

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. Unless otherwise specified in the applicable prospectus and/or pricing supplement, the securities to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States of America or to a U.S. Person (as such term is defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available. Unless otherwise specified in the applicable prospectus and/or pricing supplement, this short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See “Plan of Distribution”.

This short form prospectus is a base shelf prospectus. This short form prospectus has been filed under legislation in each of the provinces and territories of Canada, except Québec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 69 Yonge St., Suite 1500, Toronto, ON, M5E 1K3, Canada (telephone (647) 776-5479) and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

October 27, 2022



PROPEL HOLDINGS INC.
\$125,000,000

Common Shares
Preferred Shares
Subscription Receipts
Warrants
Debt Securities
Units

Propel Holdings Inc. (the “**Company**”, “**Propel**”, “**us**” or “**we**”) may from time to time offer and issue the following securities: (a) common shares in the capital of the Company (the “**Common Shares**”); (b) preferred shares in the capital of the Company (the “**Preferred Shares**”); (c) subscription receipts of the Company (the “**Subscription Receipts**”); (d) warrants to purchase securities (the “**Warrants**”); (e) bonds, debentures, notes or other evidence of indebtedness of any kind, nature or description of the Company (collectively, the “**Debt Securities**”); or (f) units comprising any combination of the foregoing (the “**Units**” and, together with the Common Shares, the Preferred Shares, the Subscription Receipts, the Warrants and the Debt Securities, the “**Securities**”), up to an aggregate offering price of \$125,000,000 (or its equivalent in any other currency used to denominate the Securities) during the 25-month period that this short form base shelf prospectus (this “**prospectus**”), including any amendments hereto, remains effective.

The Securities may be offered for sale separately or in combination with one or more other Securities, in amounts, at prices and on terms to be determined based on market conditions and other factors the Company may deem relevant at the time of sale and set forth in an accompanying shelf prospectus supplement (a “**prospectus supplement**”).

The specific terms of any offering of Securities will be set forth in a prospectus supplement including, where applicable: (a) in the case of Common Shares, the number of Common Shares offered and the offering price (or the

manner of determination thereof if offered on a non-fixed price basis); (b) in the case of the Preferred Shares, the designation of the particular series, the number of Preferred Shares offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), any voting rights, the dividend rate, the dividend payment dates, and terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (c) in the case of Subscription Receipts, the number of Subscription Receipts offered, the currency (which may be Canadian dollars or any other currency), the offering price, the terms and procedures for the exchange of the Subscription Receipts and any other specific terms; (d) in the case of Warrants, the exercise price, designation, number and terms of the securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of the exercise price or number of securities, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (e) in the case of Debt Securities, the specific designation of the Debt Securities, any limit on the aggregate principal amount or number of the Debt Securities, the currency, the issue and delivery date, the maturity date, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), whether the Debt Securities will bear interest, the interest rate or method of determining the interest rate, the interest payment date(s), any terms of redemption, any conversion or exchange terms, the repayment terms, the form (either global or definitive), the authorized denominations and any other specific terms; and (f) in the case of Units, the designation, number and terms of the Units and of the Securities comprising the Units and any other specific terms. A prospectus supplement may include other specific terms pertaining to the Securities that are not prohibited by the parameters set forth in this prospectus.

All shelf information permitted under applicable laws to be omitted from this prospectus will be contained in one or more prospectus supplements that will be delivered to purchasers of the applicable Securities together with this prospectus. A prospectus supplement containing the specific terms of any offered Securities and other information relating to the offered Securities will be delivered to prospective purchasers of such offered Securities, together with this prospectus, and will be deemed to be incorporated by reference into this prospectus for the purpose of securities legislation as of the date of such prospectus supplement and only for the purpose of the offering of such Securities to which the prospectus supplement pertains.

The Company may sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell the Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. See “*Plan of Distribution*”. The prospectus supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including the type of security being offered, the public offering price (or the manner of determination thereof if offered on a non-fixed price basis), the method of distribution of such Securities, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution of the Securities.

Prospective investors should be aware that the purchase of Securities may have tax consequences that may not be fully described in this prospectus or in any prospectus supplement, and should carefully review the tax discussion, if any, in the applicable prospectus supplement and in any event consult with an independent tax advisor.

In connection with any offering of Securities and subject to applicable laws, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”. A purchaser who acquires Securities forming part of the underwriters’ over-allocation position acquires such Securities under this prospectus, regardless of whether the underwriters’ over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. **No underwriter, dealer or agent has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.**

The Common Shares are listed on the Toronto Stock Exchange under the symbol “PRL”. On October 26, 2022, the last trading day prior to the date of this prospectus, the closing price of the Common Shares on the TSX was \$8.43. Any offering of Securities would be a new issue of securities and, in the case of any offering of Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units, with no established trading market. **Unless otherwise specified in the applicable prospectus supplement, there is no market through which the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units may be sold and purchasers may not be able to resell such securities purchased under this prospectus and any prospectus supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of the issuer regulation. See “Risk Factors”.**

Investing in the Securities involves risk. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing. See, for example, the risk factors set out under “*Risk Factors*” in the AIF (as defined herein) and in this prospectus. These sections also describe the Company’s assessment of those risk factors, as well as the potential consequences to an investor if a risk should occur. The risk factors identified under the heading “*Note Regarding Forward-Looking Information*” in this prospectus should also be carefully reviewed and evaluated by prospective investors before purchasing Securities offered hereunder.

