goeasy Ltd.

Annual Information Form

February 13, 2019

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CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements about goeasy Ltd. and its subsidiaries ("goeasy" or the "Company", except as otherwise indicated or context would so require) 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, targets for growth of the consumer loans receivable portfolio, annual revenue growth targets, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements 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, the continued development of the type and size of competitors in the market and the anticipated impacts of the implementation of IFRS 9. 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 favorable 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 favorable 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 included in this Annual Information Form, and further details and descriptions of these and other factors are disclosed in this Annual Information Form, including under the section "Risk Factors".

The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which may not be appropriate for other purposes. The Company is under no obligation (and expressly disclaim 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.

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

OVERVIEW OF GOEASY

General overview

goeasy Ltd. (TSX: GSY) offers leasing and lending services in the alternative financial services market and provides everyday Canadians a path to a better tomorrow, today. goeasy Ltd. serves its customers through two key operating divisions, easyfinancial and easyhome. easyfinancial is a non-prime consumer lender that bridges the gap between traditional financial institutions and payday loans. easyfinancial offers a range of unsecured and secured personal instalment loans supported by a strong central credit adjudication process and industry leading risk analytics. easyhome is Canada's largest lease-to-own company, offering brand-name household furniture, appliances and electronics to consumers under flexible weekly or monthly leasing agreements through both corporate and franchise stores. Both operating divisions are supported by an omni channel business model that includes a national footprint of over 400 branches and stores across Canada and digital eCommerce enabled platforms.

The core of goeasy's business is centered around its vision of providing everyday Canadians a path to a better tomorrow, today. This vision is brought to life through its customer experience, the products and services it offers such as free financial education, risk adjusted rate loans, credit monitoring services, and the meaningful relationships formed by over 1,800 employees located coast-to-coast.

With over 25 years of experience, multiple products, risk adjusted interest rates, and an omni-channel operating model, goeasy has a unique understanding of the $186 billion non-prime consumer lending market and how to best serve the 7 million Canadians that are unable to access credit from traditional financial institutions including the major banks.

goeasy funds its business through a combination of equity and debt instruments. Common shares are listed for trading on the TSX under the trading symbol "GSY" and goeasy's convertible debentures are traded on the TSX under the trading symbol "GSY-DB". The Company has been able to consistently secure additional capital at increasingly lower rates in order to continue fueling the growth of its business and has sufficient capital and borrowing capacity to meet its growth plans through the third quarter of 2020. goeasy is rated BB- with a stable trend from S&P, and Ba3 with a stable trend from Moody's.

goeasy investment highlights:

Sizable and Underserved Market with Opportunities for Growth	• High growth business (50% loan book CAGR over 5 years) in Canada's C$186 billion non-prime consumer lending market following the exit of several large banks and on-line only lenders
Stable Regulatory Environment in Canada	• Unchanged Federal interest rate cap of 60% since 1980 • Active engagement with government through a leading industry association
History of Execution and Profitability	• 70 consecutive quarters of positive EPS and a CAGR of 23% since 2001 • Total shareholder return of 4,569% since 2001
Diversified Sources of Revenue	• High growth lending operation complimented by a mature leasing business • Opportunities for new revenue sources from a large non-prime consumer credit market
Strong Culture of Risk Management	• Robust risk management framework with centralized lending decisions • Stable net charge-offs of between ~12% to 15% since 2012
Well Capitalized and Conservative Balance Sheet	• Healthy net debt to capital ratio of 66%, lower than industry average • Available cash and borrowing capacity to fund growth through to the third quarter of 2020
Experienced Leadership Team with Aligned Interests	• Board and management own ~27% of the company • Maximum compensation for management earned at 30%+ EPS CAGR (3 Years)

Overview of easyfinancial

easyfinancial is the Company's financial services arm that provides installment loans to non-prime customers who have limited access to traditional bank financing products.

Through easyfinancial, the Company offers consumer loans and related financial services such as loan protection plans, home and auto benefit plans and credit monitoring services. In 2018, easyfinancial accounted for 73% of consolidated revenue (2017 – 66%). easyfinancial's revenue was further broken down into interest which accounted for 68% of easyfinancial revenue (2017 – 65%) and commissions earned on the sale of ancillary products which accounted for 30% of easyfinancial revenue (2017 – 33%).

easyfinancial's product offering consists of unsecured and real estate secured installment loans as well its recently introduced secured saving loan, creditplus. The Company also offers a suite of complementary ancillary products including a Loan Protection Plan, Home & Auto Benefits and Credit Monitoring. easyfinancial's installment loans range in size from $500 to $25,000 at interest rates starting at 19.99%, with repayment terms of 9 to 60 months for unsecured loans and up to 10 years for secured loans. In the Company's current portfolio, unsecured loans make up about 94% of loan originations, while secured loans make up the remaining 6%. Unlike revolving credit products that can trap customers in a cycle of debt, easyfinancial's instalment loans enable customers to progressively get out of debt by requiring them to make fixed payments including principal and interest, which results in the entire principal balance being repaid over the term of the loan.

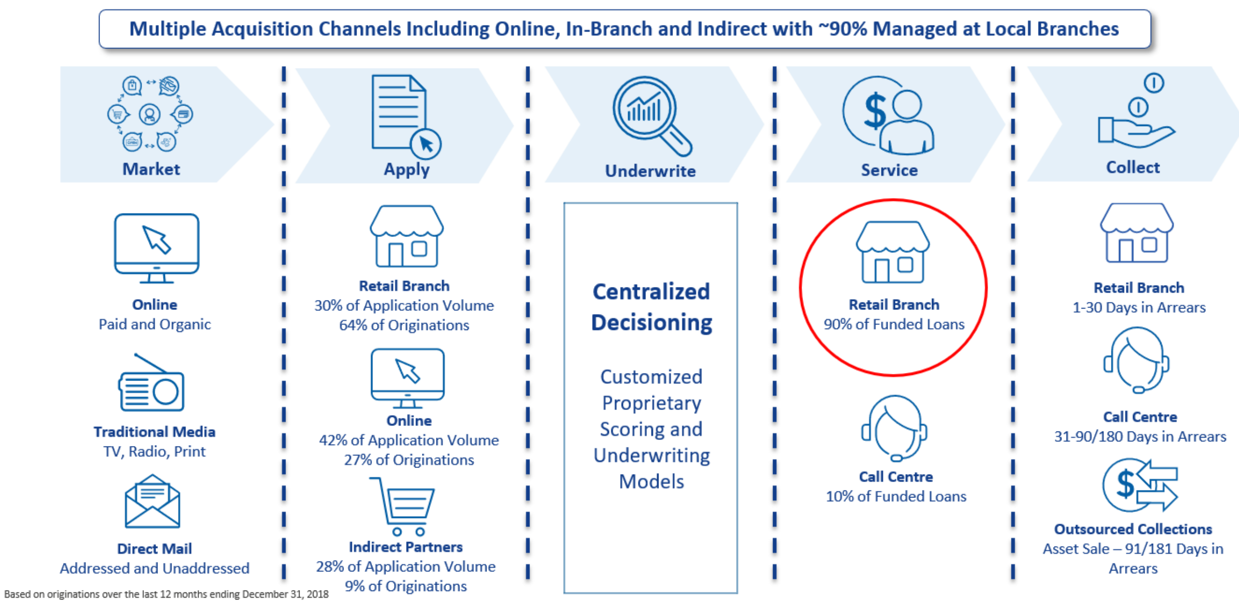
The Company believes that there is significant demand for non-prime lending in the Canadian marketplace and estimates that the size of the market is $186 billion, excluding mortgages. Historically, consumer demand for non-prime loans was satisfied by the consumer-lending arms of several large, international financial institutions. Since 2009, many of the largest branch-based participants in this market (including Wells Fargo, HSBC Finance and CitiFinancial) have either closed their operations or dramatically reduced their size over the past years due to changes in banking regulations related to risk adjusted capital requirements. Today, traditional financial institutions are generally unwilling or unable to offer credit solutions to consumers that are deemed to be a higher credit risk due to the consumer's financial situation or less-than-perfect credit history. For this reason, demand in this market is met by a variety of industry participants who offer diverse products including auto lending, credit cards, installment loans, retail finance programs, small business lending and real estate secured lending. Generally, industry participants have tended to focus on a single product rather than providing consumers with a broad integrated suite of financial products and services. As a result, easyfinancial is one of a small number of coast-to-coast non-prime lenders with a history of success.

The customer base that easyfinancial serves are everyday Canadians that are hard working and have often been met with life circumstances that have negatively affected their credit profile. These customers have an average age of 40, individual income of $44,000 per year, and a debt to disposable income ratio of about 95%, compared to the much higher Canadian average of 172% due in part to easyfinancial customers having a lower rate of home ownership of 20% compared with the Canadian average of approximately 69%. These customers typically come to easyfinancial looking for a second chance as 60% of them have been turned down by a bank in the past, and are trying to improve their financial situation for themselves and their families.

Through easyfinancial's suite of lending products, the Company focuses on more than simply providing customers with the money they need today. easyfinancial's customers are given the opportunity to graduate to larger loans and lower interest rates while they work to rebuild their credit and be in a position to qualify for prime credit. Whether a customer is looking to establish, repair, build or strengthen their credit profile by borrowing funds or using the equity in their home to secure a larger loan at a lower rate, easyfinancial can provide a lending solution that best serves their individual needs.

easyfinancial's unique omni-channel model including its national branch network, remains a key differentiator in the non-prime lending market. Although the Company leverages multiple acquisition channels to attract new customers including online, in-branch and point-of-sale financing, 90% of loans are originated or managed at local branches. It is the Company's experience that in the non-prime market, an omni-channel model optimizes loan performance and profitability, while providing high-touch and personalized customer experience. The customer loyalty developed through these direct personal relationships extends the length of the customer relationship and improves the repayment of loans which ultimately leads to lower charge-offs and higher lifetime value.

The image below depicts easyfinancial's omni- channel lending model:



easyfinancial has also demonstrated a history of stable and consistent credit performance. Since 2006, the Company has served over 367,000 customers and originated 793,000 unique loans for a total of $2.9 billion in originations. Since implementing centralized credit adjudication in 2011, the Company has successfully managed annualized net charge off rates within its stated targeted range (2018 target was 12 to 14%). Lending decisions are made using proprietary custom scoring models built using machine learning and advanced analytical tools that optimize the balance between loan volume and credit losses. These models have been developed and refined over time by leveraging the accumulation of extensive customer application, demographic, borrowing, repayment and consumer banking data. These models improve the accuracy of predicting default risk for the non-prime customer when compared to a traditional credit score. Credit risk is further enhanced by industry-leading underwriting practices that include pre-qualification, credit adjudication, affordability calculations, centralized loan verification, and repayment by the customer via electronic pre-authorized debit directly from the customer's bank account on the day they receive their regularly schedule income.

Over the past 13 years, the Company has also made significant investments in its processes, systems, infrastructure and product offering to position easyfinancial for long-term sustainable growth. Below are a number of key milestones:

- Since 2011 the Company has invested $36 million in developing, enhancing and optimizing the systems that support its businesses.
- Industry-standard banking platform implemented in 2012 to ensure that its consumer loan portfolio could be appropriately managed, and information could be securely maintained on a scalable infrastructure.
- In 2013, a transactional website was launched by easyfinancial for acquiring customers online. This new delivery channel allowed the Company to reach consumers who may not have had access to a physical location or who preferred to interact through the privacy and convenience of their home or on their mobile device. Over the

last several years, the Company has made significant investments in improving the online borrowing experience. In 2018, the online lending experience was significantly enhanced with the launch of a new digital loan application which has led to a noticeable increase in the number of customers applying and being approved for an easyfinancial loan.

