MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023

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Date: November 7, 2023

The following Management's Discussion and Analysis ("MD&A") presents an analysis of the consolidated financial condition of goeasy Ltd. and its subsidiaries (collectively referred to as "goeasy" or the "Company") as at September 30, 2023 compared to September 30, 2022, and the consolidated results of operations for the three and nine-month periods ended September 30, 2023, compared with the corresponding periods of 2022. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2022. The financial information presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted. All dollar amounts are in thousands of Canadian dollars unless otherwise indicated.

There have been no material changes to the information discussed in the following sections of the Company's 2022 annual MD&A: Overview of the Business, Corporate Strategy, Commitments, Guarantees and Contingencies, Risk Factors, and Critical Accounting Estimates.

This MD&A is the responsibility of management. The Board of Directors has approved this MD&A after receiving the recommendations of the Company's Audit Committee, which is comprised exclusively of independent directors, and the Company's Disclosure Committee.

This MD&A refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to our consolidated financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's Annual Information Form. These filings are available on SEDAR at *www.sedarplus.ca* and on the Company's website at *www.goeasy.com.*

Caution Regarding Forward-Looking Statements

This MD&A 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 this 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.

Overview of the Business

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 9,100 merchant partners across Canada. Throughout the Company's history, it has acquired and organically served over 1.3 million Canadians and originated over $12.1 billion in loans.

The Company's overview of the business remains as described in its December 31, 2022 MD&A.

Corporate Strategy

The Company has developed a strategy based on four key strategic pillars. These priorities have remained consistent since 2017 and align to the Company's strategic initiatives, as it furthers its vision of becoming the single source of credit for non-prime consumers. In addition to providing access to responsible financial products, the Company aims to help their customers improve their credit and gradually lower their borrowing costs.

The Company's four strategic pillars include focusing on developing a wide range of credit products, expanding its channels and points of distribution, diversifying its geographic footprint and lastly, focusing on improving the customer's financial wellness through its products, pricing, ancillary tools and services and customer relationships.

The Company's corporate strategy remains as described in its December 31, 2022 MD&A.

Outlook

The discussion in this section is qualified in its entirety by the cautionary language regarding forward-looking statements found in the "Caution Regarding Forward-Looking Statements" of this MD&A.

On February 15, 2023, the Company provided a 3-year forecast for the years 2023 through 2025. The Company revised these forecasts in its March 31, 2023 MD&A and the forecasts remain consistent and are shown below.

	Forecasts for 2023	Forecasts for 2024	Forecasts for 2025
Gross consumer loans receivable at year end	**\$3.40 - \$3.60 billion**	**\$4.10 - \$4.35 billion**	**\$4.70 - \$5.10 billion**
Total Company revenue	**\$1.20 - \$1.25 billion**	**\$1.35 - \$1.45 billion**	**\$1.50 - \$1.70 billion**
Total yield on consumer loans (including ancillary products)[1]	**34.5% - 36.5%**	**33.0% - 35.0%**	**32.0% - 34.0%**
Net charge offs as a percentage of average gross consumer loans receivable	**8.0% - 10.0%**	**8.0% - 10.0%**	**7.5% - 9.5%**
Total Company operating margin	**36% +**	**37% +**	**38% +**
Return on equity	**22% +**	**21% +**	**21% +**

[1] Total yield on consumer loans (including ancillary products) is a non-IFRS ratio. Non-IFRS ratios 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. See description in section "Portfolio Analysis".

The underlying key assumptions and key risk factors remain as described in the December 31, 2022 MD&A. These forecasts are inherently subject to risks which are referred to in the Outlook and Risk Factors sections in the December 31, 2022 MD&A.

Analysis of Results for the Three Months Ended September 30, 2023

Third Quarter Highlights

- On September 28, 2023, the Company increased its existing Revolving Securitization Warehouse Facility II, which is collateralized by automotive consumer loans, from $200 million to $375 million and continues to be underwritten by the same lender, with the addition of a new lender to the syndicate. The facility continues to mature on December 16, 2024 and bear interest equal to the 1-month Canadian Dollar Offer Rate ("CDOR") plus 185 bps. The Company continues to utilize an interest rate swap agreement to generate fixed rate payments on the amounts drawn to mitigate the impact of increases in interest rates.

- As at September 30, 2023, the Company had a cash position of $84.1 million, which included $56.7 million in restricted cash related to its revolving securitization warehouse facilities and secured borrowings reserve. As at September 30, 2023, the Company had a total borrowing capacity of $848.7 million under its existing revolving credit facilities. The Company's total liquidity as at September 30, 2023 was $932.8 million. 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.

- The Company reported record revenue during the three-month period ended September 30, 2023 of $321.7 million, an increase of $59.5 million, or 22.7%, when compared to the same period of 2022. Revenue growth was mainly driven by the record organic growth in the Company's consumer loan portfolio.

- Gross consumer loans receivable increased to $3.43 billion as at September 30, 2023, from $2.59 billion as at September 30, 2022, an increase of $841.6 million, or 32.5%. The increase in consumer loans receivable was driven by a strong volume of applications for credit, leading to a record level of loan originations across several of the Company's products and acquisition channels.

- Net charge offs for the three-month period ended September 30, 2023 as an annualized percentage of average gross consumer loans receivable were 8.8%, 50 bps lower compared to 9.3% in the same period of 2022. The stable credit performance reflects the improved credit and product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021. The net charge off rate was in line with the Company's targeted range for 2023 of 8.0% to 10.0%.

- For the three-month period ended September 30, 2023, the net change in allowance for credit losses was $15.5 million, compared to $14.3 million in the same period of 2022, an increase of $1.2 million due primarily to higher growth in consumer loans receivable. The provision rate for the three-month period ended September 30, 2023 decreased to 7.37% from 7.42% in the second quarter of 2023, primarily due to continued improvement in the product and credit mix of the loan portfolio.

- The Company reported record total operating income for the three-month period ended September 30, 2023 of $126.6 million, up $35.2 million, or 38.5%, when compared to the same period of 2022. The Company reported an operating margin, which excludes finance costs and income taxes, of 39.3%, up from 34.8% reported in the same period of 2022. During the three-month period ended September 30, 2023, the Company incurred adjusting items that are outside of its normal business activities and are significant in amount and scope, which management believes are not reflective of the Company's underlying business performance. These adjusting items include integration costs related to the acquisition of LendCare and amortization of intangible assets acquired from LendCare. These adjusting items are further discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of the adjusting items, the Company reported record adjusted operating income[1] for the three-month period ended September 30, 2023 of $130.0 million, up $35.2 million, or 37.1%, when compared to the same period of 2022. The increase in adjusted operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. The Company reported an adjusted operating margin[1], which excludes finance costs and income taxes, of 40.4% in the quarter, up from 36.2% in the same period of 2022.

- The easyfinancial segment reported record operating income of $140.1 million for the three-month period ended September 30, 2023, an increase of $38.3 million, or 37.6%, when compared to the same period of 2022. The improved operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. easyfinancial's operating margin was 49.4%, 410 bps higher compared to 45.3% in the same period of 2022.

- The easyhome segment reported operating income for the three-month period ended September 30, 2023 of $9.2 million, an increase of $1.4 million, or 18.6%. The increase was mainly driven by higher lending revenues during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin was 24.2%, compared to 20.9% in the same period of 2022.

- During the quarter, the Company recognized net investment income of $4.1 million, mainly due to fair value changes on the Company's investments, compared to $1.3 million of net investment income in the same period of 2022.

- The three-month period ended September 30, 2023 was the 89th consecutive quarter of positive net income and diluted earnings per share. The Company's net income for the three-month period ended September 30, 2023 was $66.3 million, or $3.87 per share on a diluted basis, up 40.5% and 35.3%, respectively, compared to $47.2 million, or $2.86 per share on a diluted basis reported in the same period of 2022. Excluding the effects of adjusting items discussed in the "Key Performance Indicators and Non-IFRS Measures" section, goeasy achieved record adjusted net income[1] and record adjusted diluted earnings per share[1] during the three-month period ended September 30, 2023 of $65.2 million and $3.81 per share on a diluted basis, respectively. Adjusted net income and adjusted diluted earnings per share increased by 34.2% and 29.2%, respectively, when compared to the same period of 2022. The increase in adjusted net income was primarily driven by the record operating income, partially offset by the incremental finance costs driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing.

- Return on equity was 27.0% for the three-month period ended September 30, 2023, up from 24.2% reported in the same period of 2022, primarily due to the higher net income discussed above. Adjusted return on equity[1] for the three-month period ended September 30, 2023 was a record 26.6%, up from the 24.9% reported in the same period of 2022, mainly driven by a higher level of adjusted return on assets due to higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage, partially offset by the higher level of shareholders' equity.

- Return on tangible common equity[1] was 37.8% for the three-month period ended September 30, 2023, slightly down from 38.5% in the same period of 2022 . Adjusted return on tangible common equity[1] for the three-month period ended September 30, 2023 was 35.9%, down from 37.7% in the same period of 2022. The decline in adjusted return on tangible common equity was mainly driven by a higher level of tangible common equity, partially offset by higher adjusted net income as discussed above.

[1] Adjusted operating income and adjusted net income are non-IFRS measures. Adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity and reported and adjusted tangible common equity are non-IFRS ratios. Non-IFRS measures and non-IFRS ratios 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. See descriptions in section "Key Performance Indicators and Non-IFRS Measures".

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended September 30, 2023	September 30, 2022	Variance $ / bps	Variance % Change
Summary Financial Results				
Revenue	**321,732**	262,216	59,516	22.7%
Bad debts	**89,539**	72,551	16,988	23.4%
Other operating expenses	**83,895**	77,307	6,588	8.5%
EBITDA[1]	**144,031**	105,281	38,750	36.8%
EBITDA margin[1]	**44.8%**	40.2%	460 bps	11.4%
Depreciation and amortization	**21,735**	20,980	755	3.6%
Operating income	**126,563**	91,378	35,185	38.5%
Operating margin	**39.3%**	34.8%	450 bps	12.9%
Other income	**4,148**	1,294	2,854	220.6%
Finance costs	**40,875**	28,497	12,378	43.4%
Effective income tax rate	**26.2%**	26.5%	(30 bps)	(1.1%)
Net income	**66,310**	47,189	19,121	40.5%
Diluted earnings per share	**3.87**	2.86	1.01	35.3%
Return on assets	**7.0%**	6.3%	70 bps	11.1%
Return on equity	**27.0%**	24.2%	280 bps	11.6%
Return on tangible common equity[1]	**37.8%**	38.5%	(70 bps)	(1.8%)
Adjusted Financial Results[1,2]				
Other operating expenses	**92,144**	85,508	6,636	7.8%
Efficiency ratio	**28.6%**	32.6%	(400 bps)	(12.3%)
Operating income	**130,004**	94,823	35,181	37.1%
Operating margin	**40.4%**	36.2%	420 bps	11.6%
Net income	**65,241**	48,626	16,615	34.2%
Diluted earnings per share	**3.81**	2.95	0.86	29.2%
Return on assets	**6.9%**	6.5%	40 bps	6.2%
Return on equity	**26.6%**	24.9%	170 bps	6.8%
Return on tangible common equity	**35.9%**	37.7%	(180 bps)	(4.8%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	**283,622**	224,918	58,704	26.1%
easyfinancial operating margin	**49.4%**	45.3%	410 bps	9.1%
easyhome revenue	**38,110**	37,298	812	2.2%
easyhome operating margin	**24.2%**	20.9%	330 bps	15.8%
Portfolio Indicators				
Gross consumer loans receivable	**3,430,276**	2,588,656	841,620	32.5%
Growth in consumer loans receivable	**230,063**	218,813	11,250	5.1%
Gross loan originations	**721,917**	640,519	81,398	12.7%
Total yield on consumer loans (including ancillary products)[1]	**35.3%**	37.4%	(210 bps)	(5.6%)
Net charge offs as a percentage of average gross consumer loans receivable	**8.8%**	9.3%	(50 bps)	(5.4%)
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**133,575**	95,588	37,987	39.7%
Potential monthly leasing revenue[1]	**7,411**	7,623	(212)	(2.8%)

[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. See description in sections "Portfolio Analysis", "Key Performance Indicators and Non-IFRS Measures" and "Financial Condition".
[2] Adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section.

