Management's Discussion and Analysis of Financial Condition and Results of Operations

Year Ended
December 31, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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Date: February 17, 2016

The following Management's Discussion and Analysis ["MD&A"] presents an analysis of the financial condition of goeasy Ltd. (formerly easyhome Ltd.) and its subsidiaries [collectively referred to as "goeasy" or the "Company"] as at December 31, 2015 compared to December 31, 2014, and the results of operations for the three-month period and year ended December 31, 2015 compared with the corresponding periods of 2014. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2015. The financial information presented herein has been prepared in accordance with International Financial Reporting Standards ["IFRS"], unless otherwise noted. All dollar amounts are in thousands of Canadian dollars unless otherwise indicated.

This MD&A is the responsibility of management. The Board of Directors has approved this MD&A after receiving the recommendations of the Company's Audit Committee, which is comprised exclusively of independent directors, and the Company's Disclosure Committee.

This MD&A refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to our financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's Annual Information Form. These filings are available on SEDAR at *www.sedar.com* and on the Company's website at *www.goeasy.com*.

Caution Regarding Forward-Looking Statements

This MD&A includes forward-looking statements about goeasy, including, but not limited to, its business operations, strategy and expected financial performance and condition. Forward-looking statements include, but are not limited to, those with respect to the estimated number of new locations to be opened, targets for growth of the consumer loans receivable portfolio, annual revenue growth targets, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements, liquidity of the Company, plans and references to future operations and results and critical accounting estimates. In certain cases, forward-looking statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'budgeted', 'estimates', 'forecasts', 'targets' or negative versions thereof and similar expressions, and/or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company's operations, economic factors and the industry generally, as well as those factors referred to in the section entitled "Risk Factors". There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by the Company, due to, but not limited to important factors such as the Company's ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on favourable terms, secure new franchised locations, purchase products which appeal to customers at a competitive rate, respond to changes in legislation, react to uncertainties related to regulatory action, raise capital under favourable terms, manage the impact of litigation (including shareholder litigation), control costs at all levels of the organization and maintain and enhance the system of internal controls. The Company cautions that the foregoing list is not exhaustive.

The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which may not be appropriate for other purposes. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

Overview of the Business

goeasy Ltd. is the leading full-service provider of goods and alternative financial services that improve the lives of everyday Canadians. goeasy Ltd. serves its customers through two key operating divisions: easyhome Leasing and easyfinancial.

On September 14, 2015 easyhome Ltd. changed its name to goeasy Ltd.

The activities of both easyhome Leasing and easyfinancial are governed by federal laws which set a maximum rate of interest and by the various consumer protection acts that exist in each province. As the Company does not offer payday loans and does not accept customer deposits, it is not subject to payday loan legislation or the rules set out for banks by the Office of the Superintendent of Financial Institutions.

Overview of easyhome Leasing

easyhome Leasing is Canada's largest lease-to-own company, offering brand-name household furniture, appliances and electronics to consumers under weekly or monthly leasing agreements through both corporate and franchise stores.

easyhome Leasing's programs appeal to a wide variety of consumers who are looking for alternatives to traditional retailers and who are attracted to a leasing transaction that does not involve a credit check, does not require an initial down payment, includes delivery and set up and offers them the flexibility to terminate the arrangement at any time. These consumers may not be able to purchase merchandise because of a lack of credit or insufficient cash resources, may have a short-term or otherwise temporary need for the merchandise, or who simply want to use the merchandise, with no long-term obligation, before making a

purchase decision.

Customers who wish to lease merchandise with an option to purchase from easyhome Leasing are required to enter into easyhome Leasing's standard form merchandise leasing agreement (a "Merchandise Lease Agreement"). The Merchandise Lease Agreement provides that the customer will lease merchandise for a set term and make payments on a weekly or monthly basis. Generally, customers are required to make an initial up-front lease payment and thereafter the periodic payments are collected in advance for each payment period. If the customer makes all of the periodic payments throughout the lease term, he or she will obtain ownership of the merchandise. In addition, at specified times during the term of a Merchandise Lease Agreement, customers can exercise an option to purchase the leased merchandise at a predetermined price. easyhome Leasing maintains ownership of its merchandise until this purchase option is exercised. Ultimately, easyhome Leasing customers have the flexibility to return the merchandise at any time without any further obligations.

easyhome Leasing operates through both corporately owned stores located across Canada and through a network of franchised locations. Additionally, since 2013, the Company allows customers to enter into merchandise leasing transactions through its e-commerce platform.

Overview of easyfinancial

easyfinancial is the Company's financial services arm, offering unsecured, installment loans in amounts from $500 to $10,000 for 9 to 48 month terms with bi-weekly, semi-monthly and monthly repayment options. Customers can choose to repay the entire loan balance at any time during the term without penalty. As a credit reporting lender, easyfinancial positions its loan products as a vehicle to help rebuild credit and provide access to alternative financing for the everyday Canadian consumer.

easyfinancial's loans occupy a critical niche in the marketplace, bridging the gap between traditional financial institutions and costly payday lenders. Traditional financial institutions are unable to effectively offer credit solutions to consumers that are deemed to be a higher credit risk due to the consumer's financial situation or less-than-perfect credit. Historically, approximately 60% of easyfinancial's customers have been denied credit by these same traditional financial institutions. These same consumers prefer to avoid the high fees (which could have an interest rate in excess of 500%) and onerous repayment terms imposed on them by payday lenders. easyfinancial's products appeal to these consumers who are looking for alternatives.

The Company believes that there is significant demand for the products offered by easyfinancial in the Canadian marketplace. Historically, the consumer demand for these loans was satisfied by the consumer-lending arms of several large, international financial institutions. Since 2009, many of the largest participants in this market have either closed their operations or dramatically reduced their size due to changes in banking regulations related to risk adjusted capital reserves, leaving easyfinancial as the only national participant with stated growth aspirations. The Company estimates that the historic Canadian market for unsecured consumer installment loans, consistent with the products offered by easyfinancial, was in excess of $2.0 billion and that this market was serviced by more than 600 retail locations.

The easyfinancial business model has continued to evolve in response to changing consumer expectations and technology developments.

- The easyfinancial business was initially piloted using a kiosk that was physically located within an existing easyhome Leasing location.
- In 2011, to better meet customer demand for its products, the Company determined that the easyfinancial business would scale more successfully by operating out of stand-alone locations that were physically separated from the easyhome Leasing stores. These larger and higher capacity stand-alone locations also exhibited a more rapid growth trajectory. The first easyfinancial stand-alone location was opened in July 2011.
- Once the business model was finalized and prior to its large scale expansion, easyfinancial launched a centralized loan decision platform and deployed a highly scalable core banking system in 2011.
- In 2013, a transactional website was launched by easyfinancial for securing consumer installment loans. This new delivery channel allowed the Company to reach consumers who may not have

had access to a physical location or those who preferred to interact through the privacy and convenience of their home.

- In 2014, the Company launched an internally developed and proprietary loan application management system that was fully integrated with its CRM and collections activities.
- In 2015, easyfinancial launched its indirect lending platform. Indirect lending involves creating partnerships with merchants, both online and offline, to provide financing for their customers who do not qualify for the traditional credit products offered by these merchants. Under such a delivery channel, these customers are given the opportunity to apply for a loan through easyfinancial at the point of purchase, thereby allowing them to purchase the desired products or services from the merchant partner.
- The Company is committed to helping its customers improve their financial literacy. In 2015, the Company developed an online financial education platform through goeasy Academy that included articles, videos and other educational content.

The Company recognizes that the loan products it offers to consumers carry a higher risk of default than the loan products offered by traditional banks and, as such, the Company will incur a higher level of delinquencies and charge offs, but that this will be offset by the higher yield generated on the consumer loans receivable. To assist with the management of this risk, the Company has developed proprietary underwriting practices and credit scoring models that have been developed using the historical performance of its portfolio. Additionally, the Company continuously explores and incorporates, where appropriate, leading edge date sources when they become available. Taking advantage of its underwriting experience gained since 2006 and including almost $1.0 billion in relevant credit originations, the Company regularly enhances these practices and scoring models to make better lending decisions, with a goal of maximizing total returns.

Through its multiple delivery channels and utilizing an extensive analysis of the historic performance of its portfolio, easyfinancial has created a business model that is somewhat unique within its industry.

- Online advertising, coupled with the Company's mobile responsive transactional website, create a cost-effective way to attract new customers and optimize the application process
- Indirect lending significantly expands the Company's distribution points without significant incremental costs by leveraging a mobile tablet solution.
- The Company's national footprint of retail branch locations further promote the Company's brand and allow customers to apply in-person if that is their preferred means of application. Recent surveys indicated that over 36% of easyfinancial customers became aware of easyfinancial through the physical retail presence.
- By analyzing all of its loan transactions originated since 2006, the Company has developed underwriting practices and credit scoring models that are able to predict the performance of its customers with far more accuracy than the traditional generic scoring models utilized by other lenders.
- Subsequent to a successful loan application, the responsibility for loan closing and funding and for ongoing customer relationship management, including collections, is assigned to a retail branch that is conveniently located near the customer. In this way, the customer lifetime value is enhanced as the sale of ancillary products is maximized, customer retention is improved and the Company experiences lower delinquency rates due to the local relationship and engagement with the customer.
- Since ongoing customer relationship management is performed at the local branch level, the Company is able to establish a stronger relationship with its customers that better allows it to work with these customers to resolve any financial challenges. In this way, bad debts are significantly reduced, especially when compared to a pure online lender.

Corporate Strategy

The Company is committed to being the leading full-service provider of goods and alternative financial services that improve the lives of everyday Canadians. To maintain this position, the Company must continuously evolve to meet the needs of its chosen consumer segment. Additionally, the Company must focus on maintaining its competitive advantage by capitalizing on the key aspects of each business unit, including brand awareness, superior customer service and its cross-country retail network. Cost efficiencies

through economies of scale and shared services will further contribute to the Company's ability to contend with competitive activities in the marketplace.

To achieve this long-term goal, the Company has three key business imperatives:

- Evolve the delivery channels
- Expand the size and scope of easyfinancial
- Execute with efficiency and effectiveness

Evolving the Delivery Channels

Over the last several years, the Company has developed multiple delivery channels in response to customer demands, technology advancements and market opportunities. Up until 2013, all of goeasy's interactions with its customers occurred at a physical retail location.

In 2013, transactional websites were launched by easyhome Leasing for the leasing of new merchandise, and easyfinancial for applying for a consumer installment loans. These new delivery channels allowed the Company to reach consumers who may not have had access to a physical location or those who preferred to interact through the privacy and convenience of their home. These transactional websites require continued evolution to stay abreast of changing technologies and to offer improved levels of service. All of the Company's websites were significantly enhanced in 2015 and these investments in technology will be ongoing. The 2015 enhancement of the easyfinancial website resulted in the time required to complete an application being reduced by 75% which contributed to improvements in the conversion rates. Further optimization of these channels will be achieved through ongoing analysis of performance data and the enhancement of the transactional websites. Ultimately, the transactional websites will be personalized to the unique needs of each user.

The continued enhancement of the easyfinancial transactional website and the shift from traditional advertising channels towards digital media has resulted in a large portion of the easyfinancial loans originating from online applications. This shift has resulted in an overall lower cost of acquisition due to more efficient advertising and reduced transaction support costs (labour, real estate, etc.). This cost reduction, however, has been offset by a modest increase in the overall charge-off rate. The Company's experience has shown that online-originated consumers have a higher charge-off rate than retail originated consumers. On a net basis, the achieved margins from each of these two origination channels are similar and the Company benefits from an overall increase in volume.

In 2015, the Company launched its indirect lending platform to provide financing solution to the customers of merchant partners who did not qualify for the traditional credit products offered by these merchants. Under such a delivery channel, these customers are given the opportunity to apply for a loan through easyfinancial at the point of purchase, thereby allowing them to purchase the desired products or services from the merchant partner.

The initial launch of the indirect lending platform was the first step in a broader strategy of developing the indirect lending channel, where the Company will offer its loan products at the point of sale in the home furnishing, health care and automotive industries. The internally developed mobile tablet solution allows current partners to process credit applications right in their store and receive an instant credit decision. By leveraging automated authentication tools, custom credit models, personal identification scanning technology and digital documents, the Company is able to process loans fully paperless in less than 15 minutes. As the indirect lending channel expands, the Company will need to deploy a desktop based solution and continue to enhance the mobile tablet solution, taking advantage of developments in technology.

The easyhome Leasing business will complement the expansion into indirect lending. Consumer loans made by easyfinancial to consumers for the purchase of product categories that are similar to those offered by easyhome Leasing will be secured by the purchased merchandise. In the event that the loan goes into default, the goods can be repossessed and the value of these recovered goods can be realized by leasing or selling the assets through the easyhome Leasing store network. In this manner, the Company can better manage its risk and has a significant competitive advantage over potential competitors that lack a viable outlet for realizing any value against the security.

Expanding the Size and Scope of easyfinancial

In addition to evolving its delivery channels, the Company will continue to focus on expanding the size and scope of easyfinancial. The Company believes there is significant demand for the products offered by easyfinancial in the Canadian marketplace and that a large portion of this demand is currently not being satisfied.