- In 2014, the Company implemented a proprietary loan application management system to process applications originated in its retail and on-line channels. This system was supported by a credit decision engine, built in partnership with a global leader in risk management technology solutions, and is fully integrated with the Company's customer relationship management platform.
- In 2015, easyfinancial launched its point-of-sale non-prime lending platform, designed to offer merchants in a variety of industries the ability to provide financing for customers who do not qualify for traditional prime credit products. In 2018, the company further expanded its POS finance solution, by partnering with a prime bank to create Canada's first fully digital platform for consumers across the entire credit spectrum. Offered through a fast and simple digital application, this proprietary solution enables a business in any industry to offer instant point-of-sale financing to customers of any credit quality removing friction from the customer borrowing experience and maximizing their retail sales. Once a consumer completes the application, the platform will instantly present the best financing offer and the lowest interest rate available based on the risk profile of the borrower. Qualifying prime consumers will benefit from a competitive credit offer from a prime lender, while those consumers with lower credit quality will automatically be evaluated for a non-prime lending option through easyfinancial.
- The Company is committed to helping Canadians improve their financial literacy. In 2015, the Company developed a free on-line financial education platform called goeasy academy, that includes articles, videos and other educational content all designed to help Canadians understand their finances and improve their credit.
- In 2016, the Company introduced risk-adjusted interest rates where consumers that are determined to be lower credit risk are offered a lower cost of borrowing. The consumer benefits from a lower-cost loan, while the Company benefits by retaining its best customers and extending their value, while they work to rebuild their credit profile.
- In 2017, the Company launched a personal installment loan secured by residential real estate. These secured installment loans for homeowners offer customers larger loan values and a reduced rate of interest. While the yields are reduced on such loans, the Company benefits from lower rates of charge off, longer customer tenure and lower relative acquisition and administration costs, which are expected to ultimately increase overall customer profitability.
- In 2017 easyfinancial expanded into the Québec market, which has been largely underserved by non-prime lenders. While the Company has always operated its easyhome leasing business in the province, expanding easyfinancial into Quebec provides the company access to 22% of the Canadian population.
- In 2017 the company also widened the distribution of its consumer loans by offering its easyfinancial lending products through almost 100 easyhome retail locations across Canada. This expansion enables the Company to further increase the distribution footprint of its financial services products while leveraging its existing real estate and employee base that understand the needs of this customer segment.
- To further help those customers with no credit or damaged credit, the company launched creditplus in 2018. creditplus is an innovative secured savings loan that is offered to the thousands of easyfinancial applicants who are unable to obtain an unsecured loan each month. The difference between creditplus and a traditional instalment loan is that customers do not receive immediate access to the proceeds of their loan. Instead, the loan proceeds are deposited into a savings account and held as security until the customer has successfully repaid the full amount. A customer's loan payments are reported to the credit reporting agencies which offers them the opportunity to improve their credit profile. Where a customer has demonstrated a track record of successful repayment, they may automatically qualified for an unsecured loan in as little as six months.
- Over the past 9 years the Company's management team has been progressively enhanced through the recruitment of senior executives with deep experience in financial services.

easyfinancial offers a number of optional ancillary products to its customers. easyfinancial offers its customers an optional customer protection program that provides creditor insurance. Should a customer, who elects to purchase this creditor insurance product, be unable to make scheduled payments due to involuntary loss of employment, accident and illness, critical illness or death, the creditor insurance provides payments on the customer's behalf for a period of time. easyfinancial also offers a optional credit monitoring product which allows its customers to learn about, and monitor, their credit score in real time. Finally, easyfinancial offers an optional home and auto benefits product which provides road side assistance and a suite of other support services.

Overview of easyhome

easyhome is Canada's largest lease-to-own company, offering brand-name household furniture, appliances and electronics to consumers under weekly or monthly leasing agreements through both corporate and franchise stores.

easyhome offers brand name household furnishing, appliances and home electronic products. In 2018, easyhome accounted for 27% of consolidated revenue (2017 – 34%). Leasing revenue accounted for 87% of easyhome revenue (2017 – 91%).

easyhome's programs appeal to a wide variety of consumers who are looking for alternatives to traditional retailers and who are attracted to a leasing transaction that does not involve a credit check, does not require an initial down payment, includes delivery and set up and offers them the flexibility to terminate the lease at any time. These consumers may not be able to purchase merchandise due to a lack of credit or insufficient cash resources, may have a short-term or otherwise temporary need for the merchandise, or may simply want to use the merchandise, with no long-term obligation, before making a purchase decision.

easyhome also offers a number of optional ancillary products to its customers including a customer protection program. This product is designed to give its customers peace of mind by waiving the customer's payments for a period of time should they be met with life's unexpected circumstances including involuntary job loss, accident and illness, and critical illness or death. easyhome also offers its customers a liability damage waiver product when entering into a lease agreement. The product provides protection to a customer from the obligation to make any additional payments in the event that merchandise is damaged, destroyed or lost while on lease.

easyhome operates through corporately owned stores located across Canada and through a network of franchised locations. easyhome provides a second and diverse revenue stream from the Company's easyfinancial business and produces strong cash flows which assists with financing the growth of easyfinancial. Additionally, since 2013, the Company operates an e-commerce platform that allows customers to enter into merchandise leasing transactions through online channels.

In 2017, the Company strengthened its relationships with its easyhome customers by offering them unsecured lending products in almost 100 *easyhome* leasing locations. This expansion allowed the Company to further increase the distribution footprint of its financial services products and leverage its existing real estate and employee base that understands this customer segment.

Incorporation and Address

The Company was incorporated as RTO Enterprises Inc. (“RTO) under the laws of Alberta by Certificate and Articles of Incorporation dated December 14, 1990 and was continued as an Ontario corporation pursuant to Articles of Continuance dated July 22, 1993. Effective August 1, 1993, RTO acquired Aumo Explorations Inc. (“Aumo”), a reporting issuer in the Province of Ontario. Aumo was incorporated under the laws of Ontario by Articles of Incorporation dated December 15, 1980. Pursuant to Articles of Amalgamation dated July 31, 1993, and the terms of an Amalgamation Agreement dated June 24, 1993, Aumo and RTO were amalgamated. At the date of amalgamation, Aumo had no significant assets or liabilities. The purpose of the amalgamation was to acquire a public company such that shareholders of RTO would have greater liquidity and marketability in respect of their Common Shares.

On July 30, 2002, the articles of the Company were amended to consolidate the Company’s issued and outstanding common shares in the capital of the Company (“Common Shares”) on a one for ten basis.

On December 2, 2002, the articles of the Company were amended to create a class of Preference Shares. On October 30, 2003, the articles of the Company were further amended to remove a limitation on the redemption of Preference Shares.

At the Company’s annual and special meeting held on May 1, 2003, shareholders approved the change of the Company’s name from RTO Enterprises Inc. to easyhome Ltd. (“easyhome”) and that change became effective on July 2, 2003.

On May 11, 2005, the articles of the Company were amended to split the Company’s issued and outstanding shares on a one and a half for one basis.

On January 2, 2007, easyhome incorporated a U.S. subsidiary, EH US Holdings Inc. under the laws of Delaware. On December 31, 2007, its name was changed to easyhome U.S. Ltd. (“easyhome U.S.”).

On January 1, 2008, three of easyhome’s Canadian subsidiaries, RTO (Rentown) Inc., RTO (Rentown) 2000 and RTO Asset Management Inc., amalgamated pursuant to the laws of Alberta under the name RTO Asset Management Inc.

On September 25, 2008 easyhome acquired 89% of the outstanding shares of Insta-rent Inc. (“Insta-rent”), an Edmonton based merchandise leasing company which was listed on the TSX Venture Exchange. The Company subsequently acquired the remaining 11% of Insta-rent’s outstanding shares and delisted that company.

On December 23, 2010, all of the assets and liabilities of Insta-rent Inc. were transferred to its parent company, easyhome Ltd., including 100% of the common shares of Insta-rent Ltd. As a result, Insta-rent Ltd. became a direct wholly owned subsidiary of easyhome Ltd. Additionally, on January 1, 2011, RTO Distribution Inc. and RTO Asset Management Inc. amalgamated pursuant to the laws of Alberta under the name RTO Asset Management Inc. RTO Asset Management Inc. remains a wholly owned subsidiary of easyhome Ltd. After this reorganization, Insta-rent Ltd. held 100% of the preferred shares of RTO Asset Management Inc.

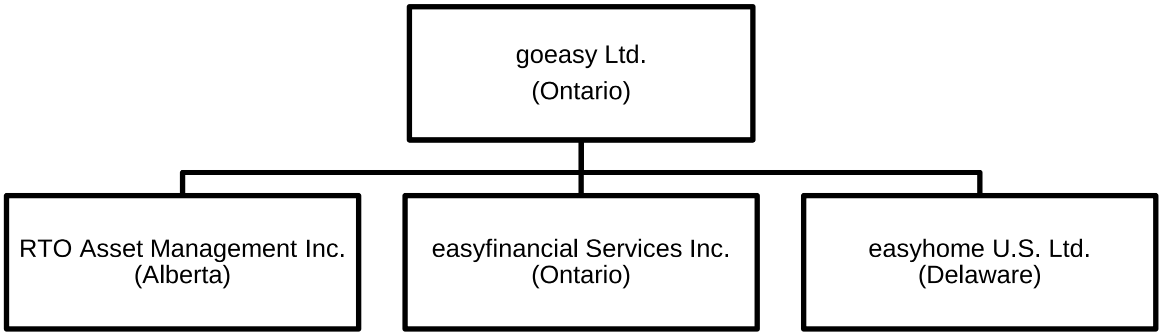
On December 31, 2014, all of the assets and liabilities of Insta-rent Ltd. were transferred to its parent company, easyhome Ltd., and subsequently dissolved on May 6, 2015.

On July 29, 2015, the Company held a special meeting of shareholders, where shareholders approved the change of the Company’s name from easyhome Ltd. to goeasy Ltd. and that change became effective on September 14, 2015.

The registered office, head office and executive office of goeasy is located at 33 City Centre Drive, Suite 510, Mississauga, Ontario, L5B 2N5.

Intercorporate Relationships

goeasy is the holder of all of the common shares in the capital of its principal subsidiaries, RTO Asset Management Inc., easyfinancial Services Inc. and easyhome U.S. Ltd. goeasy Ltd. holds 100% of the preferred shares of RTO Asset Management Inc. goeasy's principal subsidiaries are as set forth in the following chart:



RTO Asset Management Inc. operates the Company's Canadian merchandise leasing business, including acquiring the assets for lease and holding the facility leases for the Company's Canadian stores while easyfinancial Services Inc. operates the Company's consumer lending operations. The Company has taken steps to wind down its operations in the U.S. easyhome U.S. Ltd. previously operated the Company's U.S. merchandise leasing business including franchise operations prior to the sale of its corporately owned U.S. stores on December 31, 2012 and the sale of most of its U.S. franchise and royalty rights on December 31, 2014. easyhome U.S. Ltd. continued to hold a reduced number of franchise rights and certain financial and lease obligations in accordance with contractual relationships.

GENERAL DEVELOPMENT OF THE BUSINESS (3 YEAR HISTORY)

goeasy offers leasing and lending services in the alternative financial services market and provides everyday Canadians a path to a better tomorrow, today. Although the initial operations consisted of operating a network of merchandise leasing locations, the Company has continuously evolved to provide a greater level of goods and services to its consumers, take advantage of market opportunities and improve its capital and operating structure. Today the focus of the Company is on growing its easyfinancial consumer finance business.

In addition to the development and expansion of the easyfinancial business described in the "Overview of easyfinancial" and "Corporate Strategy" sections, the Company has completed many other significant initiatives over the past three years as it executed against its stated strategy.

Capital Raised to Support the Growth of easyfinancial

On July 31, 2015, the Company amended its existing credit facilities and increased its total credit available by $100.0 million from $200.0 million to $300.0 million. The Company's amended credit facilities consisted of a $280.0 million term loan and a $20.0 million revolving operating facility. This amended facility supported the growth of easyfinancial through mid 2017.

On June 2, 2017, the Company completed an offering of convertible unsecured subordinated debentures due July 31, 2022 (the "Debentures") at a price of $1,000 per Debenture for aggregate gross proceeds of $53 million. This offering was a positive first step towards achieving the Company's objective of diversifying its funding sources and optimizing its capital structure at attractive levels.

On November 1, 2017, the Company completed an offering of USD$325 million senior unsecured notes, due November 1, 2022 with a US dollar coupon rate of 7.875% ("the Notes"). Concurrent with this offering, the Company entered into a currency swap agreement to fix the foreign currency exchange rate for the proceeds from the offering and for all required payments of principal and interest under the Notes, effectively hedging the obligation under the Notes to $418.9 million at a Canadian dollar interest rate of 7.84%. Additionally, on November 1, 2017, the Company entered into new senior secured $110 million revolving credit facility maturing in 2020 with a syndicate of banks ("New Credit Facility"). The Company used the net proceeds from the sale of the Notes to refinance the existing term loan and to pay fees and expenses of the offering. The Company further intends to use the remainder of the proceeds from the offering and the funds available under the senior secured revolving credit facility to expand its consumer loan portfolio and for general corporate purposes.

On June 21, 2018, the Company entered into an amendment to its pre-existing senior secured revolving credit facility to increase the maximum principal amount available from $110 million to $174.5 million, available on a revolving credit basis.

