Quantas Advantage Inc.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

FOR THE YEAR ENDED

JUNE 2026

Overview of Financial Performance

The Company delivered a record twelve-month performance, supported by growth in interest-earning assets, robust net interest income, and stable credit performance. Profitability improved year-over-year, with net income after tax rising approximately 31% to US$2.53M.

Statement of Comprehensive Income (SoCI)

Revenue

Interest Income, Net

Net interest income increased by approximately 56% compared to the twelve months ended June 30, 2025, rising from US$1.77M to US$2.76M. The increase was primarily driven by sustained growth in the Company's investment portfolio and higher yields on interest-bearing assets. This was partially offset by higher interest expense on the Company's loan and notes payable, reflecting the increase in borrowings over the period.

Realised Gains

Realised gains, which arose primarily from the sale of financial assets, were US$0.81M for the twelve months ended June 30, 2026, down from US$1.29M in the prior year, reflecting a lower level of portfolio disposals during the year.

Expected Credit Loss (ECL)

The Company's credit quality remained strong, with no material deterioration in asset quality year-over-year. The Company recognised a marginal expected credit gain of US$7,710 for the year rather than a charge, reflecting stable credit performance across the portfolio and the absence of emerging signs of impairment. No significant impairments were recorded during the period, consistent with the Company's disciplined underwriting and risk management practices.

Operating Expenses

Operating expenses for the twelve months ended June 30, 2026 increased by approximately 45% compared to the prior year, rising from US$0.67M to US$0.97M. The increase was driven primarily by higher management fees, which scaled with the growth in the Company's asset base, together with higher performance fees reflecting the Company's improved investment performance over the year. Operating costs remain aligned with the Company's strategic growth and are reflective of its evolving operational requirements.

Taxation

Corporate tax expense increased from US$0.19M in the prior year to US$0.26M in the current year. The increase is primarily attributable to higher taxable profits arising from increased net interest income. The Company is subject to corporate income tax at a statutory rate of 9%.

Profitability

Net income before tax for the period increased by 32.0% year-over-year, rising from US$2.12M to US$2.79M. This growth was primarily attributable to the rise in net interest income, supported by a favourable swing in unrealised foreign exchange movements, partially offset by lower realised gains and higher operating expenses.

Net income after tax increased by approximately 31% compared to the prior year. This increase reflects the Company's improved operating performance, with revenue growth outpacing the rise in operating costs during the reporting period. On a per-share basis, earnings increased to US$0.0140 for the twelve months ended June 30, 2026, from US$0.0117 in the prior year.

Statement of Financial Position (SoFP)

TOTAL ASSETS
US$50.9

Assets

Total assets grew to US$50.9M as at June 30, 2026, up approximately 63% from US$31.2M at the June 30, 2025 financial year-end. The growth was funded principally by the common share issuance completed during the year and a new loan facility, and was deployed through continued reinvestment into the asset base.

Cash at Bank represents balances held at commercial banks in Jamaica.

Securities purchased under resale agreements ("REPOs") represent USD and JMD REPOs held with securities dealers in Jamaica.

We use short-term REPOs to earn interest income on excess cash held until such time as the cash is deployed into the acquisition of other financial assets such as bonds, leases, etc.

