goeasy Ltd.

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

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022

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

Table of Contents

Date: November 10, 2022

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, 2022 compared to September 30, 2021, and the consolidated results of operations for the three and nine-month periods ended September 30, 2022 compared with the corresponding periods of 2021. 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, 2021. 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 2021 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.sedar.com* and on the Company's website at *www.goeasy.com* *(https://investors.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, those with respect to the estimated number of new locations to be opened, 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 goeasy, plans and references to future operations and results, critical accounting estimates, expected lower charge off rates on loans with real estate collateral and the benefits resulting from such lower rates, 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 goeasy'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 goeasy. 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, secure new franchised locations, 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.

goeasy 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 more than 2,300 employees, the Company offers a wide variety of financial products and services including lease-to-own merchandise and unsecured and secured instalment loans. goeasy aspires to help put non-prime consumers on a path to a better financial future, by helping them rebuild their credit and graduate back to prime lending. Customers can transact seamlessly through an omni-channel model that includes an online and mobile platform, over 400 locations across Canada, and point-of-sale financing offered in the retail, powersports, automotive, home improvement and healthcare verticals, through approximately 6,000 merchants across Canada. Throughout the Company's history, it has acquired and organically served over 1.2 million Canadians and originated over $9.5 billion in loans, with one in three easyfinancial customers graduating to prime credit and 60% increasing their credit score within 12 months of borrowing.

The Company's overview of the business remains as described in its December 31, 2021 MD&A.

Corporate Strategy

The Company has developed a strategy based on four key strategic pillars. These priorities have remained consistent since 2017 and support the Company's vision of helping the non-prime customer access responsible financial products on their journey to improved credit, lower rates and a better tomorrow.

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, 2021 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.

The Company's business has been impacted by the COVID-19 pandemic, which has created significant societal and economic disruptions. The COVID-19 pandemic has had a broad impact across industries and the economy, including effects on consumer confidence, global financial markets, regional and international travel, supply chain distribution of various products for many industries, government and private sector operations, the price of consumer goods, country-wide lockdowns in various regions of the world, and numerous other impacts on daily life and commerce.

With the active vaccination campaigns initiated in the prior year, Canada saw improvements in containing outbreaks of the COVID-19 pandemic and the economy reopened at a different pace across the country. In early 2022, the Canadian government began to institute policies to re-open the economy and has signalled its intent to encourage the economy to remain open.

The ever changing and rapidly evolving effects of COVID-19, the duration, extent and severity of which are not fully known, on investors, businesses, the economy, society and the financial markets could, among other things, add volatility to the global stock markets, change interest rate environments, and increase delinquencies and defaults. The COVID-19 virus, and the measures to prevent its spread, may continue to contribute to a higher level of uncertainty with respect to management's judgements and estimates.

The Company's forecasts for 2022 through 2024 were provided in its December 31, 2021 MD&A. The Company revised these forecasts in its June 30, 2022 MD&A. The forecasts remain consistent and are reported below.

	Forecasts for 2022	Forecasts for 2023	Forecasts for 2024
Gross consumer loans receivable at year end	**$2.6 - $2.8 billion**	**$3.2 - $3.4 billion**	**$3.8 - $4.0 billion**
New easyfinancial locations to be opened during the year	**10 - 15**	**10 - 15**	**5**
Total Company revenue	**$1.00 - $1.04 billion**	**$1.14 - $1.20 billion**	**$1.30 - $1.38 billion**
Total yield on consumer loans (including ancillary products)[1]	**36.5% - 38.5%**	**35.0% - 37.0%**	**34.0% - 36.0%**
Net charge offs as a percentage of average gross consumer loans receivable	**8.5% - 10.5%**	**8.5% - 10.5%**	**8.0% - 10.0%**
Total Company operating margin	**35% +**	**36% +**	**37% +**
Return on equity	**22% +**	**22% +**	**22% +**

[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 Company continues to pursue a long-term strategy that includes expanding its product range, developing its channels of distribution and leveraging risk-based pricing to reduce the cost of borrowing for its consumers and extend the life of its customer relationships. As such, the total yield earned on its consumer loan portfolio will gradually decline, while net charge off rates remain stable and operating margins expand. The forecasts outlined above contemplate the Company's expected domestic organic growth plan and do not include the impact of any future mergers or acquisitions, or the associated gains or losses associated with its investments.

The underlying key assumptions and key risk factors, remain as described in the December 31, 2021 MD&A. These forecasts are inherently subject to risks which are referred to in the Outlook and Risk Factors sections in the December 31, 2021 MD&A.

Analysis of Results for the Three Months Ended September 30, 2022

Third Quarter Highlights

- As at September 30, 2022, the Company had a cash position of $74 million which includes $21.5 million of net restricted cash related to its cross-currency swap and $39.2 million in restricted cash related to its revolving securitization warehouse facility and secured borrowings reserve. As at September 30, 2022, the Company has borrowing capacities of $680 million under its revolving securitization warehouse facility and $170 million under its revolving credit facility. The cash position of $74 million and total borrowing capacity of $850 million represented $924 million in total liquidity as at September 30, 2022. The Company also has the ability to exercise the accordion feature under its revolving credit facility to add an additional $100 million in borrowing capacity. The current total liquidity, excluding future enhancements or diversification of funding sources, provide adequate growth capital for the Company to execute its organic growth plan and achieve its forecast through the fourth quarter of 2024.

- The Company reported record revenue during the three-month period ended September 30, 2022 of $262.2 million, an increase of $42.5 million, or 19.3%, when compared to the same period of 2021. The increase was primarily driven by record organic growth of the Company's consumer loan portfolio.

- Gross consumer loans receivable increased from $1.90 billion as at September 30, 2021 to $2.59 billion as at September 30, 2022, an increase of $691.9 million, or 36.5%. The increase in consumer loans receivable was driven by healthy demand across the company's entire range of products and acquisition channels, including unsecured lending, home equity loans, powersports financing and automotive financing.

- Net charge offs for the three-month period ended September 30, 2022 as an annualized percentage of the average gross consumer loans receivable were 9.3%, 100 bps higher compared to 8.3% for the same period of 2021. The increase in the net charge off rate reflects the benefits of pandemic related government support and consumer expense reductions experienced in the comparable period of 2021. The Company's net charge off rate was otherwise in line with the Company's targeted range for 2022 of 8.5% to 10.5%.

- For the three-month period ended September 30, 2022, the net change in allowance for credit losses increased by $7.7 million due primarily to loan book growth, when compared to the same period of 2021. The provision rate for the three-month period ended September 30, 2022 decreased to 7.58% from 7.68% in the second quarter of 2022, primarily due to improved product and credit mix of the loan portfolio.

- The easyfinancial reportable operating segment reported record operating income for the three-month period ended September 30, 2022 of $101.8 million, an increase of $11.3 million, or 12.4%, when compared to the same period of 2021. The improved operating income was driven by continued organic growth in the Company's loan portfolio. As a result, easyfinancial revenue increased by $42.8 million, partially offset by an increase of $26.1 million in bad debt expense and an increase of $5.4 million in other operating expenses to support the growing customer base, enhance the product offering, and expand the retail footprint. easyfinancial's operating margin in the quarter was 45.3%, compared to 49.7% in the same period of 2021. The decline in operating margin was mainly due to a higher level of allowance for credit losses related to the record loan growth experienced during the quarter and the increase in net charge offs relative to the comparable period, which experienced the benefit of pandemic related government support and consumer expense reductions.

- The easyhome reportable operating segment reported operating income for the three-month period ended September 30, 2022 of $7.8 million, compared with $10.1 million for the same period in 2021, a decrease of $2.3 million, or 22.6%. The decrease was mainly driven by lower lease revenues from a smaller leasing portfolio and higher operating expenses, partially offset by higher lending revenues from a larger consumer loan portfolio. Operating margin for the three-month period ended September 30, 2022 was 20.9%, a decrease from 26.7% reported in the comparable period of 2021.

- The Company reported record total operating income for the three-month period ended September 30, 2022 of $91.4 million, up $10.0 million, or 12.3%, when compared to the comparable period of 2021. The Company also reported an operating margin of 34.8% in the quarter, down from 37.0% reported in the comparable period of 2021. During the three-month period ended September 30, 2022, 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 through the LendCare acquisition. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of the adjusting items discussed in Key Performance Indicators and Non-IFRS Measures, the Company reported record adjusted operating income[1] for the three-month period ended September 30, 2022 of $94.8 million, up $9.0 million, or 10.5%, from the comparable period of 2021. The increase in adjusted operating income was mainly driven by the higher revenue during the period associated with the larger consumer loan portfolio, partially offset by higher operating expenses. The Company reported an adjusted operating margin[1] of 36.2% in the quarter, down from 39.1% reported in the comparable period of 2021. The decline in operating margin was mainly due to a higher level of allowance for credit losses related to the record loan growth experienced during the quarter and the increase in net charge offs relative to the comparable period, which experienced the benefit of pandemic related government support and consumer expense reductions.

- The fair value of the Company's investment in Affirm Holdings Inc. ("Affirm") as at September 30, 2022 was $12.1 million, which resulted in a before-tax unrealized fair value gain for the three-month period ended September 30, 2022 of $1.2 million.

  Since the initial investment in Affirm on January 1, 2021, the Company has recognized realized gains on the non-contingent portion of the investment in Affirm and its related total return swaps ("TRS") of $66.3 million, a realized gain on the TRS related to the contingent portion of the investment in Affirm of $25.4 million and an unrealized fair value loss on the contingent portion of the investment in Affirm of $3.3 million. Including the cash received on the initial sale of PayBright Inc. ("PayBright") to Affirm, the total net realized and unrealized gains amount to $110 million, relative to the initial investment of $34 million made in 2019.

- The three-month period ended September 30, 2022 was the 85th consecutive quarter of positive net income and diluted earnings per share. The Company's net income for the three-month period ended September 30, 2022 was $47.2 million, or $2.86 per share on a diluted basis, down 25.6% and 21.9%, respectively, compared to $63.5 million, or $3.66 per share on a diluted basis reported in the same period of 2021. 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, 2022 of $48.6 million and $2.95 per share on a diluted basis, respectively. On this basis, adjusted net income and adjusted diluted earnings per share increased by 4.0% and 9.3%, respectively, compared to the same period of 2021. The growth was primarily driven by record organic growth of the Company's consumer loan portfolio partially offset by higher operating expenses, which includes higher net charge offs and an increase in allowance for credit losses, and finance costs required to support the growing loan portfolio.

- goeasy reported return on equity of 24.2% in the three-month period ended September 30, 2022, down from 32.7% reported in the comparable period of 2021, primarily due to lower reported net income driven mainly by increased bad debt expense and lower fair value gain on investments partially offset by increased other operating income from the larger consumer loan portfolio. Adjusted return on equity[1] for the three-month period ended September 30, 2022 was 24.9%, up from 24.0% in the comparable period of 2021, but consistent with the Company's expectations of 22%+ as disclosed in its 3-year forecast. The increase in adjusted return on equity was primarily related to higher adjusted net income primarily driven by record organic growth of the Company's consumer loan portfolio.

- goeasy reported return on tangible common equity[1] of 38.5% in the three-month period ended September 30, 2022, down from 52.3% in the comparable period of 2021. Adjusted return on tangible common equity[1] during the three-month period ended September 30, 2022 was 37.7%, up from 37.1% in the comparable period of 2021. The increase in adjusted return on tangible common equity was driven by higher adjusted net income primarily driven by record organic growth of the Company's consumer loan portfolio.