On July 16, 2018, the Company issued an additional US$150 million of 7.875% senior unsecured notes payable due on November 1, 2022. These notes were issued at a price of US$1,050 per US$1,000 principal amount. Concurrent with the issuance of the additional notes, the Company entered into a cross-currency swap through a derivative financial instrument to fix the foreign currency exchange rate for the proceeds from the offering and for all required payments of principal and interest under the Notes at a fixed exchange rate of US$1.000 = C$1.316, thereby fully hedging the US$150 million obligation under the Notes to C$197.5 million at a Canadian dollar interest rate of 7.52%. The issuance of the notes was at a premium to par. As a result, the Canadian dollar yield to maturity is 6.17% per annum. The term is concurrent with the previously issued notes payable with a maturity date of November 1, 2022.

On October 10, 2018, the Company closed its offering of 920,000 common shares at a price of $50.50 per common share for aggregate net proceeds of $44.3 million.

Renaming easyhome Ltd. to goeasy Ltd.

On September 14, 2015, the Company changed its name from easyhome Ltd. to goeasy Ltd. to provide a corporate umbrella that unites and supports its sub-brands of easyfinancial and easyhome. The change reflected both the evolution and growth in the business as it moved from a name that was aligned with the legacy leasing business to a corporate name that encompassed all of the Company's business units and its ambition to add new goeasy brands as it executed against its strategic goals. With easyfinancial generating a greater portion of the Company's revenue and earnings, and as the Company has become more recognized for our financial services, the distinction from its legacy business was important.

Executing the Company's Growth Strategy

As the Company has continued to grow and evolve, it has been highly focused on delivering growth through a variety of initiatives that benefit its customers and provide them with more ways to access the credit they need while continuing to improve their financial situation. Not only do these key initiatives expand the Company's delivery channels and the products and services it offers, but it also continues to differentiate the Company from its competitive set by enhancing the relationships it has with its customers meeting and exceeding their needs while helping them improve their financial situation and graduate to lower cost borrowing.

Acquisition of Cash Store Locations - In 2015, the Company acquired the lease rights and obligations as well as certain related assets of 45 retail locations across Canada. During the first quarter of 2015, these acquired locations were opened as easyfinancial branches. This acquisition accelerated the real estate build out for the easyfinancial branch network.

Launch and Expansion of Point of Sale Merchant Financing - On July 28, 2015, the Company launched its point of sale or merchant financing channel with a national retail partner to provide customers of the retail partner that did not qualify for traditional prime credit with a new point-of-sale financing alternative through easyfinancial. Through the use of a new, point-of-sale mobile tablet solution, customers were offered an easyfinancial loan to finance their purchase. On November 2, 2016, the Company further enhanced this lending platform by launching the industry's first single source application system for point-of-sale financing for consumers across the entire credit spectrum. Depending on a customer's credit profile, either the retail partner or easyfinancial extends credit for such purchases with easyfinancial's point-of-sale financing platform providing the back-end support system and loan servicing needed. In 2018, the company further expanded its point of sale finance solution, by partnering with a prime bank to create Canada's first fully digital platform for consumers across the entire credit spectrum. Offered through a fast and simple digital application, the easyfinancial solution enables a business in any industry to offer instant point-of-sale financing to customers of any credit quality removing friction from the customer borrowing experience and maximizing their retail sales. Once a consumer completes the application, the platform will instantly present the best financing offer available to the customer based on the risk profile of the borrower. Qualifying prime consumers will benefit from a competitive credit offer from a prime lender, while those consumers with lower credit quality will automatically be evaluated for a non-prime lending option through easyfinancial;

Launch of Risk Adjusted Pricing - From its initial launch in 2006 until the end of 2015, easyfinancial's core offering consisted of installment loans that had variable principal amounts and amortization terms but only one interest rate. Beginning in 2016, the Company introduced risk adjusted pricing that provided lower interest rate loans to customers that were considered to be a lower credit risk. The introduction of risk adjusted pricing allowed the Company to provide lower cost alternatives to its lower risk customers and attract a new set of customers that were choosing to transact with competitors of the Company that offered lower rate products and retain existing customers who have demonstrated improved credit worthiness. The Company continues to expand its use of risk adjusted pricing to new and existing customers.

Launch of Real Estate Secured Lending - In 2017, the Company complemented its unsecured installment loans with loans that are secured by residential real estate. These secured installment loans offer larger loan values and a reduced rate of interest in recognition of the expected lower charge-off rates stemming from the real estate collateral pledged by customers. While the yields are lower on such loans, the Company benefits from lower rates of charge off, longer customer tenure and lower relative acquisition and administration costs, which are expected to ultimately increase overall customer profitability.

Entry into the Quebec Lending Market - In 2017 easyfinancial expanded into the Québec market, which has been largely underserved by non-prime lenders. While the Company has always operated its easyhome leasing business in the province, expanding easyfinancial into Quebec provides the company access to 22% of the Canadian population.

Launch of Consumer Lending in easyhome Stores - In 2017 the company also widened the distribution of its consumer loans by offering its consumer lending products through almost 100 easyhome retail locations across Canada. This expansion enables the Company to further increase the distribution footprint of its financial services products while leveraging its existing real estate and employee base that understand the needs of this customer segment.

Launch of creditplus - To further help those customers with no credit or damaged credit, the company launched creditplus in 2018. creditplus is a secured savings loan that is offered to the thousands of easyfinancial applicants who are unable to obtain an unsecured loan each month. The difference between creditplus and a traditional instalment loan is that customers do not receive immediate access to the proceeds of their loan. Instead, the loan proceeds are deposited into a savings account and held as security until the customer has successfully repaid the full amount. A customer's loan payments are reported to the credit reporting agencies which offers them the opportunity to improve their credit profile. Where a customer has demonstrated a track record of successful repayment, they may automatically qualified for an unsecured loan in as little as six months.

Leadership Transition

On April 2, 2018 the Company announced a senior leadership succession plan. As part of this plan the Company's President and Chief Executive Officer David Ingram would move into the role of Executive Chairman effective January 1, 2019. Mr. Ingram had served in the role of President and CEO for 18 years and oversaw the growth and transformation of the business. It was also announced that Jason Mullins, Executive Vice President and Chief Operating Officer would move in to the role of President and CEO effective January 1, 2019. Mr. Mullins was instrumental in the transition of goeasy from a predominantly consumer leasing business to now being a Canadian leader in the alternative financial services market through easyfinancial. As of January 1, 2019, Mr. Don Johnson, the Company's Chairman of the Board for the past 18 years will move into the role of Chairman Emeritus and will remain a Director on the Board.

CORPORATE STRATEGY

The Company is committed to be a leading full-service provider of goods and alternative financial services that provides everyday Canadians a path to a better tomorrow, today. To maintain this position, the Company remains focused on continuously improving its operations and business model in order to meet the evolving needs of its customers. Additionally, the Company must focus on maintaining its competitive advantage by building brand awareness, delivering a best in class customer experience and effectively managing its sources of capital and funding. Cost efficiencies through economies of scale and shared services will also enable the Company to meet future competitive challenges, including new entrants into the marketplace.

To achieve its long-term goals, the Company has four key business imperatives:

- Enhance the product offering
- Evolve the delivery channels
- Execute with efficiency and effectiveness
- Deliver a best-in-class customer experience

Enhance the Product Offering

The continued growth of easyfinancial will be fueled by the enhancement of its product offering. These enhancements will include the introduction of new lending products as well as additional ancillary products that provide value to customers and help them improve their credit and "graduate" back to lower cost prime lending.

As the Company gains more experience with its use of risk adjusted interest rates, it will continue to respond to evolving market conditions and analyze the overall impact of these activities on the behavior of its customers and its business model. Increasing the ratio of lower rate products within the Company's consumer loans receivable portfolio provides its customers with many benefits including i) lower borrowing costs; ii) access to larger dollar sized loans; and iii) the ability to improve their credit profile which should ultimately assist them in returning to lower cost prime lending. In addition to generating incremental growth, the Company benefits from increasing the size of its consumer loans receivable portfolio that has lower interest rates by: i) reducing the overall risk of its consumer loans receivable portfolio; ii) offsetting the inherent decline in yields with reduced per loan acquisition and administrative costs and lower charge offs; iii) attracting a greater number of new customers; and iv) increasing its ability to retain customers that have improved their credit standing.

In 2017, the Company launched a personal installment loan secured by residential real estate to broaden its product offering of lower rate and larger size loan products.

In 2018, the Company introduced creditplus, an innovative secured savings loan that is offered to the thousands of easyfinancial applicants that are unable to obtain an unsecured loan each month.

In the future, the Company will look to introduce additional loan products that satisfy the needs of its customers and help them graduate to lower cost prime ending solutions. All new product launches will be assessed against current market conditions, the needs of its customers, significant modeling and credit analysis and the achievement of the Company's internal targets for return. All new products launched will include a go-to-market strategy that involves a test and learn approach as the Company gathers performance data and assesses the ongoing customer and economic impact of these products.

Evolve the Delivery Channels

Over the last several years, the Company has developed multiple delivery channels in response to changing customer needs, technological advancements and market opportunities.

The Company continues to believe that direct, personal relationships with its customers are best achieved through a physical location where its customers live and work. For this reason, the Company's extensive branch and store network continues to be a core element of its business and product delivery strategy. The establishment of direct personal relationships provides the following significant benefits to both the Company and its customers:

- A greater ability to explain the product offering provides the customer with clarity on their obligations and alternatives and establishes a foundation for a meaningful value-based relationship;
- A continuing dialogue with the customer allows both the customer and the Company to more effectively deal with financial challenges that may occur. This approach leads to greater customer satisfaction and lower charge off rates; and
- Establishing easyfinancial as a financial partner to the customer aids in the ongoing retention of the customer relationship and allows easyfinancial to assist the customer in managing their financial needs as their circumstances change with the goal of helping them qualify for lower cost prime lending.

The Company estimates that its retail footprint for easyfinancial will expand to between 250 and 300 locations across Canada. Total easyfinancial branch count at the end of 2018 was 241. Over the next few years, the Company will continue to add incremental locations in select markets as it works towards this target. In particular, the retail branch expansion will be focused on the expansion into Quebec which represents a large market opportunity and completing the footprint in key urban markets such as Toronto and Vancouver.

The Company's retail branch network is complemented by a robust eCommerce channel that includes a new digital loan application launched in 2018. With its flexible architecture, this new platform allows the Company to easily test new application flows and offer customers a customized experience based on their stated needs and the marketing acquisition source. By optimizing the digital journey, the Company can increase its online applicant conversion rate while improving the customer borrowing experience.

In 2018, after several years of providing a non-prime only point-of-sale financing solution, the Company launched Canada's first fully integrated prime and non-prime point-of-sale financing platform. The platform allows for a prime lender to integrate directly with easyfinancial's technology solution to enable any business in any industry to offer instant point-of-sale financing to customers of any credit quality.

Each year in Canada there is an estimated $30 billion of credit extended to consumers for goods and services through financing programs offered at the point-of-sale. While the concept of offering financing at the point-of-sale to consumers is not new, businesses in Canada have had limited options, often relying upon a fragmented set of lenders that primarily cater to prime consumers and only serve specific industries. *easyfinancial's solution* has been designed fill this gap.

The initial launch of the indirect lending platform was the first step in a broader strategy of developing the indirect lending channel, where the Company will offer its lending products at the point-of-sale in the home furnishing, health care and automotive industries. The internally developed mobile tablet solution allows merchant partners to process credit applications at the point of sale and receive an instant credit decision. By leveraging automated authentication tools, custom credit models, personal identification scanning technology and digital documents, the Company can process loans in a fully paperless manner in minutes.

Execute with Efficiency and Effectiveness

As the Company continues to grow, executing with efficiency and effectiveness remains an important component in its ability to maximize the profitability of the overall business while continuing to meet and exceed the needs of its customers and deliver against aggressive growth targets. Below are the areas that the Company continues to focus on as it looks to improve its overall level of execution and efficiency across the business.

Utilize Data Analytics as a Competitive Advantage

The Company has a tremendous volume of customer data that it has gained from years of operating its merchandise leasing and consumer lending businesses. The Company has made significant investments in information technology to safeguard the privacy of this data and to allow the business to analyze this data to make better business decisions. The intelligent use of this data allows easyfinancial to continually enhance its underwriting practices and proprietary credit scoring models to make better lending decisions. It allows easyhome to better understand the retention patterns of its customers and develop marketing and customer relationship programs that are tailored to each customer's needs while maximizing profitability to the Company. The Company will continue to invest in new analytical tools such as machine learning software that will enable the business to process and analyze larger quantities of data and expedite the production of models and analysis.

Continue to Invest in New Technologies

The Company has made significant investments in technology over the past several years to provide easyfinancial with a scalable platform on which to support significant future growth and to allow new delivery channels to be developed. This investment in new technologies will continue in the future as the Company evolves its delivery channels and expands the size and scope of easyfinancial. Investments in new technology will also be made to provide operators and support staff with additional tools so that they can better service their customers and obtain greater levels of efficiency as well as enhanced systems, management and processes to ensure the Company's proprietary data is protected against cyber and other security threats. New technologies will increase the level of automation, improve the customer experience and enable the business to shorten the software development lifecycle through greater flexibility and more configurable features.