Locations Summary

	Locations as at June 30, 2023	Locations opened in the period	Locations closed in the period	Conversions	Locations as at September 30, 2023
easyfinancial					
Kiosks (in store)	2	-	-	-	**2**
Stand-alone locations	299	-	(4)	-	**295**
Operations centres	3	-	-	-	**3**
Total easyfinancial locations	304	-	(4)	-	**300**
easyhome					
Corporately owned stores	110	-	-	-	**110**
Franchise stores	34	-	-	-	**34**
Total easyhome stores	144	-	-	-	**144**
Corporate					
Corporate office	1	-	-	-	**1**
Total corporate office	1	-	-	-	**1**

In the third quarter of 2023, the Company closed four easyfinancial locations as part of its continued efforts to optimize its geographic footprint. The Company continued to offer its products and services through an omnichannel business model, that includes retail locations, online and mobile platforms, and indirect lending partnerships.

Summary of Financial Results by Reportable Segment

($ in 000's except earnings per share)	Three Months Ended September 30, 2023			
	easyfinancial	**easyhome**	**Corporate**	**Total**
Revenue				
Interest income	**219,995**	**9,274**	**-**	**229,269**
Lease revenue	**-**	**24,540**	**-**	**24,540**
Commissions earned	**57,991**	**3,536**	**-**	**61,527**
Charges and fees	**5,636**	**760**	**-**	**6,396**
	283,622	**38,110**	**-**	**321,732**
Operating expenses				
Bad debts	**85,674**	**3,865**	**-**	**89,539**
Other operating expenses	**48,201**	**14,454**	**21,240**	**83,895**
Depreciation and amortization	**9,622**	**10,562**	**1,551**	**21,735**
	143,497	**28,881**	**22,791**	**195,169**
Operating income (loss)	**140,125**	**9,229**	**(22,791)**	**126,563**
Other income				**4,148**
Finance costs				**(40,875)**
Income before income taxes				**89,836**
Income taxes				**23,526**
Net income				**66,310**
Diluted earnings per share				**3.87**

($ in 000's except earnings per share)	Three Months Ended September 30, 2022			
	easyfinancial	**easyhome**	**Corporate**	**Total**
Revenue				
Interest income	173,145	7,550	-	180,695
Lease revenue	-	25,369	-	25,369
Commissions earned	47,236	3,333	-	50,569
Charges and fees	4,537	1,046	-	5,583
	224,918	37,298	-	262,216
Operating expenses				
Bad debts	69,633	2,918	-	72,551
Other operating expenses	44,658	15,970	16,679	77,307
Depreciation and amortization	8,815	10,628	1,537	20,980
	123,106	29,516	18,216	170,838
Operating income (loss)	101,812	7,782	(18,216)	91,378
Other income				1,294
Finance costs				(28,497)
Income before income taxes				64,175
Income taxes				16,986
Net income				47,189
Diluted earnings per share				2.86

Portfolio Performance

Consumer Loans Receivable

Loan originations in the three-month period ended September 30, 2023 were $721.9 million, up 12.7% compared to the same period of 2022. The consumer loan portfolio grew by $230.1 million during the quarter, compared to $218.8 million in the same period of 2022. Gross consumer loans receivable increased to $3.43 billion as at September 30, 2023, from $2.59 billion as at September 30, 2022, an increase of $841.6 million, or 32.5%. The increase in consumer loans receivable was driven by a strong volume of applications for credit, leading to a record level of loan originations across several of the Company's products and acquisition channels.

Total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 35.3% in the three-month period ended September 30, 2023, down 210 bps from the same period of 2022. Total annualized yield decreased due to: i) organic growth of certain products which carry lower rates of interest such as home equity loans, automotive financing, point-of-sale financing in the powersports, home improvement, and healthcare and retail categories; ii) increased lending activity in the province of Quebec, where loans have lower rates of interest; iii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products; iv) a modest reduction in penetration rates on ancillary products; and v) the Company's strategy to reward borrowers for on-time payment behavior by gradually reducing the rate of interest charged.

Bad debt expense increased to $89.5 million for the three-month period ended September 30, 2023, from $72.6 million during the same period of 2022, an increase of $17.0 million, or 23.4%. The following table details the components of bad debt expense.

	Three Months Ended	
($ in 000's)	**September 30, 2023**	**September 30, 2022**
Provision required due to net charge offs	**74,054**	58,257
Impact of loan book growth	**15,424**	15,317
Impact of change in allowance for credit losses rate during the period	**61**	(1,023)
Net change in allowance for credit losses	**15,485**	14,294
Bad debt expense	**89,539**	72,551

Bad debts expense increased by $17.0 million due to the following factors:

i) Net charge offs increased from $58.3 million in the third quarter of 2022 to $74.1 million in the current quarter, an increase of $15.8 million. Net charge offs in the quarter as a percentage of average gross consumer loans receivable on an annualized basis were 8.8%, 50 bps lower compared to 9.3% in the same period of 2022. The stable credit performance reflects the resilience of the non-prime consumer, coupled with improved product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021. The net charge off rate was in line with the Company's targeted range for 2023 of 8.0% to 10.0%.

ii) The net change in allowance for credit losses was $15.5 million, compared to $14.3 million in the same period of 2022, an increase of $1.2 million due primarily to higher growth in consumer loans receivable. The provision rate for the three-month period ended September 30, 2023 decreased to 7.37% from 7.42% in the second quarter of 2023, primarily due to continued improvement in the product and credit mix of the loan portfolio.

easyhome Leasing Portfolio

The leasing portfolio as measured by potential monthly leasing revenue as at September 30, 2023 was $7.4 million, down from $7.6 million in the same period of 2022. The easyhome leasing business is a mature business that has experienced a long-term gradual decline in sales volume, as consumer demand has shifted into alternate forms of financing purchases of everyday household items.

Revenue

Revenue for the three-month period ended September 30, 2023 was $321.7 million, an increase of $59.5 million, or 22.7%, when compared to the same period of 2022. Revenue growth was mainly driven by the record organic growth of the Company's consumer loan portfolio.

e*asyfinancial* – Revenue for the three-month period ended September 30, 2023 was $283.6 million, an increase of $58.7 million, when compared to the same period of 2022. Components of the increased revenue include:

(i) Interest income increased by $46.8 million, or 27.1%, driven by growth in the loan portfolio, which includes growth of unsecured lending, automotive financing, home equity loans, point-of-sale financing and cross-selling activity across its consumer base, partially offset by lower interest yields due to improved product mix;
(ii) Commissions earned on the sale of ancillary products and services increased by $10.8 million, or 22.8%, due to the larger consumer loan portfolio; and
(iii) Charges and fees increased by $1.1 million, or 24.2%, due to the larger consumer loan portfolio.

easyhome – Revenue for the three-month period ended September 30, 2023 was $38.1 million, an increase of $0.8 million, when compared to the same period of 2022. Lending revenue within the easyhome stores increased by $2.0 million, when compared to the same period of 2022. Traditional leasing revenue, including fees, was $1.2 million lower compared to the same period of 2022. Components of the increased revenue include:

(i) Interest income increased by $1.7 million, driven by the growth in the loans portfolio related to the easyhome business;
(ii) Leasing revenue decreased by $0.8 million due to a smaller lease portfolio; and
(iii) Commissions earned on the sale of ancillary products, charges and fees were relatively flat from the same period of 2022.

Other Operating Expenses

Other operating expenses were $83.9 million for the three-month period ended September 30, 2023, an increase of $6.6 million, or 8.5%, when compared to the same period of 2022. The increase in other operating expenses was mainly driven by higher operating costs to support the growing loan portfolio, moderated by the continued improvement in operating efficiency.

easyfinancial – Other operating expenses were $48.2 million for the three-month period ended September 30, 2023, an increase of $3.5 million, or 7.9%, when compared to the same period of 2022. The increase in other operating expenses was driven by incremental volume related costs to operate and manage the growing loan portfolio, partially offset by improved operating efficiency.

easyhome – Other operating expenses were $14.5 million for the three-month period ended September 30, 2023, a decrease of $1.5 million, or 9.5%, when compared to the same period of 2022. The decrease in other operating expenses was driven by lower store costs due to the continued improvement in operating efficiency.

Corporate – Other operating expenses were $21.2 million for the three-month period ended September 30, 2023, an increase of $4.6 million, or 27.3%, when compared to the same period of 2022. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures", corporate expenses before depreciation and amortization represented 6.6% of revenues in the third quarter of 2023, compared to 6.3% of revenues in the same period of 2022. The increase was primarily due to incremental volume related costs to support the growing loan portfolio.

Depreciation and Amortization

Depreciation and amortization for the three-month period ended September 30, 2023 was $21.7 million, an increase of $0.8 million, or 3.6%, when compared to the same period of 2022, driven primarily by higher amortization of intangible assets and depreciation of right-of-use assets. Overall, depreciation and amortization represented 6.8% of revenues for the three-month period ended September 30, 2023, compared to 8.0% in the same period of 2022.

easyfinancial – Depreciation and amortization was $9.6 million for the three-month period ended September 30, 2023, an increase of $0.8 million, or 9.2%, when compared to the same period of 2022, driven primarily by higher amortization of intangible assets and depreciation of right-of-use assets due to new retail locations opened since September 30, 2022.

easyhome – Depreciation and amortization was $10.6 million for the three-month period ended September 30, 2023, relatively flat to the same period of 2022.

Corporate – Depreciation and amortization was $1.6 million in the three-month period ended September 30, 2023, relatively flat to the same period of 2022.

Operating Income (Income before Finance Costs and Income Taxes)

The Company reported record total operating income for the three-month period ended September 30, 2023 of $126.6 million, up $35.2 million, or 38.5%, when compared to the same period of 2022. The Company reported an operating margin of 39.3%, up from 34.8% reported in the same period of 2022. Excluding the effects of the adjusting items discussed in the "Key Performance Indicators and Non-IFRS Measures" section, the Company reported record adjusted operating income for the three-month period ended September 30, 2023 of $130.0 million, up $35.2 million, or 37.1%, when compared to the same period of 2022. The increase in adjusted operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. The Company reported an adjusted operating margin of 40.4% in the quarter, up from 36.2% in the same period of 2022.

easyfinancial – Operating income for the three-month period ended September 30, 2023 was $140.1 million, an increase of $38.3 million, or 37.6%, when compared to the same period of 2022. The improved operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. easyfinancial revenue increased by $58.7 million, partially offset by an increase of $16.0 million in bad debt expense and an increase of $4.4 million in other costs to support the growing customer base and enhanced product offerings. easyfinancial's operating margin was 49.4%, 410 bps higher compared to 45.3% in the same period of 2022.

easyhome – Operating income for the three-month period ended September 30, 2023 was $9.2 million, an increase of $1.4 million, or 18.6%. The increase was mainly driven by higher lending revenues during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin in the quarter was 24.2%, compared to 20.9% in the same period of 2022.

Other Income

During the three-month period ended September 30, 2023, the Company recognized net investment income of $4.1 million related to fair value changes on the Company's investments, compared to $1.3 million of net investment income in the same period of 2022.

Finance Costs

Finance costs for the three-month period ended September 30, 2023 were $40.9 million, an increase of $12.4 million, or 43.4%, when compared to the same period of 2022. The increase was mainly driven by higher borrowing levels to fund growth of the Company’s lending business and a higher cost of borrowing. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility. As at September 30, 2023, 93% of the Company’s drawn debt balances effectively bear fixed rates due to the type of debt and the interest rate swap agreements on Revolving Securitization Warehouse Facilities. The average blended interest rate on drawn balances for the Company’s debt as at September 30, 2023 was 5.9%, up from 4.9% as at September 30, 2022.

Income Tax Expense

The effective income tax rate for the three-month period ended September 30, 2023 was 26.2%, lower than the 26.5% reported in the same period of 2022. The decrease was mainly due to higher net investment gains in the current period, which were taxed at a lower capital gains effective tax rate.

