

goeasy

2019

**INVESTOR &
ANALYST DAY**
WEDNESDAY, MAY 8TH



Agenda



1. Opening Remarks David Ingram, Executive Chairman
2. The Strategy Jason Mullins, President & CEO
3. The Customer Andrea Fiederer, EVP & CMO
4. Loan Origination and Credit Risk Jason Appel, EVP & CRO
5. People and Culture (Office Tour) David Cooper, SVP, HR
6. Regulatory and Government Relations Sabrina Anzini, SVP Legal & Corporate Affairs
7. Balance Sheet and Capital Structure David Ingram, Executive Chairman of the Board
and David Yeilding, SVP, Finance & Interim CFO
8. Q&A and Closing Remarks Jason Mullins, President & CEO

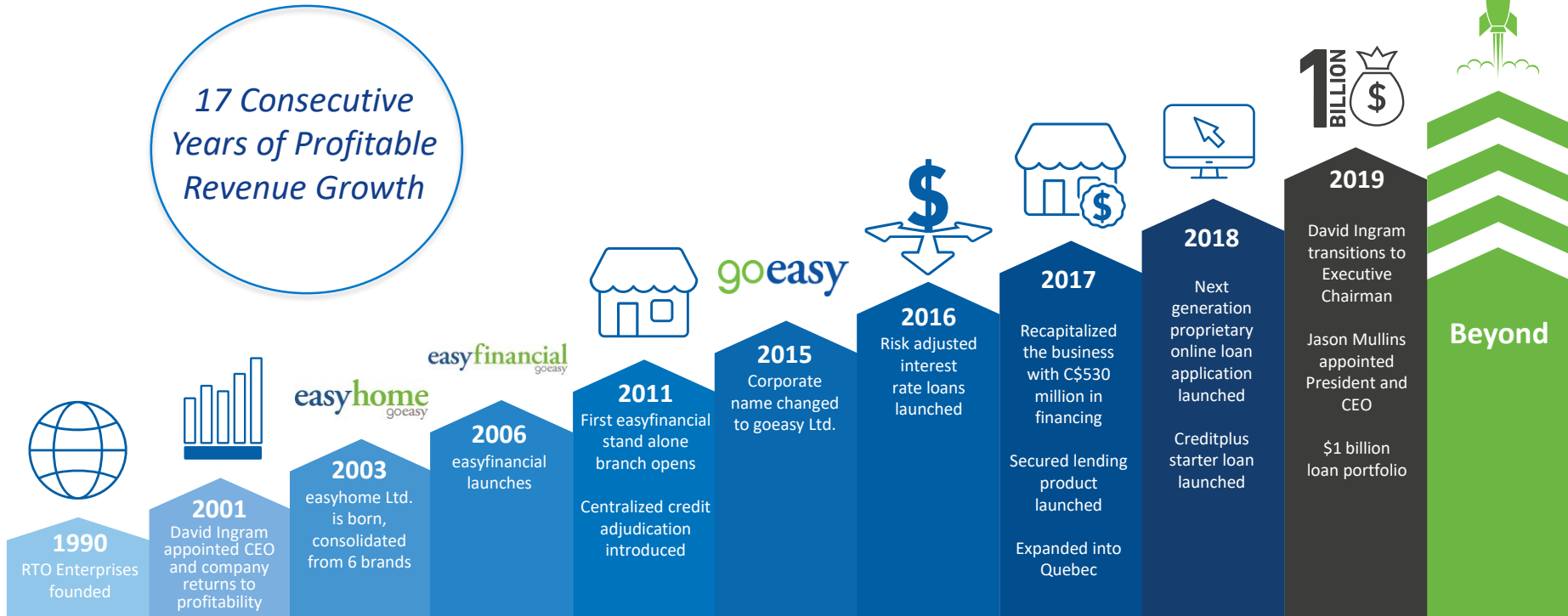
Opening Remarks

David Ingram
Executive Chairman of the Board

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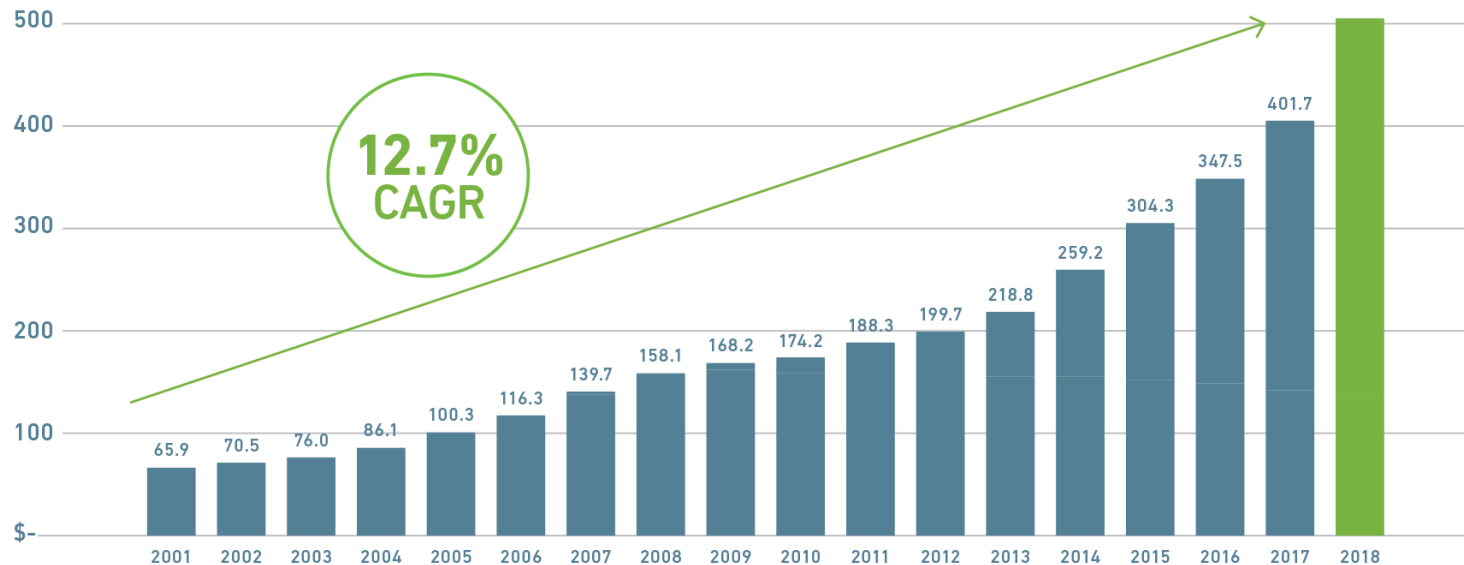
A History in the Making

17 Consecutive
Years of Profitable
Revenue Growth



Annual Revenue

ANNUAL REVENUE (IN DOLLAR MILLIONS)



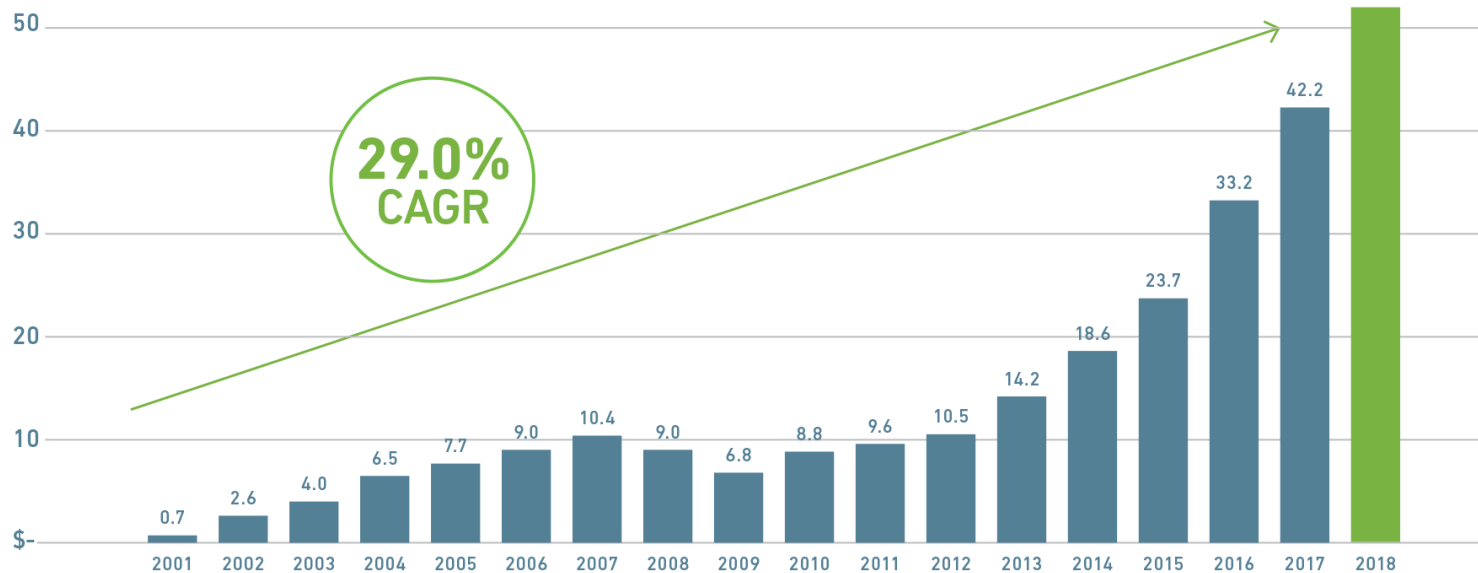
Note: All revenue restated to IFRS. CAGR = Compound Annual Growth Rate

