



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

February 15, 2023

**Quarterly Loan Growth of \$206 million, up 54% from \$134 million**  
**Net Charge Off Rate of 9.0%, down from 9.6%**  
**Loan Portfolio of \$2.79 billion, up 38% from \$2.03 billion**  
**Quarterly Diluted EPS of \$1.71; Adjusted Quarterly Diluted EPS<sup>1</sup> of \$3.05, up 11% from \$2.76**  
**Annual Diluted EPS of \$8.42; Adjusted Annual Diluted EPS<sup>1</sup> of \$11.55, up 11% from \$10.43**  
**Annual Dividend per Share Increased to \$3.84, up 5.5% from \$3.64**

MISSISSAUGA, Ontario, Feb. 15, 2023 (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, 2022.

### Fourth Quarter Results

During the quarter, the Company produced loan originations of \$632 million, up 25% compared to \$507 million originated in the fourth quarter of 2021. The increase in lending was driven by strong performance across the Company's entire range of products and acquisition channels, including unsecured lending, home equity loans, point-of-sale lending, and automotive financing.

The increased loan originations led to growth in the loan portfolio of \$206 million, which was up 54% from \$134 million of loan growth in the fourth quarter of 2021. At quarter end, the gross consumer loan receivable portfolio was \$2.79 billion, up 38% from \$2.03 billion in the fourth quarter of 2021. The growth in consumer loans led to an increase in revenue, which was a record \$273 million in the quarter, up 17% over the same period last year.

During the quarter, the Company continued to experience stable credit and payment performance. The net charge off rate in the fourth quarter was 9.0%, in line with the Company's target range of between 8.5% and 10.5% on an annualized basis, and 60 bps lower than 9.6% in the fourth quarter of 2021. The stable credit performance reflects the improved credit quality and product mix of the loan portfolio and the proactive credit and underwriting enhancements made throughout 2021 and 2022. The Company's allowance for future credit losses also remained stable at 7.62%, compared to 7.58% in the prior quarter.

Operating income for the fourth quarter of 2022 was \$75.9 million, down 5% from \$79.6 million in the fourth quarter of 2021. Operating margin for the fourth quarter was 27.8%, down from 34.0% in the same period last year.

During the quarter, the Company decided to terminate its agreement with a third-party technology provider that was contracted in 2020 to develop a new loan management system. After careful evaluation, the Company determined that the performance to date was inadequate, and the additional investment necessary to complete development was no longer economical, relative to the anticipated business value and other available options. As such, the Company elected to write off capitalized software costs in 2022 in the amount of \$20.5 million, associated with the loan management system being developed by the third-party. The matter is now closed, and the Company does not carry any additional liability. The Company does not anticipate this decision to affect its ability to achieve its long-term organic growth forecast and expects to further reduce its capital expenditures over the course of 2023 and 2024 by approximately \$20 million.

After adjusting for items related to the acquisition of LendCare Capital Inc. ("**LendCare**") and the previously mentioned non-recurring, non-cash write-off of capitalized software costs, the Company reported record adjusted operating income<sup>2</sup> of \$99.7 million, up \$13.4 million or an increase of 16% compared to \$86.4 million in the fourth quarter of 2021. Adjusted operating margin<sup>1</sup> for the fourth quarter was 36.5%, slightly down from 36.8% in the same period in 2021, primarily due to a higher level of loan growth resulting in an increase in the loan loss provision expense compared to the prior period. Efficiency ratio<sup>1</sup> for the fourth quarter of 2022 was 32.2%, down 200 bps from 34.2% in the fourth quarter of 2021, reflecting improved operating leverage.

Net income in the fourth quarter was \$28.6 million, down 43% from \$50.0 million in the same period of 2021, which resulted in diluted earnings per share of \$1.71, down 41% from the \$2.90 reported in the fourth quarter of 2021. After adjusting for non-recurring and unusual items on an after-tax basis, adjusted net income<sup>2</sup> was a record \$51.0 million, up 7% from \$47.6 million in the fourth quarter of 2021. Adjusted diluted earnings per share<sup>1</sup> was a record \$3.05, up 11% from \$2.76 in the fourth quarter of 2021. Return on equity during the quarter was 13.8%, compared to 25.0% in the fourth quarter of 2021. After adjusting for non-recurring and unusual items, adjusted return on equity<sup>1</sup> was 24.6% in the quarter, up from 23.9% in the same period of 2021.

"The fourth quarter wrapped up a year of record growth, strong credit performance and improved operating leverage, further solidifying our position as a leader in the non-prime consumer credit market," said Jason Mullins, goeasy's President and Chief Executive Officer, "With \$206 million of organic growth in the fourth quarter, we finished 2022 with \$2.79 billion in consumer loans. Moreover, despite a challenging macro-economic environment, the evolution of our product mix and disciplined approach to managing risk, served to produce strong credit performance, with an annualized net charge off rate of 9.0% in the quarter, down from 9.6% in the prior year. Adjusted diluted earnings per share was \$3.05, up 11% over the fourth quarter of 2021, inclusive of an incremental expense of approximately \$0.24 cents in diluted earnings per share related to the higher level of provision related to the elevated net loan growth over the prior year. For the full year of 2022, adjusted diluted earnings per share was \$11.55, an 11% increase over 2021. I wish to thank the entire goeasy team for another year of tireless effort taking incredible care of our customers and merchant partners," Mr. Mullins concluded.

