



goeasy Ltd. Reports Record Results for the Fourth Quarter and Full Year

February 16, 2022

Quarterly Loan Originations of \$507 million, up 52% from \$334 million
Loan Portfolio of \$2.03 billion, up 63% from \$1.25 billion
Quarterly Diluted Earnings per Share of \$2.90, down 8% from \$3.14
Adjusted Quarterly Diluted Earnings per Share¹ of \$2.76, up 23% from \$2.24
Annual Diluted Earnings per Share of \$14.62, up 67% from \$8.76
Adjusted Annual Diluted Earnings per Share¹ of \$10.43, up 38% from \$7.57
Annual Dividend per Share Increased to \$3.64, up 38% from \$2.64

MISSISSAUGA, Ontario, Feb. 16, 2022 (GLOBE NEWSWIRE) -- goeasy Ltd. (TSX: GSY), ("**goeasy**" or the "**Company**"), one of Canada's leading non-prime consumer lenders, today reported results for the fourth quarter and full year ended December 31, 2021.

Fourth Quarter Results

During the quarter, the Company generated a record \$507 million in total loan originations, up 52% compared to the \$334 million produced in the fourth quarter of 2020, and a sequential increase of 16% from the \$436 million in loan originations in the third quarter of 2021. The increase in loan originations led to record organic growth in the loan portfolio of \$134 million during the quarter, resulting in a total gross consumer loan receivable portfolio of \$2.03 billion, up 63% from \$1.25 billion in the fourth quarter of 2020. The growth in consumer loans led to an increase in revenue, which was a record \$234 million in the quarter, up 35% over the fourth quarter of 2020.

The net charge off rate in the fourth quarter was 9.6%, in line with the Company's target range of a net charge off rate between 8.5% and 10.5% on an annualized basis, and up from the 9.0% in the fourth quarter of 2020, a period which was affected by pandemic related government subsidies and a reduction in consumer spending. The Company's allowance for future credit losses remained stable at 7.87%, compared to 7.83% in the prior quarter.

Operating income for the fourth quarter of 2021 was a record \$79.6 million, up 30% from \$61.3 million in the fourth quarter of 2020. Operating margin for the fourth quarter was 34.0%, down from 35.4% in the prior year. After adjusting for items related to the recent acquisition of LendCare Holdings Inc. ("LendCare"), the Company reported record adjusted operating income² of \$86.4 million, up \$25.1 million or an increase of 41% compared to \$61.3 million in the fourth quarter of 2020. Adjusted operating margin¹ for the fourth quarter was 36.8%, up from 35.4% in the prior year. During the quarter, the Company also recorded other income of \$8.4 million before-tax fair value gains on investments.

Net income in the fourth quarter was \$50.0 million, compared to \$48.9 million in the same period of 2020, which resulted in diluted earnings per share of \$2.90, compared to \$3.14 in the fourth quarter of 2020. After adjusting for non-recurring and unusual items on an after-tax basis, including \$2.5 million of integration costs related to the acquisition of LendCare, \$2.4 million in amortization of acquired intangible assets, and a \$7.3 million fair value gains on investments, adjusted net income² was a record \$47.6 million, up 36% from \$35.0 million in 2020. Adjusted diluted earnings per share¹ was a record \$2.76, up 23% from \$2.24 in the fourth quarter of 2020.

Return on equity during the quarter was 25.0%, compared to 45.8% in the fourth quarter of 2020. After adjusting for the non-recurring and unusual items previously noted, adjusted return on equity¹ was 23.9% in the quarter, compared to 32.8% in the same period of 2020.

"As we concluded another year of significant achievements, the fourth quarter highlighted the growth capability of our diversified non-prime lending platform, with a record \$507 million in loan originations and \$134 million in organic loan growth, resulting in the consumer loan portfolio finishing the year at over \$2 billion," said Jason Mullins, goeasy's President and Chief Executive Officer, "During the year our team closed on the acquisition of LendCare, expanded our product range, added \$800 million in new funding capacity, delivered record adjusted diluted earnings per share¹ of \$10.43, a 38% increase, and developed meaningful relationships with a record number of customers. I want to thank our talented team who deserve immense credit for these accomplishments."

Other Key Fourth Quarter Highlights

easyfinancial

- Revenue of \$196 million, up 44%
- 33% of the loan portfolio secured, up from 13%
- 61% of net loan advances in the quarter were issued to new customers, up from 51%
- 51% of applications were acquired online, down from 64%
- 29% of new customers acquired through point-of-sale financing, up from 22%
- 5% of new customers acquired through auto financing, a new product category in 2021
- Record net customer growth during the quarter of 10,725
- Average loan book per branch³ improved to \$4.0 million, an increase of 3%
- Weighted average interest rate³ on consumer loans of 33.3%, down from 37.8%
- Record operating income of \$87.6 million, up 30%

- Operating margin of 44.7%, down from 49.2%

easyhome

- Record revenue of \$38.4 million, up 5%
- Same store revenue growth³ of 5.6%
- Consumer loan portfolio within easyhome stores increased to \$69.8 million, up 39%
- Financial revenue¹ from consumer lending increased to \$9.0 million, up 44% from \$6.2 million
- Operating income of \$8.5 million, down 2%
- Operating margin of 22.0%, down from 23.6%

Overall

- 47th consecutive quarter of same store revenue growth³
- 82nd consecutive quarter of positive net income
- 2022 marks the 18th consecutive year of paying dividends and the 8th consecutive year of a dividend increase
- Total same store revenue growth³ of 13.4%
- Total active customers now exceed 300,000, with total customers served over 1 million
- Reported return on equity of 25.0%, and adjusted return on equity¹ of 23.9% in the quarter, down from 32.8% in the fourth quarter of 2020. Adjusted return on tangible common equity¹ of 36.2%, up from 34.5% in the fourth quarter of 2020
- Fully drawn weighted average cost of borrowing reduced to 4.5%, down from 4.8%
- Net debt to net capitalization⁴ of 65% on December 31, 2021, up from 64% in the prior year and below the Company's target leverage ratio of 70%

Full Year Results

For the full year of 2021, the Company funded \$1.59 billion in loan originations, up 54% from \$1.03 billion in 2020. The consumer loan receivable portfolio finished at \$2.03 billion, up 63% from \$1.25 billion as of December 31, 2020, with the increase related to the organic loan growth and the LendCare portfolio acquired in the second quarter of 2021.

For the full year of 2021, the Company produced record revenues of \$827 million, up 27%, compared with \$653 million in 2020. Operating income for the full year was \$281 million compared with \$216 million in 2020, an increase of \$64.6 million or 30%. Net income for the full year of 2021 was \$245 million and diluted earnings per share was \$14.62, compared with \$137 million or \$8.76 per share, increases of 79% and 67%, respectively.

During the year, the Company recorded before-tax fair value gains on investments of \$115 million. Excluding the effects of the adjusting items related to the acquisition of LendCare and fair value gains on investments, adjusted net income² for the full year of 2021 was \$175 million, up 49% from \$118 million in 2020; adjusted diluted earnings per share¹ was \$10.43, up 38% from \$7.57 in 2020. Reported return on equity was 36.7%, while adjusted return on equity¹ was 26.2%, down from 31.1% in 2020.

