ACCORD FINANCIAL

Third 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

Table of Contents

1 Message From the President and CEO
3 Management's Discussion and Analysis
35 Consolidated Statements of Financial Position (Unaudited)
36 Consolidated Statements of Earnings (Loss) (Unaudited)
36 Consolidated Statements of Comprehensive Earnings (Loss) (Unaudited)
37 Consolidated Statements of Changes in Equity (Unaudited)
38 Consolidated Statements of Cash Flows (Unaudited)
39 Notes to the Consolidated Financial Statements
Inside back cover Corporate Information

Enclosed are the financial statements, as well as Management's Discussion and Analysis, for the quarter ended September 30, 2026, together with comparative figures for the third 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.

During the first half of 2026, the Company successfully executed a series of important strategic initiatives, notably divesting our US asset-based lending and media finance businesses, to refocus on SME lending in Canada. Through these and related initiatives, the outstanding balance on Accord's senior credit facility ("Bank Facility") was reduced from approximately $148 million as at December 31, 2025 to approximately $51 million at September 30, 2026.

In the third quarter, the Company focused on restructuring its non-bank debt, ahead of a final push to refinance the Bank Facility. On July 27th, the Company announced that holders of its debentures ("Debentures"), with principal outstanding of $25.7 million, approved amendments including extending the maturity date to October 31, 2031 (provided that if the Company doesn't refinance its Bank Facility by December 31, 2026, the Debentures will instead mature on October 31, 2027). The amendments provide flexibility to pay interest in cash or continue to accrue (as has been the case since July 1, 2025). The Company also announced similar amendments to the terms of unsecured demand notes and term notes held by the Hitzig family ("Hitzig Notes"), representing principal outstanding of $11 million, reducing the interest rate to 0% for two years from July 31st, and mirroring the maturity dates of the Debentures. In September, the Company made the final payment on its longstanding non-recourse loan with a life insurance company.

The third quarter financial statements present earnings reflecting a significant non-cash accounting discount related to the amendments to the Debentures and Hitzig Notes. While the amendments are favorable to Accord, the non-cash discount, and resulting increase in equity, does not represent a cash inflow to the Company or

MESSAGE FROM THE PRESIDENT AND CEO

improved operating performance. The contractual principal amounts owing to the Company's debt holders did not change with the amendments; the Company's full obligations remain encoded in the respective loan documents and are described in the MD&A and notes to the financial statements.

Exiting the US, simplifying the portfolio, and restructuring key components of the Company's non-bank debt is intended to set the stage to refinance the Bank Facility, which, subsequent to quarter end, has been extended to January 8, 2027. We continue to work with our financial advisors on this final piece of the strategic plan, aiming for a fourth-quarter transaction.

Underlying these vital efforts to restructure the balance sheet, our repositioning strategy is complete. Accord is now 100% focused on the market where our competitive advantage can yield strong pricing and fee income. And overhead associated with legacy operations has been largely eliminated. Improving operating performance at suboptimal scale bodes well for Accord's potential if we can get back to the business of growing.

Accord's nearly fifty years of Canadian market presence continues to open doors with well-earned name recognition and respect. And the industry's broadest SME product suite means we're well-positioned to compete. If we successfully refinance the Bank Facility, our mission is to restore the growth trajectory interrupted in late 2023.

While progress has been made, there remains 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.

The final steps to restructure, refinance and repay outstanding debt are the Company's top priority. As Accord manages these challenges, our core mission continues – delivering much-needed capital to companies from coast to coast.



Simon Hitzig
President and Chief Executive Officer
November 16, 2026

FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars, except values per share, or as otherwise noted)	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Average funds employed (millions)	**$ 133**	$ 406	**$ 185**	$ 394
Revenue	**7,150**	8,321	**21,237**	25,499
Earnings (loss) before income tax	**25,660**	(1,246)	**21,204**	(2,294)
Net earnings (loss) from continuing operations	**18,844**	(1,771)	**14,941**	(2,988)
Discount arising from debt amendments	**(28,130)**	-	**(27,900)**	-
Accretion expense from Amended Subordinated Notes	**330**	7	**230**	(1)
Restructuring and other expenses	**816**	653	**3,528**	1,033
Tax impact from adjustments	**7,151**	(175)	**6,398**	(273)
Adjusted net earnings (loss) from continuing operations	**(989)**	(1,286)	**(2,803)**	(2,229)
Earnings (loss) per common share (basic and diluted) from continuing operations	**2.20**	(0.21)	**1.75**	(0.35)
Adjusted loss per common share (basic and diluted) from continuing operations	**(0.12)**	(0.15)	**(0.33)**	(0.26)
Book value per share			**$ 7.30**	$ 8.92

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 and nine months ended September 30, 2026 compared with the quarter and nine months ended September 30, 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 November 16, 2026, should be read in conjunction with the Company's condensed interim unaudited consolidated financial statements (the "Statements") and notes thereto for the quarter and nine months ended September 30, 2026 and 2025, which are included as part of this 2026 Third 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.

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.ca. 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.

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 Third 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 the discount arising from debt amendments, accretion expenses associated with debt amendments, and 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 12 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 subsidiary. 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.

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"), 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 (iii) working capital financing to SMEs 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 SME 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 SME market through a diverse suite of financing solutions.

QUARTERLY FINANCIAL INFORMATION

	Quarter ended	Revenue	Shareholders' net earnings (loss)	Earnings (loss) per share*
2026	**September 30**	**$ 7,150**	**$ 18,844**	**$ 2.20**
	June 30	$ 6,824	$ (2,790)	$ (0.33)
	March 31	$ 7,263	$ (1,113)	$ (0.13)
2025	December 31	$ 8,463	$ (8,395)	$ (0.98)
	September 30	8,321	(1,771)	(0.21)
	June 30	8,788	(353)	(0.04)
	March 31	8,390	(864)	(0.10)
Fiscal 2025**		$ 33,962	$ (11,383)	$ (1.33)
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
Fiscal 2024**		$ 43,473	$ (5,924)	$ (0.69)

** 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 September 30, 2026 compared with the quarter ended September 30, 2025

The following discussion relates to the results of operations for the quarter ended September 30, 2026 compared with the quarter ended September 30, 2025, and reflects results from continuing operations only, excluding discontinued operations.

For the quarter ended September 30, 2026, the Company reported Shareholders' net earnings of $18,844 compared to a net loss of $1,771 in the same quarter of 2025. The reported earnings for the current quarter were primarily attributable to a significant non-cash accounting discount of $28,130 arising from amendments to the terms of the Company's subordinated debentures ("Debentures") and certain notes payable ("Hitzig Notes") (collectively, the "Amended Subordinated Notes"). In accordance with IFRS, this discount will be accreted to interest expense over the remaining term of the Amended Subordinated Notes, which are conditionally maturing in October 2031. The accounting impact of these amendments does not represent cash proceeds or an improvement in the Company's underlying performance. Excluding the impact of this accounting adjustment and the related tax effects, the Company would have reported Shareholders' net loss of approximately $1.8 million for the quarter. Basic and diluted earnings per common share ("EPS") was $2.20 compared to basic and diluted loss per common share ("LPS") of $0.21 in the third quarter of 2025.

Revenue for the third quarter of 2026 decreased by 14.1%, or $1,171, to $7,150 compared with $8,321 in the same period of 2025. Interest income decreased by 23.9%, or $1,776, to $5,665, from $7,441 primarily due to a 67.2% decrease in average funds employed. Partially offsetting this decline, other income increased 68.8% to $1,485 from $880 in the third quarter of 2025 reflecting higher origination and monitoring fees, and other fee income.

Total expenses increased by 0.6% or $53 to $9,620 in the third quarter of 2026 from $9,567 in the same period last year. Interest expense declined 17.7%, or $558 to $2,586 primarily due to a 65.4% decrease in bank indebtedness. However, a portion of interest expense, $330 (2025 - $7) is related to the accretion of the non-cash accounting discount recognized this quarter. G&A expenses are relatively flat this quarter compared to the third quarter of 2025. G&A expenses are comprised of personnel costs, which represent the largest component, as well as professional fees, information technology expenses, and portfolio servicing costs, among others. The Company continues to closely manage its controllable expenses, including the professional fees associated with strategic initiative activities (2026 – $710, 2025 – $644).

The provision for credit losses increased by $576 to $1,878 in the third quarter of 2026 compared to $1,302 in the same quarter last year.

Three months ended September 30	**2026**	2025
Net write-offs	**$ 731**	$ 934
Increase in allowance for expected credit losses	**1,147**	368
Total provision for credit losses	**$ 1,878**	$ 1,302

Net write-offs decreased by $203 to $731 in the third quarter of 2026 compared to $934 last year. Write-offs are related to small business loans and are consistent with management expectations. The non-cash allowance for expected credit losses ("ECL") increased $779 compared to the same period in 2025, due in part to an increase in the allowance associated with Stage 2 loans. 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 write-offs or provisioning for expected credit losses.

Depreciation expense increased by $26 to $111 (2025 - $85) in the third quarter of 2026. Depreciation of $85 (2025 – $59) was charged on the Company's right-of-use assets in the third quarter of 2026, while the balance of the expense related to capital assets.

Income tax expense was $6,816 in the third quarter of 2026 compared to an income tax expense of $525 in the same period last year. The Company recorded deferred income tax expense of $7,454 related to the non-cash accounting discount recognized in connection with the amendments to the Amended Subordinated Notes. Although the accounting discount is not taxable for income tax purposes, the difference between the accounting value of the amended debt and its tax basis gives rise to a deferred tax liability under IFRS. Accordingly, the related tax expense is

an accounting adjustment only and does not represent current income tax payable or a cash tax obligation.