5 Year
Trend

18.3%
CAGR

Annual Net Income

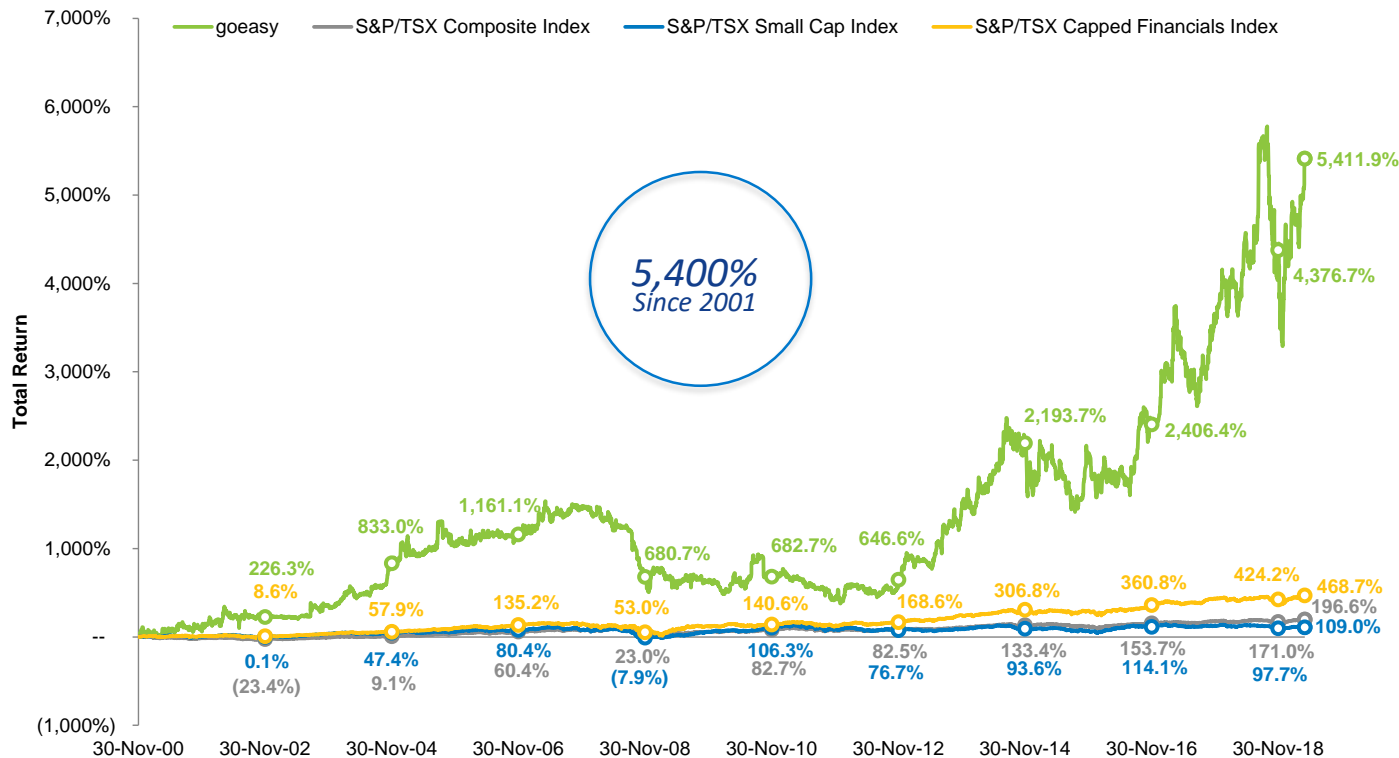
ADJUSTED ANNUAL NET INCOME (IN DOLLAR MILLIONS)



5 Year
Trend

30.2%
CAGR

Shareholder Return



**5 Year EPS
CAGR of
25.4%**

**26
#1**

TSX Financials₍₁₎

**60
#9**

TSX 60₍₁₎

**736
#30**

Total TSX₍₁₎

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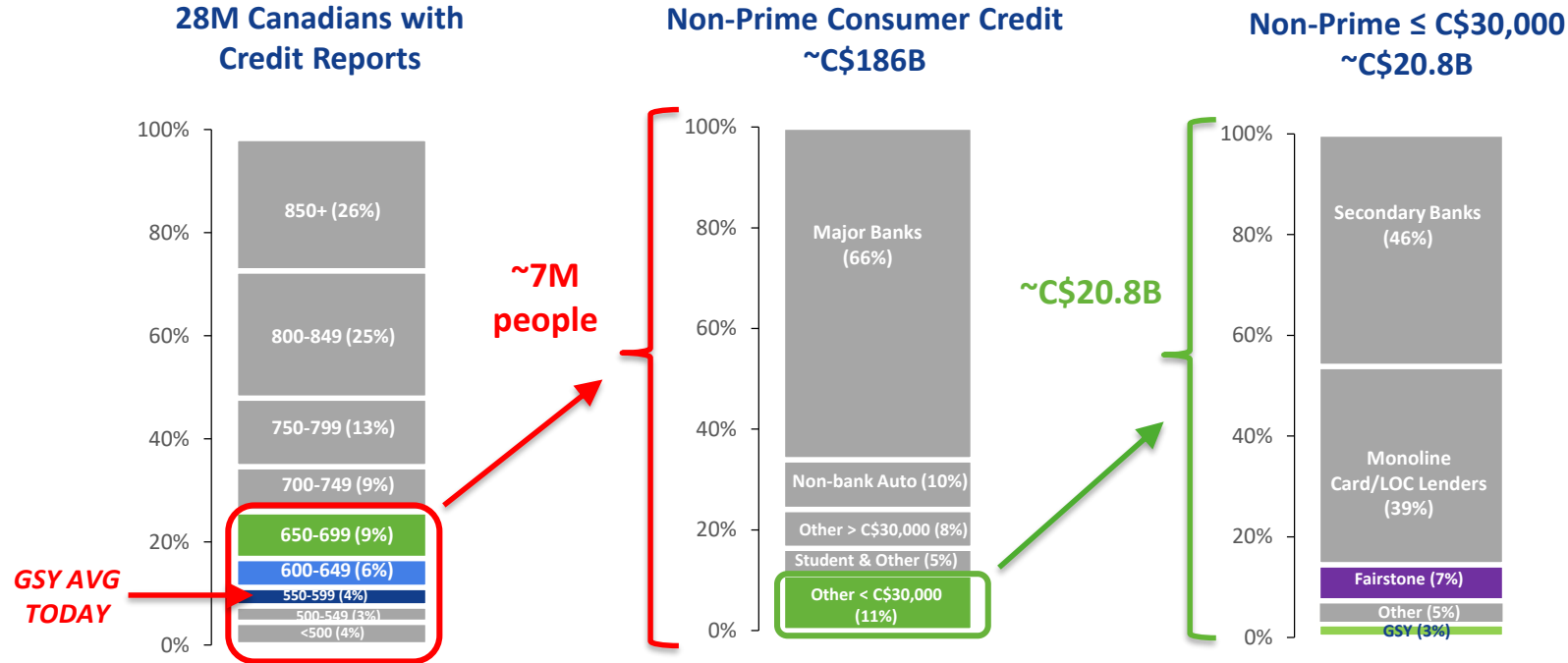
Industry Worldview

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\$186B Non-Prime Consumer Credit Market in Canada



Evolving Competitive Landscape

90



The Strategy

Jason Mullins
President & Chief Executive Officer

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Lending and Leasing to the Non-Prime Canadian Consumer