Balance Sheet and Liquidity

Total assets were \$2.60 billion as of December 31, 2021, an increase of 73% from \$1.50 billion as of December 31, 2020, driven by growth in the consumer loan portfolio, including the \$445 million gross consumer loan portfolio acquired through the acquisition of LendCare, the intangible assets and goodwill arising from the LendCare acquisition, and the return on the Company's investment in Affirm Holdings Inc. ("Affirm").

In November 2021, the Company entered into a 7-month total return swap agreement (the "TRS") to substantively hedge its market exposure related to 75,000 contingent shares related to the equity held in Affirm. The TRS effectively results in the economic value of this hedged portion of the Company's contingent equity in Affirm being settled in cash at maturity for US\$163.00 per share, net of applicable fees. Prior to the fourth quarter, the Company previously entered into a 9-month total return swap agreement to substantively hedge its market exposure related to 100,000 contingent shares related to the equity held in Affirm, with those shares being settled in cash at maturity for US\$110.35 per share, net of applicable fees. To date, the Company has substantively hedged its market exposure related to 175,000 of the 468,000, or approximately 37%, of the total contingent shares related to the equity held in Affirm. During the fourth quarter of 2021, the Company recognized a \$7.3 million after-tax fair value gains mainly on the investment in Affirm and the TRS. For the full year 2021, the Company has recorded total after-tax fair value gains on investments of \$99.7 million.

In January 2022, the Company increased its existing revolving securitization warehouse facility ("**Securitization Facility**") from \$600 million to \$900 million. The Securitization Facility, which was originally established in December 2020, will continue to be structured by National Bank Financial Markets, with the addition of Bank of Montreal and Royal Bank of Canada as new lenders to the syndicate. The facility will continue to bear interest on advances payable at the rate of 1-month Canadian Dollar Offered Rate ("**CDOR**") plus 185 bps. Based on the current 1-month CDOR rate of 0.61% as of February 14, 2022, the interest rate would be 2.46%. The Company continues utilizing an interest rate swap agreement to generate fixed rate payments on the amounts drawn and mitigate the impact of interest rate volatility.

In January 2022, the Company also announced an amendment to its senior secured revolving credit facility ("**Credit Facility**"), which will decrease from \$310 million to \$270 million, with the maturity extended to January 27, 2025 and a reduction to the interest rate payable on advances. On lenders prime rate ("**Prime**") advances, the interest rate payable has been reduced by 125 bps, from the previous rate of Prime plus 200 bps to Prime plus 75 bps. On draws elected to be taken utilizing the Canadian Bankers' Acceptance rate ("**BA**"), the interest rate payable has been reduced by 75 bps, from the previous rate of BA plus 300 bps to BA plus 225 bps. Based on the current Prime rate of 2.45% and the current 90-day BA rate of 0.84% as of February 14, 2022, the interest rate on the principal amount drawn would be 3.20% or 3.09%, respectively, at the option of the Company. Additionally, the amendment incorporates key modifications including improved advance rates, less restrictive covenants, and a broader syndicate of banks. The amended Credit Facility is underwritten by Bank of Montreal, Royal Bank of Canada, Wells Fargo Bank, CIBC, National Bank of Canada and Toronto-

Dominion Bank, and the Company has the ability to utilize an accordion feature to increase the size of the facility by up to an additional \$100 million.

Free cash flow from operations before net growth in gross consumer loans receivable² in the quarter was \$59.5 million, up 45% from \$41.0 million in the fourth quarter of 2020. Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's recently amended revolving credit facilities, goeasy has approximately \$978 million in total funding capacity, which it estimates is sufficient to fund its organic growth through the fourth quarter of 2024. Inclusive of these amendments, the Company's fully drawn weighted average cost of borrowing reduced to 4.2%, with incremental draws on its senior secured revolving credit facility bearing a rate of approximately 3.09% and incremental draws on its amended Securitization Facility bearing a rate of approximately 2.46%, prior to interest rate swaps.

The Company also estimates that once its existing and available sources of capital are fully utilized, it could continue to grow the loan portfolio by approximately \$200 million per year solely from internal cash flows. The Company also estimates that if it were to run-off its consumer loan and consumer leasing portfolios, the value of the total cash repayments paid to the Company over the remaining life of its contracts would be approximately \$3.1 billion. If, during such a run-off scenario, all excess cash flows were applied directly to debt, the Company estimates it would extinguish all external debt within 15 months.

Future Outlook

The Company has provided a new 3-year forecast for the years 2022 through 2024. The periods of 2022 and 2023 have been updated to reflect the most recent outlook. The Company continues to pursue a long-term strategy that includes expanding its product range, developing its channels of distribution and leveraging risk-based pricing to reduce the cost of borrowing for its consumers and extend the life of its customer relationships. As such, the total yield earned on its consumer loan portfolio¹ will gradually decline, while net charge off rates remain stable and operating margins expand. The forecasts outlined below contemplate the Company's expected domestic organic growth plan and do not include the impact of any future mergers or acquisitions, or the associated gains or losses associated with its investments.

| | Forecasts for 2022 | Forecasts for 2023 | Forecasts for 2024 |
|--|--------------------|--------------------|--------------------|
| Gross consumer loans receivable at year end | \$2.4B - \$2.6B | \$2.9B - \$3.1B | \$3.4B - \$3.6B |
| New easyfinancial locations to be opened during the year | 15 - 20 | 10 - 15 | 5 |
| Total Company revenue | \$970M - \$1B | \$1.10B - \$1.14B | \$1.24B - \$1.28B |
| Total yield on consumer loans (including ancillary products) ¹ | 36.5% - 38.5% | 35% - 37% | 34% - 36% |
| Net charge offs as a percentage of average gross consumer loans receivable | 8.5% - 10.5% | 8% - 10% | 8% - 10% |
| Total Company Operating Margin | 35%+ | 36%+ | 37%+ |
| Return on Equity | 22%+ | 22%+ | 22%+ |

"With consumer demand and repayment behavior trending at normal levels, we are confident in the future growth and performance of our business. For nearly 10 consecutive years we have produced a long range forecast and have consistently met or exceeded it," Mr. Mullins continued, "Our strategy to leverage a wide range of lending products and distribution channels to serve all the borrowing needs of more than 8 million non-prime Canadians, will allow us to capture an even greater share of the nearly \$200 billion non-prime consumer credit market. With only 1% share of that market today, we expect to scale our consumer loan portfolio by 75%, to approximately \$3.5 billion by the end of 2024. However, none of this would be possible, without the incredible team that works day-in and day-out, to provide our customers with honest and responsible financial products, that put them on a path to a better tomorrow. We are truly just getting started."

Dividend

Based on its 2021 adjusted earnings and the Company's confidence in its continued growth and access to capital going forward, the Board of Directors has approved an increase to the annual dividend from \$2.64 per share to \$3.64 per share, an increase of 38%. This year marks the 8th consecutive year of an increase in the dividend to shareholders. As such, the Board of Directors has approved a quarterly dividend of \$0.91 per share payable on April 8, 2022 to the holders of common shares of record as at the close of business on March 25, 2022.

