025		March 31, 2024	
	# of shares	**$**	# of shares	$
Common shares				
Balance, beginning of year	**38,841,772**	**157,625,625**	34,326,732	78,964,450
Share options exercised (Note 15)	**14,959**	**133,385**	3,580	27,197
Balance, closing	**38,856,731**	**157,759,010**	34,330,312	78,991,647

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 period ended	
	March 31, 2025	March 31, 2024
Net income for the period	**23,500,531**	13,121,853
Weighted average number of shares outstanding	**38,854,698**	34,328,364
Basic earnings per common share	**$0.60**	$0.38
Dilutive effect of stock-based compensation	**3,320,756**	2,665,353
Dilutive weighted average number of share outstanding	**42,175,454**	36,993,717
Diluted earnings per share	**$0.56**	$0.35

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.

For the periods ended March 31, 2025 and 2024 (expressed in US dollars)

15. Stock-based compensation

Options issued and outstanding are as follows:

	For the three-month periods ended			
	March 31, 2025		March 31, 2024	
	Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
Outstanding at beginning of period	**3,293,536**	**10.89**	2,521,738	6.06
Granted during the period	**123,350**	**16.74**	439,000	11.52
Surrendered during the period	**(1,226)**	**7.78**	(1,630)	5.66
Exercised during the period	**(14,959)**	**5.39**	(3,580)	6.43
Outstanding at the end of the period	**3,400,701**	**11.13**	2,955,528	6.87

For the three-month period ended March 31, 2025, the Company recorded an expense of $929,698 (March 31, 2024 - $393,965) in stock-based compensation expense related to its stock option plan in salaries, wages and benefits, with a corresponding adjustment to contributed surplus.

The aggregate of the estimated fair values of the options granted during the period was approximately $677,039 (March 31, 2024: $1,716,329).

During the three-month period ended March 31, 2025, 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, 2025
Weighted average share price	**$16.53**
Weighted average exercise price	**$16.53**
Expected volatility	**39.91%**
Expected life (years)	**6.98**
Risk-free rate	**2.86%**
Expected dividend yields	**2.8%**

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

As a result of the acquisition of QuidMarket, the Company now operates and manages businesses in multiple geographical jurisdictions – providing lending related services to borrowers, banks, and other institutions in North America and in Europe. The chief operating decision maker ("CODM") is the Chief Executive Officer and Chief Financial Officer or equivalent. The CODM makes decisions and assesses performance of the Company at the reportable segment level. For the period ending March 31, 2025, the Company has concluded that there is only one reportable segment per the guidance under IFRS 8 – Operating Segments.

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

17. Financial instruments and risk management

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

Credit risk and concentration of credit risk

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

In relation to loans and advances receivable and CSO and Bank Service Program Liabilities, the Company closely monitors default rates and overall recovery per dollar funded for all credit products originated through the Company's proprietary technology platform. The Company, its non-bank, and/or Bank Partners adjust lending terms and policies as deemed necessary. The Company establishes an allowance for credit losses on all loans or advances originated through its proprietary technology platform in accordance with IFRS 9. The gross exposure to the Company for CSO and Bank Service Program Liabilities are disclosed in Note 5 above. Under the CSO programs, as at March 31, 2025 the amount was $4,853,215 (December 31, 2024 - $5,892,783) and under the Bank Service Program the amount was $57,223,345 (December 31, 2024 - $56,360,814). The associated maximum amount of credit risk exposure on such amounts are reflected in the CSO and Bank Service Program Liabilities as outlined above.

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

Interest rate risk

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

The Company is exposed to interest rate cash flow risk on its credit facilities. On the CreditFresh facility, it bears interest at a rate plus a base rate of three-month term SOFR (with a floor of 1.75%). On the 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 period ended March 31, 2025 would increase by approximately $344,482 (December 31, 2024 - $333,065). If interest rates had been 50 basis points lower and all other variables were held constant, the Company's interest expense for the period ended March 31, 2025 would decrease by approximately $(344,482) (December 31, 2024 - $333,065). 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, 2025 and 2024 (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, 2025	**Carrying amount**	**Year 1**	**Year 2**	**Year 3**	**Onwards**
Accounts payable	**6,053,409**	**6,053,409**	**-**	**-**	**-**
Accrued liabilities	**27,813,183**	**27,813,183**	**-**	**-**	**-**
Derivative instruments	**345,955**	**345,955**	**-**	**-**	**-**
Amount drawn on Credit facilities *	**272,428,879**	**262,900,000**	**9,528,879**	**-**	**-**
Income taxes payable	**15,898,838**	**15,898,838**	**-**	**-**	**-**
Lease liabilities	**2,153,380**	**919,071**	**669,590**	**238,361**	**326,358**
Total	**324,693,644**	**313,930,456**	**10,198,469**	**238,361**	**326,358**