Vision

**PROVIDE
EVERYDAY
CANADIANS
A PATH TO A
BETTER
TOMORROW
TODAY.**

Quick Facts



Over 400
Locations



1M+
Customers Served



4.6 / 5 Stars⁽²⁾
Customer
Satisfaction



10 Provinces
National Footprint



\$3.1B
Loan Originations



\$1.1B
Total Assets

What Makes us Unique

Our History

- 28 years of industry leading experience
- 12.7% revenue and 22.7% diluted earnings per share CAGRs since 2001

Our People

- Over 1,900 employees (53% female)
- Over 40 nationalities represented by our employees
- 4.5 star rating on glassdoor⁽¹⁾

Our Customers

- Average Canadians with 45% lower debt to income levels
- Over 200,000 total active customers⁽¹⁾
- Over 1 million customers served since inception

Our Omnichannel Model

- Omnichannel approach delivers 2x customer lifetime value versus online only lending model

Our Commitment to our Communities

- Over \$2.5 million donated to the Boys and Girls Clubs of Canada since 2001
- easybites program launched in 2014 to build 100 new kitchens
- 43 houses solutions built through Habitat for Humanity Global Village

Strategic Imperatives



Product Range



Channel Expansion

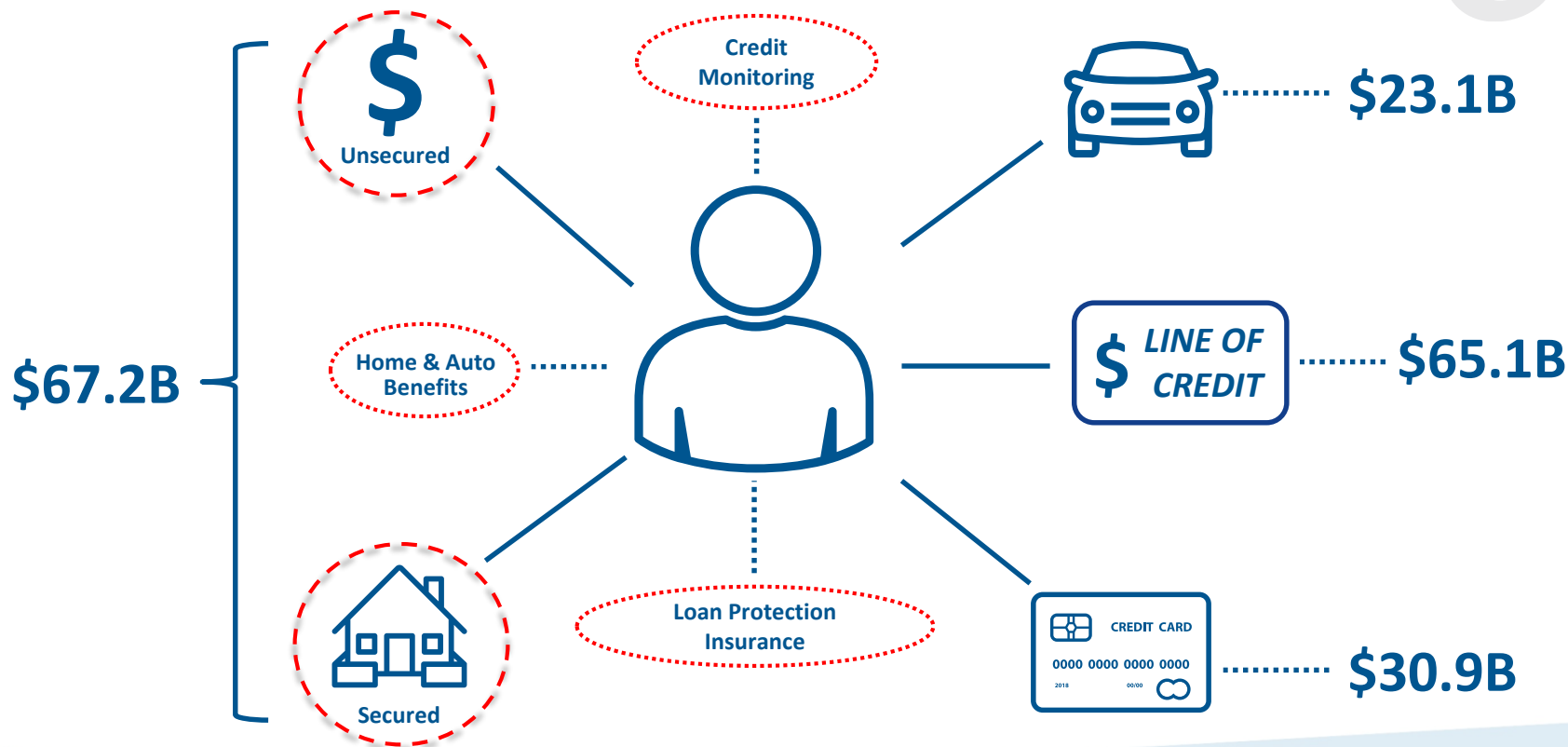


Geographic Expansion



Customer Experience

Product Range



Omni-Channel Expansion



RETAIL

EASYFINANCIAL
LOCATIONS

242



300

EASYHOME
LOCATIONS

130

(100 Lending)



130 Leasing
& Lending



DIGITAL

MOBILE

70%

DESKTOP

30%



INDIRECT

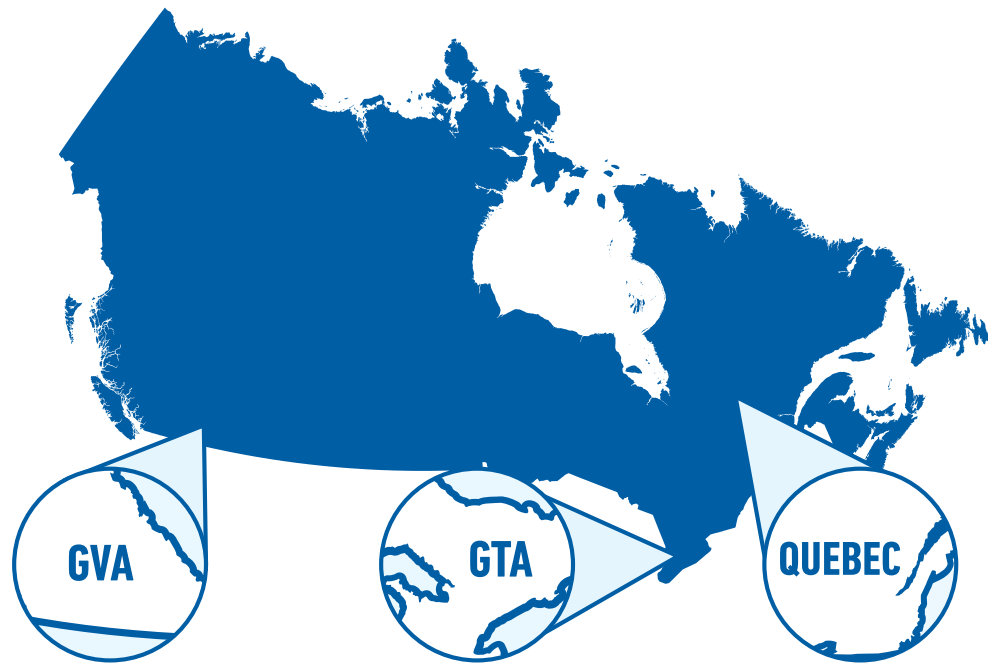
LEAD GEN

3RD
PARTY
REFERRALS

POINT-OF-SALE

\$30B
ANNUAL
ORIGINATIONS

Geographic Expansion



28M Canadians
7M Non-Prime

The Customer Experience



Product Graduation



Omnichannel Access



Ancillary Services



Relationships

Evolution of the Business Model



**Customer
Benefit & LTV**

KEY PERFORMANCE INDICATOR	2019	2020	2021
Gross consumer loans receivable portfolio at year end	\$1.1 to \$1.2 billion	\$1.3 to \$1.4 billion	\$1.5 to \$1.7 billion
easyfinancial total revenue yield	49% to 51%	46% to 48%	43% to 45%
New easyfinancial locations to be opened in year	10 to 20	10 to 20	10 to 20
Net charge-offs as a percentage of average gross consumer loans receivable	11.5% to 13.5%	11.0% to 13.0%	11.0% to 13.0%
easyfinancial operating margin	42% to 44%	44% to 46%	45% to 47%
Total revenue growth	20% to 22%	14% to 16%	10% to 12%
Return on equity	24%+	26%+	26%+