Optimize the Capital Structure

Over the past several years, the Company has improved its return on equity by delivering increasing net income and improving its capital structure. The growth of easyfinancial has been primarily funded through the retention of earnings in the business and the acquisition of third-party debt financing, at ever improving interest rates and more flexible terms.

Prior to refinancing, the previous term loan had an interest rate of 8.41%. Upon issuing the first tranche of Notes Payable in November 2017 the Company borrowed at an interest rate of 7.84%. The second tranche of Notes Payable issued in July 2018 further reduced the interest rate to 6.17%. At the end of 2018, the Company's ratio of net debt (net of surplus cash on hand) to capitalization was 66%; a level that is conservative against several of the Company's peers and below the 70% which the Company believes is optimal. Access to capital at reasonable terms and cost is a meaningful barrier to entry in the consumer finance sector.

The Company has always taken, and will continue to take, a long-term view in financing its business. During 2018 the Company issued an additional US$150 million in Notes Payable and $44 million in equity and increased the borrowing limit under its revolving credit facility from $110 million to $174.5 million. At year end the Company had total cash on hand and borrowing capacity under its revolving credit facility of $275 million, with the ability to exercise the accordion feature under this facility to add an additional $89 million in borrowing capacity. Ultimately the cash on hand and current borrowing limits provide adequate capital for the Company to execute its growth plan and meet its stated targets through the third quarter of 2020.

The Company is confident that it will continue to have access to additional debt capital to fund the growth of its business into the future. The Company has established relationships with many banks and other providers of such debt capital and continues to explore funding alternatives that represent an optimal balance between interest rates, term, flexibility and security.

Increase Store Level Efficiency

The Company continues to responsibly manage all discretionary spending. Supplier relationships and economies of scale are leveraged to reduce overall cost ratios. Within the easyhome leasing business idle inventory levels are maintained at optimum levels, balancing the need to provide customers with the choice and selection they require with the capital committed and management effort required to maintain this inventory. Other costs, particularly labour, are tightly controlled centrally through established thresholds, allowing spending to occur only when it will result in improved revenues. In addition, the Company does remediate and, if necessary, close underperforming easyhome stores, merging their portfolios with other nearby locations. The Company regularly evaluates the activities that can be centralized within its shared services center without comprising its customer experience or loan performance, in order to drive greater efficiency and scale within the business.

Deliver a Best-in-class Customer Experience

Since its inception, the Company has set itself apart from its competition by seeing beyond the initial transaction with the customer and instead, focusing on building long-term relationships that are based on trust and respect for every customer’s unique situation. These relationships are formed by over 1,800 employees from across Canada that deeply understand their customers and give them a second chance as they provide them with the financial relief they need today, and help them see a path forward towards better financial future.

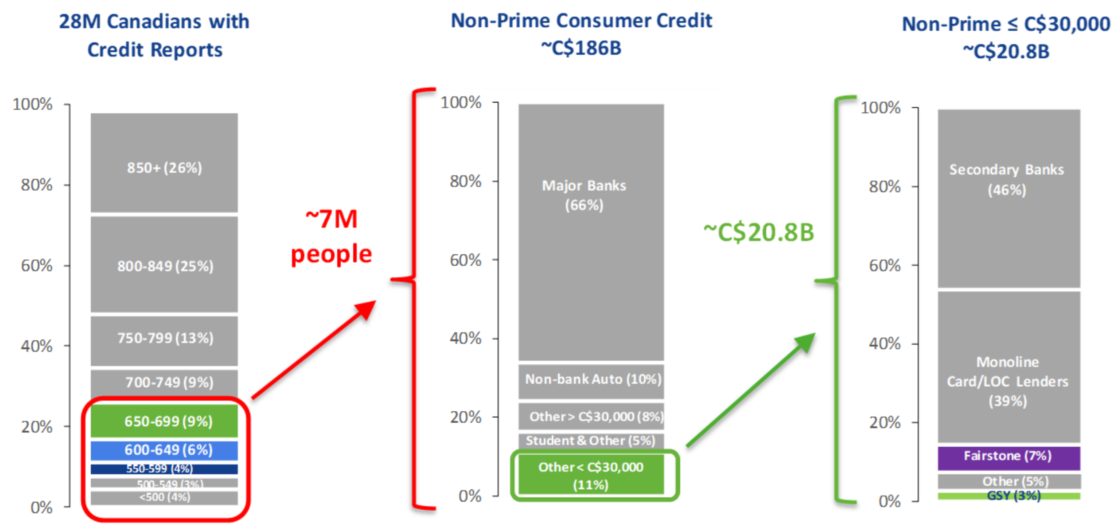
As the company continues to evolve, ensuring its suite of products and services are designed to meet its customer’s needs across the entire credit spectrum is critically important. Whether a customer is establishing credit as a new Canadian, or repairing damaged credit as a result of a life event, goeasy’s laddered suite of products ensures that every customer that walks through its doors has access to a better financial future. In addition, the use of technology and digital innovation remains a key focus in removing friction from the loan application process to ensure its customers can get the financial relief they are looking for quickly and conveniently through the channels that suit them best. The Company has also been focused on offering a variety of tools and educational materials that help its customers understand the complexities of credit and the steps required to improve their financial situation through free financial education materials.

Lastly, goeasy recognizes that delivering a best in class customer experience goes beyond each individual customer and permeates the hundreds of communities in which the Company operates. Through a variety of community driven initiatives, including a partnership with the Boys and Girls Clubs of Canada that has raised over $2.5 million since 2004, to the company’s annual day of giving back, govolunteer, the Company remains committed to making a difference not only to the customers it serves, but to the communities in which they live.

<u>**NARRATIVE DESCRIPTION OF THE BUSINESS**</u>

Competition

The Company estimates that size of the Canadian market for non-prime consumer lending, excluding mortgages, is in excess of $186 billion. This demand is currently being met by a wide variety of industry participants that offer diverse products including auto lending, credit cards, installment loans, retail finance programs, small business lending and real estate secured lending.



The Company currently faces competition from non-prime branch-based lenders in Canada. Generally, industry participants have tended to focus on a single product offering rather than providing consumers with multiple alternatives. Many of these companies have chosen to offer their products and services through an on-line only model. As these participants have entered the market, it has become clear, that although the barriers to entry for online players may be small, the barriers to success are large as these on-line only lenders lack the comparable branch network, customer database and brand presence of easyfinancial in order to scale and be successful. Many of these lenders have since either pivoted their model away from balance sheet lending or have exited the market altogether which reinforces the goeasy omni channel model as a key point of differentiation.

In recent years, several payday lenders have begun to offer both installment loans and lines of credit products to non-prime consumers. These payday lenders continue to offer these additional products through their traditional payday loan branch networks which are generally transactional focused and have a limited ability to deliver a best in class customer experience.

Competition is likely to increase in the upcoming years as additional companies enter the marketplace and achieve scale. With the company's focus on the customer, the easyfinancial brand it has built with 84% customer awareness, and its history of underwriting $2.9 billion in installment loans over the past 12 years, the Company remains well positioned to grow and maintain its competitive advantage in the Canadian non-prime lending market.

easyhome faces competition from U.S. based merchandise leasing companies and other smaller leasing competitors within the Canadian market. easyhome also faces competition from store based and on-line furniture, appliance and electronic retailers that offer financing options as well as consumer finance companies. Although the merchandise leasing industry in Canada is mature, competition could have a material adverse effect on the Company's operational results should the Company not be able to adequately respond to it.

The goeasy Customer

Since its inception, the Company has set itself apart from its competition by seeing beyond the initial transaction with the customer and instead, focusing on building long-term relationships that are based on trust and respect for every customer's unique situation. These relationships are formed by over 1,800 employees from across Canada that deeply understand their customers and offer them a second chance as they provide them with the financial relief they need today, and help them see a path forward towards better financial future.

goeasy's customers represent a segment of the middle-income market that is underserved by traditional banking institutions and can particularly benefit from the Company's relationship-driven approach. goeasy's customers typically come to the Company with a specific borrowing need, whether originated online or in one of the Company's physical branches. the Company believes that its customers prefer and benefit from the face-to-face discussion of their household budgets and cash flow needs with a local branch employee. The Company's customers value access to funds or merchandise, speed, convenience and service as high priorities. The Company's customers across both of its divisions have an average annual income of approximately $44,000 (and an average annual household income of $66,000 with approximately 80% living in rental properties.

As the Company continues to evolve, ensuring its suite of products and services are designed to meet its customer's needs across the entire credit spectrum is critically important. Whether a customer is establishing credit as a new Canadian, or repairing damaged credit as a result of a life event, goeasy's laddered suite of products ensures that every customer that walks through its doors has access to a better financial future. In addition, the use of technology and digital innovation remains a key focus in removing friction from the loan application process to ensure its customers can get the financial relief they are looking for quickly and conveniently through the channels that suit them best. The company has also been focused on offering a variety of tools and educational materials that help its customers understand the complexities of credit and the steps required to improve their financial situation through free financial education materials.

Business Cycles

The Company's financial services and merchandise leasing businesses are both portfolio businesses and therefore, are less susceptible to seasonal variations in revenue when compared to other retail businesses which generate a significant portion of their sales and profits in the holiday season. For example, quarterly revenue generally does not vary seasonally by more than 10%, when normalized for portfolio growth, store openings and acquisitions. There is some seasonality, however, in the relative growth of the portfolios, as there is greater demand for the Company's products during certain times of the year, particularly the fourth quarter holiday season.

Employees

As at December 31, 2018, goeasy had 1,821 permanent full-time employees, of which 262 were employed at the corporate office, 692 were employed in easyfinancial, 687 were employed in easyhome and 180 were employed at its shared service centre. The Company also employs a number of part-time employees (40). None of goeasy's employees are unionized. goeasy considers its relations with its employees to be positive with an 83% Employee Engagement score.

Typically, each easyfinancial stand-alone location requires a staff of two to five employees, each easyfinancial kiosk requires a staff of two to three employees and each easyhome store requires a staff of four to seven employees. In-store staffing will vary depending on the size of the loan or lease portfolio.

Each easyfinancial or easyhome store manager reports to a regional manager, who supervises the management of all the locations within a particular region, with each region having approximately ten locations. Each regional manager reports to a divisional vice president. Store managers, regional managers and divisional vice presidents receive a significant portion of their compensation in the form of cash bonuses determined under a profit incentive arrangement. This arrangement is designed to promote growth, optimize revenues and maximize store profitability. Periodic bonuses are paid for achievement of growth and cash collection targets.

Facilities

The Company leases all of its branch or store locations, which are generally located in strip shopping centres, plazas, or stand-alone buildings in moderate to low income neighbourhoods. All easyfinancial kiosks are located within existing easyhome stores.

The terms of the Company's leases are generally five to seven years and contain renewal options at fair market value rates. goeasy is generally required to pay a proportional share of real estate taxes, as well as insurance and utilities. goeasy believes that its policy of leasing all of its premises gives it the flexibility to respond to shifting consumer patterns and changing space requirements. goeasy has not experienced substantial difficulty in renewing leases or acquiring substitute facilities for its stores and stand-alone locations, although Canadian lease rates have been trending upwards in recent years.

The Company's corporate office in Mississauga consists of 51,364 square feet of leased premises with a lease term that expires on May 31, 2028 and an optional 5-year renewal term at market rates.

The Company's shared service center in Hamilton consists of 14,286 square feet of leased premises with a 10-year lease term expiring on October 31, 2020 and an optional 5-year renewal term at market rates.

As at December 31, 2018 the Company operated 241 (2017 – 228) easyfinancial branches. The easyfinancial locations were all located in Canada with a province-by-province breakdown as follows: British Columbia 33; Alberta 24; Saskatchewan 8; Manitoba 9; Ontario 106; Quebec 17; New Brunswick 13; Nova Scotia 16; Prince Edward Island 3; and Newfoundland and Labrador 12.

As at December 31, 2018 the Company operated 165 (2017 – 171) easyhome stores including 133 corporately owned stores, 31 franchise locations and one consolidated franchise location. All of the corporately owned stores were located in Canada with a province-by-province breakdown as follows: British Columbia 14; Alberta 18; Saskatchewan 5; Manitoba 4; Ontario 47; Quebec 9; New Brunswick 11; Nova Scotia 12; Prince Edward Island 2; and Newfoundland and Labrador 11. The Company had one consolidated franchise location in the U.S. state of Vermont. At the end of 2018, easyhome had 31 franchise stores in Canada in the provinces of Ontario, Alberta and Manitoba.

