



First Quarter Report | 2026



Keeping Business Liquid

# Flexible Financing Solutions from Accord



## Asset-based Lending

Accord's asset-based lending serves companies of all sizes across Canada. Our flexible ABL solutions allow clients to unlock working capital from their accounts receivable, inventory and equipment. With facilities ranging up to \$10 million, Accord ABL is the ideal solution for growing middle-market businesses. Forty-eight years of superior service across a broad spectrum of industries makes us the finance partner of choice for companies positioning for their next phase of growth.



## Equipment Financing

Accord finances equipment for small- and middle-market businesses, serving a broad base of Canada's most dynamic industries, from forestry and energy, to construction and manufacturing. We're equally comfortable financing incremental capex or business expansion, or refinancing existing assets to optimize balance sheet strength. Our success has been built on our commitment to supporting equipment leasing brokers, finance professionals and SMEs directly.



## Small Business Finance

Accord provides a variety of financing solutions for Canadian entrepreneurs, including equipment leasing and flexible working capital facilities. Under the AccordExpress banner, we offer a range of innovative programs designed with a streamlined approval process and fast funding. These programs deliver up to \$250,000 of working capital, and up to \$3 million when backed by receivables or equipment collateral, all with flexible terms designed to spur growth in 2026.



## Factoring

Accord has been factoring small- and medium-sized companies for nearly fifty years. Factoring – buying clients' accounts receivable – accelerates cash flow by unlocking the value of receivables for cash. In addition to improving liquidity, factoring also saves management time often tied up with cash flow planning, credit analysis and collections. Our experienced team has worked with companies in virtually every industry, which allows us to provide quick credit approvals for companies in transition or shifting into growth mode.

# ACCORD FINANCIAL CORP.

## MESSAGE FROM THE PRESIDENT AND CEO

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Enclosed are the financial statements, as well as Management's Discussion and Analysis, for the quarter ended March 31, 2026, together with comparative figures for the first quarter of 2025, and December 31, 2025. These financial statements have not been reviewed by the Company's auditors but have been reviewed and approved by its Audit Committee and Board of Directors.

Throughout 2025 and into 2026, Accord has focused on repaying its outstanding debt and simplifying the business. The Company faced the maturity of its senior credit facility ("Senior Credit Facility") and unsecured demand and term notes ("Notes") in July 2025 and the impending maturity of its listed and unlisted debentures ("Debentures") in January 2026. Beginning on August 15th, 2025 we announced a series of short-term amendments to the Company's senior credit facility and Notes; the most recent amendment announced today extends the maturity of the senior credit facility to June 12, 2026 and the maturity of the Notes to June 19, 2026. The Company also announced that on January 27, 2026, debentureholders approved amendments including an extension of the maturity date to July 31, 2026.

During the first quarter, the Company made progress on several important strategic initiatives. On February 10th, the Company announced the sale of its 60% interest in BondIt Media Capital, and on March 13th the Company announced the sale of certain US portfolio assets. These transactions, together with a series of additional loan sales and repayments since December 31, 2025, reduced the amount outstanding under the senior credit facility from \$148.2 million at the start of the year to approximately \$71.6 million at March 31, 2026 (subsequently reduced further by a portion of the cash reflected on the balance sheet on March 31st).

These initiatives were aimed at reducing bank debt, as well as simplifying the business. Accord is now entirely focused on small business lending in Canada – one country, one target market, one team. While "Accord 2.0" emerges future-focused from its recent repositioning, the Company's nearly fifty years of Canadian market presence opens doors with well-earned name recognition and respect. And the industry's broadest SME product suite, powered by unique strategic partnerships, means we're well-positioned to compete. These factors combined to boost Accord's small business

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## MESSAGE FROM THE PRESIDENT AND CEO

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lending performance in the years leading up to the current series of challenges. With our focus back on our core market, our mission is to restore the growth trajectory interrupted in late 2023.

"Accord 2.0" is positioned to compete in the market we know best, however, the effort to refocus and repay debt has put us at a suboptimal scale. The Company has taken steps to reduce overhead as earning assets declined, however, it's not possible to precisely match cost-cutting to the revenue decline. The first quarter numbers reflect this challenge, compounded by the continuing burden of professional and other fees related to managing and repaying our bank syndicate. Accord must grow again, but meaningful growth requires that we restructure the balance sheet first.

Streamlining the business and simplifying the portfolio is intended to set the stage to refinance all the Company's outstanding debt – we continue to work with our financial advisors in this regard. While progress has been made, and our lenders have granted extensions to provide the Company additional time, there are no assurances that further initiatives will be successful or sufficient to fully repay our outstanding debt when due or that our lenders will continue to grant extensions. The above conditions represent a material uncertainty as to the Company's ability to continue as a going concern. See management's discussion & analysis below including the sections entitled "Liquidity and Capital Resources," "Risks and Uncertainties" and "Outlook" as well as notes 2 and 15 to the consolidated financial statements that follow.

Successful execution of ongoing initiatives to restructure, refinance and repay outstanding debt is the Company's top priority. As Accord manages through these challenges, our core mission continues – delivering much-needed capital to companies from coast to coast.



Simon Hitzig  
President and Chief Executive Officer  
May 15, 2026

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## FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars, except values per share, or as otherwise noted)

| Three months ended March 31,  | 2026    | 2025    |
|---|---------|---------|
| Average funds employed (millions)   | \$ 270  | \$ 380  |
| Revenue   | 7,263   | 8,390   |
| Loss before income tax  | (1,170) | (1,348) |
| Net loss from continuing operation  | (1,113) | (864)   |
| Restructuring and other expenses  | 823     | 227     |
| Tax impact from adjustments   | (218)   | (60)    |
| Adjusted net loss from continuing operations                                  | (508)   | (697)   |
| Loss per common share (basic and diluted) from continuing operations          | (0.13)  | (0.10)  |
| Adjusted loss per common share (basic and diluted) from continuing operations | (0.06)  | (0.08)  |
| Book value per share  | \$ 5.46 | \$ 9.29 |

Note: Income figures are based on continuing operations results

## OVERVIEW

The following discussion and analysis explain trends in Accord Financial Corp.'s ("Accord" or the "Company") results of operations and financial condition for the quarter ended March 31, 2026 compared with the quarter ended March 31, 2025 and, where presented, the year ended December 31, 2025. It is intended to help shareholders and other readers understand the dynamics of the Company's business and the factors underlying its financial results. Where possible, issues have been identified that may impact future results.

This Management's discussion & analysis ("MD&A"), dated May 15, 2026, should be read in conjunction with the Company's condensed interim unaudited consolidated financial statements (the "Statements") and notes thereto for the quarter ended March 31, 2026 and 2025, which are included as part of this 2026 First Quarter Report, and as an update to the discussion and analysis provided in the Company's 2025 Annual Report, which includes the audited consolidated financial statements and notes thereto for the fiscal year ended December 31, 2025.

All amounts discussed in this MD&A are expressed in thousands of Canadian dollars, except per share amounts and as otherwise noted and have been prepared in accordance with IFRS Accounting Standards ("IFRS"). Please refer to the Critical Accounting Policies and Estimates section below and notes 2 and 3 to the Statements regarding the Company's use of accounting estimates in the preparation of its financial statements in accordance with IFRS. Additional information pertaining to the Company, including its Annual Information Form, is filed under the Company's profile with SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

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## FORWARD LOOKING STATEMENTS

In this document and in other documents filed with Canadian regulatory authorities or in other communications, the Company may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding the Company's business plan and financial objectives. The forward-looking statements contained in this MD&A are used to assist readers in obtaining a better understanding of the Company's financial position and the results of operations as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Forward-looking statements typically use the conditional, as well as words such as prospect, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology. By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. The Company operates in a dynamic environment that involves various risks and uncertainties, many of which are beyond its control, which could have an effect on the Company's business, revenues, operating results, cash flow, financial condition and prospects. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove to be inaccurate. Although the Company believes the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. The Company cautions readers against placing undue reliance on forward-looking statements when making decisions, as actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various factors. Among others, these factors include: the ability of the Company to continue to carry on as a going concern, dependence on continuing availability of capital resources and financing; maturing debt obligations and the availability of replacement financing on reasonable terms on a timely basis, or at all; the availability of further extension of debt maturities; the outcome of strategic initiatives; current state of economic conditions and business uncertainty and its impact on ECL, competition from alternative sources of capital; credit risk and ability to underwrite finance receivables and loan applications; interest rate risk; foreign currency risk; continuing partnerships with Crown corporations; dependence on key personnel; income tax matters; fraud by lessees, borrowers, vendors or brokers; technology and cyber security; data management and privacy risk; risk of future legal proceedings. The Company further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause the Company's actual results to differ from current expectations, please also refer to "Risks and Uncertainties" in this MD&A and in the Company's Annual Information Form, as well as to other public filings of the Company available at [www.sedarplus.com](http://www.sedarplus.com). The Company does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulation.

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## NON-IFRS FINANCIAL MEASURES

In addition to the IFRS prepared results and balances presented in the Statements and notes thereto, the Company uses a number of other financial measures to monitor its performance and some of these are presented in this MD&A. These measures may not have standardized meanings or computations as prescribed by IFRS that would ensure consistency and comparability between companies using them and are, therefore, considered to be non-IFRS measures. The Company primarily derives these measures from amounts presented in its Statements, which were prepared in accordance with IFRS. The Company's focus continues to be on IFRS measures and any other information presented herein is purely supplemental to help the reader better understand the key performance indicators used in monitoring its operating performance and financial position. The non-IFRS measures presented in this MD&A and elsewhere in the Company's 2026 First Quarter Report are defined as follows:

- i) **Return on average equity ("ROE")** – this is a profitability measure that presents net earnings attributable to shareholders ("shareholders' net earnings") as an annualized percentage of the average shareholders' equity employed in the period to earn the income. The Company includes all components of shareholders' equity, as shown on the Company's balance sheet, calculated on a month-by-month basis to calculate the average thereof;
- ii) **Adjusted net earnings, adjusted earnings per common share and adjusted ROE** – adjusted net earnings presents shareholders net earnings excluding restructuring and other non-recurring expenses. The Company considers these terms to be non-operating expenses. Management believes adjusted net earnings provides a more meaningful measure of ongoing operating performance than shareholders' net earnings as it excludes items which do not directly relate to ongoing operating activities. Adjusted (basic and diluted) earnings per common share is adjusted net earnings divided by the (basic and diluted) weighted average number of common shares outstanding in the period (see note 2 to the Statements), while adjusted ROE is adjusted net earnings for the period expressed as an annualized percentage of the average shareholders' equity employed in the period;
- iii) **Book value per share** – book value is defined as shareholders' equity and is the same as the net asset value of the Company (calculated as total assets minus total liabilities) less non-controlling interests in subsidiaries. Book value per share is the book value, or shareholders' equity, divided by the number of common shares outstanding as of a particular date; and
- iv) **Average funds employed** – Funds employed is another name that the Company uses for its finance receivables and loans (also referred to as "Loans" in this MD&A), an IFRS measure. Average funds employed are the average finance receivables and loans, calculated on a month-by-month basis, over a defined period.

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## ACCORD'S BUSINESS

Accord is one of Canada's leading independent finance companies serving clients from coast to coast. Accord's flexible finance programs cover the full spectrum of asset-based lending ("ABL"), including receivables and inventory finance, equipment and trade finance, and working capital finance. Its clients operate in a wide variety of industries, as summarized in the industry tables below.

Founded in 1978, the Company operates three finance companies in Canada, namely, Accord Financial Inc. ("AFIC"), Accord Financial Canada Corp. ("AFCC") and Accord Financial Ltd. ("AFL") in Canada, and formerly operated Accord Financial, Inc. ("AFIU") in the United States, which discontinued operations in Q1 2026.

The Company's business principally involves: (i) asset-based lending by its Canadian operations, which entails purchasing receivables ("factoring") or financing receivables on a recourse basis, as well as financing other tangible assets, such as inventory and equipment; and (ii) equipment financing (leasing and equipment loans) and working capital financing to small businesses by AFCC.

Until being discontinued in the first quarter of 2026, these activities also included similar asset-based lending operations conducted in the United States through AFIU.

During 2025 and into 2026, Accord refocused its new business origination efforts on small business lending in Canada as part of broader strategic initiatives aimed at streamlining operations and strengthening the Company's capital structure. These efforts were intended to better position the Company to refinance or repay its outstanding indebtedness while establishing the foundation of "Accord 2.0" – a more focused, scalable platform designed to serve the evolving needs of the Canadian small business market through a diverse suite of financing solutions.

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## QUARTERLY FINANCIAL INFORMATION

|                      | Quarter ended   | Revenue          | Shareholders' net earnings (loss) | Earnings (loss) per share* |
|----------------------|-----------------|------------------|-----------------------------------|----------------------------|
| <b>2026</b>          | <b>March 31</b> | <b>\$ 7,263</b>  | <b>\$ (1,113)</b>                 | <b>\$ (0.13)</b>           |
| 2025                 | December 31     | \$ 8,463         | \$ (8,395)                        | \$ (0.98)                  |
|                      | September 30    | 8,321            | (1,770)                           | (0.21)                     |
|                      | June 30         | 8,788            | (354)                             | (0.04)                     |
|                      | March 31        | 8,390            | (864)                             | (0.10)                     |
| <b>Fiscal 2025**</b> |                 | <b>\$ 33,962</b> | <b>\$ (11,383)</b>                | <b>\$ (1.33)</b>           |
| 2024                 | December 31     | \$ 9,976         | \$ (3,943)                        | \$ (0.46)                  |
|                      | September 30    | 10,614           | (1,479)                           | (0.17)                     |
|                      | June 30         | 10,981           | (963)                             | (0.11)                     |
|                      | March 31        | 11,902           | 461                               | 0.05                       |
| <b>Fiscal 2024**</b> |                 | <b>\$ 43,473</b> | <b>\$ (5,924)</b>                 | <b>\$ (0.69)</b>           |

\* basic and diluted

\*\* due to rounding the total of the four quarters may not agree with the total for the fiscal year

\*\*\* figures reflect results from continuing operations only.

## RESULTS OF OPERATIONS

### Quarter ended March 31, 2026 compared with the quarter ended March 31, 2025

The following discussion relates to the results of operations for the quarter ended March 31, 2026 compared with the quarter ended March 31, 2025, and reflects results from continuing operations only, excluding discontinued operations.

Shareholders' net loss for the quarter ended March 31, 2026 was \$1,113 compared to shareholders' net loss of \$864 in the first quarter of 2025. The increase in net loss year over year was primarily driven by higher interest expense, which included approximately \$645 of fees accrued in connection with amendments to the Company's credit facilities. Basic and diluted loss per common share ("LPS") was \$0.13 compared to basic and diluted LPS of \$0.10 in the first quarter of 2025.

Revenue for the first quarter of 2026 declined by 13.4%, or \$1,127, to \$7,263 compared to \$8,390 in the same period last year. Interest income decreased by 17.0%, or \$1,267, to \$6,186, from \$7,453 primarily due to a \$110.0 million decline in average funds employed and lower average interest rates. Other income was relatively stable, increasing by \$140 to \$1,077 compared to \$937 in the first quarter of 2025.

Total expenses decreased 13.4% or \$1,305 to \$8,433 in the first quarter of 2026 from \$9,738 in the same period last year. Interest expense increased by 27.9%, or \$656 to \$3,008 primarily due to amendment and extension fees incurred in connection with the Company's bank indebtedness, which are required to be recognized as interest expense. G&A expenses decreased by 9.3%, or \$496, from the first quarter of 2025

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mainly due to reductions in personnel costs, information technology expenses and portfolio servicing costs, partially offset by higher professional fees year over year. G&A expenses are comprised of personnel costs, which represent the largest component, as well as information technology expenses, professional fees, and portfolio servicing costs, among others. The Company continues to closely manage its controllable expenses.