Directors and officers of the Company residing outside of Canada have appointed Propel Holdings Inc., 69 Yonge St., Suite 1500, Toronto, ON, M5E 1K3, Canada, as agent for service of process in Canada. Purchasers of any Securities are advised that it may not be possible for purchasers to enforce judgments obtained in courts in Canada against directors who live outside of Canada, even if the person has appointed an agent for service of process. See “Enforcement of Judgements Against Foreign Persons”.

The Company’s registered and head office is located at 69 Yonge St., Suite 1500, Toronto, ON, M5E 1K3, Canada.

The offering of Securities is subject to approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP.

TABLE OF CONTENTS

GLOSSARY	1
ABOUT THIS PROSPECTUS	2
NON-IFRS FINANCIAL MEASURES	3
NOTE REGARDING FORWARD-LOOKING INFORMATION	3
PRESENTATION OF FINANCIAL INFORMATION	5
DOCUMENTS INCORPORATED BY REFERENCE.....	5
THIRD PARTY SOURCES AND INDUSTRY DATA	7
PROPEL HOLDINGS INC.	7
CONSOLIDATED CAPITALIZATION.....	9
USE OF PROCEEDS	10
EARNINGS COVERAGE.....	10
DESCRIPTION OF SECURITIES.....	10
PRIOR SALES.....	15
TRADING PRICE AND VOLUME.....	15
PLAN OF DISTRIBUTION	16
RISK FACTORS	17
LEGAL MATTERS.....	18
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	18
LEGAL PROCEEDINGS AND REGULATORY MATTERS.....	18
EXEMPTIONS UNDER SECURITIES LAWS.....	18
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS	19
PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS	19
CERTIFICATE OF THE ISSUER	C-1

GLOSSARY

In this prospectus, unless otherwise indicated, the following terms have the meanings set forth below:

“**1933 Act**” means the United States Securities Act of 1933;

“**AIF**” means the annual information form of the Company dated March 21, 2022, for the year ended December 31, 2021;

“**Annual Financial Statements**” means the audited annual consolidated financial statements of the Company and notes thereto as at and for the years ended December 31, 2021 and 2020;

“**Annual MD&A**” means the management’s discussion and analysis of results of operations and financial condition of the Company for the years ended December 31, 2021 and 2020;

“**Articles**” means the Company’s articles of amendment;

“**Bank Programs**” means the sponsorship programs through which the Company partners with two Federal Deposit Insurance Corporation insured, state-chartered banks through the CreditFresh brand, and operates as a sub-servicer to one Federal Deposit Insurance Corporation insured, state chartered bank through the MoneyKey brand;

“**Board**” means the board of directors of the Company;

“**Common Shares**” means the common shares in the capital of the Company;

“**Company**” means Propel Holdings Inc.;

“**CSO**” means, collectively, credit services organization and credit access business;

“**DBRS**” means DBRS, Inc.

“**Debt Securities**” means notes or other types of unsecured debt securities which may be issuable in series and securities convertible into or exchangeable for Common Shares;

“**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**Interim Financial Statements**” means the unaudited condensed interim financial statements of the Company and notes thereto as at and for the three and six months ended June 30, 2022 and 2021;

“**Interim MD&A**” means the management’s discussion and analysis of results of operations and financial condition of the Company for the three and six months ended June 30, 2022 and 2021;

“**MIC**” means the management information circular of the Company in respect of the 2022 annual general meeting of the Company dated May 17, 2022;

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*;

“**Note Trustee**” has the meaning given to it under the heading “*Description of Securities – Debt Securities*”

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Preferred Shares**” means preferred shares in the capital of the Company;

“**prospectus**” means this short form base shelf prospectus, including any amendments hereto;

“**prospectus supplement**” means a shelf prospectus supplement;

“**Securities**” means, collectively, the Common Shares, the Preferred Shares, the Subscription Receipts, the Warrants, the Debt Securities and the Units;

“**Shareholders**” means the holders of the Common Shares from time to time;

“**Subscription Receipts**” means subscription receipts of the Company;

“**Trust Indenture**” has the meaning given to it under the heading “*Description of Securities – Debt Securities*”;

“**TSX**” means the Toronto Stock Exchange;

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

“**Units**” means units comprising any combination of Common Shares, Preferred Shares, Subscription Receipts, Warrants and Debt Securities; and

“**Warrants**” means warrants to purchase securities.

ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained in or incorporated by reference in this prospectus or any applicable prospectus supplement and are not entitled to rely on parts of the information contained in this prospectus or documents incorporated by reference herein to the exclusion of others. The Company has not authorized any other person to provide prospective investors with additional or different information. If anyone provides prospective investors with different or inconsistent information, prospective investors should not rely on it. The Company will offer to sell, and seek offers to buy, Securities only in jurisdictions where offers and sales are permitted. Prospective investors should assume that the information appearing in this prospectus, any applicable prospectus supplement or any information the Company has previously filed with the securities regulatory authority in each of the provinces and territories of Canada that is incorporated in this prospectus by reference, is accurate as of their respective dates only. The Company’s business, financial condition, results of operations and prospects may have changed since those dates. At the time of an offering of Securities, the information contained in this prospectus will be amended or otherwise updated, as necessary, in the applicable prospectus supplement to provide full, true and plain disclosure of all material facts in relation to such offering.