- Subsequent events to September 30, 2022

  On October 24, 2022, the Company established the goeasy Asset Securitization Trust, a securitization vehicle. Upon its creation, the Company's activities will include transactions with goeasy Asset Securitization Trust, a structured entity, which has been designed to achieve a specific business objective. The Company controls the goeasy Asset Securitization Trust. As such, it will be consolidated for financial reporting purposes.

  The primary purpose of goeasy Asset Securitization Trust is to provide the Company with funding for automotive consumer loans. On November 10, 2022, the Company entered into an agreement establishing a $200 million revolving securitization warehouse facility, structured and underwritten by Bank of Montreal (the "Asset Securitization Facility"). The Asset Securitization Facility will be collateralized by automotive consumer loans originated by goeasy's wholly owned subsidiaries, easyfinancial Services Inc. and LendCare. As the economic exposure associated with the rights related to these automotive consumer loans are controlled by easyfinancial Services Inc. and LendCare, these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position. The Asset Securitization Facility will have an initial term of two years and interest on advances payable at the rate of 1-month CDOR plus 185 bps. The Company intends to establish an interest rate swap agreement to generate fixed rate payments on the amounts drawn to assist in mitigating the risk of increases in interest rates.

[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, 2022	Three Months Ended September 30, 2021	Variance $ / bps	Variance % Change
Summary Financial Results				
Revenue	**262,216**	219,762	42,454	19.3%
Operating expenses before depreciation and amortization[2,3]	**149,858**	117,687	32,171	27.3%
EBITDA[1]	**105,281**	116,693	(11,412)	(9.8%)
EBITDA margin[1]	**40.2%**	53.1%	(1,290 bps)	(24.3%)
Depreciation and amortization expense[2,3]	**20,980**	20,723	257	1.2%
Operating income	**91,378**	81,352	10,026	12.3%
Operating margin	**34.8%**	37.0%	(220 bps)	(5.9%)
Other income[2,3]	**1,294**	23,219	(21,925)	(94.4%)
Finance costs	**28,497**	21,686	6,811	31.4%
Effective income tax rate	**26.5%**	23.3%	320 bps	13.7%
Net income	**47,189**	63,540	(16,351)	(25.7%)
Diluted earnings per share	**2.86**	3.66	(0.80)	(21.9%)
Return on assets	**6.3%**	10.3%	(400 bps)	(38.8%)
Return on equity	**24.2%**	32.7%	(850 bps)	(26.0%)
Return on tangible common equity[1]	**38.5%**	52.3%	(1,380 bps)	(26.4%)
Adjusted Financial Results[1,2,3]				
Adjusted operating income	**94,823**	85,818	9,005	10.5%
Adjusted operating margin	**36.2%**	39.1%	(290 bps)	(7.4%)
Adjusted net income	**48,626**	46,748	1,878	4.0%
Adjusted diluted earnings per share	**2.95**	2.70	0.25	9.3%
Adjusted return on assets	**6.5%**	7.6%	(110 bps)	(14.5%)
Adjusted return on equity	**24.9%**	24.0%	90 bps	3.8%
Adjusted return on tangible common equity	**37.7%**	37.1%	60 bps	1.6%
Key Performance Indicators				
Same store revenue growth (overall)[1]	**14.9%**	15.4%	(50 bps)	(3.2%)
Same store revenue growth (easyhome)[1]	**1.6%**	5.6%	(400 bps)	(71.4%)
Segment Financials				
easyfinancial revenue	**224,918**	182,119	42,799	23.5%
easyfinancial operating margin	**45.3%**	49.7%	(440 bps)	(8.9%)
easyhome revenue	**37,298**	37,643	(345)	(0.9%)
easyhome operating margin	**20.9%**	26.7%	(580 bps)	(21.7%)
Portfolio Indicators				
Gross consumer loans receivable	**2,588,656**	1,896,716	691,940	36.5%
Growth in consumer loans receivable	**218,813**	100,872	117,941	116.9%
Gross loan originations	**640,519**	436,194	204,325	46.8%
Total yield on consumer loans (including ancillary products)[1]	**37.4%**	40.8%	(340 bps)	(8.3%)
Net charge offs as a percentage of average gross consumer loans receivable	**9.3%**	8.3%	100 bps	12.0%
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**95,588**	89,240	6,348	7.1%
Potential monthly leasing revenue[1]	**7,623**	8,160	(537)	(6.6%)

[1] EBITDA, adjusted operating income, adjusted net income and free cash flows from operations before net growth in gross consumer loans receivable are non-IFRS measures. EBITDA margin, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on asset, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Same store revenue growth (overall), same store revenue growth (easyhome) and potential monthly leasing revenue are supplementary financial measures. See description in sections "Portfolio Analysis", "Key Performance Indicators and Non-IFRS Measures" and "Financial Condition".

[2] During the three-month period ended September 30, 2022, the Company had $2.2 million before-tax ($1.4 million after-tax) of adjusting items which include:

Adjusting items related to the acquisition of LendCare

- Integration costs related to consulting costs, employee incentives, representation and warranty insurance costs, and other integration costs related to the acquisition of LendCare. Integration costs amounting to $0.2 million before-tax ($0.1 million after-tax) were reported under Operating expenses before depreciation and amortization;
- Amortization of $131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years amounting to $3.3 million before-tax ($2.4 million after-tax); and

Adjusting item related to other income

- Investment income of $1.3 million before-tax ($1.1 million after-tax) mainly due to fair value gains on the investment in Affirm.

[3] During the three-month period ended September 30, 2021, the Company had $18.8 million before-tax ($16.8 million after-tax) of adjusting items which include:

Adjusting items related to the acquisition of LendCare

- Transaction costs of $0.3 million (non-tax deductible) which include advisory and consulting costs, legal costs, and other direct transaction costs related to the acquisition of LendCare reported under Operating expenses before depreciation and amortization.
- 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 reported under Operating expense before depreciation and amortization amounting to $1.0 million before-tax ($0.7 million after-tax); and
- Amortization of the $131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years amounting to $3.3 million before-tax ($2.4 million after-tax).

Adjusting item related to other income

- Investment income mainly due to fair value gains on investments in Affirm and its related TRS amounting to $23.2 million before-tax ($20.1 million after-tax).

Locations Summary

	Locations as at June 30, 2022	Locations opened in the period	Locations closed in the period	Conversions	Locations as at September 30, 2022
easyfinancial					
Kiosks (in store)	3	-	-	-	**3**
Stand-alone locations	296	-	(1)	-	**295**
Operations centres	3	-	-	-	**3**
Total easyfinancial locations	302	-	(1)	-	**301**
easyhome					
Corporately owned stores	120	-	-	-	**120**
Franchise stores	34	-	-	-	**34**
Total easyhome stores	154	-	-	-	**154**
Corporate					
Corporate office	1	-	-	-	**1**
Total corporate office	1	-	-	-	**1**

Summary of Financial Results by Reportable Operating Segment

($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
Total operating expenses before depreciation and amortization	114,291	18,888	16,679	149,858
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	6,006	8,663	1,240	15,909
Depreciation of right-of-use assets	2,809	1,965	297	5,071
	8,815	10,628	1,537	20,980
Segment Operating income (loss)	101,812	7,782	(18,216)	91,378
Other income				1,294
Finance costs				
Interest expense and amortization of deferred financing charges				27,602
Interest expense on lease liabilities				895
				28,497
Income before income taxes				64,175
Income taxes				16,986
Net income				47,189
Diluted earnings per share				2.86

($in 000's except earnings per share)	Three Months Ended September 30, 2021			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	140,266	5,866	-	146,132
Lease revenue	-	27,923	-	27,923
Commissions earned	39,234	2,818	-	42,052
Charges and fees	2,619	1,036	-	3,655
	182,119	37,643	-	219,762
Total operating expenses before depreciation and amortization	83,167	16,752	17,768	117,687
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	5,880	8,912	1,281	16,073
Depreciation of right-of-use assets	2,512	1,924	214	4,650
	8,392	10,836	1,495	20,723
Segment Operating income (loss)	90,560	10,055	(19,263)	81,352
Other income				23,219
Finance costs				
Interest expense and amortization of deferred financing charges				20,889
Interest expense on lease liabilities				797
				21,686
Income before income taxes				82,885
Income taxes				19,345
Net income				63,540
Diluted earnings per share				3.66

Portfolio Performance

Consumer Loans Receivable

Loan originations in the three-month period ended September 30, 2022 were $640.5 million, up 46.8% compared to the comparable period of 2021. The consumer loan portfolio grew by $218.8 million during the quarter, compared to $100.9 million in the comparable period of 2021. Gross consumer loans receivable increased from $1.90 billion as at September 30, 2021 to $2.59 billion as at September 30, 2022, an increase of $691.9 million, or 36.5%. The increase in consumer loans receivable was driven by record originations across several of the Company's products and acquisition channels. The Company experienced improved performance from unsecured loans, home equity loans, powersports financing, automotive financing and cross-selling activity across its consumer base.

Total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 37.4% in the three-month period ended September 30, 2022, down approximately 340 bps from the comparable period of 2021. 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 powersports, home improvement, healthcare and retail categories, and risk adjusted rate unsecured loans; 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 $72.6 million for the three-month period ended September 30, 2022, from $45.3 million during the same period in 2021, an increase of $27.3 million, or 60.2%. The following table details the components of bad debt expense.

	Three Months Ended	
($in 000's)	**September 30, 2022**	**September 30, 2021**
Provision required due to net charge offs	**58,257**	38,682
Impact of loan book growth	**15,317**	6,777
Impact of change in provision rate during the period	**(1,023)**	(162)
Net change in allowance for credit losses	**14,294**	6,615
Bad debt expense	**72,551**	45,297

Bad debt expense increased by $27.3 million due to the following factors:

i) Net charge offs increased from $38.7 million in the third quarter of 2021, to $58.3 million in the current quarter, an increase of $19.6 million. Net charge offs in the quarter as a percentage of the average gross consumer loans receivable on an annualized basis were 9.3%, up by 100 bps as compared to 8.3% reported in the same quarter of 2021. The increase in net charge offs in the three-month period ended September 30, 2022 reflects the benefits of pandemic related government support and consumer expense reductions experienced in the comparable period of 2021. The Company's net charge off rate was in line with the Company's targeted range for 2022 of 8.5% to 10.5%.

ii) The Company's loan portfolio for the three-month period ended September 30, 2021 increased by $100.9 million, resulting in a provision expense of $6.8 million, compared to loan book growth of $218.8 million for the three-month period ended September 30, 2022, which resulted in a provision expense of $15.3 million.

iii) The impact of provision rate changes during the quarter resulted in bad debt expense decreasing by $1.0 million, compared to $0.2 million in the same period of 2021. The provision rate for the third quarter of 2022 decreased to 7.58% from 7.68% in the second quarter of 2022, primarily due to the continued improvement in the product and credit mix of the loan portfolio, and the proportion of loans secured by assets. The provision rate for the third quarter of 2021 decreased to 7.83% from 7.90% in the second quarter of 2021, primarily due to the improved credit quality of the portfolio and due to the acquisition of LendCare loan book, which is predominantly made up of secured loans and carries a lower provision rate.

easyhome Leasing Portfolio

The leasing portfolio as measured by potential monthly leasing revenue as at September 30, 2022 was $7.6 million, down from $8.2 million reported as at September 30, 2021. The easyhome leasing business is a mature business that has experienced a long-term gradual decline in sales volumes, as consumer demand has shifted into alternate forms of purchasing everyday household items.

