



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

February 17, 2021

**Loan Portfolio of \$1.25 billion, up 12%**  
**Adjusted Quarterly Diluted Earnings per Share of \$2.24, up 55%**  
**Adjusted Annual Net Income of \$118 million, up 47%**  
**Adjusted Annual Diluted Earnings per Share of \$7.57, up 46%**  
**Annual Dividend per Share Increased to \$2.64, up 47%**

MISSISSAUGA, Ontario, Feb. 17, 2021 (GLOBE NEWSWIRE) -- goeasy Ltd. (TSX: GSY), (“goeasy” or the “Company”), a leading full-service provider of goods and alternative financial services, announced its results for the fourth quarter and full year ended December 31, 2020.

### Fourth Quarter Results

The Company continued to experience an improving level of loan originations, complemented by strong credit performance, leading to record financial results.

During the quarter, the Company generated a record \$334 million in total loan originations, up 7% compared to the \$314 million produced in the fourth quarter of 2019. The improved originations led to growth in the loan portfolio of \$64 million during the quarter, which finished at \$1.25 billion, up 12% from \$1.11 billion as of December 31, 2019. The growth in the consumer loan portfolio, combined with a decline in claims paid under the Company’s loan protection plan, led to an increase in revenue, which was a record \$173 million in the quarter, up 5% over the same period in 2019.

During the quarter, the Company also continued to experience strong credit and payment performance. The net charge-off rate for the fourth quarter was 9.0%, compared to 13.3% in the fourth quarter of 2019. Although the Company has experienced an overall improvement in the underlying credit performance of its consumer loan portfolio, the exact timing and pace of an economic recovery remains uncertain. As such, the Company held its allowance for future credit losses broadly flat at 10.08%, versus 10.03% in the third quarter.

Improved operating leverage and lower credit losses, led to record operating income of \$61.3 million, up 32% from \$46.5 million in the fourth quarter of 2019, while the operating margin expanded to 35.4%, up from 28.1% in the prior year. During the quarter, the Company recorded an additional \$13.9 million after-tax unrealized fair value gain related to the sale of its minority equity investment in PayBright, in connection with the previously announced sale of its shares of PayBright to Affirm Holdings Inc. (“Affirm”).

Net income in the fourth quarter was a record \$48.9 million, up from \$6.7 million in the same period of 2019, which resulted in diluted earnings per share of \$3.14, up from \$0.46 in the fourth quarter of 2019. Return on equity was 45.8%, up from 8% in the fourth quarter of 2019. After adjusting for a \$13.9 million after-tax unrealized fair value gain recorded in the fourth quarter of 2020 related to the sale of the Company’s minority equity investment in PayBright and adjusting for the one-time \$16 million after-tax charge associated with the refinancing of the Company’s notes payable completed in the fourth quarter of 2019, adjusted net income was a record \$35.0 million, up 55% from \$22.6 million in 2019, resulting in adjusted diluted earnings per share of \$2.24, up 55% from \$1.45 in the fourth quarter of 2019. Adjusted return on equity was 32.8% in the quarter, up from adjusted return on equity of 27.0% in 2019.

“It was a strong finish to 2020, in a year that highlighted the resilience of our customer, our team and our business model. Loan originations during the quarter lifted above prior year levels, leading to \$64 million of loan growth, while credit performance improved to a net charge off rate of 9.0%, down from 13.3% in the prior year,” said Jason Mullins, goeasy’s President and Chief Executive Officer, “We were also pleased to complete the sale of our minority equity interest in PayBright at a meaningful return to our shareholders, while concurrently becoming investors in Affirm and continuing our leading point-of-sale financing partnership. Lastly, we implemented a new securitization facility that lifted our total liquidity at year end to \$403 million and reduced our fully drawn weighted average cost of borrowing from 5.5% to 4.8%. After normalizing for the one-time adjustments to each period, adjusted diluted earnings per share for the full year was \$7.57, an increase of 46% versus the \$5.17 in 2019. As a result, the Board of Directors have approved a 47% increase in the annual dividend from \$1.80 to \$2.64 per share in 2021.”

