



goeasy Ltd. Reports Record Results for the Second Quarter

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Loan Originations of \$667 million, up 6% from \$628 million
Loan Portfolio of \$3.20 billion, up 35% from \$2.37 billion
Revenue of \$303 million, up 20% from \$252 million
Net Charge Off Rate of 9.1%, down from 9.3%
Diluted EPS of \$3.26, up 41%; Adjusted Diluted EPS¹ of \$3.28, up 16% from \$2.83

MISSISSAUGA, Ontario, Aug. 09, 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 second quarter ended June 30, 2023.

Second Quarter Results

During the quarter, the Company produced record loan originations of \$667 million, up 6% compared to \$628 million originated in the second quarter of 2022. The increase in lending was driven by strong demand, leading to a record volume of applications for credit, which were up 25% over the prior year. The Company experienced strong performance across its entire range of products and acquisition channels, including unsecured lending, point-of-sale lending, and automotive financing.

The increased loan originations led to growth in the loan portfolio of \$210 million, above the Company's forecasted range of between \$175 million and \$200 million. At quarter end, the consumer loan portfolio was a record \$3.20 billion, up 35% from \$2.37 billion in the second quarter of 2022. The growth in consumer loans led to an increase in revenue, which was a record \$303 million in the quarter, up 20% from \$252 million in the second quarter of last year.

During the quarter, the Company continued to experience stable credit and payment performance. The net charge off rate in the second quarter was 9.1%, in line with the Company's target range of between 8% and 10% on an annualized basis, and 20 bps lower than 9.3% in the second quarter of 2022. The stable credit performance reflects the improved 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 reduced slightly to 7.42%, compared to 7.48% in the first quarter.

Operating income for the second quarter of 2023 was a record \$111 million, up 30% from \$85 million in the second quarter of 2022. Operating margin for the second quarter was 36.5%, up from 33.8% in the same period last year.

After adjustments, including unusual items and non-recurring expenses, the Company reported record adjusted operating income² of \$114 million, an increase of 29% compared to \$89 million in the second quarter of 2022. Adjusted operating margin¹ for the second quarter was 37.7%, up from 35.3% in the same period in 2022. The efficiency ratio¹ for the second quarter of 2023 was 31.2%, an improvement of 300 bps from 34.2% in the second quarter of 2022, reflecting an increase in operating leverage.

Net income in the second quarter was \$55.6 million, up 45% from \$38.3 million in the same period of 2022, which resulted in diluted earnings per share of \$3.26, up 41% from the \$2.32 reported in the second quarter of 2022. After adjusting for non-recurring and unusual items on an after-tax basis in both periods, adjusted net income² was a record \$56.0 million, up 20% from \$46.8 million in the second quarter of 2022. Adjusted diluted earnings per share¹ was a record \$3.28, up 16% from \$2.83 in the second quarter of 2022. Return on equity during the quarter was 24.0%, compared to 20.2% in the second quarter of 2022. Adjusted return on equity¹ was 24.2% in the quarter, compared to 24.7% in the same period of 2022.

"The second quarter continued to highlight the growth potential of our business model and the strength of our credit performance," said Jason Mullins, goeasy's President and Chief Executive Officer, "As market conditions present a challenging environment for many companies within our industry, those with scale are experiencing a net benefit from that disruption. During the quarter we experienced favorable competitive conditions and received a record number of applications for credit, at nearly half a million, which led to a record number of new customers, at nearly 42,000. We now expect to achieve the high end of our loan book forecast for 2023 of \$3.6 billion. Furthermore, we continue to produce stable credit performance, with the net charge off rate improving year-over-year by 20 basis points to 9.1%, while our focus on operating leverage resulted in an improvement to our efficiency ratio by 300 basis points compared to last year. All combined, adjusted diluted earnings per share rose 16% in the quarter to a record \$3.28," Mr. Mullins concluded.