In this prospectus, and in any prospectus supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. References to “dollars” or “\$” are to the lawful currency of Canada. References to “U.S. dollars” or “US\$” are to the lawful currency of the United States.

Unless otherwise indicated, all financial information incorporated by reference in this prospectus has been prepared in accordance with IFRS.

This prospectus provides a general description of the Securities that the Company may offer. Each time the Company offers and sells Securities under this prospectus, the Company will provide prospective investors with a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add to, update or change information contained in this prospectus. Before investing in any Securities, prospective investors should read both this prospectus and any applicable prospectus supplement together with additional information described below under the heading entitled “*Documents Incorporated by Reference*”.

All shelf information permitted under applicable laws to be omitted from this prospectus will be contained in one or more prospectus supplements that will be delivered to purchasers of the applicable Securities together with this prospectus.

NON-IFRS FINANCIAL MEASURES

Certain information presented in, or incorporated by reference in, this prospectus contains references to certain financial measures that do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other entities and investors are cautioned that these non-IFRS measures should not be construed as an alternative to net earnings or other measures of financial performance calculated in accordance with IFRS.

These measures, including “Adjusted EBITDA”, “Adjusted EBITDA Margin”, “Adjusted Net Income”, “Adjusted Net Income Margin”, “Adjusted Earnings Per Share”, “Annualized Revenue Yield”, “Average Combined Loan and Advance Balances”, “Average New Customer Loan Amount”, “Cost Per Funded Origination”, “EBITDA”, “EBITDA Margin”, “Ending Combined Loan and Advance Balances”, “Net Charge-Offs”, “Net Charge-Offs as a Percentage of Revenues”, “Net Charge-Offs as a Percentage of Total Funded”, and “Total Originations Funded”, have the meanings set out in the Annual MD&A, which is incorporated by reference herein. The specific rationale for and incremental information associated with each non-IFRS measure (including a reconciliation to the most directly comparable measure calculated in accordance with IFRS) is also discussed therein.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This prospectus and the documents incorporated by reference herein contain forward-looking information. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. When used in this prospectus and the documents incorporated by reference herein, the words “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur”, “be achieved” and similar expressions are intended to identify forward-looking information. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

In particular, this prospectus and the documents incorporated by reference herein contain forward-looking information pertaining to, among other things:

- (a) expectations regarding macroeconomic conditions, industry trends, the seasonality of the industry, the regulatory landscape, overall market growth rates and our growth rates and growth strategies;
- (b) our business plans and strategies, including new products, programs, marketing partnerships geographic expansion, and ESG strategies;
- (c) our competitive position in our industry; and
- (d) expectations regarding our dividend policy

This forward-looking information and other forward-looking information is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors described in greater detail under the heading entitled “*Risk Factors*” in the AIF and in this prospectus. The material assumptions underlying this forward-looking information are disclosed in the AIF and the Annual and Interim MD&A, as may be modified or superseded by documents incorporated or deemed to be incorporated by reference in this prospectus.

Many factors could cause the Company’s or any of its business segment’s actual results, performance or achievements to vary from those described in this prospectus and the documents incorporated by reference herein as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking information prove incorrect, actual results may vary materially from those described in this prospectus and the documents incorporated by reference herein as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking information included in this prospectus and the documents incorporated by reference herein should not be unduly relied upon. These statements speak only as of the date of this prospectus or as of the date specified in the documents incorporated by reference herein, as the case may be. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as required by law. The forward-looking information contained in this prospectus and the documents incorporated by reference herein are expressly qualified by these cautionary statements.

Financial outlook information contained in this prospectus and the documents incorporated by reference herein about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management’s assessment of the relevant information available as of the date of this prospectus or as of the date specified in the documents incorporated by reference herein, as the case may be. Readers are cautioned that such financial outlook information contained in this prospectus and the documents

incorporated by reference herein should not be used for purposes other than for which it is disclosed herein or therein, as the case may be.

PRESENTATION OF FINANCIAL INFORMATION

The financial statements of the Company incorporated by reference in this prospectus are reported in United States dollars and have been prepared in accordance with IFRS.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 69 Yonge St., Suite 1500, Toronto, ON, M5E 1K3, Canada (telephone (647) 776-5479). These documents are also available through the Internet on the System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at www.sedar.com.

The following documents filed by the Company with the various provincial securities commissions or similar authorities in Canada, are specifically incorporated into and form an integral part of this prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this prospectus or in any other subsequently filed document that is also incorporated by reference in this prospectus:

- (a) the Annual Financial Statements;
- (b) the Annual MD&A;
- (c) the Interim Financial Statements;
- (d) the Interim MD&A;
- (e) the AIF; and
- (f) the MIC.

Any material change reports (except confidential material change reports), unaudited interim consolidated financial statements and accompanying management's discussion and analysis, audited annual consolidated financial statements and accompanying management's discussion and analysis, information circulars, annual information forms, business acquisition reports and prospectus supplements disclosing additional or updated information, filed by the Company with the provincial securities commissions or similar authorities in Canada after the date of this prospectus and before the termination of an offering, are deemed to be incorporated by reference in this prospectus.