Revenue

Revenue for the three-month period ended September 30, 2022 was $262.2 million, an increase of $42.5 million, or 19.3%, when compared to the same period of 2021. Revenue growth was driven mainly by the organic growth of the Company's consumer loan portfolio. Same store sales growth for the quarter was 14.9%.

e*asyfinancial* – Revenue for the three-month period ended September 30, 2022 was $224.9 million, an increase of $42.8 million, when compared to the same period of 2021. The components of the increased revenue include:

(i) Interest income increased by $32.9 million, or 23.4%, driven by the growth in the loan portfolio, which includes growth of unsecured loans, home equity loans, powersports financing, automotive financing and point-of-sale financing, partially offset by lower interest yields;
(ii) Commissions earned on the sale of ancillary products and services increased by $8.0 million, or 20.4%, due to the larger consumer loan portfolio and lower claims costs associated with the Company's loan protection program in the quarter; and
(iii) Charges and fees increased by $1.9 million.

easyhome – Revenue for the three-month period ended September 30, 2022 was $37.3 million, a decrease of $0.3 million, compared to the same period of 2021. Lending revenue within the easyhome stores increased by $2.3 million in the current quarter, when compared to the same quarter of 2021. Traditional leasing revenue, including fees, was $2.7 million lower compared to the same quarter of 2021. The components of the increased revenue include:

(i) Interest income increased by $1.7 million due to the growth of the consumer loans receivable portfolio related to the easyhome business;
(ii) Lease revenue decreased by $2.6 million due to a smaller lease portfolio;
(iii) Commissions earned on the sale of ancillary products increased by $0.5 million. The increase is due to higher revenues associated with the Company's loan protection program; and
(iv) Charges and fees were relatively flat from the same quarter of 2021.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization were $149.9 million for the three-month period ended September 30, 2022, an increase of $32.2 million, or 27.3%, from the comparable period in 2021. The increase in operating expenses before depreciation and amortization was mainly driven by higher bad debt expense, which includes higher net charge offs and an increase in allowance for credit losses in the easyfinancial and easyhome businesses associated with growth in their respective consumer loan portfolios, partially offset by the non-recurring transaction and integration costs incurred in 2021 related to the acquisition of LendCare.

easyfinancial – Total operating expenses before depreciation and amortization were $114.3 million for the three-month period ended September 30, 2022, an increase of $31.1 million, or 37.4%, from the comparable period of 2021. Key drivers of the increase include:

(i) Bad debt expense increased by $26.1 million driven mainly by higher charge offs and an increase in allowance for credit losses due to loan book growth; and
(ii) A $5.0 million increase in other operating expenses, driven by incremental labour and other costs to operate and manage the growing loan book and retail network. Overall easyfinancial locations increased from 286 as at September 30, 2021 to 301 as at September 30, 2022.

easyhome – Total operating expenses before depreciation and amortization were $18.9 million for the three-month period ended September 30, 2022, an increase of $2.1 million, or 12.8%, from the comparable period of 2021. Key drivers of the increase include:

(i) Bad debt expense increased by $1.2 million, when compared to the same period in 2021, driven mainly by the higher provision expense and charge offs related to the larger loan portfolio; and
(ii) $0.9 million increase in other operating expenses primarily in compensation expense.

Corporate – Total operating expenses before depreciation and amortization were $16.7 million for the three-month period ended September 30, 2022, a decrease of $1.1 million, or 6.1%, from the comparable period of 2021. The decrease was primarily due to lower non-recurring LendCare acquisition transaction and integration costs in 2021 and lower compensation expense. Excluding the transaction and integration costs, corporate expenses before depreciation and amortization represented 6.3% of revenues in the third quarter of 2022, compared to 7.5% of revenues in the same quarter of 2021.

Depreciation and Amortization

Depreciation and amortization for the three-month period ended September 30, 2022 was $21.0 million, an increase of $0.3 million, or 1.2%, from the comparable period of 2021, driven primarily by the higher depreciation of right-of-use assets due to new retail premises lease agreements in the period. Overall, depreciation and amortization represented 8.0% of revenue for the three-month period ended September 30, 2022, compared to 9.4% reported in the comparable period of 2021.

easyfinancial – Total depreciation and amortization was $8.8 million for the three-month period ended September 30, 2022. This included $2.8 million of depreciation of right-of-use assets. Depreciation of property and equipment and intangibles in the three-month period ended September 30, 2022 was $6.0 million, compared to $5.9 million reported in the comparable period of 2021.

easyhome – Depreciation and amortization was $10.6 million for the three-month period ended September 30, 2022, $0.2 million or 1.9% lower than the comparable period of 2021. easyhome's depreciation and amortization of lease assets, property and equipment and intangibles, expressed as a percentage of easyhome revenue for the current quarter was 23.2%, down from 23.7% reported in the same period of 2021, mainly due to a smaller lease asset base against a revenue base with an increasing proportion generated from consumer lending.

Corporate – Depreciation and amortization was $1.5 million in the three-month period ended September 30, 2022, relatively flat from the comparable period of 2021.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the three-month period ended September 30, 2022 was $91.4 million, up $10 million, or 12.3%, when compared to the same period of 2021. The Company's operating margin for the quarter was 34.8%, down from 37.0% reported in the comparable period of 2021. Excluding the effects of the adjusting items discussed in the "Key Performance Indicators and Non-IFRS Measures" section, the Company reported adjusted operating income for the three-month period ended September 30, 2022 of $94.8 million, up $9.0 million, or 10.5%, from the same period of 2021. The increase in adjusted operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, partially offset by higher operating expenses, which includes higher net charge offs and an increase in allowance for credit losses. The Company also reported adjusted operating margin of 36.2%, down from 39.1% reported in the comparable period of 2021, mainly driven by the lower operating margin in the easyfinancial reportable operating segment, as discussed below.

easyfinancial – Operating income for the three-month period ended September 30, 2022 was $101.8 million, an increase of $11.3 million, or 12.4%, when compared to the same period of 2021. The improved operating income was driven by continued organic growth in the Company's loan portfolio. As a result, easyfinancial revenue increased by $42.8 million, partially offset by an increase of $26.1 million in bad debt expense and an increase of $5.4 million in other operating expenses to support the growing customer base, enhance the product offering and expand the retail footprint. easyfinancial's operating margin in the quarter was 45.3%, compared to 49.7% in the comparable period of 2021. The decline in operating margin was mainly due to a higher level of allowance for credit losses related to the record loan growth experienced during the quarter and the increase in net charge offs relative to the comparable period, which experienced the benefit of pandemic related government support and consumer expense reductions.

easyhome – Operating income for the three-month period ended September 30, 2022 was $7.8 million, a decrease of $2.3 million, or 22.6%, when compared to the same period of 2021. The decrease was mainly driven by lower lease revenues from a smaller leasing portfolio and higher operating expenses, partially offset by higher lending revenues from a larger loan portfolio. Operating margin for the three-month period ended September 30, 2022 was 20.9%, a decrease from 26.7% reported in the comparable period of 2021.

Other Income

During the three-month period ended September 30, 2022, the Company recognized investment income of $1.3 million mainly due to fair value gains on the investment in Affirm, compared to $23.2 million in the same period of 2021.

Finance Costs

Finance costs for the three-month period ended September 30, 2022 were $28.5 million, an increase of $6.8 million from the comparable period of 2021. The increase was mainly driven by higher borrowing levels to fund growth of the Company's lending business, partially offset by overall lower cost of borrowing. The average blended interest rate on drawn balances for the Company's debt as at September 30, 2022, was 4.9%, down from 5.0% as at September 30, 2021.

Income Tax Expense

The effective income tax rate for the three-month period ended September 30, 2022 was 26.5%, higher than the 23.3% reported in the comparable period of 2021, driven by the lower unrealized fair value gain on investments in the period which are taxed at the lower effective capital gain rate, partially offset by the effect of the LendCare transaction costs in 2021, which were non-deductible.

Net Income and EPS

The Company's net income for the three-month period ended September 30, 2022 was $47.2 million, or $2.86 per share on a diluted basis, down 25.6% and 21.9%, respectively, compared to $63.5 million, or $3.66 per share on a diluted basis reported in the same period of 2021. Excluding the effects of adjusting items discussed in the "Key Performance Indicators and Non-IFRS Measures" section, goeasy achieved record adjusted net income and record adjusted diluted earnings per share during the three-month period ended September 30, 2022 of $48.6 million and $2.95 per share on a diluted basis, respectively. Adjusted net income and adjusted diluted earnings per share increased by 4.0% and 9.3%, respectively, compared to the same period of 2021. The growth was primarily driven by record organic growth of the Company's consumer loan portfolio partially offset by higher operating expenses, which includes higher net charge offs and an increase in allowance for credit losses, and finance costs required to support the growing loan portfolio.

Analysis of Results for the Nine Months Ended September 30, 2022

Summary of Financial Results and Key Performance Indicators

($in 000's except earnings per share and percentages)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Variance $ / bps	Variance % change
Summary Financial Results				
Revenue	**746,010**	592,292	153,718	26.0%
Operating expenses before depreciation and amortization[2,3]	**427,423**	333,697	93,726	28.1%
EBITDA[1]	**270,506**	338,413	(67,907)	(20.1%)
EBITDA margin[1]	**36.3%**	57.1%	(2,080 bps)	(36.4%)
Depreciation and amortization expense[2,3]	**62,061**	57,221	4,840	8.5%
Operating income	**256,526**	201,374	55,152	27.4%
Operating margin	**34.4%**	34.0%	40 bps	1.2%
Other (loss) income[2,3]	**(23,050)**	106,505	(129,555)	(121.6%)
Finance costs[3]	**76,421**	56,744	19,677	34.7%
Effective income tax rate	**29.0%**	22.4%	660 bps	29.5%
Net income	**111,585**	194,982	(83,397)	(42.8%)
Diluted earnings per share	**6.71**	11.75	(5.04)	(42.9%)
Return on assets	**5.3%**	12.9%	(760 bps)	(58.9%)
Return on equity	**19.2%**	40.8%	(2,160 bps)	(52.9%)
Return on tangible common equity[1]	**31.2%**	54.2%	(2,300 bps)	(42.4%)
Adjusted Financial Results[1,2,3]				
Adjusted operating income	**269,624**	230,299	39,325	17.1%
Adjusted operating margin	**36.1%**	38.9%	(280 bps)	(7.2%)
Adjusted net income	**141,235**	127,114	14,121	11.1%
Adjusted diluted earnings per share	**8.50**	7.66	0.84	11.0%
Adjusted return on assets	**6.7%**	8.4%	(170 bps)	(20.2%)
Adjusted return on equity	**24.3%**	26.6%	(230 bps)	(8.6%)
Adjusted return on tangible common equity	**37.1%**	34.6%	250 bps	7.2%
Key Performance Indicators[1]				
Same store revenue growth (overall)	**14.7%**	12.1%	260 bps	21.5%
Same store revenue growth (easyhome)	**2.4%**	6.1%	(370 bps)	(60.7%)
Segment Financials				
easyfinancial revenue	**633,642**	480,336	153,306	31.9%
easyfinancial operating margin	**45.4%**	49.4%	(400 bps)	(8.1%)
easyhome revenue	**112,368**	111,956	412	0.4%
easyhome operating margin	**23.0%**	25.4%	(240 bps)	(9.4%)
Portfolio Indicators				
Gross consumer loans receivable	**2,588,656**	1,896,716	691,940	36.5%
Growth in consumer loans receivable[4]	**558,317**	649,876	(91,559)	(14.1%)
Gross loan originations	**1,745,251**	1,087,627	657,624	60.5%
Total yield on consumer loans (including ancillary products)[1]	**38.3%**	42.4%	(410 bps)	(9.7%)
Net charge offs as a percentage of average gross consumer loans receivable	**9.1%**	8.5%	60 bps	7.1%
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**192,434**	200,652	(8,218)	(4.1%)
Potential monthly lease revenue[1]	**7,623**	8,160	(537)	(6.6%)

[1] EBITDA, adjusted operating income, adjusted net income and free cash flows from operations before net growth in gross consumer loans receivable are non-IFRS measures. EBITDA margin, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on asset, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Same store revenue growth (overall), same store revenue growth (easyhome) and potential monthly lease revenue are supplementary financial measures. Non-IFRS measures, non-IFRS ratios and supplemental financial 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. See description in sections "Portfolio Analysis", "Key Performance Indicators and Non-IFRS Measures" and "Financial Condition".