Other Key Second Quarter Highlights

easyfinancial

- Record revenue of \$265 million, up 24%
- 41% of the loan portfolio secured, up from 36%
- Record volume of applications for credit, up 25%
- Record new customer volume at 41,928
- Record 71% of net loan advances¹ in the quarter were issued to new customers, up from 65%
- Average loan book per branch³ improved to a record \$5.2 million, an increase of 22%
- Weighted average interest rate³ on consumer loans of 30.1%, down from 31.7%

- Record operating income of \$125 million, up 31%
- Operating margin of 47.4%, up from 44.6%

easyhome

- Revenue of \$38.2 million, up 2%
- Consumer loan portfolio within easyhome stores increased to \$96.6 million, up 25%
- Financial revenue² from consumer lending increased to \$11.6 million, up 17% from \$9.9 million
- Operating income of \$9.2 million, up 5%
- Operating margin of 24.1%, up from 23.3%

Overall

- 88th consecutive quarter of positive net income
- 2023 marks the 19th consecutive year of paying dividends and the 9th consecutive year of a dividend increase
- 53rd consecutive quarter of same store revenue growth
- Total customers served over 1.3 million
- Acquired and organically originated over \$11.4 billion in loans
- Adjusted return on equity¹ of 24.2%, down slightly from 24.7%
- Adjusted return on tangible common equity¹ of 33.4%, down from 38.0%
- Fully drawn weighted average cost of borrowing at 5.9%, up from 4.9%
- Net debt to net capitalization⁴ of 72% on June 30, 2023, in line with the Company's target leverage profile

Six Months Results

For the first six months of 2023, the Company funded \$1.28 billion in loan originations, up 16% from \$1.10 billion in 2022. The consumer loan receivable portfolio finished at \$3.20 billion, up 35% from \$2.37 billion as of June 30, 2022.

For the first six months of 2023, the Company produced record revenues of \$590 million, up 22% compared to \$484 million in the same period of 2022. Operating income for the period was a record \$213 million compared with \$165 million in the first six months of 2022, an increase of \$47.6 million or 29%. Adjusted operating income² for the first six months of 2023 was a record \$221 million, 26% higher compared to \$175 million in the same period of 2022. Efficiency ratio¹ for the first six months of 2023 was 32.1%, an improvement of 280 bps from 34.9% in the same period of 2022.

Net income for the first six months of 2023 was \$107 million and diluted earnings per share was \$6.27, compared with \$64.4 million or \$3.86 per share. Adjusted net income² for the first six months of 2023 was \$109 million and adjusted diluted earnings per share¹ was \$6.39 compared with \$92.6 million or \$5.55 per share, increases of 18% and 15%, respectively. Reported return on equity was 23.6%, while adjusted return on equity¹ was 24.0%, consistent with 24.1% in the same period of 2022.

Balance Sheet and Liquidity

Total assets were \$3.68 billion as of June 30, 2023, an increase of 27% from \$2.90 billion as of June 30, 2022, primarily driven by growth in the consumer loan portfolio.

During the quarter, the Company extended the maturity of its existing revolving securitization warehouse facility ("**Securitization Facility**") from August 30, 2024 to October 31, 2025. The amendment to the \$1.4 billion Securitization Facility incorporates key modifications including improved eligibility criteria for consumer loans, as well as pool concentration limits, resulting in increased funding capacity. The lending syndicate for the Securitization Facility continues to consist of Royal Bank of Canada, National Bank Financial Markets and Bank of Montreal, and the facility bears interest on advances payable at the rate of 1-month Canadian Dollar Offered Rate ("**CDOR**") plus 195 bps. Based on the current 1-month CDOR rate of 5.37% as of August 4, 2023, the interest rate would be 7.32%. The Company continues utilizing 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.

During the quarter, the Company recognized net investment income of \$2.3 million, due to fair value change in the Company's strategic minority investment in Affirm Holdings Inc. ("Affirm").

Free cash flow from operations before net growth in gross consumer loans receivable² in the quarter was \$76.5 million, up 34% from \$56.9 million in the second quarter of 2022. 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 \$895 million in total funding capacity as of June 30, 2023. 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 weighted average cost of borrowing was 5.6%, and the fully drawn weighted average cost of borrowing was 5.9%. 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 \$4 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 \$0.96 per share payable on October 13, 2023 to the holders of common shares of record as at the close of business on September 29, 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 approximately 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 over 8,500 merchant partners across Canada. Throughout the Company's history, it has acquired and organically served over 1.3 million Canadians and originated over \$11.4 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 \$4.9 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.

For more information about goeasy and our business units, visit www.goeasy.com, www.easyfinancial.com, www.lendcare.ca, www.easyhome.ca.