Net Income and Diluted Earnings Per Share

The Company’s net income for the three-month period ended September 30, 2023 was $66.3 million, or $3.87 per share on a diluted basis, up 40.5% and 35.3%, respectively, compared to $47.2 million, or $2.86 per share on a diluted basis reported in the same period of 2022. Excluding the effects of adjusting items discussed in the “Key Performance Indicators and Non-IFRS Measures” section, the Company achieved record adjusted net income and record adjusted diluted earnings per share during the three-month period ended September 30, 2023 of $65.2 million and $3.81 per share on a diluted basis, respectively. Adjusted net income and adjusted diluted earnings per share increased by 34.2% and 29.2%, respectively, when compared to the same period of 2022. The increase in adjusted net income was primarily driven by the record operating income, partially offset by the incremental finance costs driven by higher borrowing levels to fund growth of the Company’s lending business and a higher cost of borrowing.

Analysis of Results for the Nine Months Ended September 30, 2023

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Variance $ / bps	Variance % Change
Summary Financial Results				
Revenue	**911,957**	746,010	165,947	22.2%
Bad debts	**250,069**	194,636	55,433	28.5%
Other operating expenses	**257,847**	232,787	25,060	10.8%
EBITDA[1]	**387,174**	270,506	116,668	43.1%
EBITDA margin[1]	**42.5%**	36.3%	620 bps	17.1%
Depreciation and amortization	**64,760**	62,061	2,699	4.3%
Operating income	**339,281**	256,526	82,755	32.3%
Operating margin	**37.2%**	34.4%	280 bps	8.1%
Other income (loss)	**8,461**	(23,050)	31,511	136.7%
Finance costs	**112,754**	76,421	36,333	47.5%
Effective income tax rate	**26.3%**	29.0%	(270 bps)	(9.3%)
Net income	**173,296**	111,585	61,711	55.3%
Diluted earnings per share	**10.14**	6.71	3.43	51.1%
Return on assets	**6.4%**	5.3%	110 bps	20.8%
Return on equity	**24.7%**	19.2%	550 bps	28.6%
Return on tangible common equity[1]	**35.6%**	31.2%	440 bps	14.1%
Adjusted Financial Results[1,2]				
Other operating expenses	**281,764**	254,545	27,219	10.7%
Efficiency ratio	**30.9%**	34.1%	(320 bps)	(9.4%)
Operating income	**350,517**	269,624	80,893	30.0%
Operating margin	**38.4%**	36.1%	230 bps	6.4%
Net income	**174,214**	141,235	32,979	23.4%
Diluted earnings per share	**10.19**	8.50	1.69	19.9%
Return on assets	**6.4%**	6.7%	(30 bps)	(4.5%)
Return on equity	**24.9%**	24.3%	60 bps	2.5%
Return on tangible common equity	**34.3%**	37.1%	(280 bps)	(7.5%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	**797,352**	633,642	163,710	25.8%
easyfinancial operating margin	**48.2%**	45.4%	280 bps	6.2%
easyhome revenue	**114,605**	112,368	2,237	2.0%
easyhome operating margin	**24.0%**	23.0%	100 bps	4.3%
Portfolio Indicators				
Gross consumer loans receivable	**3,430,276**	2,588,656	841,620	32.5%
Growth in consumer loans receivable	**635,582**	558,317	77,265	13.8%
Gross loan originations	**2,004,319**	1,745,251	259,068	14.8%
Total yield on consumer loans (including ancillary products)[1]	**35.4%**	38.3%	(290 bps)	(7.6%)
Net charge offs as a percentage of average gross consumer loans receivable	**8.9%**	9.1%	(20 bps)	(2.2%)
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**292,149**	192,434	99,715	51.8%
Potential monthly leasing revenue[1]	**7,411**	7,623	(212)	(2.8%)

[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. See description in sections "Portfolio Analysis", "Key Performance Indicators and Non-IFRS Measures" and "Financial Condition".
[s2] Adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section.

Locations Summary

	Locations as at December 31, 2022	Locations opened in the period	Locations closed in the period	Conversions	Locations as at September 30, 2023
easyfinancial					
Kiosks (in store)	2	-	-	-	**2**
Stand-alone locations	297	4	(6)	-	**295**
Operations Centres	3	-	-	-	**3**
Total easyfinancial locations	302	4	(6)	-	**300**
easyhome					
Corporately owned stores	120	-	(10)	-	**110**
Franchise stores	34	-	-	-	**34**
Total easyhome stores	154	-	(10)	-	**144**
Corporate					
Corporate office	1	-	-	-	**1**
Total corporate office	1	-	-	-	**1**

Summary of Financial Results by Reporting Segment

($ in 000's except earnings per share)	Nine Months Ended September 30, 2023			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	**618,086**	**26,174**	**-**	**644,260**
Lease revenue	**-**	**75,157**	**-**	**75,157**
Commissions earned	**162,348**	**10,627**	**-**	**172,975**
Charges and fees	**16,918**	**2,647**	**-**	**19,565**
	797,352	**114,605**	**-**	**911,957**
Operating expenses				
Bad debts	**240,120**	**9,949**	**-**	**250,069**
Other operating expenses	**144,825**	**45,280**	**67,742**	**257,847**
Depreciation and amortization	**28,133**	**31,840**	**4,787**	**64,760**
	413,078	**87,069**	**72,529**	**572,676**
Operating income (loss)	**384,274**	**27,536**	**(72,529)**	**339,281**
Other income				**8,461**
Finance costs				**(112,754)**
Income before income taxes				**234,988**
Income taxes				**61,692**
Net income				**173,296**
Diluted earnings per share				**10.14**

($ in 000's except earnings per share)	Nine Months Ended September 30, 2022			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	485,434	21,396	-	506,830
Lease revenue	-	78,195	-	78,195
Commissions earned	135,990	9,780	-	145,770
Charges and fees	12,218	2,997	-	15,215
	633,642	112,368	-	746,010
Operating expenses				
Bad debts	186,773	7,863	-	194,636
Other operating expenses	133,328	46,800	52,659	232,787
Depreciation and amortization	25,822	31,814	4,425	62,061
	345,923	86,477	57,084	489,484
Operating income (loss)	287,719	25,891	(57,084)	256,526
Other loss				(23,050)
Finance costs				(76,421)
Income before income taxes				157,055
Income taxes				45,470
Net income				111,585
Diluted earnings per share				6.71

Portfolio Performance

Consumer Loans Receivable

The gross consumer loans receivable portfolio increased to $3.43 billion as at September 30, 2023, from $2.59 billion as at September 30, 2022, an increase of $841.6 million, or 32.5%. Loan originations for the nine-month period were $2.00 billion, up 14.8% from 2022. The increase in consumer loans receivable was driven by a strong volume of applications for credit, leading to a record level of loan originations across several of the Company's products and acquisition channels.

The total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 35.4% in the current year to date period, down 290 bps from the same period of 2022. Total annualized yield decreased due to: i) organic growth of certain products which carry lower rates of interest such as home equity loans, automotive financing, point-of-sale financing in the powersports, home improvement, and healthcare and retail categories; ii) increased lending activity in the province of Quebec, where loans have lower rates of interest; iii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products; iv) a modest reduction in penetration rates on ancillary products; and v) the Company's strategy to reward borrowers for on-time payment behaviour, by gradually reducing the rate of interest charged.

Bad debt expense increased to $250.1 million for the nine-month period ended September 30, 2023, from $194.6 million in 2022, an increase of $55.4 million, or 28.5%. The following table details the components of bad debt expense:

	Nine Months Ended	
($in 000's)	**September 30, 2023**	**September 30, 2022**
Provision required due to net charge offs	**210,315**	158,103
Impact of loan book growth	**42,994**	39,271
Impact of change in allowance for credit losses rate during the period	**(3,240)**	(2,738)
Net change in allowance for credit losses	**39,754**	36,533
Bad debt expense	**250,069**	194,636

Bad debt expense increased by $55.4 million due to the following factors:

(i) Net charge offs increased from $158.1 million in the nine-month period ended September 30, 2022 to $210.3 million in the current year to date period, an increase of $52.2 million. Net charge offs in the nine-month ended period September 30, 2023 as a percentage of the average gross consumer loans receivable on an annualized basis were 8.9%, compared to 9.1% in 2022. The stable credit performance reflects the resilience of the non-prime consumer, coupled with improved product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021. The net charge off rate was in line with the Company's targeted range for 2023 of 8.0% to 10.0%.

(ii) The net change in allowance for credit losses was $39.8 million, compared to $36.5 million in the same period of 2022, an increase of $3.2 million due primarily to loan book growth. For the nine-month period ended September 30, 2023, the provision rate decreased from 7.62% to 7.37%, primarily due to the continued improvement in the product and credit mix of the loan portfolio and the proportion of loans secured by assets.

easyhome Leasing Portfolio

The leasing portfolio as measured by potential monthly leasing revenue as at September 30, 2023 was $7.4 million, down from $7.6 million in the same period of 2022. The easyhome leasing business is a mature business that has experienced a long-term gradual decline in sales volume, as consumer demand has shifted into alternate forms of financing purchases of everyday household items.

Revenue

Revenue for the nine-month period ended September 30, 2023 was $912.0 million, compared to $746.0 million in the same period of 2022, an increase of $166.0 million, or 22.2%. Revenue growth was mainly driven by the organic growth of the Company's consumer loan portfolio.

easyfinancial – Revenue in the first nine months of 2023 was $797.4 million, an increase of $163.7 million, or 25.8%, compared to the same period of 2022. The components of the increased revenue include:
(i) Interest income increased by $132.6 million, or 27.3%, driven by the growth in the loan portfolio, which includes growth of unsecured lending, automotive financing, home equity loans, point-of-sale financing and cross-selling activity across its consumer base, partially offset by lower interest yields due to improved product mix;
(ii) Commissions earned from sales of ancillary products and services increased by $26.4 million, or 19.4%, due to the larger consumer loan portfolio; and
(iii) Charges and fees increased by $4.7 million, or 38.5%, due to the larger consumer loan portfolio.

easyhome – Revenue for the first nine months of 2023 was $114.6 million, an increase of $2.2 million, or 2.0%, compared to the same period of 2022. Lending revenue within the easyhome stores increased by $5.8 million, compared to the same period of 2022. Traditional leasing revenue, including fees, was $3.6 million lower compared to the same period of 2022. Components of the increased revenue include:
(i) Interest revenue increased by $4.8 million, driven by the growth in the loans portfolio related to the easyhome business;
(ii) Leasing revenue was lower by $3.0 million due to a smaller lease portfolio; and
(iii) Commissions earned on the sale of ancillary products, charges and fees increased by $0.4 million.

Other Operating Expenses

Other operating expenses for the nine-month period ended September 30, 2023 were $257.8 million, an increase of $25.1 million, or 10.8%, compared to the same period in 2022. The increase in other operating expenses was mainly driven by higher operating costs to support the growing loan portfolio, moderated by the continued improvement in operating efficiency.

easyfinancial – Other operating expenses were $144.8 million in the first nine months of 2023, an increase of $11.5 million, or 8.6%, compared to 2022. The increase in other operating expenses was driven by incremental volume related costs to operate and manage the growing loan portfolio, partially offset by improved operating efficiency.

easyhome – Other operating expenses were $45.3 million for the first nine months of 2023, a decrease of $1.5 million, or 3.2%, when compared to the same period of 2022. The decrease in other operating expenses was driven by lower store costs due to the continued improvement in operating efficiency.

Corporate – Total other operating expenses for the first nine months of 2023 were $67.7 million, an increase of $15.1 million, or 28.6%, from 2022. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures", corporate expenses before depreciation and amortization represented 7.3% of revenues in 2023, compared to 6.6% of revenues in 2022. The increase was primarily due to incremental volume related costs to support the growing loan portfolio.

Depreciation and Amortization

Depreciation and amortization for the nine-month period ended September 30, 2023 was $64.8 million, an increase of $2.7 million, or 4.3%, from the same period in 2022, driven primarily by higher amortization of intangible assets and depreciation of right-of-use assets. Overall, depreciation and amortization represented 7.1% of revenue for the first nine months of 2023, a decline from 8.3% reported in the comparable period of 2022.

easyfinancial – Total depreciation and amortization was $28.1 million for the first nine months of 2023, an increase of $2.3 million, or 8.9%, when compared to the same period of 2022, driven primarily by higher amortization of intangible assets and depreciation of right-of-use assets due to new retail locations opened since September 30, 2022.

easyhome – Total depreciation and amortization expense was $31.8 million for the first nine months of 2023, relatively flat to the same period of 2022.

