goeasy Ltd. Announces Acquisition of LendCare for $320 Million and Concurrent $130 Million Bought Deal Equity Offering of Subscription Receipts

April 12, 2021

LendCare is one of Canada's leading point-of-sale consumer financing providers

Strategic acquisition accelerates growth through product and point-of-sale channel expansion

Attractive valuation and synergies to assist in producing long-term return on equity of 25%+

High return business will contribute to history of compounding earnings growth at over 30%

Transaction expected to be immediately accretive to adjusted earnings per share, increasing to ~10% in 2022 and ~15% in 2023

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Mississauga, April 12, 2021: goeasy Ltd. (TSX: GSY), ("goeasy" or the "Company"), a leading full-service provider of goods and alternative financial services, announced today that it has entered into a definitive agreement to acquire LendCare Holdings Inc. ("LendCare"), a Canadian point-of-sale consumer finance and technology company, from LendCare's founders and CIVC Partners (the "Acquisition"). goeasy has agreed to acquire LendCare for $320 million, payable in a combination of cash and $10 million in common shares elected to be received by LendCare's founders as part of their consideration, at closing. The Acquisition is expected to close in the second quarter of 2021, subject to customary closing conditions and regulatory approvals.

The Acquisition of LendCare is expected to accelerate goeasy's growth in the consumer credit market through the expansion of its product range and point-of-sale distribution platform. Founded in 2004, LendCare is one of Canada's leading point-of-sale financing providers, with approximately 3,000 merchant, OEM and distributor relationships nationwide. Through its proprietary origination software, LendCare specializes in financing consumer purchases in the powersports, automotive, retail, healthcare, and home improvement verticals.

"We are pleased to be executing an acquisition with such strong strategic fit. Each year in Canada there is estimated to be more than $40 billion of credit extended to consumers through financing and "buy-now, pay-later" programs offered at the point-of-sale. Through this acquisition, we will strengthen our position as a leading provider of non-prime consumer credit, while also expanding our range of near-prime products and adding new industry verticals to our point-of-sale lending channel," said Jason Mullins, goeasy's President & Chief Executive Officer, "The transaction is expected to accelerate our existing growth strategy, while providing immediate accretion to our adjusted earnings per share and contributing to our 20 year track record of compounding earnings growth at over 30%."

"The Board of Directors is highly supportive of this transaction, as it meets all of our key investment criteria for capital allocation," said David Ingram, goeasy's Executive Chairman of the Board, "The Company is planning to maintain a prudent leverage profile beneath our target level of 70% net debt to net capitalization, while positioning itself to continue producing attractive long-term total returns for shareholders."

In 2020, LendCare produced income before taxes, calculated under accounting standards for private enterprises ("**ASPE**"), of approximately $19 million and had approximately $400 million in consumer loans receivable as of December 31, 2020. The purchase price of the Acquisition implies a multiple of approximately 13x the anticipated 2021 earnings of LendCare, calculated under international financial reporting standards ("**IFRS**") after adjusting for certain items, as well as excluding the anticipated synergy opportunities. Revenue, funding, and cost synergies are expected to be realized primarily from optimizing credit and pricing to produce increased originations, cross-selling products to consumers, reducing the funding costs of the business and delivering back-office efficiencies. The Acquisition is aligned with goeasy's financial objectives and is anticipated to be immediately accretive to the Company's adjusted earnings per share1, with accretion expected to increase to approximately 10% in 2022 and approximately 15% in 2023.

As part of the Acquisition, LendCare's founders, Ali Metel and Mark Schell, will assume management positions with goeasy, while maintaining responsibility for the ongoing operations of LendCare.

"After building a leading point-of-sale financing platform over the last 15 years, we are excited for the next chapter of our growth with goeasy," said Ali Metel, LendCare President & CEO, "Together, we offer a wide diversification of products and distribution channels across the consumer lending market that can help deliver a premium experience for our customers. We look forward to leveraging the combined expertise and technology of each firm, and the benefits of the scale and investment goeasy will bring to the LendCare platform."

Bought Deal Equity Offering of Subscription Receipts

In conjunction with the Acquisition, the Company has entered into an agreement with a syndicate of underwriters (the "**Underwriters**") led by BMO Capital Markets to issue, on a bought deal basis, 1,060,000 subscription receipts (the "**Subscription Receipts**"), at a price of $122.85 per Subscription Receipt, for gross proceeds of approximately $130 million, to finance a portion of the purchase price for the Acquisition (the "**Offering**"). Additional information about the Offering is set out below under "Additional Information on the Offering of Subscription Receipts."