Insurance

The Company believes that it has sufficient property insurance to cover the maximum replacement costs of any one leasing store, subject to a $5,000 deductible. The Company carries commercial general liability insurance in the amount of $2.0 million for bodily injury and property damage, subject to a $10,000 deductible. The Company's automobile insurance includes coverage of $2.0 million bodily and property damage per occurrence, subject to a $5,000 deductible. The Company's umbrella policy provides additional liability coverage for an additional $18.0 million. The Company has Directors' and Officers' liability insurance with a limit amount of $30.0 million for each policy period, subject to a $100,000 deductible or a $150,000 deductible for securities claims, the annual premiums of which are paid by the Company. The Company has a $5.0 million crime policy with a $25,000 deductible. The Company has a $10.0 million network security and privacy liability policy with a $150,000 deductible. The Company has a $2.0 million employment practices liability policy with a $100,000 deductible. Lastly the Company carries a $5.0 million errors and omissions policy with a $100,000 deductible.

Regulatory Matters

The activities of both easyfinancial and easyhome are governed by federal laws which set a maximum rate of interest and by the various consumer disclosure acts that exist in each province. goeasy Ltd. is not subject to payday loan legislation and is not regulated by the Office of the Superintendent of Financial Institutions.

Section 347 of the Criminal Code, R.S.C. 1985, c. C-46 (the "Criminal Code"), prohibits the charging of an effective annual rate of interest that exceeds sixty percent for an agreement or arrangement for credit advanced. For the purposes of section 347, "interest" is broadly defined to include the aggregate of all charges and expenses, whether in the form of a fee, fine, penalty, commission or other similar charge or expense or in any other form, paid or payable for the advancing of credit under the agreement or arrangement. The Company believes that easyfinancial is subject to section 347 of the Criminal Code and closely monitors any legislative activity in this area.

There is no federal legislation in Canada that specifically regulates the Company's merchandise leasing transactions. While management of the Company is of the view that its merchandise leasing business does not involve the provision of credit, it could be determined that aspects of easyhome's merchandise leasing business are subject to the Criminal Code. The Company has implemented measures to ensure that the aggregate of all charges and expenses under its merchandise lease agreement do not exceed the maximum interest rate allowed by law. Where aspects of easyhome's business are subject to the Criminal Code, and the Company has not complied with the requirements thereof, the Company could be subject to either or both (1) civil actions for nullification of contracts, rebate of some or all payments made by customers, and damages and (2) criminal prosecution for violation of the Criminal Code, any of which outcomes could have a material adverse effect on the Company.

Consumer Protection Legislation in the provinces in which the Company operates specify that if the Company's business involves future performance agreements, leases with terms of a specified length, the sale of goods or the provision of credit, as defined in certain of such legislation, the Company may be required to comply with various disclosure requirements, including in some instances disclosure requirements concerning the costs of purchase and credit. In addition, several provinces have recently enacted high cost credit legislation and regulations to govern the provision of loans with interest rates above a certain threshold. These provinces have additional licensing and disclosures requirements, with which the Company complies.

Management of the Company has reviewed and revised its business model to ensure it is in compliance with the applicable provincial legislation. However, the application of certain provincial legislation to the Company's business model remains uncertain. There is a risk that regulatory bodies or consumers could assert that certain provincial legislation is applicable where the Company had determined that it is not and that the Company is not in compliance with such applicable statutory requirements. If it should be determined that the Company has not complied with the requirements of applicable provincial legislation, the Company could be subject to either or both (1) civil actions for nullification of contracts, rebate of some or all payments made by customers, and damages and (2) prosecution for violation of the legislation, any of which outcomes could have a material adverse effect on the Company.

Legal Proceedings

The Company is involved in various legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material adverse effect on the Company's financial position, financial performance or cash flows.

The Company has agreed to indemnify its Directors and Officers and particular employees in accordance with the Company's policies. The Company maintains insurance policies that may provide coverage against certain claims.

RISK FACTORS

Overview

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 Company's Board of Directors 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 of Directors reviews the Company's risk management policies on an annual basis.

Strategic Risk

Strategic risk is the risk from changes in the business environment, fundamental changes in demand for the Company's products or services, improper implementation of decisions, execution of the Company's strategy or inadequate responsiveness to changes in the business environment, including changes in the competitive or regulatory landscape.

The Company's growth strategy is focused on easyfinancial. The Company's ability to increase its customer and revenue base is contingent, in part, on its ability to secure additional locations for easyfinancial, to grow its consumer loans receivable portfolio, to access customers through new delivery channels, to successfully develop and launch new products to meet evolving customer demands, to secure growth financing at a reasonable cost, to maintain profitability levels within the mature easyhome business and to execute with efficiency and effectiveness.

The impact of poor execution by management or an inadequate response to changes in the business environment could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

Market Risk

Macroeconomic Conditions

Certain changes in macroeconomic conditions, many of which are beyond the Company's control, can have a negative impact on its customers and its performance. The Company's primary customer segment is the cash and credit constrained individual. These customers are affected by adverse macroeconomic conditions such as higher unemployment rates or costs of living, which can lower collection rates and result in higher charge-off rates and adversely affect the Company's performance, financial condition and liquidity. The Company can neither predict the impact current economic conditions will have on its future results, nor predict when the economic environment will change.

There can be no assurance that economic conditions will remain favorable for the Company's business or that demand for loans or default rates by customers will remain at current levels. Reduced demand for loans would negatively impact the Company's growth and revenues, while increased default rates by customers may inhibit the Company's access to capital, hinder the growth of the loan portfolio attributable to its products and negatively impact its profitability. Either such result could have a material adverse effect on the Company's business, prospects, results of operations, financial condition or cash flows.

Interest Rate Risk

The Company's future success depends in part on its ability to access capital markets and obtain financing on reasonable terms. This is dependent on a number of factors, many of which the Company cannot control, including interest rates. Amounts due under the Company's credit facilities may bear interest at a variable rate. The Company may not hedge its interest rate risks and future changes in interest rates may affect the amount of interest expense the Company pays. Any increases in interest rates, or in the Company's inability to access the debt or equity markets on reasonable terms, could have an adverse impact on its financial condition, results of operations and growth prospects.

Foreign Currency Risk

The Company issued US$ denominated Notes. Concurrent with this offering, the Company entered into a currency swap agreement to fix the foreign exchange rate for the obligation under this offering and for all required payments of principal and interest.

The Company sources some of its merchandise out of the U.S. and, as such, its Canadian operations have some U.S. denominated cash and payable balances. As a result, the Company has both foreign exchange transaction and translation risk. Although the Company has U.S. dollar denominated purchases, it has historically been able to price its lease transactions to compensate for the impact of foreign currency fluctuations on its purchases. However, in periods of rapid change in the Canadian to U.S. dollar exchange rate, the Company may not be able to pass on such changes in the cost of purchased products to its customers which may negatively impact its financial performance.

Competition

The Company estimates the size of the Canadian market for non-prime consumer lending, excluding mortgages, is approximately $186 billion. This demand is currently being met by a wide variety of industry participants that offer diverse products including auto lending, credit cards, installment loans, retail finance programs, small business lending and real estate secured lending. Generally, industry participants have tended to focus on a single product offering rather than providing consumers with multiple alternatives. As a result, the suppliers to the marketplace are quite diverse.

Competition in the non-prime consumer lending market is based primarily on access, flexibility and cost (interest rates). Consumers are generally able to transition between the different types of lending products that are available in the marketplace to satisfy their need for these different characteristics. The Company expects the competition for non-prime consumer lending in Canada will continue to shift for the foreseeable future. While traditional financial institutions are likely to decrease their risk tolerance and move farther away from non-prime lending, regional financial institutions such as credit unions, payday lenders, marketplace lenders and online lenders are expected to continue their expansion into the non-prime market.

The Company also faces direct competition in the Canadian market from other merchandise leasing companies. Other factors that may adversely affect the performance of the leasing business are increased sales of used furniture and electronics at online and at retail stores that offer a non-prime point-of-sale purchase financing option. Additional competitors, both domestic and international, may emerge since barriers to entry are relatively low.

The Company may be unable to compete effectively with new and existing competitors, which could adversely affect its revenues and results of operations. In addition, investments required to adjust to changing market conditions may adversely affect the Company's business and financial performance.

Credit Risk

Credit risk is the risk of loss that arises when a customer or third party fails to pay an amount owing to the Company.

The maximum exposure to credit risk is represented by the carrying amount of the amounts receivable, consumer loans receivable and lease assets with customers under merchandise lease agreements. The Company leases products and makes consumer loans to thousands of customers pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity, although the Company is subject to a higher level of credit risk due to the credit constrained nature of many of its customers and in circumstances where its policies and procedures are not complied with.

The credit risk on the Company's consumer loans receivable made in accordance with policies and procedures is impacted by both the Company's credit policies and the lending practices which are overseen by the Company's Credit Committee comprised of members of senior management. Credit quality of the customer is assessed using proprietary credit scorecards and individual credit limits are defined in accordance with this assessment. The Company evaluates the concentration of risk with respect to customer loans receivable as low, as its customers are located in several jurisdictions and operate independently. The Company develops underwriting models based on the historical performance of groups of customer loans which guide its lending decisions. To the extent that such historical data used to develop its underwriting models is not representative or predictive of current loan book performance, the Company could suffer increased loan losses.

The Company maintains an allowance for credit losses as prescribed by IFRS 9 and as described fully in the notes to the Company's financial statements for the period ending December 31, 2018. The process for establishing an allowance for loan losses is critical to the Company's results of operations and financial conditions and is based on historical data, management's judgement and forward looking indicators. To the extent that such inputs used to develop its allowance for credit losses are not representative or predictive of current loan book performance, the Company could suffer increased loan losses above and beyond those provided for on its financial statements.

The Company cannot guarantee that delinquency and loss levels will correspond with the historical levels experienced and there is a risk that delinquency and loss rates could increase significantly and have a material adverse effect on the financial results of the Company.

The credit risk related to assets on lease with customers results from the possibility of customer default with respect to agreed upon payments or in their not returning the leased asset. For amounts receivable from third parties the risk relates to the possibility of default on amounts owing to the Company. The Company deals with credible companies, performs ongoing credit evaluations of debtors and creates an allowance on its financial statements for such uncollectible amounts.

The Company has established a Credit Committee and created processes and procedures to identify, measure, monitor and mitigate significant credit risks. However, to the extent that such risks go unidentified or are not adequately or expeditiously addressed by senior management, the Company and its financial performance could be adversely affected.

Liquidity and Funding Risk

Liquidity Risk

The Company has been funded through various sources including the issuance of convertible debentures, bank led revolving lines of credit, US$ notes payable, and public market equity offerings. The availability of additional financing will depend on a variety of factors including the availability of credit to the financial services industry and the Company's financial performance and credit ratings.

The Company has publicly stated that it intends to significantly expand its consumer lending business. To achieve this goal, the Company may require additional funds which can be obtained through various sources including debt or equity financing. There can be no assurance, however, that additional funding will be available when needed or will be available on terms favorable to the Company. The inability to access adequate sources of financing, or to do so on favorable terms, may adversely affect the Company’s capital structure and ability to fund operational requirements and satisfy financial obligations. If additional funds are raised by issuing equity securities, shareholders may incur dilution.

Liquidity risk is the risk that the Company’s financial condition is adversely affected by an inability to meet funding obligations and support the Company’s business growth. The Company manages its capital to maintain its ability to continue as a going concern and to provide adequate returns to shareholders by way of share appreciation and dividends. The Company’s capital structure consists of external debt and shareholders’ equity, which comprises issued capital, contributed surplus and retained earnings.

All of the Company’s debt facilities must be renewed on a periodic basis. These facilities contain restrictions on the Company’s ability to, among other things, pay dividends, sell or transfer assets, incur additional debt, repay other debt, make certain investments or acquisitions, repurchase or redeem shares and engage in alternate business activities. The facilities also contain a number of covenants that require the Company to maintain certain specified financial ratios. Failure to meet any of these covenants could result in an event of default under these facilities which could, in turn, allow the lenders to declare all amounts outstanding to be immediately due and payable. In such a case, the financial condition, liquidity and results of the Company’s operations could materially suffer.

The Company has been successful in renewing and expanding its credit facilities in the past to meet the needs of its growing easyfinancial business. If the Company is unable to renew these facilities on acceptable terms when they become due, there could be a material adverse effect on the Company’s financial condition, liquidity and results of operations.

Debt Service

The Company’s ability to make scheduled payments on, or refinance its debt obligations, depends on its financial condition and operating performance, which are subject to a number of factors beyond its control. The Company may be unable to maintain a level of cash flows from operating activities sufficient to permit it to repay the principal and interest on its indebtedness.