Corporate – Depreciation and amortization was $4.8 million for the first nine months of 2023, an increase of $0.4 million, or 8.2%, compared to the same period of 2022, driven primarily by higher depreciation of property and equipment.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the nine-month period ended September 30, 2023 was $339.3 million, up $82.8 million, or 32.3%, when compared to 2022. The Company's operating margin for the nine-month period ended September 30, 2022 was 37.2%, up from 34.4% reported in the same period of 2022. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures", the Company reported an adjusted operating income of $350.5 million, up $80.9 million, or 30.0%, when compared to 2022. The increase in adjusted operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. The Company reported an adjusted operating margin of 38.4%, compared with 36.1% reported in the same period of 2022, mainly driven by the higher operating margin in the easyfinancial reportable operating segment, as discussed below.

easyfinancial – Operating income was $384.3 million for the nine-month period ended September 30, 2023, compared with $287.7 million in the same period of 2022, an increase of $96.6 million, or 33.6%. The improved operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. easyfinancial revenue increased by $163.7 million, partially offset by an increase of $53.3 million in bad debt expense and an increase of $13.8 million in other costs to support the growing customer base and enhanced product offerings. easyfinancial's operating margin was 48.2%, 280 bps higher compared to 45.4% reported in the first nine months of 2022.

easyhome – Operating income was $27.5 million for the first nine months of 2023, an increase of $1.6 million compared to 2022. The increase was mainly driven by higher lending revenues during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin was 24.0%, higher than the 23.0% reported in the first nine months of 2022.

Other Income

During the nine-month period ended September 30, 2023, the Company recognized net investment income of $8.5 million related to fair value changes on the Company's investments, compared to $23.0 million of net investment loss in the same period of 2022.

Finance Costs

Finance costs for the nine-month period ended September 30, 2023 were $112.8 million, an increase of $36.3 million from the same period of 2022. The increase was mainly driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility. As at September 30, 2023, 93% of the Company's drawn debt balances effectively bear fixed rates due to the type of debt and the interest rate swap agreements on Revolving Securitization Warehouse Facilities. The average blended interest rate on drawn balances for the Company's debt as at September 30, 2023 was 5.9%, up from 4.9% as at September 30, 2022.

Income Tax Expense

The effective income tax rate for the nine-month period ended September 30, 2023 was 26.3%, lower than the 29.0% reported in the same period of 2022. The decrease was mainly due to net investment gains in the nine-month period ended September 30, 2023, compared to net investment losses in the same period of 2022, which were taxed at a lower capital gains effective tax rate.

Net Income and EPS

The Company's net income for the nine-month period ended September 30, 2023 was $173.3 million, or $10.14 per share on a diluted basis, up 55.3% and 51.1%, respectively, against the $111.6 million, or $6.71 per share on a diluted basis reported in the comparable period of 2022. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures" section, the adjusted net income for the nine-month period ended September 30, 2023 was $174.2 million, or $10.19 per share on a diluted basis, an increase of 23.4% and 19.9%, respectively, compared to the same period of 2022. The increase in adjusted net income was primarily driven by the strong operating income, partially offset by the incremental finance costs driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing.

Selected Quarterly Information

($ in millions except percentages and per share amounts)	September 2023	June 2023	March 2023	December 2022	September 2022	June 2022	March 2022	December 2021	September 2021
Gross consumer loans receivable	**3,430.3**	3,200.2	2,990.7	2,794.7	2,588.7	2,369.8	2,154.3	2,030.3	1,896.7
Revenue	**321.7**	302.9	287.3	273.3	262.2	251.7	232.1	234.4	219.8
Net income	**66.3**	55.6	51.4	28.6	47.2	38.3	26.1	50.0	63.5
Adjusted net income[1]	**65.2**	56.0	52.9	51.0	48.6	46.8	45.8	47.6	46.7
Return on assets	**7.0%**	6.2%	6.1%	3.6%	6.3%	5.5%	4.0%	7.9%	10.3%
Adjusted return on assets[1]	**6.9%**	6.2%	6.2%	6.3%	6.5%	6.7%	6.9%	7.5%	7.6%
Return on equity	**27.0%**	24.0%	23.2%	13.8%	24.2%	20.2%	13.5%	25.0%	32.7%
Adjusted return on equity[1]	**26.6%**	24.2%	23.9%	24.6%	24.9%	24.7%	23.8%	23.9%	24.0%
Return on tangible common equity[1]	**37.8%**	34.6%	34.4%	21.8%	38.5%	33.0%	22.8%	39.8%	52.3%
Adjusted return on tangible common equity[1]	**35.9%**	33.4%	33.8%	35.9%	37.7%	38.0%	36.5%	36.2%	37.1%
Net income as a percentage of revenue	**20.6%**	18.3%	17.9%	10.5%	18.0%	15.2%	11.2%	21.3%	28.9%
Adjusted net income as a percentage of revenue[1]	**20.3%**	18.5%	18.4%	18.7%	18.5%	18.6%	19.7%	20.3%	21.2%
Earnings per share[2]									
Basic	**3.93**	3.29	3.06	1.74	2.92	2.37	1.59	3.00	3.79
Diluted	**3.87**	3.26	3.01	1.71	2.86	2.32	1.55	2.90	3.66
Adjusted diluted[1]	**3.81**	3.28	3.10	3.05	2.95	2.83	2.72	2.76	2.70

[1] Adjusted net income is a non-IFRS measure. Adjusted diluted earnings per share, adjusted return on equity, adjusted return on assets and reported and adjusted return on tangible common equity are non-IFRS ratios. See descriptions in “Key Performance Indicators and Non-IFRS Measures” section. Please refer to page 32 of the June 30, 2023 MD&A, page 26 of the March 31, 2023 MD&A, page 43 of the December 31, 2022 MD&A, page 38 of the September 30, 2022 MD&A, page 37 of the June 30, 2022 MD&A, page 27 of the March 31, 2022 MD&A, page 50 of the December 31, 2021 MD&A and page 37 of the September 30, 2021 MD&A for the respective “Key Performance Indicators and Non-IFRS Measures” section for those periods. These MD&As are available on www.sedarplus.ca.

[2] Quarterly earnings per share are not additive and may not equal the annual earnings per share reported. This is due to the effect of shares issued or repurchased during the period on the basic weighted average number of common shares outstanding together with the effects of rounding.

Key financial measures for each of the last nine quarters are summarized in the table above and include the gross consumer loans receivable, revenue, net income, earnings per share, return on assets, return on equity, return on tangible common equity, and net income as a percentage of revenue over this timeframe. Revenue growth over this timeframe was primarily related to the growth of the Company’s consumer loan portfolio. The larger revenue base together with operating expense management, increased the Company’s adjusted net income and adjusted earnings per share. Adjusted return on assets and adjusted return on tangible common equity increased in most recent quarters due to the increase in earnings driven by the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage.

Portfolio Analysis

The Company generates its revenue from portfolios of consumer loans receivable and lease agreements. To a large extent, the Company's financial results are determined by the performance of these portfolios. The composition of these portfolios at the end of a period is a significant indicator of future financial results.

The Company measures the performance of its portfolios during a period and their make-up at the end of a period using a number of key performance indicators as described in more detail below. Several of these indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS. The discussion in this section refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to the Company's consolidated financial statements. The Company discusses these measures because it believes they facilitate the understanding of the results of its operations and financial position.

Consumer Loans Receivable

Loan Originations and Net Principal Written

Gross loan originations are the value of all consumer loans receivable advanced to the Company's customers during a period where new credit underwritings have been performed. Included in gross loan originations are loans to new customers and new loans to existing customers, a portion of which may be applied to eliminate prior borrowings. When the Company extends additional credit to an existing customer, a centralized credit analysis or full credit underwriting is performed using up-to-date information. Additionally, the loan repayment history of that customer throughout their relationship with the Company, along with their other borrowing and repayment activities, are considered in the credit decision. As a result, the quality of the credit decision made when evaluating an existing or prior customer is improved and has historically resulted in better performance. No additional credit is extended to a customer whose loan is delinquent.

Net principal written is a non-IFRS measure capturing the Company's gross loan originations during a period, excluding the portion of the originations used to repay prior borrowings. The Company uses net principal written, among other measures, to assess the operating performance of its lending business. Non-IFRS 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.

Gross loan originations and net principal written during the period were as follows:

	Three Months Ended		Nine Months Ended	
($ in 000's)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Gross loan originations	**721,917**	640,519	**2,004,319**	1,745,251
Loan originations to new customers	**358,330**	298,810	**1,009,568**	817,688
Loan originations to existing customers	**363,587**	341,709	**994,751**	927,563
Less: Proceeds applied to repay existing loans	**(195,725)**	(174,746)	**(532,724)**	(471,663)
Net advance to existing customers	**167,862**	166,963	**462,027**	455,900
Net principal written	**526,192**	465,773	**1,471,595**	1,273,588

Gross Consumer Loans Receivable

The Company measures the size of its lending portfolio in terms of gross consumer loans receivable. Gross consumer loans receivable reflects the period-end balance of the portfolio before provisioning for potential future charge offs. Growth in gross consumer loans receivable is driven by several factors including the number of customers and average loan value per customer. Changes in gross consumer loans receivable during the periods were as follows:

	Three Months Ended		Nine Months Ended	
($ in 000's)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Opening gross consumer loans receivable	**3,200,213**	2,369,843	**2,794,694**	2,030,339
Gross loan originations	**721,917**	640,519	**2,004,319**	1,745,251
Gross principal payments and other adjustments	**(407,817)**	(354,389)	**(1,129,532)**	(1,004,333)
Gross charge offs before recoveries	**(84,037)**	(67,317)	**(239,205)**	(182,601)
Net growth in gross consumer loans receivable during the period	**230,063**	218,813	**635,582**	558,317
Ending gross consumer loans receivable	**3,430,276**	2,588,656	**3,430,276**	2,588,656

The scheduled principal repayment aging analyses of the gross consumer loans receivable portfolio as at September 30, 2023 and 2022 are as follows:

	September 30, 2023		September 30, 2022	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
0 – 6 months	**240,336**	**7.0%**	225,861	8.7%
6 – 12 months	**172,823**	**5.0%**	161,776	6.2%
12 – 24 months	**381,493**	**11.1%**	366,041	14.1%
24 – 36 months	**495,718**	**14.5%**	439,042	17.0%
36 – 48 months	**549,942**	**16.0%**	441,712	17.1%
48 – 60 months	**508,468**	**14.8%**	307,142	11.9%
60 months +	**1,081,496**	**31.6%**	647,082	25.0%
Gross consumer loans receivable	**3,430,276**	**100.0%**	2,588,656	100.0%

Gross consumer loans receivable with principal repayments beyond 60 months as at September 30, 2023 increased by 660 bps, when compared to September 30, 2022, primarily due to the shift in product mix towards a higher proportion of secured loans, which have longer payment terms.

Gross consumer loans receivable portfolio categorized by the contractual time to maturity as at September 30, 2023 and 2022 are summarized as follows:

	September 30, 2023		September 30, 2022	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
0 – 1 year	**70,889**	**2.1%**	64,246	2.5%
1 – 2 years	**140,906**	**4.1%**	141,890	5.5%
2 – 3 years	**282,880**	**8.2%**	325,017	12.6%
3 – 4 years	**550,239**	**16.0%**	560,060	21.6%
4 – 5 years	**545,890**	**15.9%**	502,201	19.4%
5 years +	**1,839,472**	**53.7%**	995,242	38.4%
Gross consumer loans receivable	**3,430,276**	**100.0%**	2,588,656	100.0%

Gross consumer loans receivable with contractual times to maturity beyond 5 years as at September 30, 2023 increased by 1,530 bps, when compared to September 30, 2022, primarily due to the shift in product mix towards a higher proportion of secured loans, which have longer payment terms.