Nine months ended September 30, 2026 compared with nine months ended September 30, 2025

Shareholders' net earnings for the first nine months of 2026 was $14,941 compared to a net loss of $2,988 in the first nine months of 2025. The reported earnings for the first nine months of 2026 were primarily attributable to a significant non-cash accounting discount of $27,900 arising from amendments to the terms of the Company's Amended Subordinated Notes. In accordance with IFRS, this discount will be accreted to interest expense over the remaining terms of the Amended Subordinated Notes, which are both conditionally maturing in October 2031. The accounting impact of these amendments does not represent cash proceeds or an improvement in the Company's underlying performance.

Excluding the impact of this accounting adjustment and the related tax effects, the Company would have reported Shareholders' net loss of approximately $5.6 million for the first nine months of 2026, compared to a net loss of $2,988 in the corresponding period of 2025. Accordingly, Shareholders' net loss, excluding the impact of the debt amendments, increased by $2.6 million year over year. The increase in net loss reflects lower interest income driven by a decline in average funds employed and higher professional fees related to strategic initiatives, partially offset by a lower provision for credit losses. Basic and diluted EPS were $1.75 compared to LPS of $0.35 in the first nine months of 2025.

Revenue for the first nine months of 2026 declined 16.7% or $4,262 to $21,237 compared to $25,499 last year. Interest income declined 21.7% or $4,878 to $17,557 compared to $22,435 in the first nine months of 2025 primarily due to a 53.2% ($209.4 million) decrease in average funds employed. Other income, consisting primarily of loan-related fee income, increased 20.1% to $3,680 compared to $3,064 in the same period in 2025.

Total expenses of $27,933 in the first nine months of 2026 were relatively flat to the same period in 2025. Interest expense increased by 2.6% to $8,305 compared to $8,097 in the first nine months of 2025. However, a portion of interest expense of $230 (2025 – recovery of $1) is related to the accretion of the non-cash accounting discount related to the Amended Subordinated Notes. G&A increased 7.3% or $1,084 to $15,974 in the first nine months of 2026 compared to $14,890 last year, primarily due to higher professional fees incurred in connection with strategic initiatives (2026 – $2,916, 2025 – $878).

The provision for credit losses declined $1,199 to $3,354 in the first nine months of 2026 compared to $4,553 in the same period last year. The provision comprised:

Nine months ended September 30	**2026**	2025
Net write-offs	**$ 5,046**	$ 3,148
Increase (decrease) in allowance for expected credit losses	**(1,692)**	1,405
Total provision for credit losses	**$ 3,354**	$ 4,553

Net write-offs of $3.3 million related to small business loans (AFCC) while $1.8 million related to certain asset-based loans (AFIC), including $1.0 million related to the Company's largest exposure (see discussion under Review of Financial Position – Gross finance loans and receivables). The remainder of the decrease in the non-cash allowance primarily reflects the reduction in the size of the Loan portfolio since September 2025. While the Company actively manages its portfolio closely, as discussed in the Risks and Uncertainties section below, financial results can be adversely affected by individually significant write-offs or provisioning for expected credit losses.

Depreciation expense increased by $47 to $300 (2025 – $253) in the first nine months of 2026. Depreciation of $228 (2025 – $177) was charged on the Company's right-of-use assets in the first nine months of 2026, while the balance of the expense related to capital assets.

The Company recognized an income tax expense of $6,263 in the first nine months of 2026, compared to an income tax expense of $694 in the corresponding period of 2025. The Company recorded deferred income tax expense of $7,394 related to the non-cash accounting discount recognized in connection with the amendments to the Amended Subordinated Notes. Although the accounting discount is not taxable for income tax purposes, the difference between the accounting value of the amended debt and its tax basis gives rise to a deferred tax liability under IFRS. Accordingly, the related tax expense is an accounting adjustment only and does not represent current income tax payable or a cash tax obligation.

REVIEW OF FINANCIAL POSITION

Shareholders' equity was $62.5 million at September 30, 2026, compared to $51.0 million at December 31, 2025. Book value per common share was $7.30 at September 30, 2026 compared to $5.96 at December 31, 2025. The increase in Shareholders' equity primarily reflects the reported net earnings of $12.8 million, which included the significant non-cash accounting discount arising from the amendments to the Amended Subordinated Notes. Excluding the impact of the debt amendments and the related deferred tax effects, the Company would have reported a net loss of approximately $7.7 million for the nine-month period, which would have reduced Shareholders' equity by that amount. Accordingly, the reported increase in Shareholders' equity does not reflect an improvement in the Company's underlying financial position. The accounting benefit recognized at the time of amendments will be offset over the remaining terms of the Amended Subordinated Notes as the discount is accreted to interest expense, reducing future earnings, and, in turn, Shareholders' equity.

Total assets were $153.4 million at September 30, 2026, compared to $356.7 million at December 31, 2025, representing a decrease of 57.0%. The decline primarily reflects the disposition of Loans from the U.S., including AFIU's loan portfolio and the sale of the Company's 60% ownership interest in BondIt in the first quarter of 2026.

Gross finance receivables and loans, before the allowance for ECL, declined to $131.9 million at September 30, 2026 from $346.0 million at December 31, 2025. As detailed in the Statements, the Company's Loans comprised:

	September 30, 2026	December 31, 2025
Working capital loans	**$ 57,709**	$ 74,452
Receivable loans	**32,149**	89,371
Inventory & equipment loans	**40,107**	83,565
Media loans	**-**	95,853
Lease receivables	**1,937**	2,735
Finance receivables and loans, gross	**131,902**	345,976
Less allowance for expected credit losses	**15,763**	19,045
Finance receivables and loans, net	**$ 116,139**	$ 326,931

The Company's Loans consisted primarily of asset-based lending advances to approximately 19 clients (December 31, 2025 – 36 clients), as well as lease receivables, equipment finance and working capital loans to approximately 410 clients (December 31, 2025 – 590). These lending activities were conducted through AFIC (and previously AFIU) and AFCC, respectively. There were no media finance loans outstanding (previously originated through BondIt) as at September 30, 2026 (December 31, 2025 – 50 loans).

The largest client in the loan portfolio comprised 21.8% of gross Loans at September 30, 2026 (December 31, 2025 – 8.5%). The increase in concentration primarily reflects the reduction in the overall size of the Company's loan portfolio rather than a significant increase in exposure to this client. This loan facility is partially secured by accounts receivable and inventory. At September 30, 2026, the outstanding balance was $28.7 million, including $14.7 million of uncollateralized exposure. While the borrower's operating performance improved during 2026, management continues to closely monitor the borrower's operating performance, liquidity and collateral position in light of its ongoing financial challenges. The exposure remains classified as Stage 2.

An ECL allowance, including a judgmental overlay, has been recognized for this exposure based on Management's assessment of the information currently available. In determining the allowance, Management has considered the uncollateralized portion of the exposure, anticipated recoveries from available collateral and the client's ongoing operations. Management considers the resulting allowance reasonable and supportable under current circumstances. However, if certain conditions persist or deteriorate, including the ongoing impact of tariffs, or other unforeseen adverse developments, the allowance recorded for this exposure may

ultimately prove to be insufficient. Note 15 to the Statements provides further details of the Company's credit exposure by industrial sector.

Credit approval for transactions 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 Board of Directors. 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.

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. Lease receivables and equipment finance 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. The Company also has revolving loan products which 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 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 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 types of 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. Security deposits are generally required for equipment leases and loans, while the majority of working capital loans are supported by a strong financial guarantor, typically covering 75% 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 $6,976 at September 30, 2026, all of which relates to AFCC. As of September 30, 2026, 33.1% or $43,692 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 $1,303 at September 30, 2026 representing 1.0% of total funds employed. The impaired loans, most of which have been written down to estimated fair value, are mainly secured by collateral comprised of receivables, inventory and/or equipment or backed by a guarantee from a creditworthy party. The estimated fair value of the impaired loans was $1,347 at September 30, 2026. Since 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:

	September 30, 2026		December 31, 2025	
Industry sector	**Gross finance receivables and loans**	**% of total**	Gross finance receivables and loans	% of total
Wholesale Trade	**49,244**	**37.3**	54,618	15.8
Manufacturing	**17,936**	**13.6**	49,578	14.3
Mining	**15,213**	**11.5**	17,600	5.1
Construction	**7,994**	**6.1**	14,321	4.1
Professional, Scientific, and Technical Services	**6,004**	**4.6**	6,280	1.8
Real Estate Rental and Leasing	**5,556**	**4.2**	2,447	0.7
Retail Trade	**5,543**	**4.2**	12,153	3.5
Information	**5,097**	**3.9**	7,344	2.1
Transportation and Warehousing	**4,808**	**3.6**	11,707	3.4
Finance and Insurance	**3,400**	**2.6**	46,489	13.4
Other	**11,107**	**8.4**	123,439	35.8
	$ 131,902	**100.0**	$ 345,976	100.0

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 $15,763 at September 30, 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).

The activity in the allowance for ECL in the first nine 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 $400 at September 30, 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 decreased to $6,940 at September 30, 2026 compared to $6,990 at December 31, 2025. 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 $7,846 to $16,181 at September 30, 2026 compared to $8,335 at December 31, 2025. The largest component of other assets was $11,454 (December 31, 2025 - $5,682) due from Export Development Canada ("EDC") in respect of claims on defaulted loans that are covered by EDC guarantees ranging from 75% to 80% of the outstanding principal balance. Other assets also includes an investment of $2,474 (December 31, 2025 – nil), in a media finance and services business in the U.S. which was acquired as partial consideration from the sale of BondIt, other loans of $1,894 (December 31, 2025 - $136), prepaid expenses of $320 (December 31, 2025 – $1,297), an amount held as a security for non-recourse borrowings of $ nil (December 31, 2025 – $773) and other miscellaneous assets of $39 (December 31, 2025 – $447).