The Company has made significant investments in its processes and infrastructure to position its easyfinancial business for long-term sustainable growth, including making the following key enhancements:

- Outside experts were engaged by the Company to evaluate all of the key easyfinancial control processes and make recommendations on best practices in the industry. All of the opportunities identified by these experts have been addressed.
- The Company has developed an internal competence in evaluating and managing credit risk. Using leading-edge, data-driven modeling and analytical techniques, underwriting and credit adjudication rules were enhanced with the goal of balancing throughput and charge offs to optimize returns.
- An industry-standard banking platform was implemented in 2011 to ensure that the loans receivable portfolio could be appropriately managed and information could be securely maintained on a scalable infrastructure.
- In 2014, the Company implemented a proprietary loan application management system to process applications originated in its retail and online channels. This system is supported by a new credit decision engine built in partnership with a global leader in risk management technology solutions and is fully integrated with Company's customer relationship management platform enabling it to more efficiently meet the needs of its growing customer base.
- The easyfinancial management team was enhanced through the recruitment of senior managers with broad experience in the financial services and mobile technology industries.
- Through a combination of equity offerings, debt offerings and renegotiation of existing lending relationships, the Company secured the necessary capital to fund the expected growth for the near-term. The continued successful growth of the easyfinancial portfolio and the strengthened balance sheet should provide for access to further levels of capital in the future at reduced costs.

The Company estimates that its retail footprint for easyfinancial could expand to over 250 locations across Canada. Significant progress was made towards this goal in 2015 with the acquisition of 45 retail locations from a payday lender that exited the marketplace. Over the next few years, the Company will continue to add incremental locations in select markets as it works towards its goal. In addition to providing more convenient access to the customers that wish to transact in a physical retail environment, the critical mass of physical locations will strengthen the Company's financial services brand, establishing easyfinancial as the leader in providing financing solutions to consumers who are looking for an alternative to traditional banks and payday lenders.

Over the long-term, the Company expects the operating margin of its easyfinancial business unit to exceed 35% (before any allocation of indirect corporate costs and interest). This operating margin, however, will be muted in periods of rapid expansion. Additional easyfinancial store openings will provide a drag on margins as the relatively fixed cost base of a new location in the months after opening will be disproportionately large until the consumer loans receivable portfolio for that location has grown to a sufficient size to generate larger revenues. The Company will continue to make investments in technology as it develops the required platforms for the new delivery channels.

The expansion of easyfinancial will also be aided by the introduction of complementary financial products. The Company has a stated goal of being the leading full-service provider of goods and alternative financial services that improve the lives of everyday Canadians and as such, the Company intends to build out a suite of products that can ladder a customer from establishing credit to home ownership. In cases where the Company has the expertise and resources to offer these products directly, it will do so. In other cases, it will look to partner with primary providers of these products and offer such products to the Company's customers under a commission or fee-type arrangement. As an example, in 2015 the Company began offering a credit monitoring service to its customers, allowing them to take better control of their financial situation and credit score by monitoring their credit status on an ongoing basis.

Executing with Efficiency and Effectiveness

The Company believes that the products and services presented to its customers are clearly differentiated from its competitors. easyhome Leasing has established itself as the Canadian market leader by providing a more inviting retail experience than its direct competitors, providing consumers with the guaranteed lowest weekly payment rates, and by employing more engaged and better trained retail associates. easyfinancial provides consumers with a financing alternative that is less costly than payday loans and quicker and more convenient than traditional banks, all in an inviting retail or electronic environment.

To meet the demands of its customers and to maximize the profitability of the overall business, the Company will continue to focus on improving its level of execution across all areas of the business.

Offer High Levels of Customer Service and Satisfaction

Customer retention is of paramount importance. Frequent and positive customer interactions encourage repeat business and provide high levels of service and satisfaction. As part of its effort to provide superior customer service, the Company offers quick delivery of its merchandise and rapid loan decisions and funding. The Company believes that competent, knowledgeable and motivated personnel are necessary in order to achieve high levels of customer service and satisfaction. Accordingly, the Company has developed intensive employee training programs, as well as performance measurement programs, incentive-driven compensation plans and other tools to drive a positive customer experience and ensure customer retention.

Increase Store Level Efficiency

Although the Company will pursue the previously described methods to encourage customer retention and growth, it must also aggressively manage all discretionary spending. Supplier relationships and economies of scale will be leveraged to reduce overall cost ratios. Idle inventory levels within its stores will be maintained at optimum levels, balancing the need to provide customers with the choice and selection they require with the capital committed and management effort required to maintain this inventory. Other costs, especially labour, will be tightly controlled through centrally established thresholds, allowing spending to occur only when it will result in improved revenues. In addition, the Company will remediate and, if necessary, close underperforming stores, merging their portfolios with other nearby locations.

Utilize Data Analytics as a Competitive Advantage

The Company has a tremendous volume of customer data that it has gained from years of operating its merchandise leasing and consumer lending businesses. The Company has made significant investments in information technology to safeguard the privacy of this data and also to allow the business to analyze this data to make better business decisions. The intelligent use of this data and analysis will allow easyfinancial to continually enhance its underwriting practices and credit scoring models to make better lending decisions. It will allow easyhome Leasing to better understand the retention patterns of its customers and develop marketing and customer relationship programs that are tailored to each customer's needs while maximizing profitability to the Company.

Leverage the Synergies of Both Business Units

The easyhome Leasing and easyfinancial businesses offer different products to a common customer segment and share many operational practices such as customer relationship management, collections and contract administration. Historically, and as is common with both industries, these practices have been performed by each business unit at the local operating store level. While this approach results in more direct contact with customers, it makes it difficult to foster best practices and achieve economies of scale.

In the fourth quarter of 2013, The Company opened a new Shared Service Centre to provide operational support for both business units in areas such as collections, customer retention and customer care and to support the new delivery channels that do not operate with a dedicated local presence. The Company believes that this hybrid structure will allow local operators to continue to provide a strong level of service directly to their customers, and will enable many administrative and support functions to be performed at a reduced cost, employing best practices. Going forward, additional opportunities for providing coordinated operational support for all business units will be explored.

Continue to Invest in New Technologies

As indicated previously, the Company has made significant investments in technology over the past several years to provide easyfinancial with a scalable platform on which to support significant future growth and to allow new delivery channels to be accessed. As an example, in 2014 the Company implemented a proprietary loan application management system on the Salesforce platform to process applications originated in its retail and online channels. This investment in new technologies will continue in the future as the Company evolves its delivery channels and expands the size and scope of easyfinancial. Investments in new technology will also be made to provide the operators and support staff with additional tools so that they can better service their customers and obtain greater levels of efficiency.

Improve Brand Recognition Through goeasy

In the third quarter of 2014 the Company launched a new master brand, goeasy, and in the third quarter of 2015 the Company further aligned to this master brand by changing its corporate name from easyhome Ltd. to goeasy Ltd. Going forward, the Company's new goeasy master brand will provide a corporate umbrella that unites and supports its sub-brands of easyhome and easyfinancial, and allow it to more effectively reach its targeted demographic with all its lines of business.

The pillars of the goeasy master brand are Access, Relief and Respect. When a customer deals with any of the Company’s business units, they will know they can obtain greater access to products and services than they can through more traditional retailers or banks who have denied them in the past. They can also access the Company’s products through multiple channels, including retail, online and indirect. Customers will be provided with relief from their financial challenges with the promise of a decision within 30 minutes. Finally, customers will know that they will be respected by the Company and its people throughout their entire customer experience. These are the core pillars that anchor the goeasy brand.

The launch of the master brand also involved a shift away from paper-based advertising channels towards a greater investment in broadcast and digital media. Longer term, the master brand will facilitate the launch of new products and services and reduce the cost of customer acquisition.

Outlook

The discussion in this section is qualified in its entirety by the cautionary language regarding forward-looking statements found in the "Caution Regarding Forward-Looking Statements" of this MD&A.

Update of 2015 Targets

The Company's 2015 targets along with the underlying assumptions and risk factors were originally communicated in its September 30, 2014 MD&A and most recently revised in its June 30, 2015 MD&A. The Company's actual performance against its targets for fiscal 2015 is as follows:

	Actual Results for 2015	Revised Targets for 2015	Explanation for Variance to Targets
New easyfinancial locations opened in year	**64**	60 - 65	Target achieved
Gross consumer loans receivable portfolio at year end	**$289.4 million**	$280 - $295 million	Target achieved
easyfinancial operating margin	**30.8%**	28 - 32%	Target achieved
Total revenue growth	**17.4%**	15 - 20%	Target achieved

Looking to 2016, goeasy's strategic focus remains unchanged. The Company will focus on evolving its delivery channels, expanding the size and scope of easyfinancial and executing with efficiency and effectiveness.

Update of 2016 and Three-Year (2018) Targets

The Company's 2016 targets and assumptions were originally communicated in its December 31, 2013 MD&A and most recently revised in its September 30, 2015 MD&A. The Company's three-year (2018) targets and assumptions were originally communicated in its September 30, 2015 MD&A.

The following table outlines the Company's targets for 2016 and 2018 and provides the material assumptions used to develop such forward-looking statements. These targets are inherently subject to risks which are identified in the following tables, as well as those risks referred to in the section entitled "Risk Factors".

	Targets for 2016	Targets for 2018	Assumptions	Risk Factors[1]
New easyfinancial locations	**10 - 20 locations opened during the year**	**220 - 240 locations by the end of 2018**	• The Company continues to be able to access growth capital for its easyfinancial business at a reasonable cost. • Virtually all new locations will operate as stand-alone branches.	• The earnings drag from newly opened locations is within acceptable levels. • The Company's ability to secure new real estate and experienced personnel. • Retail business conditions are assumed to be within normal parameters with respect to consumer demand and margins.
Gross consumer loans receivable portfolio at year end	**$360 - $390 million**	**$500 million**	• The new store opening plan and the development of new delivery channels occur as expected. • The Company continues to be able to access growth capital for its easyfinancial business at a reasonable cost. • Increased expenditures on marketing and advertising within easyfinancial	• Retail business conditions are assumed to be within normal parameters with respect to consumer demand and margins. • The Company's ability to secure new real estate and experienced personnel. • Continued access to capital.
Total revenue growth	**18% - 22%**	**n/a**	• Nominal growth for the easyhome Leasing business unit. • Continued accelerated growth of the consumer loans receivable portfolio, driven by new delivery channels, additional store openings and increased marketing spend.	• Retail business conditions are assumed to be within normal parameters with respect to consumer demand and margins. • Changes to regulations governing the products offered by the Company. • Reduction in the yield on easyfinancial's products.
easyfinancial operating margin	**32% - 35%**	**35%**	• Yield and cost rates at mature locations are indicative of future performance.	• The Company's ability to achieve operating efficiencies as its locations mature. • The earnings drag from newly opened locations is within acceptable levels.

[1] Risk factors include those risks referred to in the section entitled "Risk Factors".

Analysis of Results for the Year Ended December 31, 2015

Financial Highlights and Accomplishments

- 2015 was the fourteenth consecutive year of growing revenues and delivering profits. Since 2001, total revenue has seen a compounded annual growth rate of 11.5% while net income has grown from a loss of $1.9 million in 2001 to net income of $23.7 million in 2015. In 2015, the Company again delivered record levels of revenue, net income and earnings per share.

- In consideration of the improved earnings achieved in 2014 compared to the prior year and the Company's confidence of its continued growth and access to capital going forward, the Board of Directors approved an increase to the quarterly dividend from $0.085 per share to $0.10 per share in the first quarter of 2015.

- goeasy continued to grow revenue during 2015. Revenue for the year increased to $304.3 million from $259.2 million in 2014, an increase of $45.1 million or 17.4%. The growth was driven primarily by the expansion of easyfinancial and its consumer loan receivable portfolio.

- The Company continued to secure the additional capital needed to fund the growth of its consumer loans receivable at lower costs throughout the year. During the year, the Company increased its total credit facilities by $100 million from $200 million to $300 million, while reducing the current interest rate on the term loan from 8.22% to 7.99%. The amended facilities were comprised of a $280 million term loan and a $20 million revolving operating facility. The increased capital will support the growth of easyfinancial into 2017. The amended facilities featured financial covenants that were more flexible and drawings that closely corresponded with the estimated cash flow requirements of the business. In addition, the expiry date was extended by 12 months to October 4, 2019.

- In the first quarter of 2015, the Company acquired the lease rights and obligations for 45 retail locations across Canada from a former payday loan operator for total consideration of $2.8 million, effectively fast tracking the Company's planned real estate build-out for its easyfinancial business. Including these locations the Company opened 64 easyfinancial branches in the year, achieving the Company's stated objective of opening 60 to 65 branches in 2015.

- In the third quarter of 2015, the Company acquired 14 Canadian merchandise leasing stores from a U.S.-based rent-to-own company. As part of the transaction, the Company sold two of its remaining U.S. franchised locations whose financial results were consolidated for financial statement purposes. The net purchase price for the transaction was $3.4 million.

- Also in the third quarter of 2015, the Company partnered with a large, national furniture retailer to provide their customers that do not qualify for traditional prime credit with a new point-of-sale financing alternative. This launch was part of a broader strategy to expand into the indirect lending channel, where the Company can offer its loan products at the point of sale in the home furnishing, health care and automotive industries.

- The gross consumer loans receivable portfolio experienced record growth, increasing by $97.2 million compared with growth of $81.5 million in 2014. The gross consumer loans receivable portfolio as at December 31, 2015 was $289.4 million compared with $192.2 million as at December 31, 2014, up 50.6%. Loan originations were also a record in 2015 at $330.7 million, up 41.4% compared with total loan originations of $233.8 million in 2014.