Loans are originated and serviced by both the easyfinancial and easyhome reportable segments. A breakdown of gross consumer loans receivable between these segments is as follows:

	September 30, 2023		September 30, 2022	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Gross consumer loans receivable, easyfinancial	**3,327,648**	**97.0%**	2,505,626	96.8%
Gross consumer loans receivable, easyhome	**102,628**	**3.0%**	83,030	3.2%
Gross consumer loans receivable	**3,430,276**	**100.0%**	2,588,656	100.0%

Financial Revenue and Net Financial Income

Financial revenue, a non-IFRS measure, is generated by both the easyfinancial and easyhome reportable segments. Financial revenue includes interest and various other ancillary fees generated by the Company's gross consumer loans receivable. Financial revenue is calculated as total Company revenue less leasing revenue from the easyhome reportable segment.

Net financial income is a non-IFRS measure that details the profitability of the Company's gross consumer loans receivable before costs to originate or administer. Net financial income is calculated by deducting interest expense, amortization of deferred financing charges and bad debt expense from financial revenue. Net financial income is impacted by the size of gross consumer loans receivable, portfolio yield, amount and cost of the Company's debt, the Company's leverage ratio and bad debt expense incurred in the period. The Company uses net financial income, among other measures, to assess the operating performance of its loan portfolio. Non-IFRS 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.

	Three Months Ended		**Nine Months Ended**	
($ in 000's)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Total Company revenue	**321,732**	262,216	**911,957**	746,010
Less: Leasing revenue	**(25,925)**	(27,074)	**(79,689)**	(83,281)
Financial revenue	**295,807**	235,142	**832,268**	662,729
Less: Finance costs	**(40,875)**	(28,497)	**(112,754)**	(76,421)
Add: Interest expense on lease liabilities	**955**	895	**2,871**	2,586
Less: Bad debt expense	**(89,539)**	(72,551)	**(250,069)**	(194,636)
Net financial income	**166,348**	134,989	**472,316**	394,258

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 and is calculated as the financial revenue generated, including revenue generated on the sale of ancillary products, on the Company's gross consumer loans receivable, divided by the average of the month-end loan balances for the indicated period. For interim periods, the rate is annualized. The Company uses total yield on gross consumer loans as a percentage of average gross consumer loans receivable, among other measures, to assess the operating performance of its loan portfolio.

	Three Months Ended		**Nine Months Ended**	
($in 000's except percentages)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Total Company revenue	**321,732**	262,216	**911,957**	746,010
Less: Leasing revenue	**(25,925)**	(27,074)	**(79,689)**	(83,281)
Financial revenue	**295,807**	235,142	**832,268**	662,729
Multiplied by number of periods in a year	**X 4**	X 4	**X 4/3**	X 4/3
Divided by average gross consumer loans receivable	**3,354,550**	2,516,122	**3,135,118**	2,304,371
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	**35.3%**	37.4%	**35.4%**	38.3%

Net Charge Offs

In addition to loan originations, gross consumer loans receivable are impacted by charge offs. Unsecured customer loan balances that are delinquent greater than 90 days and secured customer loan balances that are delinquent greater than 180 days are charged off. In addition, customer loan balances are charged off upon notification that the customer is insolvent, following a detailed review of the filing. Subsequent collections of previously charged off accounts are netted against gross charge offs during a period to arrive at net charge offs.

Average gross consumer loans receivable has been calculated based on the average of the month-end loan balances for the indicated period. This metric is a measure of the collection performance of gross consumer loans receivable. For interim periods, the rate is annualized.

	Three Months Ended		Nine Months Ended	
($in 000's except percentages)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Net charge offs against allowance	**74,054**	58,257	**210,315**	158,103
Multiplied by number of periods in a year	**X 4**	X 4	**X 4/3**	X 4/3
Divided by average gross consumer loans receivable	**3,354,550**	2,516,122	**3,135,118**	2,304,371
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**8.8%**	9.3%	**8.9%**	9.1%

Allowance for Credit Losses

The allowance for expected credit losses is a provision that is reported on the Company's statement of financial position that is netted against gross consumer loans receivable to arrive at net consumer loans receivable. The allowance for expected credit losses provides for credit losses that are expected to transpire in future periods. Customer loans for which we have received a notification of bankruptcy, unsecured customer loan balances that are delinquent greater than 90 days and secured customer loan balances that are delinquent greater than 180 days are charged off against the allowance for loan losses.

	Three Months Ended		Nine Months Ended	
($in 000's except percentages)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Allowance for credit losses, beginning of period	**237,310**	182,001	**213,041**	159,762
Net charge offs against allowance	**(74,054)**	(58,257)	**(210,315)**	(158,103)
Bad debt expense	**89,539**	72,551	**250,069**	194,636
Allowance for credit losses, end of period	**252,795**	196,295	**252,795**	196,295
Allowance for credit losses as a percentage of the ending gross consumer loans receivable	**7.37%**	7.58%	**7.37%**	7.58%

IFRS 9 requires that Forward Looking Indicators ("FLIs") be considered when determining the allowance for credit losses. Historically, the four key macroeconomic variables contributing to credit risk and losses within the Company's loan portfolio have been: unemployment rates, inflation rates, gross domestic product ("GDP") growth and the price of oil. Analysis performed by the Company determined that a forecasted increase in the rates of unemployment and inflation, a decrease in the expected future price of oil from current rates or a decrease in the rate of GDP growth has historically tended to increase charge offs. Conversely, a forecasted decrease in the rate of unemployment, rate of inflation, an increase in the expected future price of oil from the rates or an increase in the GDP growth rate has historically tended to decrease charge offs.

In calculating the allowance for credit losses, internally developed models were used, which factor in credit risk related parameters including probability of default, exposure at default, loss given default and other relevant risk factors. As part of the process, the Company employed five distinct forecast scenarios, derived from FLI forecasts produced by Moody's Analytics, which include neutral, moderately optimistic, extremely optimistic, moderately pessimistic and extremely pessimistic scenarios. These scenarios use a combination of four inter-related macroeconomic variables, being unemployment rates, GDP, inflation rates and oil prices, to determine a probability weighted allowance. Management judgment is then applied to the recommended probability weightings to these scenarios to determine a probability weighted allowance for credit losses.

The following table shows the key macroeconomic variables used in the determination of the probability weighted allowance during the forecast periods as at September 30, 2023 and 2022, respectively.

12-Month Forward-Looking Macroeconomic Variables (Average annual)	Neutral	Moderately Optimistic	Extremely Optimistic	Moderately Pessimistic	Extremely Pessimistic
September 30, 2023					
Unemployment rate[1]	**5.92%**	**5.13%**	**4.44%**	**8.15%**	**9.57%**
GDP growth rate[2]	**1.03%**	**2.07%**	**2.86%**	**(1.03%)**	**(2.23%)**
Inflation growth rate[3]	**2.50%**	**2.52%**	**2.55%**	**2.50%**	**2.33%**
Oil prices[4]	**$83.15**	**$85.70**	**$87.81**	**$66.67**	**$56.79**
September 30, 2022					
Unemployment rate[1]	5.79%	5.00%	4.31%	8.02%	9.43%
GDP growth rate[2]	1.36%	2.69%	3.36%	(0.58%)	(1.88%)
Inflation growth rate[3]	4.63%	4.24%	3.90%	5.93%	6.73%
Oil prices[4]	$90.25	$87.70	$85.32	$102.05	$121.00

[1] An average of the projected monthly unemployment rates over the next 12-month forecast period.
[2] A projected year-over-year GDP growth rate.
[3] A projected year-over-year inflation growth rate.
[4] An average of the projected monthly oil prices over the next 12-month forecast period.

The assignment of the probability weighting for the various scenarios using these variables involves management judgment through a robust internal review and analysis to arrive at a collective view on the likelihood of each scenario taking into account current economic conditions and the implications for near-term macroeconomic performance. If management were to assign 100% probability to the extremely pessimistic scenario forecast, the allowance for credit losses would have been $284.2 million, $31.4 million or 12.4% higher than the reported allowance for credit losses as at September 30, 2023 (September 30, 2022 – $207.6 million, $11.3 million or 5.8% higher than the reported allowance for credit losses). This sensitivity above does not consider the migration of exposure and/or changes in credit risk that would have occurred in the loan portfolio due to risk mitigation actions or other factors.

Aging of Gross Consumer Loans Receivable

An aging analysis of gross consumer loans receivable at the end of the periods is as follows:

	September 30, 2023		**September 30, 2022**	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Current	**3,253,687**	**94.9%**	2,448,575	94.4%
Days past due				
1 – 30 days	**107,577**	**3.1%**	72,231	2.8%
31 – 44 days	**21,050**	**0.6%**	19,536	0.8%
45 – 60 days	**13,351**	**0.4%**	15,102	0.6%
61 – 90 days	**21,036**	**0.6%**	22,111	0.9%
91 – 120 days	**6,335**	**0.2%**	4,585	0.2%
121 – 150 days	**4,868**	**0.1%**	3,983	0.2%
151 – 180 days	**2,372**	**0.1%**	2,533	0.1%
	176,589	**5.1%**	140,081	5.6%
Gross consumer loans receivable	**3,430,276**	**100.0%**	2,588,656	100.0%

A large portion of the Company's gross consumer loans receivable operates on a bi-weekly rather than monthly repayment cycle. As such, the aging analysis between different fiscal periods may not be comparable depending upon the day of the week on which the fiscal period ends. An alternate aging analysis prepared as of the last Saturday of the fiscal periods may present a more relevant comparison.

Aging analysis of the gross consumer loans receivable as of the last Saturday of the periods is as follows:

	Saturday, September 30, 2023	**Saturday, September 24, 2022**
	% of total	**% of total**
Current	**94.9%**	93.2%
Days past due		
1 – 30 days	**3.1%**	3.8%
31 – 44 days	**0.6%**	0.8%
45 – 60 days	**0.4%**	0.8%
61 – 90 days	**0.6%**	0.9%
91 – 120 days	**0.2%**	0.2%
121 – 150 days	**0.1%**	0.2%
151 – 180 days	**0.1%**	0.1%
	5.1%	6.8%
Gross consumer loans receivable	**100.0%**	100.0%

Gross Consumer Loans Receivable by Geography

At the end of the periods, the Company's gross consumer loans receivable were allocated among the following geographic regions:

($ in 000's except percentages)	September 30, 2023 $	September 30, 2023 % of total	September 30, 2022 $	September 30, 2022 % of total
Newfoundland & Labrador	**94,489**	**2.8%**	77,976	3.0%
Nova Scotia	**163,783**	**4.8%**	128,216	5.0%
Prince Edward Island	**21,022**	**0.6%**	16,845	0.7%
New Brunswick	**142,664**	**4.2%**	116,554	4.5%
Quebec	**422,543**	**12.3%**	319,973	12.4%
Ontario	**1,312,936**	**38.3%**	973,624	37.6%
Manitoba	**140,682**	**4.1%**	105,248	4.1%
Saskatchewan	**155,728**	**4.5%**	122,736	4.7%
Alberta	**593,177**	**17.3%**	433,031	16.7%
British Columbia	**354,529**	**10.3%**	270,826	10.5%
Territories	**28,723**	**0.8%**	23,627	0.8%
Gross consumer loans receivable	**3,430,276**	**100.0%**	2,588,656	100.0%

Gross Consumer Loans Receivable by Loan Type

At the end of the periods, the allocation of the Company's gross consumer loans receivable based on loan type is as follows:

($ in 000's except percentages)	September 30, 2023 $	September 30, 2023 % of total	September 30, 2022 $	September 30, 2022 % of total
Unsecured instalment loans	**2,008,661**	**58.6%**	1,616,485	62.4%
Secured instalment loans[1]	**1,421,615**	**41.4%**	972,171	37.6%
Gross consumer loans receivable	**3,430,276**	**100.0%**	2,588,656	100.0%

[1] Secured instalment loans include loans secured by real estate, personal property or a Notice of Security Interest.

Leasing Portfolio Analysis

Potential Monthly Leasing Revenue

Potential monthly leasing revenue is a supplementary financial measure. The Company measures its leasing portfolio and the performance of its easyhome business through potential monthly leasing revenue. Potential monthly leasing revenue reflects the lease revenue that the Company's portfolio of leased merchandise would generate in a month providing it collected all lease payments contractually due in that period, but excludes revenue generated by certain ancillary products. Potential monthly leasing revenue is an important indicator of the future revenue generating potential of the Company's lease portfolio. Potential monthly leasing revenue is calculated as the number of lease agreements outstanding, multiplied by the average required monthly lease payment per agreement.

