



TSX:PRL

# Propel's Global Expansion

## Acquisition of QuidMarket, a leading UK fintech consumer lender

September 26, 2024

This presentation is dated September 26, 2024. A final base shelf prospectus dated May 10, 2024 as supplemented by a prospectus supplement to be dated September 30, 2024 (the "prospectus") containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, except Quebec. A copy of the prospectus, and any amendment, is required to be delivered with this document. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

This presentation shall not constitute an offer, solicitation or sale in any state or jurisdiction in which or to any person to whom such an offer, solicitation or sale would be unlawful. The securities offered have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, the securities offered will be offered and sold only to persons in the United States reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside the United States in accordance with Regulation S under the Securities Act.

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

# Disclaimer

## FORWARD-LOOKING INFORMATION

Certain statements made in this presentation may constitute forward-looking information under applicable securities laws. These statements may relate to 2024 Operating and Financial Targets, our profitable growth prospects, our dividend, our ability to profitably grow our business and facilitate access to credit to more and more underserved consumers, our ability to fund the various existing and new strategic initiatives and support the dividend, expectations with respect to the utilization of our technology, artificial intelligence (“AI”) and operating capabilities, expectations regarding the integration and effects of the proposed acquisition of QuidMarket (the “**Transaction**”) on our profitability and earnings per share and our ability to achieve continue margin expansion in fiscal year 2024, which are based on the factors and assumptions, and subject to the risks, as discussed in the "Risk Factors" section of the Company's annual information form dated March 12, 2024 for the year ended December 31, 2023 (the “AIF”) and set out herein. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “believe”, “estimate”, “plan”, “could”, “should”, “would”, “outlook”, “forecast”, “anticipate”, “foresee”, “continue” or the negative of these terms or variations of them or similar terminology. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors discussed in the "Risk Factors" section of the AIF. A copy of the AIF and the Company's other publicly filed documents can be accessed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Company cautions that the list of risk factors and uncertainties described in the AIF is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. The forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

## FUTURE ORIENTED FINANCIAL INFORMATION

This presentation also contains future-oriented financial information (“FOFI”) and information which could be considered to be in the nature of a “financial outlook”. All FOFI contained in this presentation is subject to the same assumptions, risk factors, limitations and qualifications as set forth herein. FOFI contained in this presentation was made as of the date hereof, based on information available to the Company as of the date hereof, and was provided for the purpose of describing the anticipated effects of the offering on the Company's business operations. The actual results of operations of the Company may vary from the amounts set forth herein and such variation may be material. The Company disclaims any intention or obligation to update or revise any FOFI in this presentation, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities laws.

## UK GAAP, NON-IFRS MEASURES AND INDUSTRY METRICS

Certain financial information in this presentation has been prepared in accordance with generally accepted accounting principles in the United Kingdom (“UK GAAP”) which differ in certain material respects from those used to prepare the Company's most recently filed financial statements, being generally accepted accounting principles in Canada, and therefore such financial information may not be comparable to the financial statements of the Company or companies whose financial statements are prepared in accordance with generally accepted accounting principles in Canada.

This presentation makes reference to certain non-IFRS measures and industry metrics. These measures are not recognized measures under International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures, including “Adjusted Earnings Per Share”, “Adjusted Net Income”, “Adjusted Return on Equity” and “Adjusted Net Income Margin”. These non-IFRS measures and industry metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. Please refer to Appendix of this presentation for the reconciliation of non-IFRS measures presented by the Company in this presentation to the most directly comparable IFRS measures. For definitions of these non-IFRS measures and industry metrics, please refer to the Company's most recent MD&A available on [www.sedarplus.ca](http://www.sedarplus.ca), which is incorporated by reference herein. For reconciliations of these non-IFRS measures to the relevant reported measures, please see Appendix to this presentation.

# Disclaimer (Cont'd)

## THIRD PARTY SOURCES AND INDUSTRY DATA

Certain information, market and industry data presented throughout this presentation 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 and QuidMarket operate, including information provided by suppliers, customers and other industry participants. We believe that the market and economic data presented throughout this presentation 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 presentation 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 presentation, 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. As a result, prospective investors should be aware that the information and data set out in this presentation and estimates and beliefs based on such information and data, may not be reliable.