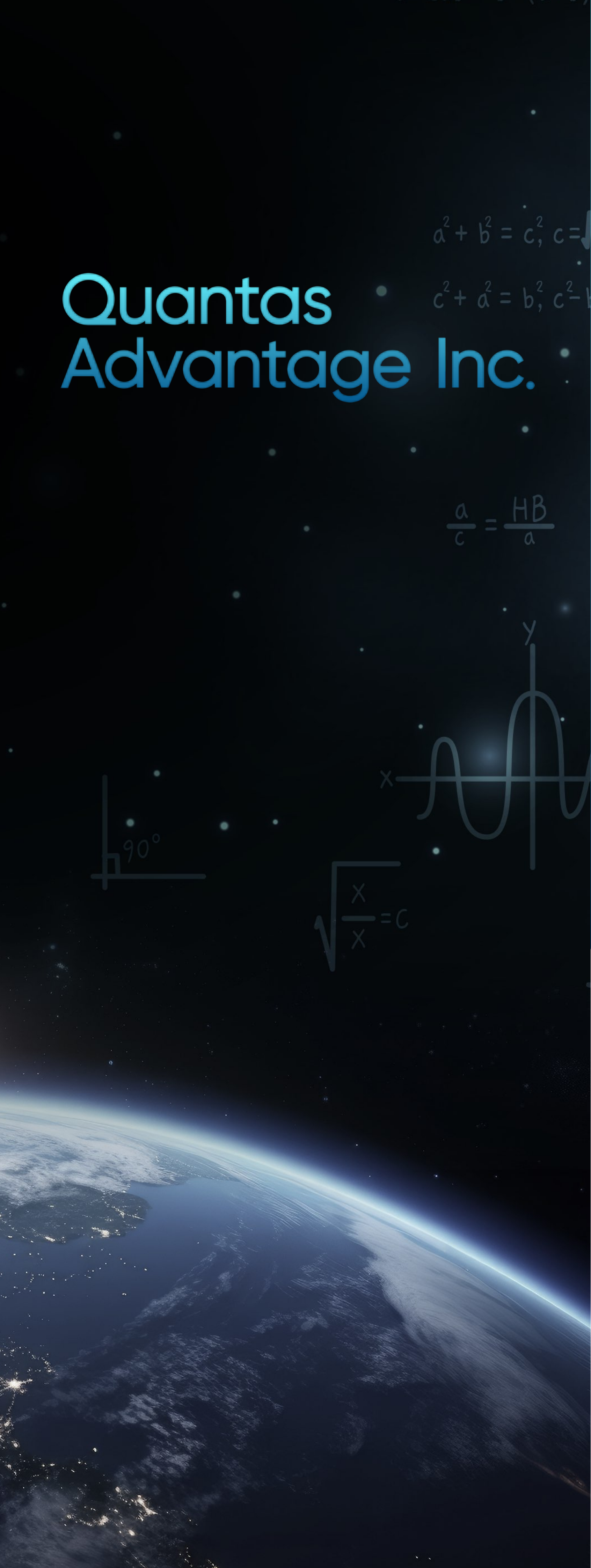
Liabilities

Total liabilities increased to US$17.1M as at June 30, 2026, from US$12.2M a year earlier, primarily reflecting new borrowings drawn during the year. The principal driver of the year-over-year increase was a new loan facility of US$4.4M drawn during the year (June 2025: nil), which supported the Company's expansion initiatives. Denominated in Jamaican dollars, the facility also served as a foreign exchange management measure.

Trade and other payables increased to US$1.4M as at June 30, 2026 (June 2025: US$1.1M), largely reflecting the timing of management fee settlements and other accruals, while interest payable rose modestly in line with higher borrowings. These increases were partially offset by a reduction in taxation payable over the period resulting from monthly prepayments now required by the Barbados Revenue Authority.

Equity

Shareholders' equity grew by approximately 77% year-over-year, increasing to US$33.8M as at June 30, 2026 from US$19.1M a year earlier. The increase was driven primarily by the issuance of common shares following the successful completion of the IPO, which generated net proceeds of US$14.0M after equity transaction costs of US$0.85M, together with net profit of US$2.53M for the year. This was partially offset by fair value movements on financial assets measured at fair value through other comprehensive income, together with dividends of US$1.74M paid in line with the Company's distribution policy.



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QUANTAS ADVANTAGE INC.
Unaudited Interim Statement of Financial Position

As at June 30, 2026
(Expressed in United States dollars)

	Notes	June 30, 2026	Audited June 30, 2025
ASSETS			
Cash		$ 1,222,239	$ 485,956
Securities purchased under resale agreements	5	25,616,889	13,166,175
Accounts receivable and prepaid expenses		24,530	295,305
Purchased receivables	6	1,023,375	-
Accrued interest		292,713	198,089
Lease receivable		508,930	736,106
Financial assets at fair value	7	22,182,419	16,347,460
		50,871,095	**31,229,091**
LIABILITIES			
Trade and other payables	8	1,439,360	1,125,659
Interest payable		157,649	131,564
Taxation payable		131,158	191,197
Deferred tax		27,290	27,094
Loan payable	9	4,443,235	-
Notes payable	10	10,889,222	10,699,889
		17,087,914	**12,175,403**
SHAREHOLDERS' EQUITY			
Equity and reserves			
Preference share		1	1
Common shares		30,024,723	16,004,385
Retained earnings		3,718,846	2,925,742
Revaluation reserve		39,611	123,560
		33,783,181	**19,053,688**
		$50,871,095	**$31,229,091**

The attached notes form an integral part of these financial statements.

