goeasy Ltd. Reports Record Results for the First Quarter

May 11, 2022

Loan Originations of $477 million, up 75% from $272 million
Loan Growth of $124 million, up 307% from $30.5 million
Loan Portfolio of $2.15 billion, up 69% from $1.28 billion
Net Charge Off Rate of 8.8%, down from 9.1%
Repurchased 280,263 shares for $40.9 million

MISSISSAUGA, Ontario, May 11, 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 first quarter ended March 31, 2022.

First Quarter Results

During the quarter, the Company experienced improved demand and an increase in loan originations across all products and channels, leading to a record level of first quarter loan growth and the second largest quarter of organic growth in the Company's history. Loan originations totaled $477 million in the quarter, up 75% compared to the $272 million produced in the first quarter of 2021. The increase in loan originations led to organic growth in the loan portfolio of $124 million, a record level of first quarter loan growth, resulting in a total gross consumer loan receivable portfolio of $2.15 billion, up 69% from $1.28 billion in the first quarter of 2021. The growth in consumer loans led to an increase in revenue to $232 million in the quarter, up 36% over the first quarter of 2021.

During the quarter, the Company continued to experience stable credit and payment performance. The net charge off rate in the first quarter was 8.8%, in line with the Company's target range of between 8.5% and 10.5% on an annualized basis, and down slightly from the 9.1% in the first quarter of 2021. The Company's allowance for future credit losses was broadly flat at 7.78%, down 9 basis points from 7.87% in the fourth quarter of 2021.

Operating income for the first quarter of 2022 was $80.0 million, up 25% from $63.9 million in the first quarter of 2021. Operating margin for the first quarter was 34.4%, down from 37.6% in the prior year. After adjustments, including items related to the acquisition of LendCare Holdings Inc. ("**LendCare**"), an unrealized fair value loss on investments and corporate development costs recorded in the quarter, the Company reported adjusted operating income[2] of $86.1 million, up $21.5 million or an increase of 33% compared to $64.6 million in the first quarter of 2021. Adjusted operating margin[1] for the first quarter was 37.1%, slightly down from 38.0% in the prior year.

Net income in the first quarter was $26.1 million, compared to $112 million in the same period of 2021, which resulted in diluted earnings per share of $1.55, compared to $7.14 in the first quarter of 2021. In the first quarter of the prior year, the Company recorded an after-tax unrealized gain on investments of $75.8 million, while in the current period the Company recorded an after-tax unrealized loss on investments of $15.2 million. After adjusting for these non-recurring and unusual items on an after-tax basis, including $2.4 million in amortization of acquired intangible assets, adjusted net income[2] was $45.8 million, up 25% from $36.7 million in 2021. Adjusted diluted earnings per share[1] was $2.72, up 16% from $2.34 in the first quarter of 2021.

Return on equity during the quarter was 13.5%, compared to 90.1% in the first quarter of 2021. After adjusting for non-recurring and unusual items, adjusted return on equity[1] was 23.8% in the quarter, compared to 29.5% in the same period of 2021.

"The first quarter continued to highlight the growth potential of our business model. All products and channels experienced a lift in origination volume, leading to a material increase in loan growth during a typically seasonally slower period. While we estimate the loan loss provision expense taken against the incremental $34 million of loan growth above the mid-point of our original outlook impacted earnings per share in the quarter by approximately 12 cents, the extra growth contributes approximately 21 cents of earnings per share in future years. Credit and payment performance continue to remain stable and perform well within our targeted range," said Jason Mullins, goeasy's President and Chief Executive Officer. "With the strength of the underlying business, we continued to opportunistically repurchase our stock, buying back another approximately 280,000 shares for $40.9 million during the quarter. Our long track record of performing during periods of both economic strength and weakness and the proven resiliency of the non-prime lending model, provide us confidence in the future. We now project to achieve the high-end of our loan book growth range, which is more than double the average loan book growth of the last three years." Mr. Mullins concluded.