Net deferred tax assets increased to $11,391 at September 30, 2026 compared to $11,240 at December 31, 2025.

Income taxes receivable and property and equipment at September 30, 2026 and December 31, 2025 were not significant.

Total liabilities decreased by $212.0 million to $90.9 million at September 30, 2026 compared to $302.9 million at December 31, 2025. The decrease since December 31, 2025 primarily reflects the repayment of bank indebtedness and loans payable from proceeds generated through the disposition of AFIU's U.S. loan portfolio and the sale of the Company's 60% ownership interest in BondIt in the first quarter of 2026.

Bank indebtedness decreased $96,995 or 65.4% to $51,241 at September 30, 2026 compared to $148,236 at December 31, 2025.

On September 30, 2026, the maturity date of the Senior Credit Facility was extended to November 30, 2026, as the Company's senior lenders provided additional time to complete a refinancing. Pursuant to the amendment, the maximum facility commitment was reduced to $65.0 million. Subsequent to the quarter end, the Senior Credit Facility was further extended. Please refer to "Liquidity and Capital Resources" below for further details.

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 September 30, 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 at September 30, 2026 was $nil compared to $90,310 at December 31, 2025. The decrease was attributable to the refinancing and subsequent repayment of the revolving loan previously advanced to BondIt upon its sale on February 10, 2026 together with the repayment of non-recourse debt (See discussion under Liquidity and Capital Resources).

Accounts payable and other liabilities increased by $3,035 to $11,296 at September 30, 2026 compared to $8,261 at December 31, 2025.

Notes payable decreased by $15,610 to $9,465 at September 30, 2026, compared to $25,075 at December 31, 2025.

Notes payable are comprised of:

	September 30, 2026	**Maturity Date**	December 31, 2025	Maturity Date
Hitzig Notes	**4,122**	Oct 31, 2031	12,564	Mar 6, 2026*
Other Related Party Term Notes (AFC)	**4,007**	Jan 15, 2027	3,722	Mar 6, 2026
Third Party Term Notes (AFC)	**1,336**	Jan 15, 2027	1,241	Mar 6, 2026
Notes (BondIt)	**-**		7,548	Various dates December 2025 through November 2027
	9,465		25,075	

** Includes $4,500 of demand loans*

On July 27, 2026, the Company amended the terms of related-party unsecured notes held by the Hitzig family, representing $13,108 in carrying value. The amendments

resulted in a significant decrease of $9,180 in their carrying value, reflecting the recognition of a non-cash accounting discount in accordance with IFRS. At September 30, 2026 the carrying value of the Hitzig Notes was $4,122, compared to the contractual amount outstanding of $13,108. Importantly, this accounting adjustment does not reduce or otherwise change the contractual amounts owed to the holders. The Company remains obligated for the full contractual amount of principal and applicable interest in accordance with the amended terms. The difference between the carrying value and the contractual amount reflects a non-cash accounting adjustment, with the related discount to be accreted to interest expense over the remaining term of the Hitzig Notes, which conditionally mature in October 2031.

The Hitzig Notes bear interest at 0.0% per annum until July 31, 2028 and thereafter at 7.0% from August 1, 2028 to October 31, 2031. The Company has the option to either make the quarterly interest payments or to defer such payments through the continued accrual of interest. The remaining notes bear interest of 10.0% per annum, payable quarterly, with a maturity date of January 15, 2027. Pursuant to the terms of the Company's Senior Credit Facility, interest payments are currently suspended and interest continues to accrue.

Notes payable by BondIt ($7,548) were repaid upon the completion of its sale earlier this year. Please refer to "Liquidity and Capital Resources" below for further details.

The Company's Debentures have a face value of $25,650 (25,650 debentures of $1,000 each). Of these, 20,650 debentures are listed for trading ("Listed Debentures") on the Toronto Stock Exchange ("TSX"), while 5,000 are unlisted ("Unlisted Debentures"). All Debentures are unsecured and subordinated 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 terms of the Debentures were amended on July 27, 2026, reducing the interest rate to 7.0% per annum and extending the maturity date to October 31, 2031 provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which the Debentures mature on October 31, 2027. The Company has the option to either make semi-annual interest payments or defer such payments through the continued accrual of interest.

The amendments to the Debentures resulted in a significant decrease of $19,029 in their carrying value, reflecting the recognition of a non-cash accounting discount in accordance with IFRS. At September 30, 2026 the carrying value of the Debentures was $10,294, compared to the contractual amount outstanding of $29,124. Importantly, this accounting adjustment does not reduce or otherwise change the

contractual amounts owed to the holders. The Company remains obligated for the full contractual amount of principal and applicable interest in accordance with the amended terms. The difference between the carrying value and the contractual amount reflects a non-cash accounting adjustment, with the resulting discount to be accreted to interest expense over the remaining term of the Debentures, which conditionally mature in October 2031. Please refer below to "Liquidity and Capital Resources" for further details.

Income taxes payable, lease liabilities and deferred income at September 30, 2026 and December 31, 2025 were not significant.

Deferred tax liabilities increased to $6,116 from $171, as a result of the non-cash accounting discount recognized in connection with the amendments to the Amended Subordinated Notes.

Capital stock totalled $9,448 at September 30, 2026 and December 31, 2025. There were 8,558,913 common shares outstanding at those dates.

Contributed surplus totalled $1,890 at September 30, 2026 (December 31, 2025 – $1,886).

Retained earnings increased by $12,820 to $45,320 at September 30, 2026 compared to $32,500 at December 31, 2025. The increase in 2026 is due to net earnings from continuing operations of $14,941 and a net loss from discontinued operations of $2,121. The increase in retained earnings primarily reflects reported net earnings of $12,820, which included the significant non-cash accounting discount arising from the amendments to the Amended Subordinated Notes. Excluding the impact of the debt amendments and the related deferred tax effects, the Company would have reported a net loss of approximately $7.7 million for the nine-month period, which would have reduced retained earnings by that amount. Accordingly, the reported increase in retained earnings does not reflect an improvement in the Company's underlying financial position. The accounting benefit recognized at the time of amendments will be offset over the remaining terms of the Amended Subordinated Notes as the discount is accreted to interest expense, reducing future earnings, and, in turn, retained earnings.

The Company's accumulated other comprehensive income ("AOCI") represents the cumulative unrealized foreign exchange income or loss arising on the translation of the assets and liabilities of the Company's foreign operations. The AOCI balance decreased to $5,834 at September 30, 2026 compared to $7,157 at December 31, 2025. Although the Company has classified its former U.S. operations as discontinued operations, the related cumulative foreign currency translation adjustments remain in AOCI as at September 30, 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 were $nil at September 30, 2026 compared to $2,839 at December 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

The Company's capital resources consist primarily of shareholders' equity and debt, including its Senior Credit Facility, notes payable and Debentures. Management continues to actively manage the Company's capital resources to meet its financial obligations, maintain compliance with lender requirements, support ongoing operations and continue as a going concern.

The following table summarizes the Company's contractual debt obligations outstanding as at September 30, 2026:

	Borrower	Amount	Maturity Date
Senior Credit Facility	AFC	$51. 2 million	January 8, 2027
Unsecured Term Notes[(1)]	AFC	5. 3 million	January 15, 2027
Unsecured Term Notes - Hitzig family[(1),(2)]	AFC	13. 1 million	October 31, 2031
Subordinated Debentures[(1),(2)]	AFC	29. 1 million	October 31, 2031
Total		98. 7 million	

(1) Note: Amount includes interest accrued to date
(2) Notes are repayable on October 31, 2031, provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which the Hitzig Notes and Debentures mature on October 31, 2027. The amortized cost of the Hitzig Notes at September 30, 2026 is $4.1 million, whereas the amortized cost of the subordinated debentures at September 30, 2026 is $10.3 million.

The Company has completed certain strategic financial initiatives intended to provide additional time to implement a longer-term financing strategy.

On September 30, 2026, the Company's Senior Credit Facility was amended to extend its maturity date to November 30, 2026. As part of the amendment, the maximum facility commitment was reduced from $70.0 million to $65.0 million. Subsequent to quarter end, effective as of November 6, 2026, the Senior Credit Facility was further amended to extend the maturity date to January 8, 2027 and reduce the maximum commitment to $60.0 million.

On July 27, 2026, the holders of the Company's unsecured subordinated Debentures approved a restructuring of the Debentures through amendments to their existing terms. The amendments include:

(i) extending the maturity date from July 31, 2026 to October 31, 2031, provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which the Debentures mature on October 31, 2027;
(ii) decreasing the interest rate from 12.0% to 7.0% per annum effective July 31, 2026 and providing the Company with the flexibility to pay interest in cash or continue to accrue interest; and

(iii) providing for repayment of 103% of principal (plus any accrued and unpaid interest) upon a change of control occurring after December 31, 2026.

Also on July 27, 2026, the Company amended the terms of approximately $11.0 million (principal amount) of related-party unsecured notes held by the Hitzig family. The amendments include:

(i) extended the maturity date of the Hitzig Notes from July 31, 2026 to October 31, 2031, subject to the same refinancing condition applicable to the Debentures,
(ii) reduced the interest rate to 0% for two years until August 1, 2028, after which interest will accrue at 7.0% per annum, with the Company having the option to either pay interest in cash or continue to accrue,
(iii) reducing the ranking of the Hitzig Notes so that they rank pari passu with the Company's unsecured subordinated Debentures; and
(iv) adding a conversion option to the holder upon an offering of equity by the Company any time after July 31, 2026.

Collectively, these amendments extend the maturity profile of a significant portion of the Company's indebtedness and provide additional flexibility while Management continues to pursue a comprehensive refinancing plan.