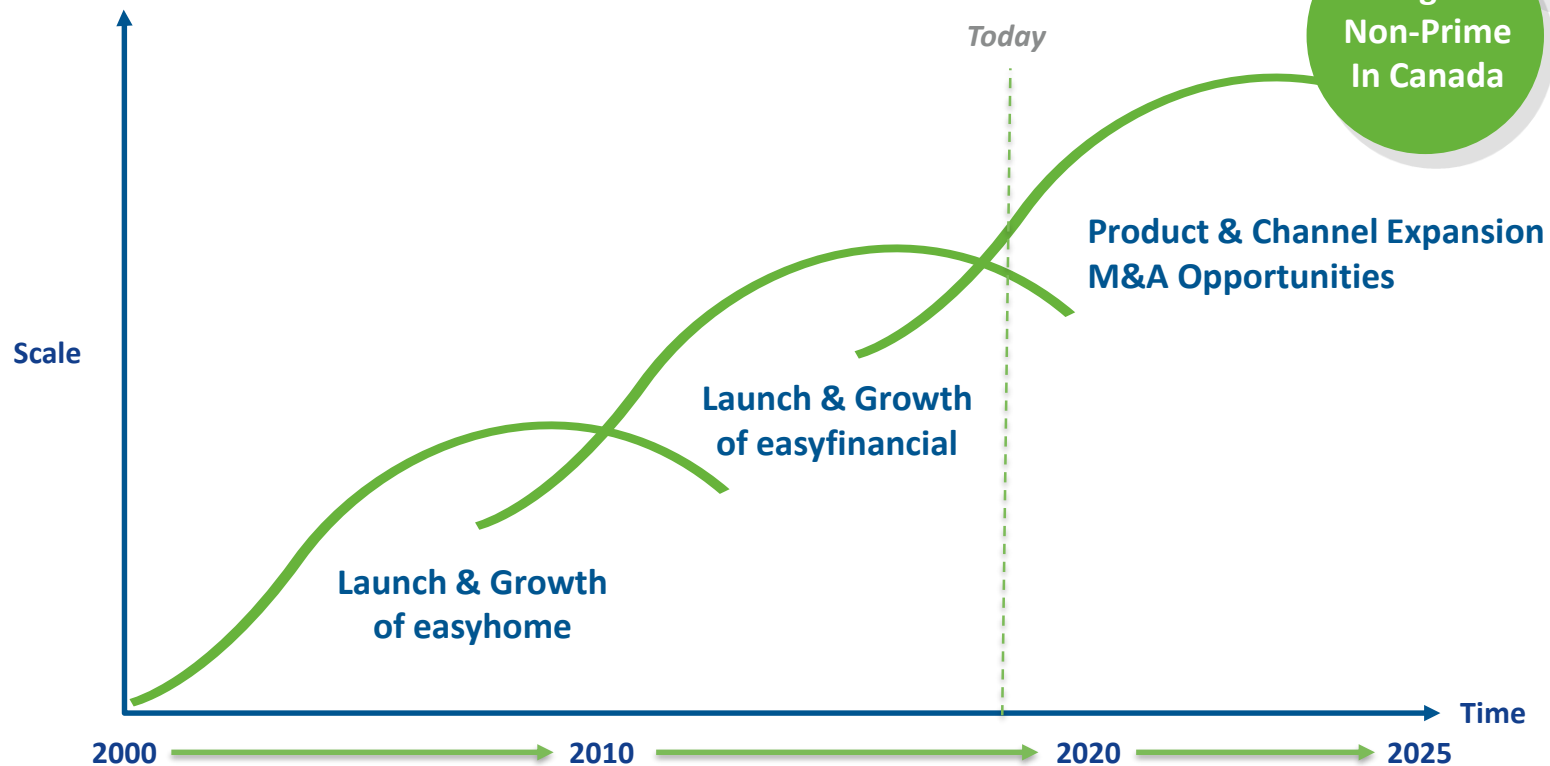


**Maximize
Shareholder
Value**



**Government &
Public Relations**

Early Stage of Wave 3



The Customer

Andrea Fiederer
Executive Vice President
& Chief Marketing Officer

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The Non-Prime Consumer⁽¹⁾



DEMOGRAPHIC INFORMATION

Age: 40

Marital Status: Married

Dependents: ~2, under 10

Home situation: Renter (>80%)

Occupation: Typically blue collar jobs or service industry

Individual Income: \$44,000

Education: Some college

CREDIT DETAILS

Credit score range of 500 - 600

1 or 2 bank accounts

2-3 credit cards with \$1000-\$5000 limits

Majority carry a balance

Majority have a car loan

Limited emergency savings <\$200

HER NEEDS

Immediate short term financial relief to help pay her bills, but motivated to get to a better financial place

LONG TERM FINANCIAL GOALS AND ASPIRATIONS

Financial stability, a better life for her children, buying a house, a comfortable retirement

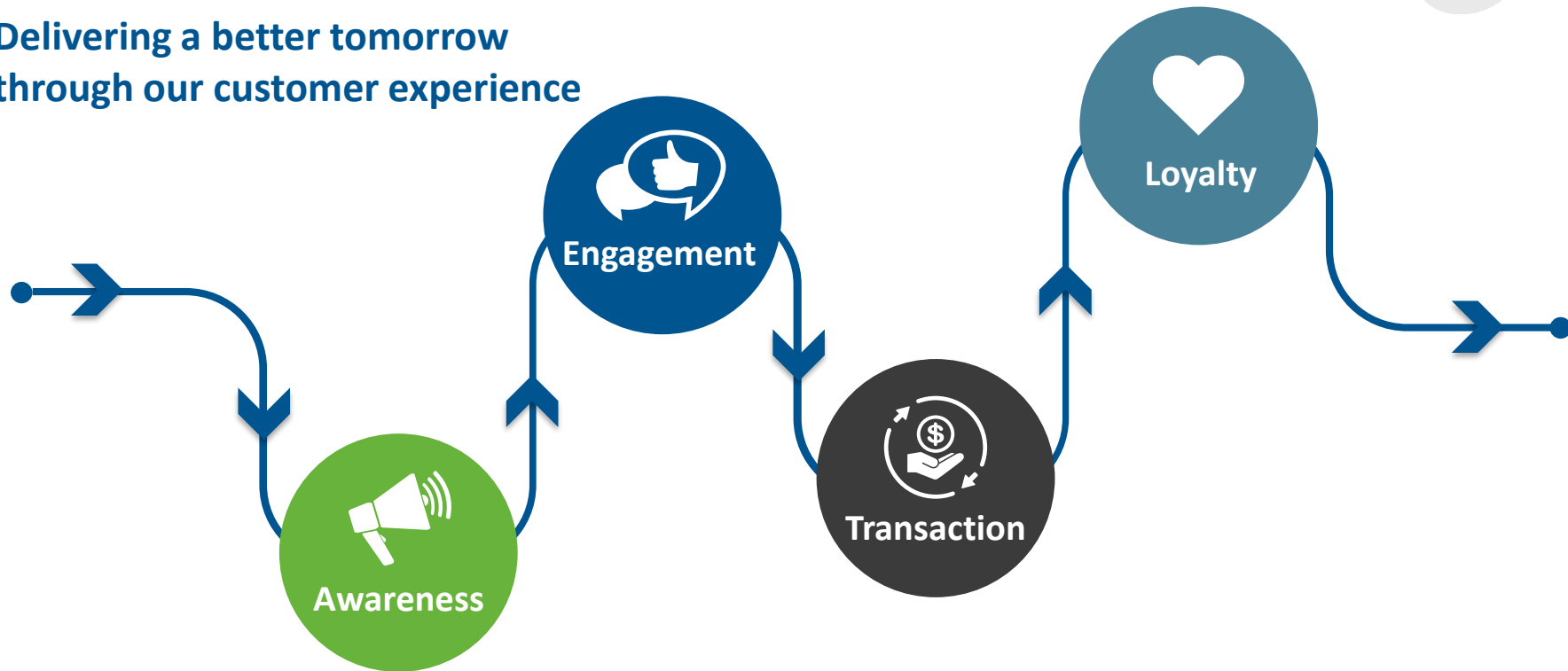
FEARS AND WORRIES

Paying bills, being one step away from financial crises, inability to afford basic expenses like childcare and medical, never being able to get ahead