### Other Key Fourth Quarter Highlights

#### easyfinancial

- Record revenue of \$137 million, up 5%
- Secured loan portfolio grew to \$155 million, up 34%,
- 51% of net loan advances in the quarter were issued to new customers, down from 62%
- 51% of applications were acquired online, up slightly from 50%
- Average loan book per branch improved to \$3.8 million, an increase of 4%
- The delinquency rate on the final Saturday of the quarter was 5.1%, flat to 5.1%
- Record operating income of \$67.2 million, up 26%
- Operating margin of 49.2%, up from 41%

#### easyhome

- Record revenue of \$36.7 million, up 3%
- Same store revenue growth of 4.4%
- Consumer loan portfolio within easyhome stores increased to \$50.3 million, up 32%
- Revenue from consumer lending increased to \$6.2 million, up 22%
- Record operating income of \$8.6 million, up 32%
- Record operating margin of 23.6%, up from 18.3%

## Overall

- 43<sup>rd</sup> consecutive quarter of same store sales growth
- 78<sup>th</sup> consecutive quarter of positive net income
- 2021 will mark the 17<sup>th</sup> consecutive year of paying dividends and 7<sup>th</sup> consecutive year of dividend increases
- Total same store revenue growth of 4.2%
- \$50.3 million in loan protection claims payments, up 155% from \$19.7 million in 2019
- Adjusted return on equity of 32.8% in the quarter, up from 27%
- Fully drawn weighted average cost of borrowing reduced to 4.8%, down from 5.5%
- Net external debt to net capitalization of 64% on December 31, 2020, down from 71% in the prior year and below the Company's target leverage ratio of 70%
- 79,860 common shares repurchased during the quarter at a weighted average price of \$68.44, through the Company's NCIB, bringing total share repurchases in 2020 to 767,855 at a weighted average price of \$55.18
- No reduction of personnel during COVID-19 and a decline in employee turnover of almost 10%
- Annual employee engagement score improved to record level of 83%, up 2% over the prior year

## Full Year Results

For the full year of 2020, the Company funded \$1.03 billion in loan originations, down slightly from \$1.10 billion in 2019. The consumer loan portfolio grew to \$1.25 billion, up 12% from \$1.11 billion as of December 31, 2019. Revenue for the full year, which was partially impacted by lower commissions on ancillary products primarily related to higher levels of loan protection insurance claims, was \$653 million, up 7% compared with \$609 million in the same period of 2019. Operating income for the full year was \$216 million compared with \$169 million in 2019, an increase of \$47.6 million or 28%. Net income for the full year of 2020 was \$137 million and diluted earnings per share was \$8.76 compared with \$64.3 million or \$4.17 per share, increases of 112% and 110% respectively.

After adjusting for a \$18.9 million after-tax unrealized fair value gain recorded in 2020 related to the sale of the Company's minority equity investment in PayBright and adjusting for the one-time \$16 million after-tax charge associated with the refinancing of the Company's notes payable completed in 2019, adjusted net income for the full year of 2020 was \$118 million and adjusted diluted earnings per share was \$7.57, increases of 47% and 46% compared to the adjusted net income of \$80.3 million and adjusted diluted earnings per share of \$5.17 in 2019.

## Balance Sheet and Liquidity

Total assets were \$1.50 billion as of December 31, 2020, an increase of 14% from \$1.32 billion as of December 31, 2019, driven by the growth in the consumer loan portfolio and return on the Company's investment in PayBright.

During the quarter, the Company completed the establishment of a new \$200 million revolving securitization warehouse facility, structured and underwritten by National Bank Financial Markets. The securitization facility, which will be collateralized by consumer loans originated by goeasy's wholly owned subsidiary, easyfinancial Services Inc., will have an initial term of three years and interest on advances will be payable at the rate of 1-month CDOR (Canadian Dollar Offered Rate) plus 295 bps. The Company also intends to establish an interest rate swap agreement on draws from the facility to generate fixed rate payments and mitigate the impact of interest rate volatility.