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Notes:

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 June 30, 2023	As At December 31, 2022
ASSETS		
Cash	74,503	62,654
Accounts receivable	26,249	25,697
Prepaid expenses	11,692	8,334
Income taxes recoverable	-	2,323
Consumer loans receivable, net	3,014,883	2,627,357
Investments	61,617	57,304
Lease assets	46,022	48,437
Property and equipment, net	31,936	35,856
Derivative financial assets	36,702	49,444
Intangible assets, net	131,835	138,802
Right-of-use assets, net	64,210	65,758
Goodwill	180,923	180,923
TOTAL ASSETS	3,680,572	3,302,889
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving credit facility	273,477	148,646
Accounts payable and accrued liabilities	58,422	51,136
Income taxes payable	66	-
Dividends payable	15,876	14,965
Unearned revenue	29,637	28,661
Accrued interest	6,396	10,159
Deferred tax liabilities, net	20,859	24,692
Lease liabilities	72,969	74,328
Secured borrowings	113,731	105,792
Revolving securitization warehouse facilities	984,279	805,825
Derivative financial liabilities	6,783	-
Notes payable	1,144,775	1,168,997
TOTAL LIABILITIES	2,727,270	2,433,201
Shareholders' equity		
Share capital	423,608	419,046
Contributed surplus	19,382	21,499
Accumulated other comprehensive income	8,706	2,776
Retained earnings	501,606	426,367
TOTAL SHAREHOLDERS' EQUITY	953,302	869,688
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,680,572	3,302,889

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
REVENUE				
Interest income	213,563	169,311	414,991	326,135
Lease revenue	25,052	25,948	50,617	52,826
Commissions earned	57,532	51,343	111,448	95,201
Charges and fees	6,781	5,050	13,169	9,632
	302,928	251,652	590,225	483,794
OPERATING EXPENSES				
BAD DEBTS	84,634	67,936	160,530	122,085
OTHER OPERATING EXPENSES				
Salaries and benefits	50,546	43,908	101,709	85,872
Stock-based compensation	2,974	2,490	5,998	4,790
Advertising and promotion	8,992	9,383	16,239	18,893
Occupancy	6,396	6,184	13,040	12,563
Technology costs	6,459	5,460	13,748	10,700
Underwriting and collections	4,093	3,531	8,078	6,622
Other expenses	6,715	7,268	15,140	16,040
	86,175	78,224	173,952	155,480
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	8,406	8,195	16,913	16,660
Amortization of intangible assets	5,482	4,915	10,791	10,128
Depreciation of right-of-use assets	5,271	4,971	10,517	9,840
Depreciation of property and equipment	2,309	2,228	4,804	4,453
	21,468	20,309	43,025	41,081
TOTAL OPERATING EXPENSES	192,277	166,469	377,507	318,646
OPERATING INCOME	110,651	85,183	212,718	165,148
OTHER INCOME (LOSS)	2,330	(6,819)	4,313	(24,344)
FINANCE COSTS	(37,653)	(24,445)	(71,879)	(47,924)
INCOME BEFORE INCOME TAXES	75,328	53,919	145,152	92,880
INCOME TAX EXPENSE (RECOVERY)				
Current	23,436	20,325	42,996	36,621
Deferred	(3,658)	(4,706)	(4,830)	(8,137)
	19,778	15,619	38,166	28,484
NET INCOME	55,550	38,300	106,986	64,396
BASIC EARNINGS PER SHARE	3.29	2.37	6.36	3.96
DILUTED EARNINGS PER SHARE	3.26	2.32	6.27	3.86

SEGMENT REPORTING

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

	Three Months Ended June 30, 2023			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	204,912	8,651	-	213,563
Lease revenue	-	25,052	-	25,052
Commissions earned	53,973	3,559	-	57,532
Charges and fees	5,868	913	-	6,781
	264,753	38,175	-	302,928
Operating expenses				
Bad debts	81,181	3,453	-	84,634
Other operating expenses	48,846	14,978	22,351	86,175
Depreciation and amortization	9,305	10,544	1,619	21,468
	139,332	28,975	23,970	192,277
Operating income (loss)	125,421	9,200	(23,970)	110,651
Other income				2,330
Finance costs				(37,653)
Income before income taxes				75,328
Income taxes				19,778
Net income				55,550
Diluted earnings per share				3.26