Readers are to note that the Company performed an assessment in accordance with the requirements of IFRS 9 and concluded that the July amendments met the substantial modification criteria, triggering a modification of the existing liabilities. As a result, the amortized value of the Hitzig Notes of $13,108 and the amortized value of the original Debentures of $28,817 were adjusted. The amended Hitzig Notes with a fair value of $3,928 and Debentures with a fair value of $9,788 were recognized at the date of modification. The fair value of the liabilities was estimated based on the credit spread determined from the publicly quoted market price of the Listed Debentures. The credit spread of 27.2% resulted in a fair market rate of 30.2%. This approach assumes that the Listed Debenture market price is directly correlated to the fair value of the amended Debentures and Hitzig Notes, and that it would reflect the Company's credit profile on the same date. The Company recognizes the shortcomings of using the estimated fair value derived from instruments traded in a highly illiquid market and believes that quoted market prices may not accurately reflect the fair market value that would be negotiated between market participants (i.e., the Company and the debt holders). This view is supported by the absence of any significant change in market price at the time the amendments were executed. However, the valuation methodology uses the publicly quoted market price as the primary source for determining the fair value. Accordingly, and in compliance with IFRS, the Company was required to initially measure the Debentures and Hitzig Notes at their estimated fair values upon amendment, with subsequent measurement at amortized cost. The total discount arising from the July 27, 2026 amendment of $28,130

is a non-cash discount and does not reflect the true nature of the obligations on hand. The contractual obligations outstanding remain at $13,108 for the Hitzig Notes and $29,124 for the Debentures as at September 30, 2026.

As of September 30, 2026, the Company had financial liabilities of $76.0 million maturing over the next 12 months. Management continues to pursue refinancing opportunities for its outstanding indebtedness and is evaluating potential sources of debt and equity capital. However, there is a risk that the availability of options to refinance maturing debt may not be available on terms acceptable to the Company or at all, and that existing lenders may not agree to further extensions of debt maturities. If the Company is unable to obtain a refinancing of its Senior Credit Facility by December 31, 2026 the maturity dates of the Hitzig Notes and Debentures would accelerate, resulting in both instruments becoming due on October 31, 2027.

The Company expects that additional debt and equity capital will be required to refinance existing indebtedness and support its ongoing operations and growth initiatives. There can be no assurance that such financing will be available on acceptable terms, or at all. Failure to successfully refinance or replace existing funding sources could result in insufficient liquidity to satisfy the Company's obligations as they come due and support ongoing operations, which could have a material adverse impact on the Company's business. These 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 nine months ended September 30, 2026 compared with the nine months ended September 30, 2025

Cash outflow from operating activities before changes in operating assets and liabilities and income tax payments was $5,260 in the first nine months of 2026 compared to a cash inflow of $2,551 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 $67,018 in the first nine months of 2026 compared to an outflow of $47,222 last year. A net cash inflow of $74,255 in the first nine months of 2026 was primarily due to loan repayments primarily at AFIC and AFIU. The net cash outflow of $54,710 in the first nine 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 $47,240 in the first nine months of 2026, primarily representing proceeds from the sale of BondIt and Loans at AFIU. Cash outflows from investing activities totalled $14 in the first nine months of 2025.

Net cash outflow from financing activities totalled $115,797 in the first nine months of 2026 compared to an inflow of $33,833 last year. The net cash outflow this year primarily resulted from a decrease in bank indebtedness of $96,997, net repayment of

U.S. dollar loans payable of $3,222 and repayment of Canadian dollar loans payable of $15,326. In the first nine months of 2025, the net cash inflow primarily resulted from an increase in bank indebtedness of $42,883 and net proceeds from U.S. dollar loans payable of $9,565, partially offset by repayment of Canadian dollar loans payable of $17,942.

The effect of exchange rate changes on cash was an increase of $1,489 in the first nine months of 2026 compared to an increase of $3,355 in the first nine months of 2025.

Overall, there was a net cash outflow of $50 in the first nine months of 2026 compared to a net cash outflow of $10,048 in the first nine months of 2025.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS AT SEPTEMBER 30, 2026

	Payments due in				
	Less than 1 year	1 to 3 years	3 to 5 years	Thereafter	**Total**
Debt obligations	$ 57,055	$ -	$ -	$ 42,232	**$ 99,287**
Operating lease obligations	432	799	574	441	**2,246**
	$ 57,487	$ 799	$ 574	$ 42,673	**$ 101,533**

RELATED PARTY TRANSACTIONS

The Company has borrowed funds on an unsecured basis from shareholders and other related parties in the form of notes payable and debentures; contractual values are summarized in the table below.

Term notes payable	**Relationship**	**Principal Balance**
Hitzig Bros., Hargreaves & Co. Inc.*	Director	$ 9,315,909
Ken Hitzig	Founder	$ 3,792,529
Oakwest Corporation Inc.**	Shareholder	$ 3,000,000
Listed Debentures		
Hitzig Bros., Hargreaves & Co. Inc.*	Director	$ 750,000
Simon Hitzig	Director	$ 600,000
Unlisted Debentures		
Hitzig Bros., Hargreaves & Co. Inc.*	Director	$ 3,250,000

** a director of this entity has a significant ownership interest in the Company*
*** this shareholder has a significant ownership interest in the Company*

The carrying value of notes payable, inclusive of accrued interest totalled $9,465 at September 30, 2026 compared to $25,075 at December 31, 2025. These balances comprise: (i) unsecured demand notes of $nil (December 31, 2025 – $4,500); and (ii) unsecured subordinated term notes totalling $9,465 (December 31, 2025 – $20,575). $5,343 of term notes had a maturity date of December 7, 2026, at September 30, 2026.

That maturity date was extended to January 15, 2027 subsequent to quarter end. The remaining balance of $4,122 has a maturity date of October 31, 2031.

Of the notes payable, $8,129 (December 31, 2025 - $21,433) inclusive of accrued interest was owing to related parties. Related party interest expense on these notes was $381 for the three months ended September 30, 2026 (2025 – $338) and $1,073 for the nine months ended September 30, 2026 (2025 – $1,042). Please refer to note 9 to the Statements.

Interest accrues at a rate of 10.00% per annum on $5,343 of term notes maturing on January 15th, 2027 and at a rate of 0.00% on the $4,122 of term notes maturing on October 31, 2031.

The Company also had $3,250 of Unlisted Debentures maturing on October 31, 2031 held by a related party.

As at September 30, 2026, the Company had no related-party term notes issued by BondIt outstanding (December 31, 2025 – US$3.8 million).

On July 27, 2026, all related-party notes and debentures, held by members of the Hitzig family, with an original principal amount totalling approximately $15.6 million were amended. Please refer to Liquidity and Capital Resources on page 18 for details of the amendments.

FINANCIAL INSTRUMENTS

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

At September 30, 2026 and December 31, 2025, there were no outstanding foreign exchange contracts entered into by the Company.

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 comprise 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.

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 September 30, 2026, and have concluded that the design of the Company's DC&P and ICFR were effective as of that date. During the nine months ended September 30, 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 September 30, 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 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 24, Liquidity and Capital Resources on page 18 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 September 30, 2026, the Company had bank indebtedness of approximately $51.2 million maturing on November 30, 2026, and $5.3 million of term notes maturing on December 7, 2026. The Hitzig Notes and the Debentures were amended to mature on October 31, 2031, provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which both the Debentures and the Hitzig Notes mature on October 31, 2027. Please refer to the Liquidity and Capital Resources section above for additional information.

If any or all of the Company's funding sources are not replaced or renewed on acceptable terms or if the Company is unsuccessful in generating sufficient additional capital through 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 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 24, Liquidity and Capital Resources on page 18 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 lender or 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.

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 because 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 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 operations.

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.

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 operations. 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 the successful refinancing of its Senior Credit Facility. During the quarter, the Company continued to execute its strategic refinancing plan. On July 27, 2026, holders of the Company's Debentures and the Hitzig Notes executed amendments extending the maturities of those obligations, subject to the terms of the amendments. These extensions represented a significant milestone in the Company's broader refinancing strategy, reducing near-term subordinated debt maturities, enhancing financial flexibility and allowing management to focus on securing a long-term refinancing of its Senior Credit Facility. The amendments also demonstrate the continued support of key stakeholders as the Company advances discussions with prospective senior lenders. At September 30, 2026, the Company has approximately $51.2 million outstanding under its Senior Credit Facility which matures on November 30, 2026 (subsequently extended to January 8, 2027).

The Company's third quarter results include a significant non-cash accounting discount associated with the Amended Subordinated Notes. While this accounting adjustment resulted in an increase to retained earnings, it does not represent a cash inflow, a reduction in the contractual amounts owed to creditors or an improvement in the Company's underlying operating performance. The contractual obligations associated with the Amended Subordinated Notes remain unchanged and the accounting discount will continue to be recognized through earnings over the remaining term of these notes.

The Company continues to work with its lenders and financial advisors to refinance or replace its Senior Credit Facility and further strengthen its capital position. While management believes these initiatives are progressing constructively, they involve inherent execution risk and may be adversely affected by market conditions, lender negotiations and the availability of financing. Accordingly, there can be no assurance that the Company will successfully complete a refinancing on acceptable terms, or at all. These conditions continue to represent a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. For additional information, see the sections titled Business Conditions and Liquidity and Capital Resources, and Notes 2 and 15 to the Statements.

Credit risk remains a key priority as the Company continues to operate in an uncertain economic environment. During the quarter, the Company continued to closely manage higher risk clients and sectors, including its largest Stage 2 exposure in the wholesale trade sector. While management believes its ECL allowances are reasonable and supportable based on information currently available, changes in economic conditions, borrower performance or recovery expectations could result in additional provisions and adversely affect future operating results. The Company's lending teams remain focused on disciplined underwriting, proactive portfolio management, and the prudent deployment of available capital.