## Other Key Fourth Quarter Highlights

### easyfinancial

- Revenue of \$236 million, up 20%
- 39% of the loan portfolio secured, up from 33%
- Record 66% of net loan advances<sup>1</sup> in the quarter were issued to new customers, up from 61%
- Record origination volumes in automotive financing and healthcare financing
- Average loan book per branch<sup>3</sup> improved to \$4.9 million, an increase of 22.5%
- Weighted average interest rate<sup>3</sup> on consumer loans of 30.5%, down from 33.3%
- Record operating income of \$106 million, up 21%
- Operating margin of 45.1%, up from 44.7%

### easyhome

- Revenue of \$37.4 million, broadly flat year over year
- Consumer loan portfolio within easyhome stores increased to \$88.8 million, up 27%
- Financial revenue<sup>2</sup> from consumer lending increased to \$10.7 million, up 19% from \$9.0 million
- Operating income of \$8.7 million, up 3%
- Operating margin of 23.2%, up from 22.0%

### Overall

- 86<sup>th</sup> consecutive quarter of positive net income
- 19<sup>th</sup> consecutive year of paying dividends and 9<sup>th</sup> consecutive year of a dividend increase
- Total customers served nearly 1.3 million
- Adjusted return on equity<sup>1</sup> of 24.6%, up from 23.9%
- Adjusted return on tangible common equity<sup>1</sup> of 35.9%, down from 36.2%
- Fully drawn weighted average cost of borrowing at 5.5%
- Net debt to net capitalization<sup>4</sup> of 71% on December 31, 2022, in line with the Company's target leverage profile

### Full Year Results

For the year of 2022, the Company funded \$2.38 billion in loan originations, up 49% from \$1.59 billion in 2021. The consumer loan receivable portfolio finished at \$2.79 billion, up 38% from \$2.03 billion as of December 31, 2021.

For the year of 2022, the Company produced record revenues of \$1.02 billion, up 23% compared to \$827 million in 2021. Operating income for the year was a record \$332 million compared to \$281 million in 2021, an increase of \$51.4 million or 18%. Adjusted operating income<sup>2</sup> was a record \$369 million for the year of 2022, 17% higher compared to \$317 million in the prior year. Efficiency ratio<sup>1</sup> for the year of 2022 was 33.6%, down 360 bps from 37.2% in 2021.

Net income in the year was \$140 million and diluted earnings per share was \$8.42, compared to \$245 million or \$14.62 per share. After adjusting for non-recurring items, related to the write-off of intangible assets, acquisition of LendCare, corporate development costs and the fair value mark-to-market change in investments, adjusted net income<sup>2</sup> for the year of 2022 was a record \$192 million and adjusted diluted earnings per share<sup>1</sup> was a record \$11.55, compared to \$175 million or \$10.43 per share, increases of 10% and 11%, respectively. Reported return on equity was 17.6%, while adjusted return on equity<sup>1</sup> was 24.2%, down from 26.2% in 2021.

### Balance Sheet and Liquidity

Total assets were \$3.30 billion as of December 31, 2022, an increase of 27% from \$2.60 billion as at December 31, 2021, primarily driven by growth in the consumer loan portfolio.

In November 2022, the Company issued 488,750 common shares including 63,750 common shares issued pursuant to the exercise in full by the syndicate of underwriters of the over-allotment option granted by the Company, at a price of \$118.50 per common share, for gross aggregate proceeds of \$57.9 million. The Company used the net proceeds to support the growth of its consumer loan portfolio and for general corporate purposes.

In December 2022, the Company established a new \$200 million revolving securitization warehouse facility, structured and underwritten by Bank of Montreal. The new facility will be securitized by automotive consumer loans originated by goeasy's wholly owned subsidiaries, easyfinancial Services Inc. and LendCare, and will have an initial term of two years and 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 4.86% as of February 13, 2022, the interest rate would be 6.71%. The Company established an interest rate swap agreement to generate fixed rate payments on the amounts drawn to assist in mitigating the impact of increases in interest rates. The new securitization facility complements the Company's existing \$1.4 billion revolving securitization warehouse facility, which also bears an interest on advances payable at the rate of 1-month CDOR plus 185 bps.

Free cash flow from operations before net growth in gross consumer loans receivable<sup>2</sup> in the quarter was \$66.0 million, up 11% from \$59.5 million in the fourth quarter of 2021. Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's existing revolving credit facilities, the Company had approximately \$973 million in total debt capacity as at December 31, 2022. The Company remains confident that the capacity available under its existing funding facilities, and its ability to raise additional debt financing, is sufficient to fund its organic growth forecast.

At quarter-end, the Company's fully drawn weighted average cost of borrowing was at 5.5%. The Company estimates that it could currently grow the consumer loan portfolio by approximately \$250 million per year solely from internal cash flows, without utilizing external debt. The Company also estimates that once its existing and available sources of debt are fully utilized, it could continue to grow the loan portfolio by approximately \$400 million per year solely from internal cash flows. The Company also estimates that if it were to run-off its consumer loan and leasing portfolios, the value of the total cash repayments paid to the Company over the remaining life of its contracts would be approximately \$3.7 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.

## Future Outlook

The Company has provided a new 3-year forecast for the years 2023 through 2025. The periods of 2023 and 2024 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 portfolio 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 2023	Forecasts for 2024	Forecasts for 2025
Gross consumer loans receivable at year end	\$3.4B - \$3.6B	\$4.1B - \$4.3B	\$4.7B - \$5.0B
Total Company revenue	\$1.15B - \$1.25B	\$1.38B - \$1.48B	\$1.56B - \$1.70B
Total yield on consumer loans (including ancillary products) <sup>1</sup>	34.5% - 36.5%	33.5% - 35.5%	33.0% - 35.0%
Net charge offs as a percentage of average gross consumer loans receivable	8.5% - 10.5%	8.0% - 10.0%	8.0% - 10.0%
Total Company operating margin	36%+	37%+	38%+
Return on equity	22%+	22%+	22%+

"We are confident in the strength and resilience of our business model and remain well prepared to navigate the uncertain environment ahead. With favourable market conditions, we now expect to scale the consumer loan portfolio to nearly \$5 billion in 2025, as we continue serving the 8.5 million non-prime Canadians that rely on access to credit for everyday financial needs," Mr. Mullins continued, "In addition to executing our growth plan, we are focused on diligently managing our capital, to produce expanding operating margins and deliver attractive returns on equity for shareholders. With only a small share of the nearly \$200 billion non-prime credit market, we are truly just getting started."

## Dividend

Based on its 2022 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 \$3.64 per share to \$3.84 per share, an increase of 5.5%. This year marks the 9th consecutive year of an increase in the dividend to shareholders. As such, the Board of Directors has approved a quarterly dividend of \$0.96 per share payable on April 14, 2023 to the holders of common shares of record as at the close of business on March 31, 2023.