** The maturity dates of both the MoneyKey and CreditFresh credit facilities have been extended in the subsequent events period, in addition to other changes. Refer to Note 19 Subsequent events for further information.*

As at December 31, 2024	Carrying amount	Year 1	Year 2	Year 3	Onwards
Accounts Payable	10,563,371	10,563,371	-	-	-
Accrued Liabilities	36,989,553	36,989,553	-	-	-
Derivative financial instruments	832,353	832,353	-	-	-
Amount drawn on Credit facilities	273,072,823	7,150,000	265,922,823	-	-
Income Taxes Payable	16,017,036	16,017,036	-	-	-
Lease liabilities	2,327,551	865,153	843,102	229,313	389,983
Total	339,802,687	72,417,466	266,765,925	229,313	389,983

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, 2025 was $4,264,105 (December 31, 2024 - $5,787,722). 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 and GBP for which the related expenses, accounts payable, accrued liabilities and lease liabilities are subject to exchange rate fluctuations. As at March 31, 2025, management had entered into foreign currency forward contracts with a notional value of $7,000,000 to manage the risk from fluctuations in CAD foreign currency risk over time (December 31, 2024 - $17,000,000). As at March 31, 2025 and December 31, 2024 items are denominated in the following foreign currencies:

	As at			
	March 31, 2025		December 31, 2024	
	$CAD	**£GBP**	$CAD	£GBP
Cash	**506,762**	**3,082,288**	841,327	3,840,608
Restricted Cash	**775,750**	**-**	678,732	-
Loans and Advances Receivable	**23,563,317**	**16,607,479**	21,038,694	14,020,013
Accounts Payable	**1,805,236**	**1,096,094**	1,278,632	1,130,548
Accrued Liabilities	**2,926,603**	**296,618**	4,157,983	145,515
Lease Liabilities	**1,332,262**	**821,118**	1,507,069	820,483

As at March 31, 2025, if a shift in CAD and GBP foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately $2,809,994 (December 31, 2024 - $2,682,040) and $1,991,236 (December 31, 2024 - $1,814,288) respectively due to the fluctuation, and this would be recorded in the condensed interim consolidated statement of operations.

Fair value measurement

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

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

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

The fair value of financial instruments classified at amortized cost approximates their fair values due to the short term to maturity or due to them bearing market interest rates. The fair value of derivative instruments is determined using level 2 inputs and is carried at fair value. The fair value of the CSO Guarantee Liabilities and Bank Service Program Liabilities are determined using level 3 inputs. There were no transfers between fair value hierarchies in 2025.

For the periods ended March 31, 2025 and 2024 (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 period ended	
	March 31, 2025	March 31, 2024
Salaries	**4,741,338**	3,468,381
Stock-based compensation	**664,059**	182,542
	5,405,397	3,650,923

19. Subsequent events

On April 22, 2025, the Company, and certain of its state licensed, direct lending and CSO operating subsidiaries refinanced the MoneyKey Facility with a US lender party thereto from time to time. The MoneyKey Facility provides for a maximum borrowing of $15 million at a 70% advance rate, and interest rate of 4.25% plus the three month Term SOFR per annum. The interest rate was reduced by approximately 600 bps from the prior credit facility. We also pay an unused fee of 0.75% on unborrowed amounts. The MoneyKey Facility matures on April 22, 2028.

On April 25, 2025, the Company completed an amendment and upsize to its existing syndicated credit facility for its CreditFresh line of business, adding a new bank partner to the lending syndicate and receiving increased commitments from several existing lenders. The amendment reduced the interest rate by approximately 130 bps. Furthermore, the upsize represents an increased capacity of $70 million, for a total aggregate capacity of $400 million. The CreditFresh Facility matures on April 25, 2028. We also pay an unused fee of 0.50% on unborrowed amounts.