If the Company’s cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, reduce its growth plans, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to obtain such alternative measures on commercially reasonable terms, or at all and, even if successful, those alternative actions may not allow it to meet its scheduled debt service obligations. The Company’s credit agreements restrict its ability to dispose of assets and use the proceeds from those dispositions and may also restrict its ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. The Company may not be able to consummate any such dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

The Company's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect its business, results of operations and financial condition. Failure to meet its debt obligations could result in default under its lending agreements. In the event of such default, the holders of such indebtedness could elect to declare all of the funds borrowed thereunder to be immediately due and payable, together with accrued and unpaid interest, and the Company could, among other remedies that may be available, be forced into bankruptcy, insolvency or liquidation. If the Company's operating performance declines, it may need to seek waivers from the holders of such indebtedness to avoid being in default under the instruments governing such indebtedness. If the Company breaches its covenants under its indebtedness, it may not be able to obtain a waiver from the holders of such indebtedness on terms acceptable to the Company, or at all. If this occurs, the Company would be in default under such indebtedness, and the holders of such indebtedness could exercise their rights as described above, and the Company could, among other remedies that may be available, be forced into bankruptcy, insolvency or liquidation. A default under the agreements governing certain of our existing or future indebtedness and the remedies sought by the holders of such indebtedness could make the Company unable to pay principal or interest on the debt.

Debt Covenants

The agreements governing the Company's credit facilities contain restrictive covenants that may limit its discretion with respect to certain business matters. These covenants may place significant restrictions on, among other things, the Company's ability to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees, and to sell or otherwise dispose of assets. In addition, the agreements governing the Company's credit facilities may contain financial covenants that require it to meet certain financial ratios and financial condition tests.

If the Company fails to maintain the requisite financial ratios under the agreement governing its credit facilities, it will be unable to draw any amounts under the revolving credit facility until such default is waived or cured as required. In addition, such a failure could constitute an event of default under the Company's lending agreements entitling the lenders to accelerate the outstanding indebtedness thereunder unless such event of default is cured as required by the agreement. The Company's ability to comply with these covenants in future periods will depend on its ongoing financial and operating performance, which in turn will be subject to economic conditions and to financial, market and competitive factors, many of which are beyond its control.

The restrictions in the agreements governing the Company's credit facilities may prevent the Company from taking actions that it believes would be in the best interest of its business and may make it difficult for it to execute its business strategy successfully or effectively compete with companies that are not similarly restricted. The Company may also incur future debt obligations that might subject it to additional restrictive covenants that could affect its financial and operational flexibility.

The Company's ability to comply with the covenants and restrictions contained in the agreement governing the Company's credit facilities may be affected by economic, financial and industry conditions beyond its control. The breach of any of these covenants or restrictions could result in a default under the agreements that would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable (including terminating any outstanding hedging arrangements), together with accrued and unpaid interest, or cause cross-defaults under the Company's other debts. If the Company is unable to repay its secured debt, lenders could proceed against the collateral securing the debt. This could have serious consequences to the Company's financial condition and results of operations and could cause it to become bankrupt or insolvent.

Credit Ratings

The Company received credit ratings in connection with the issuance of its Notes Payable. Any credit ratings applied to the Notes are an assessment of the Company's ability to pay its obligations. The Company is under no obligation to maintain any credit rating with credit rating agencies and there is no assurance that any credit rating assigned to the Notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering, withdrawal or failure to maintain any credit ratings applied to the Notes may have an adverse effect on the market price or value and the liquidity of the Notes and, in addition, any such action could make it more difficult or more expensive for the Company to obtain additional debt financing in the future.

Operational Risk

Operational risk, which is inherent in all business activities, is the potential for loss as a result of external events, human behaviour (including error and fraud, non-compliance with mandated policies and procedures or other inappropriate behaviour) or inadequacy, or the failure of processes, procedures or controls. The impact may include financial loss, loss of reputation, loss of competitive position or regulatory and civil penalties. While operational risk cannot be eliminated, the Company takes reasonable steps to mitigate this risk by putting in place a system of oversight, policies, procedures and internal controls.

Dependence on Key Personnel

One of the significant limiting factors in the Company's performance and expansion plans will be the hiring and retention of the best people for the job. Over the past few years, the Company has strengthened its hiring competencies and training programs.

In particular, the Company is dependent upon the abilities, experiences and efforts of its senior management team and other key employees. The loss of these individuals without adequate replacement could have a material adverse impact on its business and operations.

As a consequence of its growth strategy and relatively high employee turnover at the store and branch level, the Company requires a growing number of qualified managers and other store or branch personnel to successfully operate its expanding branch and store network. There is competition for such personnel and there can be no assurances that the Company will be successful in attracting and retaining the personnel it may require. If the Company is unable to attract and retain qualified personnel or its costs to do so increase dramatically, its operations would be materially adversely affected.

Outsource Risk

The Company outsources certain business functions to third-party service providers, which increases its operational complexity and decreases its control. The Company relies on these service providers to provide a high level of service and support, which subjects it to risks associated with inadequate or untimely service. In addition, if these outsourcing arrangements were not renewed or were terminated or the services provided to the Company were otherwise disrupted, the Company would have to obtain these services from an alternative provider. The Company may be unable to replace, or be delayed in replacing, these sources and there is a risk that it would be unable to enter into a similar agreement with an alternate provider on terms that it considers favorable or in a timely manner. In the future, the Company may outsource additional business functions. If any of these or other risks relating to outsourcing were realized, the Company's financial position, liquidity and results of operations could be adversely affected.

Fraud Risk

Employee error and employee and customer misconduct could subject the Company to financial losses or regulatory sanctions and seriously harm the Company's reputation. Misconduct by its employees could include hiding unauthorized activities, improper or unauthorized activities on behalf of customers or improper use of confidential information. It is not always possible to prevent employee error and misconduct, and the precautions the Company takes to prevent and detect this activity may not be effective in all cases. Employee error could also subject the Company to financial claims for negligence.

If the Company's internal controls fail to prevent or detect an occurrence, or if any resulting loss is not insured, exceeds applicable insurance limits or if insurance coverage is denied or not available, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Technology Risk

The Company is dependent upon the successful and uninterrupted functioning of its computer, internet and data processing systems. The failure of these systems could interrupt operations or materially impact the Company's ability to enter into new lease or lending transactions and service or collect customer accounts. Although the Company has extensive information technology security and disaster recovery plans, such a failure, if sustained, could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

Breach of Information Security

The Company's operations rely heavily on the secure processing, storage and transmission of confidential and sensitive customer and other information through its information technology network. Other risks include the Company's use of third-party vendors with access to its network that may increase the risk of a cyber security breach. Third-party breaches or inadequate levels of cyber security expertise and safeguards may expose the Company, directly or indirectly, to security breaches.

A breach, unauthorized access, computer virus, or other form of malicious attack on the Company's information security may result in the compromise of confidential and/or sensitive customer or employee information, destruction or corruption of data, reputational harm affecting customer and investor confidence, and a disruption in the management of customer relationships or the inability to originate, process and service the Company's leasing or lending portfolios which could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

The Company is subject to various privacy and information security laws and takes reasonable measures to ensure compliance with all requirements. Legislators and regulators are increasingly adopting new privacy information security laws which may increase the Company's cost of compliance. A breach in the Company's information security may adversely affect its reputation and also result in fines or penalties from government bodies or regulators.

To mitigate the risk of an information security breach, the Company regularly assesses such risks, has a disaster recovery plan in place and has implemented reasonable controls over unauthorized access. The store network and corporate administrative offices, including centralized operations, takes reasonable measures to protect the security of its information systems (including against cyber-attacks). The Chief Information Officer of the Company oversees information security. However, such a cyber-attack or data breach could have a material adverse effect on the Company and its financial condition, liquidity and results of operations.

Privacy, Information Security, and Data Protection Regulations

The Company is subject to various privacy and information security laws and takes reasonable measures to ensure compliance with all requirements. Legislators and regulators are increasingly adopting new privacy and information security laws which may increase the Company's cost of compliance. While the Company has taken reasonable steps to protect its data and that of its customers, a breach in the Company's information security may adversely affect the Company's reputation and also result in fines or penalties from governmental bodies or regulators.

Risk Management Processes and Procedures

The Company has established a Risk Oversight Committee and created processes and procedures to identify, measure, monitor and mitigate significant risks to the organization. However, to the extent such risks go unidentified or are not adequately or expeditiously addressed by management, the Company could be adversely affected.

Compliance Risk

Internal Controls over Financial Reporting

The effective design of internal controls over financial reporting is essential for the Company to prevent and detect fraud or material errors that may have occurred. The Company is also obligated to comply with the Form 52-109F2 Certification of interim filings and 52-109F1 Certification of annual filings of the Ontario Securities Commission, which requires the Company's CEO and CFO to submit a quarterly and annual certificate of compliance. The Company and its management have taken reasonable steps to ensure that adequate internal controls over financial reporting are in place. However, there is a risk that a fraud or material error may go undetected and that such material fraud or error could adversely affect the Company.

Government Regulation and Compliance

The Company takes reasonable measures to ensure compliance with governing statutes, regulations and regulatory policies. A failure to comply with such statutes, regulations or regulatory policies could result in sanctions, fines or other settlements that could adversely affect both its earnings and reputation. Changes to laws, statutes, regulations or regulatory policies could also change the economics of the Company's merchandise leasing and consumer lending businesses including the salability or pricing of certain ancillary products which could have a material adverse effect on the Company.

Numerous consumer protection laws and related regulations impose substantial requirements upon lenders involved in consumer finance, including leasing and lending. Also, federal and provincial laws impose restrictions on consumer transactions and require contract disclosures relating to the cost of borrowing and other matters. These requirements impose specific statutory liabilities upon creditors who fail to comply with their provisions.

The application of certain provincial legislation to the Company's business model remains uncertain. There is a risk that regulatory bodies or consumers could assert that certain provincial legislation is applicable where the Company had determined that it is not and that the Company is not in compliance with such applicable statutory requirements. If it should be determined that the Company has not complied with the requirements of applicable provincial legislation, it could be subject to either or both (1) civil actions for nullification of contracts, rebate of some or all payments made by customers and damages, and (2) prosecution for violation of the legislation, any of which outcomes could have a material adverse effect on the Company.

easyfinancial is subject to minimal regulatory capital requirements in connection with its operations in Saskatchewan. Otherwise, the Company operates in an unregulated environment with regard to capital requirements.

The Criminal Code, R.S.C. 1985, c. C-46 imposes a restriction on the cost of borrowing in any lending transaction in excess of 60% per year. The application of additional capital requirements or a reduction in the maximum cost of borrowing could have a material adverse effect on the Company's financial condition, liquidity and results of operations. The Company and its management closely monitors and seeks to provide input and feedback on any legislative proposals that may impact the maximum cost of borrowing, details of which are ultimately determined by the federal legislature.

Accounting Standards

From time to time the Company may be subject to changes in accounting standards issued by accounting standard-setting bodies, which may affect the Company's financial statements and reduce its reported profitability.

Legal and Reputational Risk

Reputation

The Company's reputation is very important to attracting new customers to its platform, securing repeat lending to existing customers, hiring the best employees and obtaining financing to facilitate the growth of its business. While the Company believes that it has a good reputation and that it provides customers with a superior experience, there can be no assurance that the Company will continue to maintain a good relationship with customers or avoid negative publicity.

In recent years, consumer advocacy groups and some media reports have advocated governmental action to prohibit or place severe restrictions on non-bank consumer loans. Such consumer advocacy groups and media reports generally focus on the annual percentage rate for this type of consumer loan, which is compared unfavorably to the interest typically charged by banks to consumers with top-tier credit histories. The finance charges the Company assesses can attract media publicity about the industry and be perceived as controversial. Customer's acceptance of the interest rates the Company charges on its consumer loans receivable could impact the future rate of the growth. Additionally, if the negative characterization of these types of loans is accepted by legislators and regulators, the Company could become subject to more restrictive laws and regulations applicable to consumer loan products that could have a material adverse effect on the Company's business, prospects, results of operations, financial condition or cash flows.

The Company's ability to attract and retain customers is highly dependent upon the external perceptions of its level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters — even if related to seemingly isolated incidents, or even if related to practices not specific to short-term loans, such as debt collection — could erode trust and confidence and damage the Company's reputation among existing and potential customers, which would make it difficult to attract new customers and retain existing customers, significantly decrease the demand for the Company's products, result in increased regulatory scrutiny, and have a material adverse effect on the Company's business, prospects, results of operations, financial condition, ability to raise growth capital or cash flows.