## 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 and expected financial performance and condition. Forward-looking statements include, but are not limited to, statements with respect to forecasts for growth of the consumer loans receivable, annual revenue growth forecasts, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements and the Company's ability to secure sufficient capital, liquidity of the Company, plans and references to future operations and results, critical accounting estimates, expected future yields and net charge off rates on loans, the estimated number of new locations to be opened, the dealer relationships, the size and characteristics of the Canadian non-prime lending market and the continued development of the type and size of competitors in the market. In certain cases, forward-looking statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as "expect", "continue", "anticipate", "intend", "aim", "plan", "believe", "budget", "estimate", "forecast", "foresee", "target" 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. 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. Some important factors that could cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, goeasy'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, offer 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, compete, 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. These and other factors could cause actual results to differ materially from our expectations expressed in the forward-looking statements, and further details and descriptions of these and other factors are disclosed in the Company's Management's Discussion and Analysis ("MD&A"), including under the section entitled "Risk Factors".

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. is a Canadian company, headquartered in Mississauga, Ontario, that provides non-prime leasing and lending services through its easyhome, easyfinancial and LendCare brands. Supported by more than 2,400 employees, the Company offers a wide variety of financial products and services including unsecured and secured instalment loans, merchant financing through a variety of verticals and lease-to-own merchandise. Customers can transact seamlessly through an omnichannel model that includes online and mobile platforms, over 400 locations across Canada, and point-of-sale financing offered in the retail, powersports, automotive, home improvement and healthcare verticals, through approximately 6,500 merchant partners across Canada. Throughout the Company's history, it has acquired and organically served approximately 1.3 million Canadians and originated approximately \$10.1 billion in loans.

Accredited by the Better Business Bureau, goeasy is the proud recipient of several awards in recognition of its exceptional culture and continued business growth including Waterstone Canada's Most Admired Corporate Cultures, ranking on the 2022 Report on Business Women Lead Here executive gender diversity benchmark, placing on the Report on Business ranking of Canada's Top Growing Companies, ranking on the TSX30, Greater Toronto Top Employers Award and has been certified as a Great Place to Work®. The Company is represented by a diverse group of team members from 78 nationalities who believe strongly in giving back to communities in which it operates. To date, goeasy has raised and donated over \$4.8 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](http://www.goeasy.com).

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#### Notes:

These are non-IFRS ratios. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

<sup>2</sup> These are non-IFRS measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

<sup>3</sup> These are supplementary financial measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

<sup>4</sup> These are capital management measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

<sup>5</sup> 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, 2022	As At December 31, 2021
<b>ASSETS</b>		
Cash	62,654	102,479
Accounts receivable	25,697	20,769
Prepaid expenses	8,334	8,018
Income taxes recoverable	2,323	-
Consumer loans receivable, net	2,627,357	1,899,631
Investments	57,304	64,441
Lease assets	48,437	47,182
Property and equipment, net	35,856	35,285
Derivative financial assets	49,444	20,634
Intangible assets, net	138,802	159,651
Right-of-use assets, net	65,758	57,140
Goodwill	180,923	180,923
<b>TOTAL ASSETS</b>	<b>3,302,889</b>	<b>2,596,153</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Revolving credit facility	148,646	-
Accounts payable and accrued liabilities	51,136	57,134

Income taxes payable	-	27,859
Dividends payable	14,965	10,692
Unearned revenue	28,661	11,354
Accrued interest	10,159	8,135
Deferred tax liabilities, net	24,692	38,648
Lease liabilities	74,328	65,607
Secured borrowings	105,792	173,959
Revolving securitization warehouse facilities	805,825	292,814
Derivative financial liabilities	-	34,132
Notes payable	1,168,997	1,085,906
<b>TOTAL LIABILITIES</b>	<b>2,433,201</b>	<b>1,806,240</b>
<b>Shareholders' equity</b>		
Share capital	419,046	363,514
Contributed surplus	21,499	22,583
Accumulated other comprehensive income	2,776	8,567
Retained earnings	426,367	395,249
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>869,688</b>	<b>789,913</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,302,889</b>	<b>2,596,153</b>

goeasy Ltd.

## CONSOLIDATED STATEMENTS OF INCOME

(Expressed in thousands of Canadian dollars, except earnings per share)

	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<b>REVENUE</b>				
Interest income	191,320	155,529	698,150	535,638
Lease revenue	25,219	27,663	103,414	112,371
Commissions earned	51,389	45,910	197,159	163,734
Charges and fees	5,398	5,328	20,613	14,979
	<b>273,326</b>	<b>234,430</b>	<b>1,019,336</b>	<b>826,722</b>
<b>OPERATING EXPENSES</b>				
<b>BAD DEBTS</b>	<b>78,257</b>	<b>58,640</b>	<b>272,893</b>	<b>182,084</b>
<b>OTHER OPERATING EXPENSES</b>				
Salaries and benefits	43,526	36,171	174,236	157,157
Stock-based compensation	2,621	2,772	10,053	8,875
Advertising and promotion	7,942	9,578	34,069	30,393
Occupancy	6,406	6,342	25,234	23,614
Technology costs	7,489	5,312	23,463	18,033
Loss on sale or write off of assets	20,549	2,580	20,549	2,580
Underwriting and collections	3,604	2,980	13,930	9,596
Other expenses	7,806	8,761	31,196	34,501
	<b>99,943</b>	<b>74,496</b>	<b>332,730</b>	<b>284,749</b>
<b>DEPRECIATION AND AMORTIZATION</b>				
Depreciation of lease assets	8,516	9,157	33,547	35,844
Depreciation of right-of-use assets	5,249	4,791	20,160	18,207
Amortization of intangible assets	3,029	5,546	18,406	16,831
Depreciation of property and equipment	2,451	2,171	9,193	8,004
	<b>19,245</b>	<b>21,665</b>	<b>81,306</b>	<b>78,886</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>197,445</b>	<b>154,801</b>	<b>686,929</b>	<b>545,719</b>