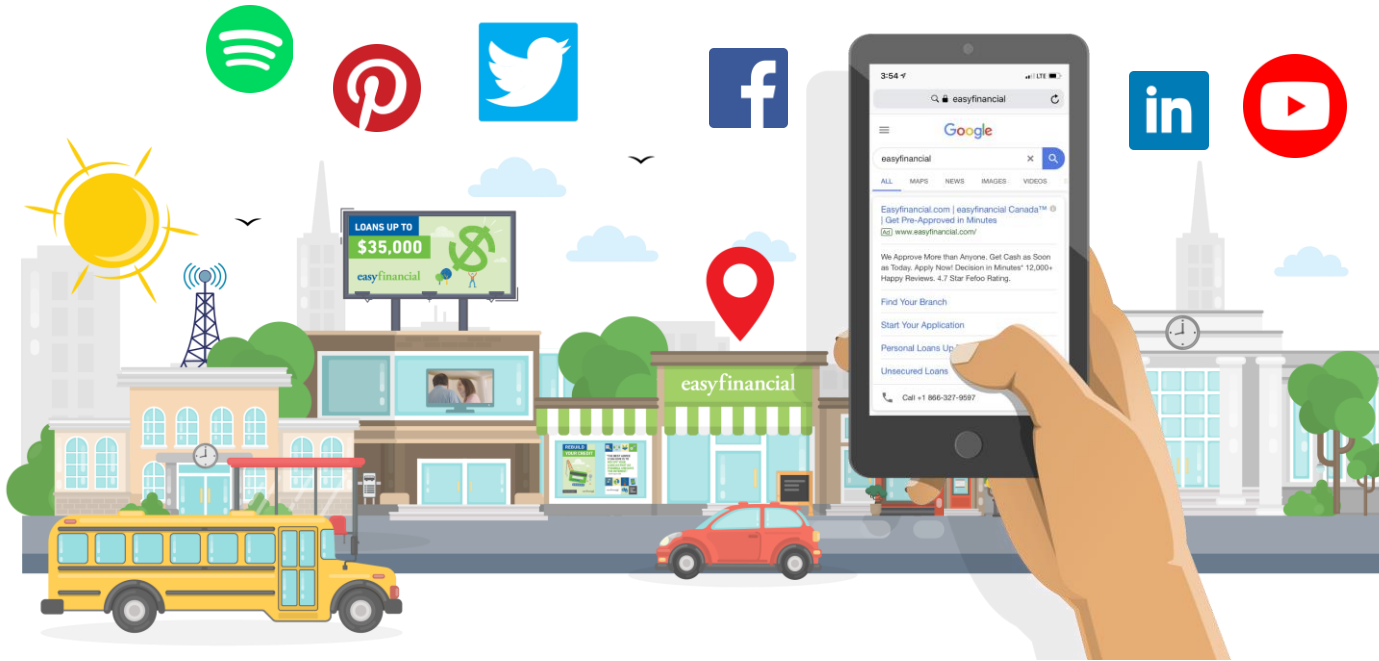


The Customer Journey

Delivering a better tomorrow
through our customer experience



The Customer Journey – Awareness



Integrated Marketing

- Mass media campaigns
- In-house expertise for SEM, SEO and social media
- 1:1 communication strategy

The Customer Journey – Engagement



RETAIL

- 85% of population covered via a retail branch
- +30% awareness from walking by a branch



DIGITAL

- Reduced the time to apply online by 25%
- Increased digital conversion by over 30%



INDIRECT

- 275 merchant locations today

The Customer Journey – Transaction



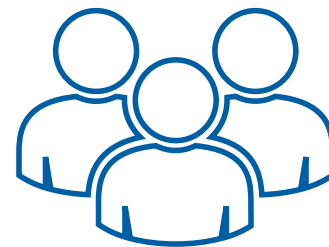
Products

- Product choice
- Graduation
- Co-application



Experience

- Reducing time to fund
- More ways to fund
- Technology innovation



Relationships

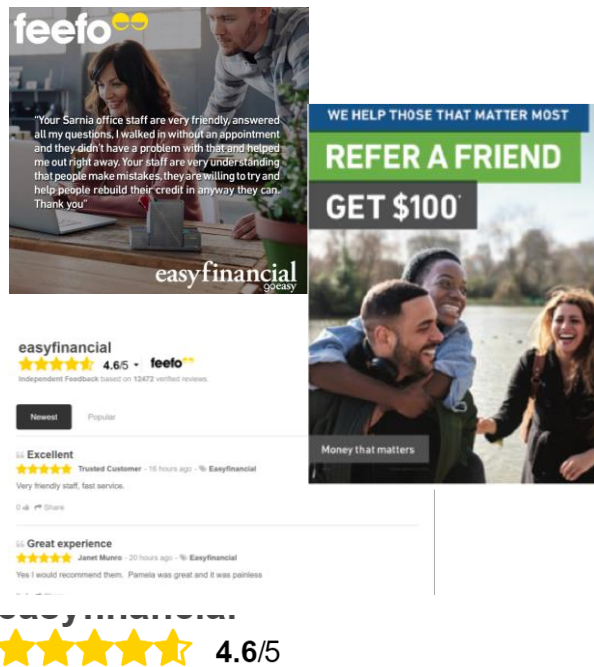
- Empathy & understanding
- Education & opportunity

The Customer Journey – Loyalty

Knowledge & Resources



Recommendations & Referrals



easyfinancial
★★★★★ 4.6/5 • feefo

Independent Feedback based on 13472 verified reviews.

Excellent
★★★★★ Trusted Customer - 16 hours ago - % Easyfinancial
Very friendly staff, fast service.

Great experience
★★★★★ Janet Munro - 20 hours ago - % Easyfinancial
Yes I would recommend them. Pamela was great and it was painless

easyfinancial
★★★★★ 4.6/5

Coaching & Guidance



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YOU'RE ON A PATH TO A BETTER FINANCIAL FUTURE

START YOUR PAYMENT PROGRESS

CONGRATULATIONS, YOU DID IT! YOU PAID OFF YOUR LOAN

START YOUR PAYMENT PROGRESS

Measuring Success

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1^{IN}3

**CUSTOMERS
GRADUATE TO
PRIME CREDIT¹**

60%

**OF CUSTOMERS
IMPROVE THEIR
CREDIT SCORE²**

(1) Prime credit is defined as opening a trade with a prime bank lender within 12 months of borrowing from us.

(2) As measured by an increase in TransUnion Risk Score within 12 months of borrowing from us.

Loan Origination & Credit Risk

Jason Appel
Executive Vice President
& Chief Risk Officer

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Loan Origination



Pre-Qualification

- Knock-out rules



Credit Adjudication

- Proprietary risk models



Qualified Loan Amount (QLA)

- Affordability and credit risk ranking



Pricing

- Credit risk ranking determines APR



Repayment

- Payments pulled via EFT to align with pay cycle



Fulfillment

- Custom loan document generation



Underwriting

- Central loan approval office



Credit Adjudication



Credit Adjudication

- Proprietary credit risk models
- Credit attributes unique to the easyfinancial non-prime consumer
- Detailed proforma analysis completed on every model

On the Horizon

- ML models beyond logistic regression
- Multi-dimensional models
- Geo-specific models (i.e. Quebec)

of Discharged Bankruptcies



Total Bank Card Payment in Previous Month



Total Finance Installment Trades



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Credit Adjudication



Credit Adjudication

- Model testing strategy
- Model testing structure

On the Horizon

- Credit models leveraging alternative data

No Credit File

-No Hit at TransUnion

Thin Credit File

-Last activity is greater than 6 months
-Oldest trade is less than 6 months old

Thick Credit File

-Last activity is within 6 months
-Oldest trade is greater than or equal to 6 months old

← Reject Inference Model Test →

← Banking Model Test →

Line Assignment



Qualified Loan Amount

- Affordability calculation
- Proprietary credit report scraping algorithm
- Debt to Income (DTI) ratio
- Remaining income, DTI and risk rating determines Qualified Loan Amount

On the Horizon

- QLA assignment logic incorporating alternative data

Remaining Income =

Net Income + Other Personal Income X

Allowance for basic living expenses –

Payments of Liabilities from Credit Report +
Mortgage/Rent + Other Recurring Payments

Pricing



Pricing

- Risk rating and interest rate
- Price elasticity testing
- Test measurement and evaluation

On the Horizon

- Price optimization models

Credit Decision	PASS
DTI Decision	PASS
QLA Decision	PASS
Qualified Loan Amount	\$5,850.00
Interest Rate	35.99%
Maximum H & A Add-On	\$919.95
Debt to Income Ratio (DTI)	45.18%

Total Debt	\$1,003.00
Total Income	\$2,220.00
Applicant Credit Report	Download report
Re-activated	No
Reverse Decline - Manual Decline	No
Reverse Decline - System Decline	No
CLAO Challenge/ Appeal Status	
CLAO Inquiry Status	
CLAO Inquiry Reason	
CLAO Inquiry Reason (if Other)	
CLAO Inquiry Date	