The provision for credit losses decreased by \$1,460 to \$502 in the first quarter of 2026 compared to \$1,962 in the same quarter last year.

| Three months ended March 31                      | 2026     | 2025     |
|--|----------|----------|
| Net write-offs                                   | \$ 1,919 | \$ 1,113 |
| Decrease in allowance for expected credit losses | (1,417)  | 849      |
| Total provision for credit losses                | \$ 502   | \$ 1,962 |

Net write-offs increased by \$806 to \$1,919 in the first quarter of 2026 compared to \$1,113 last year. All of the write-offs in the first quarter of 2026 and 2025 relate to the loan portfolio at AFCC and are consistent with management expectations. The non-cash allowance for expected credit losses ("ECL") decreased by \$2,266, primarily due to a reduction in the general provision resulting from lower portfolio balances related to continuing operations compared to the same period in 2025. While the Company manages its portfolio of Loans closely, as noted in the Risks and Uncertainties section below, financial results can be impacted by individually significant insolvencies or losses.

Depreciation expense decreased by \$5 to \$79 (2025 - \$84) in the first quarter of 2026. Depreciation of \$59 (2025 - \$59) was charged on the Company's right-of-use assets in the first quarter of 2026, while the balance of the expense related to capital assets.

There was a recovery of income tax expense of \$57 in the first quarter of 2026 compared to an income tax expense of \$483 in the same period last year.

### REVIEW OF FINANCIAL POSITION

Shareholders' equity declined to \$46.7 million at March 31, 2026, compared to \$51.0 million at December 31, 2025. Book value per common share was \$5.46 at March 31, 2026 compared to \$5.96 at December 31, 2025.

Total assets were \$187.3 million at March 31, 2026, a decrease of 47.5% from \$356.7 million at December 31, 2025. Total assets primarily consist of Loans. The decrease primarily reflects the disposition of assets related to the U.S. loan portfolio at AFIU and the sale of the Company's 60% ownership interest in BondIt.

Gross finance receivables and loans, before the allowance for ECL, decreased to \$154.0 million at March 31, 2026 from \$346.0 million at December 31, 2025. As detailed in the Statements, the Company's Loans comprised:

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|   | March 31, 2026 | December 31, 2025 |
|---|----------------|-------------------|
| Working capital loans                     | \$ 65,714      | \$ 74,452         |
| Receivable loans                          | 34,317         | 89,371            |
| Inventory & equipment loans               | 51,674         | 83,565            |
| Media loans                               | -              | 95,853            |
| Lease receivables                         | 2,322          | 2,735             |
| Finance receivables and loans, gross      | 154,027        | 345,976           |
| Less allowance for expected credit losses | 16,038         | 19,045            |
| Finance receivables and loans, net        | \$ 137,989     | \$ 326,931        |

The Company's Loans principally represent advances made by its asset-based lending subsidiaries, AFIC (and previously AFIU), to approximately 22 clients (December 31, 2025 – 36), lease receivables, equipment and working capital loans made by AFCC to approximately 532 clients (December 31, 2025 – 590). There were no loans associated with BondIt as at March 31, 2026 (December 31, 2025 – 50). The largest client in the diversified loan portfolio comprised 21.5% of gross Loans at March 31, 2026 (December 31, 2025 – 8.5%). This exposure is being closely monitored given its classification as a Stage 2 loan. At December 31, 2025, \$8.5 million of the \$29.4 million outstanding loan balance was an unsecured over-advance. In early January 2026 one of the client's major customers filed for bankruptcy protection and is currently working through a restructuring plan with its advisors. As a result, receivables related to that customer became ineligible collateral, increasing the unsecured over-advance to \$15.1 million of the \$33.0 million outstanding balance as at March 31, 2026.

Management continues to actively monitor this exposure and related developments. An ECL allowance, including a qualitative overlay, has been recognized in an amount considered reasonable and supportable based on information currently available. However, if certain conditions persist or further deteriorate – including adverse developments arising from the restructuring process of its major customer, the ongoing impact of tariffs, or other unforeseen developments, the allowance recorded for this exposure may ultimately prove to be insufficient. Note 15 to the Statements provides details of the Company's credit exposure by industrial sector.

Credit approval for transactions in the Company's three remaining operating businesses is delegated to senior credit officers. Transactions with credit risk exposure exceeding \$1.0 million require approval from the Corporate Credit Committee (comprised of the Company's President and CEO and its CFO). Transactions with credit risk exposure over \$2.5 million must be approved by the Credit Committee of the Board of Directors, which comprises three members of its Board. The Company actively monitors and manages its risk and exposures through established financial, credit and systems controls and believes it has effective procedures in place to assess and mitigate the credit risks to which it is exposed. Credit risk is subject to ongoing management review. Nevertheless, despite these controls, defaults by clients or their customers may occur for a variety of reasons.

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For its factoring products, the Company's primary focus continues to be on the creditworthiness and collectability of its clients' receivables. The clients' customers have varying payment terms depending on the industries in which they operate, although most customers have payment terms of 30 to 60 days from invoice date.

Receivables become "ineligible" for lending purposes when they reach a certain pre-determined age, typically 75 to 90 days from invoice date, and are usually charged back to clients, thereby limiting the Company's credit risk on older receivables. Asset-based lending products additionally require focus on the performance of other collateral types (inventory, equipment and in certain cases real estate) as well as the underlying cash flows of the borrower. AFCC's lease receivables and equipment and working capital loans are usually structured as term loans with payments spread out evenly over the term of the lease or loan, with terms up to 60 months. AFCC also has revolving loan products which have no fixed repayment terms and can be repaid at any time.

The Company uses a credit risk rating system for assessing obligor and transaction risk for finance receivables and loan exposures. Risk rating models use internal and external data to assess and assign ratings to borrowers, predict future performance and manage limits for existing loans and collection activities. The credit rating of the borrower is used (in addition to other criteria) to assess the predicted credit risk for each initial credit approval or significant account management action. Credit ratings improve credit decision quality, adjudication time frames and consistency in the credit decision process and facilitate risk-based pricing. Please see note 5 to the Statements which presents tables summarizing the Company's finance receivables and loans, by the three stage credit criteria of IFRS 9, Financial Instruments ("IFRS 9"), as well as an aged analysis thereof. Credit risk is managed by ensuring that, as far as possible, the receivables financed are of good quality and any inventory, equipment or other assets securing loans are appropriately appraised. Collateral is monitored and managed on an on-going basis to mitigate credit risk. In its asset-based lending and equipment finance operations, the Company assesses the financial strength of its clients and its clients' customers and the industries in which they operate on a regular and ongoing basis. Cash flows from a client's ongoing business operations represent the primary source of repayment.

The Company also manages credit risk through a combination of underwriting controls and ongoing portfolio monitoring, including the application of advance rates, the exclusion of certain receivables, and the aging out or ineligibility of receivables for lending purposes as they become more delinquent. In certain circumstances, the Company also obtains cash collateral. The Company also performs verification procedures on receivables that are purchased or financed. In its factoring operations, the Company administers and collects the majority of its clients' receivables, which enables it to identify emerging credit issues on a timely basis and take prompt action to mitigate potential losses. In its small business finance operations, security deposits are generally required for equipment leases and loans, while the

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majority of working capital loans are supported by a strong financial guarantor, typically covering 75% to 80% of the principal balance of the loan in the event of a default.

As detailed in note 5 to the Statements, the Company had past due finance receivables and loans of \$12,360 at March 31, 2026, of which \$12,319 relates to AFCC. As of March 31, 2026, 26.9% or \$41,358 of total finance receivables and loans were considered to have had a significant increase in credit risk ("SICR"), including the Company's largest client exposure, which is classified as a Stage 2 loan and is being closely monitored.

The Company had impaired finance receivables and loans of \$2,738 at March 31, 2026 representing 1.8% of total funds employed. The impaired loans, most of which have been written down to estimated fair value, are mainly secured by receivables, inventory and equipment. The estimated fair value of the impaired loans was \$2,238 at March 31, 2026. As the vast majority of the Company's finance receivables and loans are secured or backed by a guarantee, past due or impaired loans do not necessarily lead to a significant ECL, as the estimated fair value of the underlying collateral or guarantees often results in a low or nil loss given default ("LGD") for such exposures.

The Company's credit exposure relating to its finance receivables and loans by industrial sector were as follows:

| Industry sector                            | March 31, 2026                      |              | December 31, 2025                   |              |
|--|-------------------------------------|--------------|-------------------------------------|--------------|
|  | Gross finance receivables and loans | % of total   | Gross finance receivables and loans | % of total   |
| Wholesale Trade                            | 49,751                              | 32.3         | 54,618                              | 15.8         |
| Mining                                     | 17,293                              | 11.2         | 17,600                              | 5.1          |
| Manufacturing                              | 14,503                              | 9.4          | 49,578                              | 14.3         |
| Finance and Insurance                      | 12,574                              | 8.2          | 46,489                              | 13.4         |
| Retail Trade                               | 10,811                              | 7.0          | 12,153                              | 3.5          |
| Construction                               | 8,850                               | 5.7          | 14,321                              | 4.1          |
| Real Estate Rental and Leasing             | 6,187                               | 4.0          | 2,447                               | 0.7          |
| Information                                | 6,138                               | 4.0          | 7,344                               | 2.1          |
| Transportation and Warehousing             | 6,010                               | 3.9          | 11,707                              | 3.4          |
| Agriculture, Forestry, Fishing and Hunting | 5,187                               | 3.4          | 5,232                               | 1.5          |
| Other                                      | 16,723                              | 10.9         | 124,487                             | 36.1         |
|  | <b>\$ 154,027</b>                   | <b>100.0</b> | <b>\$ 345,976</b>                   | <b>100.0</b> |

The Company maintains an allowance for ECL on its Loans at amounts which, in management's judgment, are adequate to cover ECL. The Company's allowance for ECL on Loans, calculated under the ECL criteria of IFRS 9, totalled \$16,038 at March 31, 2026 compared to \$19,045 at December 31, 2025. This represents management's best estimate of ECL based on information available at those dates. The challenging economic environment continues to affect the Company's loan portfolio to varying degrees and the measurement of the allowance could fluctuate substantially in future periods. (See "Critical Accounting Policies and Estimates" and "Risks and Uncertainties" and notes 2 and 15 to the Statements).

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The activity in the allowance for ECL in the first three months of 2026 and 2025 is set out in note 5 to the Statements. The estimates of the allowances for ECL involve judgment which management considers to be reasonable and supportable.

Assets held for sale, reported at lower of cost or fair value less cost of disposal, totalled \$430 at March 31, 2026 (December 31, 2025 – \$425) and comprised of certain assets securing defaulted finance receivables and loans from a number of clients and repossessed long-lived assets.

Cash increased to \$21,136 at March 31, 2026 compared to \$6,990 at December 31, 2025. The larger than usual cash balance at March 31 was primarily due to cash proceeds received from the sale of certain loans associated with discontinued operations at AFIU on or around March 31, 2026. The Company endeavors to minimize cash balances as far as possible when it has bank indebtedness outstanding. Fluctuations in cash balances are normal.

Other assets increased by \$5,163 to \$13,498 at March 31, 2026 compared to \$8,335 at December 31, 2025. The largest component of other assets represents \$7,489 (December 31, 2025 - \$5,682) due from Export Development Canada ("EDC") related to claims made on defaulted loans which benefit from an EDC guarantee ranging from 75% to 80% of the defaulted loans principal balance. Other assets also include an investment of \$2,419 (December 31, 2025 – nil), in a media finance related business in the U.S. which was acquired as partial consideration in connection with the sale of BondIt, other loans of \$2,128 (December 31, 2025 - \$136), prepaid expenses \$798 at March 31, 2026 (December 31, 2025 – \$1,297), and an amount held as a security for non-recourse borrowings of \$ 798 (December 31, 2025 – \$773).

Net deferred tax assets increased to \$11,513 at March 31, 2026 compared to \$11,240 at December 31, 2025.

Income taxes receivable and property and equipment at March 31, 2026 and December 31, 2025 were not significant.

Total liabilities decreased by \$162.3 million to \$140.6 million at March 31, 2026 compared to \$302.9 million at December 31, 2025. The decrease since December 31, 2025 was primarily due to a decrease in bank indebtedness and loans payable.

Bank indebtedness decreased by \$76,608 or 51.7% to \$71,628 at March 31, 2026 compared to \$148,236 at December 31, 2025, reflecting lower revolving credit facility usage.

On March 31, 2026, the Company's Senior Credit Facility was amended to extend the maturity date to May 15, 2026. Pursuant to the amendment, the maximum facility commitment was reduced to \$108.5 million and specific milestones were established to support the refinancing of upcoming debt maturities.

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On May 15, 2026, the maturity date of the Senior Credit Facility was further extended to June 12, 2026, as the Company's senior lenders continue to negotiate a longer term extension to provide additional time to complete a refinancing. Pursuant to the amendment, the maximum facility commitment was reduced to \$97.5 million, and a revolving line sub-limit of \$65.0 million was established further limiting the Company's borrowing capacity.

Pricing for drawn amounts under the revolving credit facility are primarily based on the Canadian Overnight Repo Rate Average ("CORRA") plus a margin for Canadian dollar borrowings or the secured overnight financing rate ("SOFR") plus a margin for U.S. dollar borrowings. The margin is based on a measure of leverage at each month end.

The Company was in compliance with all covenants at March 31, 2026 and December 31, 2025. Subject to other debt borrowings, bank indebtedness principally fluctuates with the amount of funds employed. Please refer below to "Liquidity and Capital Resources" for further details.

Loans payable decreased by \$78,759 to \$11,551 at March 31, 2026 compared to \$90,310 at December 31, 2025. The decrease primarily reflects the refinancing and subsequent repayment of the revolving loan previously extended to BondIt in connection with its sale. on February 10, 2026. (See discussion under Liquidity and Capital Resources).

Accounts payable and other liabilities decreased by \$859 to \$7,402 at March 31, 2026 compared to \$8,261 at December 31, 2025.

Notes payable decreased by \$7,227 to \$17,848 at March 31, 2026, compared to \$24,075 at December 31, 2025, primarily reflecting the repayment of notes payable by BondIt upon the completion of its sale. Notes payable comprised (i) \$4,500 (December 31, 2025 – \$4,500) of unsecured demand notes, which are due on or within a week of demand and bear interest at variable rates tied to the bank prime rate; and (ii) \$13,348 (December 31, 2025 – \$13,027) of unsecured term notes issued to related and third parties, with a maturity date of May 22, 2026. In connection with the amendment to the Senior Credit Facility extending its maturity date to June 12, 2026, the maturity date of the unsecured term notes was subsequently extended to June 19, 2026. These notes bear interest at a fixed rate of 10.0% per annum, payable quarterly; however, in accordance with the terms of the Company's Senior Credit Facility, interest accrues on these notes, but payments are currently suspended. The prior period balance also included \$7,548 of notes payable by BondIt, which were eliminated upon the sale of BondIt.