Upon an annual information form and corresponding audited annual consolidated financial statements and accompanying management's discussion and analysis being filed by the Company with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this prospectus, the previous annual information form, the previous audited annual consolidated financial statements and accompanying management's discussion and analysis and all unaudited interim consolidated financial statements and accompanying management's discussion and analysis and material change reports filed by the Company prior to the commencement of the Company's financial year in which the annual information form is filed and all information circulars relating to an annual meeting

filed prior to the beginning of the financial year in respect of which the annual information form is filed shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of Securities under this prospectus. In addition, upon a new annual information form being filed by the Company with the applicable securities regulatory authorities during the currency of this prospectus for which the corresponding annual financial statements include at least nine months of the financial results of an acquired business for which a business acquisition report was filed by the Company and incorporated by reference into this prospectus, such business acquisition report shall be deemed no longer to be incorporated by reference into this prospectus for the purposes of future offers and sales of Securities hereunder.

Upon unaudited interim consolidated financial statements and accompanying management's discussion and analysis being filed by the Company with the applicable securities regulatory authorities during the currency of this prospectus, all unaudited interim consolidated financial statements and accompanying management's discussion and analysis filed prior to the new unaudited interim consolidated financial statements shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of Securities under this prospectus.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document (or part thereof) which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed to constitute a part of this prospectus, except as so modified or superseded.

In addition, certain "marketing materials" (as defined in NI 41-101) may be used in connection with a distribution of Securities. Any "template version" (as defined in NI 41-101) of any marketing materials filed after the date of a prospectus supplement and before the termination of the distribution of the Securities offered pursuant to such prospectus supplement (together with this prospectus) will be deemed to be incorporated by reference in such prospectus supplement for the purposes of the distribution of Securities to which the prospectus supplement pertains.

Any earnings coverage ratios filed with applicable securities regulatory authorities either as prospectus supplements or as exhibits to the Company's unaudited interim consolidated financial statements and audited annual consolidated financial statements will be deemed to be incorporated by reference in this prospectus.

A prospectus supplement containing the specific terms of any offered Securities and other information relating to the offered Securities will be delivered to prospective purchasers of such offered Securities, together with this prospectus, and will be deemed to be incorporated by reference into this prospectus for the purpose of securities legislation as of the date of such prospectus supplement and only for the purpose of the offering of such offered Securities to which the prospectus supplement pertains.

THIRD PARTY SOURCES AND INDUSTRY DATA

Market and industry data presented throughout this prospectus and the documents incorporated by reference in this prospectus was obtained from third party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the markets in which we operate, including information provided by suppliers, customers and other industry participants. We believe that the market and economic data presented throughout this prospectus is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this prospectus are not guaranteed and we do not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third party sources referred to in this prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources and, accordingly, readers should not place undue reliance on such information. Market and economic data are subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

TRADEMARKS AND TRADE NAMES

This prospectus includes certain trademarks, such as MoneyKey, CreditFresh and Propel, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names. All other trademarks used in this prospectus are the property of their respective owners.

PROPEL HOLDINGS INC.

General

The Company was incorporated on June 16, 2011, under the Business Corporations Act (Ontario) (the “**OBCA**”) as 2288984 Ontario Inc. and the Company amended its articles of incorporation (as amended, the “**Articles**”) on July 29, 2011 to change certain rights, privileges and restrictions on the Class A common shares and Class B common shares. The Company further amended its Articles on March 10, 2020, to change its name from 2288984 Ontario Inc. to Propel Holdings Inc. On June 21, 2021, the Company amended its Articles to: (i) create a new Class B preferred shares and (ii) to redesignate its Class A common shares and Class B common shares as common shares. The Company further amended its articles on October 15, 2021 to create a new class of Class A common shares. On October 19, 2021, the Company filed articles of amendment to (i) cancel all authorized and unissued common shares, Class A common shares and Class B preferred shares, (ii) create a new class of common shares, (iii) convert all previously issued and outstanding common shares and Class A common shares into the newly created common shares and (iv) create a new class of preferred shares.

The Company’s registered and principal office is located at 69 Yonge St., Suite 1500, Toronto, ON, M5E 1K3, Canada. The Company’s fiscal year-end is December 31.

The issued and outstanding Common Shares are listed and posted for trading on the TSX under the symbol “PRL”.

Description of the Business

Propel is an innovative online fintech company, committed to credit inclusion and helping underserved consumers by providing fair, fast and transparent access to credit with exceptional service through its online and mobile-friendly platform.

Propel’s mission is to facilitate access to credit for underserved consumers and be a part of their credit journey. The following core principles drive us to fulfill our mission:

- **Inclusion.** We believe every individual deserves access to credit. Our business is currently focused on the over 60 million everyday U.S. consumers who are underserved by mainstream credit providers and deserve better and more inclusive access to credit options.
- **Evolution.** We want to help consumers evolve to better credit products over time and be an integral part of their evolution to better financial health. We aim to give customers the potential to graduate to more flexible, lower cost credit products over time as their financial circumstances improve.
- **Experience.** We strive to provide a best-in-class customer experience. We serve customers with urgency, respect and exceptional customer service, which includes providing financial tools, education and other products free of charge to support consumers on their path to better financial health.

To achieve our mission, we have built and operate a proprietary, leading-edge, end-to-end, AI-powered online lending platform that facilitates access to a suite of credit products and programs. We operate as a direct lender and CSO and are also involved in multiple Bank Programs (directly and indirectly) where we provide certain services, including marketing, technology, underwriting and loan servicing for bank originated loans facilitated through our mobile technology platform. All of our operations are conducted through our two consumer-facing brands: MoneyKey and CreditFresh.