This customer is approved to borrow up to:*

\$5,850.00

at an interest rate of

35.99%

* pending further underwriting validation

Repayment

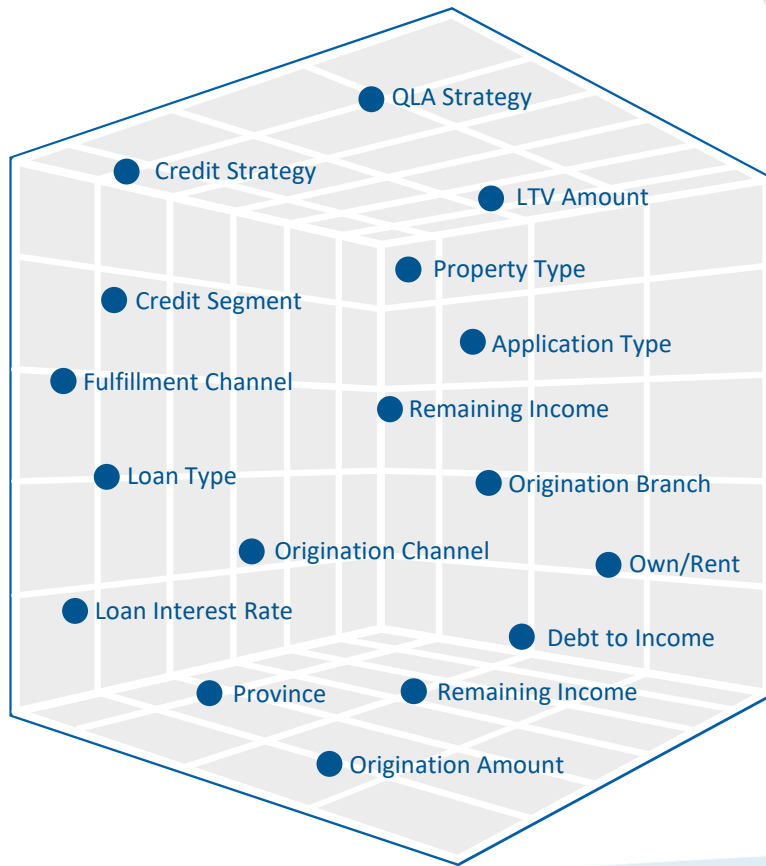


Repayment

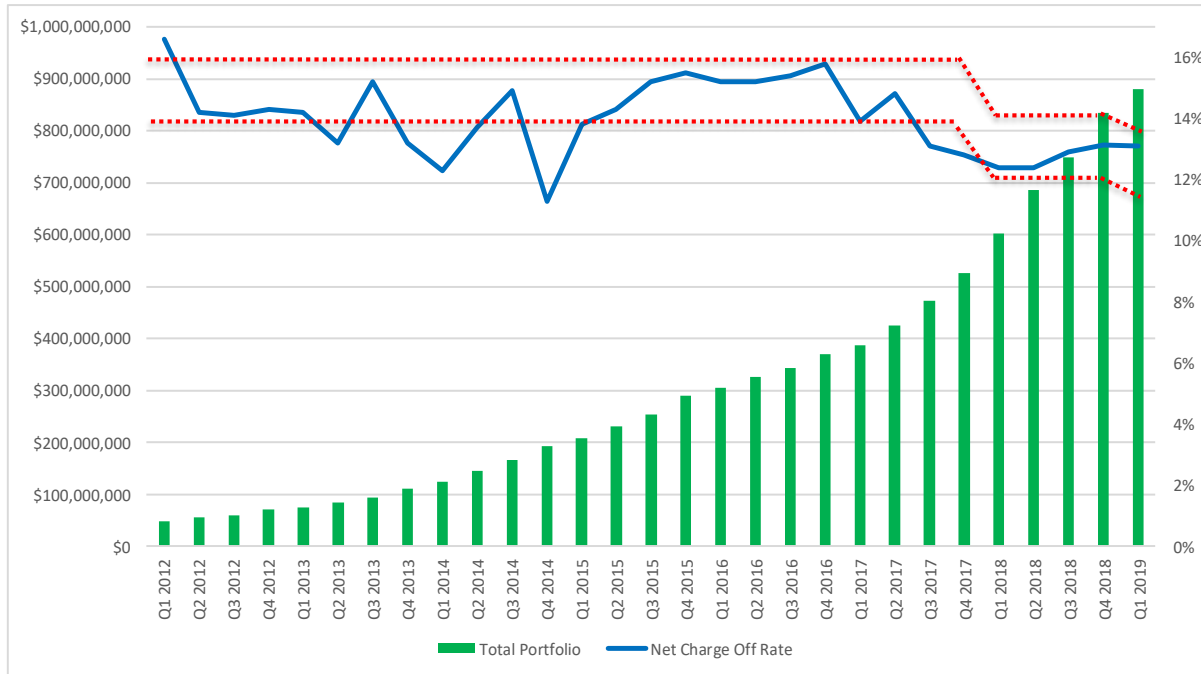
- Origination (cohort) monitoring
- Performance measurement
- Multi-dimensional data view

On the Horizon

- Real-time feedback loop of model performance
- Integration into model risk-reward optimization and loss forecasting



Stable and Consistent Credit Performance



- Proven track record of credit performance
- Accumulated volume of credit and underwriting data
- Deep analytical, modelling and underwriting expertise

People & Culture

David Cooper
Senior Vice President, Human Resources

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Employee Engagement Strategy



Executive Leadership

- Shareholder Alignment
 - Common Share Ownership Requirements
 - Maximum Stock Based Compensation Earned at 30% EPS CAGR for 3 years
 - 28% insider ownership
- 2018 Glassdoor Top CEO Award

Cultural & Social Events

- National Conference
- President's Trip
- Work Hard, Play Hard – Softball, Soccer, Tough Mudder and much more

Aligned Compensation Programs

- Meritocracy
 - Uncapped Pay-for-Performance
- Equity Based Compensation for Managers

Employer Value Proposition

- Brand Pillars
 - Making Work Matter
 - All In
 - No Limits

Award Winning Culture

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Waterstone
CANADA'S
MOST 
ADMIRED
CORPORATE
CULTURES
2018

Regulatory

Sabrina Anzini
Senior Vice President, Legal & Corporate Affairs

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Canada's Current Legislative Landscape



- Canada's non-bank lenders are governed by both federal and provincial law.
 - Payday lenders have a separate legislative framework.
- The *Federal Criminal Code* (Section 347) dictates that 60% is the maximum annual rate of interest that can be charged. Periodically this rate has been reviewed, however it has remained consistent and stable since 1980.
- All provinces have consumer protection legislation for disclosure and advertising requirements.
- Several Canadian provinces have implemented high-cost credit (HCC) regulations, which require additional disclosure and licensing requirements for lenders, but are not intended to limit the consumer's access to credit.

Alberta HCC was implemented in January 2019 impacting loans with rates of interest higher than 32%

BC government introduced legislation in Spring of 2019 to implement a HCC regime. Bill is currently being debated by the Legislature

Manitoba HCC was implemented in 2016 impacting loans with rates of interest higher than 32%



Quebec HCC will be implemented in August 2019 impacting loans with rates of interest higher than the overnight Bank of Canada rate + 22%

goeasy remains actively involved in consultations with all levels of Government, as well as engaging through industry associations, including the Canadian Lenders Association

goeasy's Government Relations Strategy



Monitoring

Ongoing review of both domestic and international regulatory landscape



Strategic and Tactical Plans

Address legislative action, matching circumstances with suitable levels of executive representation



Government Outreach

Outreach to provincial and federal governments to understand priorities that may impact goeasy's operations in the future



Contribution to Consultations

Contribution to consultations at all levels of government in areas of interest and impact