- easyhome Leasing operating margin improved from 15.4% in 2014 to 16.2% in 2015. The Company is now operating a smaller more profitable store network. easyfinancial operating margin for 2015 was 30.8%, achieving the Company's operating margin target of 28 to 32%.

- The operating income of both the easyhome leasing and easyfinancial businesses increased in 2015 driving overall operating income to a record $48.1 million, up $14.7 million or 44.0%, from 2014 excluding restructuring and other items in the prior comparative results. Overall, operating margin for the year was 15.8%, up from the 12.9% reported in 2014 excluding the impact of restructuring and

other items in the prior comparative results. Overall operating margin benefitted from higher operating margins at the easyhome leasing business, strong margins at easyfinancial and an increasing percentage of the Company's operating income being generated by the higher margin easyfinancial business.

- Net income for 2015 was $23.7 million or $1.69 per share on a diluted basis. Excluding the impact of restructuring and other items which benefitted 2014, net income and diluted earnings per share in the prior year were $18.6 million and $1.34 respectively. On this normalized basis, net income and diluted earnings per share increased by $5.1 million (27.6%) and $0.35 (26.1%) respectively.

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**304,273**	259,150	45,123	17.4%
Operating expenses before depreciation and amortization	**200,125**	167,916	32,209	19.2%
EBITDA[1]	**56,741**	41,809	14,932	35.7%
EBITDA margin[1]	**18.6%**	16.1%	2.5%	-
Depreciation and amortization expense	**56,096**	56,641	(545)	(1.0%)
Operating income	**48,052**	34,593	13,459	38.9%
Operating margin[1]	**15.8%**	13.3%	2.5%	-
Finance costs	**15,334**	8,800	6,534	74.3%
Effective income tax rate	**27.5%**	23.4%	4.1%	-
Net income	**23,728**	19,748	3,980	20.2%
Diluted earnings per share	**1.69**	1.42	0.27	19.0%
Adjusted (Normalized) Financial Results[1]				
Adjusted EBITDA margin	**18.6%**	15.7%	2.9%	-
Adjusted operating earnings	**48,052**	33,368	14,684	44.0%
Adjusted operating margin	**15.8%**	12.9%	2.9%	-
Adjusted earnings	**23,728**	18,600	5,128	27.6%
Adjusted earnings per share	**1.69**	1.34	0.35	26.1%
Key Performance Indicators[1]				
Same store revenue growth	**16.3%**	19.6%	(3.3%)	-
Same store revenue growth excluding easyfinancial	**4.7%**	2.6%	2.1%	-
easyhome Leasing				
Potential monthly lease revenue	**10,651**	10,955	(304)	(2.8%)
Change in potential monthly lease revenue due to ongoing operations	**(98)**	143	(241)	168.5%
easyhome Leasing revenue	**152,605**	158,322	(5,717)	(3.6%)
easyhome Leasing operating margin	**16.2%**	15.4%	0.8%	-
easyfinancial				
Gross consumer loans receivable	**289,426**	192,225	97,201	50.6%
Growth in gross consumer loans receivable	**97,201**	81,521	15,680	19.2%
Gross loan originations	**330,689**	233,805	96,884	41.4%
easyfinancial revenue	**151,668**	100,828	50,840	50.4%
Bad debt expense as a percentage of easyfinancial revenue	**27.6%**	24.1%	3.5%	-
Net charge offs as a percentage of average gross consumer loans receivable	**14.8%**	13.0%	1.8%	-
easyfinancial operating margin	**30.8%**	32.7%	(1.9%)	-

[1] See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures".

Store Locations Summary

	Locations as at Dec. 31, 2014	Locations opened / acquired during period	Locations closed / sold during period	Conversions	Locations as at Dec. 31, 2015
easyhome Leasing					
Corporately owned stores	163	5	(10)	(3)	**155**
Consolidated franchise locations	6	-	(3)	-	**3**
Total consolidated stores	169	5	(13)	(3)	**158**
Total franchise stores	23	-	-	3	**26**
Total easyhome Leasing stores	192	5	(13)	-	**184**
easyfinancial					
Kiosks (in store)	64	2	(3)	(12)	**51**
Stand-alone locations	89	50	(1)	12	**150**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	154	52	(4)	-	**202**

Summary of Financial Results by Operating Segment

($ in 000's except earnings per share)	Year Ended December 31, 2015			
	easyhome Leasing	easyfinancial	Corporate	Total
Revenue	**152,605**	**151,668**	**-**	**304,273**
Total operating expenses before depreciation and amortization	**77,724**	**99,607**	**22,794**	**200,125**
Depreciation and amortization	**50,214**	**5,289**	**593**	**56,096**
Operating income (loss)	**24,667**	**46,772**	**(23,387)**	**48,052**
Finance costs				**15,334**
Income before income taxes				**32,718**
Income taxes				**8,990**
Net income				**23,728**
Diluted earnings per share				**1.69**

($ in 000's except earnings per share)	Year Ended December 31, 2014			
	easyhome Leasing	easyfinancial	Corporate	Total
Revenue	158,322	100,828	-	259,150
Total operating expenses before depreciation and amortization and restructuring and other items	81,305	64,524	23,312	169,141
Restructuring and other items	-	-	(1,225)	(1,225)
Depreciation and amortization	52,711	3,298	632	56,641
Operating income (loss)	24,306	33,006	(22,719)	34,593
Finance costs				8,800
Income before income taxes				25,793
Income taxes				6,045
Net income				19,748
Diluted earnings per share				1.42

Revenue

Revenue for the year ended December 31, 2015 was $304.3 million compared to $259.2 million in 2014, an increase of $45.1 million or 17.4%. The increase was driven by the growth of easyfinancial.

easyhome Leasing - Revenue for the year ended December 31, 2015 was $152.6 million, a decrease of $5.7 million from 2014. The year-over-year change in revenue can be attributed to:

- Revenue growth across the Canadian store network (excluding the impact of store transactions) was $2.0 million in 2015 when compared with the prior year. The growth was driven by improved pricing to offset the higher cost of acquiring inventory in U.S. dollars. Similarly, same store sales growth excluding the impact of easyfinancial was 4.7% in the year.
- The Company completed several transactions over the past two years to acquire merchandise lease portfolios as well as closed or sold merchandise leasing stores that it owned. These transactions in aggregate reduced revenue by $2.5 million in 2015 when compared to the prior year.
- Revenue in the year was also impacted by the sale of the Company's royalty rights from its U.S. franchise network that were sold in the fourth quarter of 2014 and the deconsolidation of franchise locations that were previously consolidated for financial reporting purposes. These factors reduced revenue by $1.3 million and $3.9 million respectively in the year compared to 2014.

easyfinancial - Revenue for the year ended December 31, 2015 was $151.7 million, an increase of $50.8 million or 50.4% from 2014. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $192.2 million as at December 31, 2014 to $289.4 million as at December 31, 2015, an increase of $97.2 million or 50.6%.

During 2015, the company realized a reduction in the yield it achieved on its portfolio. The average loan size increased due to strong demand for the Company's larger dollar value loan products. Higher value loans have lower pricing on certain ancillary products to account for the lower overall risk. As a result, the commission earned by the Company on the sale of the ancillary products was lower. The overall portfolio yield in 2015 declined by 3.7% when compared to 2014.

The gross consumer loans receivable portfolio grew by $97.2 million during the year ended December 31, 2015 as compared with growth of $81.5 million for 2014. Loan originations were also strong in the year at $330.7 million, up 41.4% compared with 2014.

Total Operating Expenses before Depreciation and Amortization (and Restructuring and Other Items)

Total operating expenses before depreciation and amortization and restructuring and other items were $200.1 million for the year ended December 31, 2015, an increase of $31.0 million or 18.3% from the comparable period in 2014. The increase was related to the higher operating expenses of the growing easyfinancial business and was somewhat offset by lower operating expenses within the leasing business. Operating expenses before depreciation and amortization and restructuring and other items represented 65.8% of revenue in 2015 as compared with 65.3% for 2014.

easyhome Leasing – Total operating expenses before depreciation and amortization for the year ended December 31, 2015 were $77.7 million, a decrease of $3.6 million or 4.4% from 2014. The decline was related to the reduced store count, improved labour efficiencies, the impact of the wind-down of the U.S. operations and a $1.4 million reduction in advertising costs. Consolidated leasing store count declined from 169 as at December 31, 2014 to 158 as at December 31, 2015.

easyfinancial – Total operating expenses before depreciation and amortization were $99.6 million for the year ended December 31, 2015, an increase of $35.1 million or 54.4% from 2014. Operating expenses excluding bad debt expense increased by $17.4 million or 43.3% in the year driven by: i) the increased cost of 48 additional branches when compared to December 31, 2014, including the additional operating expenses relating to the locations acquired in the first quarter of 2015, ii) $3.0 million in additional advertising and marketing costs to support the strong growth in the consumer loans receivable portfolio, iii) continued conversion of in-store kiosks towards higher capacity stand-alone branches, iv) higher costs associated with easyfinancial's Shared Service Centre to support the increase in loan originations, and v)

incremental expenditures to develop new distribution channels and manage the growing branch network. Overall, branch count increased from 154 as at December 31, 2014 to 202 as at December 31, 2015.

Bad debt expense increased to $41.9 million for the year ended December 31, 2015 from $24.3 million in 2014, up $17.6 million or 72.8%. Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 14.8% in 2015, up from 13.0% in 2014. The net charge-off rates for both 2015 and 2014 benefitted from the gain realized on the sale of previously charged-off accounts. Excluding this gain, net charge offs as a percentage of the average gross consumer loans receivable were 15.0% and 13.6% for 2015 and 2014, respectively.

The overall charge-off rate has increased as a larger proportion of loans have originated online. The Company's experience has shown that online-originated consumers have a higher charge-off rate than retail originated consumers. This higher charge-off rate was offset by an overall lower cost of acquisition for loans originated online due to more efficient advertising and reduced transaction support costs (labour, real estate, etc.), resulting in achieved margins from each of these two origination channels that were similar while the Company benefited from an overall increase in volume. The Company continues to expect that the net charge-off rate will be in the range of 14% to 16% for 2016.

Corporate – Total operating expenses before depreciation and amortization and restructuring and other items were $22.8 million in the year ended December 31, 2015 compared to $23.3 million in 2014, a decrease of $0.5 million. The decline was related to lower incentive compensation costs in the year ended December 31, 2015. First, accruals for short term incentive compensation were reduced by 38% (while earnings before tax increased by 27%) due to exceeding internal financial targets in 2014 whereas the financial results in 2015 were more in line with internal targets in 2015. Second, stock-based compensation expense was no longer impacted by changes in the Company's share price as it was in 2014 due to the move from cash settled units to stock settled units. Corporate expenses before depreciation and amortization and restructuring and other items represented 7.5% of revenue in 2015 compared to 9.0% of revenue in 2014.

Restructuring and other items – During the fourth quarter of 2014, the Company decided to wind down its operations in the U.S. and focus on the Canadian marketplace. This involved the sale of the Company's rights to future royalty payments from its franchisees, the recognition of impairment provisions against certain intangible assets and property and equipment located in the U.S. and the recording of other restructuring charges which consisted of provisions for onerous leases, severance and other charges. For the year ended December 31, 2014, a net credit of $1.2 million was recorded as restructuring and other charges within operating income.

Depreciation and Amortization

Depreciation and amortization for the year ended December 31, 2015 was $56.1 million, a decrease of $0.5 million from 2014. Increased depreciation of property and equipment and intangible assets within easyfinancial was more than offset by the reduced depreciation within easyhome leasing. Overall depreciation and amortization represented 18.4% of revenue in 2015, an improvement from 21.9% in 2014.

Leasing depreciation and amortization expense declined by $2.5 million in the year compared with 2014 due to reductions in the lease portfolio (as described in the analysis of easyhome Leasing's revenue), improved pricing and margins, lower charge offs and a reduced impairment charge. Leasing depreciation and amortization expressed as a percentage of leasing revenue for the year was 32.9%, an improvement from the 33.3% reported for 2014.

The $2.0 million increase in depreciation and amortization within easyfinancial was attributable to its growing branch network and the amortization of new systems.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the year ended December 31, 2015 was $48.1 million. Operating income in the prior year was $34.6 million or $33.4 million excluding the impact of restructuring and other items. On this normalized basis, operating income for the year ended December 31, 2015 increased by $14.7 million or 44.0%. Overall operating margin for the year ended December 31, 2015 was 15.8%, up from the 12.9%

reported in 2014 and excluding the impact of restructuring and other items in the prior period. Overall operating margin benefitted from higher operating margins at the easyhome leasing business, strong margins at easyfinancial and an increasing percentage of the Company's operating income being generated by the higher margin easyfinancial business.

easyhome Leasing – Operating income was $24.7 million for the year ended December 31, 2015, up $0.4 million from 2014. The benefit of reduced advertising spend and improved store level performance was partially offset by the store transactions (sales, closures and acquisitions) completed during 2014 and 2015 and the removal of the U.S. royalty income in the fourth quarter of 2014. With the various store transactions completed during the year, the Company now has a smaller, but more profitable, store network. Operating margin for the year ended December 31, 2015 was 16.2%, up from the 15.4% reported in 2014.

easyfinancial – Operating income was $46.8 million for the year ended December 31, 2015 up from the $33.0 million reported in 2014, an increase of $13.8 million or 41.7%. Operating margin for the year was 30.8% compared with 32.7% reported in 2014. Operating margin was negatively impacted by the drag on earnings associated with the 45 locations acquired and opened in the first quarter of 2015 and by the reduction in the portfolio yield.