Potential monthly leasing revenue is calculated as follows:

	September 30, 2023	September 30, 2022
Total number of lease agreements	**68,987**	72,764
Multiplied by the average required monthly lease payment per agreement	**107.43**	104.76
Potential monthly leasing revenue ($ in 000's)	**7,411**	7,623

Changes in potential monthly leasing revenue during the periods was as follows:

	Three Months Ended		Nine Months Ended	
($in 000's)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Opening potential monthly leasing revenue	**7,558**	7,634	**7,868**	8,193
Decrease due to store closures or sales during the period	**(69)**	(27)	**(158)**	(87)
(Decrease) / increase due to ongoing operations	**(78)**	16	**(299)**	(483)
Net change	**(147)**	(11)	**(457)**	(570)
Ending potential monthly leasing revenue	**7,411**	7,623	**7,411**	7,623

Potential Monthly Leasing Revenue by Product Category

At the end of the periods, the Company's leasing portfolio, as measured by potential monthly leasing revenue was allocated among the following product categories:

	September 30, 2023		September 30, 2022	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Furniture	**3,153**	**42.6%**	3,168	41.6%
Electronics	**2,367**	**31.9%**	2,465	32.3%
Appliances	**1,110**	**15.0%**	1,126	14.8%
Computers	**781**	**10.5%**	864	11.3%
Potential monthly leasing revenue	**7,411**	**100.0%**	7,623	100.0%

Potential Monthly Leasing Revenue by Geography

At the end of the periods, the Company's leasing portfolio as measured by potential monthly leasing revenue, was allocated among the following geographic regions:

	September 30, 2023		September 30, 2022	
($ in 000's except percentages)	$	% of total	$	% of total
Newfoundland & Labrador	**647**	**8.7%**	651	8.5%
Nova Scotia	**732**	**9.9%**	718	9.4%
Prince Edward Island	**125**	**1.7%**	126	1.7%
New Brunswick	**617**	**8.3%**	620	8.1%
Quebec	**546**	**7.4%**	538	7.1%
Ontario	**2,270**	**30.6%**	2,389	31.3%
Manitoba	**241**	**3.3%**	221	2.9%
Saskatchewan	**321**	**4.3%**	347	4.6%
Alberta	**1,167**	**15.7%**	1,176	15.4%
British Columbia	**745**	**10.1%**	837	11.0%
Potential monthly leasing revenue	**7,411**	**100.0%**	7,623	100.0%

Leasing Charge Offs as a Percentage of Leasing Revenue

The Company's leasing charge offs as a percentage of leasing revenue is a non-IFRS ratio. When easyhome enters into a leasing transaction with a customer, a sale is not recorded as the Company retains ownership of the related asset under the lease. Instead, the Company recognizes its leasing revenue over the term of the lease as payments are received from the customer. Periodically, the lease agreement is terminated by the customer or by the Company prior to the anticipated end date of the lease and the assets are returned by the customer to the Company. In some instances, the Company is unable to regain possession of the assets which are then charged off. Net charge offs (charge offs less subsequent recoveries of previously charged off assets) are included in the depreciation of lease assets expense for financial reporting purposes. easyhome leasing revenue is a non-IFRS measure and is calculated as total Company revenue less financial revenue. The Company uses leasing charge offs as a percentage of leasing revenue, among other measures, to assess the operating performance of its leasing portfolio. Non-IFRS ratios 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.

	Three Months Ended		Nine Months Ended	
($in 000's except percentages)	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Depreciation of lease assets	**8,415**	8,371	**25,328**	25,031
Less: Lease asset depreciation excluding net charge offs	**(7,399)**	(7,293)	**(22,682)**	(22,314)
Net charge offs	**1,016**	1,078	**2,646**	2,717
Total Company revenue	**321,732**	262,216	**911,957**	746,010
Less: Financial revenue	**(295,807)**	(235,142)	**(832,268)**	(662,729)
Leasing revenue	**25,925**	27,074	**79,689**	83,281
Net charge offs as a percentage of leasing revenue	**3.9%**	4.0%	**3.3%**	3.3%

Key Performance Indicators and Non-IFRS Measures

In addition to the reported financial results under IFRS and the metrics described in the Portfolio Analysis section of this MD&A, the Company also measures the success of its strategy using a number of key performance indicators as described in more detail below. Several of these key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

The discussion in this section refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to the Company's consolidated financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Several non-IFRS measures that are used throughout this discussion are defined as follows:

Adjusted Net Income and Adjusted Diluted Earnings Per Share

At various times, net income and diluted earnings per share may be affected by adjusting items that have occurred in the period and impact the comparability of these measures with other periods. Adjusting items include items that are outside of normal business activities and are significant in amount and scope, which management believes are not reflective of underlying business performance. Adjusted net income and adjusted diluted earnings per share are non-IFRS measures. The Company defines: i) adjusted net income as net income excluding such adjusting items; and ii) adjusted diluted earnings per share as diluted earnings per share excluding such adjusting items. The Company believes that adjusted net income and adjusted diluted earnings per share are important measures of the profitability of operations.

Items used to calculate adjusted net income and adjusted diluted earnings per share for the three and nine-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

($ in 000's except earnings per share)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income as stated	**66,310**	47,189	**173,296**	111,585
Impact of adjusting items				
Other operating expenses				
Contract exit fee[1]	**-**	-	**934**	-
Integration costs[2]	**166**	170	**477**	959
Corporate development costs[4]	**-**	-	**-**	2,314
Depreciation and amortization				
Amortization of acquired intangible assets[3]	**3,275**	3,275	**9,825**	9,825
Other (income) loss[5]	**(4,148)**	(1,294)	**(8,461)**	23,050
Total pre-tax impact of adjusting items	**(707)**	2,151	**2,775**	36,148
Income tax impact of above adjusting items	**(362)**	(714)	**(1,857)**	(6,498)
After-tax impact of adjusting items	**(1,069)**	1,437	**918**	29,650
Adjusted net income	**65,241**	48,626	**174,214**	141,235
Weighted average number of diluted shares outstanding	**17,144**	16,510	**17,090**	16,619
Diluted earnings per share as stated	**3.87**	2.86	**10.14**	6.71
Per share impact of adjusting items	**(0.06)**	0.09	**0.05**	1.79
Adjusted diluted earnings per share	**3.81**	2.95	**10.19**	8.50

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 nine-month periods ended September 30, 2023, net investment income was mainly due to fair value changes on the Company's investments. For the three and nine-month periods ended September 30, 2022, net investment losses were mainly due to fair value changes on the Company's investments.

Adjusted Net Income as a Percentage of Revenue

Adjusted net income as a percentage of revenue is a non-IFRS ratio. The Company believes that adjusted net income as a percentage of revenue is an important measure of the profitability of the Company's operations.

	Three Months Ended			
($ in 000's except percentages)	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	**66,310**	**66,310**	47,189	47,189
After-tax impact of adjusting items[1]	**-**	**(1,069)**	-	1,437
Adjusted net income	**66,310**	**65,241**	47,189	48,626
Divided by revenue	**321,732**	**321,732**	262,216	262,216
Net income as a percentage of revenue	**20.6%**	**20.3%**	18.0%	18.5%

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

	Nine Months Ended			
($ in 000's except percentages)	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	**173,296**	**173,296**	111,585	111,585
After-tax impact of adjusting items[1]	**-**	**918**	-	29,650
Adjusted net income	**173,296**	**174,214**	111,585	141,235
Divided by revenue	**911,957**	**911,957**	746,010	746,010
Net income as a percentage of revenue	**19.0%**	**19.1%**	15.0%	18.9%

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

Adjusted Other Operating Expenses and Efficiency Ratio

Adjusted other operating expenses is a non-IFRS measure. The Company defines adjusted other operating expenses as other operating expenses including depreciation of lease assets but excluding other operating expenses that are outside of normal business activities and are significant in amount and scope. Efficiency ratio is a non-IFRS ratio. The Company defines efficiency ratio as adjusted other operating expenses divided by total revenue. The Company believes efficiency ratio is an important measure of the profitability of the Company's operations.

	Three Months Ended		**Nine Months Ended**	
($ in 000's except earnings per share)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Other operating expenses as stated	**83,895**	77,307	**257,847**	232,787
Impact of adjusting items[1]				
Other operating expenses				
Contract exit fee	**-**	-	**(934)**	-
Integration costs	**(166)**	(170)	**(477)**	(959)
Corporate development costs	**-**	-		(2,314)
Depreciation and amortization				
Depreciation of lease assets	**8,415**	8,371	**25,328**	25,031
Total impact of adjusting items	**8,249**	8,201	**23,917**	21,758
Adjusted other operating expenses	**92,144**	85,508	**281,764**	254,545
Total revenue	**321,732**	262,216	**911,957**	746,010
Efficiency ratio	**28.6%**	32.6%	**30.9%**	34.1%

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

Adjusted Operating Margin

Adjusted operating margin is a non-IFRS ratio. The Company defines adjusted operating margin as adjusted operating income divided by revenue for the Company as a whole and for its reporting segments: easyfinancial and easyhome. The Company defines adjusted operating income as operating income excluding adjusting items. The Company believes adjusted operating margin is an important measure of the profitability of its operations, which in turn assists it in assessing the Company's ability to generate cash to pay interest on its debt and to pay dividends.

	Three Months Ended			
($ in 000's except percentages)	**September 30, 2023**	**September 30, 2023 (adjusted)**	**September 30, 2022**	**September 30, 2022 (adjusted)**
easyfinancial				
Operating income	**140,125**	**140,125**	101,812	101,812
Divided by revenue	**283,622**	**283,622**	224,918	224,918
easyfinancial operating margin	**49.4%**	**49.4%**	45.3%	45.3%
easyhome				
Operating income	**9,229**	**9,229**	7,782	7,782
Divided by revenue	**38,110**	**38,110**	37,298	37,298
easyhome operating margin	**24.2%**	**24.2%**	20.9%	20.9%
Total				
Operating income	**126,563**	**126,563**	91,378	91,378
Other operating expenses[1]				
Integration costs	**-**	**166**	-	170
Depreciation and amortization[1]				
Amortization of acquired intangible assets	**-**	**3,275**	-	3,275
Adjusted operating income	**126,563**	**130,004**	91,378	94,823
Divided by revenue	**321,732**	**321,732**	262,216	262,216
Total operating margin	**39.3%**	**40.4%**	34.8%	36.2%

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

($ in 000's except percentages)	Nine Months Ended September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
easyfinancial				
Operating income	**384,274**	**384,274**	287,719	287,719
Divided by revenue	**797,352**	**797,352**	633,642	633,642
easyfinancial operating margin	**48.2%**	**48.2%**	45.4%	45.4%
easyhome				
Operating income	**27,536**	**27,536**	25,891	25,891
Divided by revenue	**114,605**	**114,605**	112,368	112,368
easyhome operating margin	**24.0%**	**24.0%**	23.0%	23.0%
Total				
Operating income	**339,281**	**339,281**	256,526	256,526
Other operating expenses[1]				
Contract exit fee	**-**	**934**	-	-
Integration costs	**-**	**477**	-	959
Corporate development costs	**-**	**-**	-	2,314
Depreciation and amortization[1]				
Amortization of acquired intangible assets	**-**	**9,825**	-	9,825
Adjusted operating income	**339,281**	**350,517**	256,526	269,624
Divided by revenue	**911,957**	**911,957**	746,010	746,010
Total operating margin	**37.2%**	**38.4%**	34.4%	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 and EBITDA margin is a non-IFRS ratio. The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, excluding depreciation of lease assets. EBITDA margin is calculated as EBITDA divided by revenue. The Company uses EBITDA and EBITDA margin, among other measures, to assess the operating performance of its ongoing businesses.