[2] During the nine months ended September 30, 2022, the Company had $36.1 million before-tax ($29.7 million after-tax) adjusting items which include:

Adjusting items related to corporate development costs

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

Adjusting items relating to the acquisition of LendCare

- Integration costs related to consulting costs, employee incentives, representation and warranty insurance costs, and other integration costs related to the acquisition of LendCare. Integration costs of $1.0 million before-tax ($0.7 million after-tax) were reported under Operating expenses before depreciation and amortization;
- Amortization of the $131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years amounting to $9.8 million before-tax ($7.2 million after-tax).

Adjusting item related to other loss

- Investment loss of $23.0 million before-tax ($20.0 million after-tax) mainly due to fair value loss on the investment in Affirm partially offset by the fair value gain on the related TRS.

[3] During the nine months ended September 30, 2021, the Company had $75.9 million before-tax ($67.9 million after-tax) of adjusting items which include:

- Transaction costs of $9.3 million before-tax ($8.9 million after-tax) which include advisory and consulting costs, legal costs, and other direct transaction costs related to the acquisition of LendCare reported under Operating expenses before depreciation and amortization amounting to $7.6 million which are non tax-deductible and loan commitment fees related to the Acquisition of LendCare reported under Finance costs amounting to $1.7 million before-tax ($1.3 million after-tax);
- 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 reported under Operating expenses before depreciation and amortization amounting to $1.6 million before-tax ($1.2 million after-tax);
- Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from LendCare amounting to $14.3 million before-tax ($10.5 million after-tax); and
- Amortization of the $131 million intangible asset related to the Acquisition of LendCare with an estimated useful life of ten years amounting to $5.5 million before-tax ($4.0 million after-tax).

Adjusting item related to other income

- Investment income mainly due to fair value gains mainly on the investment in Affirm and its related TRS amounting to $106.5 million before-tax ($92.4 million after-tax).

[4] Growth in consumer loans receivable for the nine-month period ended September 30, 2021 includes $444.5 million of gross loans purchased through the acquisition of LendCare.

Locations Summary

	Locations as at December 31, 2021	Locations opened in the period	Locations closed in the period	Conversions	Locations as at September 30, 2022
easyfinancial					
Kiosks (in store)	5	-	-	(2)	**3**
Stand-alone locations	286	8	(1)	2	**295**
Operations Centres	3	-	-	-	**3**
Total easyfinancial locations	294	8	(1)	-	**301**
easyhome					
Corporately owned stores	124	-	(4)	-	**120**
Franchise stores	34	-	-	-	**34**
Total easyhome stores	158	-	(4)	-	**154**
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, 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
Total operating expenses before depreciation and amortization	320,101	54,663	52,659	427,423
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	17,542	25,918	3,690	47,150
Depreciation of right-of-use assets	8,280	5,896	735	14,911
	25,822	31,814	4,425	62,061
Operating income (loss)	287,719	25,891	(57,084)	256,526
Other loss				(23,050)
Finance costs				
Interest expense and amortization of deferred financing charges				73,835
Interest expense on lease liabilities				2,586
				76,421
Income before income taxes				157,055
Income taxes				45,470
Net income				111,585
Diluted earnings per share				6.71

($in 000's except earnings per share)	Nine Months Ended September 30, 2021			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	363,806	16,303	-	380,109
Lease revenue	-	84,708	-	84,708
Commissions earned	109,809	8,015	-	117,824
Charges and fees	6,721	2,930	-	9,651
	480,336	111,956	-	592,292
Total operating expenses before depreciation and amortization	223,784	50,143	59,770	333,697
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	12,423	27,652	3,730	43,805
Depreciation of right-of-use assets	7,021	5,750	645	13,416
	19,444	33,402	4,375	57,221
Operating income (loss)	237,108	28,411	(64,145)	201,374
Other Income				106,505
Finance costs				
Interest expense and amortization of deferred financing charges				54,450
Interest expense on lease liabilities				2,294
				56,744
Income before income taxes				251,135
Income taxes				56,153
Net income				194,982
Diluted earnings per share				11.75

Portfolio Performance

Consumer Loans Receivable

The gross consumer loans receivable portfolio increased from $1.90 billion as at September 30, 2021 to $2.59 billion as at September 30, 2022, an increase of $691.9 million, or 36.5%. Loan originations for the nine-month period ended September 30, 2022 were $1.75 billion, up 60.5% from the same period of 2021. The increase in consumer loans receivable was driven by healthy demand across the company's entire range of products and acquisition channels, including unsecured lending, home equity loans, powersports financing and automotive financing.

The total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 38.3% in the current year to date period, down 410 bps from 2021. 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 powersports, home improvement, healthcare and retail categories, and risk adjusted rate unsecured loans; 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 $194.6 million for the nine-month period ended September 30, 2022 from $123.4 million in 2021, an increase of $71.2 million, or 57.7%. The following table details the components of bad debt expense:

	Nine Months Ended	
($in 000's)	**September 30, 2022**	**September 30, 2021**
Provision required due to net charge offs	**158,103**	100,599
Impact of loan book growth	**39,271**	14,436
Impact of change in provision rate during the period	**(2,738)**	(5,843)
Day one loan loss provision on acquired LendCare loans	-	14,252
Net change in allowance for credit losses	**36,533**	22,845
Bad debt expense	**194,636**	123,444

Bad debt expense increased by $71.2 million due to the following factors:

(i) Net charge offs increased from $100.6 million in the nine-month period ended September 30, 2021 to $158.1 million in the current year to date period, an increase of $57.5 million. Net charge offs in the nine-month ended period September 30, 2022 as a percentage of the average gross consumer loans receivable on an annualized basis were 9.1%, up from 8.5% in 2021. The increase in the net charge off rate reflects the benefits of pandemic related government support and consumer expense reductions experienced in the comparable period of 2021. The Company's net charge off rate was in line with the Company's targeted range for 2022 of 8.5% to 10.5%.

(ii) The acquisition of LendCare in 2021 increased the bad debt provision by $14.3 million related to the acquired loan book of $444.5 million. Excluding the acquired loan book, the Company's loan portfolio for the nine-month period ended September 30, 2021 increased by $205.4 million, resulting in a provision expense of $14.4 million, compared to loan book growth of $558.3 million for the nine-month period ended September 30, 2022, which resulted in a provision expense of $39.3 million.

(iii) The impact of provision rate changes for the nine-month period ended September 30, 2022 resulted in bad debt expense decreasing by $2.7 million, compared to $5.8 million in the same period of 2021. For the nine-month period ended September 30, 2022, the provision rate decreased from 7.87% to 7.58%, primarily due to the continued improvement in the product and credit mix of the loan portfolio, and the increased proportion of loans secured by assets. For the nine-month period ended September 30, 2021, the provision rate decreased from 10.08% to 7.83%, which resulted in a $5.8 million decrease in bad debt expense. The decline in provision rate in the prior period was primarily due to the improved credit quality of the portfolio and due to the acquisition of LendCare loan book, which is predominantly secured loans and carries a lower provision rate.

easyhome Leasing Portfolio

The leasing portfolio as measured by potential monthly leasing revenue as at September 30, 2022 was $7.6 million, down from $8.2 million reported as at September 30, 2021. The easyhome leasing business is a mature business that has experienced a long-term gradual decline in sales volumes, as consumer demand has shifted into alternate forms of purchasing everyday household items.

Revenue

Revenue for the nine-month period ended September 30, 2022 was $746.0 million, an increase of $153.7 million, or 26%, when compared to the same period of 2021. Overall same store sales growth for the first nine months of 2022 was 14.7%. Revenue growth was driven mainly by organic growth of the Company's consumer loan portfolio.

easyfinancial – Revenue in the first nine months of 2022 was $633.6 million, an increase of $153.3 million, or 31.9%, when compared to the same period of 2021. Components of the increased revenue include:

(i) Interest income increased by $121.6 million, or 33.4% driven by the 36.5% growth in the loan portfolio, which includes growth of unsecured loans, home equity loans, powersports financing, automotive financing and point-of-sale financing, partially offset by lower average interest yields;
(ii) Commissions earned from sales of ancillary products and services increased by $26.2 million, or 23.8%, due to the larger consumer loan portfolio and lower claims costs associated with the Company's loan protection program in the period; and
(iii) Charges and fees increased by $5.5 million.

easyhome – Revenue for the first nine months of 2022 was $112.4 million, an increase of $0.4 million, or 0.4%, when compared to the same period of 2021. Lending revenue within the easyhome stores increased by $7.3 million, compared to the same period of 2021. Traditional leasing revenue decreased by $6.8 million, compared to the same period of 2021. The components of the increased revenue include:

(i) Interest revenue increased by $5.1 million due to growth of consumer loans receivable related to the easyhome business;
(ii) Lease revenue was lower by $6.5 million due to a smaller lease portfolio;
(iii) Commissions earned on the sale of ancillary products increased by $1.8 million, mainly due to higher revenues associated with the Company's loan protection program; and
(iv) Charges and fees were relatively flat from the same period of 2021.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization for the nine-month period ended September 30, 2022 were $427.4 million, an increase of $93.7 million, or 28.1%, from the comparable period of 2021. The increase in operating expenses before depreciation and amortization was mainly driven by higher bad debt expense, which includes higher net charge offs and an increase in allowance for credit losses in the easyfinancial and easyhome businesses associated with growth in their respective consumer loan portfolios and corporate development costs, partially offset by the non-recurring transaction and integration costs incurred in 2021 related to the acquisition of LendCare.

easyfinancial – Total operating expenses before depreciation and amortization were $320.1 million in the first nine months of 2022, an increase of $96.3 million, or 43.0%, from the comparable period of 2021. Key drivers of the increase include:

(i) Bad debt expense increased by $67.9 million driven mainly by higher charge offs and an increase in allowance for credit losses due to loan book growth;
(ii) A $4.7 million increase in advertising and marketing spend to drive brand awareness and support growth in originations; and
(iii) Other operating expenses increased by $23.7 million, driven by incremental labour and other costs to operate and manage the growing loan book and retail network. Overall easyfinancial locations increased from 286 as at September 30, 2021 to 301 as at September 30, 2022.

easyhome – Total operating expenses before depreciation and amortization were $54.7 million in the first nine months of 2022, which was $4.5 million higher than the comparable period of 2021. Key drivers of the increase include:

(i) A $3.3 million increase in bad debt expense due to a larger loan portfolio;
(ii) A $0.6 million increase in advertising and marketing spend; and
(iii) Other operating expenses increased by $0.6 million, primarily in compensation expense.