Finance Costs

Finance costs for the year were $15.3 million, up $6.5 million from 2014. The increase in finance costs was driven by higher average borrowing levels.

Income Tax Expense

The effective income tax rate for the year ended December 31, 2015 was 27.5%, up from the 23.4% reported in 2014. During the fourth quarter of 2014, the Company decided to wind down its operations in the U.S., which involved the sale of the Company's rights to future royalty payments from its U.S. franchisees. This resulted in a gain on sale in the Company's U.S. subsidiary which had adequate tax loss carryforwards to eliminate any tax payable on the transaction, thus resulting in a low effective income tax rate in the year. Excluding the impact of the Company's U.S. operations, the Company's effective tax rate for its Canadian operations for 2014 was 26.5%.

Net Income and Earnings Per Share

Net income for the year ended December 31, 2015 was $23.7 million or $1.69 per share on a diluted basis. Excluding the impact of restructuring and other items which benefitted the year ended December 31, 2014, net income and diluted earnings per share in the prior year were $18.6 million and $1.34 respectively. On this normalized basis net income and diluted earnings per share increased by $5.1 million (27.6%) and $0.35 (26.1%) respectively.

Selected Annual Information

Operating Results

($ in 000's except per share amounts)	2015	2014	2013	2012	2011
Revenue	**304,273**	259,150	218,814	199,673	188,325
Net income	**23,728**	19,748	14,182	11,057	9,612
Dividends declared on common shares	**5,372**	4,530	4,178	4,043	4,029
Cash dividends declared per common share	**0.40**	0.34	0.34	0.34	0.34
Earnings Per Share					
Basic	**1.75**	1.47	1.16	0.93	0.81
Diluted	**1.69**	1.42	1.15	0.92	0.81

Assets and Liabilities

($ in 000's)	As at Dec. 31, 2015	As at Dec. 31, 2014	As at Dec. 31, 2013	As at Dec. 31, 2012	As at Dec. 31, 2011
Total Assets	**418,502**	319,472	232,900	189,927	159,123
Total Liabilities					
Bank debt	**-**	1,756	23,496	21,281	33,123
Term loan	**210,299**	119,841	37,878	18,330	-
Other	**32,144**	43,907	35,893	45,303	28,458
	242,443	165,504	97,267	84,914	61,581

Analysis of Results for the Three Months Ended December 31, 2015

Fourth Quarter Highlights

- goeasy continued to grow revenue during the fourth quarter of 2015. Revenue for the quarter reached a record high of $82.9 million, up from the $70.0 million reported in the fourth quarter of 2014 and an increase of $12.8 million or 18.3%. The growth was driven primarily by the expansion of easyfinancial and its consumer loans receivable portfolio. Same-store revenue growth for the quarter, which includes revenue growth from easyfinancial, was 16.5%. Excluding the impact of easyfinancial, same-store revenue growth was 5.0%.

- The gross consumer loans receivable portfolio as at December 31, 2015 was $289.4 million compared with $192.2 million as at December 31, 2014, an increase of $97.2 million or 50.6%. The loan book grew by a record $35.8 million in the quarter compared with growth of $26.5 million in the fourth quarter of 2014. Loan originations were also strong in the quarter at $110.9 million, up 49.5% compared with the fourth quarter of 2014. Similarly, easyfinancial revenue increased by 46.1% in the quarter compared to the same period of 2014, driven by a larger consumer loans receivable portfolio.

- easyfinancial generated a strong operating margin of 32.9%, continuing to improve sequentially after the acquisition of 45 branches from a payday loan operator in the first quarter of 2015. easyfinancial's operating income was $14.8 million for the fourth quarter of 2015 compared with $10.7 million for the comparable period in 2014, an increase of $4.1 million or 37.5% driven by the growth of the gross consumer loans receivable portfolio.

- The operating income of easyhome leasing increased 15.8% or $1.0 million for the fourth quarter of 2015, reaching $7.0 million. The improvement was driven by lower advertising spending and improved store level profitability driven by a smaller but more efficient store network. The operating margin for easyhome leasing reached 18.5% for the fourth quarter of 2015, up from the 15.4% reported in the fourth quarter of 2014.

- Operating income for fourth quarter of 2015 reached $15.0 million. This represented an increase of $4.7 million or 45.3% when compared to the normalized operating income (excluding restructuring and other charges) for the fourth quarter of 2014. Overall, operating margin for the quarter was 18.1%, up from the 14.7% normalized operating margin reported in the fourth quarter of 2014. Overall operating margin benefitted from higher operating margins at the easyhome leasing business, strong margins at easyfinancial and an increasing percentage of the Company's operating income being generated by the higher margin easyfinancial business.

- Net income for the fourth quarter of 2015 was $7.5 million or $0.54 per share on a diluted basis. Excluding the impact of restructuring and other items that benefitted the fourth quarter of 2014, net income and diluted earnings per share for the comparable period in 2014 were $6.0 million and $0.43, respectively. When compared to the normalized results for the fourth quarter of 2014, net income and earnings per share increased by $1.5 million (26.3%) and $0.11 (25.6%), respectively.

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended Dec. 31, 2015	Dec. 31, 2014	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**82,875**	70,042	12,833	18.3%
Operating expenses before depreciation and amortization	**53,813**	44,024	9,789	22.2%
EBITDA[1]	**17,161**	13,518	3,643	26.9%
EBITDA margin[1]	**20.7%**	19.3%	1.4%	-
Depreciation and amortization expense	**14,071**	14,476	(405)	(2.8%)
Operating income	**14,991**	11,542	3,449	29.9%
Operating margin[1]	**18.1%**	16.5%	1.6%	-
Finance costs	**4,605**	2,907	1,698	58.4%
Effective income tax rate	**27.5%**	17.6%	9.9%	-
Net income	**7,532**	7,112	420	5.9%
Diluted earnings per share	**0.54**	0.51	0.03	5.9%
Adjusted (Normalized) Financial Results[1]				
Adjusted EBITDA margin	**20.7%**	17.6%	3.1%	-
Adjusted operating earnings	**14,991**	10,317	4,674	45.3%
Adjusted operating margin	**18.1%**	14.7%	3.4%	-
Adjusted earnings	**7,532**	5,964	1,568	26.3%
Adjusted earnings per share	**0.54**	0.43	0.11	25.6%
Key Performance Indicators[1]				
Same store revenue growth	**16.5%**	20.8%	(4.3%)	-
Same store revenue growth excluding easyfinancial	**5.0%**	2.6%	2.4%	-
easyhome Leasing				
Potential monthly lease revenue	**10,651**	10,955	(304)	(2.8%)
Change in potential monthly lease revenue due to ongoing operations	**314**	593	(279)	(47.0%)
easyhome Leasing revenue	**38,049**	39,370	(1,321)	(3.4%)
easyhome Leasing operating margin	**18.5%**	15.4%	3.1%	-
easyfinancial				
Gross consumer loans receivable	**289,426**	192,225	97,201	50.6%
Growth in consumer loans receivable	**35,819**	26,505	9,314	35.1%
Gross loan originations	**110,895**	74,198	36,697	49.5%
easyfinancial revenue	**44,826**	30,672	14,154	46.1%
Bad debt expense as a percentage of easyfinancial revenue	**30.1%**	22.0%	8.1%	-
Net charge offs as a percentage of average gross consumer loans receivable	**15.5%**	11.3%	4.2%	-
easyfinancial operating margin	**32.9%**	35.0%	(2.1%)	-

[1] See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures".

Store Locations Summary

	Locations as at Sept. 30, 2015	Locations opened / acquired during period	Locations closed / sold during period	Conversions	Locations as at Dec. 31, 2015
easyhome Leasing					
Corporately owned stores	157	-	(1)	(1)	**155**
Consolidated franchise locations	4	-	(1)	-	**3**
Total consolidated stores	161	-	(2)	(1)	**158**
Total franchise stores	25	-	-	1	**26**
Total easyhome Leasing stores	186	-	(2)	-	**184**
easyfinancial					
Kiosks (in store)	52	-	-	(1)	**51**
Stand-alone locations[1]	148	1	-	1	**150**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	201	1	-	-	**202**

Summary of Financial Results by Operating Segment

($ in 000's except earnings per share)	Three Months Ended December 31, 2015			
	easyhome Leasing	easyfinancial	Corporate	Total
Revenue	**38,049**	**44,826**	**-**	**82,875**
Total operating expenses before depreciation and amortization	**18,520**	**28,616**	**6,677**	**53,813**
Depreciation and amortization	**12,489**	**1,449**	**133**	**14,071**
Operating income (loss)	**7,040**	**14,761**	**(6,810)**	**14,991**
Finance costs				**4,605**
Income before income taxes				**10,386**
Income taxes				**2,854**
Net income				**7,532**
Diluted earnings per share				**0.54**

($ in 000's except earnings per share)	Three Months Ended December 31, 2014			
	easyhome Leasing	easyfinancial	Corporate	Total
Revenue	39,370	30,672	-	70,042
Total operating expenses before depreciation and amortization and restructuring and other items	19,944	18,972	6,333	45,249
Restructuring and other items	-	-	(1,225)	(1,225)
Depreciation and amortization	13,344	968	164	14,476
Operating income (loss)	6,082	10,732	(5,272)	11,542
Finance costs				2,907
Income before income taxes				8,635
Income taxes				1,523
Net income				7,112
Diluted earnings per share				0.51

Revenue

Revenue for the three-month period ended December 31, 2015 was $82.9 million compared to $70.0 million in the same period in 2014, an increase of $12.8 million or 18.3%. Same-store sales growth for the quarter was 16.5%. Revenue growth was driven primarily by the growth of easyfinancial.

easyhome Leasing - Revenue for the three-month period ended December 31, 2015 was $38.0 million, a decrease of $1.3 million when compared with the fourth quarter of 2014. Factors impacting revenue in the period included the following:

- Revenue growth across the Canadian store network (excluding the impact of store transactions) was $0.4 million in the fourth quarter of 2015 compared with the fourth quarter of 2014, driven primarily by improved pricing to offset the higher cost of acquiring inventory in U.S. dollars. Similarly, same store sales growth within easyhome Leasing was 5.0% in the quarter.
- The Company completed several transactions over the past 15 months to acquire merchandise lease portfolios (including the acquisition of the lease portfolio of 14 rent-to-own stores from a large U.S.-based rent-to-own company completed in third quarter of 2015) and closed or sold merchandise leasing stores that it owned. These transactions in aggregate reduced revenue by $0.1 million in the quarter when compared to the fourth quarter of 2014.
- Revenue in the quarter was also reduced by the sale of the Company's royalty rights from its U.S. franchise network that were sold in the fourth quarter of 2014 and the deconsolidation of franchise locations that were previously consolidated for financial reporting purposes. These factors reduced revenue by $0.3 million and $1.3 million, respectively, in the quarter compared with the fourth quarter of 2014.

easyfinancial - Revenue for the three-month period ended December 31, 2015 was $44.8 million, an increase of $14.2 million or 46.1% from the comparable period in 2014. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $192.2 million as at December 31, 2014 to $289.4 million as at December 31, 2015, an increase of $97.2 million or 50.6%. While the gross consumer loans receivable portfolio grew 50.6% over the past 12 months, easyfinancial's revenue grew at a lower rate of 46.1% compared with the fourth quarter of 2014 due to a reduction in the achieved yield as previously described. The annualized yield declined by 2.4% in the fourth quarter of 2015 compared to the fourth quarter of 2014.

The gross consumer loans receivable portfolio experienced record growth of $35.8 million in the quarter compared with growth of $26.5 million for the fourth quarter of 2014. Loan originations in the quarter were $110.9 million, up 49.5% compared to the fourth quarter of 2014.

Total Operating Expenses before Depreciation and Amortization (and Restructuring and Other Items)

Total operating expenses before depreciation and amortization and restructuring and other items were $53.8 million for the three-month period ended December 31, 2015, an increase of $8.6 million or 18.9% from the comparable period in 2014. The increase in operating expenses was driven primarily by the higher costs associated with the expanding easyfinancial business and somewhat offset by lower costs within the easyhome leasing business. Total operating expenses before depreciation and amortization and restructuring and other items represented 64.9% of revenue for the fourth quarter of 2015, consistent with the 64.6% reported in the fourth quarter of 2014.

easyhome Leasing – Total operating expenses before depreciation and amortization for the three-month period ended December 31, 2015 were $18.5 million, a decrease of $1.4 million from the $19.9 million reported in the fourth quarter of 2014. The costs savings were driven by the reduced store count, improved labour efficiencies, the impact of the wind down of the U.S. operations and a $0.9 million reduction in advertising spend. Consolidated leasing store count declined by 11 from 169 as at December 31, 2014 to 158 as at December 31, 2015.

easyfinancial – Total operating expenses before depreciation and amortization were $28.6 million for the fourth quarter of 2015, an increase of $9.6 million or 50.8% from the fourth quarter of 2014. Operating expenses, excluding bad debt, increased by $2.9 million or 24.0% in the quarter driven by: i) the increased

cost of 48 additional branches when compared to December 31, 2014, including the additional operating expenses relating to the locations acquired in the first quarter of 2015, ii) an additional $0.9 million in advertising and marketing investment to support the strong growth in the consumer loans receivable portfolio, iii) the continued conversion of in-store kiosks towards higher capacity stand-alone branches, iv) higher costs associated with easyfinancial's Shared Service Centre to support the increase in loan originations and collection activities and v) incremental expenditures to develop new distribution channels and manage the growing branch network. Overall, branch count increased from 154 as at December 31, 2014 to 202 as at December 31, 2015.