The information contained on [www.propelholdings.com](http://www.propelholdings.com) is not intended to be included in this presentation, and prospective investors should not rely on such information when making an investment decision.

## CERTAIN OTHER MATTERS

Any graphs, tables or other information demonstrating our historical performance or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of our future performance or such entities. Unless otherwise indicated, information provided in this presentation is provided as of June 30, 2024.

This presentation does not provide full disclosure of all material facts relating to the Company, its securities, the proposed Transaction and is not subject to liability for misrepresentations under applicable securities legislation. Prospective investors should not assume that the information contained in this presentation is accurate as of any date other than the date of this presentation, or where information is stated to be as of a date other than the date of this presentation, such other applicable date. Unless otherwise indicated or the context otherwise requires, all references in this presentation to “Propel”, the “Company”, “we”, “our”, “us” or similar terms refer to Propel Holdings Inc., together with its subsidiaries.

## CURRENCIES

Unless otherwise indicated, all references to “C\$” or “CAD” are to Canadian dollars, “\$”, “US\$” or “USD” are to United States dollars and “£” or “GBP” are to British pounds sterling. Certain USD figures have been presented assuming a £ to US\$ exchange rate of 1.2597 to 1 for the twelve-month period ended June 30, 2024, 1.2438 to 1 for the twelve-month period ended December 31, 2023, and 1.2372 to 1 for the twelve-month period ended December 31, 2022.

# Propel's Growth Journey

**1.24M+**

Facilitated Loans and Lines of Credit<sup>1</sup>

**47% | 87%**

Revenue and Adj. EPS CAGR since 2019<sup>2,3</sup>

**~US\$382M | 47% YoY**

LTM Revenue<sup>4</sup> and YoY Growth

**~US\$39M | 74% YoY**

LTM Net Income<sup>4</sup> and YoY Growth

**~US\$50M | 82% YoY**

LTM Adj. Net Income<sup>2,4</sup> and YoY Growth

**5 Dividend Increases**

Since 2023

# A Fintech Leader in Enabling Credit to Underserved Consumers

Traditional financial institutions rely on credit scores, but that locks out millions of everyday consumers.