<b>OPERATING INCOME</b>	<b>75,881</b>	79,629	<b>332,407</b>	281,003
<b>OTHER INCOME (LOSS)</b>	<b>(5,609)</b>	8,371	<b>(28,659)</b>	114,876
<b>FINANCE COSTS</b>	<b>(31,551)</b>	(22,281)	<b>(107,972)</b>	(79,025)
<b>INCOME BEFORE INCOME TAXES</b>	<b>38,721</b>	65,719	<b>195,776</b>	316,854
<b>INCOME TAX EXPENSE (RECOVERY)</b>				
Current	<b>11,216</b>	15,167	<b>65,659</b>	73,744
Deferred	<b>(1,071)</b>	591	<b>(10,044)</b>	(1,833)
	<b>10,145</b>	15,758	<b>55,615</b>	71,911
<b>NET INCOME</b>	<b>28,576</b>	49,961	<b>140,161</b>	244,943
<b>BASIC EARNINGS PER SHARE</b>	<b>1.74</b>	3.00	<b>8.61</b>	15.12
<b>DILUTED EARNINGS PER SHARE</b>	<b>1.71</b>	2.90	<b>8.42</b>	14.62

## SEGMENT REPORTING

(Expressed in thousands of Canadian dollars, except earnings per share)

	Three Months Ended December 31, 2022			
	easyfinancial	easyhome	Corporate	Total
<b>Revenue</b>				
Interest income	183,345	7,975	-	191,320
Lease revenue	-	25,219	-	25,219
Commissions earned	48,023	3,366	-	51,389
Charges and fees	4,518	880	-	5,398
	235,886	37,440	-	273,326
<b>Operating expenses</b>				
Bad debts	75,224	3,033	-	78,257
Other operating expenses	47,539	14,948	37,456	99,943
Depreciation and amortization	6,846	10,772	1,627	19,245
	129,609	28,753	39,083	197,445
<b>Operating income (loss)</b>	<b>106,277</b>	<b>8,687</b>	<b>(39,083)</b>	<b>75,881</b>
<b>Other loss</b>				<b>(5,609)</b>
<b>Finance costs</b>				<b>(31,551)</b>
<b>Income before income taxes</b>				<b>38,721</b>
<b>Income taxes</b>				<b>10,145</b>
<b>Net income</b>				<b>28,576</b>
<b>Diluted earnings per share</b>				<b>1.71</b>

	Three Months Ended December 31, 2021			
	easyfinancial	easyhome	Corporate	Total
<b>Revenue</b>				
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
<b>Operating expenses</b>				
Bad debts	56,058	2,582	-	58,640
Other operating expenses	43,539	15,981	14,976	74,496
Depreciation and amortization	8,775	11,402	1,488	21,665
	108,372	29,965	16,464	154,801
<b>Operating income (loss)</b>	87,643	8,450	(16,464)	79,629
<b>Other income</b>				8,371
<b>Finance costs</b>				(22,281)
<b>Income before income taxes</b>				65,719
<b>Income taxes</b>				15,758
<b>Net income</b>				49,961
<b>Diluted earnings per share</b>				2.90

	Year Ended December 31, 2022			
	easyfinancial	easyhome	Corporate	Total
<b>Revenue</b>				
Interest income	668,779	29,371	-	698,150
Lease revenue	-	103,414	-	103,414
Commissions earned	184,013	13,146	-	197,159
Charges and fees	16,736	3,877	-	20,613
	869,528	149,808	-	1,019,336
<b>Operating expenses</b>				
Bad debts	261,997	10,896	-	272,893
Other operating expenses	180,867	61,748	90,115	332,730
Depreciation and amortization	32,668	42,586	6,052	81,306
	475,532	115,230	96,167	686,929
<b>Operating income (loss)</b>	393,996	34,578	(96,167)	332,407
<b>Other loss</b>				(28,659)
<b>Finance costs</b>				(107,972)
<b>Income before income taxes</b>				195,776
<b>Income taxes</b>				55,615
<b>Net income</b>				140,161
<b>Diluted earnings per share</b>				8.42

(\$in 000's except earnings per share)	Year Ended December 31, 2021			
	easyfinancial	easyhome	Corporate	Total
<b>Revenue</b>				
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
<b>Operating expenses</b>				
Bad debts	174,936	7,148	-	182,084
Other operating expenses	148,445	61,558	74,746	284,749
Depreciation and amortization	28,219	44,804	5,863	78,886
	351,600	113,510	80,609	545,719
<b>Operating income (loss)</b>	324,751	36,861	(80,609)	281,003
<b>Other income</b>				114,876
<b>Finance costs</b>				(79,025)
<b>Income before income taxes</b>				316,854
<b>Income taxes</b>				71,911
<b>Net income</b>				244,943
<b>Diluted earnings per share</b>				14.62

#### SUMMARY OF FINANCIAL RESULTS AND KEY PERFORMANCE INDICATORS

(Expressed in thousands of Canadian dollars, except earnings per share and percentages)

	Three Months Ended		Variance \$ / bps	Variance % change
	December 31, 2022	December 31, 2021		
<b>Summary Financial Results</b>				
Revenue	273,326	234,430	38,896	16.6%
Bad debts	78,257	58,640	19,617	33.5%
Other operating expenses	99,943	74,496	25,447	34.2%
EBITDA <sup>1</sup>	81,001	100,508	(19,507)	(19.4%)
EBITDA margin <sup>1</sup>	29.6%	42.9%	(1,330 bps)	(31.0%)
Depreciation and amortization	19,245	21,665	(2,420)	(11.2%)
Operating income	75,881	79,629	(3,748)	(4.7 %)
Operating margin	27.8%	34.0%	(620 bps)	(18.2%)
Other (loss) income	(5,609)	8,371	(13,980)	(167.0%)
Finance costs	31,551	22,281	9,270	41.6%
Effective income tax rate	26.2%	24.0%	220 bps	9.2%
Net income	28,576	49,961	(21,385)	(42.8%)
Diluted earnings per share	1.71	2.90	(1.19)	(41.0%)
Return on assets	3.6%	7.9%	(430 bps)	(54.4%)
Return on equity	13.8%	25.0%	(1,120 bps)	(44.8%)
Return on tangible common equity <sup>1</sup>	21.8%	39.8%	(1,800 bps)	(45.2%)
<b>Adjusted Financial Results<sup>1</sup></b>				
Other operating expenses	87,877	80,206	7,671	9.6%
Efficiency ratio	32.2%	34.2%	(200 bps)	(5.8%)
Operating income	99,738	86,353	13,385	15.5%
Operating margin	36.5%	36.8%	(30 bps)	(0.8%)
Net income	51,026	47,644	3,382	7.1%
Diluted earnings per share	3.05	2.76	0.29	10.5%
Return on assets	6.3%	7.5%	(120 bps)	(16.0%)
Return on equity	24.6%	23.9%	70 bps	2.9%
Return on tangible common equity	35.9%	36.2%	(30 bps)	(0.8%)