	Three Months Ended		Nine Months Ended	
($in 000's except percentages)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Net income as stated	**66,310**	47,189	**173,296**	111,585
Finance cost	**40,875**	28,497	**112,754**	76,421
Income tax expense	**23,526**	16,986	**61,692**	45,470
Depreciation and amortization	**21,735**	20,980	**64,760**	62,061
Depreciation of lease assets	**(8,415)**	(8,371)	**(25,328)**	(25,031)
EBITDA	**144,031**	105,281	**387,174**	270,506
Divided by revenue	**321,732**	262,216	**911,957**	746,010
EBITDA margin	**44.8%**	40.2%	**42.5%**	36.3%

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

Free cash flows from operations before net growth in gross consumer loans receivable is a non-IFRS measure. The Company defines free cash flows from operations before net growth in gross consumer loans receivable as cash provided by (used in) operating activities, adjusted for the costs of investments made to grow gross consumer loans receivable. The Company believes free cash flows from operations before net growth in gross consumer loans receivable is an important performance indicator to assess the cash generating ability of its existing loan portfolio.

	Three Months Ended		Nine Months Ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Cash used in operating activities	**(96,488)**	(123,225)	**(343,433)**	(365,883)
Net growth in gross consumer loans receivable during the period	**230,063**	218,813	**635,582**	558,317
Free cash flows from operations before net growth in gross consumer loans receivable	**133,575**	95,588	**292,149**	192,434

Return on Assets

Adjusted return on assets is a non-IFRS ratio. The Company defines adjusted return on assets as annualized adjusted net income divided by average total assets for the period. The Company believes adjusted return on assets is an important measure of how total assets are utilized in the business.

	Three Months Ended			
($in 000's except percentages)	**September 30, 2023**	**September 30, 2023 (adjusted)**	**September 30, 2022**	**September 30, 2022 (adjusted)**
Net income as stated	**66,310**	**66,310**	47,189	47,189
After-tax impact of adjusting items[1]	**-**	**(1,069)**	-	1,437
Adjusted net income	**66,310**	**65,241**	47,189	48,626
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average total assets for the period	**3,808,271**	**3,808,271**	3,012,832	3,012,832
Return on assets	**7.0%**	**6.9%**	6.3%	6.5%

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

	Nine Months Ended			
($in 000's except percentages)	**September 30, 2023**	**September 30, 2023 (adjusted)**	**September 30, 2022**	**September 30, 2022 (adjusted)**
Net income as stated	**173,296**	**173,296**	111,585	111,585
After-tax impact of adjusting items[1]	**-**	**918**	-	29,650
Adjusted net income	**173,296**	**174,214**	111,585	141,235
Multiplied by number of periods in a year	**X 4/3**	**X 4/3**	X 4/3	X 4/3
Divided by average total assets for the period	**3,603,372**	**3,603,372**	2,827,534	2,827,534
Return on assets	**6.4%**	**6.4%**	5.3%	6.7%

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

Return on Equity

Adjusted return on equity is a non-IFRS ratio. The Company defines adjusted return on equity as annualized adjusted net income in the period, divided by average shareholders' equity for the period. The Company believes adjusted return on equity is an important measure of how shareholders' invested capital is utilized in the business.

	Three Months Ended			
($in 000's except percentages)	**September 30, 2023**	**September 30, 2023 (adjusted)**	**September 30, 2022**	**September 30, 2022 (adjusted)**
Net income as stated	**66,310**	**66,310**	47,189	47,189
After-tax impact of adjusting items[1]	**-**	**(1,069)**	-	1,437
Adjusted net income	**66,310**	**65,241**	47,189	48,626
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average shareholders' equity for the period	**982,871**	**982,871**	780,215	780,215
Return on equity	**27.0%**	**26.6%**	24.2%	24.9%

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

	Nine Months Ended			
($in 000's except percentages)	**September 30, 2023**	**September 30, 2023 (adjusted)**	**September 30, 2022**	**September 30, 2022 (adjusted)**
Net income as stated	**173,296**	**173,296**	111,585	111,585
After-tax impact of adjusting items[1]	**-**	**918**	-	29,650
Adjusted net income	**173,296**	**174,214**	111,585	141,235
Multiplied by number of periods in a year	**X 4/3**	**X 4/3**	X 4/3	X 4/3
Divided by average shareholders' equity for the period	**934,383**	**934,383**	775,414	775,414
Return on equity	**24.7%**	**24.9%**	19.2%	24.3%

[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. The Company defines return on tangible common equity as net income, adjusted for the after-tax amortization of acquisition-related intangible assets, which are treated as adjusting items, as a percentage of average tangible common equity. Tangible common equity is calculated as shareholders' equity for the period, less goodwill and acquisition-related intangible assets, net of related deferred tax liabilities. Adjusted net income before after-tax amortization of intangible assets excludes the impact of adjusting items. The Company believes adjusted return on tangible common equity is an important measure of how shareholders' invested tangible capital is utilized in the business.

	Three Months Ended			
($ in 000's except percentages)	**September 30, 2023**	**September 30, 2023 (adjusted)**	**September 30, 2022**	**September 30, 2022 (adjusted)**
Net income as stated	**66,310**	**66,310**	47,189	47,189
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	**68,717**	**68,717**	49,596	49,596
Impact of adjusting items[1]				
Other operating expenses				
Integration costs	**-**	**166**	-	170
Other income	**-**	**(4,148)**	-	(1,294)
Total pre-tax impact of adjusting items	**-**	**(3,982)**	-	(1,124)
Income tax impact of above adjusting items	**-**	**506**	-	154
After-tax impact of adjusting items	**-**	**(3,476)**	-	(970)
Adjusted net income	**68,717**	**65,241**	49,596	48,626
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Average shareholders' equity	**982,871**	**982,871**	780,215	780,215
Average goodwill	**(180,923)**	**(180,923)**	(180,923)	(180,923)
Average acquired intangible assets[2]	**(100,979)**	**(100,979)**	(114,079)	(114,079)
Average related deferred tax liabilities	**26,759**	**26,759**	30,231	30,231
Divided by average tangible common equity	**727,728**	**727,728**	515,444	515,444
Return on tangible common equity	**37.8%**	**35.9%**	38.5%	37.7%

[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.

($ in 000's except percentages)	Nine Months Ended September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	**173,296**	**173,296**	111,585	111,585
Amortization of acquired intangible assets	**9,825**	**9,825**	9,825	9,825
Income tax impact of the above item	**(2,604)**	**(2,604)**	(2,604)	(2,604)
Net income before amortization of acquired intangible assets, net of income tax	**180,517**	**180,517**	118,806	118,806
Impact of adjusting items[1]				
Other operating expenses				
Contract exit fee	**-**	**934**	-	-
Integration costs	**-**	**477**	-	959
Corporate development costs	**-**	**-**	-	2,314
Other (income) loss	**-**	**(8,461)**	-	23,050
Total pre-tax impact of adjusting items	**-**	**(7,050)**	-	26,323
Income tax impact of above adjusting items	**-**	**747**	-	(3,894)
After-tax impact of adjusting items	**-**	**(6,303)**	-	22,429
Adjusted net income	**180,517**	**174,214**	118,806	141,235
Multiplied by number of periods in a year	**X 4/3**	**X 4/3**	X 4/3	X 4/3
Average shareholders' equity	**934,383**	**934,383**	775,414	775,414
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	**676,833**	**676,833**	508,236	508,236
Return on tangible common equity	**35.6%**	**34.3%**	31.2%	37.1%

[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.

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at September 30, 2023 and 2022.

($ in 000's, except for ratios)	September 30, 2023	September 30, 2022
Consumer loans receivable, net	**3,236,211**	2,435,447
Cash	**84,062**	74,009
Accounts receivable	**27,474**	25,566
Prepaid expenses	**10,987**	8,604
Investments	**62,723**	37,913
Lease assets	**43,176**	45,520
Property and equipment, net	**34,260**	35,223
Derivative financial assets	**63,532**	67,580
Intangible assets, net	**128,706**	157,812
Right-of-use assets, net	**63,915**	61,319
Goodwill	**180,923**	180,923
Total assets	**3,935,969**	3,129,916
Notes payable	**1,174,229**	1,189,961
Revolving securitization warehouse facilities	**1,194,617**	716,554
Revolving credit facility	**176,700**	98,492
Secured borrowings	**131,409**	121,207
External debt	**2,676,955**	2,126,214
Accounts payable and accrued liabilities	**67,542**	50,401
Income taxes payable	**16,599**	2,088
Dividends payable	**15,906**	14,453
Unearned revenue	**28,214**	24,589
Accrued interest	**25,207**	24,511
Deferred tax liabilities, net	**20,307**	25,735
Lease liabilities	**72,799**	69,973
Total liabilities	**2,923,529**	2,337,964
Shareholders' equity	**1,012,440**	791,952
Total capitalization (external debt plus total shareholders' equity)	**3,689,395**	2,918,166
Capital management measures		
External debt to shareholders' equity[1]	**2.64**	2.68
Net debt to net capitalization[2]	**0.72**	0.72

[1] External debt to shareholders' equity is a capital management measure that the Company uses to assess the ability of its net assets to cover outstanding debts. It is calculated as external debt divided by shareholders' equity.

[2] Net debt to net capitalization is a leverage metric the Company uses to ensure it is operating within its target leverage range. Net debt is calculated as external debt less cash. Net debt to net capitalization is net debt divided by the sum of net debt and shareholders' equity.

Total assets were $3.94 billion as at September 30, 2023, an increase of $806.1 million or 25.8%, compared to September 30, 2022. The increase was related primarily to a $800.8 million increase in net consumer loans receivable, a $24.8 million increase in investments and a $10.1 million increase in cash, partially offset by the decrease in intangible assets of $29.1 million mainly due to a write off of internally developed software and decrease of $4.0 million in derivative financial assets.

The $806.1 million of growth in total assets was primarily financed by: i) a $550.7 million increase in external debt mainly from revolving securitization warehouse facilities and revolving credit facility; and ii) a $220.5 million increase in total shareholders' equity, which was driven by the $57.9 million bought deal equity offering and earnings generated by the Company, partially offset by dividends paid. While the Company has continued to pay a dividend to its shareholders, a large portion of the Company's earnings have been retained to fund growth of its consumer lending business.

Liquidity and Capital Resources

Cash Flow Review

The table below provides a summary of cash flow components for the three and nine-month periods ended September 30, 2023 and 2022.

	Three Months Ended		Nine Months Ended	
($in 000's)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Cash provided by operating activities before net issuance of consumer loans receivable and purchase of lease assets	**219,908**	169,725	**535,429**	387,928
Net issuance of consumer loans receivable	**(310,867)**	(284,435)	**(858,923)**	(730,452)
Purchase of lease assets	**(5,529)**	(8,515)	**(19,939)**	(23,359)
Cash used in operating activities	**(96,488)**	(123,225)	**(343,433)**	(365,883)
Cash used in investing activities	**(4,192)**	(7,894)	**(8,986)**	(9,838)
Cash provided by financing activities	**110,239**	109,228	**373,827**	347,251
Net increase (decrease) in cash for the period	**9,559**	(21,891)	**21,408**	(28,470)

The Company provides loans to non-prime borrowers. The Company obtains capital and funding which is treated as cash flows from financing activities and then advances funds to borrowers as loans which are treated as cash used in operating activities. When a borrower makes a loan payment, it generates cash flow from operating activities and income. As such when the Company is growing its portfolio of consumer loans it will tend to use cash in operating activities.

Cash Flow Analysis for the Three Months Ended September 30, 2023

Cash used in operating activities for the three-month period ended September 30, 2023 was $96.5 million, compared with $123.2 million in the same period of 2022. Included in cash used in operating activities for the three-month period ended September 30, 2023 were: i) a net issuance of consumer loans receivable of $310.9 million; and ii) the purchase of lease assets of $5.5 million. If the net issuance of consumer loans receivable and the purchase of lease assets were treated as cash flows from investing activities, the cash flows generated by operating activities would have been $219.9 million for the three-month period ended September 30, 2023, up from $169.7 million in the same period of 2022. The increase of $50.2 million was driven by higher earnings, favourable changes in working capital and higher non-cash expenses such as bad debt expense and depreciation and amortization, partially offset by higher net investment income in the period.

During the three-month period ended September 30, 2023, cash used in investing activities was $4.2 million, mainly due to purchases of property and equipment and intangible assets, partially offset by the proceeds on sale of investments. During the three-month period ended September 30, 2022, cash used in investing activities was $7.9 million, mainly due to purchases of property and equipment and intangible assets.