Corporate – Total operating expenses before depreciation and amortization for the nine-month period ended September 30, 2022 were $52.7 million, a decrease of $7.1 million, or 11.9%, from the comparable period of 2021. The decrease was primarily due to non-recurring LendCare acquisition transaction and integration costs in 2021 and lower compensation expense, partially offset by the corporate development costs incurred in the first quarter of 2022. Excluding the LendCare transaction and integration costs and corporate development costs, corporate expenses before depreciation and amortization represented 6.6% of revenues in the first nine months of 2022, compared to 8.5% of revenues in the same period of 2021.

Depreciation and Amortization

Depreciation and amortization for the nine-month period ended September 30, 2022 was $62.1 million, an increase of $4.8 million, or 8.5%, from the comparable period of 2021, driven mainly by the higher amortization of intangible assets acquired through the acquisition of LendCare. Overall, depreciation and amortization represented 8.3% of revenue for the first nine months of 2022, a decline from 9.7% reported in the comparable period of 2021.

easyfinancial – Total depreciation and amortization was $25.8 million for the first nine months of 2022. This included $8.3 million of depreciation of right-of-use assets, $1.3 million higher than the $7.0 million reported in 2021, primarily due to new retail premises lease agreements in the period. Depreciation of property and equipment and intangibles in the first nine months of 2022 was $17.5 million, $5.1 million higher than the comparable period of 2021, mainly driven by the amortization of intangible assets acquired through the acquisition of LendCare.

easyhome – Total depreciation and amortization expense was $31.8 million for the first nine months of 2022. Depreciation and amortization of lease assets, property and equipment and intangibles was $25.9 million in the period, $1.7 million lower compared with $27.7 million in the comparable period of 2021. easyhome's depreciation and amortization of lease assets, property and equipment and intangibles expressed as a percentage of easyhome revenue for the first nine months of 2022 was 23.1%, down from 24.7% reported in the first nine months of 2021, mainly due to a smaller lease asset base against a revenue base with an increasing proportion being generated from consumer lending.

Corporate – Depreciation and amortization was $4.4 million for the first nine months of 2022, relatively flat from the comparable period of 2021.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the nine-month period ended September 30, 2022 was $256.5 million, up $55.2 million, or 27.4%, when compared to the same period of 2021. The Company's operating margin for the nine-month period ended September 30, 2022 was 34.4%, up from 34.0% reported in 2021. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures", the Company reported an adjusted operating income of $269.6 million, up $39.3 million, or 17.1%, when compared to 2021. The increase in operating margin was mainly driven by higher revenue associated with the larger consumer loan portfolio, partially offset by higher operating expenses, which includes higher net charge offs and an increase in allowance for credit losses. The Company also reported an adjusted operating margin of 36.1% for the first nine months of 2022, down from 38.9% reported in comparable period of 2021, mainly driven by a lower operating margin of the easyfinancial reportable operating segment, as discussed below.

easyfinancial – Operating income was $287.7 million for the first nine months of 2022, an increase of $50.6 million, or 21.3%, when compared to the same period of 2021. The improved operating income was driven by continued organic growth in the Company's loan portfolio. As a result, easyfinancial revenue increased by $153.3 million, partially offset by: i) a $67.9 million increase in bad debt expense driven by increased provision expense coupled with higher charge offs associated with the larger consumer loan portfolio; ii) a $6.4 million increase in depreciation and amortization mainly related to the amortization of intangible assets acquired through the acquisition of LendCare; iii) a $4.7 million increase in advertising and marketing spend; and iv) a $23.7 million increase in incremental expenditures to support the growing customer base, enhance the product offering and expand the retail footprint. Operating margin in the current year to date period was 45.4%, compared with 49.4% reported in the same period of 2021. The decline in operating margin was mainly due to a higher level of allowance for credit losses related to the record loan growth experienced during the first nine months of 2022 and the increase in net charge offs relative to the comparable period of 2021, which experienced the benefit of pandemic related government support and consumer expense reductions.

easyhome – Operating income was $25.9 million for the first nine months of 2022, a decrease of $2.5 million, or 8.9%, when compared to the same period of 2021. The decrease was mainly due to an increase in bad debt expense, partially offset by higher lending revenues, both from a larger loan portfolio. Operating margin for the first nine months of 2022 was 23.0%, lower than the 25.4% reported in the comparable period of 2021.

Other Income

During the nine-month period ended September 30, 2022, the Company recognized an investment loss of $23.0 million mainly due to the net fair value loss on the investment in Affirm and its related TRS, compared to a $106.5 million fair value before-tax gain in the same period of 2021.

Finance Costs

Finance costs for the nine-month period ended September 30, 2022 were $76.4 million, an increase of $19.7 million from the comparable period of 2021. The increase was mainly driven by higher borrowings to fund growth of the Company's lending business and share buybacks in the period. The increase was partially offset by the non-recurring loan commitment fee related to the acquisition of LendCare in 2021 and an overall lower cost of borrowing.

Income Tax Expense

The effective income tax rate for the nine-month period ended September 30, 2022 was 29.0%, higher than the 22.4% reported in the comparable period of 2021, mainly driven by fair value losses on investments in the current period, which are 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, 2022 was $111.6 million, or $6.71 per share on a diluted basis, down 42.8% and 42.9%, respectively, compared to $195.0 million, or $11.75 per share on a diluted basis reported in the comparable period of 2021. Excluding the effects of the adjusting items discussed in the "Key Performance Indicators and Non-IFRS Measures" section, the adjusted net income for the nine-month period ended September 30, 2022 was $141.2 million, or $8.50 per share on a diluted basis, an increase of 11.1% and 11.0%, respectively, compared to the same period of 2021. The growth was primarily driven by record organic growth of the Company's consumer loan portfolio partially offset by higher operating expenses, which includes higher net charge offs and an increase in allowance for credit losses, and finance costs required to support the growing loan portfolio.

Selected Quarterly Information

($in millions except percentages and per share amounts)	September 2022[3]	June 2022[3]	March 2022[3]	December 2021[3]	September 2021[3]	June 2021[3]	March 2021	December 2020	September 2020
Gross consumer loans receivable	**2,588.7**	2,369.8	2,154.3	2,030.3	1,896.7	1,795.8	1,277.3	1,246.8	1,182.8
Revenue	**262.2**	251.7	232.1	234.4	219.8	202.4	170.2	173.2	161.8
Net income	**47.2**	38.3	26.1	50.0	63.5	19.5	112.0	48.9	33.1
Adjusted net income[2]	**48.6**	46.8	45.8	47.6	46.7	43.7	36.7	35.0	31.6
Return on assets	**6.3%**	5.5%	4.0%	7.9%	10.3%	3.8%	28.8%	13.6%	9.7%
Adjusted return on assets[2]	**6.5%**	6.7%	6.9%	7.5%	7.6%	8.6%	9.4%	9.8%	9.3%
Return on equity	**24.2%**	20.2%	13.5%	25.0%	32.7%	12.0%	90.1%	45.8%	34.7%
Adjusted return on equity[2]	**24.9%**	24.7%	23.8%	23.9%	24.0%	26.9%	29.5%	32.8%	33.1%
Return on tangible common equity[2]	**38.5%**	33.0%	22.8%	39.8%	52.3%	16.8%	94.2%	48.2%	36.7%
Adjusted return on tangible common equity[2]	**37.7%**	38.0%	36.5%	36.2%	37.1%	34.8%	30.8%	34.5%	35.1%
Net income as a percentage of revenue	**18.0%**	15.2%	11.2%	21.3%	28.9%	9.6%	65.8%	28.2%	20.5%
Adjusted net income as a percentage of revenue[2]	**18.5%**	18.6%	19.7%	20.3%	21.2%	21.6%	21.6%	20.2%	19.5%
Earnings per share[1]									
Basic	**2.92**	2.37	1.59	3.00	3.79	1.20	7.41	3.24	2.20
Diluted	**2.86**	2.32	1.55	2.90	3.66	1.16	7.14	3.14	2.09
Adjusted diluted[2]	**2.95**	2.83	2.72	2.76	2.70	2.61	2.34	2.24	2.00

[1] Quarterly earnings per share are not additive and may not equal the annual earnings per share reported. This is due to the effect of stock issued or repurchased during the period on the basic weighted average number of Common Shares (as defined herein) outstanding together with the effects of rounding.

[2] Adjusted net income is a non-IFRS measure. Adjusted diluted earnings per share, adjusted return on equity, adjusted return on asset 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 37 of June 30, 2022 MD&A, page 27 of March 31, 2022 MD&A, page 50 of December 31, 2021 MD&A, page 37 of the September 30, 2021 MD&A, page 39 of the June 30, 2021 MD&A, page 25 of March 31, 2021 MD&A, page 42 of the December 20, 2020 MD&A, and page 33 of the September 30, 2020 MD&A for the respective "Key Performance Indicators and Non-IFRS Measures" section for those periods. These MD&As are available on www.sedar.com.

[3] During the second quarter of 2021, the Company acquired LendCare. The selected quarterly information for the periods beginning September 30, 2021 include financial information related to LendCare.

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 time frame was primarily related to the growth of gross consumer loans receivable. The larger revenue base together with operating expense management and lower costs of borrowing, increased the Company's adjusted net income, adjusted earnings per share and adjusted return on tangible common equity. Adjusted return on assets and adjusted return on equity have increased in prior quarters due to increasing earnings generated by the business, declining in the most recent quarters due to the higher level of assets and shareholders' equity due to the acquisition of LendCare in 2021.

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 are 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 is 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 a prior borrowing. 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, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Gross loan originations	**640,519**	436,194	**1,745,251**	1,087,627
Loan originations to new customers	**298,810**	204,022	**817,688**	477,835
Loan originations to existing customers	**341,709**	232,172	**927,563**	609,792
Less: Proceeds applied to repay existing loans	**(174,746)**	(126,135)	**(471,663)**	(334,474)
Net advance to existing customers	**166,963**	106,037	**455,900**	275,318
Net principal written	**465,773**	310,059	**1,273,588**	753,153

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 the gross consumer loans receivable during the periods were as follows:

	Three Months Ended		Nine Months Ended	
($in 000's)	**September 30, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Opening gross consumer loans receivable	**2,369,843**	1,795,844	**2,030,339**	1,246,840
Gross loan originations	**640,519**	436,194	**1,745,251**	1,087,627
Gross loan purchased	**-**	-	**-**	444,520
Gross principal payments and other adjustments	**(354,389)**	(292,217)	**(1,004,333)**	(772,154)
Gross charge offs before recoveries	**(67,317)**	(43,105)	**(182,601)**	(110,117)
Net growth in gross consumer loans receivable during the period	**218,813**	100,872	**558,317**	649,876
Ending gross consumer loans receivable	**2,588,656**	1,896,716	**2,588,656**	1,896,716

The contractual principal repayments of gross consumer loans receivable are as follows:

	September 30, 2022		September 30, 2021	
($in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
0 – 6 months	**225,861**	**8.7%**	210,101	11.1%
6 – 12 months	**161,776**	**6.2%**	158,362	8.3%
12 – 24 months	**366,041**	**14.1%**	342,276	18.0%
24 – 36 months	**439,042**	**17.0%**	386,168	20.4%
36 – 48 months	**441,712**	**17.1%**	298,088	15.7%
48 – 60 months	**307,142**	**11.9%**	208,847	11.0%
60 months +	**647,082**	**25.0%**	292,874	15.5%
Gross consumer loans receivable	**2,588,656**	**100.0%**	1,896,716	100.0%

Gross consumer loans receivable with principal repayments beyond 60 months as at September 30, 2022 increased by 950 bps, compared to September 30, 2021, primarily due to the shift in product mix towards a higher proportion of secured loans, which have longer payment terms.