Debentures with a face value of \$25,650 (25,650 debentures of \$1,000 each) were issued by the Company in 2018 and 2019. Of these, 20,650 debentures are listed for trading ("Listed Debentures") on the Toronto Stock Exchange ("TSX"), while 5,000 ("Unlisted Debentures") are unlisted. All Debentures are unsecured and subordinated

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to all senior indebtedness which is defined to include all debt for borrowed money, such as principal, interest and fees related to bank indebtedness, the unsecured demand notes and the unsecured term notes along with other material obligations under lease liabilities, trade payables and financial instruments such as letters of credit. It also encompasses related guarantees, accrued interest and enforcement costs, unless expressly subordinated or stated to rank pari passu with the Debentures. The Debentures accrue interest which is payable semi-annually on June 30 and December 31 of each year. The payment of interest is subject to the prior approval of the lenders providing the Company's senior bank indebtedness. As of December 31, 2025, the lenders prohibited the payment of accrued interest causing a default under the debentures. The Debentureholders approved an amendment to the terms of the Debentures and a waiver of the default for non-payment of interest from Debentureholders at a meeting held on January 27, 2026. The amendments include (i) an extension of the maturity date to July 31, 2026, (ii) changes in the interest payment term from semi-annual to 13 months of interest up to July 30, 2026 and (iii) an increase in the interest rate from 10.0% to 12.0% effective January 31, 2026 to July 30, 2026. (See discussion under Liquidity and Capital Resources). At March 31, 2026, the debt component of all debentures totalled \$27,724 compared to \$26,966 at December 31, 2025.

Income taxes payable, lease liabilities and deferred income at March 31, 2026 and December 31, 2025 were not material.

Capital stock totalled \$9,448 at March 31, 2026 and December 31, 2025. There were 8,558,913 common shares outstanding at those dates.

Contributed surplus totalled \$1,889 at March 31, 2026 (December 31, 2025 – \$1,886).

Retained earnings decreased by \$3,234 to \$29,062 at March 31, 2026 compared to \$32,500 at December 31, 2025. The decrease in 2026 is due to a net loss from continuing operations of \$1,113 and a net loss from discontinued operations of \$2,121.

The Company's accumulated other comprehensive income ("AOCI") represents the cumulative unrealized foreign exchange income arising on the translation of the assets and liabilities of the Company's foreign operations. The AOCI balance decreased to \$6,104 at March 31, 2026 compared to \$7,157 at December 31, 2025. Although the Company has classified its former U.S. operation as discontinued operations, the related cumulative foreign currency translation adjustments remain in AOCI as at March 31, 2026 because the Company continues to have certain residual interests, obligations and intercompany balances associated with the former U.S. operations. Accordingly, the foreign operations have not yet been fully liquidated or settled for accounting purposes.

Non-controlling interests in subsidiaries totalled \$nil at March 31, 2026 compared with \$2,839 at December 31, 2025.

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## LIQUIDITY AND CAPITAL RESOURCES

The Company considers its capital resources to include equity and debt, namely, its bank indebtedness, loans payable, notes payable and debentures. The Company is closely managing its capital to meet its financial obligations and continue as a going concern. It is currently working on addressing several upcoming debt maturities as shown in the table below.

The Company had the following debt obligations outstanding as at March 31, 2026:

|                           | <b>Borrower</b> | <b>Amount</b>        | <b>Maturity Date</b>             |
|---------------------------|-----------------|----------------------|----------------------------------|
| Senior Credit Facility    | AFC             | \$71.6 million       | May 15, 2026                     |
| Unsecured Demand Notes    | AFC             | 4.5 million          | On demand within 7 days          |
| Unsecured Term Notes*     | AFC             | 13.3 million         | May 22, 2026                     |
| Subordinated Debentures*  | AFC             | 27.7 million         | July 31, 2026                    |
| Secured Non-recourse loan | ASBF            | 11.6 million         | Amortizing from asset cash flows |
| <b>Total</b>              |                 | <b>128.7 million</b> |                                  |

\* Note: Amount includes interest accrued to date

In February 2026, the maturity date of the Company's Senior Credit Facility was extended to March 31, 2026 and the maximum facility commitment was reduced from \$190.0 million to \$160.0 million. Under the terms of the amendment, the maximum facility commitment was subject to mandatory reductions equal to 80% of the net proceeds from the dispositions of loan assets. On March 31, 2026, the maturity was further extended to May 15, 2026 to allow the Company additional time to refinance its bank indebtedness. Under that amendment the maximum facility commitment was reduced to \$108.5 million and new milestones were established for refinancing upcoming debt maturities. As of May 15, 2026 the Senior Credit Facility was extended to June 12, 2026 as the Company's lenders continue to negotiate a longer-term extension. That amendment reduced the maximum facility commitment of \$97.5 million and introduced a sub-limit of \$65.0 million, further reducing the Company's borrowing capacity. The Company continues to work closely with its advisors on refinancing its outstanding debt.

The terms of the unsecured subordinated debentures were amended pursuant to a special meeting of debentureholders held on January 27, 2026. The debenture amendments included (i) extending the maturity date of the debentures from January 31, 2026 to July 31, 2026, and (ii) increasing the interest rate to 12.0% commencing January 31, 2026 such that on the July 31, 2026 maturity date debentureholders will receive 13 months' worth of accrued interest, calculated at a rate of 10.0% for the period from July 1, 2025 to and including January 30, 2026 and a rate of 12.0% for the period from January 31, 2026 to and excluding July 31, 2026 and (iii) a waiver of the default for the missed interest payment due on December 31, 2025.

As of March 31, 2026, the Company had financial liabilities of \$137.1 million that were due within the next 12 months. The Company continues to seek potential new sources of financing for all its debt. However, there is a risk that the availability of financing

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options to refinance the debt that matures in 2026 may not be available on terms that provide the necessary covenant flexibility or are otherwise acceptable to the Company or may not be available at all.

With respect to near-term debt maturities, the Company is actively pursuing refinancing of its outstanding debt, however, these efforts may be unsuccessful or insufficient to fully address maturing indebtedness. This risk arises from the potential inability to secure financing on acceptable terms and conditions, or at all, and from the possibility that existing lenders may not continue to extend maturity dates. In addition to refinancing existing debt, the Company will require an injection of new debt or equity capital to fund operations and growth. If any or all of the Company's funding sources are not replaced or renewed on acceptable terms, the Company may not have the financing necessary to continue operations, which could have a material adverse impact on its business. The above conditions represent a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. (See Outlook, Risks and Uncertainties and note 2 to the Statements).

### ***Cash flow for the three months ended March 31, 2026 compared with the three months ended March 31, 2025***

Cash outflow from net loss before changes in operating assets and liabilities and income tax payments decreased to \$2,941 in the first three months of 2026 compared to cash inflow of \$575 last year. After changes in operating assets and liabilities and income tax payments or refunds are taken into account, there was a net cash inflow from operating activities of \$50,599 in the first three months of 2026 compared to an outflow of \$30,150 last year. A net cash inflow of \$55,045 in the first three months of 2026 was primarily due to loan repayments. The net cash outflow of \$29,792 in the first three months of 2025 largely resulted from funding of new and existing Loans partially offset by Loan repayments. Changes in other operating assets and liabilities are discussed above and are detailed in the Company's consolidated statements of cash flows.

Cash inflows from investing activities totalled \$47,258 in the first three months of 2026, primarily representing proceeds from the sale of BondIt and Loans at AFIU. Cash flows from investing activities totalled \$nil in the first three months of 2025.

Net cash outflow from financing activities totalled \$83,650 in the first three months of 2026 compared to an inflow of \$22,957 last year. The net cash outflow this year primarily resulted from a decrease in bank indebtedness of \$76,608 and net proceeds from U.S. dollar loans payable of \$3,185 and repayment of Canadian dollar loans payable of \$3,776. In the first three months of 2025, the net cash inflow primarily resulted from an increase in bank indebtedness of \$24,508 and net proceeds from U.S. dollar loans payable of \$7,193, partially offset by repayment of Canadian dollar loans payable of \$5,769.

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The effect of exchange rate changes on cash was a decrease of \$61 in the first three months of 2026 compared to a decrease of \$8 in the first three months of 2025.

Overall, there was a net cash inflow of \$14,146 in the first three months of 2026 compared to a net cash outflow of \$7,201 in the first three months of 2025.

### CONTRACTUAL OBLIGATIONS AND COMMITMENTS AT MARCH 31, 2026

|                             | Payments due in     |                 |                 |               | Total             |
|-----------------------------|---------------------|-----------------|-----------------|---------------|-------------------|
|                             | Less than<br>1 year | 1 to 3<br>years | 3 to 5<br>years | Thereafter    |                   |
| Debt obligations            | \$ 126,791          | \$ 3,032        | \$ -            | \$ -          | <b>\$ 129,823</b> |
| Operating lease obligations | 455                 | 625             | 650             | 560           | <b>2,290</b>      |
|                             | <b>\$ 127,246</b>   | <b>\$ 3,657</b> | <b>\$ 650</b>   | <b>\$ 560</b> | <b>\$ 132,113</b> |

### RELATED PARTY TRANSACTIONS

The Company has borrowed funds (notes payable and debentures) on an unsecured basis from shareholders, other related individuals and third parties.

Notes payable totalled \$17,848 at March 31, 2026 compared to \$25,075 at December 31, 2025.

Notes payable comprise: (i) unsecured demand notes due on, or within a week of, demand of \$4,500 (December 31, 2025 – \$4,500); and (ii) unsecured subordinated term notes ("term notes") totalling \$20,278 (December 31, 2025 – \$20,575), which were repayable on May 22, 2026 and subsequently extended to June 19, 2026. Notes payable of \$16,577 (December 31, 2025 – \$21,433) are inclusive of accrued interest. Notes due on, or within a week of demand, bear interest at rates that vary with the bank prime rate, while the term notes bear interest at a rate of 10.00%.

Related party interest expense on these notes in the current quarter of 2026 totalled \$340 (2025 – \$294). Please refer to note 9 to the Statements.

\$3,250 of Unlisted Debentures with a maturity date of July 31, 2026 are held by a related party.

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The following table provides the principal amounts owed to related parties from the Company at March 31, 2026:

| <b>Demand notes payable</b>          | <b>Relationship</b> |              |
|--------------------------------------|---------------------|--------------|
| Hitzig Bros., Hargreaves & Co. Inc.* | Director            | \$ 4,000,000 |
| Ken Hitzig                           | Founder             | \$ 500,000   |
| <b>Term notes payable</b>            |                     |              |
| Hitzig Bros., Hargreaves & Co. Inc.* | Director            | \$ 4,000,000 |
| Oakwest Corporation Inc.*            | Director            | \$ 3,000,000 |
| Ken Hitzig                           | Founder             | \$ 2,500,000 |
| <b>Listed Debentures</b>             |                     |              |
| Hitzig Bros., Hargreaves & Co. Inc.* | Director            | \$ 750,000   |
| Simon Hitzig                         | Director            | \$ 600,000   |
| <b>Unlisted Debentures</b>           |                     |              |
| Hitzig Bros., Hargreaves & Co. Inc.* | Director            | \$ 3,250,000 |

\*a director of Accord has an ownership interest in the Company

\* a director of the Company has an ownership interest in the Company

Accord pays a rate of interest related to Canadian prime (as of March 31, 2026, the rate was 4.45%) on its unsecured demand notes payable. This interest rate is typically below the interest rate the Company pays on its senior revolving credit facility, resulting in interest savings to the Company.

As at March 31, 2026, the Company did not hold any related-party term notes issued by BondIt (December 31, 2025 – US\$3.8 million).

Related-party term notes of \$9.5 million mature on May 22, 2026 and accrue interest at a rate of 10.00%. In connection with the amendment to the Senior Credit Facility extending its maturity date to June 12, 2026, the maturity date of the related-party term notes was subsequently extended to June 19, 2026. The notes also contain an automatic extension provision whereby the maturity date is set at five business days following the maturity date of the Company's Senior Credit Facility.

### FINANCIAL INSTRUMENTS

Financial assets and liabilities are recorded at amortized cost. Financial assets and liabilities, other than lease receivables and loans to clients in our equipment and small business finance operations, term loans payable and lease liabilities, are short term in nature and, therefore, their carrying values approximate fair values.

At March 31, 2026 and December 31, 2025, there were no outstanding foreign exchange contracts entered into by the Company.

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## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A critical accounting estimate represents an estimate that is highly uncertain and for which changes in the estimate could materially impact the Company's financial results.

The Company considers the estimate of the allowance for ECL on Loans as critical to its financial results. The Company maintains allowances for ECL at amounts which, in management's judgment, are sufficient to cover credit losses thereon. The allowances are based upon several considerations including current economic environment, condition of the loan and receivable portfolios, typical industry loss experience, macro-economic factors and forward-looking information ("FLI"). The key inputs in the measurement of ECL allowances for each loan are as follows: (i) the probability of default ("PD") which is an estimate of the likelihood of default over a given time horizon; (ii) the LGD which is an estimate of the loss arising in the case where a default occurs at a given time; and (iii) the exposure at default ("EAD") which is an estimate of the exposure at a future default date. These key inputs associated with each loan are sensitized to future market and macro-economic conditions through the incorporation of FLI. These estimates are particularly judgmental, and operating results may be adversely affected by significant unanticipated credit or loan losses, such as occur in a bankruptcy or insolvency, or may result from severe adverse economic conditions.

The Company's allowance for ECL on its Loans is provided for under the three-stage criteria set out in IFRS 9, where a Stage 1 allowance is established to reserve against accounts which have not experienced a SICR and which cannot be specifically identified as impaired on an item-by-item or group basis at a particular point in time. Stage 1 ECL results from default events on the financial instrument that are possible within the twelve-month period after the reporting date. Stage 1 accounts are considered to be in good standing. The Company's Stage 2 allowances are based on a review of the loan and comprises an allowance for those financial instruments which have experienced a SICR since initial recognition. Lifetime ECL are recognized for all Stage 2 financial instruments. Stage 3 financial instruments are those that the Company has classified as impaired. The Company classifies a financial instrument as impaired when the future cash flows of the financial instrument could be adversely impacted by events after its initial recognition. Evidence of impairment includes indications that the borrower is experiencing significant financial difficulties, or a default or delinquency has occurred. Lifetime ECL are recognized for all Stage 3 financial instruments. In Stage 3, financial instruments are written off, either partially or in full, against the related allowance for ECL when the Company judges that there is no realistic prospect of future recovery in respect of those amounts after the collateral has been realized or transferred at net recoverable value. Any subsequent recoveries of amounts previously written-off are credited to the respective allowance for ECL.

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Management believes that its allowances for ECL, which require a high degree of reasonable and supportable judgment are sufficient and appropriate. The Company's allowances are discussed in notes 5 and 15 to the Statements.

### **CONTROL ENVIRONMENT**

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal Controls over Financial Reporting ("ICFR") are designed by or under the supervision of the CEO and CFO, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The CEO, CFO and other members of management have assessed the design effectiveness of the Company's DC&P and ICFR at March 31, 2026, and have concluded that the design of the Company's DC&P and ICFR were effective as of that date. During the three months ended March 31, 2026, there have been no significant changes to the Company's ICFR that would have or would be reasonably likely to materially affect the Company's ICFR.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate and, as such, there can be no assurance that any design will succeed in achieving its stated goal under all potential conditions.

### **Disclosure controls and procedures**

The Company's management, including its President and Chief Financial Officer, are responsible for establishing and maintaining the Company's disclosure controls and procedures and has designed same to provide reasonable assurance that material information relating to the Company is made known to it by others within the Company on a timely basis. The Company's management has evaluated the effectiveness of its disclosure controls and procedures (as defined in the rules of the Canadian Securities Administrators ("CSA")) as at March 31, 2026 and has concluded that such disclosure controls and procedures are effective.

### **RISKS AND UNCERTAINTIES THAT COULD AFFECT FUTURE RESULTS**

Past performance is not a guarantee of future performance, which is subject to substantial risks and uncertainties. Management remains optimistic about the Company's long-term prospects. Factors that may impact the Company's results

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include, but are not limited to, the factors discussed below. Please refer to note 15 to the Statements.