The Company's former U.S. franchisees and certain other persons operate a lease-to-own business within the U.S. Although the Company does not own these businesses, their use of the easyhome name could adversely affect the Company if these third parties receive negative publicity or if external perceptions of these third parties' levels of service, trustworthiness or business practices are negative.

Litigation

From time to time and in the normal course of business, the Company may be involved in material litigation or may be subject to regulatory actions. There can be no assurance that any litigation or regulatory action in which the Company may become involved in the future will not have a material adverse effect on the Company's business, financial condition or results of operations. Lawsuits or regulatory actions could cause the Company to incur substantial expenditures, generate adverse publicity and could significantly impair the Company's business, force it to cease doing business in one or more jurisdictions or cause it to cease offering one or more products.

The Company is also likely to be subject to further litigation and communications with regulators in the future. An adverse ruling or a settlement of any current or future litigation or regulatory actions against the Company or another lender could cause the Company to have to refund fees and/or interest collected, forego collections of the principal amount of loans, pay multiple damages, pay monetary penalties and/or modify or terminate its operations in particular jurisdictions. Defense of any lawsuit or regulatory action, even if successful, could require substantial time and attention of the Company's management and could require the expenditure of significant amounts for legal fees and other related costs.

Possible Volatility of Stock Price

The market price of the Company's Common Shares, similar to that of many other Canadian (and indeed worldwide) companies, has been subject to significant fluctuation in response to numerous factors, including significant shifts in the availability of global credit, swings in macro-economic performance due to volatile shifts in oil prices and unexpected natural disasters, concerns about the global economy and potential recession, economic shocks such as the 2015 decline in oil prices and the related impact on the Canadian economy, as well as variations in the annual or quarterly financial results of the Company, timing of announcements of acquisitions or material transactions by the Company or its competitors, other conditions in the economy in general or in the industry in particular, changes in applicable laws and regulations and other factors. Moreover, from time to time, the stock markets experience significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company's performance. No prediction can be made as to the effect, if any, that future sales of Common Shares or the availability of shares for future sale (including shares issuable upon the exercise of stock options) will have on the market price of the Common Shares prevailing from time to time. Sales of substantial numbers of such shares or the perception that such sales could occur may adversely affect the prevailing price of the Common Shares. Significant changes in the stock price could jeopardize the Company's ability to raise growth capital through an equity offering without significant dilution to existing shareholders.

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Preference Shares, issuable in series, with the attributes of each series to be determined by the Board of Directors. The issued and outstanding capital of the Company as at December 31, 2018, consists of 14,405,468 Common Shares.

In December 2002, the articles of the Company were amended to create the first series of Preference Shares. In 2003, these Preference Shares were redeemed and at this time there are no Preference Shares outstanding.

Common Shares

The following is a summary of the principal attributes of the Common Shares.

Voting Rights

Holders of the Common Shares are entitled to receive notice of, and to attend all meetings of the shareholders of the Company. At any such meeting, other than a meeting at which only the holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series, each Common Share confers one vote.

Dividends

The holders of Common Shares are entitled to receive on a pro-rata basis such dividends as may be declared by the Board of Directors of the Company, out of funds legally available therefore, subject to the preferential rights of any shares ranking prior to the Common Shares with respect to the payment of dividends.

Rights on Dissolution

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Common Shares will be entitled to receive on a pro-rata basis all the assets of the Company remaining after payment of all the Company's liabilities, subject to the preferential rights of any shares ranking prior to the Common Shares with respect to the distribution of assets upon liquidation, dissolution or winding-up of the Company.

Pre-emptive and Conversion Rights

No pre-emptive or conversion rights attach to the Common Shares and the Common Shares, when fully paid, are not liable to further call or assessment. No other class of voting shares may be created without the approval of the holders of the Common Shares voting separately as a class.

Preference Shares

The following is a summary of the principal attributes of the authorized Preference Shares, none of which are outstanding.

Issuance in One or More Series

The Board of Directors of the Company may authorize the issuance of Preference Shares at any time and from time to time in one or more series. Before any shares of a particular series are issued, the Board of Directors of the Company shall fix the number of shares and such series and determine, subject to the limitations set out in the articles, the designation, rights, privileges, restrictions and conditions to be attached to the shares of such series.

Ranking

No rights, privileges, restrictions or conditions attaching to a series of Preference Shares shall confer upon the shares of the series a priority in respect of dividends or in respect of return of capital in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, over the shares of any other series of Preference Shares.

Preference Shares are entitled to priority over the Common Shares and over any other shares of any other class of the Company ranking junior to the Preference Shares with respect to the payment of dividends and/or the return of capital in the distribution of assets in the event of liquidation or dissolution or winding-up of the Company whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs as the Directors of the Company shall determine at the time of determining the number and designation of, and the rights, privileges, restrictions and conditions attaching to, the series of Preference Shares.

If any amount of cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding-up of the Company in respect of a series of Preference Shares is not paid in full, the Preference Shares of all series shall participate rateably in respect of all accumulated cumulative dividends, whether or not declared, and all declared non-cumulative dividends, and in respect of amounts payable on return of capital in the event of liquidation, dissolution or winding-up of the Company; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Preference Shares with respect to amounts payable on return of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends.

Voting Rights

The holders of Preference Shares are not entitled as such to receive notice of, to attend or to vote at any meetings of the shareholders of the Company. The holders of Preference Shares are entitled to receive notice of meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all the property of the Company other than in the ordinary course of business.

Modifications

The rights, privileges, restrictions and conditions attaching to Preference Shares, as a class, may not be amended, modified or varied in whole or in part except with prior approval of not less than two-thirds of the holders of Preference Shares present (in person or by proxy) at a meeting of the holders of Preference Shares duly called for such purposes in addition to any other approval required by law.

Debentures

The Debentures were issued pursuant to an indenture (the "Debenture Indenture") dated as of June 2, 2017 between the Company and TSX Trust Company, as trustee (the "Debenture Trustee"). The following is a description of the terms of the Debenture Indenture, a copy of which has been filed with the Canadian securities regulatory authorities. Capitalized terms used in this "Debentures" section and not otherwise defined have the meanings set forth in the Debenture Indenture. The following summary of certain provisions of the Debenture Indenture is subject to, and is qualified in its entirety by reference to, all the provisions of the Debenture Indenture.

The Debentures are subordinated, unsecured obligations of the Company and bear interest at a rate of 5.75% per annum, payable semi-annually in arrears on July 31 and January 31 of each year, which payments commenced on January 31, 2018. The Company may elect (provided there is no current event of default under the Debenture Indenture) to satisfy its obligation to pay interest on the Debentures by delivering a sufficient number of its Common Shares to the Debenture Trustee to satisfy all or any part of the interest obligation in accordance with the terms of the Debenture Indenture, or a combination of cash and common shares. The Debenture Indenture provides that the Debenture Trustee shall sell any such common shares and use the proceeds thereof to pay interest on the Debentures. The Debentures will mature on July 31, 2022.

The Debentures are convertible into Common Shares at the option of the holders thereof at any time prior to the close of business on the earliest of (i) the business day immediately preceding the maturity date; (ii) if called for redemption, on the business day immediately preceding the date specified for redemption; or (iii) if the Company is required to offer to purchase the Debentures pursuant to a change of control, on the business day immediately preceding the payment date, in each case, at an initial conversion price of approximately $44.00 per Common Share, representing a conversion rate of 22.7273 Common Shares per $1,000 principal amount of Debentures, subject to adjustment in certain circumstances as described in the Debenture Indenture.

The payment of the principal and premium, if any, of, and interest on, the Debentures will be subordinated in right of payment to the prior payment in full of all Senior Indebtedness of the Company. "Senior Indebtedness" includes: (a) indebtedness of goeasy and its subsidiaries for borrowed money; (b) obligations of goeasy and its subsidiaries evidenced by bonds, debentures, notes or other similar instruments; (c) obligations of goeasy and its subsidiaries arising pursuant to or in relation to bankers' acceptances, letters of credit and letters of guarantee (including payment and reimbursement obligations in respect thereof) or indemnities issued in connection therewith; (d) obligations of goeasy or its subsidiaries under any swap, hedging or other similar contracts or arrangements; (e) obligations of goeasy and its subsidiaries under guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to Senior Indebtedness or other obligations of any other person which would otherwise constitute Senior Indebtedness within the meaning of this definition; (f) all indebtedness of goeasy and its subsidiaries representing deferred purchase price of any property including, without limitation, purchase money mortgages; (g) all capital and operating lease obligations; (h) accounts payable to trade creditors; (i) all renewals, extensions and refinancing of any of the foregoing; (j) all accrued and unpaid interest, fees and other amounts in respect of any of the foregoing; and (k) all costs and expenses incurred by or on behalf of the holder of any Senior Indebtedness in enforcing payment or collection of any such Senior Indebtedness, including enforcing any security interest securing the same; provided that "Senior Indebtedness" will not include any indebtedness that would otherwise be Senior Indebtedness if it is expressly stated to be subordinate and to rank pari passu with the Debentures.

The Debenture Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to goeasy, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or voluntary winding-up of goeasy, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of goeasy, then holders of Senior Indebtedness will receive payment in full before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon. The Debenture Indenture also provides that goeasy will not make any payment, and the holders of the Debentures will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including, without any limitation, by set-off, combination of accounts or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures (a) in a manner inconsistent with the terms (as they exist on the date of issue) of the Debentures or (b) at any time when a default or an event of default has occurred under the Senior Indebtedness and is continuing or upon the acceleration of certain Senior Indebtedness and the notice of such default, event of default or acceleration has been given by or on behalf of holders of Senior Indebtedness to goeasy, unless the Senior Indebtedness has been repaid in full.

The Debentures will not be redeemable prior to July 31, 2020, subject to certain exceptions. On and after July 31, 2020 and prior to July 31, 2021, the Company may redeem the Debentures, in whole or in part from time to time, on not more than 60 days' and not less than 30 days' prior notice at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest, if any, up to but excluding the date set for redemption, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days prior to the date on which notice of redemption is provided is at least 125% of the conversion price. On or after July 31, 2021 and prior to the maturity date, goeasy may, at its option, on not more than 60 days' and not less than 30 days' prior notice, redeem the Debentures, in whole or in part, from time to time at a redemption price equal to their principal amount plus accrued and unpaid interest.

In the event of a change of control of goeasy, goeasy shall be required to offer to purchase all of the outstanding Debentures at a purchase price equal to 100% of the principal amount of the Debentures plus any accrued and unpaid interest, to, but not including, the purchase date. In addition, in certain circumstances holders of Debentures may be entitled to receive a make whole premium payable in additional Common Shares upon conversion following a change of control.

Notes Payable

The Notes were issued pursuant to an indenture (the "Note Indenture") dated as of November 1, 2017 between the Company and Deutsche Bank Trust Company, as trustee (the "Note Trustee"). The following is a description of the terms of the Note Indenture, a copy of which has been filed on the Company's SEDAR profile at www.sedar.com. Capitalized terms used in this "Notes" section and not otherwise defined herein have the meanings set forth in the Notes Indenture. The following summary of certain provisions of the Note Indenture is subject to, and is qualified in its entirety by reference to, all the provisions of the Note Indenture.

The Notes bear interest at 7.875% per annum, payable semi-annually every May 1 and November 1, commencing on May 1, 2018, and mature on November 1, 2022.

At any time before November 1, 2019, goeasy may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 107.875% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to but excluding the redemption date, with the net cash proceeds of one or more equity offerings on the terms more fully described in the Note Indenture.

At any time prior to November 1, 2019, goeasy may redeem all or a part of the Notes, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to but excluding the redemption date.

On and after November 1, 2019 goeasy may redeem the Notes, in whole or in part, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest, if any, to but excluding the redemption date, if redeemed during the twelve-month period beginning on November 1 of each of the following years: 2019 – 103.938%; 2020 – 101.969%; and 2021 and thereafter – 100.000%.

If the Company undergoes certain kinds of changes of control, goeasy is required to offer to repurchase the Notes from holders at a purchase price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to but excluding the date of purchase.

The Notes are senior unsecured obligations of the Company and will or rank (i) equal in right of payment with all of the Company's existing and future unsubordinated indebtedness; (ii) senior in right of payment to all of the Company's existing and future subordinated indebtedness (including the Debentures); (iii) effectively subordinated to the Company's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness, including the Company's indebtedness under the New Credit Facility; and (iv) effectively subordinated to all existing and future indebtedness and other liabilities, including trade payables, of the Company's subsidiaries that do not guarantee the Notes.