Other Key First Quarter Highlights

easyfinancial

- Revenue of $195 million, up 46%
- 33.7% of the loan portfolio secured, up from 12.7%
- 64% of net loan advances in the quarter were issued to new customers, up from 56%
- 39% of applications were acquired online, down from 49%
- 45% of new customers acquired through point-of-sale financing, up from 16%
- 7% of new customers acquired through auto financing, a new product
- Net customer growth during the quarter of 7,120
- Average loan book per branch[3] improved to $4.1 million, an increase of 6%

- Weighted average interest rate[3] on consumer loans of 32.7%, down from 37.5%
- Operating income of $90.3 million, up 26%
- Operating margin of 46.4%, down from 53.8%

easyhome

- Revenue of $37.5 million, up 2%
- Same store revenue growth[3] of 2.8%
- Consumer loan portfolio within easyhome stores increased to $72.7 million, up 37%
- Financial revenue[1] from consumer lending increased to $9.0 million, up 36% from $6.6 million
- Operating income of $9.4 million, up 4%
- Operating margin of 25.0%, up from 24.5%

Overall

- 48th consecutive quarter of same store revenue growth[3]
- 83rd 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 growth[3] of 14.1%
- Total active customers now exceed 300,000, with total customers served over 1.1 million
- Adjusted return on tangible common equity[1] of 36.5%, up from 30.8% in the first quarter of 2021
- Fully drawn weighted average cost of borrowing reduced to 4.3%, down from 4.8%
- Net debt to net capitalization[4] of 68% on March 31, 2022, up from 58% in the prior year and below the Company's target leverage ratio of 70%

Balance Sheet and Liquidity

Total assets were $2.69 billion as of March 31, 2022, an increase of 67% from $1.61 billion as of March 31, 2021, primarily driven by growth in the consumer loan portfolio, including the $445 million gross consumer loan portfolio and associated intangible assets and goodwill that arose from the acquisition of LendCare.

During the quarter, the Company increased its existing revolving securitization warehouse facility ("**Securitization Facility**") to $900 million. The Securitization Facility, which was originally established in December 2020, continues 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 interest on advances are payable at the rate of 1-month Canadian Dollar Offered Rate ("**CDOR**") plus 185 bps. Based on the current 1-month CDOR rate of 1.43% as of May 10, 2022, the interest rate would be 3.28%. 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.

Additionally, during the quarter, the Company amended its senior secured revolving credit facility ("**Credit Facility**"), decreasing to $270 million, with the maturity extended to January 27, 2025. 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 3.20% and the current 90-day BA rate of 1.92% as of May 10, 2022, the interest rate on the principal amount drawn would be 3.95% or 4.17%, 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.

During the first quarter of 2022, the Company recognized a $17.5 million pre-tax net unrealized fair value loss on its investments, which was mainly related to the unhedged contingent shares of its investment in Affirm Holdings Inc. ("**Affirm**"). The unrealized fair value loss in Affirm during the period was partially offset by the pre-tax unrealized fair value gain in the related total return swaps ("**TRS**"). Since the initial shares of Affirm were obtained on January 1, 2021, the Company has recognized a realized gain on the non-contingent portion of the investment in Affirm and its related TRS of $66.3 million and a cumulative unrealized fair value gain on the contingent portion of the investment in Affirm and its related TRS of $31.4 million. Including the cash received on the initial sale of PayBright Inc. ("**PayBright**") to Affirm, the total realized and unrealized gains amount to $119.5 million, relative to the initial investment of $34 million made in 2019, or approximately 3.5 times the initial investment.

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 $801 million in total funding capacity, which it estimates is sufficient to fund its organic growth through the second quarter of 2024. Inclusive of these amendments, the Company's fully drawn weighted average cost of borrowing reduced to 4.3%. 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 with reasonable cost reductions, all excess cash flows were applied directly to debt, the Company estimates it would extinguish all external debt within 15 months.