The gross consumer loans receivable by contractual times to maturity are as follows:

($in 000's except percentages)	September 30, 2022 $	September 30, 2022 % of total	September 30, 2021 $	September 30, 2021 % of total
0 – 1 year	**64,246**	**2.5%**	58,495	3.1%
1 – 2 years	**141,890**	**5.5%**	157,916	8.3%
2 – 3 years	**325,017**	**12.6%**	346,969	18.3%
3 – 4 years	**560,060**	**21.6%**	468,709	24.7%
4 – 5 years	**502,201**	**19.4%**	442,237	23.3%
5 years +	**995,242**	**38.4%**	422,390	22.3%
Gross consumer loans receivable	**2,588,656**	**100.0%**	1,896,716	100.0%

Gross consumer loans receivable with contractual times to maturity beyond 5 years as at September 30, 2022 increased by 1,610 bps, compared to September 30, 2021, 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 operating segments. A breakdown of gross consumer loans receivable between these segments is as follows:

($in 000's except percentages)	September 30, 2022 $	September 30, 2022 % of total	September 30, 2021 $	September 30, 2021 % of total
Gross consumer loans receivable, easyfinancial	**2,505,626**	**96.8%**	1,834,907	96.7%
Gross consumer loans receivable, easyhome	**83,030**	**3.2%**	61,809	3.3%
Gross consumer loans receivable	**2,588,656**	**100.0%**	1,896,716	100.0%

Financial Revenue and Net Financial Income

Financial revenue, a non-IFRS measure, is generated by both the easyfinancial and easyhome reportable operating 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 operating 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, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Total Company revenue	**262,216**	219,762	**746,010**	592,292
Less: Leasing revenue	**(27,074)**	(29,762)	**(83,281)**	(90,128)
Financial revenue	**235,142**	190,000	**662,729**	502,164
Less: Interest expenses and amortization of deferred financing charges	**(27,602)**	(20,889)	**(73,835)**	(54,450)
Less: Bad debt expense	**(72,551)**	(45,297)	**(194,636)**	(123,444)
Net financial income	**134,989**	123,814	**394,258**	324,270

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, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Total Company revenue	**262,216**	219,762	**746,010**	592,292
Less: Leasing revenue	**(27,074)**	(29,762)	**(83,281)**	(90,128)
Financial revenue	**235,142**	190,000	**662,729**	502,164
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	**2,516,122**	1,862,433	**2,304,371**	1,579,544
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	**37.4%**	40.8%	**38.3%**	42.4%

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 bankrupt following a detailed review of the filing. Subsequent collections of previously charged off accounts are netted with 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, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Net charge offs against allowance	**58,257**	38,682	**158,103**	100,599
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	**2,516,122**	1,862,433	**2,304,371**	1,579,544
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**9.3%**	8.3%	**9.1%**	8.5%

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, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Allowance for credit losses, beginning of period	**182,001**	141,906	**159,762**	125,676
Net charge offs against allowance	**(58,257)**	(38,682)	**(158,103)**	(100,599)
Bad debt expense	**72,551**	45,297	**194,636**	123,444
Allowance for credit losses, end of period	**196,295**	148,521	**196,295**	148,521
Allowance for credit losses as a percentage of the ending gross consumer loans receivable	**7.58%**	7.83%	**7.58%**	7.83%

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, GDP growth and the price of oil. Analysis performed by the Company determined that a forecasted increase in the rate of unemployment, rate of inflation, a decrease in the expected future price of oil from the current rates or a decrease in the rate of GDP growth has historically tended to increase the charge offs experienced by the Company. Conversely a forecasted decrease in the rate of unemployment, rate of inflation, an increase in the expected future price of oil from the current rates or an increase in the GDP growth rate has historically tended to decrease the charge offs experienced by the Company. When assessing the degree of influence on the credit risk of the Company's consumer loan portfolio, analysis performed by the Company indicates that the underlying credit and product mix, as influenced by the Company's custom proprietary credit models, has the most significant impact on future credit losses, while there is only a moderate degree of impact caused solely by economic factors. As a result of the turbulent economic environment brought on by the COVID-19 pandemic, management identified the need to incorporate additional data and methodological approaches into the Company's forward-looking scenario modelling, in order to account for the unusually high prepayment rates and low default rates experienced by lending institutions during the pandemic. Therefore, additional factors have been incorporated into assessing the economic impact of the COVID-19 pandemic on the Company's consumer loan portfolio.

In calculating the allowance for credit losses, internally developed models were used, which factor in credit risk related parameters including the probability of default, the exposure at default, the 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, 2022 and 2021, respectively.

12-Month Forward-Looking Macroeconomic Variables (Average annual)	**Neutral**	**Moderately Optimistic**	**Extremely Optimistic**	**Moderately Pessimistic**	**Extremely Pessimistic**
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**
September 30, 2021					
Unemployment rate[1]	6.85%	6.06%	5.37%	9.08%	10.49%
GDP growth rate[2]	4.46%	7.66%	11.05%	(2.12%)	(8.86%)
Inflation growth rate[3]	2.44%	3.00%	3.50%	1.76%	1.17%
Oil prices[4]	$62.90	$67.34	$72.80	$41.58	$38.58

[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 $11.3 million (September 30, 2021 - $31.2 million under 100% pessimistic scenario forecast) higher than the reported allowance for credit losses as at September 30, 2022. Note the 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 was as follows:

	September 30, 2022		September 30, 2021	
($in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Current	**2,448,575**	**94.4%**	1,793,511	94.6%
Days past due				
1 - 30 days	**72,231**	**2.8%**	58,264	3.1%
31 - 44 days	**19,536**	**0.8%**	12,401	0.6%
45 - 60 days	**15,102**	**0.6%**	10,921	0.6%
61 - 90 days	**22,111**	**0.9%**	14,911	0.8%
91 - 120 days	**4,585**	**0.2%**	3,185	0.2%
121 - 150 days	**3,983**	**0.2%**	1,975	0.1%
151 - 180 days	**2,533**	**0.1%**	1,548	0.0%
	140,081	**5.6%**	103,205	5.4%
Gross consumer loans receivable	**2,588,656**	**100.0%**	1,896,716	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 was as follows:

	Saturday, September 24, 2022	Saturday, September 25, 2021
	% of total	% of total
Current	**93.2%**	94.0%
Days past due		
1 - 30 days	**3.8%**	3.6%
31 - 44 days	**0.8%**	0.6%
45 - 60 days	**0.8%**	0.6%
61 - 90 days	**0.9%**	0.8%
91 - 120 days	**0.2%**	0.2%
121 - 150 days	**0.2%**	0.1%
151 - 180 days	**0.1%**	0.1%
	6.8%	6.0%
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:

	September 30, 2022		September 30, 2021	
($in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Newfoundland & Labrador	**77,976**	**3.0%**	62,143	3.3%
Nova Scotia	**128,216**	**5.0%**	98,865	5.2%
Prince Edward Island	**16,845**	**0.7%**	12,938	0.7%
New Brunswick	**116,554**	**4.5%**	88,643	4.7%
Quebec	**319,973**	**12.4%**	226,821	12.0%
Ontario	**973,624**	**37.6%**	713,685	37.6%
Manitoba	**105,248**	**4.1%**	81,354	4.3%
Saskatchewan	**122,736**	**4.7%**	92,888	4.9%
Alberta	**433,031**	**16.7%**	305,398	16.1%
British Columbia	**270,826**	**10.5%**	195,127	10.3%
Territories	**23,627**	**0.8%**	18,854	0.9%
Gross consumer loans receivable	**2,588,656**	**100.0%**	1,896,716	100.0%

Gross Consumer Loans Receivable by Loan Type

At the end of the periods, the Company's gross consumer loans receivable was allocated among the following loan types:

	September 30, 2022		September 30, 2021	
($in 000's except percentages)	$	% of total	$	% of total
Unsecured instalment loans	**1,616,485**	**62.4%**	1,267,486	66.8%
Secured instalment loans[1]	**972,171**	**37.6%**	629,230	33.2%
Gross consumer loans receivable	**2,588,656**	**100.0%**	1,896,716	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, 2022	September 30, 2021
Total number of lease agreements	**72,764**	80,395
Multiplied by the average required monthly lease payment per agreement	**104.76**	101.50
Potential monthly leasing revenue ($in 000's)	**7,623**	8,160

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

	Three Months Ended		Nine Months Ended	
($in 000's)	**September 30, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Opening potential monthly leasing revenue	**7,634**	8,322	**8,193**	8,461
Decrease due to store closures or sales during the period	**(27)**	(18)	**(87)**	(22)
Increase / (decrease) due to ongoing operations	**16**	(144)	**(483)**	(279)
Net change	**(11)**	(162)	**(570)**	(301)
Ending potential monthly leasing revenue	**7,623**	8,160	**7,623**	8,160

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, 2022		September 30, 2021	
($in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Furniture	**3,168**	**41.6%**	3,401	41.7%
Electronics	**2,465**	**32.3%**	2,600	31.9%
Appliances	**1,126**	**14.8%**	1,162	14.2%
Computers	**864**	**11.3%**	997	12.2%
Potential monthly leasing revenue	**7,623**	**100.0%**	8,160	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, 2022		September 30, 2021	
($in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Newfoundland & Labrador	**651**	**8.5%**	681	8.4%
Nova Scotia	**718**	**9.4%**	792	9.7%
Prince Edward Island	**126**	**1.7%**	141	1.7%
New Brunswick	**620**	**8.1%**	643	7.9%
Quebec	**538**	**7.1%**	580	7.1%
Ontario	**2,389**	**31.3%**	2,590	31.7%
Manitoba	**221**	**2.9%**	231	2.8%
Saskatchewan	**347**	**4.6%**	377	4.6%
Alberta	**1,176**	**15.4%**	1,232	15.1%
British Columbia	**837**	**11.0%**	893	11.0%
Potential monthly leasing revenue	**7,623**	**100.0%**	8,160	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 the 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, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Depreciation of lease assets	**8,371**	8,601	**25,031**	26,687
Less: Lease asset depreciation excluding net charge offs	**(7,293)**	(7,797)	**(22,314)**	(24,520)
Net charge offs	**1,078**	804	**2,717**	2,167
Total Company revenue	**262,216**	219,762	**746,010**	592,292
Less: Financial revenue	**(235,142)**	(190,000)	**(662,729)**	(502,164)
Leasing revenue	**27,074**	29,762	**83,281**	90,128
Net charge offs as a percentage of leasing revenue	**4.0%**	2.7%	**3.3%**	2.4%

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 interim condensed 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:

Same Store Revenue Growth

Same store revenue growth is a supplementary financial measure which shows the revenue growth for all stores that have been open for a minimum of 15 months. To calculate same store revenue growth for a period, the revenue for that period is compared to the same period in the prior year excluding the revenues related to opened and closed stores or kiosks during the period. Same store revenue growth is influenced by both the Company's product offerings as well as the number of stores which have been open for a 12-month to 36-month time frame, as these stores tend to be in the strongest period of growth at this time.