SIGNED ON BEHALF OF THE BOARD

Jacqueline Sharp – Chairman

Pierre Williams – Director

QUANTAS ADVANTAGE INC.
Unaudited Interim Statement of Comprehensive Income

For the year ended June 30, 2026
(Expressed in United States dollars)

	Notes	Quarter ended June 30, 2026	Year ended June 30, 2026	Quarter ended June 30, 2025	Year ended June 30, 2025
Revenue					
Interest income, net	13	$784,149	$ 2,755,992	404,109	1,768,738
Realised gains		493,416	806,380	950,566	1,286,279
Unrealised foreign exchange gain/(loss)		85,820	192,076	(118,071)	(272,051)
		1,363,385	3,754,448	1,236,604	2,782,966
Expected credit gain/(loss)		(1,129)	7,710	2,545	2,224
Operating expenses	14	(437,212)	(967,669)	(303,446)	(668,958)
Net income before tax		925,044	2,794,489	935,703	2,116,232
Taxation	11	(101,525)	(263,877)	(66,045)	(185,672)
Net income after tax		823,519	2,530,612	869,658	1,930,560
Other comprehensive income					
Unrealised gains/(losses) on financial assets FVOCI		59,866	(84,541)	47,607	109,125
Expected credit (loss)/gain on financial assets FVOCI		1,129	(7,710)	(2,545)	(2,224)
Deferred tax relating to components of OCI		(5,489)	8,302	(4,067)	(9,632)
Other comprehensive income, net of tax		55,506	(83,949)	40,995	97,269
Net income and comprehensive income for the period		$ 879,025	$2,446,663	$ 910,653	$ 2,027,829

The attached notes form an integral part of these financial statements.

QUANTAS ADVANTAGE INC.
Unaudited Interim Statement of Changes in Shareholders' Equity

For the year ended June 30, 2026
(Expressed in United States dollars)

	Share Capital	Preference Share	Retained Earnings	Revaluation Reserve	Total Shareholders' Equity
	$	$	$	$	$
Balance, July 1, 2024	16,004,385	1	2,788,929	26,291	18,819,606
Unrealised gains, net of taxes	-	-	-	97,269	97,269
Dividends paid	-	-	(1,793,747)	-	(1,793,747)
Net profit	-	-	1,930,560	-	1,930,560
Balance, 30 June 2025	16,004,385	1	2,925,742	123,560	19,053,688
Balance, July 1, 2025	16,004,385	1	2,925,742	123,560	19,053,688
Unrealised losses, net of taxes	-	-	-	(83,949)	(83,949)
Issuance of common shares	14,869,954	-	-	-	14,869,954
Equity transaction cost	(849,616)	-	-	-	(849,616)
Dividends paid	-	-	(1,737,508)	-	(1,737,508)
Net profit	-	-	2,530,612	-	2,530,612
Balance, 30 June 2026	30,024,723	1	3,718,846	39,611	33,783,181

The attached notes form an integral part of these financial statements.

QUANTAS ADVANTAGE INC.
Unaudited Interim Statement of Cash Flows

For the year ended June 30, 2026
(Expressed in United States dollars)

	2026	2025
CASH RESOURCES WERE PROVIDED BY/(USED IN)		
Cash Flows from Operating Activities		
Net income before tax	2,794,489	2,116,232
Adjustments for:		
Interest income, net	(2,755,992)	(1,768,738)
Unrealised foreign exchange gain/(loss)	(192,076)	272,051
Provision for credit (gains)/losses	(7,710)	(2,224)
	(161,289)	617,321
Changes in assets/liabilities:		
Decrease in unearned revenue	-	(12,317)
Increase in financial assets at fair value	(5,833,544)	(8,851,736)
Decrease in lease receivables	227,176	197,959
Increase in purchased receivables	(1,023,375)	-
Decrease/(increase) in accounts receivable	270,775	(288,185)
Increase/(decrease) in trade and other payables	313,699	615,599
Cash (used by)/provided by operating activities	(6,206,558)	(7,721,359)
Interest income received	3,291,640	1,861,724
Tax paid	(317,948)	(129,939)
Net cash used in operating activities	(3,232,866)	(5,989,574)
Cash Flows from Investing Activities		
Securities under resale agreements	(12,283,785)	(2,517,219)
Interest income received	437,495	234,517
Net cash used in investing activities	(11,846,290)	(2,282,702)
Cash Flows from Financing Activities		
Bond proceeds received	-	10,699,889
Loan proceeds received	4,456,823	-
Issue of common shares	14,869,954	-
Equity transaction cost	(849,616)	-
Dividend paid	(1,737,508)	(1,793,747)
Interest paid	(931,274)	(209,480)
Net cash provided by financing activities	15,808,379	8,696,662
Net increase in cash and cash equivalents	729,223	424,386
Net effects of exchange rate changes	7,060	(3,949)
Cash and cash equivalents at beginning of period	485,956	65,519
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,222,239	485,956