In September 2019, the Company invested \$34.3 million to acquire a minority equity interest in PayBright. On December 3, 2020, PayBright announced that the shareholders of PayBright had reached a definitive agreement to sell 100% of the PayBright shares to Affirm, including the Company's minority equity interest in PayBright. The sale transaction closed on January 1, 2021. Under the terms of the sale transaction, the Company received consideration of C\$23 million in cash, 655,416 common shares in Affirm and 468,154 common shares of Affirm held in escrow, subject to revenue performance achieved in 2021 and 2022. After considering the likelihood of achieving the contingent equity, a total consideration of \$56 million was recognized. The fair value of investment in PayBright as at December 31, 2020 equivalent to \$56 million was determined based on the sale transaction. For the full year-ended December 31, 2020, the Company recognized an unrealized fair value gain amounting to \$21.7 million (\$18.9 million after-tax) in the consolidated statement of income.

Subsequent to quarter-end, the Company entered into a 6-month total return swap agreement (the "TRS") to substantively hedge its market exposure related to its 655,416 common shares held in Affirm, which represents the non-contingent portion of the equity consideration received, pursuant to the sale of its investment in PayBright. The TRS effectively results in the economic value of the Company's investment in Affirm shares being settled in cash at maturity for US\$108.87 per share, net of applicable fees.

Cash provided by operating activities before net growth in gross consumer loans receivable and purchase of lease assets was \$41 million during the quarter and \$211 million during the full year of 2020, an increase of 89% and 74% respectively. Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's revolving credit facilities, goeasy had approximately \$403 million in total funding capacity, which it estimates is sufficient to fund its organic growth through the third quarter of 2023. At year-end, the Company's fully drawn weighted average cost of borrowing reduced to 4.8%, down from 5.5% in the prior year, with incremental draws on its senior secured revolving credit facility bearing a rate of approximately 3.6% and incremental draws on its revolving securitization warehouse facility bearing a rate of approximately 3.4%.

The Company also estimates that once its existing and available sources of capital are fully utilized, it could continue to grow the loan portfolio by approximately \$150 million per year solely from internal cash flows. The Company also estimates that as of December 31, 2020, if it were to run-off its consumer loan and consumer leasing portfolios, the value of the total cash repayments paid to the Company over the remaining life of its contracts would be approximately \$2.2 billion. If during such a run-off scenario all excess cash flows were applied directly to debt, the Company estimates it would extinguish all external debt within 17 months.

## Future Outlook

The Company has provided a new 3-year forecast for the years 2021 through 2023. The periods of 2021 and 2022 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 offers, which increase the average loan size 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 moderate 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 mergers or acquisitions, or the associated gains or losses associated with its investments.

	2021 Forecast	2022 Forecast	2023 Forecast
Gross Loan Receivable Portfolio at Year End	\$1.45B - \$1.55B	\$1.65B - \$1.85B	\$1.9B - \$2.1B
New easyfinancial locations	20 - 25	15 - 20	10 - 15
easyfinancial Total Revenue Yield	44% - 46%	42% - 44%	41% - 43%
Total Revenue Growth	12.5% - 14.5%	11% - 13%	10.5% - 12.5%
Net charge-off Rate (Average Receivables)	10.5% - 12.5%	10.5% - 12.5%	10.5% - 12.5%
Total Company Operating Margin	30% - 33%	31% - 34%	32% - 35%
Return on Equity	25%+	25%+	25%+
Cash Provided by Operating Activities before Net Growth in Gross Consumer Loans Receivable	\$180 million - \$220 million	\$190 million - \$230 million	\$230 million - \$270 million
Net Debt to Total Capitalization	63% - 65%	62% - 64%	60% - 62%