Operating results continue to be affected by significant professional fees associated with strategic refinancing initiatives and ongoing lender negotiations, as well as elevated ECL provisions. Management expects professional fees and restructuring costs associated with these initiatives to moderate as the refinancing process is completed and restructuring activities conclude. ECL provisions will continue to be influenced by borrower performance, economic conditions and the Company's assessment of credit risk. At the same time, the Company continues to make targeted investments in technology, process improvements and operational efficiency initiatives that are expected to improve scalability and enhance long-term profitability.

Looking ahead, management and its advisors remain focused on repositioning the Company around its core Canadian lending operations following its exit from the U.S. market. The Company's strategic priorities include completing a long-term refinancing of its Senior Credit Facility, strengthening its capital position and continuing to optimize its operating platform. Management believes these initiatives will establish the foundation of "Accord 2.0" – a more focused, efficient and scalable Canadian small and medium-sized 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. This repositioning will result in a simpler operating structure, improved financial flexibility, and a stronger platform for the Company to serve the evolving needs of Canadian small and medium-sized enterprises.



Irene Eddy
Senior Vice President, Chief Financial Officer
November 16, 2026

Appendix to MD&A: Non-IFRS Measures and Ratios

($000s, except percentages)

	Three months ended Sep 30, 2026	2025
Adjusted net earnings (loss)		
Net earnings (loss) from continuing operations	**$ 18,844**	$ (1,771)
Adjustments:		
Discount arising from debt amendments	**(28,130)**	-
Accretion expense from Amended Subordinated Notes	**330**	7
Restructuring and other expenses	**816**	653
Tax impact from adjustments	**7,151**	(175)
Adjusted net earnings (loss) attributable to shareholders	**$ (989)**	$ (1,286)

	Three months ended Sep 30, 2026	2025
Adjusted earnings (loss) per share		
Adjusted net earnings (loss)	**$ (989)**	$ (1,286)
Weighted average number of common shares outstanding in the period	**8,559**	8,559
Adjusted earnings (loss) per share	**$ (0.12)**	$ (0.15)

	Three months ended Sep 30, 2026	2025
Average funds employed (note)		
Average funds employed	**$ 133,307**	$ 406,230

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.

	Nine months ended Sep 30, 2026	2025
Return on equity		
Net earnings (loss) from continuing operations	**$ 14,941**	$ (2,988)
Weighted average shareholders' equity (note)	**47,897**	79,067
Return on equity (annualized)	**41.6%**	(5.0%)

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.

	Nine months ended Sep 30, 2026	2025
Adjusted net earnings (loss)		
Net earnings (loss) from continuing operations	**$ 14,941**	$ (2,988)
Adjustments:		
Discount arising from debt amendments	**(27,900)**	-
Accretion expense from Amended Subordinated Notes	**230**	(1)
Restructuring and other expenses	**3,528**	1,033
Tax impact from adjustments	**6,398**	(273)
Adjusted net earnings (loss) from continuing operations	**$ (2,803)**	$ (2,229)

	Nine months ended Sep 30, 2026	2025
Adjusted earnings (loss) per share		
Adjusted net earnings (loss) from continuing operations	**$ (2,803)**	$ (2,229)
Weighted average number of common shares outstanding in the period	**8,559**	8,559
Adjusted earnings (loss) per share	**$ (0.33)**	$ (0.26)

	Nine months ended Sep 30, 2026	2025
Adjusted return on equity		
Adjusted net earnings (loss) from continuing operations	**$ (2,803)**	$ (2,229)
Weighted average shareholders' equity (note)	**47,897**	79,067
Adjusted return on equity (annualized)	**(7.8%)**	(3.8%)

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.

	Nine months ended Sep 30, 2026	2025
Average funds employed (note)		
Average funds employed	**$ 184,535**	$ 393,966

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.

	Sep 30, 2026	Dec 31, 2025
Book value per share		
Shareholders' equity	**$ 62,492**	$ 50,991
Common shares outstanding	**8,559**	8,559
Book value per share	**$ 7.30**	$ 5.96

		Sep 30, 2026		Dec 31, 2025
Adjusted book value per share				
Shareholders' equity	**$**	**62,492**	$	50,991
Adjustments:				
Discount arising from debt amendments	**$**	**(27,900)**	$	-
Accretion expense from Amended Subordinated Notes	**$**	**230**	$	6
Tax impact from adjustments	**$**	**7,333**	$	(2)
Adjusted shareholders' equity		**42,155**		50,995
Common shares outstanding		**8,559**		8,559
Adjusted book value per share	**$**	**4.93**	$	5.96

		Sep 30, 2026		Dec 31, 2025
Equity / assets				
Total equity	**$**	**62,492**	$	53,830
Assets		**153,406**		356,702
Equity / assets		**40.7%**		15.1%

		Sep 30, 2026		Dec 31, 2025
Debt / equity				
Debt (note)	**$**	**71,000**	$	290,587
Total equity		**62,492**		53,830
Debt / equity		**1.14x**		5.40x

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

		Sep 30, 2026		Dec 31, 2025
Portfolio				
Finance receivables and loans	**$**	**131,902**	$	345,976
Portfolio	**$**	**131,902**	$	345,976

ACCORD FINANCIAL CORP.

Consolidated Statements of Financial Position (unaudited)

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

	Note	September 30, 2026	December 31, 2025
Assets			
Cash		**$ 6,940**	$ 6,990
Finance receivables and loans, net	**5**	**116,139**	326,931
Income taxes receivable		**538**	661
Other assets		**16,181**	8,335
Assets held for sale	**6**	**400**	425
Deferred tax assets, net		**11,391**	11,240
Property and equipment		**1,817**	2,120
		$ 153,406	$ 356,702
Liabilities			
Due to clients		**$ 471**	$ 247
Bank indebtedness	**7**	**51,241**	148,236
Loans payable	**8**	**-**	90,310
Accounts payable and other liabilities		**11,296**	8,261
Income taxes payable		**-**	913
Notes payable	**9**	**9,465**	25,075
Debentures	**10**	**10,294**	26,966
Lease liabilities		**1,566**	1,795
Deferred income		**465**	898
Deferred tax liabilities, net		**6,116**	171
		$ 90,914	$ 302,872
Equity			
Capital stock	**11**	**9,448**	9,448
Contributed surplus		**1,890**	1,886
Retained earnings		**45,320**	32,500
Accumulated other comprehensive income		**5,834**	7,157
Shareholders' equity		**62,492**	50,991
Non-controlling interests in subsidiary		**-**	2,839
Total equity		**62,492**	53,830
		$ 153,406	$ 356,702

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 Earnings (Loss) (unaudited)

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

		Three months		Nine months	
Three and nine months ended September 30	Note	**2026**	2025	**2026**	2025
Revenue					
Interest		**$ 5,665**	$ 7,441	**$ 17,557**	$ 22,435
Other income		**1,485**	880	**3,680**	3,064
		7,150	8,321	**21,237**	25,499
Operating expenses					
Interest expense	**9,10**	**2,586**	3,144	**8,305**	8,097
General and administrative		**5,045**	5,036	**15,974**	14,890
Provision for credit losses	**5**	**1,878**	1,302	**3,354**	4,553
Depreciation		**111**	85	**300**	253
		9,620	9,567	**27,933**	27,793
Other income and expenses					
Discount arising from debt amendments	**9,10**	**28,130**	-	**27,900**	-
Earnings (loss) before income tax from continuing operations		**25,660**	(1,246)	**21,204**	(2,294)
Income tax expense		**6,816**	525	**6,263**	694
Net earnings (loss) from continuing operations		**18,844**	(1,771)	**14,941**	(2,988)
Net loss from discontinued operations		**-**	(650)	**(2,121)**	(1,655)
Net earnings (loss) attributable to shareholders		**$ 18,844**	$ (2,421)	**$ 12,820**	$ (4,643)
Net loss attributable to non-controlling interests in subsidiary		**-**	(225)	**(294)**	(309)
Net earnings (loss) for the period		**$ 18,844**	$ (2,646)	**$ 12,526**	$ (4,952)
Basic and diluted earnings (loss) per common share from continuing operations	**12**	**$ 2.20**	$ (0.21)	**$ 1.75**	$ (0.35)
Basic and diluted loss per common share from discontinued operations	**12**	**$ -**	$ (0.08)	**(0.25)**	(0.19)
Basic and diluted earnings (loss) per common share	**12**	**$ 2.20**	$ (0.28)	**$ 1.50**	$ (0.54)

Consolidated Statements of Comprehensive Earnings (Loss) (unaudited)

	Three months		Nine months	
Three and nine months ended September 30	**2026**	2025	**2026**	2025
Net earnings (loss)	**$ 18,844**	$ (2,421)	**$ 12,820**	$ (4,643)
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	**(240)**	179	**(405)**	165
Comprehensive earnings (loss)	**$ 18,604**	$ (2,242)	**$ 11,497**	$ (4,478)

See accompanying notes

ACCORD FINANCIAL CORP.

Consolidated Statements of Changes in Equity (unaudited)

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

	Note	Number of common shares outstanding	Amount	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Non-controlling interests in 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		-	-	-	(4,643)	165	-	(4,478)
Stock-based compensation expense related to stock option grants	**11**	-	-	39	-	-	-	39
Net loss attributable to non-controlling interests in subsidiary		-	-	-	-	-	(309)	(309)
Translation adjustments on non-controlling interests							(186)	(186)
Balance at September 30, 2025		8,558,913	$ 9,448	$ 1,883	$ 57,826	$ 7,231	$ 5,356	$ 81,744
Balance at January 1, 2026		**8,558,913**	**$ 9,448**	**$ 1,886**	**$ 32,500**	**$ 7,157**	**$ 2,839**	**$ 53,830**
Comprehensive income (loss)		**-**	**-**	**-**	**12,820**	**(1,323)**	**-**	**11,497**
Stock-based compensation expense related to stock option grants	**11**	**-**	**-**	**4**	**-**	**-**	**-**	**4**
Net loss attributable to non-controlling interests in subsidiary		**-**	**-**	**-**	**-**	**-**	**(294)**	**(294)**
Disposition of BondIt		**-**	**-**	**-**	**-**	**-**	**(2,545)**	**(2,545)**
Balance at September 30, 2026		**8,558,913**	**$ 9,448**	**$ 1,890**	**$ 45,320**	**$ 5,834**	**$ -**	**$ 62,492**

ACCORD FINANCIAL CORP.