The attached notes form an integral part of these financial statements.

QUANTAS ADVANTAGE INC.
Unaudited Notes to the Interim Financial Statements

For the year ended June 30, 2026
(Expressed in United States dollars)

Note 1. IDENTIFICATION

Quantas Advantage Inc. ("the Company") was incorporated under the Companies Act of Barbados on June 21, 2022, and commenced operations on November 1, 2022. The Company is licensed as a foreign currency permit holder.

The Company's principal activity is investing in real and financial assets. The Company is managed by Quantas Management Inc., a company incorporated in Barbados under the Companies Act of Barbados.

The registered office of the Company is Parker House, Wildey Business Park, Wildey Road, St. Michael, Barbados.

These financial statements are presented in United States Dollars, which is also the functional currency.

Note 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a. Statement of Compliance

These condensed interim financial statements for the twelve months ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. As such, they do not include all the disclosures required for a full set of financial statements under International Financial Reporting Standards (IFRS). Accordingly, these interim financial statements should be read in conjunction with the Company's most recent annual financial statements as at 30 June 2025, which were prepared in accordance with IFRS and the Barbados Companies Act.

These condensed interim financial statements are unaudited. The audit of the Company's financial statements for the year ended 30 June 2026 had not been completed at the date of approval of these statements, and the amounts reported herein may therefore differ from those presented in the audited financial statements for that year.

The comparative amounts presented in the interim statement of financial position are those reported in the audited financial statements as at 30 June 2025. The comparative amounts for the twelve months ended 30 June 2025 in the interim statements of comprehensive income, changes in shareholders' equity and cash flows are derived from those audited financial statements; the comparative amounts for the quarter ended 30 June 2025 are unaudited.

b. Basis of preparation

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value.

c. New and amended standards adopted during the period

The Company adopted *Lack of Exchangeability* (Amendments to IAS 21), which is effective for annual reporting periods beginning on or after 1 January 2025 and accordingly applies to the Company for the first time in the financial year beginning 1 July 2025.

QUANTAS ADVANTAGE INC.
Unaudited Notes to the Interim Financial Statements

For the year ended June 30, 2026
(Expressed in United States dollars)

c. New and amended standards adopted during the period Cont'd

The amendments specify how an entity assesses whether a currency is exchangeable into another currency and, where it is not, how the entity estimates the spot exchange rate that would have applied at the measurement date had exchangeability existed, using observable exchange rates or another estimation technique.

Management has assessed the Company's foreign currency exposures, principally its Jamaican dollar denominated balances, and concluded that exchangeability existed at each measurement date throughout the period. No estimation of an alternative spot exchange rate was therefore required, and the adoption of the amendments had no effect on the amounts recognised in these condensed interim financial statements or on the Company's financial position, financial performance or cash flows. In accordance with the transition provisions, the amendments have been applied without restatement of comparative information.

No other new or amended standards effective in the current period had a material effect on the Company.

Note 3. **ACCOUNTING POLICIES**

The accounting policies applied in these interim financial statements are consistent with those applied in the audited financial statements for the year ended 30 June 2025, except for the adoption of the amendments to IAS 21 described in Note 2(c), which had no effect on the amounts recognised. There were no other changes in accounting policies, measurement bases, or classification of financial instruments during the interim period.

Segment Reporting

The Company operates as a single business segment, being the investment in real and financial assets. All of the Company's activities, assets, and revenues are managed and reported on a unified basis. Accordingly, no segment reporting is presented, consistent with the requirements of IFRS 8 Operating Segments.