Dividend

The Board of Directors has approved a quarterly dividend of $0.91 per share payable on July 8, 2022 to the holders of common shares of record as at the close of business on June 24, 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's 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 1.1 million Canadians and originated over $8.2 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, honoured by The Globe and Mail's Women Lead Here executive gender diversity benchmark 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 $4.38 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.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(expressed in thousands of Canadian dollars)

	As At March 31, 2022	As At December 31, 2021
ASSETS		
Cash	**96,430**	102,479
Accounts receivable	**21,646**	20,769
Prepaid expenses	**8,043**	8,018
Consumer loans receivable, net	**2,023,702**	1,899,631
Investments	**35,313**	64,441
Lease assets	**44,650**	47,182
Property and equipment, net	**34,843**	35,285
Derivative financial assets	**27,539**	20,634
Intangible assets, net	**158,778**	159,651
Right-of-use assets, net	**56,453**	57,140
Goodwill	**180,923**	180,923
TOTAL ASSETS	**2,688,320**	2,596,153
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving credit facility	**68,180**	-
Accounts payable and accrued liabilities	**45,046**	57,134
Income taxes payable	**4,965**	27,859
Dividends payable	**14,514**	10,692
Unearned revenue	**13,344**	11,354
Accrued interest	**23,489**	8,135
Deferred tax liabilities, net	**31,014**	38,648
Lease liabilities	**65,033**	65,607
Secured borrowings	**155,948**	173,959
Revolving securitization warehouse facility	**392,038**	292,814
Derivative financial liabilities	**48,104**	34,132
Notes payable	**1,075,331**	1,085,906
TOTAL LIABILITIES	**1,937,006**	1,806,240
Shareholders' equity		
Share capital	**358,614**	363,514
Contributed surplus	**16,561**	22,583
Accumulated other comprehensive income	**3,771**	8,567
Retained earnings	**372,368**	395,249
TOTAL SHAREHOLDERS' EQUITY	**751,314**	789,913
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,688,320**	2,596,153

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(expressed in thousands of Canadian dollars, except earnings per share)

	Three Months Ended	
	March 31, 2022	March 31, 2021

REVENUE		
Interest income	**156,824**	105,494
Lease revenue	**26,878**	28,437
Commissions earned	**43,858**	33,337
Charges and fees	**4,582**	2,906
	232,142	170,174
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION		
Salaries and benefits	**41,964**	35,406
Stock-based compensation	**2,300**	2,086
Advertising and promotion	**9,510**	5,892
Bad debts	**54,149**	29,274
Occupancy	**6,379**	5,524
Technology costs	**5,240**	3,804
Other expenses	**11,863**	7,095
	131,405	89,081
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets	**8,465**	9,243
Depreciation of right-of-use assets	**4,869**	4,344
Amortization of intangible assets	**5,213**	1,746
Depreciation of property and equipment	**2,225**	1,828
	20,772	17,161
TOTAL OPERATING EXPENSES	**152,177**	106,242
OPERATING INCOME	**79,965**	63,932
OTHER INCOME (LOSS)	**(17,525)**	87,372
FINANCE COSTS		
Interest expenses and amortization of deferred financing charges	**22,643**	13,495
Interest expense on lease liabilities	**836**	741
	23,479	14,236
INCOME BEFORE INCOME TAXES	**38,961**	137,068
INCOME TAX EXPENSE (RECOVERY)		
Current	**16,296**	16,997
Deferred	**(3,431)**	8,096
	12,865	25,093
NET INCOME	**26,096**	111,975
BASIC EARNINGS PER SHARE	**1.59**	7.41
DILUTED EARNINGS PER SHARE	**1.55**	7.14

Segmented Reporting

	Three Months Ended March 31, 2022			
($ in 000's except earnings per share)	**easyfinancial[1]**	**easyhome**	**Corporate**	**Total**
Revenue				
Interest income	**150,149**	**6,675**	**-**	**156,824**
Lease revenue	**-**	**26,878**	**-**	**26,878**
Commissions earned	**40,857**	**3,001**	**-**	**43,858**
Charges and fees	**3,604**	**978**	**-**	**4,582**
	194,610	**37,532**	**-**	**232,142**