### **The Company's business is dependent on its capital resources**

The Company's ability to continue operations depends on achieving future profitability and securing additional equity and/or debt financing. Additional funding will be required to repay or refinance existing debt obligations. In addition to refinancing existing debt, the Company will require an injection of new equity or debt to fund operations and growth. The Company is working with external advisors to pursue strategic initiatives to repay or refinance its debt obligations, however, there can be no assurance that these initiatives will be successful, completed on a timely basis or sufficient to address the Company's liquidity needs. These conditions give rise to a material uncertainty that casts a significant doubt on the Company's ability to continue as a going concern. Please also see comments regarding business conditions on page 21, Liquidity and Capital Resources on page 15 and note 2 to the Statements.

### **External financing and maturing debt obligations**

The Company depends on and will continue to depend on the availability of credit from external financing sources, to continue to, among other things, finance new and refinance existing loans and satisfy the Company's other working capital needs. The Company's senior lenders, while being supportive of strategic initiatives, have curtailed the Company's borrowing capacity through multiple amendments in 2025 and 2026 as they continue to press the Company to refinance its Senior Credit Facility.

The Company relies on current cash balances and existing credit lines, together with cash flow from operations, to meet its immediate cash requirements for working capital and operating expenditures. However, there is no guarantee that the Company will continue to have financing available to it to fund working capital or if the Company were to require additional financing that it would be able to obtain it on acceptable terms or at all.

As of March 31, 2026, the Company has approximately \$71.6 million of bank indebtedness due May 15, 2026 (subsequently extended to June 12, 2026), a total of \$17.8 million of term notes due May 22, 2026 (subsequently extended to June 19, 2026), and \$27.7 million of listed and unlisted debentures due July 31, 2026 (See Liquidity and Capital Resources section above). If any or all of the Company's funding sources are not replaced or renewed on acceptable terms and/or if the Company is unsuccessful in generating sufficient additional capital from its strategic initiatives to repay its maturing debt, the Company may not have the financing necessary to continue operations, which could have a material adverse impact on its business, financial condition and results of operations. While the Company has been granted extensions of the maturity date of its outstanding debt, there is no guarantee that further extensions will be available. If the Company is unable to pay its bank indebtedness on

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the maturity date, the lenders could take steps to enforce their security. The above conditions represent a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. Please also see comments regarding business conditions on page 21, Liquidity and Capital Resources on page 15 and note 2 to the Statements.

### **Strategic initiatives**

The Company is actively pursuing strategic initiatives with the objective of generating proceeds to repay or refinance its outstanding debt obligations to set the foundation for Accord 2.0. While these initiatives are intended to improve the Company's liquidity and financial flexibility, they are subject to risks related to execution, valuation, market conditions, and buyer interest. There can be no assurance that any transaction will be completed on acceptable terms or within the necessary timeframes. Sales of portfolio assets or subsidiaries may also lead to a decline in funds employed which may have an adverse impact on the Company's operating performance.

If the Company is unable to complete its strategic initiatives or arrange alternative financing, it may be unable to meet its obligations as they come due, resulting in a material adverse effect on its financial condition and ability to continue as a going concern.

### **Deterioration in economic conditions and business uncertainty**

The Company's operating results may be negatively impacted by various economic factors and business conditions, including the level of economic activity in Canada and the United States. Protectionist trade policies and the imposition of cross-border tariffs, whether broad based or targeted to specific industries, could affect input costs, lower investment and disrupt supply chains. Other potential negative conditions or significant events include public health emergencies including pandemics, geo-political or military conflicts, sanctions and other trade disruptions, and related or unexpected changes in inflation and borrowing costs. To the extent that economic activity or business conditions deteriorate, delinquencies and credit losses may increase. As the Company extends credit primarily to small and medium-sized businesses, many of its customers are particularly susceptible to economic slowdowns or recessions and may be unable to make scheduled lease or loan payments during these periods.

Unfavorable economic conditions may also make it more difficult for the Company to maintain new origination volumes and the credit quality of new loans at levels previously attained. Unfavorable economic conditions could also increase funding costs or operating cost structures, limit access to credit facilities and other capital markets funding sources or result in a decision by the Company's lenders not to extend further credit. Any of these events could have a material adverse impact on the Company's business, financial conditions and results of operations.

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Certain products that the Company offers are dependent on partnerships with investment-grade Crown corporations that may provide guarantees, risk transfers or other forms of financial support that enable the Company to offer such products. The loss, suspension, modification or non-renewal of any such arrangements could have a material adverse effect on the Company's business, financial condition and results of operations.

### **Competition from alternative sources of financing**

The Company operates in an intensely competitive environment and its results could be significantly affected by the activities of other industry participants. The Company expects this level of competition to persist in the future as the markets for its services continue to develop and as additional companies enter its markets. There can be no assurance that the Company will be able to compete effectively with current or future competitors. If the Company's competitors engage in aggressive pricing policies with respect to services that compete with those of the Company's, the Company would likely lose some clients or be forced to lower its rates, both of which could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, some of the Company's competitors may have greater access to capital or have higher risk tolerances or different risk assessments, which could allow them to establish more origination sources and customer relationships to increase their market share. Further, because there are fewer barriers to entry to the markets in which the Company operates, new competitors could enter these markets at any time. Because of all these competitive factors, the Company may be unable to sustain its operations at its current levels or generate growth in revenues or operating income, either of which could have a material adverse impact on the Company's business, financial condition and results of operations.

### **Credit risk, inability to underwrite finance receivables and loan applications**

The Company is in the business of financing its clients' receivables and making asset-based loans, including inventory and equipment financing, designed to serve small and medium-sized businesses, which are often owner-operated and have limited access to traditional financing. There is a high degree of risk associated with providing financing to such parties as a result of their lower creditworthiness. Even with an appropriately diversified lending business, operating results can be adversely affected by large bankruptcies and/or insolvencies. Losses from client loans in excess of the Company's expectations could have a material adverse impact on the Company's business, financial condition and results of operations. In addition, since defaulted loans as well as certain delinquent loans cannot be used as collateral under the Company's credit facilities, higher than anticipated defaults and delinquencies could adversely affect the Company's liquidity by reducing the amount of funding available to the Company under these financing arrangements. Furthermore, increased rates of delinquencies or defaults could cause the Company to be in breach of its financial covenants under its credit facilities, and could also result in adverse changes to the terms of future financing arrangements available to the Company, including

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increased interest rates payable to lenders and the imposition of more burdensome covenants and increased credit enhancement requirements.

### **Interest rate risk**

The Company has floating rate debt, as well as fixed rate debt. The Company's agreements with its clients (affecting interest revenue) and lenders (affecting interest expense) usually provide for rate adjustments in the event of changes in key interest rates, such as Prime, SOFR or CORRA. Fluctuations in interest rates may have a material adverse impact on the Company's business, financial condition and results of operations.

### **Foreign currency risk**

The Company has discontinued its United States operations. However, it continues to have certain assets and intercompany liabilities denominated in U.S. dollars. In recent years, the Company has seen the fluctuations in the U.S. dollar against the Canadian dollar affect its operating results when its foreign subsidiaries results are translated into Canadian dollars. It has also affected the value of the Company's net Canadian dollar investment in its foreign subsidiaries, which had, in the past, reduced the AOCI component of equity to a loss position, although it is now in a significant gain position. No assurances can be made that changes in foreign currency rates will not have a significant adverse effect on the Company's business, financial condition or results of operations.

### **Dependence on key personnel**

Employees are a significant asset of the Company, and the Company depends to a large extent upon the abilities and continued efforts of its key operating personnel and senior management team. If any of these persons becomes unavailable to continue in such capacity, or if the Company is unable to attract and retain other qualified employees, it could have a material adverse impact on the Company's businesses (including its ability to originate new business opportunities), financial condition and results of operations. Market forces and competitive pressures may also adversely affect the ability of the Company to recruit and retain key qualified personnel.

### **Income tax matters**

The income tax of the Company must be computed in accordance with Canadian, U.S. and foreign tax laws, as applicable, and the Company is subject to Canadian, U.S. and foreign tax laws, all of which may be changed in a manner that could adversely affect the Company's business, financial condition or results of operation.

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### **Fraud by lessees, borrowers, vendors or brokers**

The Company may be a victim of fraud by lessees, borrowers, vendors or brokers. In cases of fraud, it is difficult and often unlikely that the Company will be able to collect amounts owing under a receivable or loan or repossess any related collateral. Increased rates of fraud could have a material adverse impact on the Company's business, financial condition and results of operations.

### **Technology and cyber security**

The Company remains focused on the confidentiality, integrity and availability of the information and cyber security controls that protect its network, data and infrastructure. The cyber security risk landscape includes numerous cyber threats such as hacking threats, identity theft, denial of service, and advanced persistent threats. These and other cyber threats continue to become more sophisticated, complex, and potentially damaging. Third party service providers that the Company uses may also be subject to these risks which can increase our risk of potential attack. The Company establishes the requirements and sets out the overall framework for managing cyber and information security related risks. These include developing and implementing the appropriate activities to detect, respond to and contain the impact of cyber security threats, along with implementing the appropriate safeguards to ensure the delivery of critical infrastructure services.

The Company is continuously improving the strength of its practices and capabilities. It works closely with our critical cyber security and software suppliers to ensure that its technology capabilities remain cyber resilient and effective in the event of any unforeseen cyber-attack. The Company has not experienced any material cyber security breaches and has not incurred any material expenses with respect to the remediation of such cyber events. Security risks continue to be actively monitored and reviewed, leveraging the expertise of the Company's service providers and vendors, reviewing industry best practices and regularly re-assessing controls in place to acknowledge, address and mitigate the risks identified. The Company maintains a cyber security insurance policy to provide coverage in the event of cyber security incidents.

### **Data management and privacy risk**

Data management and its governance are becoming increasingly important as the Company continues to invest in digital solutions and innovation and the ongoing expansion of business activities. Furthermore, there are regulatory compliance risks associated with data management and privacy. The Company establishes the requirements and sets out the overall framework for data management and managing privacy related risks.

# ACCORD FINANCIAL CORP.

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## **Risk of future legal proceedings**

The Company is threatened from time to time with, or is named as a defendant in, or may become subject to, various legal proceedings, fines or penalties in the ordinary course of conducting its businesses. A significant judgment or the imposition of a significant fine or penalty on the Company could have a material adverse impact on the Company's business, financial condition and results of operation. Significant obligations may also be imposed on the Company by reason of a settlement or judgment involving the Company, as well as risks pertinent to financing facilities, including acceleration and/or loss of funding availability. Publicity regarding involvement in matters of this type, especially if there is an adverse settlement or finding in the litigation, could result in adverse consequences to the Company's reputation that could, among other things, impair its ability to retain existing or attract further business. The continuing expansion of class action litigation in U.S. and Canadian court actions has the effect of increasing the scale of potential judgments. Defending such a class action or other major litigation could be costly, divert management's attention and resources and have a material adverse impact on the Company's business, financial condition and results of operations.

## **Dividends**

The Company pays dividends if, as and when declared by the board of directors. The Company suspended dividend payments in the fourth quarter of 2023 as a prudent measure to conserve cash and strengthen the Company's capital base. While the board will reassess the Company's dividend policy in the normal course, there is no assurance that the dividend will be reinstated at the same rate or at all.

## **OUTLOOK**

The Company's near-term financial performance and its ability to operate as a going concern remain closely tied to its ability to address upcoming debt maturities and maintain financial flexibility in a challenging credit environment. During the quarter, the Company made meaningful progress on its strategic initiatives, including the sale of BondIt and the exit from the U.S. market, which collectively reduced outstanding bank debt by approximately \$76.6 million in Q1. Despite this progress, several significant debt maturities remain outstanding, including the Senior Credit Facility (\$71.6 million) and term notes (\$17.8 million) maturing on June 12, 2026, and June 19, 2026, respectively, as well as unsecured subordinated debentures (\$27.7 million), maturing on July 31, 2026. The Company is actively engaged with its lenders regarding a further extension of the Senior Credit Facility, however, there can be no assurance that such an extension will be obtained or that replacement financing arrangements will be successfully completed.

## ACCORD FINANCIAL CORP.

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These initiatives involve inherent execution risk and could be adversely affected by market conditions, challenging lender negotiations and the availability of financing. As a result, there remains a material uncertainty regarding the Company's ability to refinance its obligations on favorable terms, or at all. These conditions give rise to a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. For additional context, see the sections on Business Conditions, Liquidity and Capital Resources and notes 2 and 15 to the Statements.

Credit risk remains a key priority. The Company continues to closely monitor higher risk clients and sectors, including its largest exposure, a Stage 2 account in the wholesale trade industry with significant unsecured over-advances. While the Company believes its ECL allowances are reasonable and supportable based on currently available information, economic or trade related developments, prolonged client underperformance, or unsuccessful client efforts could result in additional provisions and negatively impact future results. The Company's lending teams remain focused on disciplined portfolio management, with an emphasis on credit quality and prudent deployment of available funding.

Earnings continue to be impacted by elevated professional fees associated with strategic initiatives, ongoing lender negotiations, and higher ECL provisions and severance costs. Profitability is expected to remain constrained until refinancing activities are completed, and these temporary costs normalize. At the same time, the Company continues to implement operational efficiency initiatives designed to streamline the business and improve long-term stability and performance.

Looking ahead, management and its advisors are focused on repositioning the Company around its core Canadian lending operations following the exit from the U.S. market. The Company is pursuing replacement financing arrangements and/or additional extensions of the Company's maturing debt obligations. These strategic initiatives are intended to establish the foundation for "Accord 2.0" – a more focused and scalable Canadian small business lending platform centered on asset-based lending, equipment finance and working capital solutions, supported by strategic lending partnerships, including with investment-grade Crown corporations. Management believes this repositioning will result in a simplified operating structure, and enhanced long-term financial flexibility, better positioning the Company to serve the evolving needs of Canadian small businesses.

## ACCORD FINANCIAL CORP.

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The Company's top priority remains the successful execution of refinancing initiatives related to its upcoming debt maturities, while maintaining disciplined execution across its Canadian lending operations and continuing to advance strategic initiatives aimed at restoring financial strength and long-term profitability supporting its core mission of simplifying access to capital so its clients can thrive.



Irene Eddy  
Senior Vice President, Chief Financial Officer  
May 15, 2026

# ACCORD FINANCIAL CORP.

## Appendix to MD&A: Non-IFRS Measures and Ratios (\$000s, except percentages)

|  | Three months ended Mar 31, |               |
|--|----------------------------|---------------|
|  | 2026                       | 2025          |
| <b>Return on equity</b>                      |                            |               |
| Net loss from continuing operations          | \$ (1,113)                 | \$ (864)      |
| Weighted average shareholders' equity (note) | 51,532                     | 79,944        |
| <b>Return on equity (annualized)</b>         | <b>(8.6%)</b>              | <b>(4.3%)</b> |

Note: weighted average shareholders' equity is the average shareholder's equity calculated for each month of the fiscal year and divided by the number of months in the period.

|   | Three months ended Mar 31, |                 |
|---|----------------------------|-----------------|
|   | 2026                       | 2025            |
| <b>Adjusted net loss</b>                            |                            |                 |
| Net loss from continuing operations                 | \$ (1,113)                 | \$ (864)        |
| Adjustments:  |                            |                 |
| Restructuring and other expenses                    | 823                        | 227             |
| Tax impact from adjustments                         | (218)                      | (60)            |
| <b>Adjusted net loss from continuing operations</b> | <b>\$ (508)</b>            | <b>\$ (697)</b> |

|  | Three months ended Mar 31, |                  |
|--|----------------------------|------------------|
|  | 2026                       | 2025             |
| <b>Adjusted loss per share</b>                                     |                            |                  |
| Adjusted net loss from continuing operations                       | \$ (508)                   | \$ (697)         |
| Weighted average number of common shares outstanding in the period | 8,559                      | 8,559            |
| <b>Adjusted loss per share</b>                                     | <b>\$ (0.06)</b>           | <b>\$ (0.08)</b> |

|   | Three months ended Mar 31, |               |
|---|----------------------------|---------------|
|   | 2026                       | 2025          |
| <b>Adjusted return on equity</b>              |                            |               |
| Adjusted net loss from continuing operations  | \$ (508)                   | \$ (697)      |
| Weighted average shareholders' equity (note)  | 51,532                     | 79,944        |
| <b>Adjusted return on equity (annualized)</b> | <b>(3.9%)</b>              | <b>(3.5%)</b> |

Note: weighted average shareholders' equity is the average shareholder's equity calculated for each month of the fiscal year, then totalled up and divided by the number of months in the period.

|                                      | Three months ended Mar 31, |            |
|--------------------------------------|----------------------------|------------|
|                                      | 2026                       | 2025       |
| <b>Average funds employed (note)</b> |                            |            |
| Average funds employed               | \$ 269,884                 | \$ 380,383 |

Note: average funds employed is average finance receivable and loans calculated for each month of the year or quarter and divided by the number of months in the period.