Note 4. **USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. The areas requiring a higher degree of judgement or complexity are:

- Expected credit loss (ECL) modelling under IFRS 9
- Fair value measurement of financial assets
- Assessment of business models and SPPI characteristics for financial asset classification

Management believes that the estimates and assumptions applied are reasonable and consistent with those used at 30 June 2025. Actual results may differ from these estimates.

QUANTAS ADVANTAGE INC.
Unaudited Notes to the Interim Financial Statements

For the year ended June 30, 2026
(Expressed in United States dollars)

Note 5. SECURITIES UNDER RESALE AGREEMENTS

Securities purchased under resale agreements ("Resale agreements") are short-term transactions whereby securities are bought with simultaneous agreements to resell the securities on a specified date and at a specified price. Resale agreements are accounted for as short-term collateralised lending and are measured at amortised cost.

The difference between the purchase cost and resale consideration is recognised on an accrual basis over the period of the agreement, using the effective interest method, and is included in the interest income.

Note 6. PURCHASED RECEIVABLES

Purchased receivables comprise receivables acquired by the Company through secondary market transactions. These receivables represent contractual rights to receive cash flows and are not held for trading.

Purchased receivables are recognised at the date the Company becomes party to the contractual rights and are initially measured at the purchase consideration paid. Subsequent to initial recognition, purchased receivables are measured at amortised cost using the effective interest method.

Purchased receivables are subject to the expected credit loss (ECL) model. Any impairment losses or reversals are recognised in profit or loss.

Interest income arising from purchased receivables is included within interest income in the interim statement of comprehensive income.

QUANTAS ADVANTAGE INC.
Unaudited Notes to the Interim Financial Statements

For the year ended June 30, 2026
(Expressed in United States dollars)

Note 7. FINANCIAL ASSETS AT FAIR VALUE

Financial assets comprise the following:

Financial assets at fair value through other comprehensive income:

	2026	**2025**
Secured corporate bonds	$8,056,961	$ 11,263,360
Secured loan	14,125,458	5,084,100
	$22,182,419	$16,347,460

The debt and loan assets are secured by real estate.

There were no changes in the classification of financial assets during the interim period. Movements in financial assets during the year ended 30 June 2026 primarily relate to scheduled principal repayments, fair value movements on financial assets measured at fair value through other comprehensive income (FVOCI), and the amortisation of purchase premiums in accordance with the effective interest method.

Fair value of financial instruments
There are no quoted market prices for the Company's financial assets and liabilities. Therefore, the fair values of several financial assets are estimated using prices derived from a yield curve. This yield curve is obtained from a pricing source that estimates it based on indicative prices submitted by licensed banks and other financial institutions. This approach involves significant uncertainty and is classified as Level 2 in the fair value hierarchy. Consequently, the estimated fair values may differ from the actual prices in an arm's length transaction.

Note 8. TRADE AND OTHER PAYABLES

Trade and other payables increased during the period primarily due to:

- Performance fees
- Timing differences relating to operating expenses

All balances are short-term in nature and are expected to be settled in the normal course of business.

QUANTAS ADVANTAGE INC.
Unaudited Notes to the Interim Financial Statements

For the year ended June 30, 2026
(Expressed in United States dollars)

Note 9. **LOAN PAYABLE**

Features	JMD$
Principal	$700,000,000
Maturity date	September 3, 2026
Interest rate	6.50%
Repayment terms	
Interest paid	monthly
Principal paid at	maturity
Security	Securities purchased under resale agreements

The carrying value of the loan payable is US$4,443,235.

Note 10. **NOTES PAYABLE**

Features	US$ Tranche	JM$ Tranche
Principal	$5,000,000	$936,000,000
Maturity date	Feb 4, 2027	Feb 4, 2027
Interest rate	6.50%	8.75%
Repayment terms		
Interest paid	quarterly	quarterly
Principal paid at	maturity	maturity
Security	Floating charge over liquid assets plus other underlying portfolio assets	Floating charge over liquid assets plus other underlying portfolio assets

Notes payable relate to senior secured bonds issued during the year ended 30 June 2025.

During the interim period:

- Interest expense was accrued using the effective interest method
- No principal repayments were made
- The bonds continue to be measured at amortised cost

The Company remains in compliance with all contractual terms associated with the notes.