	Three Months Ended June 30, 2022			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	162,140	7,171	-	169,311
Lease revenue	-	25,948	-	25,948
Commissions earned	47,897	3,446	-	51,343
Charges and fees	4,077	973	-	5,050
	214,114	37,538	-	251,652
Operating expenses				
Bad debts	65,021	2,915	-	67,936
Other operating expenses	45,137	15,412	17,675	78,224
Depreciation and amortization	8,374	10,473	1,462	20,309
	118,532	28,800	19,137	166,469
Operating income (loss)	95,582	8,738	(19,137)	85,183
Other loss				(6,819)
Finance costs				(24,445)
Income before income taxes				53,919
Income taxes				15,619
Net income				38,300

	Six Months Ended June 30, 2023			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	398,091	16,900	-	414,991
Lease revenue	-	50,617	-	50,617
Commissions earned	104,357	7,091	-	111,448
Charges and fees	11,282	1,887	-	13,169
	513,730	76,495	-	590,225
Operating expenses				
Bad debts	154,446	6,084	-	160,530
Other operating expenses	96,624	30,826	46,502	173,952
Depreciation and amortization	18,511	21,278	3,236	43,025
	269,581	58,188	49,738	377,507
Operating income (loss)	244,149	18,307	(49,738)	212,718
Other income				4,313
Finance costs				(71,879)
Income before income taxes				145,152
Income taxes				38,166
Net income				106,986
Diluted earnings per share				6.27

	Six Months Ended June 30, 2022			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	312,289	13,846	-	326,135
Lease revenue	-	52,826	-	52,826
Commissions earned	88,754	6,447	-	95,201
Charges and fees	7,681	1,951	-	9,632
	408,724	75,070	-	483,794
Operating expenses				
Bad debts	117,140	4,945	-	122,085
Other operating expenses	88,670	30,830	35,980	155,480
Depreciation and amortization	17,007	21,186	2,888	41,081
	222,817	56,961	38,868	318,646
Operating income (loss)	185,907	18,109	(38,868)	165,148
Other loss				(24,344)
Finance costs				(47,924)
Income before income taxes				92,880
Income taxes				28,484
Net income				64,396

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
	June 30, 2023	June 30, 2022		
Summary Financial Results				
Revenue	302,928	251,652	51,276	20.4%
Bad debts	84,634	67,936	16,698	24.6%
Other operating expenses	86,175	78,224	7,951	10.2%
EBITDA ¹	126,043	90,478	35,565	39.3%
EBITDA margin ¹	41.6%	36.0%	560 bps	15.6%
Depreciation and amortization	21,468	20,309	1,159	5.7%
Operating income	110,651	85,183	25,468	29.9%
Operating margin	36.5%	33.8%	270 bps	8.0%
Other income (loss)	2,330	(6,819)	9,149	134.2%
Finance costs	37,653	24,445	13,208	54.0%
Effective income tax rate	26.3%	29.0%	(270 bps)	(9.3%)
Net income	55,550	38,300	17,250	45.0%
Diluted earnings per share	3.26	2.32	0.94	40.5%
Return on assets	6.2%	5.5%	70 bps	12.7%
Return on equity	24.0%	20.2%	380 bps	18.8%
Return on tangible common equity ¹	34.6%	33.0%	160 bps	4.8%
Adjusted Financial Results ¹				
Other operating expenses	94,440	86,137	8,303	9.6%
Efficiency ratio	31.2%	34.2%	(300 bps)	(8.8%)
Operating income	114,067	88,740	25,327	28.5%
Operating margin	37.7%	35.3%	240 bps	6.8%
Net income	56,039	46,830	9,209	19.7%
Diluted earnings per share	3.28	2.83	0.45	15.9%
Return on assets	6.2%	6.7%	(50 bps)	(7.5%)
Return on equity	24.2%	24.7%	(50 bps)	(2.0%)
Return on tangible common equity	33.4%	38.0%	(460 bps)	(12.1%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	264,753	214,114	50,639	23.7%
easyfinancial operating margin	47.4%	44.6%	280 bps	6.3%
easyhome revenue	38,175	37,538	637	1.7%
easyhome operating margin	24.1%	23.3%	80 bps	3.4%
Portfolio Indicators				
Gross consumer loans receivable	3,200,213	2,369,843	830,370	35.0%
Growth in consumer loans receivable	209,527	215,543	(6,016)	(2.8%)
Gross loan originations	666,783	628,189	38,594	6.1%
Total yield on consumer loans (including ancillary products) ¹	35.4%	39.0%	(360 bps)	(9.2%)
Net charge offs as a percentage of average gross consumer loans receivable	9.1%	9.3%	(20 bps)	(2.2%)
Free cash flows from operations before net growth in gross consumer loans receivable ¹	76,473	56,918	19,555	34.4%
Potential monthly lease revenue ¹	7,558	7,634	(76)	(1.0%)

¹ 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.