Bad debt expense increased to $13.5 million for the fourth quarter of 2015 from $6.8 million during the comparable period in 2014. Bad debt expense in the fourth quarter of 2014 benefitted from the sale of certain charged-off accounts to a third-party collection firm. This sale reduced bad debt expense, which is net of recoveries, in the comparable period by $0.9 million. Excluding the impact of this sale, bad debt expense in the quarter increased by $5.8 million or 75.3%.

Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.5% in the quarter compared with 13.2% in the fourth quarter of 2014, excluding the impact of the aforementioned charged-off account sale. The overall charge-off rate has increased as a larger proportion of loans have originated online. The Company's experience has shown that online-originated consumers have a higher charge-off rate than retail originated consumers. This higher charge-off rate was offset by an overall lower cost of acquisition for loans originated online due to more efficient advertising and reduced transaction support costs (labour, real estate, etc.) for such loan originations resulting in achieved margins from each of these two origination channels that were similar while the Company benefited from an overall increase in volume. The Company continues to expect that the net charge-off rate will be in the range of 14% to 16% for 2016.

Corporate – Total operating expenses before depreciation and amortization and restructuring and other items were $6.7 million for the fourth quarter of 2015 compared to $6.3 million in the fourth quarter of 2014, an increase of $0.4 million. The increase was related to higher salary and administrative costs in the fourth quarter of 2015 and was somewhat offset by lower incentive compensation costs in the year ended December 31, 2015 as previously described. Corporate expenses before depreciation and amortization and restructuring and other items represented 8.1% of revenue in the fourth quarter of 2015 compared to 9.0% of revenue in the fourth quarter of 2014.

Restructuring and other items – During the fourth quarter of 2014, the Company decided to wind down its operations in the U.S. and focus on the Canadian marketplace. This involved the sale of the Company's rights to future royalty payments from its franchisees, the recognition of impairment provisions against certain intangible assets and property and equipment located in the U.S. and the recording of other restructuring charges that consisted of provisions for onerous leases, severance and other charges. For the year ended December 31, 2014, a net credit of $1.2 million was recorded as restructuring and other charges within operating income.

Depreciation and Amortization

Depreciation and amortization for the three-month period ended December 31, 2015 was $14.1 million, a decrease of $0.4 million from the comparable period in 2014. Overall, depreciation and amortization represented 17.0% of revenue for the three months ended December 31, 2015, a decrease from 20.7% in the comparable period of 2014.

easyhome Leasing depreciation and amortization expense declined by $0.9 million in the fourth quarter of 2015 compared to the fourth quarter of 2014 due to reductions in the lease portfolio (as described in the analysis of easyhome Leasing's revenue), improved pricing and margins, lower charge offs and an impairment recovery in the quarter compared with an impairment charge in the fourth quarter of 2014. Leasing depreciation and amortization expressed as a percentage of leasing revenue for the quarter was 32.8%, a decrease from the 33.9% reported in the fourth quarter of 2014.

The $0.5 million increase in depreciation and amortization within easyfinancial was attributable to its growing branch network and the amortization of new systems.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the three-month period ended December 31, 2015 was $15.0 million. Normalized operating income in the comparable prior of 2014, excluding restructuring and other items, was $10.3 million. Normalizing the 2014 results, operating income in the current quarter increased by $4.7 million or 45.3%. Higher operating incomes within the leasing business and easyfinancial were partially offset by higher corporate costs. Overall, operating margin for the quarter was 18.1%, up from the 14.7% reported in the fourth quarter of 2014 excluding the impact of restructuring and other items in the prior period. Overall operating margin benefitted from higher operating margins at the easyhome leasing business, strong margins at easyfinancial and an increasing percentage of the Company's operating income being generated by the higher margin easyfinancial business.

easyhome Leasing – Operating income was $7.0 million for the fourth quarter of 2015, an increase of $1.0 million when compared with the fourth quarter of 2014. While overall revenue declined in the quarter when compared with the fourth quarter of 2014 due to the smaller store network and the prior sale of the U.S royalty income, operating income was positively impacted by lower advertising spend and improved store level profitability driven by a smaller but more efficient store network. Operating margin for the fourth quarter of 2015 was 18.5%, an increase from 15.4% reported in the fourth quarter of 2014.

easyfinancial – Operating income was $14.8 million for the fourth quarter of 2015 compared with $10.7 million for the comparable period in 2014, an increase of $4.1 million or 37.5%. The increase in operating income was driven primarily by the growth of the consumer loans receivable portfolio and associated revenue. Operating margin was 32.9% in the quarter compared with 35.0% reported in the fourth quarter of 2014. However, the operating margin in the fourth quarter of 2014 benefited from the charge off sale and excluding the impact of this sale was 32.2%.

Finance Costs

Finance costs for the three-month period ended December 31, 2015 were $4.6 million, up $1.7 million from the same period in 2014. This increase in finance costs was driven by higher average borrowing levels.

Income Tax Expense

The effective income tax rate for the fourth quarter of 2015 was 27.5% compared to 17.6% in the fourth quarter of 2014. The Company recorded certain gains on the sale of its U.S. royalty rights in the fourth quarter of 2014 which had adequate tax loss carryforwards to eliminate any tax payable on the transaction thus resulting in a lower effective tax rate in the prior period.

Net Income and EPS

Net income for the fourth quarter of 2015 was $7.5 million or $0.54 per share on a diluted basis. Excluding the impact of restructuring and other items that benefitted the fourth quarter of 2014 net income and diluted earnings per share were $6.0 million and $0.43 respectively, for the comparable period in 2014. Normalizing the 2014 results, net income and diluted earnings per share increased by $1.5 million (26.3%) and $0.11 (25.6%) respectively.

Selected Quarterly Information

($ in millions except percentages and per share amounts)	Dec. 2015	Sept. 2015	Jun. 2015	Mar. 2015	Dec. 2014	Sept. 2014	Jun. 2014	Mar. 2014	Dec. 2013
Revenue	**82.9**	**78.0**	72.9	70.5	70.0	65.5	63.2	60.3	57.8
Net income for the period	**7.5**	**6.3**	5.0	4.9	7.1	3.5	4.5	4.6	4.3
Net income as a percentage of revenue	**9.1%**	**8.0%**	6.9%	7.0%	10.2%	5.3%	7.2%	7.7%	7.5%
Earnings per share[1]									
Basic	**0.56**	**0.46**	0.37	0.36	0.53	0.26	0.34	0.35	0.34
Diluted	**0.54**	**0.45**	0.36	0.35	0.51	0.25	0.33	0.34	0.33

[1]Quarterly earnings per share are not additive and may not equal the annual earnings per share reported. This is due to the effect of stock issued during the year on the basic weighted average number of common shares outstanding together with the effects of rounding.

Portfolio Analysis

The Company generates its revenue from a portfolio of lease agreements and consumer loans receivable that are originated through the initial transaction with its customers. To a large extent, the business results for a period are determined by the performance of these portfolios, and the make-up of the portfolios at the end of a period are an important indicator of future business results.

The Company measures the performance of its portfolios during a period and their make-up at the end of a period using a number of key performance indicators as described in more detail below. Several of these key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

The discussion in this section refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to the Company's financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

easyhome Leasing Portfolio Analysis

Potential Monthly Leasing Revenue

The Company measures its leasing portfolio through potential monthly lease revenue. Potential monthly lease revenue reflects the revenue that the Company's portfolio of leased merchandise would generate in a month providing it collected all lease payments due in that period. Growth in potential monthly lease revenue is driven by several factors including an increased number of customers, an increased number of leased assets per customer as well as an increase in the average price of the leased items.

The change in the potential monthly lease revenue during the periods was as follows:

($ in 000's)	Three Months Ended Dec. 31, 2015	Three Months Ended Dec. 31, 2014	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014
Opening potential monthly lease revenue	**10,555**	10,655	**10,955**	11,430
Change due to store openings or acquisitions during the period	**-**	73	**548**	104
Change due to store closures or sales during the period	**(218)**	(366)	**(754)**	(722)
Change due to ongoing operations	**314**	593	**(98)**	143
Net change	**96**	300	**(304)**	(475)
Ending potential monthly lease revenue	**10,651**	10,955	**10,651**	10,955

easyhome Leasing Portfolio by Product Category

At the end of the periods, the Company's leasing portfolio as measured by potential monthly lease revenue was allocated between the following product categories:

($ in 000's)	Dec. 31, 2015	Dec. 31, 2014
Furniture	**4,369**	4,191
Appliances	**1,174**	1,196
Electronics	**3,547**	3,706
Computers	**1,561**	1,862
Potential monthly lease revenue	**10,651**	10,955

easyhome Leasing Portfolio by Geography

At the end of the periods, the Company's Leasing portfolio as measured by potential monthly lease revenue was allocated between the following geographic regions:

($ in 000's)	December 31, 2015 $	December 31, 2015 % of total	December 31, 2014 $	December 31, 2014 % of total
Newfoundland & Labrador	**936**	**8.8%**	944	8.6%
Nova Scotia	**842**	**7.9%**	864	7.9%
Prince Edward Island	**199**	**1.9%**	202	1.8%
New Brunswick	**729**	**6.8%**	734	6.7%
Quebec	**575**	**5.4%**	571	5.2%
Ontario	**3,900**	**36.5%**	3,956	36.1%
Manitoba	**263**	**2.5%**	265	2.4%
Saskatchewan	**613**	**5.8%**	728	6.7%
Alberta	**1,470**	**13.8%**	1,430	13.1%
British Columbia	**986**	**9.3%**	953	8.7%
USA	**138**	**1.3%**	308	2.8%
Potential monthly lease revenue	**10,651**	**100.0%**	10,955	100.0%

easyhome Leasing Charge Offs

When easyhome Leasing enters into a leasing transaction with a customer, a sale is not recorded as the Company retains ownership of the related asset under the lease. Instead, the Company recognizes its leasing revenue over the term of the lease as payments are received from the customer. Periodically, the lease agreement is terminated by the customer or by the Company prior to the anticipated end date of the lease and the assets are returned by the customer to the Company. In some instances, the Company is unable to regain possession of the assets which are then charged off. Net charge offs (charge offs less subsequent recoveries of previously charged-off assets) are included in the depreciation of lease assets expense for financial reporting purposes.

	Three Months Ended		**Year Ended**	
($ in 000's except percentages)	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
Net charge offs	**1,254**	1,352	**4,292**	5,029
Leasing revenue	**38,049**	39,370	**152,605**	158,322
Net charge offs as a percentage of easyhome Leasing revenue	**3.3%**	3.4%	**2.8%**	3.2%

Consumer Loans Receivable Portfolio

Loan Originations and Net Principal Written

Gross loan originations is the value of all consumer loans receivable advanced to the Company's customers during the period where new credit underwritings have been performed. Included in gross loan originations are loans to new customers and new loans to existing customers, a portion of which is applied to eliminate their prior borrowings.

When the Company extends additional credit to an existing customer, a full credit underwriting is performed using up-to-date information. Additionally, the loan repayment history of that customer throughout their relationship with the Company is considered in the credit decision. As a result, the quality of the credit decision is improved and is expected to result in better performance.

Net principal written details the Company's gross loan originations during a period, excluding that portion of the originations that has been used to eliminate the prior borrowings.

The gross loans originations and net principal written during the period were as follows:

	Three Months Ended		**Year Ended**	
($ in 000's)	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
Loan originations to new customers	**45,804**	33,011	**144,807**	104,194
Loan originations to existing customers	**65,091**	41,187	**185,882**	129,611
Less: Proceeds applied to repay existing loans	**(31,565)**	(21,091)	**(88,830)**	(63,243)
Net advance to existing customers	**33,526**	20,096	**97,052**	66,368
Net principal written	**79,330**	53,107	**241,859**	170,562

Gross Consumer Loans Receivable

The measure that the Company uses to measure its easyfinancial portfolio is gross consumer loans receivable. Gross consumer loans receivable reflects the period-end balance of the portfolio before provisioning for potential future charge offs. Growth in gross consumer loans receivable is driven by several factors including an increased number of customers and an increased loan value per customer. The changes in the gross consumer loans receivable portfolio during the periods were as follows:

	Three Months Ended		**Year Ended**	
($ in 000's)	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
Opening gross consumer loans receivable	**253,607**	165,720	**192,225**	110,704
Gross loan originations	**110,895**	74,198	**330,689**	233,805
Gross principal payments and other adjustments	**(63,289)**	(41,047)	**(194,527)**	(130,682)
Gross charge offs before recoveries	**(11,787)**	(6,646)	**(38,961)**	(21,602)
Net growth in gross consumer loans receivable during the period	**35,819**	26,505	**97,201**	81,521
Ending gross consumer loans receivable	**289,426**	192,225	**289,426**	192,225

Net Charge Offs

In addition to loan originations, the consumer loans receivable portfolio during a period is impacted by charge offs of delinquent customers. The Company charges off delinquent customers when they are 90 days contractually in arrears. Subsequent collections of previously charged-off accounts are netted with gross charge offs during a period to arrive at net charge offs.