Total operating expenses before depreciation and amortization	**95,652**	**17,448**	**18,305**	**131,405**
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	**5,910**	**8,770**	**1,223**	**15,903**
Depreciation of right-of-use assets	**2,723**	**1,943**	**203**	**4,869**
	8,633	**10,713**	**1,426**	**20,772**
Segment operating income (loss)	**90,325**	**9,371**	**(19,731)**	**79,965**
Other loss				**(17,525)**
Finance costs				
Interest expense and amortization of deferred financing charges				**22,643**
Interest expense on lease liabilities				**836**
				23,479
Income before income taxes				**38,961**
Income tax expense				**12,865**
Net Income				**26,096**
Diluted earnings per share				**1.55**

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

	Three Months Ended March 31, 2021			
($ in 000's except earnings per share)	**easyfinancial**	**easyhome**	**Corporate**	**Total**
Revenue				
Interest income	100,504	4,990	-	105,494
Lease revenue	-	28,437	-	28,437
Commissions earned	30,910	2,427	-	33,337
Charges and fees	1,915	991	-	2,906
	133,329	36,845	-	170,174
Total operating expenses before depreciation and amortization	57,326	16,325	15,430	89,081
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	2,085	9,575	1,157	12,817
Depreciation of right-of-use assets	2,221	1,908	215	4,344
	4,306	11,483	1,372	17,161
Segment operating income (loss)	71,697	9,037	(16,802)	63,932
Other income				87,372
Finance costs				
Interest expense and amortization of deferred financing charges				13,495
Interest expense on lease liabilities				741
				14,236
Income before income taxes				137,068
Income tax expense				25,093
Net Income				111,975
Diluted earnings per share				7.14

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Variance $ / bps	Variance % change
Summary Financial Results				
Revenue	**232,142**	170,174	61,968	36.4%
Operating expenses before depreciation and amortization[2,3]	**131,405**	89,081	42,324	47.5%
EBITDA[1]	**74,747**	159,222	(84,475)	(53.1%)
EBITDA margin[1]	**32.2%**	93.6%	(6,140 bps)	(65.6%)
Depreciation and amortization expense[2]	**20,772**	17,161	3,611	21.0%
Operating income	**79,965**	63,932	16,033	25.1%
Operating margin	**34.4%**	37.6%	(320 bps)	(8.5%)
Other (loss) income[2,3]	**(17,525)**	87,372	(104,897)	(120.1%)
Finance costs	**23,479**	14,236	9,243	64.9%
Effective income tax rate	**33.0%**	18.3%	1,470 bps	80.3%
Net income	**26,096**	111,975	(85,879)	(76.7%)
Diluted earnings per share	**1.55**	7.14	(5.59)	(78.3%)
Return on assets	**4.0%**	28.8%	(2,480 bps)	(86.1%)
Return on equity	**13.5%**	90.1%	(7,660 bps)	(85.0%)
Return on tangible common equity[1]	**22.8%**	94.2%	(7,140 bps)	(75.8%)
Adjusted Financial Results[1,2,3]				
Adjusted operating income	**86,061**	64,612	21,449	33.2%
Adjusted operating margin	**37.1%**	38.0%	(90 bps)	(2.4%)
Adjusted net income	**45,779**	36,679	9,100	24.8%
Adjusted diluted earnings per share	**2.72**	2.34	0.38	16.2%
Adjusted return on assets	**6.9%**	9.4%	(250 bps)	(26.6%)
Adjusted return on equity	**23.8%**	29.5%	(570 bps)	(19.3%)
Adjusted return on tangible common equity	**36.5%**	30.8%	570 bps	18.5%
Key Performance Indicators				
Same store revenue growth (overall)[1]	**14.1%**	1.7%	1,240 bps	729.4%
Same store revenue growth (easyhome)[1]	**2.8%**	4.9%	(210 bps)	(42.9%)
Segment Financials				
easyfinancial revenue	**194,610**	133,329	61,281	46.0%
easyfinancial operating margin	**46.4%**	53.8%	(740 bps)	(13.8%)
easyhome revenue	**37,532**	36,845	687	1.9%
easyhome operating margin	**25.0%**	24.5%	50 bps	2.0%
Portfolio Indicators				
Gross consumer loans receivable	**2,154,300**	1,277,291	877,009	68.7%
Growth in consumer loans receivable	**123,961**	30,451	93,510	307.1%
Gross loan originations	**476,542**	272,351	204,191	75.0%
Total yield on consumer loans (including ancillary products)[1]	**38.7%**	44.3%	(560 bps)	(12.6%)
Net charge offs as a percentage of average gross consumer loans receivable	**8.8%**	9.1%	(30 bps)	(3.3%)
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**39,928**	63,166	(23,238)	(36.8%)
Potential monthly lease revenue[1]	**7,841**	8,366	(525)	(6.3%)