"We continue to see positive trends in the business and remain confident in navigating through a second wave of the pandemic. Looking forward, we are well positioned to capture the demand for consumer credit that will be fueled by an economic recovery. Our updated three-year forecast reflects growing our consumer loan portfolio to approximately \$2 billion by the end of 2023, with stable credit performance, expanding margins and declining leverage," Mr. Mullins concluded, "Our strategy to expand the product range, develop our channels of distribution, increase our geographic footprint and deliver a best-in-class customer experience, will enable us to become the leading consumer lender for the 9 million Canadians with non-prime credit. I want to thank all 2,000 goeasy team members for their unwavering commitment to stand by our customers during such a challenging year. With a well-capitalized balance sheet and award-winning culture, we are just getting started on our journey to providing everyday Canadians with a path to a better tomorrow."

## Dividend

Based on its 2020 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 \$1.80 per share to \$2.64 per share, an increase of 47%. This year marks the 7<sup>th</sup> consecutive year of an increase in the dividend to shareholders. As such, the Board of Directors has approved a quarterly dividend of \$0.66 per share payable on April 9, 2021 to the holders of common shares of record as at the close of business on March 26, 2021.

## Forward-Looking Statements

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

This press release includes forward-looking statements about goeasy, including, but not limited to, its business operations, strategy, expected financial performance and condition, the estimated number of new locations to be opened, targets for growth of the consumer loans receivable portfolio, annual revenue growth targets, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements, liquidity of the Company, plans and references to future operations and results and critical accounting estimates. In certain cases, forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'budgeted', 'estimates', 'forecasts', 'targets' or negative versions thereof and similar expressions, and/or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company's operations, economic factors and the industry generally, as well as those factors referred to in the Company's most recent Annual Information Form and Management Discussion and Analysis, as available on [www.sedar.com](http://www.sedar.com), in the section entitled "Risk Factors". There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by the Company, due to, but not limited to, important factors such as the Company's ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on favourable terms, purchase products which appeal to customers at a competitive rate, respond to changes in legislation, react to uncertainties related to regulatory action, raise capital under favourable terms, manage the impact of litigation (including shareholder litigation), control costs at all levels of the organization and maintain and enhance the system of internal controls. The Company cautions that the foregoing list is not exhaustive.

The reader is cautioned to consider these, and other factors carefully and not to place undue reliance on forward-looking statements, which may not be appropriate for other purposes. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

## About goeasy

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

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

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).

For further information contact:

Jason Mullins  
President & Chief Executive Officer  
(905) 272-2788

Farhan Ali Khan  
Senior Vice President, Corporate Development & Investor Relations  
(905) 272-2788

## goeasy Ltd.

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(expressed in thousands of Canadian dollars)

	As At December 31, 2020	As At December 31, 2019
<b>ASSETS</b>		
Cash	93,053	46,341
Amounts receivable	9,779	18,482
Prepaid expenses	13,005	7,077
Consumer loans receivable, net	1,152,378	1,040,552
Investment	56,040	34,300
Lease assets	49,384	48,696
Property and equipment, net	31,322	23,007
Deferred tax assets	4,066	14,961
Intangible assets, net	25,244	17,749
Right-of-use assets, net	46,335	46,147
Goodwill	21,310	21,310
<b>TOTAL ASSETS</b>	<b>1,501,916</b>	<b>1,318,622</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Revolving credit facility	198,339	112,563
Accounts payable and accrued liabilities	46,065	41,350
Income taxes payable	13,897	4,187
Dividends payable	6,661	4,448
Unearned revenue	10,622	8,082
Derivative financial liabilities	36,910	16,435
Lease liabilities	53,902	52,573
Accrued interest	2,598	4,358
Convertible debentures	-	40,656
Notes payable	689,410	701,549
<b>TOTAL LIABILITIES</b>	<b>1,058,404</b>	<b>986,201</b>

<b>Shareholders' equity</b>		
Share capital	181,753	141,956
Contributed surplus	19,732	20,296
Accumulated other comprehensive loss	(5,280)	(915)
Retained earnings	247,307	171,084
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>443,512</b>	<b>332,421</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,501,916</b>	<b>1,318,622</b>

goeasy Ltd.

## CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>REVENUE</b>				
Interest income	106,784	96,403	409,583	345,997
Lease revenue	28,564	28,268	112,796	113,236
Commissions earned	34,747	37,169	117,913	135,510
Charges and fees	3,124	3,696	12,630	14,640
	<b>173,219</b>	<b>165,536</b>	<b>652,922</b>	<b>609,383</b>
<b>EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>				
Salaries and benefits	34,023	31,166	136,306	120,414
Stock-based compensation	1,988	2,858	7,575	8,686
Advertising and promotion	8,591	7,488	26,786	26,699
Bad debts	34,493	43,257	134,998	156,742
Occupancy	5,375	5,484	22,501	20,573
Technology costs	3,692	3,222	14,191	12,293
Other expenses	7,028	9,315	29,406	30,819
	<b>95,190</b>	<b>102,790</b>	<b>371,763</b>	<b>376,226</b>
<b>DEPRECIATION AND AMORTIZATION</b>				
Depreciation of lease assets	8,980	9,351	35,770	37,402
Depreciation of right-of-use assets	4,189	3,933	16,183	15,199
Depreciation of property and equipment	1,509	1,624	5,997	6,281
Amortization of intangible assets	2,074	1,355	6,773	5,482
	<b>16,752</b>	<b>16,263</b>	<b>64,723</b>	<b>64,364</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>111,942</b>	<b>119,053</b>	<b>436,486</b>	<b>440,590</b>
<b>OPERATING INCOME</b>	<b>61,277</b>	<b>46,483</b>	<b>216,436</b>	<b>168,793</b>
<b>OTHER INCOME</b>				
Unrealized fair value gain on investment	16,040	-	21,740	-
<b>FINANCE COSTS</b>				
Interest expense and amortization of deferred financing charges	12,624	14,744	52,248	55,094
Interest expense on lease liabilities	719	656	2,744	2,464
Refinancing cost relating to notes payable	-	21,723	-	21,723
	<b>13,343</b>	<b>37,123</b>	<b>54,992</b>	<b>79,281</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>63,974</b>	<b>9,360</b>	<b>183,184</b>	<b>89,512</b>

<b>INCOME TAX EXPENSE (RECOVERY)</b>				
Current	9,753	5,812	33,041	27,763
Deferred	5,310	(3,135)	13,638	(2,600)
	15,063	2,677	46,679	25,163
<hr/>				
<b>NET INCOME</b>	<b>48,911</b>	<b>6,683</b>	<b>136,505</b>	<b>64,349</b>
<hr/>				
<b>BASIC EARNINGS PER SHARE</b>	<b>3.24</b>	<b>0.46</b>	<b>9.21</b>	<b>4.40</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>3.14</b>	<b>0.46</b>	<b>8.76</b>	<b>4.17</b>

### Segmented Reporting

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

(\$ in 000's except earnings per share)	Three Months Ended December 31, 2019			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	92,803	3,600	-	96,403
Lease revenue	-	28,268	-	28,268
Commissions earned	34,777	2,392	-	37,169
Charges and fees	2,425	1,271	-	3,696

Total operating expenses before depreciation and amortization	130,005	35,531	-	165,536
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	73,062	17,309	12,419	102,790
Depreciation of right-of-use-assets	1,805	9,757	768	12,330
	1,793	1,965	175	3,933
	3,598	11,722	943	16,263
Segment operating income (loss)	53,345	6,500	(13,362)	46,483
Finance costs				
Interest expense and amortization of deferred financing charges				14,744
Interest expense on lease liabilities				656
Refinancing cost relating to notes payable				21,723
				37,123
Income before income taxes				9,360
Income taxes				2,677
Net Income				6,683
Diluted earnings per share				0.46