Propel’s target market is the over 60 million underserved U.S. consumers who struggle to access credit from traditional credit providers, such as mainstream banks and credit unions, for a variety of reasons, including low-to moderate or volatile incomes and/or limited credit profiles. In contrast to prime and near prime consumers, the subprime consumer segment, within which the underserved consumer typically falls, often includes consumers who have low credit scores or limited credit histories with traditional credit bureaus, making them more challenging for traditional credit providers to underwrite and provide credit to. As a consequence, traditional credit providers have increasingly underserved the credit needs of this segment of the market, despite the explicit encouragement from U.S. banking regulators in recent years. According to commentary published by DBRS titled “U.S. Unsecured Personal Loans — Marketplace Lenders Continue to Expand Market Share”, since 2008, traditional credit providers have pulled back approximately \$142 billion in consumer credit, and have continued to close physical branch locations, disproportionately affecting low-to-moderate income consumers and exacerbating their inability to access credit.

As a consequence of this market dynamic, fintech companies such as Propel have emerged to meet the needs of this market. According to the DBRS commentary, the share of all personal loans outstanding sourced by fintech lenders increased from just 5% in 2013 to 38% in 2018. As at December 31, 2021, Propel has facilitated over 836,500 personal, unsecured loans and Lines of Credit through its

platform, with approximately \$661 million being advanced to over 556,000 unique customers (with 64,000 new customers added in H2 2021).

Propel delivers an industry-leading online customer experience, as evidenced by the Excellent Trustpilot average ratings of 4.5 and 4.6 out of 5 for MoneyKey and CreditFresh, respectively, achieved from thousands of consumer reviews as at December 31, 2021. Our proprietary technology powers mobile-optimized consumer web applications which are easy-to-use and provide a convenient online credit application process and a comprehensive set of self-service online account service features, including online payments. Over 80% of our online customer activity is through mobile devices, and this continues to rise. Additionally, our highly trained in-house customer service agents are available seven days a week through our two centralized contact center locations.

Our online platform provides Propel and its two brands with the flexibility to facilitate access to credit products to underserved consumers across the subprime credit risk market. Generally, the MoneyKey brand serves consumers with a higher credit risk profile than our CreditFresh brand.

Broadly speaking, the two types of credit products available through the Propel platform are:

- *Installment Loans* - fixed term, fully amortizing loans with a fixed repayment schedule; and
- *Lines of Credit* - open-ended lines of credit that provide consumers the flexibility to draw cash advances and repay any amount up to their maximum available credit with a minimum payment due each period.

The terms and conditions of the credit products vary depending on the program (direct lending, CSO or Bank Program) under which they are offered and, in the case of the direct, state-licensed business, depending on the state in which they are offered. Credit products facilitated through the Propel platform are intended to be simple, transparent and easy to understand. The cost of the product and other important product details are presented to the consumer upfront in plain language that meets all regulatory disclosure requirements. There are no surprise fees, origination fees, late fees or prepayment penalties for any of the products offered through our platform.

Products facilitated through Propel's lending platform, regardless of brand, tend to have a lower cost of credit than other alternatives, such as bank overdrafts and typical payday lenders.

Recent Developments

There have been no material developments in the business of the Company since December 31, 2021, the date of the Annual Financial Statements, which have not been disclosed in this prospectus or the documents incorporated by reference herein.

CONSOLIDATED CAPITALIZATION

Since December 31, 2021, the date of the Company's most recently filed audited annual consolidated financial statements, there have been no material changes to the Company's share or loan capitalization on a consolidated basis. The applicable prospectus supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to such prospectus supplement.

USE OF PROCEEDS

The Company intends to use the net proceeds from the sale of Securities by the Company offered under this prospectus in the manner and for the purposes set forth in the applicable prospectus supplement.

EARNINGS COVERAGE

Earnings coverage ratios will be provided as required in the applicable prospectus supplement(s) with respect to any offering and sale of Preferred Shares or Debt Securities pursuant to this prospectus.

DESCRIPTION OF SECURITIES

The following description sets forth certain general terms and provisions of the Securities. The Company may issue Securities either separately or together with or upon the conversion of or in exchange for other securities. The particular terms and provisions of Securities the Company may offer will be described in greater detail in the related prospectus supplement, which may provide information that is different from this prospectus. The Company reserves the right to include in a prospectus supplement specific variable terms pertaining to the Securities that are not within the descriptions set forth in this prospectus.

The Company's authorized share capital consists of (i) an unlimited number of Common Shares and (ii) an unlimited number of Preferred Shares. As of October 26, 2022, there were 34,325,120 Common Shares issued and no Preferred Shares outstanding.

Common Shares

The Common Shares have the following rights, privileges, restrictions and conditions:

- **Dividend Rights:** Holders of Common Shares are entitled to receive dividends out of our assets legally available for the payment of dividends at such times and in such amount and form as our board of directors may from time to time determine, subject to any preferential rights of the holders of any outstanding Preferred Shares.
- **Voting Rights:** Holders of Common Shares are entitled to one vote per Common Share on all matters upon which Shareholders are entitled to vote.
- **Conversion:** The Common Shares are not convertible into any other class of shares.
- **Meetings of Shareholders:** Holders of Common Shares are entitled to receive notice of any meeting of shareholders and may attend and vote at such meetings, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote. A quorum for the transaction of business at a meeting of shareholders is present if shareholders who, together, hold not less than 25% of the votes attaching to our outstanding shares entitled to vote at the meeting are present in person or represented by proxy.
- **Pre-Emptive and Retraction Rights:** Holders of Common Shares do not have pre-emptive or retraction rights.
- **Redemption Rights:** The Company has no redemption or purchase for cancellation rights.