[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 leasing 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 March 31, 2022, the Company had a total of $23.6 million before-tax ($19.7 million after-tax) of adjusting

items which include:

Adjusting item related to corporate development costs

•Corporate development costs of $2.3 million ($1.7 million after-tax) are related to the exploration of a strategic acquisition opportunity, which the Company elected to not undertake, including advisory, consulting and legal costs reported under Operating expenses before depreciation and amortization.

Adjusting items related to the acquisition of LendCare

•Integration costs related to consulting costs, employee incentives, representation and warranty insurance cost, and other integration costs related to the acquisition of LendCare. Integration costs amounting to $0.5 million before-tax ($0.4 million after-tax) were reported under Operating expenses before depreciation and amortization;

•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); and

Adjusting items related to other costs

•Unrealized fair value losses mainly on investments in Affirm and its related TRS amounting to $17.5 million before-tax ($15.2 million after-tax).

[3]During the three-month period ended March 31, 2021, the Company had a total of $86.7 million before-tax ($75.3 million after-tax) of adjusting items:

Adjusting items related to the acquisition of LendCare

•Transaction costs related to advisory and consulting costs, legal costs, and other transaction costs related to the acquisition of LendCare. Transaction costs amounting to $0.7 million before-tax ($0.5 million after-tax) were reported under Operating expenses before depreciation and amortization; and

Adjusting item related to other income

•Unrealized fair value gains mainly on investments in Affirm and its related TRS amounting to $87.4 million before-tax ($75.8 million after-tax).

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's Discussion & Analysis (MD&A), available on www.sedar.com.

Adjusted Net Income and Adjusted Diluted Earnings Per Share

Adjusted net income is a non-IFRS measure, while adjusted diluted earnings per share is a non-IFRS ratio. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 27 of the Company's MD&A three months ended March 31, 2022. Items used to calculate adjusted net income and adjusted earnings per share for three months ended March 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended	
($ in 000's except earnings per share)	**March 31, 2022**	**March 31, 2021**
Net income as stated	**26,096**	111,975
Impact of adjusting items		
Operating expenses before depreciation and amortization		
Corporate development costs[1]	**2,314**	-
Transaction costs[2]	**-**	680
Integration costs[3]	**507**	-
Amortization of intangible assets		
Amortization of acquired intangible assets[4]	**3,275**	-
Other loss (income)[5]	**17,525**	(87,372)
Total pre-tax impact of adjusting items	**23,621**	(86,692)
Income tax impact of above adjusting items	**(3,938)**	11,396
After-tax impact of adjusting items	**19,683**	(75,296)
Adjusted net income	**45,779**	36,679
Weighted average number of diluted shares outstanding	**16,834**	15,689
Diluted earnings per share as stated	**1.55**	7.14
Per share impact of adjusting items	**1.17**	(4.80)
Adjusted diluted earnings per share	**2.72**	2.34

Adjusting item related to corporate development costs

[1] Corporate development costs for the three-month period ended March 31, 2022 are related to the exploration of a strategic acquisition opportunity, which the Company elected to not undertake, including advisory, consulting and legal costs reported under Operating expenses before depreciation and amortization.