## Key Performance Indicators

### Segment Financials

easyfinancial revenue	235,886	196,015	39,871	20.3%
easyfinancial operating margin	45.1%	44.7%	40 bps	0.9%
easyhome revenue	37,440	38,415	(975)	(2.5%)
easyhome operating margin	23.2%	22.0%	120 bps	5.5%

### Portfolio Indicators

Gross consumer loans receivable	2,794,694	2,030,339	764,355	37.6%
Growth in consumer loans receivable	206,038	133,623	72,415	54.2%
Gross loan originations	632,355	506,853	125,502	24.8%
Total yield on consumer loans (including ancillary products) <sup>1</sup>	36.2%	41.4%	(520 bps)	(12.6%)
Net charge offs as a percentage of average gross consumer loans receivable	9.0%	9.6%	(60 bps)	(6.3%)
Free cash flows from operations before net growth in gross consumer loans receivable <sup>1</sup>	66,040	59,452	6,588	11.1%
Potential monthly lease revenue <sup>1</sup>	7,868	8,193	(325)	(4.0%)

<sup>1</sup> EBITDA, adjusted other operating expenses, 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, efficiency ratio, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on assets, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

	Year Ended		Variance \$ / bps	Variance % change
	December 31, 2022	December 31, 2021		
Summary Financial Results				
Revenue	1,019,336	826,722	192,614	23.3%
Bad debts	272,893	182,084	90,809	49.9%
Other operating expenses	332,730	284,749	47,981	16.9%
EBITDA <sup>1</sup>	351,507	438,921	(87,414)	(19.9 %)
EBITDA margin <sup>1</sup>	34.5%	53.1%	(1,860 bps)	(35.0%)
Depreciation and amortization	81,306	78,886	2,420	3.1%
Operating income	332,407	281,003	51,404	18.3%
Operating margin	32.6%	34.0%	(140 bps)	(4.1 %)
Other (loss) income	(28,659)	114,876	(143,535)	(124.9 %)
Finance costs	107,972	79,025	28,947	36.6%
Effective income tax rate	28.4%	22.7%	570 bps	25.1%
Net income	140,161	244,943	(104,782)	(42.8 %)
Diluted earnings per share	8.42	14.62	(6.20)	(42.4 %)
Return on assets	4.8%	11.5%	(670 bps)	(58.3 %)
Return on equity	17.6%	36.7%	(1,910 bps)	(52.0%)
Return on tangible common equity <sup>1</sup>	28.4%	50.7%	(2,230 bps)	(44.0%)
Adjusted Financial Results <sup>1</sup>				
Other operating expenses	342,422	307,931	34,491	11.2%
Efficiency ratio	33.6%	37.2%	(360 bps)	(9.7%)
Operating income	369,362	316,652	52,710	16.6%
Operating margin	36.2%	38.3%	(210 bps)	(5.5 %)
Net income	192,261	174,759	17,502	10.0%
Diluted earnings per share	11.55	10.43	1.12	10.7%
Return on assets	6.6%	8.2%	(160 bps)	(19.5 %)
Return on equity	24.2%	26.2%	(200 bps)	(7.6%)
Return on tangible common equity	36.4%	35.3%	110 bps	3.1%
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	869,528	676,351	193,177	28.6%
easyfinancial operating margin	45.3%	48.0%	(270 bps)	(5.6%)

easyhome revenue	149,808	150,371	(563)	(0.4 %)
easyhome operating margin	23.1%	24.5%	(140 bps)	(5.7%)
<b>Portfolio Indicators</b>				
Gross consumer loans receivable	2,794,694	2,030,339	764,355	37.6%
Growth in consumer loans receivable <sup>2</sup>	764,355	783,499	(19,144)	(2.4%)
Gross loan originations	2,377,606	1,594,480	783,126	49.1%
Total yield on consumer loans (including ancillary products) <sup>1</sup>	37.7%	42.1%	(440 bps)	(10.5%)
Net charge offs as a percentage of average gross consumer loans receivable	9.1%	8.8%	30 bps	3.4%
Free cash flows from operations before net growth in gross consumer loans receivable <sup>1</sup>	258,474	260,104	(1,630)	(0.6%)
Potential monthly lease revenue <sup>1</sup>	7,868	8,193	(325)	(4.0%)

<sup>1</sup> EBITDA, adjusted other operating expenses, 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, efficiency ratio, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on assets, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release. <sup>2</sup> Growth in consumer loans receivable for the year ended December 31, 2021 includes \$444.5 million of gross loans purchased through the acquisition of LendCare.