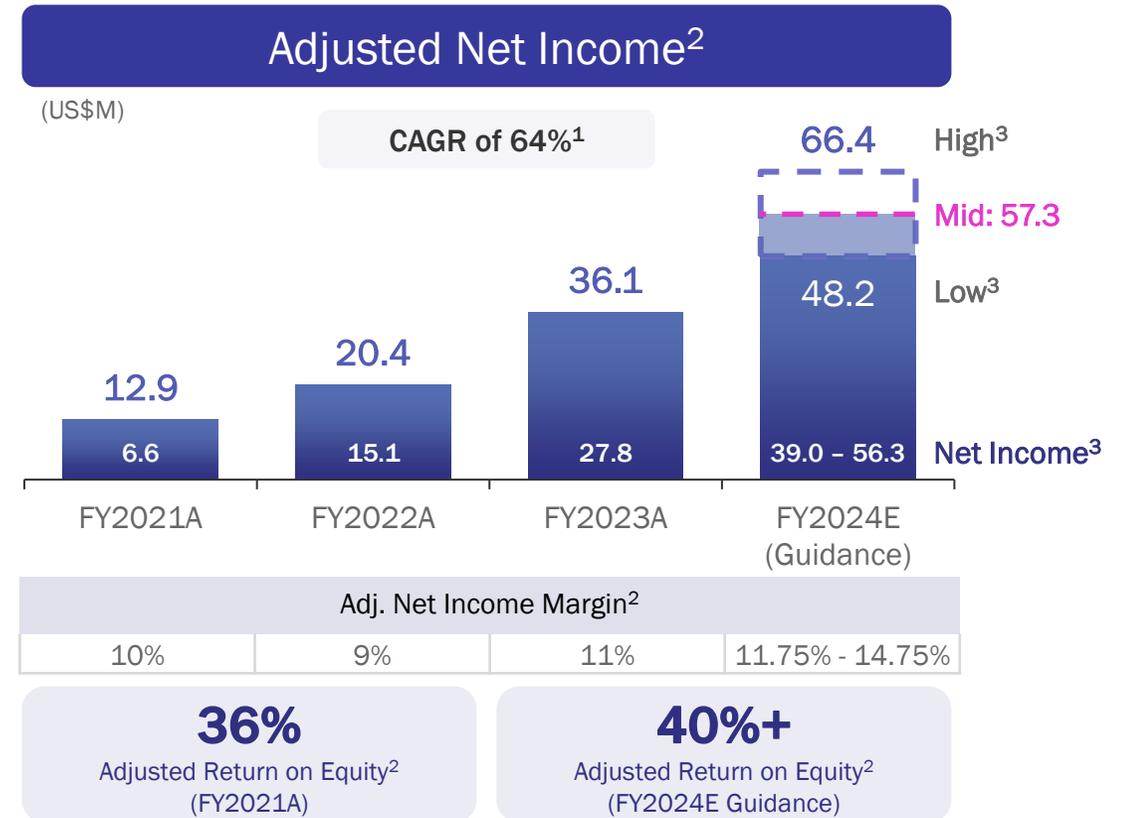
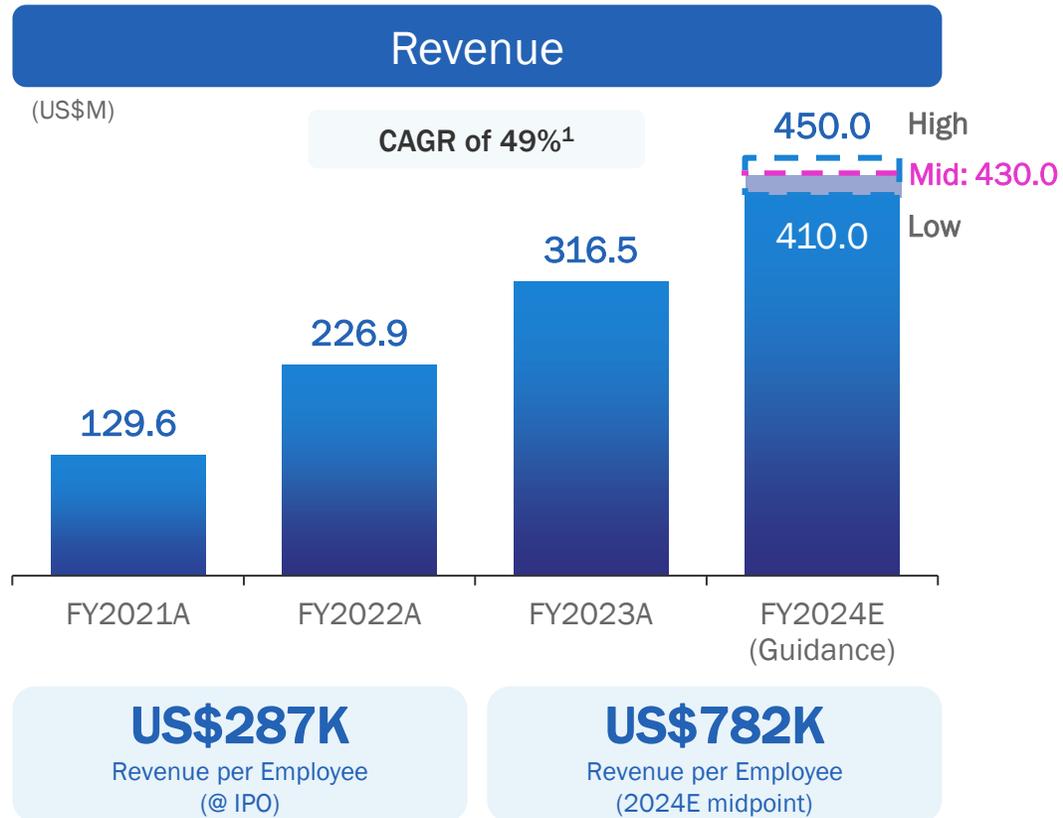
We are changing that through our proprietary AI-powered technology. And driving profitable growth and shareholder return in the process.