Consolidated Statements of Cash Flows (unaudited)

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

Nine months ended September 30	Note	2026	2025
Cash provided by:			
Operating activities			
Net earnings (loss)		**$ 12,526**	$ (4,952)
Items not affecting cash:			
Provision for credit losses	**5**	**3,184**	6,947
Depreciation of property and equipment		**332**	368
Loss on disposal of property and equipment		**7**	-
Loss on disposition of discontinued operations	**4**	**248**	-
Accretion of debts		**230**	(1)
Discount arising from debt amendments		**(27,900)**	-
Stock-based compensation expense	**11**	**(6)**	78
Deferred tax expense (recovery)		**5,793**	(998)
Current income tax expense		**326**	1,109
		(5,260)	2,551
Change in operating assets and liabilities			
Finance receivables and loans, gross	**5**	**74,255**	(54,710)
Due to clients		**224**	(27)
Other assets		**(5,677)**	8,248
Accounts payable and other liabilities		**4,960**	(4,130)
Disposal of assets held for sale		**217**	-
Income tax paid, net		**(1,701)**	846
		67,018	(47,222)
Investing activities			
Net cash proceeds on disposal of discontinued operations	**4**	**47,258**	-
Additions to property and equipment		**(18)**	(14)
		47,240	(14)
Financing activities			
Net proceeds from (repayment of) Bank indebtedness	**7**	**(96,997)**	42,883
Repayment of loans payable (Canadian dollar loans)	**8**	**(15,326)**	(17,942)
Net proceeds from (repayment of) loans payable (US dollar loans)	**8**	**(3,222)**	9,565
Repayment of notes payable	**9**	**-**	(380)
Lease liabilities principal paid		**(252)**	(293)
		(115,797)	33,833
Effect of exchange rate changes on cash		**1,489**	3,355
Decrease in cash		**(50)**	(10,048)
Cash at January 1		**6,990**	16,674
Cash at September 30		**$ 6,940**	$ 6,626
Supplemental cash flow information			
Net cash used in operating activities includes:			
Interest paid		**$ 6,971**	$ 20,273

See accompanying notes

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 nine months ended September 30, 2026 were approved for issuance by the Company's Board of Directors ("Board") on November 16, 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.

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 to continue as a going concern, the entity is required to disclose those uncertainties.

The Company has debt obligations of $56.5 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 November 30, 2026 of $51.2 million (Note 7), and (ii) unsecured term notes maturing on December 7, 2026 (Note 9). The maturity dates of the notes payable are outlined in Note 15. Please see subsequent events for details related to the extension of the Company's senior revolving credit facility in Note 17.

The Company is in compliance with all covenants related to bank indebtedness and continues to work on a refinancing plan with its creditors. In July 2026, the Company extended its Debentures (Note 10) and its unsecured demand and term notes held by the members of the Hitzig family ("Hitzig Notes"). Those notes were extended to October 31, 2031 (Note 9), provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which the Hitzig Notes and Debentures will mature on October 31, 2027. In September 2026, the Company extended the maturity date of its Senior Credit Facility ("Senior Credit Facility") to November 30, 2026, and its unsecured term notes to December 7, 2026. Subsequent to quarter end the Company executed a further extension of the Senior Credit Facility to January 8, 2027 and extended the maturity date of the unsecured term notes to January 15, 2027. The Company continues to seek 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.

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 refocus the business on SME 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		Nine months	
Three and nine months ended September 30	**2026**	2025	**2026**	2025
Revenue				
Interest	**$ -**	$ 6,750	**$ 2,237**	$ 17,803
Other income	**-**	695	**369**	4,167
	-	7,445	**2,606**	21,970
Operating expenses and other costs				
Interest expense	**-**	5,372	**2,562**	15,779
General and administrative	**-**	1,921	**2,493**	6,229
Provision (recovery of) for credit losses	**-**	1,167	**(170)**	2,394
Depreciation	**-**	42	**32**	115
Loss on sale of discontinued operations	**-**	-	**248**	-
	-	8,502	**5,165**	24,517
Loss before income tax from discontinued operations	**-**	(1,057)	**(2,559)**	(2,547)
Income tax recovery	**-**	(182)	**(144)**	(583)
Net loss from discontinued operations	**-**	(875)	**(2,415)**	(1,964)
Net loss attributable to non-controlling interests in subsidiary	**-**	(225)	**(294)**	(309)
Net loss attributable to shareholders from discontinued operations	**$ -**	$ (650)	**$ (2,121)**	$ (1,655)

b) Cash flow from (used in) discontinued operations

Nine months ended September 30		**2026**		2025
Net cash provided by (used in) operating activities	**$**	**28,118**	$	(53,352)
Net cash provided by (used in) investing activities		**47,258**		-
Net cash flows for the period	**$**	**75,376**	$	(53,352)

c) Effect of Disposal on the Financial Statements

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

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.

d) Reconciliation of proceeds from disposal of discontinued operations

Cash consideration net of disposal costs	**$**	**48,106**
Cash and cash equivalent disposed of		**(848)**
Proceeds on disposal of discontinued operations		**47,258**

5. Finance receivables and loans

		September 30, 2026		December 31, 2025
Working capital loans	**$**	**57,709**	$	74,452
Receivable loans		**32,149**		89,371
Inventory & equipment loans		**40,107**		83,565
Media loans		**-**		95,853
Lease receivables		**1,937**		2,735
Finance Receivables and loans		**131,902**		345,976
Less allowance for expected credit losses		**15,763**		19,045
Finance Receivables and loans, net	**$**	**116,139**	$	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 creditworthy 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.

Lease receivables comprise the net investment in leases. Lease receivables at September 30, 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:

		September 30, 2026		December 31, 2025
Less than 1 year	**$**	**120,288**	$	290,400
1 to 2 years		**5,193**		42,458
2 to 3 years		**3,572**		10,865
3 to 4 years		**2,266**		1,758
4 to 5 years		**583**		495
	$	**131,902**	$	345,976

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

	September 30, 2026	December 31, 2025
Current	**$ 124,926**	$ 287,548
Past due but not impaired:		
Past due less than 90 days	**1,263**	18,908
Past due 90 to 180 days	**4,410**	13,834
Past due 180 days or more	**-**	18,249
Impaired loans	**1,303**	7,437
	$ 131,902	$ 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.

Of the past due and impaired finance receivables at September 30, 2026, $6,976 (December 31, 2025 – $13,026) relates to AFCC, of which $4,731 (December 31, 2025 – $10,604) benefits from a guarantee from Export Development Canada ("EDC") of up to 80% of the principal loan balance and $nil (December 31, 2025 – $45,361) relates to BondIt Media Capital ("BondIt"), AFIU's previously 60% controlled media finance subsidiary.

At September 30, 2026, the estimated fair value of the collateral securing the impaired loans totalled $1,347 (December 31, 2025 – $5,856). During the nine months ended September 30, 2026, lease receivables totalling $192 (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:

	September 30, 2026	December 31, 2025
Stage 1	**$ 86,907**	$ 271,306
Stage 2 (SICR)[(1)]	**43,692**	67,233
Stage 3 (Impaired)	**1,303**	7,437
	$ 131,902	$ 345,976

(1) Includes judgmental overlay.

The Company's allowance for ECL on finance receivables and loans is $15,763 (December 31, 2025 – $19,045), of which $15,763 (December 31, 2025 – $17,766) relates to ECL on non-BondIt finance receivables and loans.

The activity in the allowance for ECL on finance receivables and loans during the three months ended September 30, 2026 by stage of allowance was as follows:

Three months ended at September 30, 2026	**Stage 1**	**Stage 2[1]**	**Stage 3**	**Total**
Allowance for expected losses at July 1	**$ 1,216**	**$ 12,766**	**$ 634**	**$ 14,616**
Transfer between stages	**61**	**(144)**	**83**	**-**
Provision (recovery of) for credit losses	**(99)**	**1,607**	**370**	**1,878**
Write-offs	**-**	**-**	**(880)**	**(880)**
Recoveries	**-**	**-**	**149**	**149**
Allowance for expected losses at September 30	**$ 1,178**	**$ 14,229**	**$ 356**	**$ 15,763**

(1) Includes judgmental overlay.