	Six Months Ended		Variance \$ / bps	Variance % change
	June 30, 2023	June 30, 2022		
Summary Financial Results				
Revenue	590,225	483,794	106,431	22.0%
Bad debts	160,530	122,085	38,445	31.5%
Other operating expenses	173,952	155,480	18,472	11.9%
EBITDA ¹	243,143	165,225	77,918	47.2%
EBITDA margin ¹	41.2%	34.2%	700 bps	20.5%
Depreciation and amortization	43,025	41,081	1,944	4.7%
Operating income	212,718	165,148	47,570	28.8%
Operating margin	36.0%	34.1%	190 bps	5.6%
Other income (loss)	4,313	(24,344)	28,657	117.7%
Finance costs	71,879	47,924	23,955	50.0%
Effective income tax rate	26.3%	30.7%	(440 bps)	(14.3%)
Net income	106,986	64,396	42,590	66.1%
Diluted earnings per share	6.27	3.86	2.41	62.4%
Return on assets	6.1%	4.7%	140 bps	29.8%
Return on equity	23.6%	16.7%	690 bps	41.3%
Return on tangible common equity ¹	34.4%	27.6%	680 bps	24.6%
Adjusted Financial Results ¹				
Other operating expenses	189,622	169,038	20,584	12.2%
Efficiency ratio	32.1%	34.9%	(280 bps)	(8.0%)
Operating income	220,511	174,801	45,710	26.1%
Operating margin	37.4%	36.1%	130 bps	3.5%
Net income	108,972	92,609	16,363	17.7%
Diluted earnings per share	6.39	5.55	0.84	15.1%
Return on assets	6.2%	6.8%	(60 bps)	(8.8%)
Return on equity	24.0%	24.1%	(10 bps)	(0.4%)
Return on tangible common equity	33.6%	36.9%	(330 bps)	(8.9%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	513,730	408,724	105,006	25.7%
easyfinancial operating margin	47.5%	45.5%	200 bps	4.4%
easyhome revenue	76,495	75,070	1,425	1.9%
easyhome operating margin	23.9%	24.1%	(20 bps)	(0.8%)
Portfolio Indicators				
Gross consumer loans receivable	3,200,213	2,369,843	830,370	35.0%
Growth in consumer loans receivable	405,519	339,504	66,015	19.4%
Gross loan originations	1,282,402	1,104,732	177,670	16.1%
Total yield on consumer loans (including ancillary products) ¹	35.5%	38.9%	(340 bps)	(8.7%)
Net charge offs as a percentage of average gross consumer loans receivable	9.0%	9.1%	(10 bps)	(0.9%)
Free cash flows from operations before net growth in gross consumer loans receivable ¹	158,574	96,846	61,728	63.7%
Potential monthly lease revenue ¹	7,558	7,634	(76)	(1.0%)

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.

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 32 of the Company's MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate adjusted net income and adjusted earnings per share for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
(\$ in 000's except earnings per share)	2023	2022	2023	2022
Net income as stated	55,550	38,300	106,986	64,396
Impact of adjusting items				
<i>Other operating expenses</i>				
Contract exit fee ¹	-	-	934	-
Integration costs ²	141	282	310	789
Corporate development costs ⁴	-	-	-	2,314
<i>Depreciation and amortization</i>				
Amortization of acquired intangible assets ³	3,275	3,275	6,550	6,550
<i>Other (income) loss</i> ⁵	(2,330)	6,819	(4,313)	24,344
Total pre-tax impact of adjusting items	1,086	10,376	3,481	33,997
Income tax impact of above adjusting items	(597)	(1,846)	(1,494)	(5,784)
After-tax impact of adjusting items	489	8,530	1,987	28,213
Adjusted net income	56,039	46,830	108,973	92,609
Weighted average number of diluted shares outstanding	17,061	16,522	17,064	16,677
Diluted earnings per share as stated	3.26	2.32	6.27	3.86
Per share impact of adjusting items	0.02	0.51	0.12	1.69
Adjusted diluted earnings per share	3.28	2.83	6.39	5.55

Adjusting item related to a contract exit fee

¹ In 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. In the first quarter of 2023, the Company settled its dispute with the third-party technology provider for \$0.9 million, reported under Other operating expenses.