### 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 MD&A, available on [www.sedar.com](http://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 43 of the Company's MD&A for the year ended December 31, 2022. Items used to calculate adjusted net income and adjusted earnings per share for the three-month periods and years ended December 31, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except earnings per share)	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net income as stated	28,576	49,961	140,161	244,943
Impact of adjusting items				
<i>Bad debts</i>				
Day one loan loss provision on the acquired loans <sup>1</sup>	-	-	-	14,252
<i>Other operating expenses</i>				
Write off of an intangible asset <sup>5</sup>	20,460	-	20,460	-
Corporate development costs <sup>6</sup>	-	-	2,314	-
Integration costs <sup>3</sup>	122	3,447	1,081	5,047
Transaction costs <sup>2</sup>	-	-	-	7,615
<i>Depreciation and amortization</i>				
Amortization of acquired intangible assets <sup>4</sup>	3,275	3,277	13,100	8,735
<i>Other loss (income)<sup>7</sup></i>	5,609	(8,371)	28,659	(114,876)
<i>Finance costs</i>				
Transaction costs <sup>2</sup>	-	-	-	1,726
Total pre-tax impact of adjusting items	29,466	(1,647)	65,614	(77,501)
Income tax impact of above adjusting items	(7,016)	(670)	(13,514)	7,317
After-tax impact of adjusting items	22,450	(2,317)	52,100	(70,184)
<b>Adjusted net income</b>	<b>51,026</b>	<b>47,644</b>	<b>192,261</b>	<b>174,759</b>
<b>Weighted average number of diluted shares outstanding</b>	<b>16,753</b>	<b>17,233</b>	<b>16,650</b>	<b>16,757</b>

<b>Diluted earnings per share as stated</b>	<b>1.71</b>	2.90	<b>8.42</b>	14.62
Per share impact of adjusting items	<b>1.34</b>	(0.14)	<b>3.13</b>	(4.19)
<b>Adjusted diluted earnings per share</b>	<b>3.05</b>	2.76	<b>11.55</b>	10.43

#### *Adjusting items related to the LendCare Acquisition*

<sup>1</sup> Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from LendCare.

<sup>2</sup> Transaction costs included advisory and consulting costs, legal costs, and other direct transaction costs related to the acquisition of LendCare reported under Other operating expenses and loan commitment fees related to the acquisition of LendCare reported under Finance costs.

<sup>3</sup> Integration costs related to advisory and consulting costs, employee incentives, representation and warranty insurance costs, 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 were reported under Other operating expenses.

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

#### *Adjusting item related to the write off of intangible assets*

<sup>5</sup> During the fourth quarter of 2022, the Company decided to terminate its agreement with a third-party technology provider that was contracted in 2020 to develop a new loan management system. After careful evaluation, the Company determined that the performance to date was unsatisfactory, and the additional investment necessary to complete the development was no longer economical, relative to the anticipated business value and other available options. As such, the Company elected to write off the capitalized software costs in 2022 in the amount of \$20.5 million associated with this new loan management system developed by the third-party.

#### *Adjusting item related to corporate development costs*

<sup>6</sup> Corporate development costs are related to the exploration of a strategic acquisition opportunity, which the Company elected to not pursue, including advisory, consulting and legal costs reported under Other operating expenses.

#### *Adjusting item related to other income (loss)*

<sup>7</sup> For the three-month periods and years ended December 31, 2022 and 2021, investment income (loss) is mainly due to fair value gains (losses) on investments in Affirm and its related TRS.

### **Adjusted Other Operating Expenses and Efficiency Ratio**

Adjusted other operating expenses is a non-IFRS measure, while efficiency ratio is a non-IFRS ratio. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 43 of the Company's MD&A for the year ended December 31, 2022. Items used to calculate adjusted other operating expenses and efficiency ratio for the three-month periods and years ended December 31, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except earnings per share)	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Other operating expenses as stated	<b>99,943</b>	74,496	<b>332,730</b>	284,749
Impact of adjusting items				
<i>Other operating expenses<sup>1</sup></i>				
Write off of intangible assets	<b>(20,460)</b>	-	<b>(20,460)</b>	-
Corporate development costs	-	-	<b>(2,314)</b>	-
Integration costs	<b>(122)</b>	(3,447)	<b>(1,081)</b>	(5,047)
Transaction costs	-	-	-	(7,615)
<i>Depreciation and amortization</i>				
Depreciation of lease assets	<b>8,516</b>	9,157	<b>33,547</b>	35,844
Total impact of adjusting items	<b>(12,066)</b>	5,710	<b>9,692</b>	23,182
<b>Adjusted other operating expenses</b>	<b>87,877</b>	80,206	<b>342,422</b>	307,931
<b>Total revenue</b>	<b>273,326</b>	234,430	<b>1,019,336</b>	826,722
<b>Efficiency ratio</b>	<b>32.2%</b>	34.2%	<b>33.6%</b>	37.2%

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

### **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 43 of the Company's MD&A for the year ended December 31, 2022. Items used to calculate adjusted operating income and adjusted operating margins for the three-month periods and years ended December 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended
--	--------------------

(\$in 000's except percentages)	December 31, 2022	December 31, 2022 (adjusted)	December 31, 2021	December 31, 2021 (adjusted)
<b>easyfinancial</b>				
Operating income	106,277	106,277	87,643	87,643
Divided by revenue	235,886	235,886	196,015	196,015
<b>easyfinancial operating margin</b>	<b>45.1%</b>	<b>45.1%</b>	44.7%	44.7%
<b>easyhome</b>				
Operating income	8,687	8,687	8,450	8,450
Divided by revenue	37,440	37,440	38,415	38,415
<b>easyhome operating margin</b>	<b>23.2%</b>	<b>23.2%</b>	22.0%	22.0%
<b>Total</b>				
Operating income	75,881	75,881	79,629	79,629
<i>Other operating expenses</i> <sup>1</sup>				
Write off of an intangible asset	-	20,460	-	-
Integration costs	-	122	-	3,447
<i>Depreciation and amortization</i> <sup>1</sup>				
Amortization of acquired intangible assets	-	3,275	-	3,277
Adjusted operating income	75,881	99,738	79,629	86,353
Divided by revenue	273,326	273,326	234,430	234,430
<b>Total operating margin</b>	<b>27.8%</b>	<b>36.5%</b>	34.0%	36.8%