Debt Financing

In connection with the Acquisition, BMO Capital Markets has provided the Company with fully committed debt financing. The Company intends to issue new senior unsecured notes prior to closing of the Acquisition. Immediately following the Acquisition, the Company expects to have net debt to net capitalization of below 70% and net debt to tangible net worth of approximately 4.0x. Given the strong free cash flow generation of the business, the Company intends to de-lever to approximately 3.0x by the end of fiscal 2023. The Company maintains a strong liquidity profile and, based on the expected borrowing capacity under the Company's credit facilities and cash on hand, estimates it will have approximately $600 million in total funding capacity immediately after closing of the Acquisition.

Select Preliminary Unaudited Financial Results for the First Quarter Ended March 31, 2021

The Company has also announced select preliminary unaudited financial results for the first quarter ended March 31, 2021 based on information currently available to management. The Company is making this announcement because the same information is being provided concurrently to potential investors in connection with the Offering.

The Company anticipates that the financial results for the first quarter of 2021 will include the following highlights:

- Loan originations in the first quarter of 2021 were $272 million, up 12% from $242 million in the first quarter of 2020
- Loan book growth in the first quarter of 2021 was approximately $30.5 million, resulting in an ending consumer loan receivable of $1.28 billion
- The annualized net charge-off rate for the quarter was 9.1%, down from 13.2% in the first quarter of 2020
- An $89.4 million unrealized gain was recognized in the first quarter of 2021, related to the Company's investment in Affirm, including the unrealized gain from a total return swap hedging instrument

All figures reported above with respect to the first quarter of 2021 are preliminary and are subject to change and adjustment as the Company's financial results for the first quarter ended March 31, 2021 are finalized. Accordingly, investors are cautioned not to place undue reliance on the foregoing guidance. The Company does not intend to provide unaudited preliminary results in the future. The preliminary unaudited results provided in this news release constitute forward-looking statements within the meaning of applicable securities laws, are based on several assumptions and are subject to a number of risks and uncertainties. Actual results may differ materially. Please see the section below entitled "Forward-Looking Statements".

Investor Call

Management of goeasy will host a conference call on April 12, 2021 at 3:50 p.m. EST to discuss the Acquisition. The conference call is open to all investors.

Participant Toll-Free Dial-In Number: (866) 219-5269
Participant International Dial-In Number: (703) 736-7431
Password: 4256856
Webcast: https://edge.media-server.com/mmc/p/8cfb9o42

After the conference call, a recording will be available by calling 1-855-859-2056 and entering passcode number 4256856. A supplemental presentation will also be available on the Company's investor website at https://investors.goeasy.com/events-and-presentations/presentations

Advisors and Counsel

BMO Capital Markets and Raymond James Ltd. are acting as financial advisors to goeasy. Blake, Cassels & Graydon LLP is acting as legal counsel to goeasy in connection with the Acquisition. National Bank Financial Inc. and Keefe, Bruyette & Woods, A Stifel Company, are acting as financial advisors to LendCare. Stikeman Elliott LLP is acting as legal counsel to LendCare in connection with the Acquisition. Osler, Hoskin & Harcourt LLP is acting as legal counsel to the syndicate of underwriters.

Additional Information on the Offering of Subscription Receipts

The Company has also granted the Underwriters an option to purchase up to an additional 159,000 Subscription Receipts on the same terms and conditions, exercisable at any time, in whole or in part, up to the earlier of (i) 30 days after the closing of the Offering and (ii) the termination of Acquisition. If the closing of the Acquisition occurs on or prior to the closing of the overallotment option, the Company will deliver common shares, instead of Subscription Receipts, to investors on closing of the overallotment option.

Upon the satisfaction or waiver of each of the conditions precedent to the closing of the Acquisition (other than the payment of the consideration for the Acquisition and such other conditions precedent that, by their nature, are to be satisfied at the time of closing of the Acquisition): (a) one common share will be automatically issued in exchange for each Subscription Receipt (subject to customary anti-dilution protection), without payment of additional consideration or further action by the holder thereof; (b) an amount per Subscription Receipt equal to the per-share cash dividends declared by the Company on the common shares to holders of record on a date during the period that the Subscription Receipts are outstanding, net of any applicable withholding taxes, will become payable in respect of each Subscription Receipt; and (c) the net proceeds from the sale of the Subscription Receipts will be released from escrow to the Company for the purposes of completing the Acquisition.

The net proceeds from the sale of the Subscription Receipts will be held by an escrow agent pending the fulfillment or waiver of all outstanding conditions precedent to closing of the Acquisition (other than the payment of the consideration for the Acquisition). There can be no assurance that the applicable closing conditions will be met or that the Acquisition will be consummated.

If the Acquisition is not completed as described above by December 1, 2021 or if the Acquisition is terminated at an earlier time, the gross proceeds of the Offering and pro rata entitlement to interest earned or deemed to be earned on the gross proceeds of the Offering, net of any applicable withholding taxes, will be paid to holders of the Subscription Receipts, and the Subscription Receipts will be cancelled.