Forward-Looking Statements

All figures reported above with respect to outlook are targets established by the Company and are subject to change as plans and business conditions vary. Accordingly, investors are cautioned not to place undue reliance on the foregoing guidance. Actual results may differ materially.

This press release includes forward-looking statements about goeasy, including, but not limited to, its business operations, strategy, expected financial performance and condition, 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 are 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 Company's most recent Annual Information Form and Management Discussion and Analysis, as available on www.sedar.com, 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, 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 to 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.

About goeasy

goeasy Ltd., a Canadian company, headquartered in Mississauga, Ontario, provides non-prime leasing and lending services through its easyhome, easyfinancial and LendCare brands. Supported by more than 2,300 employees, the Company offers a wide variety of financial products and services including unsecured and secured instalment loans. Customers can transact seamlessly through an omni-channel model that includes an online and mobile platform, over 400 locations across Canada, and point-of-sale financing offered in the retail, power sports, automotive, home improvement and healthcare verticals, through more than 4,000 merchants across Canada. Throughout the Company's history, it has acquired and organically served over 1 million Canadians and originated over \$7.7 billion in loans, with one in three easyfinancial 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 and has been certified as a Great Place to Work®. The company is represented by a diverse group of team members from over 75 nationalities who believe strongly in giving back to the communities in which it operates. To date, goeasy has raised and donated over \$4.35 million to support its long-standing partnerships with BGC Canada, Habitat for Humanity and many other local charities.

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

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Notes:

- ¹ These are non-IFRS ratios. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.
- ² These are non-IFRS measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.
- ³ These are supplementary financial measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.
- ⁴ These are capital management measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.
- ⁵ Non-IFRS ratios, non-IFRS measures, supplementary financial measures and capital management measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies.

goeasy Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(expressed in thousands of Canadian dollars)

| | As At December 31, 2021 | As At December 31, 2020 |
|--------------------------------|-------------------------------|-------------------------------|
| ASSETS | | |
| Cash | 102,479 | 93,053 |
| Amounts receivable | 20,769 | 9,779 |
| Prepaid expenses | 8,018 | 13,005 |
| Consumer loans receivable, net | 1,899,631 | 1,152,378 |
| Investments | 64,441 | 56,040 |
| Lease assets | 47,182 | 49,384 |
| Property and equipment, net | 35,285 | 31,322 |
| Deferred tax assets, net | - | 4,066 |
| Derivative financial assets | 20,634 | - |
| Intangible assets, net | 159,651 | 25,244 |
| Right-of-use assets, net | 57,140 | 46,335 |

| | | |
|---|------------------|------------------|
| Goodwill | 180,923 | 21,310 |
| TOTAL ASSETS | 2,596,153 | 1,501,916 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | 57,134 | 46,065 |
| Income taxes payable | 27,859 | 13,897 |
| Dividends payable | 10,692 | 6,661 |
| Unearned revenue | 11,354 | 10,622 |
| Accrued interest | 8,135 | 2,598 |
| Deferred tax liabilities, net | 38,648 | - |
| Lease liabilities | 65,607 | 53,902 |
| Revolving credit facility | - | 198,339 |
| Secured borrowings | 173,959 | - |
| Revolving securitization warehouse facility | 292,814 | - |
| Derivative financial liabilities | 34,132 | 36,910 |
| Notes payable | 1,085,906 | 689,410 |
| TOTAL LIABILITIES | 1,806,240 | 1,058,404 |
| Shareholders' equity | | |
| Share capital | 363,514 | 181,753 |
| Contributed surplus | 22,583 | 19,732 |
| Accumulated other comprehensive income (loss) | 8,567 | (5,280) |
| Retained earnings | 395,249 | 247,307 |
| TOTAL SHAREHOLDERS' EQUITY | 789,913 | 443,512 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 2,596,153 | 1,501,916 |

goeasy Ltd.

CONSOLIDATED STATEMENTS OF INCOME

(expressed in thousands of Canadian dollars except earnings per share)

| | Three Months Ended | | Year Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| REVENUE | | | | |
| Interest income | 155,529 | 106,784 | 535,638 | 409,583 |
| Lease revenue | 27,663 | 28,564 | 112,371 | 112,796 |
| Commissions earned | 45,910 | 34,747 | 163,734 | 117,913 |
| Charges and fees | 5,328 | 3,124 | 14,979 | 12,630 |
| | 234,430 | 173,219 | 826,722 | 652,922 |
| EXPENSES BEFORE DEPRECIATION AND AMORTIZATION | | | | |
| Salaries and benefits | 36,171 | 34,023 | 157,157 | 136,306 |
| Stock-based compensation | 2,772 | 1,988 | 8,875 | 7,575 |
| Advertising and promotion | 9,578 | 8,591 | 30,393 | 26,786 |
| Bad debts | 58,640 | 34,493 | 182,084 | 134,998 |
| Occupancy | 6,342 | 5,375 | 23,614 | 22,501 |
| Technology costs | 5,312 | 3,692 | 18,033 | 14,191 |
| Other expenses | 14,321 | 7,028 | 46,677 | 29,406 |
| | 133,136 | 95,190 | 466,833 | 371,763 |
| DEPRECIATION AND AMORTIZATION | | | | |
| Depreciation of lease assets | 9,157 | 8,980 | 35,844 | 35,770 |
| Depreciation of right-of-use assets | 4,791 | 4,189 | 18,207 | 16,183 |
| Amortization of intangible assets | 5,546 | 2,074 | 16,831 | 6,773 |
| Depreciation of property and equipment | 2,171 | 1,509 | 8,004 | 5,997 |

| | | | | |
|--|----------------|---------|----------------|---------|
| | 21,665 | 16,752 | 78,886 | 64,723 |
| TOTAL OPERATING EXPENSES | 154,801 | 111,942 | 545,719 | 436,486 |
| OPERATING INCOME | 79,629 | 61,277 | 281,003 | 216,436 |
| OTHER INCOME | 8,371 | 16,040 | 114,876 | 21,740 |
| FINANCE COSTS | | | | |
| Interest expenses and amortization of deferred financing charges | 21,460 | 12,624 | 75,910 | 52,248 |
| Interest expense on lease liabilities | 821 | 719 | 3,115 | 2,744 |
| | 22,281 | 13,343 | 79,025 | 54,992 |
| INCOME BEFORE INCOME TAXES | 65,719 | 63,974 | 316,854 | 183,184 |
| INCOME TAX EXPENSE (RECOVERY) | | | | |
| Current | 15,167 | 9,753 | 73,744 | 33,041 |
| Deferred | 591 | 5,310 | (1,833) | 13,638 |
| | 15,758 | 15,063 | 71,911 | 46,679 |
| NET INCOME | 49,961 | 48,911 | 244,943 | 136,505 |
| BASIC EARNINGS PER SHARE | 3.00 | 3.26 | 15.12 | 9.21 |
| DILUTED EARNINGS PER SHARE | 2.90 | 3.14 | 14.62 | 8.76 |