Average gross consumer loans receivable has been calculated based on the average of the month-end loan balances for the indicated period. This metric is a measure of the collection performance of the easyfinancial consumer loans receivable portfolio. For interim periods, the rate is annualized.

	Three Months Ended		**Year Ended**	
($ in 000's except percentages)	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
Net charge offs	**10,707**	5,167	**35,000**	19,500
Average gross consumer loans receivable	**275,714**	182,548	**236,392**	149,615
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**15.5%**	11.3%	**14.8%**	13.0%

easyfinancial Bad Debt Expense

The Company's bad debt expense for a period includes the net charge offs for that particular period plus any increases or decreases to its allowance for loan losses. The details of the Company's bad debt expense for the periods were as follows:

	Three Months Ended		Year Ended	
($ in 000's except percentages)	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
Net charge offs	**10,707**	5,167	**35,000**	19,500
Net change in allowance for loan losses	**2,766**	1,590	**6,933**	4,764
Bad debt expense	**13,473**	6,757	**41,933**	24,264
easyfinancial revenue	**44,826**	30,672	**151,668**	100,828
Bad debt expense as a percentage of easyfinancial revenue	**30.1%**	22.0%	**27.6%**	24.1%

easyfinancial Allowance for Loan Losses

The allowance for loan losses is a provision that is reported on the Company's balance sheet that is netted against the gross consumer loans receivable to arrive at the net consumer loans receivable. The allowance for loan losses provides for a portion of the future charge offs that have not yet occurred within the portfolio of consumer loans receivable that exist at the end of a period. It is determined by the Company using a standard calculation that considers i) the relative maturity of the loans within the portfolio, ii) the long-term expected charge off rates based on actual historical performance and iii) the long-term expected charge off pattern (timing) for a vintage of loans over their life based on actual historical performance. The allowance for loan losses essentially estimates the charge offs that are expect to occur over the subsequent five month period for loans that existed as of the balance sheet date. Customer loan balances which are delinquent greater than 90 days are written off against the allowance for loan losses.

	Three Months Ended		Year Ended	
($ in 000's except percentages)	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
Allowance for loan losses, beginning of period	**15,700**	9,941	**11,532**	6,768
Net charge offs written off against the allowance	**(10,707)**	(5,166)	**(35,000)**	(19,500)
Change in allowance due to lending and collection activities	**13,472**	6,757	**41,933**	24,264
Allowance for loan losses, ending of period	**18,465**	11,532	**18,465**	11,532
Allowance for loan losses as a percentage of the ending gross consumer loans receivable	**6.38%**	6.00%	**6.38%**	6.00%

Aging of the Consumer Loans Receivable Portfolio

An aging analysis of the consumer loans receivable portfolio at the end of the periods was as follows:

($ in 000's)	December 31, 2015		December 31, 2014	
	$	**% of total**	**$**	**% of total**
Current	**269,711**	**93.2%**	178,590	92.9%
Days past due				
1 - 30 days	**12,282**	**4.2%**	9,004	4.7%
31 - 44 days	**2,256**	**0.8%**	1,505	0.8%
45 - 60 days	**1,919**	**0.7%**	1,273	0.7%
61 - 90 days	**3,258**	**1.1%**	1,853	0.9%
	19,715	**6.8%**	13,635	7.1%
Gross consumer loans receivable	**289,426**	**100.0%**	192,225	100.0%

A large portion of the Company's consumer loans receivable portfolio operates on a bi-weekly rather than monthly repayment cycle. As such, the aging analysis between different fiscal periods may not be comparable depending upon the day of the week on which the fiscal period ends. An alternate aging analysis prepared as of the last Saturday of the fiscal periods often presents a more relevant comparison.

An aging analysis of the consumer loans receivable portfolio as of the last Saturday of the periods was as follows:

($ in 000's)	Saturday, Dec. 26, 2015	Saturday, Dec. 27, 2014
	% of total	**% of total**
Current	**92.6%**	**92.4%**
Days past due		
1 - 30 days	**4.8%**	**5.2%**
31 - 44 days	**0.7%**	**0.8%**
45 - 60 days	**0.8%**	**0.7%**
61 - 90 days	**1.1%**	**0.9%**
	7.4%	**7.6%**
Gross consumer loans receivable	**100.0%**	100%

easyfinancial Consumer Loans Receivable Portfolio by Geography

At the end of the periods, the Company's easyfinancial consumer loans receivable portfolio was allocated between the following geographic regions:

($ in 000's)	December 31, 2015		December 31, 2014	
	$	% of total	$	% of total
Newfoundland & Labrador	**15,753**	**5.4%**	11,773	6.1%
Nova Scotia	**23,501**	**8.1%**	18,715	9.7%
Prince Edward Island	**3,849**	**1.3%**	2,757	1.4%
New Brunswick	**16,227**	**5.6%**	12,115	6.3%
Quebec	**-**	**-**	-	-
Ontario	**126,832**	**44.0%**	84,393	43.9%
Manitoba	**11,412**	**3.9%**	6,826	3.7%
Saskatchewan	**15,560**	**5.4%**	9,567	5.0%
Alberta	**41,097**	**14.2%**	24,872	12.9%
British Columbia	**32,491**	**11.2%**	19,600	10.2%
Territories	**2,704**	**0.9%**	1,607	0.8%
Gross consumer loans receivable	**289,426**	**100.0%**	192,225	100.0%

Key Performance Indicators and Non-IFRS Measures

In addition to the reported financial results under IFRS and the metrics described in the Portfolio Analysis section of this MD&A, the Company also measures the success of its strategy using a number of key performance indicators as described in more detail below. Several of these key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

The discussion in this section refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to the Company's financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Several non-IFRS measures that are used throughout this discussion are defined as follows:

Same-Store Revenue Growth

Same-store revenue growth measures the revenue growth for all stores that have been open for a minimum of 15 months. To calculate same-store revenue growth for a period, the revenue for that period is compared to the same period in the prior year. Same-store revenue growth is influenced by both the Company's product offerings as well as the number of stores which have been open for a 12-36 month time frame, as these stores tend to be in the strongest period of growth at this time.

	Three Months Ended		Year Ended	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Same-store revenue growth	**16.5%**	20.8%	**16.3%**	19.6%
Same-store revenue growth excluding easyfinancial	**5.0%**	2.6%	**4.7%**	2.6%

Adjusted Operating Earnings, Adjusted Operating Margin, Adjusted Earnings, Adjusted Earnings Per Share

At various times, operating income, operating margin, net income and earnings per share may be affected by unusual items that have occurred in the period and impact the comparability of these measures with other periods. The Company defines operating margin as operating income divided by revenue. Items are considered unusual if they are outside of normal business activities, significant in amount and scope and are not expected to occur on a recurring basis. The Company defines i) adjusted operating earnings as operating income excluding such unusual and non-recurring items, ii) adjusted earnings as net income excluding such items and iii) adjusted earnings per share as diluted earnings per share excluding such items. The Company believes that adjusted operating earnings, adjusted earnings and adjusted earnings per share are important measures of the profitability of operations adjusted for the effects of unusual items.

Items used to adjust operating income, net income and earnings per share for the three months and years ended December 31, 2015 and 2014 include those indicated in the chart below:

($ in 000's except earnings per share)	Three months ended		Year ended	
	Dec. 31, 2015	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
Operating income as stated	**14,991**	11,542	**48,052**	34,593
Divided by revenue	**82,875**	70,042	**304,273**	259,150
Operating margin	**18.1%**	16.5%	**15.8%**	13.3%
Operating income as stated	**14,991**	11,542	**48,052**	34,593
Restructuring and other items included in operating expenses[1]	**-**	(1,225)	**-**	(1,225)
Adjusted operating earnings	**14,991**	10,317	**48,052**	33,368
Divided by revenue	**82,875**	70,042	**304,273**	259,150
Adjusted operating margin	**18.1%**	14.7%	**15.8%**	12.9%
Net income as stated	**7,532**	7,112	**23,728**	19,748
Restructuring and other items included in operating expenses[1]	**-**	(1,225)	**-**	(1,225)
Tax impact of above items	**-**	77	**-**	77
After tax impact	**-**	(1,148)	**-**	(1,148)
Adjusted earnings	**7,532**	5,964	**23,728**	18,600
Weighted average number of shares outstanding	**14,069**	14,002	**14,037**	13,944
Diluted earnings per share as stated	**0.54**	0.51	**1.69**	1.42
Per share impact of restructuring and other items	**-**	0.08	**-**	0.08
Adjusted earnings per share	**0.54**	0.43	**1.69**	1.34

[1] During the fourth quarter of 2014, the Company decided to wind down its operations in the U.S. and focus on the Canadian marketplace. This wind-down involved the sale of the Company's rights to future royalty payments from its franchisees, the recognition of impairment provisions against certain intangible assets and property and equipment located in the U.S. and the recording of other restructuring charges which consisted of provisions for onerous leases, severance and other charges. For the year ended December 31, 2014, a net credit of $1,225 was recorded as restructuring and other charges within operating income. No further related charges are expected in future periods.

Operating Expenses Before Depreciation and Amortization

The Company defines operating expenses before depreciation and amortization as total operating expenses excluding depreciation and amortization expenses for the period. The Company believes that operating expenses before depreciation and amortization is an important measure of the cost of operations adjusted for the effects of purchasing decisions that may have been made in prior periods.

($ in 000's except percentages)	Three Months Ended		
	Dec. 31, 2015	**Dec. 31, 2014**	**Dec. 31, 2014 (adjusted)**
Operating expenses before depreciation and amortization as stated	**53,813**	44,024	44,024
Restructuring charges and other items included in operating expenses	**-**	-	1,225
Adjusted operating expenses before depreciation and amortization	**53,813**	44,024	45,249
Divided by revenue	**82,875**	70,042	70,042
Operating expenses before depreciation and amortization as % of revenue	**64.9%**	62.9%	64.6%

($ in 000's except percentages)	Year Ended		
	Dec. 31, 2015	**Dec. 31, 2014**	**Dec. 31, 2014 (adjusted)**
Operating expenses before depreciation and amortization as stated	**200,125**	167,916	167,916
Restructuring charges and other items included in operating expenses	**-**	-	1,225
Adjusted operating expenses before depreciation and amortization	**200,125**	167,916	169,141
Divided by revenue	**304,273**	259,150	259,150
Operating expenses before depreciation and amortization as % of revenue	**65.8%**	64.8%	65.3%

Operating Margin

The Company defines operating margin as operating income divided by revenue for the Company as a whole and for its operating segments: easyhome Leasing and easyfinancial. The Company believes operating margin is an important measure of the profitability of its operations, which in turn assists it in assessing the Company's ability to generate cash to pay interest on its debt and to pay dividends.

	Three Months Ended		Year Ended	
($ in 000's except percentages)	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
easyhome Leasing				
Operating income	**7,040**	6,082	**24,667**	24,306
Divided by revenue	**38,049**	39,370	**152,605**	158,322
easyhome Leasing operating margin	**18.5%**	15.4%	**16.2%**	15.4%
easyfinancial				
Operating income	**14,761**	10,732	**46,772**	33,006
Divided by revenue	**44,826**	30,672	**151,668**	100,828
easyfinancial operating margin	**32.9%**	35.0%	**30.8%**	32.7%
Total				
Operating income as stated	**14,991**	11,542	**48,052**	34,593
Divided by revenue	**82,875**	70,042	**304,273**	259,150
Total operating margin	**18.1%**	16.5%	**15.8%**	13.3%
Total (adjusted)				
Operating income as stated	**14,991**	11,542	**48,052**	34,593
Restructuring and other items included in operating expenses	**-**	(1,225)	**-**	(1,225)
Adjusted operating earnings	**14,991**	10,317	**48,052**	33,368
Divided by revenue	**82,875**	70,042	**304,273**	259,150
Total (adjusted) operating margin	**18.1%**	14.7%	**15.8%**	12.9%

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and EBITDA Margin

The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, excluding depreciation of leased assets. The Company uses EBITDA, among other measures, to assess the operating performance of its ongoing businesses. EBITDA margin is calculated as EBITDA divided by revenue.

($ in 000's except percentages)	Three Months Ended		
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2014 (adjusted)
Net income as stated	**7,532**	7,112	7,112
Finance costs	**4,605**	2,907	2,907
Income Tax Expense	**2,854**	1,523	1,523
Depreciation and amortization, excluding dep. of lease assets	**2,170**	1,976	1,976
EBITDA	**17,161**	13,518	13,518
Restructuring and other items included in operating expenses	**-**	-	(1,225)
Adjusted EBITDA	**17,161**	13,518	12,293
Divided by revenue	**82,875**	70,042	70,042
EBITDA margin	**20.7%**	19.3%	17.6%

($ in 000's except percentages)	Year Ended		
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2014 (adjusted)
Net income as stated	**23,728**	19,748	19,748
Finance costs	**15,334**	8,800	8,800
Income Tax Expense	**8,990**	6,045	6,045
Depreciation and amortization, excluding dep. of lease assets	**8,689**	7,216	7,216
EBITDA	**56,741**	41,809	41,809
Restructuring and other items included in operating expenses	**-**	-	(1,225)
Adjusted EBITDA	**56,741**	41,809	40,584
Divided by revenue	**304,273**	259,150	259,150
EBITDA margin	**18.6%**	16.1%	15.7%

Return on Equity

The Company defines return on equity as annualized net income in the period divided by average shareholders' equity for the period. The Company believes return on equity is an important measure of how shareholders' invested capital is utilized in the business.