1) From inception through to June 30, 2024; 2) See "Disclaimer - Non-IFRS Measures and Industry Metrics" and "Appendix"; 3) CAGR period shown FY2019 - FY2023; 4) LTM period through June 30, 2024. Note: Financials shown in US\$.

# Consistent Track Record of Profitable Growth

Increasing margins and return on equity (ROE) as business continues to scale



1) Calculated at midpoint of management guidance; 2) See "Disclaimer - Non-IFRS Measures and Industry Metrics" and "Appendix"; 3) Calculated based on Adjusted Net Income Margin / Net Income Margin guidance range (as applicable), applied to Revenue guidance range.

Source: Propel's management discussion and analysis for the year ended December 31, 2023 dated March 12, 2024. See also "Risk Factors".

# Successfully Executing on Growth Objectives

Executed on growth objectives communicated at IPO

Growth Objective @ IPO	Strategic Initiative Executed	
✓ Expanding into additional jurisdictions including Canada		<b>November 2022</b> Entered the Canadian market with Fora Credit
✓ Expanding product offerings to serve lower risk markets such as near-prime		<b>June 2023</b> Partnered with Pathward to launch Lending-as-a-Service and broaden addressable market
✓ Growth through strategic M&A		<b>September 2024</b> Announce acquisition of QuidMarket in the UK to realize Propel's global growth ambitions
 <b>September 2024</b> Announce partnership with KOHO to accelerate Canadian growth		

# Acquisition of QuidMarket

# Strategic Acquisition Fits Key Criteria

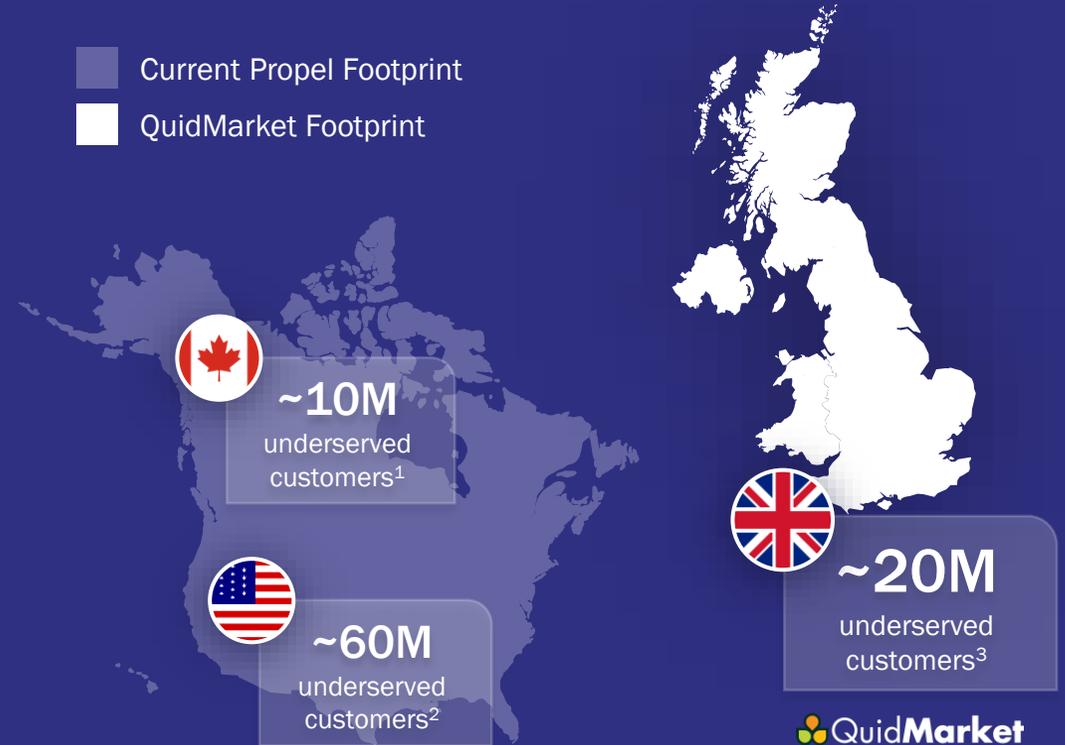
## Acquisition Criteria

- ✓ Favourable Jurisdiction
- ✓ Cultural Fit
- ✓ Financially Accretive

1) TransUnion – Empowering Credit Inclusion Global Report – June 2023.