- **Liquidation Rights:** Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of Common Shares, without preference or distinction, will be entitled to receive rateably all of our assets remaining after payment of all debts and other liabilities, subject to any preferential rights of the holders of any outstanding preferred shares.

Preferred Shares

The Company is authorized to issue an unlimited number of Preferred Shares issuable in series. Each series of Preferred Shares shall consist of such number of Preferred Shares and having such rights, privileges, restrictions and conditions as may be determined by the Board prior to the issuance thereof. Holders of Preferred Shares, except as otherwise provided in the terms specific to a series of Preferred Shares or as required by law, will not be entitled to vote at meetings of holders of Common Shares, and will not be entitled to vote separately as a class upon a proposal to amend the Articles in the case of an amendment of the kind referred to in paragraph (a), (b) or (e) of subsection 170(1) of the OBCA. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the Preferred Shares are entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares from time to time with respect to the payment of paid-up capital remaining after the payment of all outstanding debts on a pro rata basis, and, the payment of any or all declared but unpaid cumulative dividends or any or all declared but unpaid dividends on the Preferred Shares and may also be given such other preferences over Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series.

Subscription Receipts

The following description of the terms of Subscription Receipts sets forth certain general terms and provisions of Subscription Receipts in respect of which a prospectus supplement may be filed. The particular terms and provisions of Subscription Receipts offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the prospectus supplement filed in respect of such Subscription Receipts.

Subscription Receipts may be offered separately or in combination with one or more other Securities. The Subscription Receipts will be issued under a subscription receipt agreement. A copy of the subscription receipt agreement will be filed by the Company with the applicable securities commission or similar regulatory authorities after it has been entered into by the Company and will be available electronically at www.sedar.com.

The description of general terms and provisions of Subscription Receipts described in any prospectus supplement will include, where applicable:

- (a) the number of Subscription Receipts offered;
- (b) the price at which the Subscription Receipts will be offered;
- (c) if other than Canadian dollars, the currency or currency unit in which the Subscription Receipts are denominated;
- (d) the procedures for the exchange of the Subscription Receipts into Common Shares or other securities;

- (e) the number of Common Shares or other securities that may be obtained upon exercise of each Subscription Receipt;
- (f) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- (g) the terms applicable to the gross proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- (h) the material tax consequences of owning the Subscription Receipts; and
- (i) any other material terms, conditions and rights (or limitations on such rights) of the Subscription Receipts.

The Company reserves the right to set forth in a prospectus supplement specific terms of the Subscription Receipts that are not within the options and parameters set forth in this prospectus. In addition, to the extent that any particular terms of the Subscription Receipts described in a prospectus supplement differ from any of the terms described in this prospectus, the description of such terms set forth in this prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such prospectus supplement with respect to such Subscription Receipts.

Warrants

The following description of the terms of Warrants sets forth certain general terms and provisions of Warrants in respect of which a prospectus supplement may be filed. The particular terms and provisions of Warrants offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the prospectus supplement filed in respect of such Warrants.

Warrants may be offered separately or in combination with one or more other Securities and may be attached to, or separate from, any such other offered Securities. Each series of Warrants will be issued under a separate Warrant agreement or indenture to be entered into between the Company and one or more financial institutions or trust companies acting as Warrant agent. A copy of the Warrant agreement or indenture will be filed by the Company with the applicable securities commission or similar regulatory authorities after it has been entered into by the Company and will be available electronically at www.sedar.com. The applicable prospectus supplement will include details of the Warrant agreement or indenture covering the Warrants being offered. The Warrant agent will act solely as the agent of the Company and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. Holders of Warrants are not Shareholders.

The description of general terms and provisions of Warrants described in any prospectus supplement will include, where applicable:

- (a) the designation and aggregate number of Warrants;
- (b) the price at which the Warrants will be offered;
- (c) the currency or currencies in which the Warrants will be offered;
- (d) the period or periods during which the Warrants will be exercisable;

- (e) the number and type of Securities that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which that amount of Securities may be purchased upon exercise of each Warrant;
- (f) any procedures that will result in the adjustment of the number of Securities or the exercise price;
- (g) the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each Security;
- (h) the date or dates, if any, on or after which the Warrants and the related Securities will be transferable separately;
- (i) whether the Warrants are subject to redemption or call and, if so, the terms of such redemption or call provisions; and
- (j) any other material terms or conditions of the Warrants.

The Company reserves the right to set forth in a prospectus supplement specific terms of the Warrants that are not within the options and parameters set forth in this prospectus. In addition, to the extent that any particular terms of the Warrants described in a prospectus supplement differ from any of the terms described in this prospectus, the description of such terms set forth in this prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such prospectus supplement with respect to such Warrants.

Debt Securities

The following description of the terms of Debt Securities sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the prospectus supplement filed in respect of such Debt Securities.

The Company reserves the right to include in a prospectus supplement specific terms pertaining to Debt Securities that are not within the descriptions set forth in this prospectus, provided that the Debt Securities will not be specified derivatives or asset-backed securities. Prospective investors should rely on information in the applicable prospectus supplement and should read this prospectus together with the applicable Trust Indenture (as defined below).