The Subscription Receipts will be offered pursuant to a prospectus supplement to the Company's short-form base shelf prospectus dated November 23, 2020, which prospectus supplement is expected to be filed in each of the provinces of Canada, except Québec, on or about April 13, 2021. Further information regarding the Offering and the Acquisition, including related risk factors, will be set out in the prospectus supplement. The Offering is expected to close on or about April 16, 2021 and is subject to certain conditions including, but not limited to, the approval of the Toronto Stock Exchange.

The Subscription Receipts and the underlying common shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") and may not be offered, sold or delivered, directly or indirectly, in the United States, or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the 1933 Act), except pursuant to an exemption from the registration requirements of the 1933 Act. This press release does not constitute an offer to sell or a solicitation of an offer to buy any Subscription Receipts or the underlying common shares in the United States or to, or for the account or benefit of, U.S. persons.

About goeasy

goeasy Ltd., a Canadian company, headquartered in Mississauga, Ontario, provides non-prime leasing and lending services through its easyhome and easyfinancial divisions. With a wide variety of financial products and services including unsecured and secured instalment loans, goeasy aspires to help put Canadians on a path to a better financial future, as they rebuild their credit and graduate to prime lending. Customers can transact seamlessly with easyhome and easyfinancial through an omni-channel model that includes online and mobile, as well as over 400 leasing and lending locations across Canada supported by more than 2,000 employees. Throughout the company's history, it has served over 1 million Canadians and originated $5.0 billion in loans, with one in three customers graduating to prime credit and 60% increasing their credit score within 12 months of borrowing.

Accredited by the Better Business Bureau, goeasy is the proud recipient of several awards including Waterstone Canada's Most Admired Corporate Cultures, Glassdoor Top CEO Award, Achievers Top 50 Most Engaged Workplaces in North America, Greater Toronto Top Employers Award, the Digital Finance Institute's Canada's Top 50 FinTech Companies, ranking on the TSX30 and placing on the Report on Business ranking of Canada's Top Growing Companies. The company and its employees believe strongly in giving back to the communities in which it operates and has raised over $3.5 million to support its long-standing partnerships with BGC Canada, Habitat for Humanity and many other local charities.

goeasy's common shares are listed on the TSX under the trading symbol "GSY". goeasy is rated BB- from S&P and Ba3 from Moody's. Visit www.goeasy.com.

About LendCare

LendCare is a Canadian point-of-sale consumer finance and technology company, which enables 3,000 businesses to increase their revenue by providing full credit spectrum financing at the point-of-sale. For over a decade, LendCare has cleared a path to providing fast, reliable and affordable financing options for the powersports, auto, retail, home improvement and health sectors, while processing over $6 billion in loan applications to date. With a dedicated team of finance experts and well-established partnerships with merchants, dealerships and brokers, LendCare bridges the gap between credit score and customers living their best life.

Forward-Looking Statements

Certain information herein constitutes "forward-looking information" as defined under Canadian securities laws which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance, business prospects and opportunities of the Company. Some of the specific forward-looking statements contained herein include, but are not limited to, statements with respect to the intention of the Company to complete the closing of the Acquisition, the Offering and the related transactions contemplated herein on the terms and conditions described herein, the effect of the Acquisition, the Offering and the related transactions contemplated herein on the financial performance of the Company, the other anticipated benefits of the Acquisition, the Offering and the related transactions contemplated herein, the expected timing for completion of the Acquisition, the preliminary financial results for the first quarter of 2021 contained herein, the expected debt financing and the Company's expected leverage and future liquidity profile, the closing date of the Offering and the use of proceeds of the Offering. The words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes", or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved", or "continue" and similar expressions identify forward-looking statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management as of the date hereof, are inherently subject to significant business, economic and competitive uncertainties and contingencies. When relying on forward-looking statements to make decisions, readers are cautioned not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors, including the risks described under the heading "Risk Factors" in our annual information form and management's discussion and analysis for the year ended December 31, 2020 filed on SEDAR and described under the heading "Risk Factors" in our material change report dated April 12, 2021 to be filed on SEDAR, could cause actual results to differ materially from the results discussed in the forward-looking statements. Additional information about risks and uncertainties is contained in the other filings of the Company with securities regulators.

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1 Adjusted earnings refer to earnings excluding Acquisition-related transaction expenses and the amortization of acquired intangibles, as well as a one-time provision under IFRS related to the Acquisition.

Net debt to tangible net worth is equal to (debt minus qualified cash / shareholders’ equity minus intangibles, goodwill, and deferred financing costs).