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Same store revenue growth (overall)	**14.9%**	15.4%	**14.7%**	12.1%
Same store revenue growth (easyhome)	**1.6%**	5.6%	**2.4%**	6.1%

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, 2022 and 2021 include those indicated in the chart below:

($in 000's except earnings per share)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net income as stated	**47,189**	63,540	**111,585**	194,982
Impact of adjusting items				
Operating expenses before depreciation and amortization				
Corporate development costs[1]	**-**	-	**2,314**	-
Integration costs[3]	**170**	952	**959**	1,600
Transaction costs[2]	**-**	256	**-**	7,615
Day one loan loss provision on the acquired loans [4]	**-**	-	**-**	14,252
Amortization of intangible assets				
Amortization of acquired intangible assets [5]	**3,275**	3,258	**9,825**	5,458
Other loss (income)[6]	**(1,294)**	(23,219)	**23,050**	(106,505)
Finance costs				
Transaction costs[2]	**-**	-	**-**	1,726
Total pre-tax impact of adjusting items	**2,151**	(18,753)	**36,148**	(75,854)
Income tax impact of above adjusting items	**(714)**	1,961	**(6,498)**	7,986
After-tax impact of adjusting items	**1,437**	(16,792)	**29,650**	(67,868)
Adjusted net income	**48,626**	46,748	**141,235**	127,114
Weighted average number of diluted shares outstanding	**16,510**	17,340	**16,619**	16,600
Diluted earnings per share as stated	**2.86**	3.66	**6.71**	11.75
Per share impact of adjusting items	**0.09**	(0.96)	**1.79**	(4.09)
Adjusted diluted earnings per share	**2.95**	2.70	**8.50**	7.66

Adjusting item related to corporate development costs

[1] Corporate development costs are related to the exploration of a strategic acquisition opportunity, which the Company elected to not undertake, including advisory, consulting and legal costs reported under Operating expenses before depreciation and amortization.

Adjusting items related to the LendCare Acquisition

[2] Transaction costs included advisory and consulting costs, legal costs, and other direct transaction costs related to the acquisition of LendCare reported under Operating expenses before depreciation and amortization and loan commitment fees related to the acquisition of LendCare reported under Finance costs.

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

[4] Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from LendCare.

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

Adjusting item related to other income (loss)

[6] For the three and nine-month periods ended September 30, 2022 and 2021, investment income (loss) is mainly due to fair value gains (losses) on investments in Affirm and its related TRS.

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, 2022**	**September 30, 2022 (adjusted)**	**September 30, 2021**	**September 30, 2021 (adjusted)**
Net income as stated	**47,189**	**47,189**	63,540	63,540
After-tax impact of adjusting items[1]	**-**	**1,437**	-	(16,792)
Adjusted net income	**47,189**	**48,626**	63,540	46,748
Divided by revenue	**262,216**	**262,216**	219,762	219,762
Net income as a percentage of revenue	**18.0%**	**18.5%**	28.9%	21.3%

[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, 2022**	**September 30, 2022 (adjusted)**	**September 30, 2021**	**September 30, 2021 (adjusted)**
Net income as stated	**111,585**	**111,585**	194,982	194,982
After-tax impact of adjusting items[1]	**-**	**29,650**	-	(67,868)
Adjusted net income	**111,585**	**141,235**	194,982	127,114
Divided by revenue	**746,010**	**746,010**	592,292	592,292
Net income as a percentage of revenue	**15.0%**	**18.9%**	32.9%	21.5%

[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, 2022**	**September 30, 2022 (adjusted)**	**September 30, 2021**	**September 30, 2021 (adjusted)**
easyfinancial				
Operating income	**101,812**	**101,812**	90,560	90,560
Divided by revenue	**224,918**	**224,918**	182,119	182,119
easyfinancial operating margin	**45.3%**	**45.3%**	49.7%	49.7%
easyhome				
Operating income	**7,782**	**7,782**	10,055	10,055
Divided by revenue	**37,298**	**37,298**	37,643	37,643
easyhome operating margin	**20.9%**	**20.9%**	26.7%	26.7%
Total				
Operating income	**91,378**	**91,378**	81,352	81,352
Operating expenses before depreciation and amortization[1]				
Integration costs	**-**	**170**	-	952
Transaction costs	**-**	**-**	-	256
Amortization of intangible assets[1]				
Amortization of acquired intangible assets	**-**	**3,275**	-	3,258
Adjusted operating income	**91,378**	**94,823**	81,352	85,818
Divided by revenue	**262,216**	**262,216**	219,762	219,762
Total operating margin	**34.8%**	**36.2%**	37.0%	39.1%

[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, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
easyfinancial				
Operating income	**287,719**	**287,719**	237,108	237,108
Divided by revenue	**633,642**	**633,642**	480,336	480,336
easyfinancial operating margin	**45.4%**	**45.4%**	49.4%	49.4%
easyhome				
Operating income	**25,891**	**25,891**	28,411	28,411
Divided by revenue	**112,368**	**112,368**	111,956	111,956
easyhome operating margin	**23.0%**	**23.0%**	25.4%	25.4%
Total				
Operating income	**256,526**	**256,526**	201,374	201,374
Operating expenses before depreciation and amortization[1]				
Corporate development costs	**-**	**2,314**	-	-
Integration costs	**-**	**959**	-	1,600
Transaction costs	**-**	**-**	-	7,615
Day one loan loss provision on the acquired loans	**-**	**-**	-	14,252
Amortization of intangible assets[1]				
Amortization of acquired intangible assets	**-**	**9,825**	-	5,458
Adjusted operating income	**256,526**	**269,624**	201,374	230,299
Divided by revenue	**746,010**	**746,010**	592,292	592,292
Total operating margin	**34.4%**	**36.1%**	34.0%	38.9%

[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, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Net income as stated	**47,189**	63,540	**111,585**	194,982
Finance costs	**28,497**	21,686	**76,421**	56,744
Income tax expense	**16,986**	19,345	**45,470**	56,153
Depreciation and amortization	**20,980**	20,723	**62,061**	57,221
Depreciation of lease assets	**(8,371)**	(8,601)	**(25,031)**	(26,687)
EBITDA	**105,281**	116,693	**270,506**	338,413
Divided by revenue	**262,216**	219,762	**746,010**	592,292
EBITDA margin	**40.2%**	53.1%	**36.3%**	57.1%

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, 2022	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Cash used in operating activities	**(123,225)**	(11,632)	**(365,883)**	(4,704)
Net growth in gross consumer loans receivable during the period[1]	**218,813**	100,872	**558,317**	205,356
Free cash flows from operations before net growth in gross consumer loans receivable	**95,588**	89,240	**192,434**	200,652

[1] Excludes $444.5 million of gross loans purchased through the acquisition of LendCare in 2021.

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, 2022**	**September 30, 2022 (adjusted)**	**September 30, 2021**	**September 30, 2021 (adjusted)**
Net income as stated	**47,189**	**47,189**	63,540	63,540
After-tax impact of adjusting items[1]	**-**	**1,437**	-	(16,792)
Adjusted net income	**47,189**	**48,626**	63,450	46,748
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average total assets for the period	**3,012,832**	**3,012,832**	2,461,509	2,461,509
Return on assets	**6.3%**	**6.5%**	10.3%	7.6%

[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, 2022**	**September 30, 2022 (adjusted)**	**September 30, 2021**	**September 30, 2021 (adjusted)**
Net income as stated	**111,585**	**111,585**	194,982	194,982
After-tax impact of adjusting items[1]	**-**	**29,650**	-	(67,868)
Adjusted net income	**111,585**	**141,235**	194,982	127,114
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	**2,827,534**	**2,827,534**	2,009,205	2,009,205
Return on assets	**5.3%**	**6.7%**	12.9%	8.4%

[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, 2022**	**September 30, 2022 (adjusted)**	**September 30, 2021**	**September 30, 2021 (adjusted)**
Net income as stated	**47,189**	**47,189**	63,540	63,540
After-tax impact of adjusting items[1]	**-**	**1,437**	-	(16,792)
Adjusted net income	**47,189**	**48,626**	63,540	46,748
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average shareholders' equity for the period	**780,215**	**780,215**	778,059	778,059
Return on equity	**24.2%**	**24.9%**	32.7%	24.0%

[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, 2022**	**September 30, 2022 (adjusted)**	**September 30, 2021**	**September 30, 2021 (adjusted)**
Net income as stated	**111,585**	**111,585**	194,982	194,982
After-tax impact of adjusting items[1]	**-**	**29,650**	-	(67,868)
Adjusted net income	**111,585**	**141,235**	194,982	127,114
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	**775,414**	**775,414**	637,474	637,474
Return on equity	**19.2%**	**24.3%**	40.8%	26.6%

[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, 2022**	**September 30, 2022 (adjusted)**	**September 30, 2021**	**September 30, 2021 (adjusted)**
Net income as stated	**47,189**	**47,189**	63,540	63,540
Amortization of acquired intangible assets	**3,275**	**3,275**	3,258	3,258
Income tax impact of the above item	**(868)**	**(868)**	(863)	(863)
Net income before amortization of acquired intangible assets, net of income tax	**49,596**	**49,596**	65,935	65,935
Impact of adjusting items[1]				
Operating expenses before depreciation and amortization				
Integration costs	**-**	**170**	-	952
Transaction costs	**-**	**-**	-	256
Other income	**-**	**(1,294)**	-	(23,219)
Total pre-tax impact of adjusting items	**-**	**(1,124)**	-	(22,011)
Income tax impact of above adjusting items	**-**	**154**	-	2,824
After-tax impact of adjusting items	**-**	**(970)**	-	(19,187)
Adjusted net income	**49,596**	**48,626**	65,935	46,748
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Average shareholders' equity	**780,215**	**780,215**	778,059	778,059
Average goodwill	**(180,923)**	**(180,923)**	(180,379)	(180,379)
Average acquired intangible assets[2]	**(114,079)**	**(114,079)**	(127,179)	(127,179)
Average related deferred tax liabilities	**30,231**	**30,231**	33,702	33,702
Divided by average tangible common equity	**515,444**	**515,444**	504,203	504,203
Return on tangible common equity	**38.5%**	**37.7%**	52.3%	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.

($in 000's except percentages)	Nine Months Ended September 30, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
Net income as stated	**111,585**	**111,585**	194,982	194,982
Amortization of acquired intangible assets	**9,825**	**9,825**	5,458	5,458
Income tax impact of the above item	**(2,604)**	**(2,604)**	(1,446)	(1,446)
Net income before amortization of acquired intangible assets, net of income tax	**118,806**	**118,806**	198,994	198,994
Impact of adjusting items[1]				
Operating expenses before depreciation and amortization				
Corporate development costs	**-**	**2,314**	-	-
Integration costs	**-**	**959**	-	1,600
Transaction costs	**-**	**-**	-	7,615
Day one loan loss provision on the acquired loans	**-**	**-**	-	14,252
Other loss (income)	**-**	**23,050**	-	(106,505)
Finance costs				
Transaction costs	**-**	**-**	-	1,726
Total pre-tax impact of adjusting items	**-**	**26,323**	-	(81,312)
Income tax impact of above adjusting items	**-**	**(3,894)**	-	9,432
After-tax impact of adjusting items	**-**	**22,429**	-	(71,880)
Adjusted net income	**118,806**	**141,235**	198,994	127,114
Multiplied by number of periods in a year	**X 4/3**	**X 4/3**	X 4/3	X 4/3
Average shareholders' equity	**775,414**	**775,414**	637,474	637,474
Average goodwill	**(180,923)**	**(180,923)**	(100,845)	(100,845)
Average acquired intangible assets[2]	**(117,354)**	**(117,354)**	(63,590)	(63,590)
Average related deferred tax liabilities	**31,099**	**31,099**	16,851	16,851
Divided by average tangible common equity	**508,236**	**508,236**	489,890	489,890
Return on tangible common equity	**31.2%**	**37.1%**	54.2%	34.6%

[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, 2022 and 2021.