2) National Survey of Unbanked and Underbanked Households by the Federal Deposit Insurance Corporation (“FDIC”).

3) PWC – Overlooked and financially underserved – April 2022.



# The Right Acquisition For Propel's Growth

## Target Overview

### Jurisdiction

- ~20M**  
Underserved Consumers in UK
- Nottingham, UK**  
Headquarters
- Established**  
Regulatory Regime

### Culture

- Launched in 2011**  
Purpose-driven to empower the underserved in the U.K
- 50+**  
Driven and highly motivated employees<sup>1</sup>
- 7 Years**  
Average tenure of management

### Financially Accretive

(LTM @ Jun-24)  
UK GAAP

- US\$27.7M**  
LTM Revenue as at June 2024  
**46% CAGR Since 2022A<sup>2</sup>**
- US\$12.8M**  
LTM EBT as at June 2024<sup>3</sup>  
**57% CAGR Since 2022A<sup>2</sup>**
- US\$9.6M**  
LTM Earnings as at June 2024<sup>3</sup>  
**46% CAGR Since 2022A<sup>2</sup>**

1) As at September 2024; 2) FY2022A and LTM (Jun-24) financials are unaudited; FY2023A financials are audited under UK GAAP; 3) See "Disclaimer – Non-IFRS Measures and Industry Metrics" and "Appendix".  
Note: Financials are converted at the average historical USD:GBP rate for each respective period.

# Why QuidMarket

# Large Unmet Credit Demand in UK

## Inflationary Pressures Stretch Consumers

Average annual food bill is £1,000 higher than pre-pandemic<sup>1</sup>

## High Fintech Adoption

71% Fintech Adoption Rate, one of highest in world, taking market share from legacy banks<sup>2</sup>



**30%**

of people cannot cover an emergency expense of £850<sup>3</sup>

**~20M**

Underserved Consumers

1) Grant Thornton – The UK consumer credit sector: Market update – April 2024.

2) Ernst & Young – UK FinTech: Moving mountains and moving mainstream – January 2020.

3) Office for National Statistics – Ability to afford an unexpected expense of £850 by difficulty affording rent or mortgage payments, Great Britain – October 2022.

4) Fair4All Finance – Access to Credit and Illegal Lending – May 2024.

# Proven Operator With High Growth Potential

One of the largest and fastest growing UK consumer lenders with the opportunity to unlock further growth through Propel's proprietary tech, AI underwriting and capital

## Business & Products

### Trusted Direct Lender

13-year history operating as a FCA authorized direct lender

### Installment Loan

New Customers: £300 - £600

Returning Customers: Up to £1500

### No Debt

Has achieved rapid growth without any financial leverage

## Operations

### Tenured Team

Experienced and driven operators with deep background in UK lending



4.9+ Rating  
6,000+ Reviews

### Over 310k Loans

Originated to customers<sup>1</sup>

## Technology

### Scalable and Secure

Online platform with strong focus on automation and self service



~90% of customers go through the entire loan application process on their smartphone

1) From inception to August 2024.