Segmented Reporting

| (\$ in 000's except earnings per share) | Three Months Ended December 31, 2021 | | | |
|---|--------------------------------------|---------------|-----------------|----------------|
| | easyfinancial ¹ | easyhome | Corporate | Total |
| Revenue | | | | |
| Interest income | 149,004 | 6,525 | - | 155,529 |
| Lease revenue | - | 27,663 | - | 27,663 |
| Commissions earned | 42,676 | 3,234 | - | 45,910 |
| Charges and fees | 4,335 | 993 | - | 5,328 |
| | 196,015 | 38,415 | - | 234,430 |
| Total operating expenses before depreciation and amortization | 99,597 | 18,563 | 14,976 | 133,136 |
| Depreciation and amortization | | | | |
| Depreciation and amortization of lease assets, property and equipment and intangible assets | 6,130 | 9,463 | 1,281 | 16,874 |
| Depreciation of right-of-use assets | 2,645 | 1,939 | 207 | 4,791 |
| | 8,775 | 11,402 | 1,488 | 21,665 |
| Segment operating income (loss) | 87,643 | 8,450 | (16,464) | 79,629 |
| Other income | | | | 8,371 |
| Finance costs | | | | |
| Interest expense and amortization of deferred financing charges | | | | 21,460 |
| Interest expense on lease liabilities | | | | 821 |
| | | | | 22,281 |
| Income before income taxes | | | | 65,719 |
| Income tax expense | | | | 15,758 |

| | |
|-------------------|---------------|
| Net Income | 49,961 |
|-------------------|---------------|

| | |
|-----------------------------------|-------------|
| Diluted earnings per share | 2.90 |
|-----------------------------------|-------------|

¹ LendCare's financial results are reported under the easyfinancial reportable operating segment.

| (\$ in 000's except earnings per share) | Three Months Ended December 31, 2020 | | | |
|---|--------------------------------------|----------|-----------|---------|
| | easyfinancial | easyhome | Corporate | Total |
| Revenue | | | | |
| Interest income | 101,967 | 4,817 | - | 106,784 |
| Lease revenue | - | 28,564 | - | 28,564 |
| Commissions earned | 32,461 | 2,286 | - | 34,747 |
| Charges and fees | 2,095 | 1,029 | - | 3,124 |
| | 136,523 | 36,696 | - | 173,219 |
| Total operating expenses before depreciation and amortization | 65,053 | 16,833 | 13,304 | 95,190 |
| Depreciation and amortization | | | | |
| Depreciation and amortization of lease assets, property and equipment and intangible assets | 2,181 | 9,306 | 1,076 | 12,563 |
| Depreciation of right-of-use assets | 2,062 | 1,894 | 233 | 4,189 |
| | 4,243 | 11,200 | 1,309 | 16,752 |
| Segment operating income (loss) | 67,227 | 8,663 | (14,613) | 61,277 |
| Other income | | | | 16,040 |
| Finance costs | | | | |
| Interest expense and amortization of deferred financing charges | | | | 12,624 |
| Interest expense on lease liabilities | | | | 719 |
| | | | | 13,343 |
| Income before income taxes | | | | 63,974 |
| Income tax expense | | | | 15,063 |
| Net Income | | | | 48,911 |
| Diluted earnings per share | | | | 3.14 |

| (\$ in 000's except earnings per share) | Year Ended December 31, 2021 | | | |
|---|------------------------------|----------|-----------|---------|
| | easyfinancial ¹ | easyhome | Corporate | Total |
| Revenue | | | | |
| Interest income | 512,810 | 22,828 | - | 535,638 |
| Lease revenue | - | 112,371 | - | 112,371 |
| Commissions earned | 152,485 | 11,249 | - | 163,734 |
| Charges and fees | 11,056 | 3,923 | - | 14,979 |
| | 676,351 | 150,371 | - | 826,722 |
| Total operating expenses before depreciation and amortization | 323,381 | 68,706 | 74,746 | 466,833 |
| Depreciation and amortization | | | | |
| Depreciation and amortization of lease assets, property and equipment and intangible assets | 18,553 | 37,115 | 5,011 | 60,679 |
| Depreciation of right-of-use assets | 9,666 | 7,689 | 852 | 18,207 |
| | 28,219 | 44,804 | 5,863 | 78,886 |
| Segment operating income (loss) | 324,751 | 36,861 | (80,609) | 281,003 |
| Other income | | | | 114,876 |

Finance costs

| | |
|---|--------|
| Interest expense and amortization of deferred financing charges | 75,910 |
| Interest expense on lease liabilities | 3,115 |
| | 79,025 |

Income before income taxes 316,854

Income tax expense 71,911

Net Income 244,943

Diluted earnings per share 14.62

¹ LendCare's financial results are reported under the easyfinancial reportable operating segment.

| (\$ in 000's except earnings per share) | Year Ended December 31, 2020 | | | |
|---|------------------------------|----------|-----------|---------|
| | easyfinancial | easyhome | Corporate | Total |
| Revenue | | | | |
| Interest income | 392,450 | 17,133 | - | 409,583 |
| Lease revenue | - | 112,796 | - | 112,796 |
| Commissions earned | 109,246 | 8,667 | - | 117,913 |
| Charges and fees | 8,208 | 4,422 | - | 12,630 |
| | 509,904 | 143,018 | - | 652,922 |
| Total operating expenses before depreciation and amortization | 251,897 | 67,261 | 52,605 | 371,763 |
| Depreciation and amortization | | | | |
| Depreciation and amortization of lease assets, property and equipment and intangible assets | 7,665 | 37,209 | 3,666 | 48,540 |
| Depreciation of right-of-use assets | 7,753 | 7,489 | 941 | 16,183 |
| | 15,418 | 44,698 | 4,607 | 64,723 |
| Segment operating income (loss) | 242,589 | 31,059 | (57,212) | 216,436 |
| Other income | | | | 21,740 |
| Finance costs | | | | |
| Interest expense and amortization of deferred financing charges | | | | 52,248 |
| Interest expense on lease liabilities | | | | 2,744 |
| | | | | 54,992 |
| Income before income taxes | | | | 183,184 |
| Income tax expense | | | | 46,679 |
| Net Income | | | | 136,505 |
| Diluted earnings per share | | | | 8.76 |

Summary of Financial Results and Key Performance Indicators

| (\$ in 000's except earnings per share and percentages) | Three Months Ended | | Variance \$ / bps | Variance % change |
|---|--------------------|-------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | | |
| Summary Financial Results | | | | |
| Revenue | 234,430 | 173,219 | 61,211 | 35.3% |