Adjusting items related to the LendCare Acquisition

² Integration costs related to advisory and consulting costs, employee incentives, representation and warranty insurance costs, and other integration costs related to the acquisition of LendCare as a result of the integration with LendCare.

³ Amortization of the \$131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years.

Adjusting items related to the corporate development costs

⁴ Corporate development costs in the first quarter of 2022 were 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)

⁵ For the three and six-month periods ended June 30, 2023, net investment income was mainly due to fair value change on the Company's investment in Affirm. For the three and six-month periods ended June 30, 2022, net investment losses were mainly due to fair value changes on the Company's 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 32 of the Company's MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate adjusted other operating expenses and efficiency ratio for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
(\$ in 000's except earnings per share)	2023	2022	2023	2022
Other operating expenses as stated	86,175	78,224	173,952	155,480

Impact of adjusting items ¹				
<i>Other operating expenses</i>				
Contract exit fee	-	-	(934)	-
Integration costs	(141)	(282)	(310)	(789)
Corporate development costs	-	-	-	(2,314)
<i>Depreciation and amortization</i>				
Depreciation of lease assets	8,406	8,195	16,913	16,660
Total impact of adjusting items	8,265	7,913	15,669	13,557
Adjusted other operating expenses	94,440	86,137	189,621	169,037
Total revenue	302,928	251,652	590,225	483,794
Efficiency ratio	31.2%	34.2%	32.1%	34.9%

¹ 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 32 of the Company’s MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate adjusted operating income and adjusted operating margins for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended			
	June 30,	June 30,	June 30,	June 30,
(\$ in 000's except percentages)	2023	2023 (adjusted)	2022	2022 (adjusted)
easyfinancial				
Operating income	125,421	125,421	95,582	95,582
Divided by revenue	264,753	264,753	214,114	214,114
easyfinancial operating margin	47.4%	47.4%	44.6%	44.6%
easyhome				
Operating income	9,200	9,200	8,738	8,738
Divided by revenue	38,175	38,175	37,538	37,538
easyhome operating margin	24.1%	24.1%	23.3%	23.3%
Total				
Operating income	110,651	110,651	85,183	85,183
<i>Other operating expenses</i> ¹				
Integration costs	-	141	-	282
<i>Depreciation and amortization</i> ¹				
Amortization of acquired intangible assets	-	3,275	-	3,275
Adjusted operating income	110,651	114,067	85,183	88,740
Divided by revenue	302,928	302,928	251,652	251,652
Total operating margin	36.5%	37.7%	33.8%	35.3%

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

	Six Months Ended			
	June 30,	June 30,	June 30,	June 30,
(\$ in 000's except percentages)	2023	2023 (adjusted)	2022	2022 (adjusted)
easyfinancial				
Operating income	244,149	244,149	185,907	185,907

Divided by revenue	513,730	513,730	408,724	408,724
easyfinancial operating margin	47.5%	47.5%	45.5%	45.5%
easyhome				
Operating income	18,307	18,307	18,109	18,109
Divided by revenue	76,495	76,495	75,070	75,070
easyhome operating margin	23.9%	23.9%	24.1%	24.1%
Total				
Operating income	212,718	212,718	165,148	165,148
<i>Other operating expenses</i> ¹				
Contract exit fee	-	934	-	-
Integration costs	-	310	-	789
Corporate development costs	-	-	-	2,314
<i>Depreciation and amortization</i> ¹				
Amortization of acquired intangible assets	-	6,550	-	6,550
Adjusted operating income	212,718	220,512	165,148	174,801
Divided by revenue	590,225	590,225	483,794	483,794
Total operating margin	36.0%	37.4%	34.1%	36.1%