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

(\$ in 000's except earnings per share)	Year Ended December 31, 2019			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	334,124	11,873	-	345,997
Lease revenue	-	113,236	-	113,236
Commissions earned	126,806	8,704	-	135,510
Charges and fees	9,278	5,362	-	14,640
	470,208	139,175	-	609,383
Total operating expenses before depreciation and amortization	267,356	67,253	41,617	376,226
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	7,194	39,140	2,831	49,165
Depreciation of right-of-use-assets	6,521	7,943	735	15,199
	13,715	47,083	3,566	64,364
Segment operating income (loss)	189,137	24,839	(45,183)	168,793
Finance costs				
Interest expense and amortization of deferred financing charges				55,094
Interest expense on lease liabilities				2,464
Refinancing cost relating to notes payable				21,723
				79,281
Income before income taxes				89,512
Income taxes				25,163
Net Income				64,349
Diluted earnings per share				4.17

### Summary of Financial Results and Key Performance Indicators

(\$ in 000's except earnings per share and percentages)	Three Months Ended		Variance	Variance
	December 31, 2020	December 31, 2019	\$ / bps	% change
<b>Summary Financial Results</b>				
Revenue	173,219	165,536	7,683	4.6%
Operating expenses before depreciation and amortization	95,190	102,790	(7,600)	(7.4%)
EBITDA	85,089	53,395	31,694	59.4%
EBITDA margin	49.1%	32.3%	1,680 bps	52.0%
Depreciation and amortization expense	16,752	16,263	489	3.0%
Operating income	61,277	46,483	14,794	31.8%
Operating margin	35.4%	28.1%	730 bps	26.0%
Other income <sup>1</sup>	16,040	-	16,040	100.0%
Interest expense and amortization of deferred financing charges and interest expense on lease liabilities	13,343	15,400	(2,057)	(13.4%)
Refinancing costs <sup>2</sup>	-	21,723	(21,723)	(100.0%)
Effective income tax rate	23.5%	28.6%	(510 bps)	(17.8%)
Net income	48,911	6,683	42,228	631.9%
Diluted earnings per share	3.14	0.46	2.68	582.6%
Return on equity	45.8%	8.0%	3,780 bps	472.5%



**Adjusted (Normalized) Financial Results<sup>1,2</sup>**

Adjusted EBITDA	<b>69,049</b>	53,395	15,654	29.3%
Adjusted EDITDA margin	<b>39.9%</b>	32.3%	760 bps	23.5%
Adjusted net income	<b>34,996</b>	22,649	12,347	54.5%
Adjusted diluted earnings per share	<b>2.24</b>	1.45	0.79	54.5%
Adjusted return on equity	<b>32.8%</b>	27.0%	580 bps	21.5%

**Key Performance Indicators**

Same store revenue growth (overall)	<b>4.2%</b>	19.7%	(1,550 bps)	(78.7%)
Same store revenue growth (easyhome)	<b>4.4%</b>	6.2%	(180 bps)	(29.0%)

**Segment Financials**

easyfinancial revenue	<b>136,523</b>	130,005	6,518	5.0%
easyfinancial operating margin	<b>49.2%</b>	41.0%	820 bps	20.0%
easyhome revenue	<b>36,696</b>	35,531	1,165	3.3%
easyhome operating margin	<b>23.6%</b>	18.3%	530 bps	29.0%

**Portfolio Indicators**

Gross consumer loans receivable	<b>1,246,840</b>	1,110,633	136,207	12.3%
Growth in consumer loans receivable	<b>64,039</b>	75,037	(10,998)	(14.7%)
Gross loan originations	<b>334,102</b>	313,514	20,588	6.6%
Total yield on consumer loans (including ancillary products)	<b>46.6%</b>	49.8%	(320 bps)	(6.4%)
Net charge-offs as a percentage of average gross consumer loans receivable	<b>9.0%</b>	13.3%	(430 bps)	(32.3%)
Cash provided by operating activities before net growth in gross consumer loans receivable	<b>40,980</b>	21,703	19,277	88.8%
Potential monthly lease revenue	<b>8,461</b>	8,643	(182)	(2.1%)

<sup>1</sup>During the fourth quarter of 2020, the Company recognized \$13.9 million after-tax impact of the unrealized fair value gain in the PayBright investment.