Balance Sheet & Capital Structure

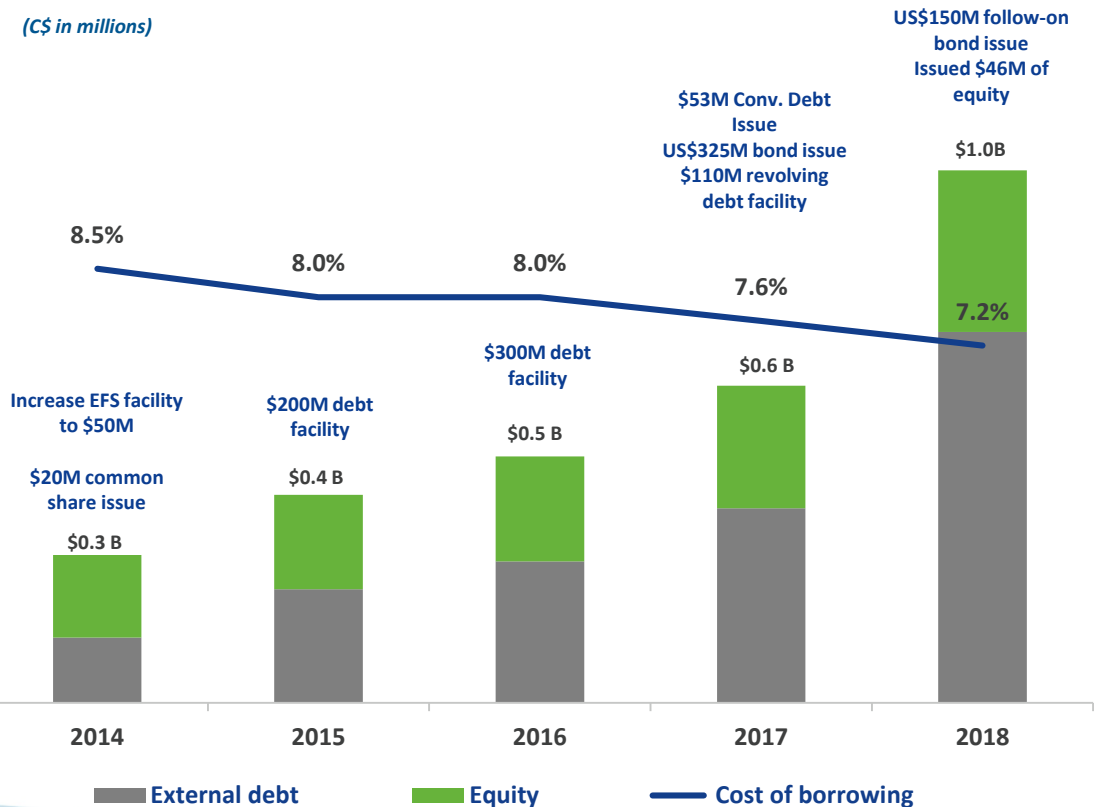
David Ingram
Executive Chairman of the Board

David Yeilding
Senior Vice President
& Interim Chief Financial Officer

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Capital to Fund Growth

(C\$ in millions)



Today

Fully Drawn
Cost of Debt of 6.8%

Q1 2019 - Upsized
Revolver to CAD\$189.5M,
Extended Term &
Reduced Interest Cost

Q4 2018 - Issued \$46
million of Equity

Q3 2018 - Issued US\$150
million of Notes at 6.2%

Future

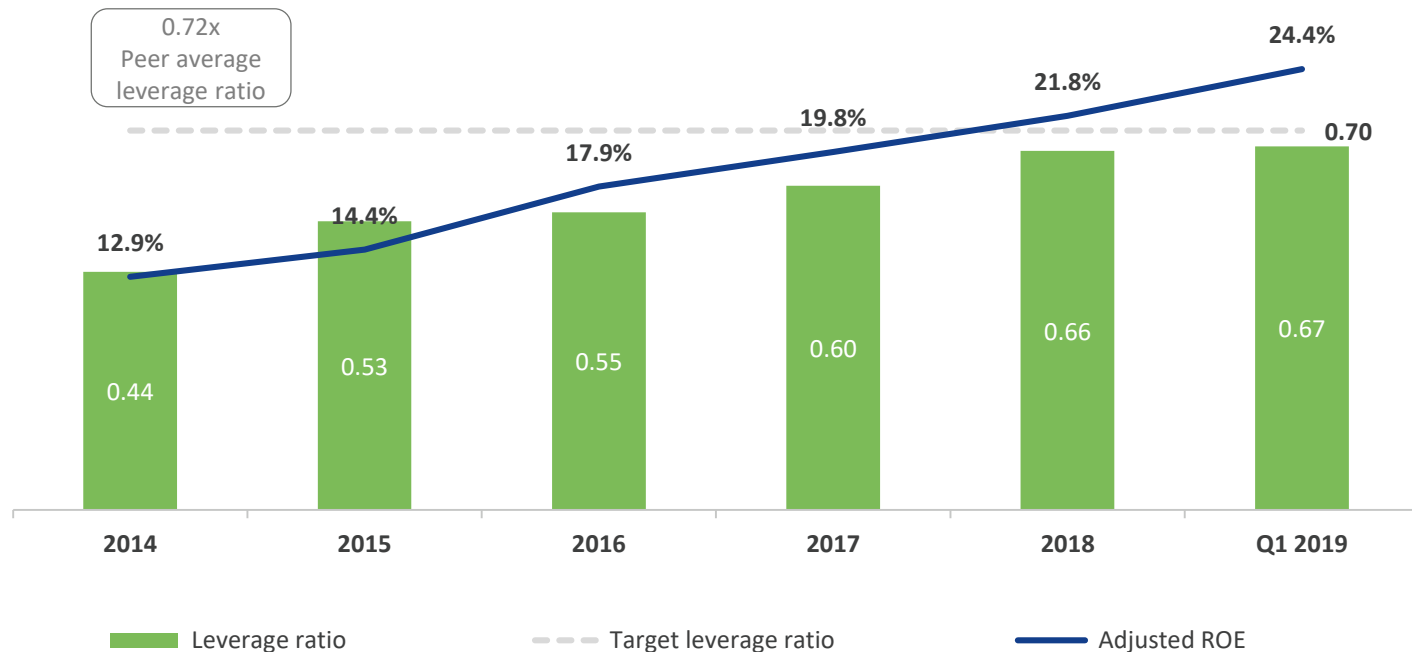
Segmented Balance Sheet
w/ Securitized Assets