($ in 000's except periods and percentages)	Three Months Ended		
	Dec. 31, 2015	**Dec. 31, 2014**	**Dec. 31, 2014 (adjusted)**
Net income as stated	**7,532**	7,112	7,112
Restructuring and other items included in operating expenses	**-**	-	(1,225)
Tax impact of above items	**-**	-	77
After tax impact	**-**	-	(1,148)
Adjusted earnings	**7,532**	7,112	5,964
Multiplied by number of periods in year	**X 4/1**	X 4/1	X 4/1
Divided by average shareholders' equity for the period	**172,446**	150,561	150,561
Return on equity	**17.5%**	18.9%	15.8%

($ in 000's except periods and percentages)	Year Ended		
	Dec. 31, 2015	**Dec. 31, 2014**	**Dec. 31, 2014 (adjusted)**
Net income as stated	**23,728**	19,748	19,748
Restructuring and other items included in operating expenses	**-**	-	(1,225)
Tax impact of above items	**-**	-	77
After tax impact	**-**	-	(1,148)
Adjusted earnings	**23,728**	19,748	18,600
Divided by average shareholders' equity for the period	**164,480**	144,110	144,110
Return on equity	**14.4%**	13.7%	12.9%

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at December 31, 2015 and December 31, 2014.

($ in 000's, except for ratios)	Dec. 31, 2015	Dec. 31, 2014
Consumer loans receivable (net of allowance)	**270,961**	180,693
Lease assets	**60,753**	64,526
Cash	**11,389**	1,165
Property and equipment	**18,689**	16,915
Intangible assets	**14,041**	11,006
Amounts receivable	**13,000**	16,508
Other assets	**29,669**	28,659
Total assets	**418,502**	319,472
External debt (includes term loan)	**210,299**	121,597
Other liabilities	**32,144**	43,907
Total liabilities	**242,443**	165,504
Shareholders' equity	**176,059**	153,968
Total capitalization (total debt plus total shareholders' equity)	**386,358**	275,565
External debt to shareholders' equity	**1.19**	0.79
External debt to total capitalization	**0.54**	0.44
External debt to EBITDA [1]	**3.71**	2.91

[1] EBITDA excludes the impact of restructuring and other unusual items.

Total assets were $418.5 million as at December 31, 2015, an increase of $99.0 million or 31.0% over December 31, 2014. The growth in total assets was driven primarily by: i) the increased size of the consumer loans receivable portfolio (net of allowance) which increased by $90.3 million over the past 12 months, ii) the Company's investment in property and equipment and intangible assets which increased by $4.8 million on a net basis, and iii) a $10.2 million increase in cash on hand related to the timing of advances on the Company's credit facilities.

The $99.0 million growth in total assets was financed by an $88.7 million increase in external debt and a $22.1 million increase in total shareholder's equity. While the Company has continued to pay a dividend to its shareholders, a large portion of the Company's earnings over the prior 12 months have been retained to fund the growth of easyfinancial.

On July 31, 2015, the Company increased its total credit facilities by $100 million, from $200 million to $300 million, while reducing the current interest rate on the term loan from 8.22% to 7.99%. The amended facilities were comprised of a $280 million term loan and a $20 million revolving operating facility. The increased capital will support the growth of easyfinancial into 2017. The amended facilities featured financial covenants that were more flexible and drawings that closely corresponded with the estimated cash flow requirements of the business. In addition, the expiry date was extended by 12 months to October 4, 2019.

As at December 31, 2015, $217.5 million had been drawn under the term loan. Borrowings under the term loan bore interest at the Canadian Bankers' Acceptance rate plus 699 bps, while borrowings under the revolving operating facility bore interest at the lender's prime rate plus 175 to 275 bps depending on the Company's debt to earnings before interest, taxes, depreciation and amortization ratio. This credit facility expires on October 4, 2019 and was secured by a first charge over substantially all assets of the Company. As at December 31, 2015, the Company's interest rates under the term loan and revolving operating facility were 7.99% and 5.45%, respectively.

Liquidity and Capital Resources

Summary of Cash Flow Components

($ in 000's)	Three Months Ended Dec. 31, 2015	Three Months Ended Dec. 31, 2014	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014
Cash provided by operating activities before issuance of consumer loans receivable	**37,633**	17,385	**114,081**	94,077
Net issuance of consumer loans receivable	**(46,527)**	(31,671)	**(132,201)**	(101,021)
Cash (used in) provided by operating activities	**(8,894)**	(14,286)	**(18,120)**	(6,944)
Cash used in investing activities	**(13,451)**	(11,357)	**(54,916)**	(50,290)
Financing activities	**11,473**	20,752	**83,260**	56,070
Net (decrease) increase in cash for the period	**(10,872)**	(4,891)	**10,224**	(1,164)

Cash flows used in operating activities for the three-month period ended December 31, 2015 were $8.9 million. Included in this amount was a net investment of $46.5 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial consumer loans receivable portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $37.6 million in the fourth quarter of 2015, up $20.2 million compared to the same period of 2014 driven primarily by i) higher net income; ii) an increase in non-cash expenses such as bad debts; and iii) improvements in working capital.

Cash flows provided by operating activities in the fourth quarter of 2015 enabled the Company to: i) meet the growth demands of easyfinancial as described above, ii) invest $13.0 million in new lease assets, iii) invest $1.9 million in additional property and equipment and intangible assets, and iv) maintain its dividend payments.

During the quarter, the Company generated $11.5 million in cash flow from financing activities as the Company increased its borrowings under the credit facility to finance the growth of easyfinancial.

Cash flows used in operating activities for the year ended December 31, 2015 were $18.1 million. Included in this amount was a net investment of $132.2 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial consumer loans receivable portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $114.1 million in the year, up $20.0 million or 21.3% compared to 2014.

Cash flows provided by operating activities for the year ended December 31, 2015 enabled the Company to: i) meet the growth demands of easyfinancial as described above, ii) invest $44.7 million in new lease assets, iii) invest $10.9 million in additional property and equipment and intangible assets, iv) invest $7.9 million in asset acquisitions and v) maintain its dividend payments.

During the year ended December 31, 2015, the Company generated $83.3 million in cash flow from financing activities related primarily to increased borrowings under the Company's credit facility.

The Company believes that the cash flows provided by operations will be sufficient in the near-term to meet operational requirements, purchase lease assets, meet capital spending requirements and pay dividends. Also, the additional availability under the Company's amended credit facilities will allow the Company to

achieve its targets for the growth of its consumer loans receivable portfolio into 2017. However, for easyfinancial to achieve its full long-term growth potential, additional sources of financing over and above the currently available credit facility and term loan are required. There is no certainty that these long-term sources of capital will be available or at terms favourable to the Company.

Outstanding Shares & Dividends

As at February 17, 2016 there were 13,253,597 shares, 167,113 DSUs, 479,834 options, 678,366 RSUs, and no warrants outstanding.

Normal Course Issuer Bid

On June 23, 2015, the Company announced the acceptance by the Toronto Stock Exchange (the "TSX") of goeasy's Notice of Intention to Make a Normal Course Issuer Bid (the "NCIB"). Pursuant to the NCIB, goeasy proposes to purchase, from time to time, if it is considered advisable, up to an aggregate of 670,000 Common Shares, being approximately 4.98% of goeasy's issued and outstanding Common Shares as of June 12, 2015. As at June 12, 2015, goeasy had 13,453,606 Common Shares issued and outstanding and the average daily trading volume for the 6 months prior to May 31, 2015 was 38,566.

Under the NCIB, daily purchases will be limited to 9,641 Common Shares, other than block purchase exemptions. The purchases may commence on June 25, 2015 and will terminate on June 24, 2016 or on such earlier date as goeasy may complete its purchases pursuant to the Notice of Intention. The purchases made by goeasy will be effected through the facilities of the TSX, as well as alternative trading systems, and in accordance with the rules of the TSX. The price that goeasy will pay for any Common Shares will be the market price of such shares at the time of acquisition. goeasy will make no purchases of Common Shares other than by open-market purchases.

As of December 31, 2015, the Company had repurchased and cancelled 111,041 of its common shares on the open market at an average price of $17.73 per share pursuant to the NCIB for a total cost of $2.0 million.

Dividends

On February 18, 2015, the Company increased the dividend rate by 17.6% from $0.085 per share to $0.10 per share. For the quarter ended December 31, 2015, the Company paid a $0.10 per share quarterly dividend on outstanding common shares. The Company reviews its dividend distribution policy on a regular basis, evaluating its financial position, profitability, cash flow and other factors the Board of Directors considers relevant. However, no dividends may be declared in the event there is a default of the loan facility, or where such payment would lead to a default.

The following table sets forth the quarterly dividends paid by the Company in the fourth quarter of the years indicated:

	2015	2014	2013	2012	2011	2010	2009
Dividend per share	**$ 0.100**	**$ 0.085**	$ 0.085	$ 0.085	$ 0.085	$ 0.085	$ 0.085
Percentage increase	**17.6%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%

Commitments, Guarantees and Contingencies

Commitments

The Company is committed to long-term service contracts and operating leases for premises, equipment, vehicles and signage. The minimum annual lease payments plus estimated operating costs and other commitments required for the next five years and thereafter are as follows:

($ in 000's)	Within 1 year	After 1 year but not more than 5 years	More than 5 years
Premises	25,097	41,611	1,292
Other operating lease obligations	1,113	1,961	-
Other	12,306	2,903	-
Total contractual obligations	38,516	46,475	1,292

Contingencies

The Company is involved in various legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material adverse effect on the Company's financial position, financial performance or cash flows.

The Company has agreed to indemnify its directors and officers and particular employees in accordance with the Company's policies. The Company maintains insurance policies that may provide coverage against certain claims.

Risk Factors

Overview

The Company's activities are exposed to a variety of commercial, operational, financial and regulatory risks. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee of the Board of Directors reviews the Company's risk management policies on an annual basis.

Commercial Risks

Dependence on Key Personnel

One of the significant limiting factors in the Company's performance and expansion plans will be the hiring and retention of the best people for the job. Over the past few years, the Company has improved its hiring competencies and its training programs.

In particular, the Company is dependent on the abilities, experiences and efforts of its senior management team and other key employees. The loss of these individuals without adequate replacement could materially adversely affect its business and operations.

As a consequence of its growth strategy and relatively high employee turnover at the store and branch level, the Company requires a growing number of qualified managers and other store or branch personnel to operate its expanding branch and store network successfully. There is competition for such personnel and there can be no assurances that the Company will be successful in attracting and retaining such personnel as it may require. If the Company is unable to attract and retain qualified personnel or its costs to do so increase dramatically, its operations would be materially adversely affected.

Competition

easyhome Leasing - Competition from U.S.-based merchandise leasing companies and others in the Canadian market will increase the competition for customers and employees. Although the Company believes that such competition will stimulate rent-to-own industry growth, this increased competition could have a material adverse effect on the Company's operational results should the Company not be able to adequately respond to it. Other factors that may adversely affect the performance of the Leasing business are further competition from merchandise rental businesses, the increased sale of used furniture and electronics online and, to a lesser extent, rental stores that do not offer a purchase option. The Company also competes with discount stores and other retail outlets that offer an installment sales program or offer a financing transaction to facilitate the purchase of consumer merchandise. Furthermore, additional competitors, both domestic and international, may emerge since barriers to entry are relatively low.

easyfinancial - The Company's financial services business occupies a market niche between traditional financial institutions and short-term payday lenders. As such, it competes with companies from each of these sectors. Competition is based primarily on access, flexibility and cost (interest rate). Since the Company's products are more affordable than payday loans while being more accessible and flexible than banks, the Company offers alternatives to customers that are not being adequately served by the incumbent participants in either of these market sectors. Although there may be other, larger companies that offer products similar to those offered by the Company's financial services business, the Company believes that the potential marketplace is sufficiently large enough that such competition will not adversely affect the Company's operational results in the near term. Additionally, the large volume of data relating to its customers and related loan performance which the Company has compiled and uses to create its loan underwriting models forms an effective barrier to entry as a competitor would not have access to such data.

Macroeconomic Conditions

Certain changes in macroeconomic conditions can have a negative impact on the Company's customers and its performance. The Company's chosen customer segment is the cash-and credit-constrained individual. These customers are affected by adverse macroeconomic conditions such as higher unemployment rates or costs of living, which can lower the Company's collection rates and result in higher loss rates and adversely affect the Company's performance, financial condition and liquidity. The Company can neither predict the impact current economic conditions will have on its future results, nor predict when the economic environment will change.

Litigation

From time to time the Company may be involved in material litigation. There can be no assurance that any litigation in which the Company may become involved in the future will not have a material adverse effect on the Company's business, financial condition or results of operations.

Operational Risks

Operational risk, which is inherent in all business activities, is the potential for loss as a result of external events, human behaviour (including error and fraud, non-compliance with mandated policies and procedures or other inappropriate behaviour) or inadequacy, or the failure of processes, procedures or controls. The impact may include financial loss, loss of reputation, loss of competitive position or regulatory and civil penalties. While operational risk cannot be eliminated, the Company takes reasonable steps to mitigate this risk by putting in place a system of oversight, policies, procedures and internal controls.

Strategic Risk

The Company believes it has the correct strategy to address the current market opportunities. The Company's growth strategy is focused on easyfinancial. The Company's ability to increase its customer and revenue base is contingent, in part, on its ability to secure additional locations for easyfinancial, to grow its consumer loans receivable portfolio, to access customers through new delivery channels and to execute with efficiency and effectiveness.