¹ 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 32 of the Company’s MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate EBITDA and EBITDA margin for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
(\$in 000’s except percentages)	2023	2022	2023	2022
Net income as stated	55,550	38,300	106,986	64,396
Finance cost	37,653	24,445	71,879	47,924
Income tax expense	19,778	15,619	38,166	28,484
Depreciation and amortization	21,468	20,309	43,025	41,081
Depreciation of lease assets	(8,406)	(8,195)	(16,913)	(16,660)
EBITDA	126,043	90,478	243,143	165,225
Divided by revenue	302,928	251,652	590,225	483,794
EBITDA margin	41.6%	36.0%	41.2%	34.2%

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 32 of the Company’s MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate free cash flow from operations before net growth in gross consumer loans receivable for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
Cash used in operating activities	(133,054)	(158,625)	(246,945)	(242,658)
Net growth in gross consumer loans receivable during the period	209,527	215,543	405,519	339,504

Free cash flows from operations before net growth in gross consumer loans receivable	76,473	56,918	158,574	96,846

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 32 of the Company’s MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate adjusted return on assets for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended			
	June 30,		June 30,	
	June 30,	2023	June 30,	2022
(\$in 000’s except percentages)	2023	(adjusted)	2022	(adjusted)
Net income as stated	55,550	55,550	38,300	38,300
After-tax impact of adjusting items ¹	-	489	-	8,530
Adjusted net income	55,550	56,039	38,300	46,830
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Divided by average total assets for the period	3,587,282	3,587,282	2,792,034	2,792,034
Return on assets	6.2%	6.2%	5.5%	6.7%

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

	Six Months Ended			
	June 30,		June 30,	
	June 30,	2023	June 30,	2022
(\$in 000’s except percentages)	2023	(adjusted)	2022	(adjusted)
Net income as stated	106,986	106,986	64,396	64,396
After-tax impact of adjusting items ¹	-	1,987	-	28,213
Adjusted net income	106,986	108,973	64,396	92,609
Multiplied by number of periods in a year	X 4/2	X 4/2	X 4/2	X 4/2
Divided by average total assets for the period	3,492,484	3,492,484	2,726,740	2,726,740
Return on assets	6.1%	6.2%	4.7%	6.8%

¹ 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 32 of the Company’s MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate adjusted return on equity for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended			
	June 30,		June 30,	
	June 30,	2023	June 30,	2022
(\$in 000’s except percentages)	2023	(adjusted)	2022	(adjusted)
Net income as stated	55,550	55,550	38,300	38,300
After-tax impact of adjusting items ¹	-	489	-	8,530
Adjusted net income	55,550	56,039	38,300	46,830
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4

Divided by average shareholders' equity for the period	927,703	927,703	759,896	759,896
Return on equity	24.0%	24.2%	20.2%	24.7%

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

	Six Months Ended			
	June 30,		June 30,	
	June 30,	2023	June 30,	2022
(\$ in 000's except percentages)	2023	(adjusted)	2022	(adjusted)
Net income as stated	106,986	106,986	64,396	64,396
After-tax impact of adjusting items ¹	-	1,987	-	28,213
Adjusted net income	106,986	108,973	64,396	92,609
Multiplied by number of periods in a year	X 4/2	X 4/2	X 4/2	X 4/2
Divided by average shareholders' equity for the period	908,364	908,364	769,902	769,902
Return on equity	23.6%	24.0%	16.7%	24.1%

¹ 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 32 of the Company's MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate reported and adjusted return on tangible common equity for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended			
	June 30,		June 30,	
	June 30,	2023	June 30,	2022
(\$ in 000's except percentages)	2023	(adjusted)	2022	(adjusted)
Net income as stated	55,550	55,550	38,300	38,300
Amortization of acquired intangible assets	3,275	3,275	3,275	3,275
Income tax impact of the above item	(868)	(868)	(868)	(868)
Net income before amortization of acquired intangible assets, net of income tax	57,957	57,957	40,707	40,707
Impact of adjusting items ¹				
<i>Other operating expenses</i>				
Integration costs	-	141	-	282
<i>Other loss (income)</i>	-	(2,330)	-	6,819
Total pre-tax impact of adjusting items	-	(2,189)	-	7,101
<i>Income tax impact of above adjusting items</i>	-	271	-	(978)
After-tax impact of adjusting items	-	(1,918)	-	6,123
Adjusted net income	57,957	56,039	40,707	46,830
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Average shareholders' equity	927,703	927,703	759,896	759,896
Average goodwill	(180,923)	(180,923)	(180,923)	(180,923)
Average acquired intangible assets ²	(104,254)	(104,254)	(117,354)	(117,354)
Average related deferred tax liabilities	27,627	27,627	31,099	31,099
Divided by average tangible common equity	670,153	670,153	492,718	492,718
Return on tangible common equity	34.6%	33.4%	33.0%	38.0%

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

² Excludes intangible assets relating to software.