Diversified Funding
Sources

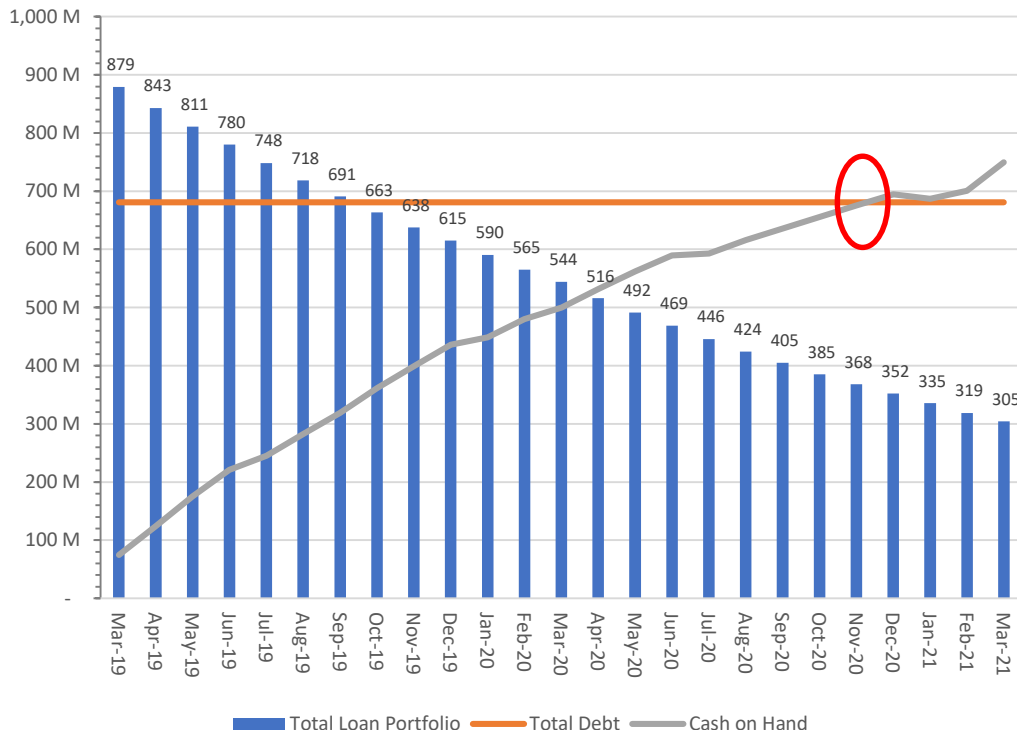
Staggered Maturities



Leverage x Lower Cost of Funds = ROE Growth

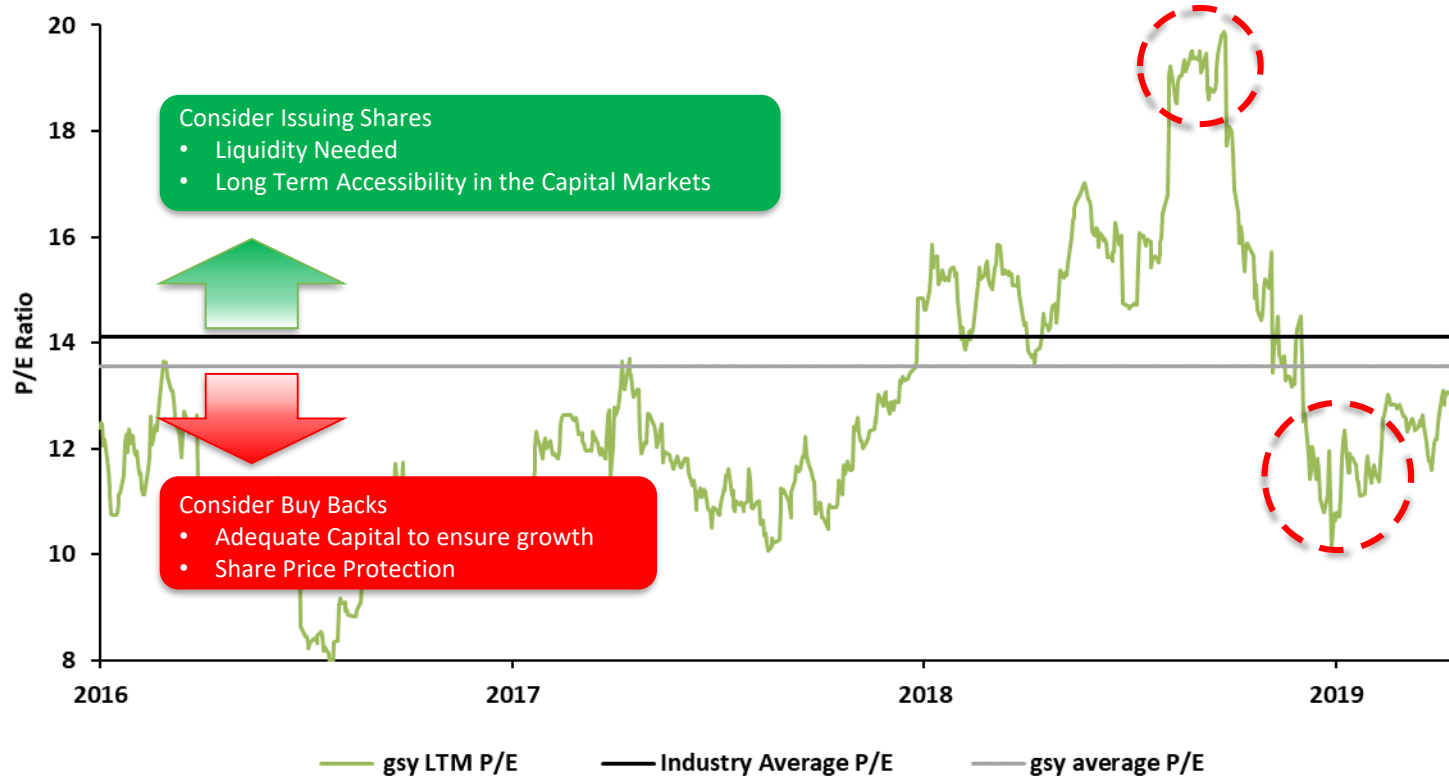


Run-Off Scenario

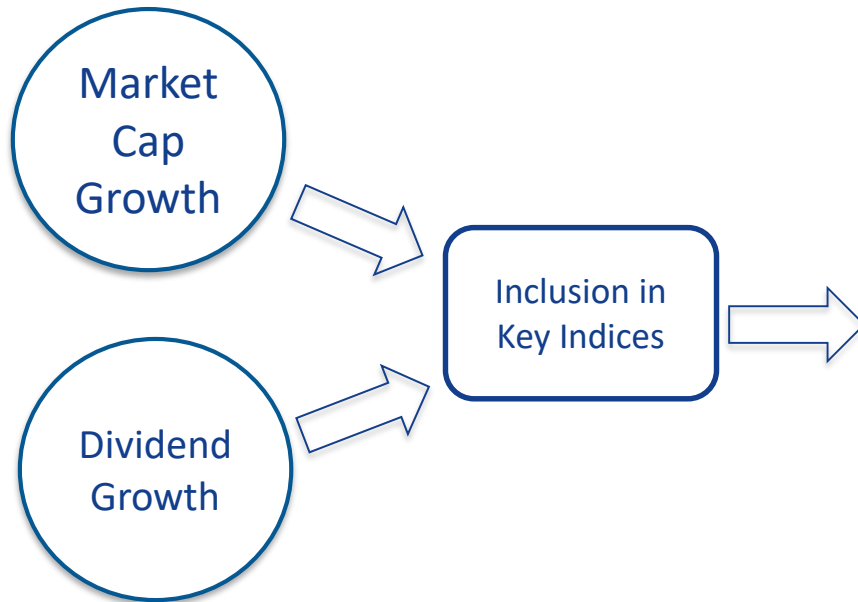


- Current loan book is \$879 million as at Q1, 2019
- goeasy's loan and lease portfolios generate an estimated \$1.7 billion of cash in a run-off scenario
- Current debt is C\$681 million
- In the event of a distress scenario, the Company would generate adequate cash flow to fully repay its debt in approximately 19 months

goeasy Equity Strategy



Path to Increased Trading Volume



US \$500M

- MSCI Canada Small Cap Index

CDN \$1B

- S&P / TSX Composite
- S&P / TSX Capped Financials
- S&P / TSX Composite High Div
- Dow Jones Canada Select

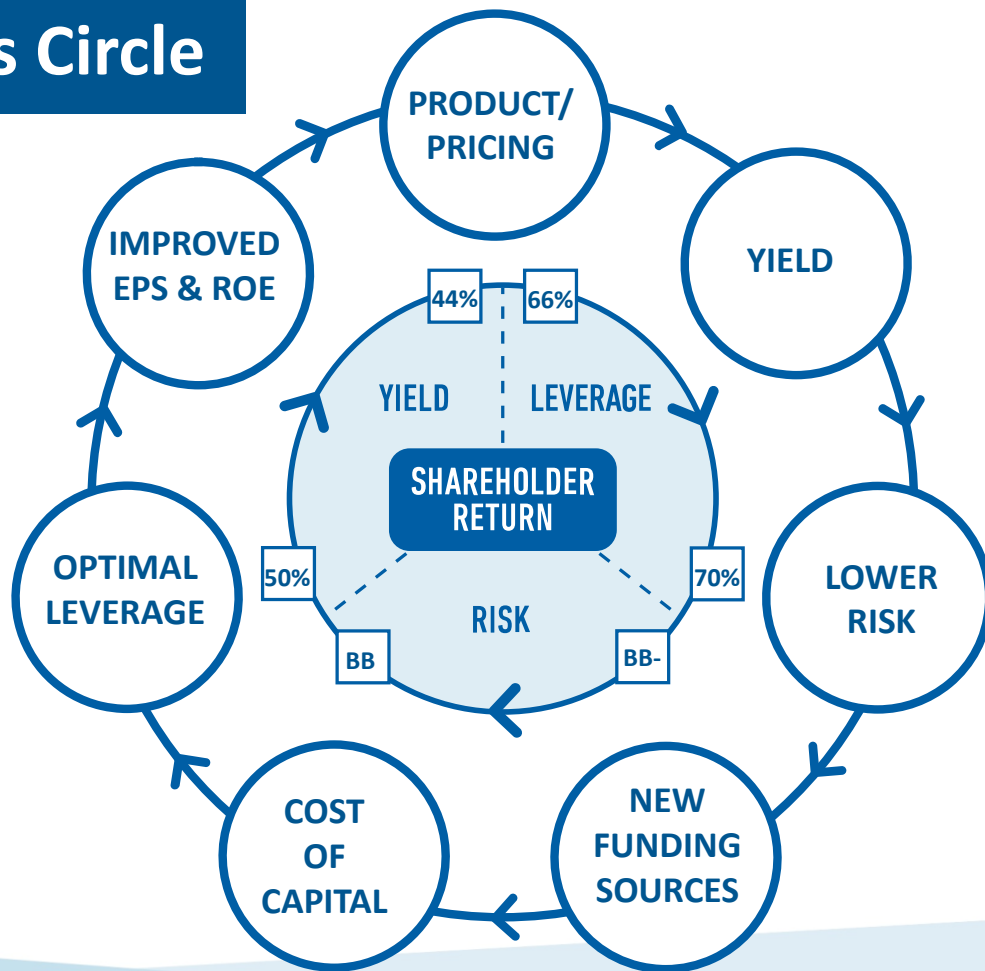
US \$1.5B

- FTSE All Cap Index

5 Year Dividend Growth

- S&P/TSX Canadian Dividend Aristocrats

GSY Virtuous Circle



Q & A

Jason Mullins
President & Chief Executive Officer

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Closing Remarks

Jason Mullins
President & Chief Executive Officer

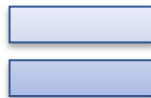
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The goeasy Investment

High Growth Business in
\$186 Billion Market

Evolving Business Model in
Early Stage Wave 3

Management Team
that can Execute



*Maximize
Shareholder Returns*



*A Better Tomorrow
For Non-Prime
Canadians*

Thank You

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