Strategic risk is the risk from changes in the business environment, fundamental changes in demand for the Company's products or services, improper implementation of decisions, execution of the Company's strategy or inadequate responsiveness to changes in the business environment, including changes in the competitive or regulatory landscape. The impact of poor execution by management or an inadequate response to changes in the business environment could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

Credit Risk

Credit risk is the risk of loss that arises when a customer or third party fails to pay an amount owing to the Company.

The maximum exposure to credit risk is represented by the carrying amount of the amounts receivable, consumer loans receivable and lease assets with customers under merchandise lease agreements. The Company leases products and makes consumer loans to thousands of customers pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity, although the Company is subject to a higher level of credit risk due to the credit constrained nature of many of the Company's customers and in circumstances where its policies and procedures are not complied with.

For easyhome Leasing, the credit risk related to assets on lease with customers results from the possibility of customer default with respect to agreed-upon payments or in their not returning the leased asset. The Company has a standard collection process in place in the event of payment default, which concludes with the recovery of the lease asset if satisfactory payment terms cannot be worked out, as the Company maintains ownership of the lease assets until payment options are exercised.

For amounts receivable from third parties the risk relates to the possibility of default on amounts owing to the Company. The Company deals with credible companies, performs ongoing credit evaluations of debtors and creates an allowance on its financial statements for uncollectible amounts, when determined to be appropriate.

The credit risk on the Company's consumer loans receivable made in accordance with policies and procedures is impacted by both the Company's credit policies and the lending practices which are overseen by the Company's senior management. Credit quality of the customer is assessed based on a number of proprietary credit models and individual credit limits are defined in accordance with this assessment and other factors including the ability of the customer to comfortably afford the periodic loan payments. The consumer loans receivable are unsecured. The Company evaluates the concentration of risk with respect to customer loans receivable as low, as its customers are located in several jurisdictions and operate independently. The Company develops underwriting models based on the historical performance of groups of customer loans which guide its lending decisions. To the extent that such historical data used to develop its underwriting models is not representative or predictive of current loan book performance, the Company could suffer increased loan losses.

The Company maintains an allowance for loan losses (i.e. expected losses that will be incurred in relation to the Company's consumer loan's portfolio). The process for establishing an allowance for loan losses is critical to the Company's results of operations and financial conditions. It is determined by the Company using a standard calculation that considers :i) the relative maturity of the loans within the portfolio, ii) the long-term expected charge off rates based on actual historical performance and iii) the long-term expected charge off pattern (timing) for a vintage of loans over their life based on actual historical performance. To the extent that such historical data used to develop its allowance for loans losses is not representative or predictive of current loan book performance, the Company could suffer increased loan losses above and beyond those provided for on its financial statements.

The Company cannot guarantee that delinquency and loss levels will correspond with the historical levels experienced and there is a risk that delinquency and loss rates could increase significantly.

Technology Risk

The Company is dependent upon the successful and uninterrupted functioning of its computer, internet and data processing systems. The failure of these systems could interrupt operations or materially impact the Company's ability to enter into new lease or lending transactions and service customer accounts. Although the Company has extensive information technology security plans and disaster recovery plans, if sustained, such a failure could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

The Company's operations rely heavily on the secure processing, storage and transmission of confidential customer information. While the Company has taken reasonable steps to protect its data and that of its customers, the risk of the Company's inability to protect customer information, or breaches in the Company's information systems, may adversely affect the Company's reputation and result in significant costs or regulatory penalties and remedial action.

Internal Controls over Financial Reporting

The effective design of internal controls over financial reporting is essential for the Company to prevent and detect fraud or material errors that may have occurred. The Company is also obligated to comply with the Form 52-109F2 Certification of interim filings of the Ontario Securities Commission, which requires the Company's CEO and CFO to submit a quarterly certificate of compliance. The Company and its management have taken reasonable steps to ensure that adequate internal controls over financial reporting are in place. However, there is a risk that a fraud or material error may go undetected and that such material fraud or error could adversely affect the Company.

Risk Management Processes and Procedures

The Company has established a Risk Oversight Committee and created processes and procedures to identify, measure, monitor and mitigate significant risks to the organization. However, to the extent that such risk go unidentified or are not adequately or expeditiously addressed by management, the Company could be adversely affected.

Financial Risks

Inadequate Access to Financing

The Company has historically been funded through various sources such as private placement debt and public market equity offerings. The availability of additional financing will depend on a variety of factors including the availability of credit to the financial services industry and the Company's financial performance and credit ratings.

The Company believes that the cash flow expected to be provided by operations during 2016, coupled with the increased loan facilities obtained in the third quarter of 2015 will be sufficient in the near term to meet operational requirements, purchase leased assets, meet capital spending requirements, satisfy financial obligations and pay dividends. Additionally, the Company is able to manage the growth of its consumer loans receivable portfolio based on the amount of available financing.

The Company has publicly stated that it intends to significantly expand its consumer lending business. To achieve this goal, it will require additional funds that can be obtained through various sources, including debt or equity financing. There can be no assurance, however, that additional funding will be available when needed or will be available on terms favourable to the Company. The inability to access adequate sources of financing, or to do so on favourable terms, may adversely affect the Company's capital structure and the Company's ability to fund operational requirements and satisfy financial obligations. If additional funds are raised by issuing equity securities, shareholders may incur dilution.

Interest Rate Risk

Interest rate risk measures the Company's risk of financial loss due to adverse movements in interest rates. The Company is subject to interest rate risk as all credit facilities bear interest at variable rates. The Company does not hedge interest rates and future changes in interest rates will affect the amount of interest expense payable by the Company.

Foreign Exchange

The Company sources some of its merchandise out of the U.S. and as such, the Company's Canadian operations have U.S. denominated cash and payable balances. While the Company sold off most of its U.S. franchise rights in 2014, it continues to have some operations in the U.S. As a result, the Company has both foreign exchange transaction and translation risk.

Although easyhome has U.S. denominated purchases, the Company has historically been able to price its lease transactions to compensate for the impact of foreign currency fluctuations on its purchases. However in periods of rapid change in the Canadian to U.S. dollar exchange rate, the Company may not be able to pass on such changes in the cost of purchased products to its customers which may negatively impact the Company's financial performance. The Company currently does not actively hedge foreign currency risk and transacts in foreign currencies on a spot basis.

Liquidity Risk

Liquidity risk is the risk that the Company's financial condition is adversely affected by an inability to meet funding obligations and support its business growth. The Company manages its capital to maintain its ability to continue as a going concern and to provide adequate returns to shareholders by way of share appreciation and dividends. The capital structure of the Company consists of external debt and shareholders' equity, which comprises issued capital, contributed surplus and retained earnings.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances, share repurchases, the payment of dividends, increasing or decreasing debt or by undertaking other activities as deemed appropriate under the specific circumstances. The Company's strategy, objectives, measures, definitions and targets have not changed significantly from the prior period.

The Company's revolving operating facility and term debt facility must be renewed on a periodic basis. These facilities contain restrictions on the Company's ability to, among other things, pay dividends, sell or transfer assets, incur additional debt, repay other debt, make certain investments or acquisitions, repurchase or redeem shares and engage in alternate business activities. The facilities also contain a number of covenants that require the Company to maintain certain specified financial ratios. Failure to meet any of these covenants could result in an event of default under these facilities which could, in turn, allow the lenders to declare all amounts outstanding to be immediately due and payable. In such a case, the financial condition, liquidity and results of operations of the Company could materially suffer.

The Company has been successful in renewing and expanding the revolving credit and term debt facilities in the past. If the Company were unable to renew these facilities on acceptable terms when they became due, there could be a material adverse effect on the Company's financial condition, liquidity and results of operations.

The Company has significant debt that is subject to certain financial and non-financial covenants. A violation of any or all of the debt covenants may result in the lender requiring the Company to repay the outstanding debt, which would have a material adverse effect on the Company's financial position, liquidity and results of operation.

Possible Volatility of Stock Price

The market price of the Company's Common Shares, similar to that of many other Canadian (and indeed worldwide) companies, has been subject to significant fluctuation in response to numerous factors, including the recent credit crisis and related recession, economic shock such as the recent decline in oil

prices and the related impact on the Canadian economy, as well as variations in the annual or quarterly financial results of the Company, timing of announcements of acquisitions or material transactions by the Company or its competitors, other conditions in the economy in general or in the industry in particular, changes in applicable laws and regulations and other factors. Moreover, from time to time, the stock markets experience significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company's performance. No prediction can be made as to the effect, if any, that future sales of Common Shares or the availability of shares for future sale (including shares issuable upon the exercise of stock options) will have on the market price of the Common Shares prevailing from time to time. Sales of substantial numbers of such shares or the perception that such sales could occur may adversely affect the prevailing price of the Common Shares. Significant changes in the stock price could jeopardize the Company's ability to raise growth capital through an equity offering without significant dilution to existing shareholders.

Regulatory Risks

Government Regulation and Compliance

The Company takes reasonable measures to ensure compliance with governing statutes, regulations and regulatory policies. A failure to comply with such statutes, regulations or regulatory policies could result in sanctions, fines or other settlements that could adversely affect both its earnings and reputation. Changes to laws, statutes, regulations or regulatory policies could also change the economics of the Company's merchandise leasing and consumer lending businesses.

Numerous consumer protection laws and related regulations impose substantial requirements upon lenders involved in consumer finance, including leasing and lending. Also, federal and provincial laws impose restrictions on consumer transactions and require contract disclosures relating to the cost of borrowing and other matters. These requirements impose specific statutory liabilities upon creditors who fail to comply with their provisions.

easyhome currently operates in an unregulated environment with regards to capital requirements. The *Criminal Code* of Canada, however, imposes a restriction on the cost of borrowing in any lending transaction to 60% per year. The application of capital requirements or a reduction in the maximum cost of borrowing could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

Privacy, Information Security, and Data Protection Regulations

The Company is subject to various privacy, information security and data protection laws and takes reasonable measures to ensure compliance with all requirements. Legislators and regulators are increasingly adopting new privacy information security and data protection laws which may increase the Company's cost of compliance. While the Company has taken reasonable steps to protect its data and that of its customers, a breach in the Company's information security may adversely affect the Company's reputation and also result in fines or penalties from governmental bodies.

Critical Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual amounts could differ from these estimates.

Significant changes in assumptions, including those with respect to future business plans and cash flows, could change the recorded amounts by a material amount.

The Company's critical accounting estimates are fully described in the Company's December 31, 2015 Notes to the Financial Statements.

Adoption of New Accounting Standards and Standards Issued But Not Yet Effective

No new accounting standards were adopted by the Company during the reporting period.

The Company will be required to adopt IFRS 9, Financial Instruments, which is the IASB's replacement of IAS 39. IFRS 9 will provide new requirements for the classification and measurement of financial assets and liabilities, impairment and hedge accounting. IFRS 9 is required to be applied for years beginning on or after January 1, 2018 with early adoption permitted. The Company is in the process of assessing the impact of this standard.

The Company will be required to adopt IFRS 15, Revenue from Contracts with Customers, which clarifies the principles for recognizing revenue and cash flows arising from contracts with customers. IFRS 15 is required to be applied for years beginning on or after January 1, 2018, with early adoption permitted, and is to be applied retrospectively. The Company is in the process of assessing the impact of this standard.

The Company will be required to adopt IFRS 16, Leases, which is the IASB's replacement of IAS 17. IFRS 16 will require lessees to recognize a lease liability that reflects future lease payments and a 'right-of-use-asset' for most lease contracts. IFRS 16 is required to be applied for years beginning on or after January 1, 2019 with early adoption permitted, but only in conjunction with the adoption of IFRS 15. The Company has not yet assessed the impact of this standard.

Internal Controls

Disclosure Controls and Procedures ["DC&P"]

DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, including the Chief Executive Officer ["CEO"] and Chief Financial Officer ["CFO"], so that timely decisions can be made regarding disclosure.

The Company's management, under supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's DC&P, as required in Canada by National Instrument 52-109, "*Certification of Disclosure in Issuers' Annual and Interim Filings*". Based on this evaluation, the CEO and CFO have concluded that the design of the system of disclosure controls and procedures were effective as at December 31, 2015.

Internal Controls over Financial Reporting ["ICFR"]

ICFR is a process designed by, or under the supervision of, senior management, and effected by the Board of Directors, management and other personnel, to provide reasonable assurances regarding the reliability of financial reporting and preparation of the Company's consolidated financial statements in accordance with IFRS. Management is responsible for establishing and maintaining ICFR and designs such controls to attempt to ensure that the required objectives of these internal controls have been met. Management uses the Internal Control – Integrated Framework (2013) to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ["COSO"].

In designing and evaluating such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance and may not prevent or detect all misstatements as a result of, among other things, error or fraud. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and/or procedures may deteriorate.

Changes to ICFR During 2015

There were no material changes in the Company's ICFR that occurred or were finalized during the year ended December 31, 2015.

Evaluation of ICFR at December 31, 2015

As at December 31, 2015, under the direction and supervision of the CEO and CFO, the Company has evaluated the effectiveness of the Company's ICFR. The evaluation included a review of key controls, testing and evaluation of such test results. Based on this evaluation, the CEO and CFO have concluded that the design and operation of the Company's internal controls over financial reporting were effective as at December 31, 2015.