Adjusting items related to the LendCare Acquisition

[2] Transaction costs for the three-month period ended March 31, 2021 included 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.

[3] Integration costs related to consulting costs, employee incentives, representation and warranty insurance cost, other integration costs related to the acquisition of LendCare. Integration costs were reported under Operating expenses before depreciation and amortization.

[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 periods ended March 31, 2022 and 2021, unrealized fair value gains (losses) mainly related to investments in Affirm and its related TRS.

Adjusted Operating Income and Adjusted Operating Margin

Adjusted operating income is a non-IFRS measure, while adjusted operating margin is a non-IFRS ratio. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 27 of the Company’s MD&A three months ended March 31, 2022. Items used to calculate adjusted operating income and adjusted operating margins for three months ended March 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended			
($ in 000’s except percentages)	**March 31, 2022**	**March 31, 2022 (adjusted)**	**March 31, 2021**	**March 31, 2021 (adjusted)**
Operating income	**79,965**	**79,965**	63,932	63,932
Operating expenses before depreciation and amortization				
Corporate development costs[1]	**-**	**2,314**	-	-
Transaction costs[1]	**-**	**-**	-	680
Integration costs[1]	**-**	**507**	-	-
Amortization of intangible assets				
Amortization of acquired intangible assets[1]	**-**	**3,275**	-	-
Adjusted operating income	**79,965**	**86,061**	63,932	64,612
Divided by revenue	**232,142**	**232,142**	170,174	170,174
Total operating margin	**34.4 %**	**37.1 %**	37.6 %	38.0%

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

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

EBITDA is a non-IFRS measure, while EBITDA margin is a non-IFRS ratio. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 27 of the Company’s MD&A three months ended March 31, 2022. Items used to calculate EBITDA and EBITDA margin for three months ended March 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended	
($ in 000’s except percentages)	**March 31, 2022**	**March 31, 2021**
Net income as stated	**26,096**	111,975
Finance cost	**23,479**	14,236
Income tax expense	**12,865**	25,093
Depreciation and amortization	**20,772**	17,161
Depreciation of lease assets	**(8,465)**	(9,243)
EBITDA	**74,747**	159,222
Divided by revenue	**232,142**	170,174
EBITDA margin	**32.2%**	93.6%

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

Free cash flow from operations before net growth in gross consumer loans receivable is a non-IFRS measure. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 27 of the Company’s MD&A three months ended March 31, 2022. Items used to calculate free cash flow from operations before net growth in gross consumer loans receivable for three months ended March 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended	
	March 31, 2022	March 31, 2021
Cash (used in) provided by operating activities	**(84,033)**	32,715
Net growth in gross consumer loans receivable during the period	**123,961**	30,451
Free cash flows from operations before net growth in gross consumer loans receivable	**39,928**	63,166

Adjusted Return on Assets

Adjusted return on assets is a non-IFRS ratio. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 27 of the Company's MD&A three months ended March 31, 2022. Items used to calculate adjusted return on assets for three months ended March 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended			
($ in 000's except percentages)	**March 31, 2022**	**March 31, 2022 (adjusted)**	**March 31, 2021**	**March 31, 2021 (adjusted)**
Net income as stated	**26,096**	**26,096**	111,975	111,975
After-tax impact of adjusting items[1]	**-**	**19,683**	-	(75,296)
Adjusted net income	**26,096**	**45,779**	111,975	36,679
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average total assets for the period	**2,642,237**	**2,642,237**	1,556,900	1,556,900
Return on assets	**4.0%**	**6.9%**	28.8%	9.4%