| | | | | |
|---|-----------|-----------|-------------|---------|
| Operating expenses before depreciation and amortization ² | 133,136 | 95,190 | 37,946 | 39.9% |
| EBITDA ¹ | 100,508 | 85,089 | 15,419 | 18.1% |
| EBITDA margin ¹ | 42.9% | 49.1% | (620 bps) | (12.6%) |
| Depreciation and amortization expense ² | 21,665 | 16,752 | 4,913 | 29.3% |
| Operating income | 79,629 | 61,277 | 18,352 | 29.9% |
| Operating margin | 34.0% | 35.4% | (140 bps) | (4.0%) |
| Other income ^{2,3} | 8,371 | 16,040 | (7,669) | (47.8%) |
| Finance costs | 22,281 | 13,343 | 8,938 | 67.0% |
| Effective income tax rate | 24.0% | 23.5% | 50 bps | 2.1% |
| Net income | 49,961 | 48,911 | 1,050 | 2.1% |
| Diluted earnings per share | 2.90 | 3.14 | (0.24) | (7.6%) |
| Return on assets | 7.9% | 13.6% | (570 bps) | (41.9%) |
| Return on equity | 25.0% | 45.8% | (2,080 bps) | (45.4%) |
| Return on tangible common equity ¹ | 39.8% | 48.2% | (840 bps) | (17.4%) |
| Adjusted Financial Results^{1,2,3} | | | | |
| Adjusted operating income | 86,353 | 61,277 | 25,076 | 40.9% |
| Adjusted operating margin | 36.8% | 35.4% | 140 bps | 4.0% |
| Adjusted net income | 47,644 | 34,996 | 12,648 | 36.1% |
| Adjusted diluted earnings per share | 2.76 | 2.24 | 0.52 | 23.2% |
| Adjusted return on assets | 7.5% | 9.8% | (230 bps) | (23.5%) |
| Adjusted return on equity | 23.9% | 32.8% | (890 bps) | (27.1%) |
| Adjusted return on tangible common equity | 36.2% | 34.5% | 170 bps | 4.9% |
| Key Performance Indicators | | | | |
| Same store revenue growth (overall) ¹ | 13.4% | 4.2% | 920 bps | 219.0% |
| Same store revenue growth (easyhome) ¹ | 5.6% | 4.4% | (120 bps) | 27.3% |
| Segment Financials | | | | |
| easyfinancial revenue | 196,015 | 136,523 | 59,492 | 43.6% |
| easyfinancial operating margin | 44.7% | 49.2% | (450 bps) | (9.1%) |
| easyhome revenue | 38,415 | 36,696 | 1,719 | 4.7% |
| easyhome operating margin | 22.0% | 23.6% | (160 bps) | (6.8%) |
| Portfolio Indicators | | | | |
| Gross consumer loans receivable | 2,030,339 | 1,246,840 | 783,499 | 62.8% |
| Growth in consumer loans receivable | 133,623 | 64,039 | 69,584 | 108.7% |
| Gross loan originations | 506,853 | 334,102 | 172,751 | 51.7% |
| Total yield on consumer loans (including ancillary products) ¹ | 41.4% | 46.6% | (520 bps) | (11.2%) |
| Net charge offs as a percentage of average gross consumer loans receivable | 9.6% | 9.0% | 60 bps | 6.7% |
| Free cash flows from operations before net growth in gross consumer loans receivable ¹ | 59,452 | 40,980 | 18,472 | 45.1% |
| Potential monthly lease revenue ¹ | 8,193 | 8,461 | (268) | (3.2%) |

¹ EBITDA, adjusted operating income, adjusted net income and free cash flows from operations before net growth in gross consumer loans receivable are non-IFRS measures. EBITDA margin, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on asset, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Same store revenue growth (overall), same store revenue growth (easyhome) and potential monthly lease revenue are supplementary financial measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

² During the three-month period ended December 31, 2021, the Company had a total of \$1.6 million before-tax (\$2.3 million after-tax) of adjusting items which include: *Adjusting items related to the LendCare Acquisition*

- Integration costs related to advisory and consulting costs, employee incentives, representation and warranty insurance cost, and other integration costs related to the acquisition of LendCare and the write off of certain software as a result of the integration with LendCare. Integration costs amounting to \$3.4 million before-tax (\$2.5 million after-tax) were reported under Operating expenses before depreciation and amortization; and
- Amortization of \$131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years amounting to \$3.3 million before-tax (\$2.4 million after-tax).

Adjusting item related to other income

- Unrealized fair value gains mainly on investments in Affirm and TRS amounting to \$8.4 million before-tax (\$7.3 million after-tax).

³ During the fourth quarter of 2020, the Company's adjusting item included:

•Unrealized fair value gain on investment in PayBright amounting to \$16.0 million before-tax (\$13.9 million after-tax).

| (\$ in 000's except earnings per share and percentages) | Year Ended | | Variance \$ / bps | Variance % change |
|---|-------------------|-------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | | |
| Summary Financial Results | | | | |
| Revenue | 826,722 | 652,922 | 173,800 | 26.6% |
| Operating expenses before depreciation and amortization ² | 466,833 | 371,763 | 95,070 | 25.6% |
| EBITDA ¹ | 438,921 | 267,129 | 171,792 | 64.3% |
| EBITDA margin ¹ | 53.1% | 40.9% | 1,220 bps | 29.8% |
| Depreciation and amortization expense ² | 78,886 | 64,723 | 14,163 | 21.9% |
| Operating income | 281,003 | 216,436 | 64,567 | 29.8% |
| Operating margin | 34.0% | 33.1% | 90 bps | 2.7% |
| Other income ^{2,3} | 114,876 | 21,740 | 93,136 | 428.4% |
| Finance costs | 79,025 | 54,992 | 24,033 | 43.7% |
| Effective income tax rate | 22.7% | 25.5% | (280 bps) | (11.0%) |
| Net income | 244,943 | 136,505 | 108,438 | 79.4% |
| Diluted earnings per share | 14.62 | 8.76 | 5.86 | 66.9% |
| Return on assets | 11.5% | 9.8% | 170 bps | 17.3% |
| Return on equity | 36.7% | 36.1% | 60 bps | 1.7% |
| Return on tangible common equity ¹ | 50.7% | 38.3% | 1,240 bps | 32.4% |
| Adjusted Financial Results ^{1,2,3} | | | | |
| Adjusted operating income | 316,652 | 216,436 | 100,216 | 46.3% |
| Adjusted operating margin | 38.3% | 33.1% | 520 bps | 15.7% |
| Adjusted net income | 174,759 | 117,646 | 57,113 | 48.5% |
| Adjusted diluted earnings per share | 10.43 | 7.57 | 2.86 | 37.8% |
| Adjusted return on assets | 8.2% | 8.5% | (30 bps) | (3.5%) |
| Adjusted return on equity | 26.2% | 31.1% | (490 bps) | (15.8%) |
| Adjusted return on tangible common equity | 35.3% | 33.0% | 230 bps | 7.0% |
| Key Performance Indicators | | | | |
| Same store revenue growth (overall) ¹ | 12.1% | 6.3% | 580 bps | 92.1% |
| Same store revenue growth (easyhome) ¹ | 6.0% | 4.5% | 150 bps | 33.3% |
| Segment Financials | | | | |
| easyfinancial revenue | 676,351 | 509,904 | 166,447 | 32.6% |
| easyfinancial operating margin | 48.0% | 47.6% | 40 bps | 0.8% |
| easyhome revenue | 150,371 | 143,018 | 7,353 | 5.1% |
| easyhome operating margin | 24.5% | 21.7% | 280 bps | 12.9% |
| Portfolio Indicators | | | | |
| Gross consumer loans receivable | 2,030,339 | 1,246,840 | 783,499 | 62.8% |
| Growth in consumer loans receivable ⁴ | 783,499 | 136,207 | 647,292 | 475.2% |
| Gross loan originations | 1,594,480 | 1,033,130 | 561,350 | 54.3% |
| Total yield on consumer loans (including ancillary products) ¹ | 42.1% | 45.5% | (340 bps) | (7.5%) |
| Net charge offs as a percentage of average gross consumer loans receivable | 8.8% | 10.0% | (120 bps) | (12.0%) |
| Free cash flows from operations before net growth in gross consumer loans receivable ¹ | 260,104 | 210,619 | 49,485 | 23.5% |
| Potential monthly lease revenue ¹ | 8,193 | 8,461 | (268) | (3.2%) |