The activity in the allowance for ECL on finance receivables and loans during the three months ended September 30, 2025 by stage of allowance was as follows:

Three months ended at September 30, 2025	Stage 1	Stage 2[1]	Stage 3	Total
Allowance for expected losses at July 1	$ 2,257	$ 6,104	$ 1,946	$ 10,307
Transfer between stages	13	8	(21)	-
Provision for credit losses[2]	(185)	14	2,640	2,469
Write-offs	-	-	(2,902)	(2,902)
Recoveries	-	-	165	165
Foreign exchange adjustment	31	35	(14)	52
Allowance for expected losses at September 30	$ 2,116	$ 6,161	$ 1,814	$ 10,091

(1) Includes judgmental overlay
(2) $1,167 of the total represents a provision related to discontinued operations (Note 4)

The activity in the allowance for ECL on finance receivables and loans during the nine months ended September 30, 2026 by stage of allowance was as follows:

Nine months ended at September 30, 2026	**Stage 1**	**Stage 2[1]**	**Stage 3**	**Total**
Allowance for expected credit losses at January 1	**$ 2,321**	**$ 14,718**	**$ 2,006**	**$ 19,045**
Transfer between stages	**(6)**	**(53)**	**59**	**-**
Provision (recovery of) for credit losses[2]	**35**	**(162)**	**3,311**	**3,184**
Write-offs	**-**	**-**	**(5,472)**	**(5,472)**
Recoveries	**-**	**-**	**452**	**452**
Derecognition of finance receivables and loans	**(1,187)**	**(278)**	**-**	**(1,465)**
Foreign exchange adjustment	**15**	**4**	**-**	**19**
Allowance for expected losses at September 30	**$ 1,178**	**$ 14,229**	**$ 356**	**$ 15,763**

(1) Includes judgmental 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 nine months ended September 30, 2025 by stage of allowance was as follows:

Nine months ended at September 30, 2025	Stage 1	Stage 2[1]	Stage 3	Total
Allowance for expected credit losses at January 1	$ 2,093	$ 4,577	$ 1,361	$ 8,031
Transfer between stages	(315)	23	292	-
Provision for credit losses[2]	372	1,566	5,009	6,947
Write-offs	-	-	(5,466)	(5,466)
Recoveries	-	-	631	631
Foreign exchange adjustment	(34)	(5)	(13)	(52)
Allowance for expected losses at September 30	$ 2,116	$ 6,161	$ 1,814	$ 10,091

(1) Includes judgmental overlay
(2) $2,394 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.

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 macro-economic variables used in the statistical models.

The Company sources forward-looking macro-economic 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 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 $1.0 million higher than the reported estimate of the allowance for ECL as at September 30, 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 $1.9 million lower than that reported.

At September 30, 2026, the Company held cash collateral of $3,970 (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 September 30, 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 on third-party market information or appraisals.

7. Bank indebtedness

The Company has a revolving credit facility provided by a syndicate of six banks ("Senior Credit Facility"). On September 30, 2026, the maturity date of the Senior Credit Facility was extended to November 30, 2026 and the maximum commitment was reduced from $70.0 million to $65.0 million. 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 $126,144, which excludes loans within Accord Small Business Finance ("ASBF"). The monthly covenants include (i) total debt to tangible net worth ("TNW") less than 5.0 and (ii) 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 Company was in compliance with all loan covenants and milestones under its revolving credit facility as at September 30, 2026 and expects to be able to comply with the covenants through the maturity date of the facility. On November 6, 2026, the maturity date of the Senior Credit Facility was further extended to January 8, 2027. Please refer to note 17 for details.

8. Loans payable

Loans payable comprise:

	September 30, 2026	December 31, 2025
BondIt loan[(a)]	**$ -**	$ 74,983
ASBF loan[(b)]	**-**	15,327
	$ -	$ 90,310

a) BondIt loan

The Company sold its 60% equity stake in BondIt on February 10, 2026 and as at September 30, 2026 the BondIt loan balance had been fully derecognized. Please refer to note 4 for details.

b) ASBF loan

ASBF, a subsidiary of AFCC, had a non-recourse loan with a life insurance company. This loan was secured by the majority of ASBF's assets. The Company repaid the outstanding balance of the loan in September 2026. The amount outstanding under this loan at December 31, 2025 was $15.3 million. The Company was in compliance with all covenants at December 31, 2025.

9. Related parties

a) Notes payable

Notes payable comprise: (i) unsecured demand notes due on, or within a week of, demand (amended and combined with term notes on July 27, 2026) and (ii) Hitzig Notes which are repayable on October 31, 2031, provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which the Hitzig Notes mature on October 31, 2027 and (iii) other related-party and non related-party notes payable due December 7, 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.

Notes payable outstanding, inclusive of accrued interest, were as follows:

	September 30, 2026	December 31, 2025
Notes due within one year:		
Related parties	**$ 4,007**	$ 17,316
Third parties	**1,336**	3,642
	5,343	20,958
Notes due after one year:		
Related parties[(1)]	**4,122**	4,117
	$ 9,465	$ 25,075

(1) September 30, 2026 balance consists entirely of Hitzig Notes.

The term notes due within one year bear interest at a rate of 10.00%.

Interest expense on the notes payable for the three and nine months ended September 30 was as follows:

	Three months		Nine months	
	2026	2025	**2026**	2025
Related parties	**$ 381**	$ 338	**$ 1,073**	$ 1,042
Third parties	**33**	30	**95**	92
	$ 414	$ 368	**$ 1,168**	$ 1,134

On July 27, 2026, the Company amended the terms of approximately $11.0 million in face value of related-party unsecured notes held by the Hitzig family. The amendments: (i) extended the maturity date of the Hitzig Notes from July 31, 2026 to October 31, 2031, subject to the same Refinancing Condition applicable to the Debentures, (ii) reduced the interest rate to 0% for two years until August 1, 2028, after which interest will accrue at 7.0% per annum, with the Company having the option to pay interest in cash or continue to accrue, (iii) reducing the ranking of the Hitzig Notes so that they rank pari passu with the Company's unsecured subordinated Debentures; and (iv) adding a conversion option to the holder upon an offering of equity by the Company any time after July 31, 2026.

The Company performed an assessment in accordance with the requirements of IFRS 9 and concluded that the substantial modification criteria were met with respect to the Hitzig Notes.

As a result of the amendments, the amortized value of the Hitzig Notes of $13,108 was re-valued, resulting in a fair value of $3,928 being recognized on the balance sheet at the date of modification. The fair value of the liability was estimated based on the credit spread determined from the publicly quoted market price of the Company's Listed Debentures, which were amended on the same date. The credit spread of 27.2% resulted in a fair market rate of 30.2%. This approach assumes that the Listed Debenture market price is directly correlated to the fair value of the amended Hitzig Notes, and that it would reflect the Company's credit profile on the same date. In accordance with IFRS, the Company initially measured the Hitzig Notes at their estimated fair value and will subsequently measure them at amortized cost. A discount of $9,180, arising as a result of the substantial modification, is the difference between the carrying value of the Hitzig Notes and the estimated fair value of the amended Hitzig Notes.

The Hitzig Notes balances and the impact of the substantial modification at September 30, 2026 is presented below:

Balance at December 31, 2025	**$**	**12,564**
Interest accrued on Hitzig Notes to July 27, 2026		593
Settlement of Interest Payable		(49)
Balance immediately prior to modification of debt	**$**	**13,108**
Modification of Hitzig Notes on July 27, 2026		(13,108)
Recognition of new Hitzig Notes terms		3,928
Accretion to September 30, 2026		194
Balance at September 30, 2026	**$**	**4,122**

	September 30, 2026	December 31, 2025
Hitzig Notes obligations[(1)]	**13,108**	12,564
Unamortized discount	**(8,986)**	-
	4,122	12,564

(1) Includes principal and interest

The components of total interest expense between accrued interest and accretion expense for the three and nine months ended September 30 associated with Hitzig Notes was as follows:

	Three months		Nine months	
	2026	2025	**2026**	2025
Interest expense	**$ 89**	$ 249	**$ 593**	$ 767
Accretion expense	**194**	-	**194**	-
	$ 283	$ 249	**$ 787**	$ 767

b) Debentures

Listed Debentures with a face amount of $1,350 and Unlisted Debentures with a face amount of $3,250 are held by a related party. Details of debentures are set out in note 10.

10. Debentures

The Company has outstanding debentures with a face value of $25,650 (25,650 debentures); of these, 20,650 debentures are listed for trading ("Listed Debentures") on the Toronto Stock Exchange ("TSX"), while 5,000 are unlisted ("Unlisted Debentures"), together the "Debentures". 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 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 the 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 the substantial modification criteria and did not result in a derecognition of the Debentures. The Company recognized a loss of $230.

On July 27, 2026, holders of the Company's Debentures approved further amendments to the terms thereof. The amended terms include (i) extending the maturity date from July 31, 2026 to October 31, 2031, provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which the Debentures mature on October 31, 2027, (ii) decreasing the interest rate from 12.0% to 7.0% per annum effective July 31, 2026 and providing the Company with the flexibility to pay interest in cash or continue to accrue interest; and (iii) providing for repayment of 103% of principal (plus any accrued and unpaid interest) upon a change of control occurring after December 31, 2026.

The Company performed an assessment in accordance with the requirements of IFRS 9 and concluded that the substantial modification criteria were met.

As a result of the amendment, the amortized cost of the original Debentures of $28,817 was extinguished and the amended Debentures with a fair value of $9,788 were recognized on the balance sheet at the date of modification. The estimated fair value of the liability was estimated based on the credit spread determined from the publicly quoted market price available on the Company's Listed Debentures. The credit spread of 27.2% resulted in a fair market rate of 30.2%. This approach assumes that the publicly quoted market price is directly correlated to the fair value of the amended Debentures, and that it would reflect the Company's credit profile on the same date. A discount of $18,950, arising as a result of the substantial modification, represents the $19,029 difference between the carrying value of the extinguished original Debentures and the fair value of the amended Debentures, net of $79 of transaction costs.