During the three-month period ended September 30, 2023, the Company generated $110.2 million in cash flow from financing activities, compared to $109.2 million in the same period of 2022. The increase was mainly from higher net borrowings on the Company's credit facilities in the current period.

Cash Flow Analysis for the Nine Months Ended September 30, 2023

Cash used in operating activities during the nine-month period ended September 30, 2023 was $343.4 million, compared with $365.9 million in the same period of 2022. Included in cash used in operating activities for the nine-month period ended September 30, 2023 were: i) a net issuance of consumer loans receivable of $858.9 million; and ii) the purchase of $19.9 million of lease assets. If the net issuance of consumer loans receivable and the purchase of lease assets were treated as cash flows from investing activities, the cash flows generated by operating activities would have been $535.4 million for the nine-month period ended September 30, 2023, up from $387.9 million in the same period of 2022. The increase of $147.5 million was driven by higher earnings, favourable changes in working capital and higher non-cash expenses such as bad debt expense and depreciation and amortization, partially offset by fair value gains on investment in this period.

During the nine-month period ended September 30, 2023, the Company used $9.0 million in investing activities, mainly due to purchases of property and equipment and intangible assets, partially offset by proceeds on sale of investments. During the nine-month period ended September 30, 2022, the Company used $9.8 million in investing activities, mainly due to $20.2 million purchases of property and equipment and intangible assets and $15 million of investment in Canada Drives, partially offset by $25.4 million proceeds on the settlement of the total return swap related to its investments.

During the nine-month period ended September 30, 2023, the Company generated $373.8 million in cash flow from financing activities, compared to $347.3 million in the same period of 2022. The increase was mainly due to repurchases of common shares through the Company's NCIB in the prior period, partially offset by higher net payments on the Company's credit facilities in the current period.

Capital and Funding Resources

goeasy funds its business through a combination of equity and debt instruments. goeasy's common shares ("Common Shares") are listed for trading 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.

On March 22, 2021, goeasy's Common Shares were added by Dow Jones to the S&P/TSX Composite Index. The Company's inclusion in the benchmark Canadian index reflects the value that has been created for the Company's shareholders over the years.

As at September 30, 2023, the Company's external debt consisted of US$550 million of 5.375% senior unsecured notes with a maturity date of December 1, 2024 ("2024 Notes") with a net carrying value of $743.2 million, US$320 million of 4.375% senior unsecured notes maturing on May 1, 2026 ("2026 Notes") with a net carrying value of $431.0 million, $1.19 billion drawn against the Company's revolving securitization warehouse facilities, $176.7 million drawn against the Company's revolving credit facility and $131.4 million drawn against the Company's secured borrowings.

Borrowings under the 2024 Notes bore a US$ coupon rate of 5.375%. Through a cross-currency swap agreement arranged concurrently with the US$550 million offering of the 2024 Notes in November 2019, the Company hedged the risk of changes in the foreign exchange rate for all required payments of principal and interest, effectively hedging the obligation at $728.3 million with a Canadian dollar interest rate of 5.65%. These 2024 Notes mature on December 1, 2024.

Borrowings under the 2026 Notes bore a US$ coupon rate of 4.375%. Through a cross-currency swap agreement arranged concurrently with the US$320 million offering of the 2026 Notes in April 2021, the Company hedged the risk of changes in the foreign exchange rate for all required payments of principal and interest, effectively hedging the obligation at $400 million with a Canadian dollar interest rate of 4.818%. These 2026 Notes mature on May 1, 2026.

Borrowings under the Company’s Revolving Securitization Warehouse Facility I bear interest at the rate of 1-month CDOR plus 185 bps and had a maturity date of August 30, 2024. On June 15, 2023, the maturity date of the Revolving Securitization Warehouse Facility I was extended to October 31, 2025 and the interest on advances are payable at the rate of 1-month CDOR plus 195 bps.

Borrowings under the Company’s Revolving Securitization Warehouse Facility II bear interest at the rate of 1-month CDOR plus 185 bps, maturing December 16, 2024. Concurrent with the establishment of the Revolving Securitization Warehouse Facilities, the Company entered interest rate swaps as cash flow hedges to protect against the risk of changes in the variability of future interest rates by paying a fixed rate and receiving the variable rate equivalent to 1-month CDOR.

Borrowings under the Company’s revolving credit facility bear interest at either the BA rate plus 225 bps or Prime plus 75 bps at the option of the Company.

Borrowings under the $150 million securitization facility bear interest at an interpolated GOCB rate plus an initial spread of 310 bps, and has a maturity date of April 30, 2024.

The average blended coupon interest rate for the Company’s debt as at September 30, 2023 was 5.9%, up from 4.9% as at September 30, 2022.

Including the cash position of $84.1 million, the Company’s total liquidity as at September 30, 2023 was $932.8 million.

Outstanding Shares and Dividends

As at November 7, 2023, there were 16,572,939 Common Shares, 334,112 Board deferred share units, 295,680 share options, 293,487 restricted share units, 92,408 Executive deferred share units and no warrants outstanding.

Normal Course Issuer Bid

On December 14, 2021, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make an NCIB (the "2021 NCIB"). Pursuant to the 2021 NCIB, the Company proposed to purchase, from time to time, if considered advisable, up to an aggregate of 1,243,781 Common Shares being approximately 10% of goeasy's public float as of December 7, 2021. As at December 7, 2021, goeasy had 16,254,135 Common Shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2021, was 62,825. Under the 2021 NCIB, daily purchases were limited to 15,706 Common Shares, representing 25% of the average daily trading volume, other than block purchase exemptions. Purchases were permitted to commence on December 21, 2021, and terminated on December 20, 2022. The purchases made by goeasy pursuant to the 2021 NCIB were effected through facilities of the TSX, as well as alternative trading systems and in accordance with the rules of the TSX. The price the Company paid for repurchased Common Shares was the market price of such shares at the time of acquisition. The Company did not purchase any Common Shares other than by open-market purchases. For the three and nine-month periods ended September 30, 2022, the Company completed the purchase for cancellation through the facilities of the TSX of nil and 450,058, respectively, of its Common Shares for a total cost of nil and $61.0 million, respectively, under the 2021 NCIB.

On December 16, 2022, the Company announced the acceptance by the TSX of the Company's Notice of Intention to make an NCIB (the "2022 NCIB"). Pursuant to the 2022 NCIB, the Company proposed to purchase, from time to time, up to an aggregate of 1,252,730 common shares being approximately 10% of goeasy's public float as of December 9, 2022. As at December 9, 2022, goeasy had 16,438,926 common shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2022, was 49,253. Under 2022 NCIB, daily purchases will be limited to 12,313 common shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The purchases were permitted to commence on December 21, 2022, and will terminate on December 20, 2023, or on such earlier date as the Company may complete its purchases pursuant to the 2022 NCIB. The 2022 NCIB will be conducted through facilities of the TSX or alternative trading systems, if eligible and will conform to their regulations. Purchases under the 2022 NCIB will be made by means of open market transaction or other such means as a security regulatory authority may permit, including pre-arranged crosses, exempt offers and private agreements under an issuer bid exemption order issued by a securities regulatory authority. The price that goeasy will pay for any Common Shares will be the market price of such shares at the time of acquisition, unless otherwise permitted under applicable rules. For the three and nine-month periods ended September 30, 2023, the Company has not purchased and cancelled any common shares, under the 2022 NCIB.

Dividends

During the quarter ended September 30, 2023, the Company declared a $0.96 per share quarterly dividend on outstanding Common Shares. This dividend was paid on October 13, 2023.

The Company reviews its dividend distribution policy on a regular basis, evaluating its financial position, profitability, cash flow and other factors the Board of Directors considers relevant. However, no dividends can be declared in the event there is a default of a loan facility, or where such payment would lead to a default.

On February 16, 2023, the Company increased the quarterly dividend rate by 5.5% from $0.91 to $0.96 per share. 2023 marks the 19^{th} consecutive year of paying a dividend to shareholders and the 9^{th} consecutive year of an increase in the dividend rate per share to shareholders.

In February 2020, the Company was added to the S&P/TSX Canadian Dividend Aristocrats Index with a 42% compound annual growth rate in the dividend over the prior 5 years.

The following table sets forth the quarterly dividends paid by the Company in the third quarter of the years indicated:

	2023	2022	2021	2020	2019	2018	2017
Quarterly dividend per share	**$0.960**	$0.910	$0.660	$0.450	$0.310	$0.225	$0.180
Percentage increase	**5.5%**	37.9%	46.7%	45.2%	37.8%	25.0%	44.0%

Commitments, Guarantees and Contingencies

The nature of Company's commitments, guarantees and contingencies remain as described in its December 31, 2022 MD&A.

Risk Factors

The Company's activities are exposed to a variety of commercial, operational, financial and regulatory risks. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Corporate Governance, Nominating and Risk Committee of the Board reviews the Company's risk management program and policies on an annual basis.

The Company's risk factors remain as described in its December 31, 2022 MD&A.

Financial Instruments

The Company's assets and liabilities include financial instruments.

The Company's financial assets consist of accounts receivable, consumer loans receivable, derivative financial instruments and investments, which are initially measured at fair value plus transaction costs. Accounts receivable and consumer loans receivable are subsequently measured at amortized cost. Investments are subsequently measured at fair value.

The Company's financing activities expose it to the financial risks of changes in foreign exchange and interest rate volatility. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of these risks. Derivative financial instruments are initially measured at fair value on the trade date and subsequently remeasured at fair value at each reporting date using observable market inputs.

The Company's financial liabilities include a revolving credit facility, notes payable, revolving securitization warehouse facilities, secured borrowings, derivative financial instruments and accounts payable and accrued liabilities. Financial liabilities are initially recognized at fair value. After initial recognition, the Company's interest-bearing debt is subsequently measured at amortized cost using the effective interest rate method. Non-interest-bearing financial liabilities, such as accounts payable and accrued liabilities, are subsequently carried at the amount owing.

Critical Accounting Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual amounts could differ from these estimates.

Significant changes in assumptions, including those with respect to future business plans and cash flows, could change the recorded amounts by a material amount.

The Company's critical accounting estimates are as described in the December 31, 2022 notes to the consolidated financial statements.

Changes in Accounting Policy and Disclosures

(a) New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended December 31, 2022. There were no new standards, interpretations or amendments that had a material impact on the Company's interim condensed consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(b) Standards issued but not yet effective

There are no new standards issued but not yet effective as at January 1, 2023 that have a material impact on the Company's consolidated financial statements.

Internal Controls

Disclosure Controls and Procedures ("DC&P")

DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to various securities regulators are recorded, processed, summarized and reported within the time periods specified in applicable Canadian securities laws and include controls and procedures designed to ensure that information required to be disclosed in the Company's filings or other reports is accumulated and communicated to the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), so that timely decisions can be made regarding required disclosure.

The Company's management, under supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's DC&P, as required in Canada by National Instrument 52-109, "*Certification of Disclosure in Issuers' Annual and Interim Filings*". Based on this evaluation, the CEO and CFO have concluded that the design of the system of the Company's disclosure controls and procedures were effective as at September 30, 2023.

Internal Controls over Financial Reporting ("ICFR")

ICFR is a process designed by, or under the supervision of, senior management, and effected by the Board of Directors, management and other personnel, to provide reasonable assurances regarding the reliability of financial reporting and preparation of the Company's consolidated financial statements in accordance with IFRS.

The Company's internal controls over the financial reporting framework include those policies and procedures that:

(i) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
(ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
(iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

Management is responsible for establishing and maintaining ICFR and designs such controls to attempt to ensure that the required objectives of these internal controls have been met. Management uses the Internal Control – Integrated Framework (2013) to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In designing and evaluating such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance and may not prevent or detect all misstatements as a result of, among other things, error or fraud. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and/or procedures may deteriorate.

Changes to ICFR during 2023

No changes were made in the Company's internal controls over financial reporting during the three-month period ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of ICFR as at September 30, 2023

As at September 30, 2023, under the direction and supervision of the CEO and CFO, the Company has evaluated the effectiveness of the Company's ICFR. The evaluation included a review of key controls, testing and evaluation of such test results. Based on this evaluation, the CEO and CFO have concluded that the design and operation of the Company's internal controls over financial reporting were effective as at September 30, 2023.