¹ EBITDA, adjusted operating income, adjusted net income and free cash flows from operations before net growth in gross consumer loans receivable are non-IFRS measures. EBITDA margin, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on asset, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Same store revenue growth (overall), same store revenue growth (easyhome) and potential monthly lease revenue are supplementary financial measures. Non-IFRS measures, non-IFRS ratios and supplemental financial measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

² During the year ended December 31, 2021, the Company had a total of \$77.5 million before-tax (\$70.2 million after-tax) adjusting items which

include: *Adjusting items related to the LendCare Acquisition*

- Transaction costs of \$9.3 million before-tax (\$8.9 million after-tax) which include advisory and consulting costs, legal costs, and other direct transaction costs related to the acquisition of LendCare reported under Operating expenses before depreciation and amortization amounting to \$7.6 million which are non tax-deductible and loan commitment fees related to the acquisition of LendCare reported under Finance costs amounting to \$1.7 million before-tax (\$1.3 million after-tax);
- Integration costs related to advisory and consulting costs, employee incentives, representation and warranty insurance cost, and other integration costs related to the acquisition of LendCare and the write off of certain software as a result of the integration with LendCare. Integration costs amounting to \$5.0 million before-tax (\$3.7 million after-tax) were reported under Operating expenses before depreciation and amortization;
- Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from LendCare amounting to \$14.3 million before-tax (\$10.5 million after-tax); and
- Amortization of \$131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years amounting to \$8.7 million before-tax (\$6.4 million after-tax).

Adjusting item related to other income

- Realized and unrealized fair value gains mainly on investments in Affirm and TRS amounting to \$114.9 million before-tax (\$99.7 million after-tax).

³ During the year ended December 31, 2020, the Company's adjusting item included:

- Unrealized fair value gain on investment in PayBright amounting to \$21.7 million before-tax (\$18.9 million after-tax).

⁴ Growth in consumer loans receivable during the year includes gross loans purchased through the LendCare Acquisition amounting to \$444.5 million.

Non-IFRS Measures and Other Financial Measures

The Company uses a number of financial measures to assess its performance. Some of these measures are not calculated in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB), are not identified by IFRS and do not have standardized meanings that would ensure consistency and comparability among companies using these measures. The Company believes that non-IFRS measures are useful in assessing ongoing business performance and provide readers with a better understanding of how management assesses performance. These non-IFRS measures are used throughout this press release and listed below. An explanation of the composition of non-IFRS measures and other financial measures can be found in the Company's Management Discussion & Analysis (MD&A), available on www.sedar.com.

Adjusted Net Income and Adjusted Diluted Earnings Per Share

Adjusted quarterly and annual net income are non-IFRS measures, while adjusted quarterly and annual diluted earnings per share are non-IFRS ratios. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 50 of the Company's MD&A year ended December 31, 2021. Items used to calculate adjusted net income and adjusted earnings per share for the three-month period and year ended December 31, 2021 and 2020 include those indicated in the chart below:

| (\$ in 000's except earnings per share) | Three Months Ended | | Year Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Net income as stated | 49,961 | 48,911 | 244,943 | 136,505 |
| Impact of adjusting items | | | | |
| <i>Operating expenses before depreciation and amortization</i> | | | | |
| Transaction costs ¹ | - | - | 7,615 | - |
| Integration costs ² | 3,447 | - | 5,047 | - |
| <i>Bad debts</i> | | | | |
| Day one loan loss provision on the acquired loans ³ | - | - | 14,252 | - |
| <i>Amortization of intangible assets</i> | | | | |
| Amortization of intangible assets acquired through the Acquisition ⁴ | 3,277 | - | 8,735 | - |
| <i>Other income</i> ⁵ | (8,371) | (16,040) | (114,876) | (21,740) |
| <i>Finance costs</i> | | | | |
| Transaction costs ¹ | - | - | 1,726 | - |
| Total pre-tax impact of adjusting items | (1,647) | (16,040) | (77,501) | (21,740) |
| Income tax impact of above adjusting items | (670) | 2,125 | 7,317 | 2,881 |
| After-tax impact of adjusting items | (2,317) | (13,915) | (70,184) | (18,859) |
| Adjusted net income | 47,644 | 34,996 | 174,759 | 117,646 |
| After-tax impact of Debentures | - | - | - | 1,586 |
| Fully diluted adjusted net income | 47,644 | 34,996 | 174,759 | 119,232 |

| | | | | |
|--|---------------|--------|---------------|--------|
| Weighted average number of diluted shares outstanding | 17,233 | 15,589 | 16,757 | 15,757 |
| Diluted earnings per share as stated | 2.90 | 3.14 | 14.62 | 8.76 |
| Per share impact of adjusting items | (0.14) | (0.90) | (4.19) | (1.19) |
| Adjusted diluted earnings per share | 2.76 | 2.24 | 10.43 | 7.57 |

Adjusting items related to the LendCare Acquisition

¹ Transaction costs including advisory and consulting costs, legal costs, and other direct transaction costs related to the acquisition of LendCare reported under Operating expenses before depreciation and amortization and loan commitment fees related to the acquisition of LendCare reported under Finance costs.

² Integration costs related to advisory and consulting costs, employee incentives, representation and warranty insurance cost, other integration-related costs related to the acquisition of LendCare and the write off of certain software as a result of the integration with LendCare. Integration costs were reported under Operating expenses before depreciation and amortization.

³ Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from LendCare.

⁴ Amortization of \$131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years.

Adjusting item related to other income

⁵ For the three-month period and year ended December 31, 2021, realized and unrealized fair value gains mainly related to investments in Affirm and TRS. For the three-month period and year ended December 31, 2020, unrealized fair value gains mainly related to investments in PayBright.

Adjusted Operating Income and Adjusted Operating Margin

Adjusted quarterly and annual operating income are non-IFRS measures, while adjusted quarterly and annual operating margin are non-IFRS ratios. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 50 of the Company’s MD&A year ended December 31, 2021. Items used to calculate adjusted operating income and adjusted operating margins for the three-month period and year ended December 31, 2021 and 2020 include those indicated in the chart below:

| (\$ in 000's except percentages) | Three Months Ended | | |
|---|--------------------|------------------------------|-------------------|
| | December 31, 2021 | December 31, 2021 (adjusted) | December 31, 2020 |
| Operating income | 79,629 | 79,629 | 61,277 |
| <i>Operating expenses before depreciation and amortization</i> | | | |
| Integration costs ¹ | - | 3,447 | - |
| <i>Amortization of intangible assets</i> | | | |
| Amortization of intangible assets acquired through the Acquisition ¹ | - | 3,277 | - |
| Adjusted operating income | 79,629 | 86,353 | 61,277 |
| Divided by revenue | 234,430 | 234,430 | 173,219 |
| Total operating margin | 34.0% | 36.8% | 35.4% |