	Six Months Ended			
	June 30,		June 30,	
	June 30,	2023	June 30,	2022
(\$ in 000's except percentages)	2023	(adjusted)	2022	(adjusted)
Net income as stated	106,986	106,986	64,396	64,396
Amortization of acquired intangible assets	6,550	6,550	6,550	6,550
Income tax impact of the above item	(1,736)	(1,736)	(1,736)	(1,736)
Net income before amortization of acquired intangible assets, net of income tax	111,800	111,800	69,210	69,210
Impact of adjusting items ¹				
<i>Other operating expenses</i>				
Contract exit fee	-	934	-	-
Integration costs	-	310	-	789
Corporate development costs	-	-	-	2,314
<i>Other (income) loss</i>	-	(4,313)	-	24,344
Total pre-tax impact of adjusting items	-	(3,069)	-	27,447
<i>Income tax impact of above adjusting items</i>	-	242	-	(4,048)
After-tax impact of adjusting items	-	(2,827)	-	23,399
Adjusted net income	111,800	108,973	69,210	92,609
Multiplied by number of periods in a year	X 4/2	X 4/2	X 4/2	X 4/2
Average shareholders' equity	908,364	908,364	769,902	769,902
Average goodwill	(180,923)	(180,923)	(180,923)	(180,923)
Average acquired intangible assets ²	(105,892)	(105,892)	(118,992)	(118,992)
Average related deferred tax liabilities	28,061	28,061	31,533	31,533
Divided by average tangible common equity	649,610	649,610	501,520	501,520
Return on tangible common equity	34.4%	33.6%	27.6%	36.9%

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

² Excludes intangible assets relating to software.

easyhome Financial Revenue

easyhome financial revenue is a non-IFRS measure. It's calculated as total company revenue less easyfinancial revenue and leasing revenue. The Company believes that easyhome financial revenue is an important measure of the performance of the easyhome segment. Items used to calculate easyhome financial revenue for the three-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

(\$in 000's)	Three Months Ended	
	June 30, 2023	June 30, 2022
Total company revenue	302,928	251,652
Less: easyfinancial revenue	(264,753)	(214,114)
Less: leasing revenue	(26,616)	(27,641)
easyhome financial revenue	11,559	9,897

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 21 of the Company's MD&A for the three and six-month periods ended June 30, 2023. Items used to calculate total yield on consumer loans as a percentage of average gross consumer loans receivable for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022

Total Company revenue	302,928	251,652	590,225	483,794
Less: Leasing revenue	(26,616)	(27,641)	(53,764)	(56,207)
Financial revenue	276,312	224,011	536,461	427,587
Multiplied by number of periods in a year	X 4	X 4	X 4/2	X 4/2
Divided by average gross consumer loans receivable	3,125,896	2,295,232	3,025,402	2,198,495
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	35.4%	39.0%	35.5%	38.9%

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 21 of the Company's MD&A for the three and six-month periods ended June 30, 2023. The percentage of net loan advances to new customers is a non-IFRS ratio. It is calculated as loan originations to new customers divided by the net principal written. The Company uses percentage of net loan advances to new customers, among other measures, to assess the operating performance of its lending business. Items used to calculate the percentage of net loan advances to new customers for the three and six-month periods ended June 30, 2023 and 2022 include those indicated in the chart below:

(\$ in 000's)	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Gross loan originations	666,783	628,189	1,282,402	1,104,732
Loan originations to new customers	348,695	301,184	651,238	518,878
Loan originations to existing customers	318,088	327,005	631,164	585,854
Less: Proceeds applied to repay existing loans	(174,045)	(162,880)	(336,999)	(296,917)
Net advance to existing customers	144,043	164,125	294,165	288,937
Net principal written	492,738	465,309	945,403	807,815
Percentage net advances to new customers	70.8%	64.7%	68.9%	64.2%

Net Debt to Net Capitalization

Net debt to net capitalization is a capital management measure. Refer to "Financial Condition" section on page 43 of the Company's MD&A for the three and six-month periods ended June 30, 2023.

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 the 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.