The Debenture balances and the impact from the modification of the Debentures at September 30, 2026 is presented below:

Balance at December 31, 2025	**$**	**26,966**
Interest accrued at 10% to Jan 30, 2026		224
Accretion to Jan 30, 2026		1
Transaction costs on modification		(101)
Loss on modification of debt		230
Interest accrued at 12% to July 27, 2026		1,632
Accretion to July 27, 2026		(135)
Balance immediately prior to modification of debt	**$**	**28,817**
Modification of listed and unlisted debentures on July 27, 2026		(28,817)
Recognition of new debenture terms		9,788
Interest expense at 7% from July 27 to September 30, 2026		336
Accretion to September 30, 2026		170
Balance at September 30, 2026	**$**	**10,294**

	September 30, 2026	December 31, 2025
Debentures obligations[1]	**$ 29,124**	$ 26,932
Unamortized discount	**(18,830)**	34
	$ 10,294	$ 26,966

(1) Includes principal and interest

The components of total interest expense between accrued interest and accretion expense for the three and nine months ended September 30 associated with the Debentures was as follows:

	Three months		Nine months	
	2026	2025	**2026**	2025
Interest expense	**$ 621**	$ 641	**$ 2,192**	$ 1,924
Accretion expense	**136**	7	**36**	(1)
	$ 757	$ 648	**$ 2,228**	$ 1,923

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 September 30, 2026 and 2025, there were no first preferred shares outstanding.

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

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:

				Outstanding Options as of:	
Grant Date	Number of Options Granted	Exercise Price ($)	Expiry Date	**September 30, 2026**	December 31, 2025
August 4, 2021	80,100	8.83	Aug. 3,2028	**45,000**	45,000
October 12, 2021	12,000	8.83	Aug. 3,2028	**6,000**	12,000
September 19, 2022	72,000	8.34	Sep. 18,2029	**48,000**	63,000
September 25, 2023	127,500	5.69	Sep. 24,2030	**73,500**	109,500
September 23, 2024	114,000	4.20	Sep. 22,2031	**93,000**	114,000
	405,600			**265,500**	343,500

Of the outstanding options, 265,500 were vested as of September 30, 2026. The decrease in the outstanding options for the grant date of October 12, 2021, September 19, 2022, September 25, 2023 and September 23, 2024 are due to the cancellation of options granted to employees that have left the Company.

c) Deferred share unit ("DSU") plan

During the three and nine months ended September 30, 2026, the Company granted 7,037 DSUs (2025 – 5,273) and 39,272 DSUs (2025 – 15,429) respectively. 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 September 30, 2026, the Company recorded a stock-based compensation expense of $24 (2025 – expense of $28), of which a recovery of $3 (2025 – expense of $11) related to stock option grants under the 2021 SOP and an expense of $27 (2025 – expense of $17) related to DSU. For the nine months ended September 30, 2026, the Company recorded a stock-based compensation recovery of $6 (2025 – expense of $78) of

which $4 (2025 - $39) of expense related to stock option grants under the 2021 SOP and a recovery of $10 (2025 – expense of $39) 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 and nine months ended September 30, 2026 and three and nine months ended September 30, 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 September 30, 2026, the Company was contingently liable with respect to letters of guarantee issued on behalf of a client in the amount of $797 (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.

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 (September 30, 2026 – $131.9 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 nine months ended September 30, 2026 and 2025.

At September 30, 2026, the Company had impaired loans of $1,303 (December 31, 2025 – $7,437), while, at that date, it held collateral for these loans with an estimated fair value of $1,347 (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. 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 several revolving loan products which have no fixed repayment terms and can be drawn and 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. Security deposits are usually obtained in respect of equipment leases or loans, while a majority of ASBF's working capital 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 19 clients (December 31, 2025 – 36) in a wide variety of industries, as well as AFCC's lease receivables and equipment and working capital loans to approximately 410 clients (December 31, 2025 – 590). As of September 30, 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 21.8% (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:

	September 30, 2026		December 31, 2025	
Industry sector	**Gross finance receivables and loans**	**% of total**	Gross finance receivables and loans	% of total
Wholesale Trade	**49,244**	**37.3**	54,618	15.8
Manufacturing	**17,936**	**13.6**	49,578	14.3
Mining	**15,213**	**11.5**	17,600	5.1
Construction	**7,994**	**6.1**	14,321	4.1
Professional, Scientific, and Technical Services	**6,004**	**4.6**	6,280	1.8
Real Estate Rental and Leasing	**5,556**	**4.2**	2,447	0.7
Retail Trade	**5,543**	**4.2**	12,153	3.5
Information	**5,097**	**3.9**	7,344	2.1
Transportation and Warehousing	**4,808**	**3.6**	11,707	3.4
Finance and Insurance	**3,400**	**2.6**	46,489	13.4
Other	**11,107**	**8.4**	123,439	35.8
	$ 131,902	**100.0**	$ 345,976	100.0

Included in Wholesale Trade is the Company's largest individual credit exposure, which is managed by AFIC. As at September 30, 2026, the outstanding balance was $28.7 million, representing approximately 21.8% of the Company's total finance receivables and loans. During the three and nine months ended September 30, 2026, revenue from this customer was $850 and $2,636 (Three months ended September 30, 2025 – $881, nine months ended September 30, 2025 - $2,513) 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 judgmental 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.

b) Liquidity risk

The Company's financial assets and liabilities at September 30, 2026 by maturity date were as follows:

	0 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Thereafter	Total
Financial Assets							
Cash	**$ 6,940**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,940**
Finance receivables and loans	**120,288**	**5,193**	**3,572**	**2,266**	**555**	**28**	**131,902**
All other Assets	**14,262**	**-**	**-**	**-**	**-**	**-**	**14,262**
Total	**$ 141,490**	**$ 5,193**	**$ 3,572**	**$ 2,266**	**$ 555**	**$ 28**	**$ 153,104**
Financial Liabilities							
Due to clients	**$ 471**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 471**
Bank indebtedness	**51,241**	**-**	**-**	**-**	**-**	**-**	**51,241**
Notes payable [(1)]	**5,343**	**-**	**-**	**-**	**-**	**13,108**	**18,451**
Debentures [(1)]	**-**	**-**	**-**	**-**	**-**	**29,124**	**29,124**
All other liabilities	**18,977**	**-**	**-**	**-**	**-**	**-**	**18,977**
Total	**$ 76,032**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 42,232**	**$ 118,264**

(1) Notes payable and the debentures maturing after 5 years are repayable on October 31, 2031, provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which the Hitzig Notes and the Debentures mature on October 31, 2027. These balances are contractual obligation amounts as at September 30, 2026, not the carrying value.

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

	0 to12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Thereafter	Total
Financial Assets							
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
Total	$ 310,896	$ 42,586	$ 10,913	$ 1,758	$ 462	$ 33	$ 366,648
Financial Liabilities							
Due to clients	$ 247	$ -	$ -	$ -	$ -	$ -	$ 247
Bank indebtedness	148,236	-	-	-	-	-	148,236
Loan payable[(1)(2)]	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
Total	$ 294,344	$ 6,673	$ 956	$ -	$ -	$ -	$ 301,973

(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.

The Company had the following contractual debt obligations outstanding as at September 30, 2026:

	Borrower	Amount	Maturity Date
Senior Credit Facility	AFC	$51. 2 million	November 30, 2026
Unsecured Term Notes[1]	AFC	5. 3 million	December 7, 2026
Unsecured Term Notes - Hitzig family[1],[2]	AFC	13. 1 million	October 31, 2031
Subordinated Debentures[1],[2]	AFC	29. 1 million	October 31, 2031
Total		98. 7 million	

(1) Note: Amount includes interest accrued to date

(2) Note: Hitzig Notes and Debentures maturing after 5 years are repayable on October 31, 2031, provided the Company refinances its Senior Credit Facility by December 31, 2026, failing which the Hitzig Notes and the Debentures mature on October 31, 2027. The amortized cost of the Hitzig Notes at September 30, 2026 is $4.1 million, whereas the amortized cost of the subordinated debentures as at September 30, 2026 is $10.3 million.

The Company's operations are financed by bank indebtedness, notes payable and debentures, with a significant concentration in bank indebtedness. The Company has debt obligations with approximately $56.5 million due in 2026. 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.

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 September 30, 2026, the Company's unhedged foreign currency positions in its Canadian operations totalled $1,695 (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 contractual floating rate debt and floating rate assets at September 30, 2026:

	Floating Rate	Fixed Rate	Non-rate sensitive	Total
Assets				
Cash	$ -	$ 417	$ 6,523	**$ 6,940**
Finance receivables and loans	108,094	23,808	-	**131,902**
All other assets	-	-	14,262	**14,262**
	$ 108,094	$ 24,225	$ 20,785	**$ 153,104**
Liabilities				
Due to clients	$ -	$ -	$ 471	**$ 471**
Bank indebtedness	51,241	-	-	**51,241**
Notes payable[(1)]	-	18,451	-	**18,451**
Debentures[(1)]	-	29,124	-	**29,124**
All other liabilities	-	-	18,977	**18,977**
	$ 51,241	$ 47,575	$ 19,448	**$ 118,264**
Interest rate sensitivity gap	$ 56,853	$ (23,350)	$ 1,337	**$ 34,840**

(1) The balances represent the contractual debt balance as at September 30, 2026

The Company's floating rate assets exceed the Company's floating rate debt, net of cash, by $69.9 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 increase pre-tax earnings by approximately $699 over a twelve-month period. A 100 basis point decrease in interest rates would reduce pre-tax earnings by a similar amount. 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 September 30, 2026, these ratios were 1.14x (December 31, 2025 – 5.40x) and 0.41 (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 September 30, 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.

17. Subsequent events

a) Senior Credit Facility Amendments

Effective as of November 6, 2026, the maturity date of the Senior Credit Facility was extended to January 8, 2027. The amendment terms reduced the maximum facility commitment from $65.0 million to $60.0 million, and included updated milestones related to refinancing the Company's debt.

Board of Directors

Simon Hitzig, Toronto, Ontario[1]
Gary Prager, Wake Forest, North Carolina [1]
Stephen Warden, Oakville, Ontario [1]
1 Member of Audit Committee

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
Listed 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 Canada

602-40 Eglinton Avenue East, Toronto, Ontario, M4P 3A2
Tel (800) 967-0015; Fax (647) 250-0780
www.accordfinancial.com

ACCORD
FINANCIAL