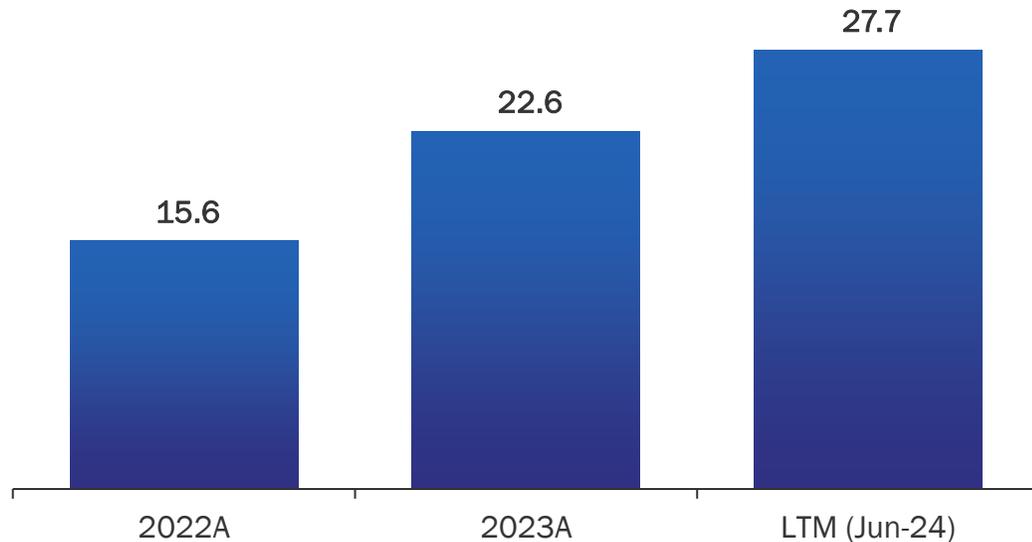
# Attractive Financial Opportunity

Expected to be immediately accretive, with further upside by utilizing Propel's technology, AI and operating capabilities

## Revenue<sup>1</sup>

(US\$M in UK GAAP)

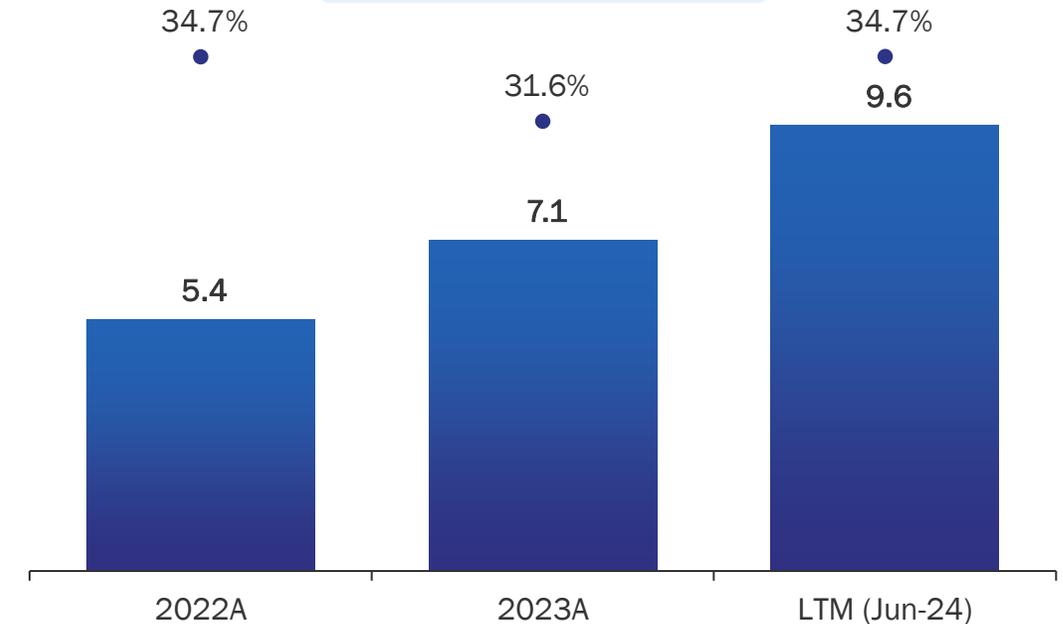
CAGR of 46%



## Net Income & Margin<sup>1</sup>

(US\$M in UK GAAP)

CAGR of 46%



1) FY2022A and LTM (Jun-24) financials are unaudited; FY2023A financials are audited under UK GAAP.  
Note: Financials are converted at the average historical USD:GBP rate for each respective period.