The Debt Securities will be issued under one or more indentures or supplements thereto (as applicable, the “**Trust Indenture**”) between the Company and a trustee (a “**Note Trustee**”). The statements made hereunder relating to the Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof, the full details of which will be included in the applicable Trust Indenture, which will be available electronically at www.sedar.com. All material attributes and characteristics of the Debt Securities and the security, if any, in respect of the Debt Securities are either described hereunder or will be described in the applicable prospectus supplement.

The aggregate principal amount of Debt Securities to be authorized under the Trust Indenture may be unlimited and Debt Securities may be issued from time to time in one or more series thereunder.

Certain terms of each issue of Debt Securities, as well as any modifications of or additions to the general terms of the Debt Securities as described herein that may be applicable to a particular issue of

Debt Securities, will be described in the prospectus supplement relating to the offering of such Debt Securities.

Reference is made to the prospectus supplement for the following applicable terms of, and information relating to, the Debt Securities being offered thereby:

- (a) the specific designation, aggregate principal amount, authorized denominations and maturity dates of the Debt Securities;
- (b) the rate or rates of interest, which may be a fixed rate or floating rate, and the amounts payable in respect of principal and premium, if any, on the Debt Securities;
- (c) covenants relating to the payment of principal and interest on the Debt Securities and other covenants applicable to such Debt Securities to which the Company will be bound;
- (d) the date or dates from which interest shall accrue, the dates on which interest shall be payable and the record dates for the interest payable on any interest payment date;
- (e) the place or places where the principal of and premium, if any, and interest on the Debt Securities will be payable;
- (f) the period or periods within which, the price or prices at which, and the terms and conditions upon which, the Debt Securities may be redeemed, in whole or in part, at the option of the Company;
- (g) the obligation, if any, of the Company to redeem, purchase or repay the Debt Securities pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof; and the period or periods within which, the price or prices at which, and the terms and conditions upon which, the Debt Securities shall be redeemed or purchased, in whole or in part, pursuant to such obligation or option;
- (h) provisions relating to the conversion of the Debt Securities for Common Shares or other securities of the Company or its subsidiaries;
- (i) the currency or currencies (which may be in Canadian dollars or in any other currency) in which the Debt Securities will be denominated and in which the principal of and premium, if any, and interest on such Debt Securities will be payable;
- (j) the application, if any, of any defeasance provisions to the Debt Securities;
- (k) whether the Debt Securities may be exchanged or converted into securities of the Company or another issuer; and
- (l) any other material terms of the series of Debt Securities.

The Debt Securities may be issued as original issue discount Debt Securities (bearing no interest, or interest at a rate that at the time of issuance is below market rates) at prices below their stated principal amount.

Units

The following description of the terms of Units sets forth certain general terms and provisions of Units in respect of which a prospectus supplement may be filed. The particular terms and provisions of Units offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the prospectus supplement filed in respect of such Units, provided that the Units will not be specified derivatives or asset-backed securities.

The Company may issue Units comprised of one or more of the Securities described in this prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. As a result, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The description of general terms and provisions of Units described in any prospectus supplement will include, where applicable:

- (a) the number of Units;
- (b) the price at which the Units will be offered;
- (c) the currency or currencies in which the Units will be offered;
- (d) the terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those securities may be held or transferred separately;
- (e) any provisions for the issuance, payment, settlement, transfer, adjustment or exchange of the Units or of the Securities comprising the Units; and
- (f) any other material terms of the Units.

The Company reserves the right to set forth in a prospectus supplement specific terms of the Units that are not within the options and parameters set forth in this prospectus. In addition, to the extent that any particular terms of the Units described in a prospectus supplement differ from any of the terms described in this prospectus, the description of such terms set forth in this prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such prospectus supplement with respect to such Units.

PRIOR SALES

Prior sales will be provided as required in a prospectus supplement with respect to the issuance of Securities pursuant to such prospectus supplement.

TRADING PRICE AND VOLUME

Trading prices and volume will be provided as required in a prospectus supplement with respect to the issuance of Securities pursuant to such prospectus supplement.

PLAN OF DISTRIBUTION

The Company may offer and issue the Securities to or through underwriters or dealers purchasing as principals, and also may sell the Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices, or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale. The prices at which Securities may be offered may vary as between purchasers and during the period of distribution of the Securities.

The prospectus supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including the type of security being offered, the public offering price (or the manner of determination thereof if offered on a non-fixed price basis), the method of distribution of such Securities, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all of the Securities offered by the prospectus supplement if any such securities are purchased.

In connection with any offering of Securities and subject to applicable laws, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. A purchaser who acquires Securities forming part of the underwriters' over-allocation position acquires such Securities under this prospectus, regardless of whether the underwriters' over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. Any underwriters, dealers or agents to or through whom Securities are sold by the Company for public offering and sale may make a market in the Securities at any time without notice. No assurance can be given that a trading market in the Securities will develop or as to the liquidity of any trading market of the Securities.