($in 000's, except for ratios)	September 30, 2022	September 30, 2021
Consumer loans receivable, net	**2,435,447**	1,780,073
Cash	**74,009**	124,685
Accounts receivable	**25,566**	18,057
Prepaid expenses	**8,604**	8,668
Investments	**37,913**	64,178
Lease assets	**45,520**	44,482
Property and equipment, net	**35,223**	34,397
Derivative financial assets	**67,580**	422
Intangible assets, net	**157,812**	161,189
Right-of-use assets, net	**61,319**	54,663
Goodwill	**180,923**	180,923
Total assets	**3,129,916**	2,471,737
Notes payable	**1,189,961**	1,087,397
Revolving securitization warehouse facility	**716,554**	122,648
Revolving credit facility	**98,492**	14,339
Secured borrowings	**121,207**	191,574
External debt	**2,126,214**	1,415,958
Accounts payable and accrued liabilities	**50,401**	61,433
Income taxes payable	**2,088**	22,860
Dividends payable	**14,453**	10,888
Unearned revenue	**24,589**	9,329
Accrued interest	**24,511**	22,968
Deferred tax liabilities, net	**25,735**	38,983
Lease liabilities	**69,973**	62,915
Derivative financial liabilities	**-**	19,076
Total liabilities	**2,337,964**	1,664,410
Shareholders' equity	**791,952**	807,327
Total capitalization (external debt plus total shareholders' equity)	**2,918,166**	2,223,285
Capital management measures		
External debt to shareholders' equity[1]	**2.68**	1.75
Net debt to net capitalization[2]	**0.72**	0.62

[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 $3.13 billion as at September 30, 2022, an increase of $658.2 million or 26.6%, compared to September 30, 2021. The increase was related primarily to a $655.4 million increase in net consumer loans receivable and a $67.2 million increase in derivative financial assets partially offset by the decrease in cash of $50.7 million and decrease in investments of $26.3 million mainly due to a fair value loss on the investment in Affirm and the disposal of the non-contingent portion of the equity investment in Affirm.

The $658.2 million of growth in total assets was primarily financed by a $710.3 million increase in external debt mainly from the revolving securitization warehouse facility, partially offset by a $15.4 million decrease in total shareholder's equity, which was caused by share buybacks under the Company's Normal Course Issuer Bid ("NCIB") and dividends paid partially offset by earnings generated by the Company. While the Company has continued to pay a dividend to its shareholders, a large portion of the Company's earnings over the prior year 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, 2022 and 2021.

	Three Months Ended		Nine Months Ended	
($in 000's)	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Cash provided by operating activities before issuance of consumer loans receivable and purchase of lease assets	**169,725**	138,747	**387,928**	323,691
Net issuance of consumer loans receivable	**(284,435)**	(143,219)	**(730,452)**	(306,619)
Purchase of lease assets	**(8,515)**	(7,160)	**(23,359)**	(21,776)
Cash used in operating activities	**(123,225)**	(11,632)	**(365,883)**	(4,704)
Cash (used in) provided by investing activities	**(7,894)**	82,960	**(9,838)**	(202,160)
Cash provided by (used in) financing activities	**109,228**	(86,835)	**347,251**	238,496
Net (decrease) increase in cash for the period	**(21,891)**	(15,507)	**(28,470)**	31,632

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 borrowers make loan payments this 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, 2022

Cash used in operating activities for the three-month period ended September 30, 2022 was $123.2 million, compared with $11.6 million of cash used in operating activities in the same period of 2021. Included in cash used in operating activities for the three-month period ended September 30, 2022 were: i) a net issuance of consumer loans receivable of $284.4 million; and ii) the purchase of lease assets of $8.5 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 $169.7 million for the three-month period ended September 30, 2022. The increase of $31.0 million was driven by increased adjusted net income and higher non-cash expenses such as bad debt expense and depreciation and amortization, partially offset by higher unfavourable changes in working capital.

During the three-month period ended September 30, 2022, cash used in investing activities was $7.9 million, mainly due to the purchases of property and equipment and intangible assets. During the three-month period ended September 30, 2021, cash generated from investing activities was $83.0 million, mainly due to cash proceeds received on the sale of the non-contingent portion of the equity investment in Affirm.

During the three-month period ended September 30, 2022, the Company generated $109.2 million in cash flow from financing activities, mainly from net drawings on the Company's credit facilities to fund consumer loan growth, partially offset by the payment of quarterly dividends and lease liabilities. During the third quarter of 2021, the Company used $86.8 million of cash for financing activities, mainly for the net repayments of advances from the Company's credit facilities and the payment of quarterly dividends and lease liabilities.

Cash Flow Analysis for the Nine Months Ended September 30, 2022

Cash used in operating activities during the nine-month period ended September 30, 2022 was $365.9 million, compared with $4.7 million of cash used for operating activities in the same period of 2021. Included in cash provided by operating activities for the nine-month period ended September 30, 2022 was: i) net issuance of consumer loans receivable of $730.5 million, and ii) the purchase of $23.4 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 $387.9 million for the nine-month period ended September 30, 2022, up from $323.7 million in the same period of 2021. The increase was driven by increased adjusted net income and higher non-cash expenses such as the fair value loss on investment, bad debt expense and depreciation and amortization, partially offset by unfavourable changes in working capital.

During the nine-month period ended September 30, 2022, the Company used $9.8 million in investing activities, mainly due to $20.2 million of purchases of property and equipment and intangible assets and $15 million invested in 1195407 B.C. Ltd. ("Canada Drives"), partially offset by $25.4 million proceeds from the settlement of the TRS related to the contingent portion of the equity investment in Affirm. During the nine-month period ended September 30, 2021, the Company used $202.2 million for investing activities mainly due to $282.2 million of cash used for the acquisition of LendCare, $17.8 million of purchases of property and equipment and intangible assets and purchase of equity investments mainly in Brim of $11.3 million partially offset by proceeds from the sale of equity investments in PayBright and Affirm of $109.2 million.

During the nine-month period ended September 30, 2022, the Company generated $347.3 million of cash flow from financing activities, mainly from net drawings on the Company's credit facilities to fund consumer loan growth, partially offset by cash used for repurchases of common shares through the Company's NCIB and the payment of dividends, lease liabilities and cash-settled restricted share units. During the nine-month period ended September 30, 2021, the Company generated $238.5 million of cash flow from financing activities mainly due to the offering of US$320 million of 4.375% senior unsecured notes maturing on May 1, 2026 ("2026 Notes") and $172.5 million bought deal equity offering to fund the acquisition of LendCare. These cash inflows were partially offset by the net repayments of advances from the Company's credit facilities, repayments of acquired notes payable, the payment of dividends and the payment of lease liabilities.

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 Toronto Stock Exchange ("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, 2022, the Company's external debt consisted of US$550 million 5.375% senior unsecured notes with a maturity date of December 1, 2024 ("2024 Notes") and a net carrying value of $752.9 million, US$320 million of 2026 Notes with a net carrying value of $437.0 million, $121.2 million of secured borrowings, $720 million drawn against the Company's revolving securitization warehouse facility and $100 million drawn against the Company's revolving credit facility.

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 bear interest at the rate of 1-month CDOR plus 185 bps, maturing August 30, 2024. Concurrent with the establishment of the revolving securitization warehouse facility, the Company entered into an interest rate swap as a cash flow hedge 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.

The average blended coupon interest rate for the Company's debt as at September 30, 2022, was 4.9% down from 5.0% as at September 30, 2021.

As at September 30, 2022, the Company had a cash position of $74 million which includes $21.5 million of net restricted cash related to its cross-currency swap and $39.2 million in restricted cash related to its revolving securitization warehouse facility and secured borrowings reserve. As at September 30, 2022, the Company has borrowing capacities of $680 million under its revolving securitization warehouse facility and $170 million under its revolving credit facility. The cash position of $74 million and total borrowing capacity of $850 million represented $924 million in total liquidity as at September 30, 2022. The Company also has the ability to exercise the accordion feature under its revolving credit facility to add an additional $100 million in borrowing capacity. The current total liquidity, excluding future enhancements or diversification of funding sources, provide adequate growth capital for the Company to execute its organic growth plan and achieve its forecast through the fourth quarter of 2024.

Outstanding Shares and Dividends

As at November 10, 2022, there were 15,884,249 Common Shares, 301,540 Board deferred share units, 415,761 options, 206,099 restricted share units, 13,618 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 will be 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 will terminate on December 20, 2022, or on such earlier date as the Company may complete its purchases pursuant to the 2021 NCIB. Purchases made by goeasy pursuant to the 2021 NCIB were effected through the facilities of the TSX, as well as alternative trading systems, and in accordance with the rules of the TSX. The price that the Company paid for any 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. During the three and nine-month periods ended September 30, 2022, the Company purchased and cancelled nil and 450,058, respectively of its common shares on the open market at an average price of nil and $135.52, respectively, for a total cost of nil and $61.0 million, respectively, pursuant to the 2021 NCIB. During the year ended December 31, 2021, no shares were purchased and cancelled under the 2021 NCIB.

On December 16, 2020, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make an NCIB (the "2020 NCIB"). Pursuant to the 2020 NCIB, the Company proposed to purchase, from time to time, if considered advisable, up to an aggregate of 1,079,703 Common Shares being approximately 10% of goeasy's public float as of December 9, 2020. As at December 9, 2020, goeasy had 14,801,169 Common Shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2020, was 83,554. Under the 2020 NCIB, daily purchases were limited to 20,888 Common Shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The 2020 NCIB was permitted to commence on December 21, 2020 and the 2020 NCIB terminated on December 20, 2021. Purchases made by goeasy pursuant to the 2020 NCIB were effected through the facilities of the TSX, as well as alternative trading systems, and in accordance with the rules of the TSX. The price that the Company paid for any 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. In the year ended December 31, 2021, the Company completed the purchase for cancellation through the facilities of the TSX of 333,315 Common Shares at a weighted average price of $186.86 per Common Share for a total cost of $62.3 million under the 2020 NCIB.

Dividends

During the three-month period ended September 30, 2022, the Company declared a $0.91 per share quarterly dividend on outstanding Common Shares. This dividend was paid on October 14, 2022.

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, 2022, the Company increased the dividend rate by 37.9% from $0.66 to $0.91 per share per quarter. 2022 marks the 18th consecutive year of paying a dividend to shareholders and the 8th consecutive year of an increase in the dividend 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 fourth quarter of the years indicated:

	2022	2021	2020	2019	2018	2017	2016
Quarterly dividend per share	**$0.910**	$0.660	$0.450	$0.310	$0.225	$0.180	$0.125
Percentage increase	**37.9%**	46.7%	45.2%	37.8%	25.0%	44.0%	25.0%

Commitments, Guarantees and Contingencies

The nature of Company's commitments, guarantees and contingencies remain as described in its December 31, 2021 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 policies on an annual basis.

The Company's risk factors remain as described in its December 31, 2021 MD&A.

Critical Accounting Estimates

The preparation of interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenue and expenses during the period. 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, 2021 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 consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards effective as at January 1, 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Company.

(b) Standards issued but not yet effective

There are no new standards issued but not yet effective as at January 1, 2022 that have a material impact on the Company's interim condensed consolidated financial statements.

<u>Internal Controls</u>

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, 2022.

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 2022

No changes were made in our internal control over financial reporting during the three-month period ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of ICFR at September 30, 2022

As at September 30, 2022, 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, 2022.