## ACCORD FINANCIAL CORP.

|                             | Mar 31,<br>2026 | Dec 31,<br>2025 |
|-----------------------------|-----------------|-----------------|
| <b>Book value per share</b> |                 |                 |
| Shareholders' equity        | \$ 46,707       | \$ 50,991       |
| Common shares outstanding   | 8,559           | 8,559           |
| <b>Book value per share</b> | <b>\$ 5.46</b>  | <b>\$ 5.96</b>  |

|                        | Mar 31,<br>2026 | Dec 31,<br>2025 |
|------------------------|-----------------|-----------------|
| <b>Equity / assets</b> |                 |                 |
| Total equity           | \$ 46,707       | \$ 53,830       |
| Assets                 | 187,281         | 356,702         |
| <b>Equity / assets</b> | <b>24.9%</b>    | <b>15.1%</b>    |

|                      | Mar 31,<br>2026 | Dec 31,<br>2025 |
|----------------------|-----------------|-----------------|
| <b>Debt / equity</b> |                 |                 |
| Debt (note)          | \$ 128,751      | \$ 290,587      |
| Total equity         | 46,707          | 53,830          |
| <b>Debt / equity</b> | <b>2.76x</b>    | <b>5.40x</b>    |

*Note: debt comprises the bank indebtedness, loans payable, debentures and notes payable as taken from the Consolidated Statements of Financial Position.*

|                               | Mar 31,<br>2026   | Dec 31,<br>2025   |
|-------------------------------|-------------------|-------------------|
| <b>Portfolio</b>              |                   |                   |
| Finance receivables and loans | \$ 154,027        | \$ 345,976        |
| <b>Portfolio</b>              | <b>\$ 154,027</b> | <b>\$ 345,976</b> |

# ACCORD FINANCIAL CORP.

## Consolidated Statements of Financial Position (unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

|   | Note | March 31,<br>2026 | December 31,<br>2025 |
|---|------|-------------------|----------------------|
| <b>Assets</b>                           |      |                   |                      |
| Cash                                    |      | \$ 21,136         | \$ 6,990             |
| Finance receivables and loans, net      | 5    | 137,989           | 326,931              |
| Income taxes receivable                 |      | 701               | 661                  |
| Other assets                            |      | 13,498            | 8,335                |
| Assets held for sale                    | 6    | 430               | 425                  |
| Deferred tax assets, net                |      | 11,513            | 11,240               |
| Property and equipment                  |      | 2,014             | 2,120                |
|   |      | <b>\$ 187,281</b> | <b>\$ 356,702</b>    |
| <b>Liabilities</b>                      |      |                   |                      |
| Due to clients                          |      | \$ 1,072          | \$ 247               |
| Bank indebtedness                       | 7    | 71,628            | 148,236              |
| Loans payable                           | 8    | 11,551            | 90,310               |
| Accounts payable and other liabilities  |      | 7,402             | 8,261                |
| Income taxes payable                    |      | 1,128             | 913                  |
| Notes payable                           | 9    | 17,848            | 25,075               |
| Debentures                              | 10   | 27,724            | 26,966               |
| Lease liabilities                       |      | 1,723             | 1,795                |
| Deferred income                         |      | 472               | 898                  |
| Deferred tax liabilities, net           |      | 26                | 171                  |
|   |      | <b>\$ 140,574</b> | <b>\$ 302,872</b>    |
| <b>Equity</b>                           |      |                   |                      |
| Capital stock                           | 11   | 9,448             | 9,448                |
| Contributed surplus                     |      | 1,889             | 1,886                |
| Retained earnings                       |      | 29,266            | 32,500               |
| Accumulated other comprehensive income  |      | 6,104             | 7,157                |
| Shareholders' equity                    |      | 46,707            | 50,991               |
| Non-controlling interests in subsidiary |      | -                 | 2,839                |
| <b>Total equity</b>                     |      | <b>46,707</b>     | <b>53,830</b>        |
|   |      | <b>\$ 187,281</b> | <b>\$ 356,702</b>    |

see accompanying notes

**Notice to Reader** - Management has prepared these condensed interim unaudited consolidated financial statements and notes and is responsible for the integrity and fairness of the financial information presented therein. They have been reviewed and approved by the Company's Audit Committee and Board of Directors. Pursuant to National Instrument 51-102, Part 4, Subsection 4.3(3)(a), the Company advises that its independent auditor has not performed a review or audit of these condensed interim unaudited consolidated financial statements.

# ACCORD FINANCIAL CORP.

## Consolidated Statements of Loss (unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

| Three months ended March 31   | Note | 2026              | 2025       |
|---|------|-------------------|------------|
| <b>Revenue</b>  |      |                   |            |
| Interest  |      | \$ 6,186          | \$ 7,453   |
| Other income  |      | 1,077             | 937        |
|   |      | <b>7,263</b>      | 8,390      |
| <b>Operating expenses</b>   |      |                   |            |
| Interest expense  |      | 3,008             | 2,352      |
| General and administrative  |      | 4,844             | 5,340      |
| Provision for credit losses   | 5    | 502               | 1,962      |
| Depreciation  |      | 79                | 84         |
|   |      | <b>8,433</b>      | 9,738      |
| Loss before income tax from continuing operations                               |      | (1,170)           | (1,348)    |
| Income tax recovery   |      | (57)              | (484)      |
| <b>Net loss from continuing operations</b>                                      |      | <b>(1,113)</b>    | (864)      |
| Net loss from discontinued operations   |      | (2,121)           | (482)      |
| <b>Net loss attributable to shareholders</b>                                    |      | <b>(3,234)</b>    | (1,346)    |
| Net earnings attributable to non-controlling interests in subsidiary            |      | (294)             | (138)      |
| <b>Net loss for the period</b>  |      | <b>\$ (3,528)</b> | \$ (1,484) |
| Basic and diluted loss per common share from continuing operations              |      |                   |            |
|   | 12   | \$ (0.13)         | \$ (0.10)  |
| Basic and diluted earnings (loss) per common share from discontinued operations |      |                   |            |
|   | 12   | (0.25)            | (0.06)     |
| Basic and diluted loss per common share   |      |                   |            |
|   | 12   | \$ (0.38)         | \$ (0.16)  |

see accompanying notes

## Consolidated Statements of Comprehensive Loss (unaudited)

| Three months ended March 31  | 2026              | 2025       |
|--|-------------------|------------|
| <b>Net loss</b>  | <b>\$ (3,234)</b> | \$ (1,346) |
| Other comprehensive income:  |                   |            |
| Items that are or may be reclassified to profit or loss:                   |                   |            |
| Reclassification of foreign currency difference on discontinued operations | (918)             | -          |
| Exchange differences on translation of foreign operations                  | (135)             | 3          |
| <b>Comprehensive loss</b>  | <b>\$ (4,287)</b> | \$ (1,343) |

## ACCORD FINANCIAL CORP.

### Consolidated Statements of Changes in Equity (unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

|   | Note | Number of<br>common<br>shares<br>outstanding | Amount          | Contributed<br>surplus | Retained<br>earnings | Accumulated<br>other<br>comprehensive<br>income | Non-<br>controlling<br>interests<br>in<br>subsidiary | Total equity     |
|---|------|--|-----------------|------------------------|----------------------|---|--|------------------|
| Balance at January 1, 2025  |      | 8,558,913                                    | \$ 9,448        | \$ 1,844               | \$ 62,469            | \$ 7,066  | \$ 5,851   | \$ 86,678        |
| Comprehensive loss  |      | -  | -               | -                      | (1,346)              | 3   | -  | (1,343)          |
| Stock-based compensation expense<br>related to stock option grants  | 11   | -  | -               | 14                     | -                    | -   | -  | 14               |
| Net loss attributable to non-controlling<br>interests in subsidiary |      | -  | -               | -                      | -                    | -   | (138)  | (138)            |
| Translation adjustments on non-<br>controlling interests            |      |  |                 |                        |                      |   | 3  | 3                |
| Balance at March 31, 2025   |      | 8,558,913                                    | \$ 9,448        | \$ 1,858               | \$ 61,123            | \$ 7,069  | \$ 5,716   | \$ 85,214        |
| Balance at January 1, 2026  |      | <b>8,558,913</b>                             | <b>\$ 9,448</b> | <b>\$ 1,886</b>        | <b>\$ 32,500</b>     | <b>\$ 7,157</b>                                 | <b>\$ 2,839</b>                                      | <b>\$ 53,830</b> |
| Comprehensive income (loss)   |      | -  | -               | -                      | (3,234)              | (1,053)   | -  | (4,287)          |
| Stock-based compensation expense<br>related to stock option grants  | 11   | -  | -               | 3                      | -                    | -   | -  | 3                |
| Net loss attributable to non-controlling<br>interests in subsidiary |      | -  | -               | -                      | -                    | -   | (294)  | (294)            |
| Disposition of BondIt   |      | -  | -               | -                      | -                    | -   | (2,545)  | (2,545)          |
| Balance at March 31, 2026   |      | <b>8,558,913</b>                             | <b>\$ 9,448</b> | <b>\$ 1,889</b>        | <b>\$ 29,266</b>     | <b>\$ 6,104</b>                                 | <b>\$ -</b>  | <b>\$ 46,707</b> |

# ACCORD FINANCIAL CORP.

## Consolidated Statements of Cash Flows (unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

| Three months ended March 31                                      | Note | 2026            | 2025            |
|--|------|-----------------|-----------------|
| <b>Cash provided by:</b>   |      |                 |                 |
| <b>Operating activities</b>                                      |      |                 |                 |
| Net loss   |      | \$ (3,528)      | \$ (1,484)      |
| Items not affecting cash:  |      |                 |                 |
| Provision for credit losses                                      | 5    | 332             | 2,603           |
| Depreciation of property and equipment                           |      | 111             | 122             |
| Loss on disposition of discontinued operations                   | 4    | 248             | -               |
| Accretion of debentures  |      | (67)            | (4)             |
| Loss from modification of debentures                             |      | 144             | -               |
| Stock-based compensation expense                                 | 11   | 20              | 29              |
| Deferred tax recovery  |      | (418)           | (770)           |
| Current income tax expense                                       |      | 217             | 79              |
|  |      | <b>(2,941)</b>  | 575             |
| <b>Change in operating assets and liabilities</b>                |      |                 |                 |
| Finance receivables and loans, gross                             | 5    | 55,045          | (29,792)        |
| Due to clients   |      | 810             | (33)            |
| Other assets   |      | (1,484)         | 4,171           |
| Accounts payable and other liabilities                           |      | (860)           | (5,071)         |
| Disposal of assets held for sale                                 |      | 67              | -               |
| Income tax refund (paid), net                                    |      | (38)            | -               |
|  |      | <b>50,599</b>   | <b>(30,150)</b> |
| <b>Investing activities</b>                                      |      |                 |                 |
| Net cash proceeds on disposal of discontinued operations         | 4    | 47,258          | -               |
|  |      | <b>47,258</b>   | -               |
| <b>Financing activities</b>                                      |      |                 |                 |
| Net proceeds from (repayment of) Bank indebtedness               | 7    | (76,608)        | 24,508          |
| Repayment of loans payable (Canadian dollar loans)               | 8    | (3,776)         | (7,193)         |
| Net proceeds from (repayment of) loans payable (US dollar loans) | 8    | (3,185)         | 5,769           |
| Repayment of notes payable                                       | 9    | -               | (30)            |
| Lease liabilities principal paid                                 |      | (81)            | (97)            |
|  |      | <b>(83,650)</b> | <b>22,957</b>   |
| Effect of exchange rate changes on cash                          |      | (61)            | (8)             |
| Increase (decrease) in cash                                      |      | 14,146          | (7,201)         |
| Cash at January 1  |      | 6,990           | 16,674          |
| Cash at March 31   |      | \$ 21,136       | \$ 9,473        |

### Supplemental cash flow information

Net cash used in operating activities includes:

|               |          |          |
|---------------|----------|----------|
| Interest paid | \$ 4,183 | \$ 6,102 |
|---------------|----------|----------|

See accompanying notes

# ACCORD FINANCIAL CORP.

## Notes to Condensed Interim Unaudited Consolidated Financial Statements

Three months ended March 31, 2026 and 2025

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

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### 1. Description of the business

Accord Financial Corp. (the "Company") is incorporated by way of Articles of Continuance under the Ontario Business Corporations Act and, through its subsidiaries, is engaged in providing asset-based financing, including factoring and receivables financing, equipment and inventory financing, leasing, and working capital financing, to industrial and commercial enterprises, principally in Canada and the United States. The Company's registered office is at 40 Eglinton Avenue East, Suite 602, Toronto, Ontario, Canada.

### 2. Basis of presentation and statement of compliance

#### a) Basis of presentation

These condensed interim unaudited consolidated financial statements ("Statements") are expressed in thousands of Canadian dollars, except per share amounts and as otherwise noted, the Company's functional and presentation currency, and are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, the condensed consolidated interim financial statements contain selected explanatory notes to the financial statements and do not include all the disclosures required by IFRS Accounting Standards ("IFRS"). These Statements and notes should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report for the fiscal year ended December 31, 2025.

The preparation of the condensed interim unaudited consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Estimates that are particularly judgmental relate to the determination of the allowance for expected credit losses ("ECL") relating to finance receivables and loans (note 5), the carrying value of assets held for sale (note 6), as well as the valuation of deferred tax assets and liabilities.

These condensed interim unaudited consolidated financial statements for the three months ended March 31, 2026 were approved for issuance by the Company's Board of Directors ("Board") on May 15, 2026.

#### b) Basis of Measurement and Going Concern

The financial statements have been prepared on a going concern basis and measured at historical cost, unless otherwise disclosed.

# ACCORD FINANCIAL CORP.

## Notes to Condensed Interim Unaudited Consolidated Financial Statements

Three months ended March 31, 2026 and 2025

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

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The application of the going concern basis presumes that the Company will continue to be in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In making its assessment, when the Company is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability continue as a going concern, the entity is required to disclose those uncertainties.

The Company has financial liabilities of \$137.1 million that are due within the next 12 months, which are primarily comprised of: (i) an outstanding revolving credit facility provided by a syndicate of six banks with a contractual maturity date of May 15, 2026 of \$71.6 million (Note 7), (ii) debentures of \$27.7 million to mature on July 31, 2026 (Note 10) and (iii) unsecured term notes maturing on May 22, 2026 (Note 9). The maturity details of the loans due are outlined in Note 15. Please see subsequent events for details related to the extension of the Company's senior revolving credit facility and unsecured term notes.