# Transaction Summary & Financing

<b>Purchase Price and Consideration</b>	<ul style="list-style-type: none"> <li>US\$71 million, consisting of all-cash for 100% of the issued and outstanding equity of QuidMarket             <ul style="list-style-type: none"> <li>Vendors consist entirely of non-management investor group</li> </ul> </li> </ul>
<b>Acquisition Multiple</b>	<ul style="list-style-type: none"> <li>Acquisition represents purchase price multiple of 7.4x LTM Earnings under UK GAAP as at June 30, 2024</li> </ul>
<b>Accretive to EPS</b>	<ul style="list-style-type: none"> <li>Management believes the transaction will be immediately accretive to Propel's Adjusted Earnings Per Share in 2024 and 2025, on a pro forma basis, prior to potential synergies</li> </ul>
<b>Deleverages Balance Sheet</b>	<ul style="list-style-type: none"> <li>Pro Forma Debt / Equity declines from 2.0x to 1.3x, as at June 30, 2024</li> </ul>
<b>Concurrent Financing</b>	<ul style="list-style-type: none"> <li>C\$100 million bought deal offering of subscription receipts (C\$115 million with the exercise of the overallotment option)</li> <li>Additional proceeds to fund working capital and general corporate purposes</li> <li>Pro forma company well capitalized for continued growth, ongoing strategic initiatives and to support dividend</li> </ul>
<b>QuidMarket Management</b>	<ul style="list-style-type: none"> <li>Existing QuidMarket management team will continue to operate the QuidMarket business post-closing</li> </ul>
<b>Approvals</b>	<ul style="list-style-type: none"> <li>Subject to customary UK regulatory approvals, including FCA approval</li> </ul>
<b>Closing</b>	<ul style="list-style-type: none"> <li>Closing expected in Q4 2024 or in early Q1 2025</li> </ul>

Note: Financials are converted at the average historical USD:GBP rate for the LTM period ended June 30, 2024.

# Expanding Propel's Global Footprint



1

## Accelerates Growth Strategy

- Leading and **established business in the U.K.** and foothold into large European market
- **Addressable population of 20 million** underserved consumers with high barriers to entry for competitors
- **Diversifies** and expands Propel's revenue profile

2

## Leverages Propel's Capabilities

- **Technology** – Integration of Propel's leading AI technology platform
- **Product** – Expansion of products by introducing risk-based pricing
- **Team** – Leverage Propel's operational and financial expertise
- **Capital** – Support growth through leverage and equity investment

3

## Attractive Financial Profile Providing Value Creation for Shareholders

- Transaction is **immediately accretive** to Propel's profitability and earnings per share
- Successful track-record of **driving meaningful growth and profitability**

# Appendix

# Non-IFRS Measure Reconciliation

US\$	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,			
	2024	2023	2024	2023	2023	2022	2021	2020
Net Income	11,123,579	5,705,098	24,245,432	13,120,276	27,776,133	15,127,447	6,562,442	7,332,388
Transaction Costs and Financing Costs net of taxes <sup>1</sup>	-	-	-	-	-	-	1,212,643	19,181
Provision for credit losses on current status accounts net of taxes <sup>1</sup>	3,635,502	1,573,506	4,769,371	2,019,141	7,244,947	5,542,263	1,965,639	1,760,219
Provisions for CSO Guarantee liabilities and Bank Service Program liabilities net of taxes <sup>1</sup>	885,263	1,318,484	1,954,559	1,794,723	1,051,082	(240,255)	3,170,030	109,553
Adjusted Net Income <sup>2</sup> for the period	15,644,344	8,597,088	30,969,362	16,934,140	36,072,162	20,429,455	12,910,754	9,221,341
Multiplied by number of periods in year	x4	x4	x2	x2				
Divided by average shareholders' equity for the period	116,095,875	88,965,442	111,379,419	86,670,016	91,128,575	77,624,315	35,542,438	8,632,984
Adjusted Return on Equity <sup>2</sup>	54%	39%	56%	39%	40%	26%	36%	107%
Adjusted Net Income Margin <sup>2</sup>	15%	12%	15%	12%	11%	9%	10%	13%

1) Each item is adjusted for after-tax impact. Please see Q2 2024 MD&A for further details.

2) See "Disclaimer – Non-IFRS Measures and Industry Metrics."

The logo for Propel Holdings features a stylized bar chart icon on the left, composed of three vertical bars of increasing height. To the right of the icon, the word "PROPEL" is written in a large, bold, white, sans-serif font. Below "PROPEL", the word "HOLDINGS" is written in a smaller, white, sans-serif font, with wide letter spacing.

# PROPEL HOLDINGS

Building a new world of financial opportunity.