Any offering of Securities would be a new issue of securities and, in the case of any offering of Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units, with no established trading market. **Unless otherwise specified in the applicable prospectus supplement, there is no market through which the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units may be sold and purchasers may not be able to resell such securities purchased under this prospectus and any prospectus supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See “Risk Factors” in the AIF and in this prospectus.**

Unless otherwise specified in the applicable prospectus and/or pricing supplement, the Securities have not been and will not be registered under the 1933 Act or any state securities laws, and accordingly may not be offered or sold within the United States of America or to U.S. Persons (as such term is defined

in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws.

RISK FACTORS

Investment in the Securities is subject to various risks including those risks inherent to the industry in which the Company operates. Before deciding whether to invest in any Securities, investors should consider carefully the risks incorporated by reference in this prospectus and those described in a prospectus supplement relating to a specific offering of Securities.

In addition to the below, discussions of certain risk factors affecting the Company in connection with its business are provided in the Company's disclosure documents filed with the various securities regulatory authorities, which are incorporated by reference in this prospectus. In particular, see "*Risk Factors*" in the AIF. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also affect its business operations. A prospectus supplement applicable to the offering of Securities will also contain a discussion of the risks applicable to the particular offering of Securities. Before investing, prospective purchasers of Securities should carefully consider the information contained or incorporated by reference in this prospectus and any prospectus supplement.

Forward-Looking Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this prospectus under the heading "*Note Regarding Forward-Looking Information*".

No Existing Trading Market (Other than for Common Shares)

There is no market through which the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units may be sold and purchasers may not be able to resell such securities purchased under this prospectus and any prospectus supplement. There can be no assurance that an active trading market will develop for the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units after an offering or, if developed, that such market will be sustained. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation.

The public offering prices of the Securities may be determined by negotiation between the Company and the underwriters or dealers based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering. See "*Plan of Distribution*".

Foreign Currencies Risk

Debt Securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity in the secondary

market. Preferred Shares entitled to cash dividends payable in foreign currencies will be affected by changes in the value of the currency in which payment will be made, including on a relative basis compared to the Company's Canadian dollar denominated obligations, including dividend rights. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable prospectus supplement.

Interest Rate Risk

Prevailing interest rates will affect the market price or value of the Securities. The market price or value of the Securities may decline as prevailing interest rates for comparable debt instruments rise and increase as prevailing interest rates for comparable debt instruments decline.

LEGAL MATTERS

Unless otherwise specified in a prospectus supplement, certain legal matters relating to the Securities offered by a prospectus supplement will be passed upon, on behalf of the Company, by Stikeman Elliott LLP. If any underwriters, dealers or agents named in a prospectus supplement retain their own counsel to pass upon legal matters relating to the Securities, the counsel will be named in the prospectus supplement. As at the date hereof, the partners and associates of Stikeman Elliott LLP, as a group, own less than 1% of the outstanding securities of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

MNP LLP, Chartered Professional Accountants, located at its principal office in Toronto, Ontario, is our auditor and has confirmed that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares is TSX Trust Company, at its principal office in Toronto, Ontario.

LEGAL PROCEEDINGS AND REGULATORY MATTERS

In the ordinary course of business, the Company and its subsidiaries may become involved in various legal, administrative, regulatory and other proceedings, actions, claims and inquiries relating to our business. Management is not aware of any litigation outstanding, threatened or pending as of the date hereof by or against the Company or its subsidiaries which would be material to an investor of Common Shares.

EXEMPTIONS UNDER SECURITIES LAWS

Staff at the Ontario Securities Commission has notified the Company that it is currently of the view that Clive Kinross and Michael Stein are promoters of the Company within the meaning of applicable securities laws in Canada. Pursuant to section 58(5) of the *Securities Act* (Ontario), the Director has consented to Mr. Kinross and Mr. Stein not signing a certificate of promoter for this prospectus. The Company has been advised by the Ontario Securities Commission that the issuance of a receipt by or on behalf of the applicable Canadian Securities Administrators by the Ontario Securities Commission for this prospectus will evidence the granting of this consent. None of the Company, Mr. Kinross or Mr. Stein agree or admit that Mr. Kinross or Mr. Stein is a promoter of the Company.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Certain of our operations and assets are located outside of Canada, and certain of our directors, including Peter Monaco and Geoff Greenwade reside outside of Canada. Although our current directors and officers who reside outside of Canada have appointed Propel Holdings Inc., 69 Yonge St., Suite 1500, Toronto, ON, M5E 1K3, Canada, as their agent for service of process in Canada, it may not be possible for shareholders to enforce against such persons judgments obtained in Canadian courts predicated on the civil liability provisions of applicable securities laws in Canada. Shareholders are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Unless provided otherwise in a prospectus supplement, the following is a description of a purchaser's statutory rights with respect to a purchase of Securities.

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment or, in the case of a non-fixed price offering, this right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

Original purchasers of Securities that are convertible into, or exchangeable or exercisable for, other Securities will be granted a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise of the Security or the amount paid for the convertible, exchangeable or exercisable Security (and any additional amount paid upon conversion, exchange or exercise), as the case may be, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that both the conversion, exchange or exercise occurs, and the right of rescission is exercised, within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this prospectus (as supplemented or amended). This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

Original purchasers are further cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the convertible, exchangeable or exercisable Security is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those

provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE ISSUER

Dated: October 27, 2022

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada, except Québec.

PROPEL HOLDINGS INC.

(Signed) *Clive Kinross*

Chief Executive Officer

(Signed) *Sheldon Saidakovsky*

Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) *Michael Stein*

Director

(Signed) *Karen Martin*

Director