<sup>2</sup>During the fourth quarter of 2019, the Company repaid its 2022 Notes incurring a \$16.0 million after-tax impact of refinancing cost.

(\$ in 000's except earnings per share and percentages)	Year Ended		Variance	Variance
	December 31, 2020	December 31, 2019	\$ / bps	% change
<b>Summary Financial Results</b>				
Revenue	<b>652,922</b>	609,383	43,539	7.1%
Operating expenses before depreciation and amortization	<b>371,763</b>	376,226	(4,463)	(1.2%)
EBITDA	<b>267,129</b>	195,755	71,374	36.5%
EBITDA margin	<b>40.9%</b>	32.1%	880 bps	27.4%
Depreciation and amortization expense	<b>64,723</b>	64,364	359	0.6%
Operating income	<b>216,436</b>	168,793	47,643	28.2%
Operating margin	<b>33.1%</b>	27.7%	540 bps	19.5%
Other income <sup>1</sup>	<b>21,740</b>	-	21,740	100.0%
Interest expense and amortization of deferred financing charges and interest expense on lease liabilities	<b>54,992</b>	57,558	(2,566)	(4.5%)
Refinancing costs <sup>2</sup>	-	21,723	(21,723)	(100.0%)
Effective income tax rate	<b>25.5%</b>	28.1%	(260 bps)	(9.3%)
Net income	<b>136,505</b>	64,349	72,156	112.1%
Diluted earnings per share	<b>8.76</b>	4.17	4.59	110.1%
Return on equity	<b>36.1%</b>	20.2%	1,590 bps	78.7%
<b>Adjusted (Normalized) Financial Results<sup>1,2</sup></b>				
Adjusted EBITDA	<b>245,389</b>	195,755	49,634	25.4%
Adjusted EBITDA margin	<b>37.6%</b>	32.1%	550 bps	17.1%
Adjusted net income	<b>117,646</b>	80,315	37,331	46.5%
Adjusted diluted earnings per share	<b>7.57</b>	5.17	2.40	46.4%
Adjusted return on equity	<b>31.1%</b>	25.3%	580 bps	22.9%

**Key Performance Indicators**

Same store revenue growth (overall)	<b>6.3%</b>	19.5%	(1,320 bps)	(67.7%)
Same store revenue growth (easyhome)	<b>4.5%</b>	4.3%	20 bps	4.7%
<b>Segment Financials</b>				
easyfinancial revenue	<b>509,904</b>	470,208	39,696	8.4%
easyfinancial operating margin	<b>47.6%</b>	40.2%	740 bps	18.4%
easyhome revenue	<b>143,018</b>	139,175	3,843	2.8%
easyhome operating margin	<b>21.7%</b>	17.8%	390 bps	21.9%
<b>Portfolio Indicators</b>				
Gross consumer loans receivable	<b>1,246,840</b>	1,110,633	136,207	12.3%
Growth in consumer loans receivable	<b>136,207</b>	276,854	(140,647)	(50.8%)
Gross loan originations	<b>1,033,130</b>	1,095,375	(62,245)	(5.7%)
Total yield on consumer loans (including ancillary products)	<b>45.5%</b>	50.1%	(460 bps)	(9.2%)
Net charge-offs as a percentage of average gross consumer loans receivable	<b>10.0%</b>	13.3%	(330 bps)	(24.8%)
Cash provided by operating activities before net growth in gross consumer loans receivable	<b>210,619</b>	120,985	89,634	74.1%
Potential monthly lease revenue	<b>8,461</b>	8,643	(182)	(2.1%)

<sup>1</sup>For the year-ended December 31, 2020, the Company recognized \$18.9 million after-tax impact of the unrealized fair value gain in the PayBright investment.

<sup>2</sup>For the year-ended December 31, 2019, the Company repaid its 2022 Notes incurring a \$16.0 million after-tax impact of refinancing cost.