Note 11. **TAXATION**

Taxation for the interim period comprises current and deferred tax.
Deferred tax movements during the period include:

- Deferred tax recognised in other comprehensive income relating to fair value movements on financial assets measured at fair value through other comprehensive income (FVOCI); and
- Deferred tax arising on temporary differences related to accrued interest.

The effective tax rate for the interim period is consistent with statutory expectations and with the rate applied in the audited financial statements for the year ended 30 June 2025.

QUANTAS ADVANTAGE INC.
Unaudited Notes to the Interim Financial Statements

For the year ended June 30, 2026
(Expressed in United States dollars)

Note 12. **DIVIDENDS**

Dividends of US$1,737,508 were declared and paid during FY 2026 (FY 2025: US$1,793,747).

Dividends are recognised directly in equity in the period in which they are declared, in accordance with IFRS.

Note 13. **REVENUE**

Revenue for the twelve months ended 30 June 2026 comprises net interest income earned from the Company's investment portfolio.

Interest income is derived primarily from:

- Securities purchased under resale agreements
- Financial assets measured at fair value through other comprehensive income (FVOCI)
- Lease receivables and other interest-bearing assets

Interest income is recognised using the effective interest method and reflects the contractual yield on the underlying assets. Revenue is presented net of interest expense, which relates primarily to loan and notes payable.

Note 14. **OPERATING EXPENSES**

	2026	**2025**
Legal and professional fees	$75,675	$81,470
Management fees	636,003	475,068
Performance fees	236,937	102,278
Other expenses	19,054	10,142
	$967,669	$668,958

Note 15. **RELATED PARTY TRANSACTIONS**

Quantas Management Inc. provides management services to the Company pursuant to a separate management agreement. Management and performance fees totalling US$872,940 (2025: US$577,346) were expensed over the reporting period.

Note 16. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit attributable to common shareholders of the Company by the weighted average number of common shares in issue during the period. The Company has no dilutive potential common shares in issue. Accordingly, diluted earnings per share is equal to basic earnings per share.

	2026	**2025**
Profit attributable to common shareholders	$2,530,612	$1,930,560
Weighted average number of common shares	180,210,938	165,602,750
Basic and diluted earnings per share	$0.0140	$0.0117

QUANTAS ADVANTAGE INC.
Unaudited Notes to the Interim Financial Statements

For the year ended June 30, 2026
(Expressed in United States dollars)

Note 17. **SUBSEQUENT EVENTS**

There were no material subsequent events after 30 June 2026 that would require adjustment to, or disclosure in, these interim financial statements.

Note 18. **SHAREHOLDINGS**

Top ten shareholders

No.	Top Ten Shareholders	Shareholdings	% Holding
1	Quantas Investments Limited	67,765,675	22.92%
2	National Insurance Fund	41,666,600	14.09%
3	Continental Baking Company Limited	37,859,050	12.81%
4	Jamaica Money Market Brokers Limited	31,250,000	10.57%
5	Development Bank of Jamaica	9,743,750	3.30%
6	Fraser Fontaine & Kong Limited	9,468,750	3.20%
7	Barita Finance Limited	8,771,900	2.97%
8	ATL Group Pension Fund Trustees Nominee Ltd	8,600,000	2.91%
9	Sandra Mahfood	6,250,000	2.11%
10	Mango Investments Inc.	5,054,800	1.71%
	Subtotal	**226,430,525**	**76.59%**
	Total	**295,651,250**	**100%**

Directors' and Senior Manager's shareholdings

No.	Common Shareholders	Shareholdings	% Holding
1	Jacqueline Sharp	2,700,000	0.9132%
2	Pierre Williams	11,000	0.0037%
3	Vaughn McDonald	10,800	0.0037%

The parent company of the Manager held the following shares during the period.

No.	Common Shareholder	Shareholdings	% Holding
1	Manor Caribbean Holdings Inc.	2,000,000	0.6765%

Cumulative preference shareholdings

No.	Preference Shareholder	Shareholdings	% Holding
1	Quantas Management Inc.	1	100%

The cumulative preference share carries one vote on a show of hands and, on a poll, votes equal to seventy-five percent (75%) of the votes vested in the holders of all issued and outstanding shares of the Company.

Quantas
Advantage Inc.

ADDRESS

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