¹ For explanation of adjusting items, refer to the “Adjusting Net Income and Adjusting Diluted Earnings Per Share” section above.

| (\$ in 000's except percentages) | Year Ended | | |
|---|-------------------|------------------------------|-------------------|
| | December 31, 2021 | December 31, 2021 (adjusted) | December 31, 2020 |
| Operating income | 281,003 | 281,003 | 216,436 |
| <i>Operating expenses before depreciation and amortization</i> | | | |
| Transaction costs ¹ | - | 7,615 | - |
| Integration costs ¹ | - | 5,047 | - |
| <i>Bad debts</i> | | | |
| Day one loan loss provision on the acquired loans ¹ | - | 14,252 | - |
| <i>Amortization of intangible assets</i> | | | |
| Amortization of intangible assets acquired through the Acquisition ¹ | - | 8,735 | - |
| Adjusted operating income | 281,003 | 316,652 | 216,436 |
| Divided by revenue | 826,722 | 826,722 | 652,922 |
| Total operating margin | 34.0% | 38.3% | 33.1% |

¹ For explanation of adjusting items, refer to the “Adjusting Net Income and Adjusting Diluted Earnings Per Share” section above.

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

Quarterly and annual EBITDA are non-IFRS measures, while quarterly and annual EBITDA margin are non-IFRS ratios. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 50 of the Company’s MD&A year ended December 31, 2021. Items used to calculate EBITDA and EBITDA margin for the three-month period and year ended December 31, 2021 and 2020 include those indicated in the chart below:

| (\$ in 000's except percentages) | Three Months Ended | | Year Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Net income as stated | 49,961 | 48,911 | 244,943 | 136,505 |
| Finance cost | 22,281 | 13,343 | 79,025 | 54,992 |
| Income tax expense | 15,758 | 15,063 | 71,911 | 46,679 |
| Depreciation and amortization, excluding depreciation of lease assets | 12,508 | 7,772 | 43,042 | 28,953 |
| EBITDA | 100,508 | 85,089 | 438,921 | 267,129 |
| Divided by revenue | 234,430 | 173,219 | 826,722 | 652,922 |
| EBITDA margin | 42.9% | 49.1% | 53.1% | 40.9% |

Free Cash Flow from Operations before Net Growth in Gross Consumer Loans Receivable

Quarterly and annual free cash flow from operations before net growth in gross consumer loans receivable are non-IFRS measures. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 50 of the Company’s MD&A year ended December 31, 2021. Items used to calculate free cash flow from operations before net growth in gross consumer loans receivable for the three-month period and year ended December 31, 2021 and 2020 include those indicated in the chart below:

| | Three Months Ended | | Year Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Cash provided by (used in) operating activities | (74,171) | (23,059) | (78,875) | 74,412 |
| Net growth in gross consumer loans receivable during the period | 133,623 | 64,039 | 783,499 | 136,207 |
| Less: Gross loans purchased ¹ | - | - | (444,520) | - |
| Adjusted net growth in gross consumer loans receivable during the period | 133,623 | 64,039 | 338,979 | 136,207 |
| Free cash flows from operations before net growth in gross consumer loans receivable | 59,452 | 40,980 | 260,104 | 210,619 |

¹ Gross loans purchased during the second quarter of 2021 through the acquisition of LendCare.

Adjusted Return on Assets

Quarterly and annual adjusted return on assets are non-IFRS ratios. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 50 of the Company’s MD&A year ended December 31, 2021. Items used to calculate adjusted return on assets for the three-month period and year ended December 31, 2021 and 2020 include those indicated in the chart below:

| (\$ in 000's except percentages) | Three Months Ended | | | |
|--|--------------------|------------------------------|-------------------|------------------------------|
| | December 31, 2021 | December 31, 2021 (adjusted) | December 31, 2020 | December 31, 2020 (adjusted) |
| Net income as stated | 49,961 | 49,961 | 48,911 | 48,911 |
| After-tax impact of adjusting items ¹ | - | (2,317) | - | (13,915) |
| Adjusted net income | 49,961 | 47,644 | 48,911 | 34,996 |
| Multiplied by number of periods in year | X 4 | X 4 | X 4 | X 4 |
| Divided by average total assets for the period | 2,533,945 | 2,533,945 | 1,434,596 | 1,434,596 |
| Return on assets | 7.9% | 7.5% | 13.6% | 9.8% |

¹ For explanation of adjusting items, refer to the “Adjusting Net Income and Adjusting Diluted Earnings Per Share” section above.

| (\$ in 000's except percentages) | Year Ended | | | |
|--|----------------------|------------------------------------|----------------------|------------------------------------|
| | December 31, 2021 | December 31, 2021 (adjusted) | December 31, 2020 | December 31, 2020 (adjusted) |
| Net income as stated | 244,943 | 244,943 | 136,505 | 136,505 |
| After-tax impact of adjusting items ¹ | - | (70,184) | - | (18,859) |
| Adjusted net income | 244,943 | 174,759 | 136,505 | 117,646 |
| Divided by average total assets for the period | 2,126,594 | 2,126,594 | 1,389,540 | 1,389,540 |
| Return on assets | 11.5% | 8.2% | 9.8% | 8.5% |

¹ For explanation of adjusting items, refer to the "Adjusting Net Income and Adjusting Diluted Earnings Per Share" section above.

Adjusted Return on Equity

Adjusted quarterly and annual return on equity are non-IFRS ratios. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 50 of the Company's MD&A year ended December 31, 2021. Items used to calculate adjusted return on equity for the three-month period and year ended December 31, 2021 and 2020 include those indicated in the chart below:

| (\$ in 000's except percentages) | Three Months Ended | | | |
|--|----------------------|------------------------------------|----------------------|------------------------------------|
| | December 31, 2021 | December 31, 2021 (adjusted) | December 31, 2020 | December 31, 2020 (adjusted) |
| Net income as stated | 49,961 | 49,961 | 48,911 | 48,911 |
| After-tax impact of adjusting items ¹ | - | (2,317) | - | (13,915) |
| Adjusted net income | 49,961 | 47,644 | 48,911 | 34,996 |
| Multiplied by number of periods in year | X 4 | X 4 | X 4 | X 4 |
| Divided by average shareholders' equity for the period | 798,620 | 798,620 | 426,868 | 426,868 |
| Return on equity | 25.0% | 23.9% | 45.8% | 32.8% |

¹ For explanation of adjusting items, refer to the "Adjusting Net Income and Adjusting Diluted Earnings Per Share" section above.

| (\$ in 000's except percentages) | Year Ended | | | |
|--|----------------------|------------------------------------|----------------------|------------------------------------|
| | December 31, 2021 | December 31, 2021 (adjusted) | December 31, 2020 | December 31, 2020 (adjusted) |
| Net income as stated | 244,943 | 244,943 | 136,505 | 136,505 |
| After-tax impact of adjusting items ¹ | - | (70,184) | - | (18,859) |
| Adjusted net income | 244,943 | 174,759 | 136,505 | 117,646 |
| Divided by average shareholders' equity for the period | 667,962 | 667,962 | 377,842 | 377,842 |
| Return on equity | 36.7% | 26.2% | 36.1% | 31.1% |

¹ For explanation of adjusting items, refer to the "Adjusting Net Income and Adjusting Diluted Earnings Per Share" section above.