The Company is in compliance with all credit facility covenants of the bank indebtedness and continues to work towards establishing a re-financing plan with its creditors and debentureholders. The Company extended the maturity date of its Senior Credit Facility to June 12, 2026, its term notes to June 19, 2026 and its debentures to July 31, 2026. The Company continues to seek potential new sources of financing for all its debt. However, there is a risk that the availability of financing options to refinance the debt that matures in 2026 may not be available on terms that provide the necessary covenant accommodations or other conditions acceptable to the Company, or may not be available on any terms at all.

With respect to near-term debt maturities, the Company continues pursuing plans to refinance its outstanding debt or settle the debt instruments through the sales of the underlying assets securing such debts. However, such activities and actions may be unsuccessful or insufficient to fully address the maturing indebtedness as a result of not being able to dispose of assets or obtain financing on terms and conditions acceptable to the Company or at all. If any or all of the Company's funding sources are not replaced or renewed on terms acceptable to the Company, the Company may not have the financing necessary to conduct its business, which could have a material adverse impact on its business. The above conditions represent a material uncertainty that cast a significant doubt on the Company's ability to continue as a going concern.

These financial statements do not reflect adjustments to the carrying amounts of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

# ACCORD FINANCIAL CORP.

## Notes to Condensed Interim Unaudited Consolidated Financial Statements

Three months ended March 31, 2026 and 2025

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

### 3. Significant accounting policies

#### Basis of consolidation

These condensed interim financial statements consolidate the accounts of the Company and its directly owned subsidiaries; namely, Accord Financial Ltd. ("AFL"), Accord Financial Inc. ("AFIC") and Accord Financial Canada Corp. ("AFCC") in Canada and Accord Financial, Inc. ("AFIU") in the United States. The Company exercises 100% control over each of its subsidiaries. The accounting policies of the Company's subsidiaries are aligned with IFRS. Intercompany balances and transactions are eliminated upon consolidation.

### 4. Discontinued Operations

#### a) Results of Discontinued Operations

In the first quarter of 2026, the Company exited the U.S. market and discontinued its U.S. operating segment as part of a broader strategic initiative to re-focus the business on small business lending in Canada. The U.S. operating segment had not previously been classified as held-for-sale or presented as discontinued operations. Accordingly, the comparative consolidated statements of loss and comprehensive loss have been re-presented to separately disclose the results of continuing operations from the results of discontinued operations.

| Three months ended March 31  | 2026              | 2025     |
|--|-------------------|----------|
| <b>Revenue</b>   |                   |          |
| Interest   | \$ 2,237          | \$ 5,285 |
| Other income   | 369               | 1,834    |
|  | <b>2,606</b>      | 7,119    |
| <b>Operating expenses and other costs</b>  |                   |          |
| Interest expense   | 2,562             | 5,105    |
| General and administrative   | 2,493             | 2,162    |
| Provision (recovery of) for credit losses  | (170)             | 641      |
| Depreciation   | 32                | 38       |
| Loss on sale of discontinued operations  | 248               | -        |
|  | <b>5,165</b>      | 7,946    |
| Earnings (loss) before income tax from discontinued operations                       | <b>(2,559)</b>    | (827)    |
| Income tax recovery  | <b>(144)</b>      | (207)    |
| <b>Net earnings (loss) from discontinued operations</b>                              | <b>(2,415)</b>    | (620)    |
| Net loss attributable to non-controlling interests in subsidiary                     | <b>(294)</b>      | (138)    |
| <b>Net earnings (loss) attributable to shareholders from discontinued operations</b> | <b>\$ (2,121)</b> | \$ (482) |

# ACCORD FINANCIAL CORP.

## Notes to Condensed Interim Unaudited Consolidated Financial Statements

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### b) Cash flow from (used in) discontinued operations

| Three months ended March 31           | 2026      | 2025        |
|---------------------------------------|-----------|-------------|
| Net cash used in operating activities | \$ 28,118 | \$ (30,272) |
| Net cash used in investing activities | 47,258    | -           |
| Net cash flows for the period         | \$ 75,376 | \$ (30,272) |

### c) Effect of Disposal on the Financial Statements

#### Effect of disposal on the financial position

|  | 2026               |
|--|--------------------|
| Cash   | \$ (848)           |
| Finance receivables and loans, net                                   | (133,236)          |
| Other assets   | (887)              |
| Property and equipment   | (2)                |
| Loans payable  | 70,765             |
| Accounts payable and other liabilities                               | 3,035              |
| Notes payable  | 7,571              |
| <b>Net assets and liabilities disposed</b>                           | <b>(53,602)</b>    |
| Non-controlling interest share of net assets disposed                | 2,529              |
| <b>Shareholders' interest of net assets and liabilities disposed</b> | <b>\$ (51,073)</b> |

#### Consideration received

|  |           |
|--|-----------|
| Cash received  | \$ 48,952 |
| Directly attributable costs paid   | (846)     |
| Fair value of financial assets received                                    | 2,381     |
| Intercompany loan forgiveness  | (580)     |
| Reclassification of foreign currency difference on discontinued operations | 918       |
| Total net consideration  | 50,825    |
| Net loss   | \$ (248)  |

On February 10, 2026, the Company completed the sale of its equity interest in BondIt, a 60% owned indirect subsidiary of the Company, for approximate total proceeds of US\$6.8 million (\$9.2 million). The sale price is comprised of US\$5.0 million (\$6.8 million), US\$1.6 million (\$2.2 million) minority investment in the acquiring entity and US\$0.1 million (\$0.2 million) of warrants to purchase additional shares of the acquiring entity. The acquiring entity is a diversified media services company. As a result of the sale, the Company recognized a gain of \$464.

The Company sold its U.S. based Loans in a series of transactions throughout the month of March 2026, resulting in a net loss of \$712.

# ACCORD FINANCIAL CORP.

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### d) Reconciliation of proceeds from disposal of discontinued operations

|   |    |               |
|---|----|---------------|
| Cash consideration net of disposal costs        | \$ | <b>48,106</b> |
| Cash and cash equivalent disposed of            |    | <b>(848)</b>  |
| Proceeds on disposal of discontinued operations |    | <b>47,258</b> |

### 5. Finance receivables and loans

|   | <b>March 31, 2026</b> | December 31, 2025 |
|---|-----------------------|-------------------|
| Working capital loans                     | \$ 65,714             | \$ 74,452         |
| Receivable loans                          | 34,317                | 89,371            |
| Inventory & equipment loans               | 51,674                | 83,565            |
| Media loans                               | -                     | 95,853            |
| Lease receivables                         | 2,322                 | 2,735             |
| Finance Receivables and loans             | 154,027               | 345,976           |
| Less allowance for expected credit losses | 16,038                | 19,045            |
| Finance Receivables and loans, net        | \$ 137,989            | \$ 326,931        |

The Company's finance receivables and loans are generally either: (i) collateralized by a charge on substantially all the borrowers' assets; or (ii) leased assets or factored receivables which the Company owns; or (iii) guaranteed by a credit worthy party. Collateral securing the Company's finance receivables and loans is primarily comprised of receivables, inventory, and equipment, as well as other assets such as real estate and guarantees.

Lease receivables comprise the net investment in leases. Lease receivables at March 31, 2026 are expected to be collected over a period of up to five years.

Finance receivables and loans based on the contractual repayment dates thereof can be summarized as follows:

|                  | <b>March 31, 2026</b> | December 31, 2025 |
|------------------|-----------------------|-------------------|
| Less than 1 year | \$ 131,454            | \$ 290,400        |
| 1 to 2 years     | 15,258                | 42,458            |
| 2 to 3 years     | 4,182                 | 10,865            |
| 3 to 4 years     | 2,074                 | 1,758             |
| 4 to 5 years     | 1,059                 | 495               |
|                  | \$ 154,027            | \$ 345,976        |

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The aged analysis of the Company's finance receivables and loans was as follows:

|                            | <b>March 31, 2026</b> | December 31, 2025 |
|----------------------------|-----------------------|-------------------|
| Current                    | \$ <b>141,667</b>     | \$ 287,548        |
| Past due but not impaired: |                       |                   |
| Past due less than 90 days | <b>9,622</b>          | 18,908            |
| Past due 90 to 180 days    | -                     | 13,834            |
| Past due 180 days or more  | -                     | 18,249            |
| Impaired loans             | <b>2,738</b>          | 7,437             |
|                            | <b>\$ 154,027</b>     | \$ 345,976        |

Past due finance receivables and loans, including those past due over 90 days, do not necessarily represent a significant increase in credit risk ("SICR"), or an impairment, due to circumstances where payments are delayed for non-credit related reasons. These may include specific industry related behaviors or practices as we often see across certain of the Company's lines of business.

Of the past due and impaired finance receivables at March 31, 2026, \$Nil (December 31, 2025 – \$45,361) relates to BondIt Media Capital ("BondIt"), AFIU's 60% controlled media finance subsidiary, and \$12,319 (December 31, 2025 – \$13,026) relates to AFCC, of which \$9,247 (December 31, 2025 – \$10,604) benefits from a guarantee from Export Development Canada ("EDC") of up to 75% to 80% of the principal loan balance.

At March 31, 2026, the estimated fair value of the collateral securing the impaired loans totalled \$2,238 (December 31, 2025 – \$5,856). During the three months ended March 31, 2026, lease receivables totalling \$72 (December 31, 2025 – \$66) were transferred to assets held for sale upon default of the leases and repossession of the collateral.

Finance receivables and loans classified under the three stage credit criteria of IFRS 9, Financial Instruments ("IFRS 9") were as follows:

|                               | <b>March 31, 2026</b> | December 31, 2025 |
|-------------------------------|-----------------------|-------------------|
| Stage 1                       | \$ <b>109,931</b>     | \$ 271,306        |
| Stage 2 (SICR) <sup>(1)</sup> | <b>41,358</b>         | 67,233            |
| Stage 3 (Impaired)            | <b>2,738</b>          | 7,437             |
|                               | <b>\$ 154,027</b>     | \$ 345,976        |

(1) Includes judgmental overlay.

The Company's allowance for ECL on finance receivables and loans is \$16,243 (December 31, 2025 – \$19,045), of which \$16,243 (December 31, 2025 – \$17,766) relates to ECL on non-BondIt finance receivables and loans.

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The activity in the allowance for ECL on finance receivables and loans during the three months ended March 31, 2026 by stage of allowance was as follows:

| Three months ended at March 31, 2026           | Stage 1  | Stage 2 <sup>(1)</sup> | Stage 3  | Total     |
|--|----------|------------------------|----------|-----------|
| Allowance for expected losses at January 1     | \$ 2,321 | \$ 14,718              | \$ 2,006 | \$ 19,045 |
| Transfer between stages                        | (48)     | 103                    | (55)     | -         |
| Provision for credit losses <sup>(2)</sup>     | (256)    | (284)                  | 872      | 332       |
| Write-offs                                     | -        | -                      | (2,077)  | (2,077)   |
| Recoveries                                     | -        | -                      | 184      | 184       |
| Derecognition of finance receivables and loans | (1,187)  | (278)                  | -        | (1,465)   |
| Foreign exchange adjustment                    | 15       | 4                      | -        | 19        |
| Allowance for expected losses at March 31      | \$ 845   | \$ 14,263              | \$ 930   | \$ 16,038 |

(1) Includes qualitative overlay.

(2) \$170 of the total represents a provision recovery related to discontinued operations (Note 4)

The activity in the allowance for ECL on finance receivables and loans during the three months ended March 31, 2025 by stage of allowance was as follows:

| Three months ended at March 31, 2025              | Stage 1  | Stage 2 <sup>(1)</sup> | Stage 3  | Total    |
|---|----------|------------------------|----------|----------|
| Allowance for expected credit losses at January 1 | \$ 2,093 | \$ 4,577               | \$ 1,361 | \$ 8,031 |
| Transfer between stages                           | (313)    | 123                    | 190      | -        |
| Provision for credit losses <sup>(2)</sup>        | 299      | 1,489                  | 815      | 2,603    |
| Write-offs  | -        | -                      | (1,370)  | (1,370)  |
| Recoveries  | -        | -                      | 299      | 299      |
| Foreign exchange adjustment                       | 1        | -                      | -        | 1        |
| Allowance for expected losses at March 31         | \$ 2,080 | \$ 6,189               | \$ 1,295 | \$ 9,564 |

(1) Includes qualitative overlay.

(2) \$641 of the total represents a provision related to discontinued operations (Note 4)

The allowance for ECL for some Stage 3 accounts includes the estimated fair value of collateral less associated liquidation costs where the Company intends to or has actively taken possession of its collateral and is currently or will be liquidating that collateral as a means of recovering some or all of the outstanding account balance. In such cases, the finance receivables and loans have been written down to the present value of their fair value and any allowance for ECL thereon reversed.

# ACCORD FINANCIAL CORP.

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The Company's allowance for ECL on finance receivables and loans is estimated using statistical models that involve a number of inputs and assumptions. The key drivers of changes in the allowance for ECL include the following:

- Increase or decrease in the amount of finance receivables and loans;
- Transfers between stages due to SICRs, as reflected by changes in probability of default ("PD"); and;
- Changes in forward-looking macroeconomic variables used in the statistical models.

The Company sources forward-looking macroeconomic variables from Moody's Analytics, a third-party service provider, to calculate forward-looking credit risk parameters and incorporate forward-looking information ("FLI") into the allowance for ECL, and to satisfy the IFRS 9 requirement that future economic conditions are to be based on an unbiased, probability-weighted assessment of possible future outcomes. The Company considers a range of possible forecasted economic scenarios and employs a mix of those scenarios in applying FLI to the ECL process. In establishing the discrete weights in its scenario mix, the Company tracks and assesses forward estimates of the following factors: monetary policy, fiscal policy, energy prices, business investment, housing, employment, and supply chain conditions, as well as certain indices particularly impactful to the Company's portfolio, including Producer Price Index ("PPI"); WTI Crude; Global Supply Chain Stress Index ("GSCP"); and U.S. and Canadian Prime Rates. The ECL process, including the application of FLI, sensitizes PD and LGD to forward-looking economic conditions. The Company also applies management overlays in circumstances where the inputs, assumptions and/or models may not capture all the relevant risk factors.

The Company uses judgment to review and analyze the various forecast scenarios and assign probability weightings. If the Company were to assign a 100% probability to the most pessimistic downside scenario forecast considered, the allowance for ECL would have been \$0.7 million higher than the reported estimate of the allowance for ECL as at March 31, 2026. Alternatively, the assignment of a 100% probability to the most optimistic upside scenario forecast considered would have resulted in the allowance for ECL being \$1.7 million lower than that reported.

At March 31, 2026, the Company held cash collateral of \$1,045 (December 31, 2025 –\$1,146) to help reduce the risk of loss on certain of the Company's finance receivables and loans.

### 6. Assets held for sale

As of March 31, 2026, the Company held title to or possessed certain long-lived assets securing defaulted finance receivables and loans from one or more clients. These assets are being actively marketed for sale and will be disposed of as market conditions permit. The estimated fair value less cost of disposal of the assets at the above dates was based upon external appraisals.