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

(\$in 000's except percentages)	Year Ended			
	December 31, 2022	December 31, 2022 (adjusted)	December 31, 2021	December 31, 2021 (adjusted)
<b>easyfinancial</b>				
Operating income	393,996	393,996	324,751	324,751
Divided by revenue	869,528	869,528	676,351	676,351
<b>easyfinancial operating margin</b>	<b>45.3%</b>	<b>45.3%</b>	48.0%	48.0%
<b>easyhome</b>				
Operating income	34,578	34,578	36,861	36,861
Divided by revenue	149,808	149,808	150,371	150,371
<b>easyhome operating margin</b>	<b>23.1%</b>	<b>23.1%</b>	24.5%	24.5%
<b>Total</b>				
Operating income	332,407	332,407	281,003	281,003
<i>Bad debts</i> <sup>1</sup>				
Day one loan loss provision on the acquired loans	-	-	-	14,252
<i>Other operating expenses</i> <sup>1</sup>				
Write off of intangible assets	-	20,460	-	-
Corporate development costs	-	2,314	-	-
Integration costs	-	1,081	-	5,047
Transaction costs	-	-	-	7,615
<i>Amortization of intangible assets</i> <sup>1</sup>				
Amortization of acquired intangible assets	-	13,100	-	8,735
Adjusted operating income	332,407	369,362	281,003	316,652

Divided by revenue	1,019,336	1,019,336	826,722	826,722
<b>Total operating margin</b>	<b>32.6%</b>	<b>36.2%</b>	34.0%	38.3%

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

#### 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 43 of the Company's MD&A for the year ended December 31, 2022. Items used to calculate EBITDA and EBITDA margin for the three-month periods and years ended December 31, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net income as stated	28,576	49,961	140,161	244,943
Finance costs	31,551	22,281	107,972	79,025
Income tax expense	10,145	15,758	55,615	71,911
Depreciation and amortization	19,245	21,665	81,306	78,886
Depreciation of lease assets	(8,516)	(9,157)	(33,547)	(35,844)
<b>EBITDA</b>	<b>81,001</b>	100,508	<b>351,507</b>	438,921
Divided by revenue	273,326	234,430	1,019,336	826,722
<b>EBITDA margin</b>	<b>29.6%</b>	42.9%	<b>34.5%</b>	53.1%

#### 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 43 of the Company's MD&A for the year ended December 31, 2022. Items used to calculate free cash flow from operations before net growth in gross consumer loans receivable for the three-month periods and years ended December 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Cash used in operating activities	(139,998)	(74,171)	(505,881)	(78,875)
Net growth in gross consumer loans receivable during the period	206,038	133,623	764,355	783,499
Less: Gross loans purchased <sup>1</sup>	-	-	-	(444,520)
	206,038	133,623	764,355	338,979
<b>Free cash flows from operations before net growth in gross consumer loans receivable</b>	<b>66,040</b>	59,452	<b>258,474</b>	260,104

<sup>1</sup> Gross loans purchased during the second quarter of 2021 through the acquisition of LendCare.

#### 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 43 of the Company's MD&A for the year ended December 31, 2022. Items used to calculate adjusted return on assets for the three-month periods and years ended December 31, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	December 31, 2022	December 31, 2022 (adjusted)	December 31, 2021	December 31, 2021 (adjusted)
Net income as stated	28,576	28,576	49,961	49,961
After-tax impact of adjusting items <sup>1</sup>	-	22,450	-	(2,317)

<b>Adjusted net income</b>	<b>28,576</b>	<b>51,026</b>	49,961	47,644
Multiplied by number of periods in a year	<b>X 4</b>	<b>X 4</b>	X 4	X 4
Divided by average total assets for the period	<b>3,216,403</b>	<b>3,216,403</b>	2,533,945	2,533,945
<b>Return on assets</b>	<b>3.6%</b>	<b>6.3%</b>	7.9%	7.5%

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

(\$in 000's except percentages)	Year Ended			
	December 31, 2022	December 31, 2022 (adjusted)	December 31, 2021	December 31, 2021 (adjusted)
Net income as stated	140,161	140,161	244,943	244,943
After-tax impact of adjusting items <sup>1</sup>	-	52,100	-	(70,184)
<b>Adjusted net income</b>	<b>140,161</b>	<b>192,261</b>	244,943	174,759
Divided by average total assets for the period	<b>2,922,605</b>	<b>2,922,605</b>	2,126,594	2,126,594
<b>Return on assets</b>	<b>4.8%</b>	<b>6.6%</b>	11.5%	8.2%

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

#### 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 43 of the Company's MD&A for the year ended December 31, 2022. Items used to calculate adjusted return on equity for the three-month periods and years ended December 31, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	December 31, 2022	December 31, 2022 (adjusted)	December 31, 2021	December 31, 2021 (adjusted)
Net income as stated	28,576	28,576	49,961	49,961
After-tax impact of adjusting items <sup>1</sup>	-	22,450	-	(2,371)
<b>Adjusted net income</b>	<b>28,576</b>	<b>51,026</b>	49,961	47,644
Multiplied by number of periods in a year	<b>X 4</b>	<b>X 4</b>	X 4	X 4
Divided by average shareholders' equity for the period	<b>830,820</b>	<b>830,820</b>	798,620	798,620
<b>Return on equity</b>	<b>13.8%</b>	<b>24.6%</b>	25.0%	23.9%

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

(\$in 000's except percentages)	Year Ended			
	December 31, 2022	December 31, 2022 (adjusted)	December 31, 2021	December 31, 2021 (adjusted)
Net income as stated	140,161	140,161	244,943	244,943
After-tax impact of adjusting items <sup>1</sup>	-	52,100	-	(70,184)
<b>Adjusted net income</b>	<b>140,161</b>	<b>192,261</b>	244,943	174,759
Divided by average shareholders' equity for the period	<b>794,269</b>	<b>794,269</b>	667,962	667,962
<b>Return on equity</b>	<b>17.6%</b>	<b>24.2%</b>	36.7%	26.2%