Return on Tangible Common Equity

Reported and adjusted quarterly and annual return on tangible common equity are non-IFRS ratios. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 50 of the Company's MD&A year ended December 31, 2021. Items used to calculate reported and adjusted return on tangible common equity for the three-month period and year ended December 31, 2021 and 2020 include those indicated in the chart below:

| (\$ in 000's except percentages) | Three Months Ended | | | |
|----------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| | December 31, 2021 | December 31, 2021 (adjusted) | December 31, 2020 | December 31, 2020 (adjusted) |
| Net income as stated | 49,961 | 49,961 | 48,911 | 48,911 |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Amortization of acquired intangible assets | 3,277 | 3,277 | - | - |
| Income tax impact of the above item | (868) | (868) | - | - |
| Net income before amortization of acquired intangible assets, net of income tax | 52,370 | 52,370 | 48,911 | 48,911 |
| Impact of adjusting items ¹ | | | | |
| <i>Operating expenses before depreciation and amortization</i> | | | | |
| Integration costs | - | 3,447 | - | - |
| <i>Other income</i> | - | (8,371) | - | (16,040) |
| Total pre-tax impact of adjusting items | - | (4,924) | - | (16,040) |
| <i>Income tax impact of above adjusting items</i> | - | 198 | - | 2,125 |
| After-tax impact of adjusting items | - | (4,726) | - | (13,915) |
| Adjusted net income | 52,370 | 47,644 | 48,911 | 34,996 |
| Multiplied by number of periods in year | X 4 | X 4 | X 4 | X 4 |
| Average shareholders' equity | 798,620 | 798,620 | 426,868 | 426,868 |
| Average goodwill | (180,923) | (180,923) | (21,310) | (21,310) |
| Average acquired intangible assets ² | (123,904) | (123,904) | - | - |
| Average related deferred tax liabilities | 32,835 | 32,835 | - | - |
| Divided by average tangible common equity | 526,628 | 526,628 | 405,558 | 405,558 |
| Return on tangible common equity | 39.8% | 36.2% | 48.2% | 34.5% |

¹ For explanation of adjusting items, refer to the "Adjusting Net Income and Adjusting Diluted Earnings Per Share" section above.

² Excludes intangible assets relating to software.

| (\$ in 000's except percentages) | Year Ended | | | |
|---|----------------------|------------------------------------|----------------------|------------------------------------|
| | December 31, 2021 | December 31, 2021 (adjusted) | December 31, 2020 | December 31, 2020 (adjusted) |
| Net income as stated | 244,943 | 244,943 | 136,505 | 136,505 |
| Amortization of acquired intangible assets | 8,735 | 8,735 | - | - |
| Income tax impact of the above item | (2,314) | (2,314) | - | - |
| Net income before amortization of acquired intangible assets, net of income tax | 251,364 | 251,364 | 136,505 | 136,505 |
| Impact of adjusting items ¹ | | | | |
| <i>Operating expenses before depreciation and amortization</i> | | | | |
| Transaction costs | - | 7,615 | - | - |
| Integration costs | - | 5,047 | - | - |
| <i>Bad debts</i> | | | | |
| Day one loan loss provision on the acquired loans | - | 14,252 | - | - |
| <i>Other income</i> | - | (114,876) | - | (21,740) |
| <i>Finance costs</i> | | | | |
| Transaction costs | - | 1,726 | - | - |
| Total pre-tax impact of adjusting items | - | (86,236) | - | (21,740) |
| <i>Income tax impact of above adjusting items</i> | - | 9,631 | - | 2,881 |
| After-tax impact of adjusting items | - | (76,605) | - | (18,859) |
| Adjusted net income | 251,364 | 174,759 | 136,505 | 117,646 |
| Average shareholders' equity | 667,962 | 667,962 | 377,842 | 377,842 |
| Average goodwill | (116,860) | (116,860) | (21,310) | (21,310) |
| Average acquired intangible assets ² | (75,325) | (75,325) | - | - |
| Average related deferred tax liabilities | 19,961 | 19,961 | - | - |
| Divided by average tangible common equity | 495,738 | 495,738 | 356,532 | 356,532 |
| Return on tangible common equity | 50.7% | 35.3% | 38.3% | 33.0% |

¹ For explanation of adjusting items, refer to the “Adjusting Net Income and Adjusting Diluted Earnings Per Share” section above.

² Excludes intangible assets relating to software.

easyhome Financial Revenue

easyhome financial revenue is a non-IFRS measure. It's calculated as total company revenue less easyfinancial revenue and leasing revenue. The Company believes that easyhome financial revenue is an important measure of the performance of the easyhome segment. Items used to calculate easyhome financial revenue for the three-month period ended December 31, 2021 and 2020 include those indicated in the chart below:

| (\$ in 000's) | Three Months Ended | |
|-----------------------------------|--------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Total company revenue | 234,430 | 173,219 |
| Less: easyfinancial revenue | (196,015) | (136,523) |
| Less: leasing revenue | (29,456) | (30,470) |
| easyhome financial revenue | 8,959 | 6,226 |

Total Yield on Consumer Loans as a Percentage of Average Gross Consumer Loans Receivable

Total yield on consumer loans as a percentage of average gross consumer loans receivable is a non-IFRS ratio. See description in section “Portfolio Analysis” on page 39 of the Company's MD&A year ended December 31, 2021. Items used to calculate total yield on consumer loans as a percentage of average gross consumer loans receivable for the three-month period and year ended December 31, 2021 and 2020 include those indicated in the chart below:

| (\$ in 000's except percentages) | Three Months Ended | | Year Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Total Company revenue | 234,430 | 173,219 | 826,722 | 652,922 |
| Less: Leasing revenue | (29,456) | (30,470) | (119,585) | (120,677) |
| Financial revenue | 204,974 | 142,749 | 707,137 | 532,245 |
| Multiplied by number of periods in year | X 4/1 | X 4/1 | X 4/4 | X 4/4 |
| Divided by average gross consumer loans receivable | 1,982,680 | 1,225,737 | 1,680,328 | 1,169,001 |
| Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized) | 41.4% | 46.6% | 42.1% | 45.5% |

Net Debt to Net Capitalization

Net debt to net capitalization is a capital management measure. Refer to “Financial Condition” section on page 61 of the Company's MD&A year ended December 31, 2021.

Average Loan Book Per Branch

Average loan book per branch is a supplementary financial measure. It is calculated as gross consumer loans receivable held by easyfinancial branch locations divided by number of total easyfinancial branch locations.

Weighted Average Interest Rate

Weighted average interest rate is a supplementary financial measure. It is calculated as the sum of individual loan balance multiplied by interest rate divided by gross consumer loans receivable.

Same Store Revenue Growth

Same store revenue growth (easyhome) and same store revenue growth (overall) are supplementary financial measures. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 50 of the Company's MD&A year ended December 31, 2021.

Potential Monthly Leasing Revenue

Potential monthly leasing revenue is a supplementary financial measure. Refer to “Portfolio Analysis” section on page 39 of the Company's MD&A year ended December 31, 2021.