# ACCORD FINANCIAL CORP.

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### 7. Bank indebtedness

The Company has a revolving credit facility provided by a syndicate of six banks. In February 2026, the maturity date of the Company's Senior Credit Facility was extended to March 31, 2026 and the maximum facility commitment was reduced from \$190.0 million to \$160.0 million. Under the terms of the amendment, the maximum facility commitment was subject to mandatory reductions equal to 80% of the net proceeds from the dispositions of loan assets. On March 31, 2026, the maturity was further extended to May 15, 2026 to allow the Company additional time to refinance its bank indebtedness. Under that amendment the maximum facility commitment was reduced to \$108.5 million and new milestones were established for refinancing upcoming debt maturities. Floating rate indices for drawn amounts under the revolving credit facility are primarily based on the Canadian overnight repo rate average ("CORRA"), the secured overnight financing rate ("SOFR") or Prime rate. A margin is added to the applicable indices based on a ratio of debt to the tangible net worth of subsidiaries that borrow from the revolving Senior Credit Facility. The Senior Credit Facility is secured by the Company's finance receivables and loans with a balance of \$139,484, which excludes finance receivables and loans that secure the Accord Small Business Finance ("ASBF") loan. The monthly covenants include (i) a minimum threshold for cumulative adjusted earnings before interest, tax, amortization, and depreciation ("EBITDA"), (ii) total debt to tangible net worth ("TNW") less than 5.0 and (iii) senior debt to TNW ratio less than 4.0, as well as a minimum availability covenant of \$30.0 million, measured as the difference between eligible collateral and outstanding bank indebtedness. The maximum facility commitment is subject to mandatory reductions equal to 80% of the net proceeds from the disposition of loan assets. The Company was in compliance with all loan covenants and milestones under its revolving credit facility as at March 31, 2026 and expects to be able to comply with the covenants through the maturity date of the facility. On May 15, 2026, the maturity date of the Senior Credit Facility was further extended to June 12, 2026. Please refer to note 17 for details.

### 8. Loans payable

Loans payable comprise:

|                            | March 31, 2026 | December 31, 2025 |
|----------------------------|----------------|-------------------|
| BondIt loan <sup>(a)</sup> | \$ -           | \$ 74,983         |
| ASBF loan <sup>(b)</sup>   | 11,551         | 15,327            |
|                            | \$ 11,551      | \$ 90,310         |

#### a) BondIt loan

The Company sold its 60% equity stake in BondIt on February 10, 2026 and as at March 31, 2026 the BondIt loan balance had been fully derecognized. Please refer to note 4 for details.

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### b) ASBF loan

ASBF, a subsidiary of AFCC, has a non-recourse loan with a life insurance company. This loan is secured by the majority of ASBF's assets and bears a fixed rate of interest. The amount outstanding under this loan at March 31, 2026 was \$11.6 million (December 31, 2025 – \$15.3 million). The Company was in compliance with all covenants at March 31, 2026 and at December 31, 2025 and expects to be in compliance with all covenants for the next 12 months.

## 9. Related parties

### a) Notes payable

Notes payable comprise: (i) unsecured demand notes due on, or within a week of, demand and; (ii) term notes which were repayable on May 22, 2026 and were extended to June 19, 2026 subsequent to March 31, 2026. Notes payable are to individuals or entities and consist of advances from shareholders, management, other related individuals and third parties. The term notes contain an automatic extension provision tied to the maturity date of the Company's Senior Credit Facility, which sets the maturity date to a date that is five business days later than the related maturity date of the Senior Credit Facility. The maturity date of the revolving credit facility was extended after March 31, 2026. Please refer to note 17 for details.

Notes payable were as follows:

|  | <b>March 31, 2026</b> | December 31, 2025 |
|--|-----------------------|-------------------|
| Demand and term notes due within one year: |                       |                   |
| Related parties                            | \$ 16,577             | \$ 17,316         |
| Third parties                              | 1,271                 | 3,642             |
|  | <b>17,848</b>         | 20,958            |
| Term notes due after one year:             |                       |                   |
| Related parties                            | -                     | 4,117             |
|  | <b>\$ 17,848</b>      | \$ 25,075         |

Notes due on, or within a week of, demand bear interest at rates that vary with bank prime rate, while the term notes bear interest at a rate of 10.00%.

Interest expense on the notes payable for the three months ended March 31 was as follows:

|                 | <b>2026</b>   | 2025   |
|-----------------|---------------|--------|
| Related parties | \$ 340        | \$ 294 |
| Third parties   | 31            | 25     |
|                 | <b>\$ 371</b> | \$ 319 |

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### b) Debentures

\$1,350 of listed debentures and \$3,250 of unlisted debentures are held by a related party. Details of debentures are set out in note 10.

### 10. Debentures

Debentures with a face value of \$25,650 (25,650 debentures) carrying a 7.0% coupon rate were issued by the Company in 2018 and 2019. Of these, 20,650 debentures are listed for trading ("Listed Debentures") on the Toronto Stock Exchange ("TSX"), while 5,000 ("Unlisted Debentures") are unlisted, together the "Debentures". Interest on all the Debentures is payable semi-annually on June 30 and December 31 each year. The Debentures are unsecured and subordinated to all senior indebtedness. This includes all debt for borrowed money, such as principal, interest and fees related to bank indebtedness, the unsecured demand notes and the unsecured term notes. Senior indebtedness also comprises other material obligations under lease liabilities, trade payables and financial instruments, such as letters of credit. It also encompasses related guarantees, accrued interest and enforcement costs, unless expressly subordinated or stated to rank pari passu with the Debentures.

On January 27, 2026, the holders of the Company's Listed Debentures and Unlisted Debentures approved amendments to the terms thereof at a special meeting. The amended terms include (i) extending the maturity date of the Debentures from January 31, 2026 to July 31, 2026, and (ii) increasing the interest rate to 12% commencing January 31, 2026 such that on the July 31, 2026 maturity date Debentureholders will receive 13 months' worth of accrued interest, calculated at a rate of 10% for the period from July 1, 2025 to and including January 30, 2026 and a rate of 12% for the period from January 31, 2026 to and excluding July 31, 2026. The amendment also included a waiver of the breach caused by the Company's failure to pay interest on the Debentures on December 31, 2025 interest payment date.

The Company performed an assessment in accordance with the requirements of IFRS 9 and concluded that the maturity extension did not meet a substantial modification and did not result in a derecognition of the Debentures. The Company recognized a loss of \$144.

The balance outstanding as at March 31, 2026 and December 31, 2025 is presented below:

|  | <b>March 31, 2026</b> | December 31, 2025 |
|--|-----------------------|-------------------|
| Debentures Issued                                  | \$ 25,650             | \$ 25,650         |
| Accretion in carrying value of debenture liability | 2,074                 | 1,316             |
|  | <b>\$ 27,724</b>      | <b>\$ 26,966</b>  |

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### 11. Capital stock and stock-based compensation

#### a) Capital stock

The authorized capital stock of the Company consists of an unlimited number of first preferred shares, issuable in series, and an unlimited number of common shares with no par value. The first preferred shares may be issued in one or more series and rank in preference to the common shares. Designations, preferences, rights, conditions or prohibitions relating to each class of shares may be fixed by the Board. At March 31, 2026 and 2025, there were no first preferred shares outstanding.

The Company's issued and outstanding common shares during the first three months of 2026 and 2025 are set out in the consolidated statements of changes in equity.

Dividends in respect of the Company's common shares are declared in Canadian dollars. During the three months ended March 31, 2026 and three months ended March 31, 2025, no dividends were declared and paid.

#### b) Stock option plans

The Company has a stock option plan (the "2021 SOP") for employees and directors. Under the terms of the plan, an aggregate of 850,000 common shares, representing 9.9% of the Company's issued and outstanding common shares, have been reserved for issuance upon the exercise of stock options granted. The options granted vest one-third on the date of the grant, and one-third on each of the first two anniversaries of the date of grant. The options are exercisable for a period of seven years after the date of grant. The exercise price of all options granted under the 2021 SOP is not lower than the volume-adjusted average trading price of the Company's common shares on the TSX during the ten trading days immediately preceding the date of grant. The Board reserves the right to change the terms of the options.

Outstanding options granted under the 2021 SOP were as follows:

| Grant Date         | Number of<br>Options Granted | Exercise<br>Price (\$) | Expiry Date  | Outstanding Options as of: |                      |
|--------------------|------------------------------|------------------------|--------------|----------------------------|----------------------|
|                    |                              |                        |              | March 31,<br>2026          | December 31,<br>2025 |
| August 4, 2021     | 80,100                       | 8.83                   | Aug. 3,2028  | <b>45,000</b>              | 45,000               |
| October 12, 2021   | 12,000                       | 8.83                   | Aug. 3,2028  | <b>12,000</b>              | 12,000               |
| September 19, 2022 | 72,000                       | 8.34                   | Sep. 18,2029 | <b>63,000</b>              | 63,000               |
| September 25, 2023 | 127,500                      | 5.69                   | Sep. 24,2030 | <b>109,500</b>             | 109,500              |
| September 23, 2024 | 114,000                      | 4.20                   | Sep. 22,2031 | <b>114,000</b>             | 114,000              |
|                    | <b>405,600</b>               |                        |              | <b>343,500</b>             | 343,500              |

Of the outstanding options, 305,000 were vested as of March 31, 2026.

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## Notes to Condensed Interim Unaudited Consolidated Financial Statements

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### c) Deferred share unit ("DSU") plan

During the three months ended March 31, 2026, the Company granted 11,388 DSUs (2025 – 4,886). DSUs are issued quarterly at fair market value at the date of grant and vest immediately.

### d) Stock-based compensation

During the three months ended March 31, 2026, the Company recorded a stock-based compensation expense of \$20 (2025 – \$29), of which \$3 (2025 – \$14) related to stock option grants under the 2021 SOP and \$17 (2025 - \$15) related to DSU.

## 12. Earnings per common share

Basic earnings per share have been calculated based on the weighted average number of common shares outstanding in the period without the inclusion of dilutive effects. Diluted earnings per share are calculated based on the weighted average number of common shares plus dilutive common share equivalents outstanding in the year, which in the Company's case consist of stock options.

All outstanding options were excluded from the calculation of diluted shares outstanding in the three months ended March 31, 2026 and twelve months ended December 31, 2025 because they were considered to be anti-dilutive for earnings per common share purposes. Details of outstanding options are set out in note 11.

## 13. Contingent liabilities

At March 31, 2026 the Company was contingently liable with respect to letters of guarantee issued on behalf of a client in the amount of \$779 (December 31, 2025 – \$769). There were no letters of credit issued on behalf of clients for which the Company was contingently liable at those dates. These amounts were considered in determining the allowance for ECL on finance receivables and loans.

## 14. Segmented information

The Company operates and manages its businesses in one dominant industry segment – providing asset-based financial services to industrial and commercial enterprises in Canada. An operating segment is a component in the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Company's other subsidiaries, whose operating results are regularly reviewed by the Company's Chief Operating Decision Makers ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Segment results that are reported to the CODM include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Company's income and expenses, assets and liabilities are not allocated to reportable segments.

# ACCORD FINANCIAL CORP.

## Notes to Condensed Interim Unaudited Consolidated Financial Statements

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### 15. Financial risk management

The Company is exposed to credit, liquidity and market risks related to the use of financial instruments in its operations. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework through its Audit Committee. In this respect, the Audit Committee meets with management and the Company's Risk Management Committee at least quarterly. The Company's risk management policies are established to identify, analyze, limit, control and monitor the risks faced by the Company. Risk management policies and systems are reviewed regularly to reflect changes in the risk environment faced by the Company.

#### a) Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises with respect to loans to and other financial transactions with clients, and any other financial transaction with a counterparty that the Company deals with. The gross amount of loans (March 31, 2026 – \$154.0 million, December 31, 2025 – \$346.0 million) represents the Company's maximum credit exposure as of the reporting dates and is the most significant measurable risk that it faces. The nature of the Company's asset-based lending business involves funding or assuming the credit risk on the receivables offered to it by its clients, as well as financing other assets, such as inventory and equipment. The Company often owns the factored receivables that it finances.

In its asset-based lending business, the Company makes loans that are secured against various forms of collateral. The collateral is generally first ranking security on the client's assets which typically comprise receivables, inventory, equipment and real estate, or a guarantee from a counterparty. The Company provides an expected loss allowance on its finance receivables and loans based on the estimated credit risk. There were no significant changes to the Company's collateral policy during the three months ended March 31, 2026 and 2025.

At March 31, 2026, the Company had impaired loans of \$2,738 (December 31, 2025 – \$7,437), while, at that date, it held collateral for these loans with an estimated fair value of \$2,238 (December 31, 2025 – \$5,856). These impaired loans were mainly secured by receivables, inventory and/or equipment.

Credit approval for transactions supported by management in the Company's three operating businesses is delegated to senior credit officers. Transactions with credit risk exposure in excess of \$1.0 million, are approved by the Company's President and CEO and its CFO. Transactions with credit risk exposure in excess of \$2.5 million are approved by the Credit Committee of the Board of Directors which comprises three members of its Board. The Company monitors and controls its risks and exposures through financial, credit and legal systems and, accordingly, believes that it has procedures in place for evaluating and limiting the credit risks to which it is subject. Credit risk is subject to ongoing management review.

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Nevertheless, for a variety of reasons, there will inevitably be defaults by clients or their customers. For its factoring products, the Company's primary focus continues to be on the creditworthiness and collectability of its clients' receivables. The clients' customers have varying payment terms depending on the industries in which they operate, although most customers have payment terms of 30 to 60 days from the invoice date. Receivables become ineligible for lending purposes when they reach a certain pre-determined age, typically 75 to 90 days from invoice date, and are usually charged back to clients, thereby limiting the Company's credit risk on older receivables. Asset-based lending products additionally require focus on the performance of other collateral types (inventory, equipment and in certain cases real estate) as well as the underlying cash flows of the borrower. AFCC's lease receivables and equipment and working capital loans are usually structured as term loans with payments spread out evenly over the term of the lease or loan, with terms up to 60 months. AFCC also has a revolving equipment loan product which has no fixed repayment terms and can be repaid at any time.

The Company uses an internal credit risk rating system for assessing obligor and transaction risk for finance receivables and loan exposures. Risk rating models use internal and external data to assess and assign credit ratings to borrowers, predict future performance and manage limits for existing loans and collection activities. The credit rating of the borrower is used to assess the predicted credit risk for each initial credit approval or significant account management action. Credit ratings improve credit decision quality, adjudication time frames and consistency in the credit decision process and facilitate risk-based pricing.

Please see note 5 which presents the Company's finance receivables by the three stage credit criteria of IFRS 9, as well as an aged analysis thereof. Credit risk is managed by ensuring that, as far as possible, the receivables financed are of the highest quality and that any inventory, equipment or other assets securing loans are appropriately appraised. Collateral is monitored and managed on an ongoing basis to mitigate credit risk. In its asset-based lending and equipment finance operations, the Company assesses the financial strength of its clients and its clients' customers and the industries in which they operate on an ongoing basis. Cash flows from a client's ongoing business operations represent the primary source of repayment.

The Company also manages credit risk by limiting the maximum amount that it will lend to any one client, enforcing strict advance rates, disallowing certain types of receivables, charging back or making receivables ineligible for lending purposes as they become older, and taking cash collateral in certain cases. The Company will also confirm the validity of the receivables that it finances. In its asset-based lending operations, the Company administers and collects the majority of its clients' receivables allowing it to quickly identify problems as and when they arise and act promptly to minimize credit and loan losses. Regular field examinations are conducted to verify collateral such as inventory and equipment. In the Company's Canadian small business finance operations, AFCC, security deposits are usually obtained in respect of equipment leases or loans, while a majority of ASBF's working capital

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loans have the benefit of a strong financial guarantor guaranteeing up to 80% of the loan balance in the event of a loss.