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

Adjusted Return on Equity

Adjusted return on equity is a non-IFRS ratio. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 27 of the Company's MD&A three months ended March 31, 2022. Items used to calculate adjusted return on equity for three months ended March 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended			
($ in 000's except percentages)	**March 31, 2022**	**March 31, 2022 (adjusted)**	**March 31, 2021**	**March 31, 2021 (adjusted)**
Net income as stated	**26,096**	**26,096**	111,975	111,975
After-tax impact of adjusting items[1]	**-**	**19,683**	-	(75,296)
Adjusted net income	**26,096**	**45,779**	111,975	36,679
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average shareholders' equity for the period	**770,614**	**770,614**	496,889	496,889
Return on equity	**13.5%**	**23.8%**	90.1%	29.5%

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

Return on Tangible Common Equity

Reported and adjusted return on tangible common equity are non-IFRS ratios. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 27 of the Company's MD&A three months ended March 31, 2022. Items used to calculate reported and adjusted return on tangible common equity for three months ended March 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended			
($ in 000's except percentages)	**March 31, 2022**	**March 31, 2022 (adjusted)**	**March 31, 2021**	**March 31, 2021 (adjusted)**

Net income as stated	**26,096**	**26,096**	111,975	111,975
Amortization of acquired intangible assets	**3,275**	**3,275**	-	-
Income tax impact of the above item	**(869)**	**(869)**	-	-
Net income before amortization of acquired intangible assets, net of income tax	**28,502**	**28,502**	111,975	111,975
Impact of adjusting items[1]				
Operating expenses before depreciation and amortization				
Corporate development costs	**-**	**2,314**	-	-
Transaction costs	**-**	**-**	-	680
Integration costs	**-**	**507**	-	-
Other loss (income)	**-**	**17,525**	-	(87,372)
Total pre-tax impact of adjusting items	**-**	**20,346**	-	(86,692)
Income tax impact of above adjusting items	**-**	**(3,069)**	-	11,396
After-tax impact of adjusting items	**-**	**17,277**	-	(75,296)
Adjusted net income	**28,502**	**45,779**	111,975	36,679
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Average shareholders' equity	**770,614**	**770,614**	496,889	496,889
Average goodwill	**(180,923)**	**(180,923)**	(21,310)	(21,310)
Average acquired intangible assets[2]	**(120,629)**	**(120,629)**	-	-
Average related deferred tax liabilities	**31,967**	**31,967**	-	-
Divided by average tangible common equity	**501,029**	**501,029**	475,579	475,579
Return on tangible common equity	**22.8%**	**36.5%**	94.2%	30.8%

[1] For explanation of adjusting items, refer to the "Adjusted Net Income and Adjusted 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 three months ended March 31, 2022 and 2021 include those indicated in the chart below:

($ in 000's)	**Three Months Ended**	
	March 31, 2022	**March 31, 2021**
Total company revenue	**232,142**	170,174
Less: easyfinancial revenue	**(194,610)**	(133,329)
Less: leasing revenue	**(28,566)**	(30,243)
easyhome financial revenue	**8,966**	6,602

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 17 of the Company's MD&A three months ended March 31, 2022. Items used to calculate total yield on consumer loans as a percentage of average gross consumer loans receivable for three month ended March 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended	
($ in 000's except percentages)	**March 31, 2022**	**March 31, 2021**
Total Company revenue	**232,142**	170,174
Less: Leasing revenue	**(28,566)**	(30,243)
Financial revenue	**203,576**	139,931
Multiplied by number of periods in a year	**X 4**	X 4
Divided by average gross consumer loans receivable	**2,101,759**	1,264,755
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	**38.7%**	44.3%

Net Debt to Net Capitalization

Net debt to net capitalization is a capital management measure. Refer to “Financial Condition” section on page 35 of the Company’s MD&A three months ended March 31, 2022.

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 27 of the Company’s MD&A three months ended March 31, 2022.

Potential Monthly Leasing Revenue

Potential monthly leasing revenue is a supplementary financial measure. Refer to “Portfolio Analysis” section on page 17 of the Company’s MD&A three months ended March 31, 2022.

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