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

## 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 43 of the Company's MD&A for the year ended December 31, 2022. Items used to calculate reported and adjusted return on tangible common equity for the three-month periods and years ended December 31, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	December 31, 2022	December 31, 2022 (adjusted)	December 31, 2021	December 31, 2021 (adjusted)
Net income as stated	28,576	28,576	49,961	49,961
Amortization of acquired intangible assets	3,275	3,275	3,277	3,277
Income tax impact of the above item	(868)	(868)	(868)	(868)
Net income before amortization of acquired intangible assets, net of income tax	30,983	30,983	52,370	52,370
Impact of adjusting items <sup>1</sup>				
<i>Other operating expenses</i>				
Write off of an intangible asset	-	20,460	-	-
Integration costs	-	122	-	3,447
<i>Other loss (income)</i>	-	5,609	-	(8,371)
Total pre-tax impact of adjusting items	-	26,191	-	(4,924)
Income tax impact of above adjusting items	-	(6,148)	-	198
After-tax impact of adjusting items	-	20,043	-	(4,726)
<b>Adjusted net income</b>	<b>30,983</b>	<b>51,026</b>	<b>52,370</b>	<b>47,644</b>
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Average shareholders' equity	830,820	830,820	798,620	798,620
Average goodwill	(180,923)	(180,923)	(180,923)	(180,923)
Average acquired intangible assets <sup>2</sup>	(110,804)	(110,804)	(123,904)	(123,904)
Average related deferred tax liabilities	29,363	29,363	32,835	32,835
<b>Divided by average tangible common equity</b>	<b>568,456</b>	<b>568,456</b>	<b>526,628</b>	<b>526,628</b>
<b>Return on tangible common equity</b>	<b>21.8%</b>	<b>35.9%</b>	<b>39.8%</b>	<b>36.2%</b>

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

<sup>2</sup> Excludes intangible assets relating to software.

(\$in 000's except percentages)	Year Ended			
	December 31, 2022	December 31, 2022 (adjusted)	December 31, 2021	December 31, 2021 (adjusted)
Net income as stated	140,161	140,161	244,943	244,943
Amortization of acquired intangible assets	13,100	13,100	8,735	8,735
Income tax impact of the above item	(3,471)	(3,471)	(2,314)	(2,314)
Net income before amortization of acquired intangible assets, net of income tax	149,790	149,790	251,364	251,364
Impact of adjusting items <sup>1</sup>				
<i>Bad debts</i>				
Day one loan loss provision on the acquired loans	-	-	-	14,252
<i>Other operating expenses</i>				
Write -off of an intangible asset	-	20,460	-	-
Corporate development costs	-	2,314	-	-
Integration costs	-	1,081	-	5,047
Transaction costs	-	-	-	7,615
<i>Other loss (income)</i>	-	28,659	-	(114,876)

<i>Finance costs</i>				
Transaction costs	-	-	-	1,726
Total pre-tax impact of adjusting items	-	52,514	-	(86,236)
<i>Income tax impact of above adjusting items</i>	-	(10,043)	-	9,631
After-tax impact of adjusting items	-	42,471	-	(76,605)
<b>Adjusted net income</b>	<b>149,790</b>	<b>192,261</b>	251,364	174,759
Average shareholders' equity	794,269	794,269	667,962	667,962
Average goodwill	(180,923)	(180,923)	(116,860)	(116,860)
Average acquired intangible assets <sup>2</sup>	(115,717)	(115,717)	(75,325)	(75,325)
Average related deferred tax liabilities	30,665	30,665	19,961	19,961
<b>Divided by average tangible common equity</b>	<b>528,294</b>	<b>528,294</b>	495,738	495,738
<b>Return on tangible common equity</b>	<b>28.4%</b>	<b>36.4%</b>	50.7%	35.3%

<sup>1</sup> For explanation of adjusting items, refer to the corresponding "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section.

<sup>2</sup> 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 periods ended December 31, 2022 and 2021 include those indicated in the chart below:

(\$in 000's)	Three Months Ended	
	December 31, 2022	December 31, 2021
<b>Total company revenue</b>	<b>273,326</b>	234,430
Less: easyfinancial revenue	(235,886)	(196,015)
Less: leasing revenue	(26,772)	(29,456)
<b>easyhome financial revenue</b>	<b>10,668</b>	8,959

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

(\$in 000's except percentages)	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Total Company revenue	273,326	234,430	1,019,336	826,722
Less: Leasing revenue	(26,772)	(29,456)	(110,053)	(119,585)
<b>Financial revenue</b>	<b>246,554</b>	204,974	<b>909,283</b>	707,137
Multiplied by number of periods in a year	X 4	X 4	X 4/4	X 4/4
<b>Divided by average gross consumer loans receivable</b>	<b>2,726,446</b>	1,982,680	<b>2,409,890</b>	1,680,328
<b>Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)</b>	<b>36.2%</b>	41.4%	<b>37.7%</b>	42.1%

### Net Principal Written and Percentage Net Principal Written to New Customers

Net principal written (Net loan advances) is a non-IFRS measure. See description in section "Portfolio Analysis" on page 33 of the Company's MD&A for the year ended December 31, 2022. Percentage of net loan advances issued to new customers is a non-IFRS ratio. It is calculated as loan originations to new customers divided by net principal written. The Company uses percentage of net loan advances issued to new customers, among other measures, to assess the operating performance of its lending business. Items used to calculate percentage of net loan advances issued to new customers for the three-month periods ended December 31, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended
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(\$in 000's except percentages)	December 31, 2022	December 31, 2021
Gross loan originations	632,355	506,853
Loan originations to new customers	299,458	215,939
Loan originations to existing customers	332,897	290,914
Less: Proceeds applied to repay existing loans	(177,848)	(152,153)
Net advance to existing customers	155,049	138,761
<b>Net principal written</b>	<b>454,507</b>	<b>354,700</b>
<b>Percentage net advances to new customers</b>	<b>66%</b>	<b>61%</b>

#### Net Debt to Net Capitalization

Net debt to net capitalization is a capital management measure. Refer to "Financial Condition" section on page 54 of the Company's MD&A for the year ended December 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.

#### Potential Monthly Leasing Revenue

Potential monthly leasing revenue is a supplementary financial measure. Refer to "Portfolio Analysis" section on page 33 of the Company's MD&A for the year ended December 31, 2022.