The Company's Loans principally represent advances made by its asset-based lending subsidiaries, AFIC and AFIU, to approximately 22 clients (December 31, 2025 – 36) in a wide variety of industries, as well as AFCC's and AEF's lease receivables and equipment and working capital loans to approximately 532 clients (December 31, 2025 – 590). As of March 31, 2026 The Company no longer owned BondIt media finance loans as BondIt was sold on February 10, 2026 (December 31, 2025 – 50). The largest client in the loan portfolio comprised 21.5% (December 31, 2025 – 8.5%) of gross Loans.

The Company's credit exposure relating to its finance receivables and loans by industrial sector were as follows:

| Industry sector                            | March 31, 2026                      |              | December 31, 2025                   |              |
|--|-------------------------------------|--------------|-------------------------------------|--------------|
|  | Gross finance receivables and loans | % of total   | Gross finance receivables and loans | % of total   |
| Wholesale Trade                            | 49,751                              | 32.3         | 54,618                              | 15.8         |
| Mining                                     | 17,293                              | 11.2         | 17,600                              | 5.1          |
| Manufacturing                              | 14,503                              | 9.4          | 49,578                              | 14.3         |
| Finance and Insurance                      | 12,574                              | 8.2          | 46,489                              | 13.4         |
| Retail Trade                               | 10,811                              | 7.0          | 12,153                              | 3.5          |
| Construction                               | 8,850                               | 5.7          | 14,321                              | 4.1          |
| Real Estate Rental and Leasing             | 6,187                               | 4.0          | 2,447                               | 0.7          |
| Information                                | 6,138                               | 4.0          | 7,344                               | 2.1          |
| Transportation and Warehousing             | 6,010                               | 3.9          | 11,707                              | 3.4          |
| Agriculture, Forestry, Fishing and Hunting | 5,187                               | 3.4          | 5,232                               | 1.5          |
| Other                                      | 16,723                              | 10.9         | 124,487                             | 36.1         |
|  | <b>\$ 154,027</b>                   | <b>100.0</b> | <b>\$ 345,976</b>                   | <b>100.0</b> |

Included in Wholesale Trade is the Company's largest individual credit exposure, which is managed by AFIC. As at March 31, 2026, the outstanding balance was \$33.0 million, representing approximately 21.5% of the Company's total finance receivables and loans. During the three months ended March 31, 2026, revenue from this customer was \$886 (March 31, 2025 – \$797) of the Company's total continuing operations revenue. This exposure is being closely monitored given its classification as a Stage 2 loan, which reflects the presence of a significant unsecured over-advance and an elevated level of credit risk. An ECL allowance including a judgemental overlay, has been recognized for this exposure in an amount that management considers reasonable and supportable, based on information currently available. However, if certain conditions persist or emerge – including the continued negative impact of tariffs, prolonged underperformance of the business, or other unforeseen developments, the allowance may ultimately prove to be insufficient.

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### b) Liquidity risk

The Company's financial assets and liabilities at March 31, 2026 by maturity date were as follows:

|                               | 0 to 12<br>months | 1 to 2<br>years  | 2 to 3<br>years | 3 to 4<br>years | 4 to 5<br>years | Thereafter   | Total             |
|-------------------------------|-------------------|------------------|-----------------|-----------------|-----------------|--------------|-------------------|
| <b>Financial Assets</b>       |                   |                  |                 |                 |                 |              |                   |
| Cash                          | \$ 21,136         | \$ -             | \$ -            | \$ -            | \$ -            | \$ -         | \$ 21,136         |
| Finance receivables and loans | 131,454           | 15,258           | 4,182           | 2,074           | 1,028           | 31           | 154,027           |
| All other Assets              | 15,286            | 146              | 6               | -               | -               | -            | 15,438            |
| <b>Total</b>                  | <b>\$ 167,876</b> | <b>\$ 15,404</b> | <b>\$ 4,188</b> | <b>\$ 2,074</b> | <b>\$ 1,028</b> | <b>\$ 31</b> | <b>\$ 190,601</b> |
| <b>Financial Liabilities</b>  |                   |                  |                 |                 |                 |              |                   |
| Due to clients                | \$ 1,072          | \$ -             | \$ -            | \$ -            | \$ -            | \$ -         | \$ 1,072          |
| Bank indebtedness             | 71,628            | -                | -               | -               | -               | -            | 71,628            |
| Loan payable <sup>(1)</sup>   | 8,519             | 2,915            | 117             | -               | -               | -            | 11,551            |
| Notes payable                 | 17,848            | -                | -               | -               | -               | -            | 17,848            |
| Debentures                    | 27,724            | -                | -               | -               | -               | -            | 27,724            |
| All other liabilities         | 10,279            | -                | -               | -               | -               | -            | 10,279            |
| <b>Total</b>                  | <b>\$ 137,070</b> | <b>\$ 2,915</b>  | <b>\$ 117</b>   | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>  | <b>\$ 140,102</b> |

(1) Loan payable are estimated amounts, as the loans do not have a contractual maturity date.

The Company's financial assets and liabilities at December 31, 2025 by maturity date were as follows:

|                                | 0 to 12<br>months | 1 to 2<br>years  | 2 to 3<br>years  | 3 to 4<br>years | 4 to 5<br>years | Thereafter   | Total             |
|--------------------------------|-------------------|------------------|------------------|-----------------|-----------------|--------------|-------------------|
| <b>Financial Assets</b>        |                   |                  |                  |                 |                 |              |                   |
| Cash                           | \$ 6,990          | \$ -             | \$ -             | \$ -            | \$ -            | \$ -         | \$ 6,990          |
| Finance receivables and loans  | 290,400           | 42,458           | 10,865           | 1,758           | 462             | 33           | 345,976           |
| All other Assets               | 13,506            | 128              | 48               | -               | -               | -            | 13,682            |
| <b>Total</b>                   | <b>\$ 310,896</b> | <b>\$ 42,586</b> | <b>\$ 10,913</b> | <b>\$ 1,758</b> | <b>\$ 462</b>   | <b>\$ 33</b> | <b>\$ 366,648</b> |
| <b>Financial Liabilities</b>   |                   |                  |                  |                 |                 |              |                   |
| Due to clients                 | \$ 247            | \$ -             | \$ -             | \$ -            | \$ -            | \$ -         | \$ 247            |
| Bank indebtedness              | 148,236           | -                | -                | -               | -               | -            | 148,236           |
| Loan payable <sup>(1)(2)</sup> | 86,798            | 2,556            | 956              | -               | -               | -            | 90,310            |
| Notes payable                  | 20,958            | 4,117            | -                | -               | -               | -            | 25,075            |
| Debentures                     | 26,966            | -                | -                | -               | -               | -            | 26,966            |
| All other liabilities          | 11,139            | -                | -                | -               | -               | -            | 11,139            |
| <b>Total</b>                   | <b>\$ 294,344</b> | <b>\$ 6,673</b>  | <b>\$ 956</b>    | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>  | <b>\$ 301,973</b> |

(1) Loan payable includes amounts of \$11,815 maturing within 12 months, \$2,556 maturing in 1 to 2 years, and \$956 maturing in 2 to 3 years, which are estimated amounts, as the loans do not have a contractual maturity date.

(2) Included in loans payable maturing within 12 months is \$74,983 of debt related to BondIt, which has been classified as current as BondIt was in breach of its debt covenants at December 31, 2025.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations and support business growth. The Company has material going concern uncertainties (Note 2). The Company's approach to managing liquidity risk is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when they come due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal obligations are its bank indebtedness, loans payable, notes payable, debentures, due to clients, accounts payable and other liabilities.

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The Company had the following debt obligations outstanding as at March 31, 2026:

|                           | <b>Borrower</b> | <b>Amount</b>        | <b>Maturity Date</b>             |
|---------------------------|-----------------|----------------------|----------------------------------|
| Senior Credit Facility    | AFC             | \$71.6 million       | May 15, 2026                     |
| Unsecured Demand Notes    | AFC             | 4.5 million          | On demand within 7 days          |
| Unsecured Term Notes*     | AFC             | 13.3 million         | May 22, 2026                     |
| Subordinated Debentures*  | AFC             | 27.7 million         | July 31, 2026                    |
| Secured Non-recourse loan | ASBF            | 11.6 million         | Amortizing from asset cash flows |
| <b>Total</b>              |                 | <b>128.7 million</b> |                                  |

\* Note: Amount includes interest accrued to date

The Company's operations are financed by bank indebtedness, loans payable, notes payable and debentures, with a significant concentration in bank indebtedness. The Company has debt obligations with approximately \$117.1 million due in 2026 (excluding the non-recourse loan). The Company is working with external advisors to pursue financing alternatives to repay or refinance its maturing debt obligations. If any or all of the Company's funding sources are not replaced or renewed on terms acceptable to the Company and/or if the Company is unsuccessful in generating sufficient additional capital from its strategic initiatives to repay its maturing debt, the Company may not have the financing necessary to conduct its business, which could have a material adverse impact on its business. The above conditions represent a material uncertainty that cast a significant doubt on the Company's ability to continue as a going concern.

### c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its financial instruments. The objective of managing market risk is to control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Company may also be exposed to market risk from external trade policy actions, including the imposition of tariffs by the United States on goods or services related to the industries of its clients. Such tariffs could adversely impact the credit quality or borrowing needs of certain clients, add to financial volatility and reduce growth opportunities, thereby indirectly increasing the Company's credit and market risk exposure. While the Company cannot currently quantify the potential impact of such tariffs on its financial performance, it continues to monitor developments in trade policy and assess potential implications for its clients and lending portfolio.

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### d) Currency risk

The Company's Canadian operations have some assets and liabilities denominated in foreign currencies, principally finance receivables and loans, cash, bank indebtedness, due to clients and notes payable. These assets and liabilities are usually economically hedged, although the Company enters into foreign exchange contracts from time to time to hedge its currency risk when there is no economic hedge. At March 31, 2026, the Company's unhedged foreign currency positions in its Canadian operations totalled \$250 (December 31, 2025 – \$1,551). The Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies on a spot or forward basis to address short-term imbalances. The impact of a 1% change in the value of the Company's foreign currency holdings against the Canadian dollar would not have a material impact on the Company's net earnings.

### e) Interest rate risk

Interest rate risk pertains to the risk of loss due to the volatility of interest rates. The Company's lending and borrowing rates include both fixed rates and floating rates. The Company manages its interest rate exposure where possible, through the use of securitization or other match funding strategies. If the Company's floating rate borrowings exceed its floating rate finance receivables and loans, the Company could be exposed to fluctuations in interest rates, such that an increase in floating interest rates could increase the Company's interest expense beyond its ability to pass the increase on to its clients.

The following table shows the gap between floating rate debt and floating rate assets at March 31, 2026:

|                                    | Floating<br>rate | Fixed Rate  | Non-rate<br>sensitive | Total      |
|------------------------------------|------------------|-------------|-----------------------|------------|
| <b>Assets</b>                      |                  |             |                       |            |
| Cash                               | \$ -             | \$ 3,013    | \$ 18,123             | \$ 21,136  |
| Finance receivables and loans, net | 119,025          | 35,002      | -                     | 154,027    |
| All other assets                   | -                | -           | 15,438                | 15,438     |
|                                    | \$ 119,025       | \$ 38,015   | \$ 33,561             | \$ 190,601 |
| <b>Liabilities</b>                 |                  |             |                       |            |
| Due to clients                     | \$ -             | \$ -        | \$ 1,072              | \$ 1,072   |
| Bank indebtedness                  | 71,628           | -           | -                     | 71,628     |
| Loan payable                       | -                | 11,551      | -                     | 11,551     |
| Notes payable                      | 4,500            | 13,348      | -                     | 17,848     |
| Debentures                         | -                | 27,724      | -                     | 27,724     |
| All other liabilities              | -                | -           | 10,279                | 10,279     |
|                                    | \$ 76,128        | \$ 52,623   | \$ 11,351             | \$ 140,102 |
| Interest rate sensitivity gap      | \$ 42,897        | \$ (14,608) | \$ 22,210             | \$ 50,499  |

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The Company's floating rate assets exceed the Company's floating rate debt, net of unrestricted cash, by \$65.7 million. Incorporated into that calculation is the assumption that fixed rate assets that are not match-funded with term debt, maturing in less than twelve months, if not redeployed in new Loans, would be used to pay down bank indebtedness. A 100 basis point increase in interest rates would decrease pre-tax earnings by approximately \$657 over a twelve-month period. A 100 basis point decrease in interest rates would add a similar amount to pre-tax earnings. The analysis is a static measurement of interest rates at a specific point in time, and there is the potential for these gaps to change significantly over a short time period.

### 16. Capital disclosure

The Company considers its capital structure to include equity and debt; namely, its bank indebtedness, loans payable, notes payable and debentures. The Company's objectives when managing capital are to: (a) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (b) maintain a capital structure that allows the Company to finance its growth using internally-generated cash flow and debt capacity; and (c) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. To manage its capital structure, the Company may, from time to time, change the amount of dividends paid to shareholders, return capital to shareholders by way of a normal course issuer bid, issue new shares or debt, or reduce liquid assets to repay other debt. The Company monitors the ratio of its debt to total equity and its total equity to total assets. At March 31, 2026, these ratios were 2.76x (December 31, 2025 – 5.40x) and 0.25 (December 31, 2025 – 0.15), respectively. The Company's debt will usually rise with an increase in finance receivables and loans and vice-versa. The Company's share capital is not subject to external restrictions. However, the Company's credit facilities include debt to TNW covenants. At March 31, 2026, the Company is required to maintain a senior debt to TNW ratio of less than 4.0 to 1.0 on its syndicated bank facility. There were no changes in the Company's approach to capital management from previous periods.

As of the reporting date, the Company was focused on strategic refinancing initiatives to address upcoming debt maturities. These initiatives may result in changes to the Company's capital structure and use of capital in future periods.

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## 17. Subsequent events

### a) Senior Credit Facility Amendments

On May 15, 2026, the maturity date of the Senior Credit Facility was extended to June 12, 2026. The amendment terms reduced the maximum facility commitment to \$97.5 million, added a new sub-limit of \$65.0 million for borrowing and included new milestones related to refinancing the Company's debt. Along with the Senior Credit Facility maturity extension, the term notes were automatically extended to June 19, 2026.

## Board of Directors

**David Beutel**, Toronto, Ontario <sup>1,3,4</sup>

**Burt Feinberg**, New York, New York <sup>3</sup>

**Simon Hitzig**, Toronto, Ontario

**Jean Holley**, Sanger, Texas <sup>2</sup>

**Gary Prager**, Wake Forest, North Carolina <sup>2,3</sup>

**David Spivak**, Vancouver, British Columbia <sup>1</sup>

**Stephen Warden**, Oakville, Ontario <sup>1,2</sup>

<sup>1</sup> Member of Audit Committee

<sup>2</sup> Member of Compensation Committee

<sup>3</sup> Member of Credit Committee

<sup>4</sup> Chairman of the Board

## Officers

**Simon Hitzig**, President, CEO

**Irene Eddy**, Senior Vice President,  
Chief Financial Officer

**Cathy Osborne**, Senior Vice President,  
Human Resources

## Subsidiaries

**Accord Financial Ltd.**

Simon Hitzig, President

**Accord Financial Inc.**

James Jang, President

**Accord Financial Canada Corp**

James Jang, President

## Auditors

KPMG LLP

## Legal Counsel

Stikeman Elliott LLP

## Stock Exchange Listings

Toronto Stock Exchange Symbols:

Common Shares: ACD

Debentures: ACD.DB

## Bankers

Bank of Montreal

The Bank of Nova Scotia

Canadian Imperial Bank of Commerce

Royal Bank of Canada

Regions Bank

M&T Bank

The Toronto-Dominion Bank

## Registrar & Transfer Agent

Computershare Trust Company of  
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