The Company's obligations under the Notes and the Note Indenture are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of the Restricted Subsidiaries that guarantees the Company's obligations under the New Credit Facility, subject to certain exceptions. The Guarantees will be senior unsecured obligations of each of the Guarantors and will rank equally in right of payment with all existing and future unsubordinated indebtedness of each Guarantor and senior in right of payment to all future subordinated indebtedness of the Guarantors. The Guarantees will be effectively subordinated to all future secured indebtedness of the applicable Guarantor to the extent of the value of the assets securing such other indebtedness, including such Guarantor's guarantee of the New Credit Facility.

Credit Ratings

The Company has received credit ratings from both Moody's Investor Service, Inc. ("Moody's") and Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. ("S&P") with respect to the Notes. Credit ratings reflect the general credit worthiness of an issuer or a particular debt issue. Credit ratings do not constitute a recommendation to purchase, sell or hold a particular security.

The Notes were assigned a rating of Ba3 (stable) by Moody's. Moody's credit ratings are on a rating scale that ranges from Aaa to C, which represents the range from the highest to lowest quality of such securities. In some instances, Moody's applies numerical modifiers (1, 2 and 3) in each rating classification from Aa to Caa. The modifier 1 indicates that the security ranks in the higher end of its rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the security ranks in the lower end of its respective rating category. In addition, Moody's may add a rating outlook of "positive", "negative", "stable" or "developing" which assesses the potential direction of a company's credit rating over the medium term.

The Notes were assigned a rating of BB- (stable) by S&P. S&P's credit ratings are on a rating scale that ranges from AAA to D, which represents the highest to lowest quality of such securities rated. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) to denote relative status within each respective rating category. An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term. In addition, S&P may add a rating outlook of "positive", "negative" or "stable" which assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years).

For more information on each agency's rating methodology and specific ratings visit www.moodys.com and www.standardandpoors.com.

In 2018, each of the rating agencies listed above charged the company the usual customary fees for their ratings services which include annual surveillance fees and issuance fees for newly issued securities. Access to the rating agencies' websites are also typically included as part of their customary service.

Dividends

Prior to May 10, 2004, the Company had not declared or paid a dividend on the Common Shares. The Company declared its first dividend on May 10, 2004 in the amount of $0.04 per Common Share, payable on July 2, 2004 with a record date of May 31, 2004. In total, dividends of $485,000 were paid to holders of Common Shares in 2004, $1,410,000 in 2005, $2,222,000 in 2006, $2,772,000 in 2007, $3,406,000 in 2008, $3,561,000 in 2009, $3,562,000 in 2010, $3,913,000 in 2011, $4,038,000 in 2012, $4,060,000 in 2013, $4,527,000 in 2014, $5,164,000 in 2015, $6,374,000 in 2016, $8,900,000 in 2017 and $11,683,000 in 2018.

On each of April 13, 2018, July 13, 2018, October 12, 2018 and January 11, 2019 the Company paid a dividend of $0.225 per Common Share. On February 13, 2019, the Board of Directors declared a quarterly dividend of $0.310 per Common Share payable on April 12, 2019 to shareholders of record on March 29, 2019.

The historic dividend policy of the Company is to declare and pay quarterly cash dividends at the discretion of the Board of Directors, as circumstances permit. The Company's dividend policy and practice will be reviewed from time to time in the context of the Company's earnings, financial condition, the need to retain earnings to fund future growth of the business of the Company and other relevant factors. The declaration of a dividend will always be at the discretion of the Board of Directors.

Dividend Reinvestment Plan

On March 5, 2012, the Board of Directors approved a Dividend Reinvestment Plan (“DRIP”) effective beginning with dividends in respect of Shareholders of record on April 5, 2012. The DRIP enables registered holders of Common Shares of the Company who are eligible for the DRIP to reinvest their cash dividends paid on the Common Shares to purchase additional Common Shares. No commissions, service charges or brokerage fees are payable by participants under the DRIP. The Common Shares acquired under the DRIP will, at the discretion of the Company, either be purchased on the Canadian open market including through the facilities of the Toronto Stock Exchange or issued by the Company from treasury.

Normal Course Issuer Bid

On June 22, 2017, the Company announced the acceptance by the Toronto Stock Exchange (the "TSX") of the Company's Notice of Intention to Make a Normal Course Issuer Bid (“NCIB”) to commence June 27, 2017. Pursuant to this NCIB, the Company could purchase up to an aggregate of 300,000 common shares which represented approximately 4% of the 13,363,158 common shares issued and outstanding as at June 10, 2017. This NCIB terminated on June 26, 2018. The Company had not cancelled any of its common shares pursuant to this June 22, 2017 NCIB.

On November 8, 2018, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make a NCIB to commence November 13, 2018, (the “Notice of Intention”). Pursuant to this NCIB, the Company proposed to purchase, from time to time, if it is considered advisable, up to an aggregate of 555,000 common shares which represented approximately 3,7% of the 14,803,919 common shares issued and outstanding as at October 30, 2018. Under the November 8, 2018 NCIB, daily purchases will be limited to 9,052 common shares, other than block purchase exemptions. The purchases may commence on November 13, 2018 and will terminate on November 12, 2019 or on such earlier date as goeasy may complete its purchases pursuant to the Notice of Intention. The purchases made by goeasy will be 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 will pay for any common shares will be the market price of such shares at the time of acquisition. The Company will not purchase any common shares other than by open-market purchases. As at December 31, 2018, the Company had cancelled 398,452 common shares pursuant to this November 8, 2018 NCIB.

During the year ended December 31, 2017, the Company repurchased and cancelled 398,452 (2017 – nil) of its common shares on the open market at an average price of $37.61 (2017 - nil) per share pursuant to its normal course issuer bids for a total cost of $15.0 million (2017 - nil).

Market for Securities

The Company's Common Shares are listed on The Toronto Stock Exchange under the symbol "GSY" ("EH" prior to September 17, 2015). The volume and price range for the Common Shares for each month in 2018 was as follows:

2018		Price Range	
	Volume of shares traded	Low $	High $
December	1,651,639	30.42	42.23
November	2,187,483	37.27	48.49
October	1,320,179	40.18	52.54
September	795,935	49.00	54.80
August	830,450	42.86	53.70
July	437,922	39.75	44.26
June	443,430	39.50	42.30
May	770,642	36.09	43.75
April	621,998	34.00	38.37
March	505,501	37.00	41.50
February	632,487	33.22	39.15
January	480,385	36.37	39.88

DIRECTORS AND OFFICERS

Under the by-laws of the Company, Directors of the Company are elected annually. Each Director holds office until the next annual meeting or until the successor of such Director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

Name, Address, Occupation and Security Holdings

The names, provinces or states of residence, positions, principal occupations and shareholdings of the Directors and executive Officers of goeasy as at December 31, 2018 were as follows:

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised
Donald K. Johnson O.C. Ontario, Canada	Chairman of the Board of goeasy Ltd. Member, Advisory Board, BMO Capital Markets since November 2009. Prior to that, Mr. Johnson was Senior Advisor, BMO Capital Markets from November 2004 to November 2009, and prior to that he was Vice-Chairman of BMO Nesbitt Burns Inc. Mr. Johnson also serves as the Chairman Emeritus and a Director of Business for the Arts, a Director of the Toronto General & Western Hospital Foundation, a member of the Advisory Board of the Ivey Business School at Western University, a member of the 2017 Major Individual Giving Cabinet of the United Way of Greater Toronto and a Director of Murichison Minerals Inc.	June 1999	3,030,000

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised
David Ingram Ontario, Canada	Corporate Director. On January 1, 2019 Mr. Ingram assumed the role of Executive Chairman of goeasy Ltd. From April 2, 2018 until December 31, 2018, Mr. Ingram was Chief Executive Officer of goeasy Ltd. Prior to that, he was President and Chief Executive Officer since 2001. Prior to joining goeasy , Mr. Ingram was an executive with Kingfisher plc (a retail conglomerate) in the United Kingdom. He is also Vice Chair and a Trustee of the Boys & Girls Club of Canada Foundation and a Member of the Board of Directors.	December 2000	481,201
David Appel(1)(2)(3) Ontario, Canada	Corporate Director. Mr. Appel has had a career in law, business, and government service, and is a Director of a number of charitable organizations. Mr. Appel is a retired member of the Quebec Bar. Mr. Appel serves on the Board of Directors of Hirshhorn Museum.	August 2010	271,559
Sean Morrison(1)(2)(3) British Columbia, Canada	Corporate Director. Mr. Morrison is the Co-Founder and a Managing Partner of Maxam Capital Corporation and the Chief Executive Officer of Diversified Royalty Corp. Prior to forming Maxam, Mr. Morrison was a partner at Capital West Partners, a Vancouver-based investment banking firm. Mr. Morrison is a Chartered Accountant (CPA CA)	January 2012	20,944
David Thomson(1)(2)(3) Ontario, Canada	Corporate Director. Mr. Thomson is a former President of Great West Life Properties. Prior to joining Great West, he was Executive Vice President of Oxford Development Group. He is Chairman of the Toronto Dominion Bank Private Giving Foundation.	January 2012	5,000
Karen Basian(1)(2)(3) Ontario, Canada	Corporate Director. Ms. Basian is member of the Board of Directors of BookJane and is also the Managing Director of Newtopia and a Principal at KB Capital Management Inc., a strategy consulting and financial advisory firm. Ms. Basian serves on the Board of Directors of Kognitiv Corporation. Ms. Basian is a Chartered Accountant (CPA CA) and has an M.B.A. from IMD in Lausanne, Switzerland.	November 2014	19,000
Susan Doniz(1)(2)(3) Ontario, Canada	Corporate Director. Ms. Doniz is the Chief Information Officer of Qantas Airways. Prior to joining Qantas she was Global Chief Information Officer for Aimia. Ms. Doniz sits on numerous Boards of Directors including Bayshore HealthCare.	May 2016	1,900

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised
Jason Mullins Ontario, Canada	On January 1, 2019, Mr. Mullins assumed the role of President and Chief Executive Officer. Mr. Mullins was the President and Chief Operating Officer from April 2, 2018 until December 31, 2018. Previously Mr. Mullins was the Executive Vice President and Chief Operating Officer of goeasy Ltd. having joined the Company in 2010. Mr. Mullins has an extensive career in financial services including Mogo Finance Technology where he was Vice President of Sales and Operations. He has held previous operations management roles at CIBC and Allied International Credit, and has an MBA from the Ivey School of Business at the University of Western Ontario.	April 2011	57,969
Jason Appel Ontario, Canada	Executive Vice President and Chief Risk Officer of goeasy Ltd. Mr. Appel was previously Senior Vice President, Risk and Analytics of goeasy Ltd. having joined the Company in December 2012. Mr. Appel was previously Senior Vice President, Decision Management, with Citigroup from 2006 to 2012, and prior to that held senior positions in the mortgages and lending division of CIBC. Mr. Appel holds a Master of Business Administration from the Schulich School of Business and a Bachelor's Degree from the University of Toronto.	January 2015	11,633
Andrea Fiederer Ontario, Canada	Executive Vice President and Chief Marketing Officer of goeasy Ltd. Ms. Fiederer joined goeasy in January of 2015. Prior to joining goeasy, Ms. Fiederer held senior marketing roles at Mobilicity and XM Satellite Radio. Ms. Fiederer has also held roles at TELUS and BearingPoint where she worked as a Management Consultant. She has a Master in Business Administration degree from the Schulich School of Business and a Bachelor of Commerce degree from McGill University.	January 2015	5,938

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised
David Cooper Ontario, Canada	Senior Vice-President of Human Resources and previously Vice-President of Human Resources having joined goeasy in January of 2015. Prior to joining goeasy, David held Human Resource leadership roles in financial services at CIBC and, most recently, served as Senior Director of HR and Organizational Development for Moneris. He holds the professional designation of Certified Human Resources Leader and has a Bachelor of Arts with a major in Employment Relations from the University of Toronto.	April 2018	-
Shadi Khatib Ontario, Canada	Senior Vice President, Information Technology and Chief Information Officer of goeasy Ltd. Mr. Khatib joined goeasy in 2016. Prior to joining goeasy, Mr. Khatib held multiple leadership roles in financial services, pharmaceutical, logistics and technology organizations ranging from startup to fortune 500. He has a Bachelor of Commerce degree from Ryerson University.	May 2016	2,341
Shane Pennell Ontario, Canada	Senior Vice President, easyfinancial Operations for goeasy Ltd. Mr. Pennell was previously Vice President of Operations and Shared Services for goeasy Ltd. He brings over 15 years of financial services experience to goeasy. Mr. Pennell came to the Company in 2013 from HSBC Financial where he was Vice President of Consumer Lending and Marketing and held previous management roles at CitiFinancial.	January 2015	8,572
Steven Poole Ontario, Canada	Mr. Poole is the Senior Vice President of Operations and Merchandising for the easyhome line of business having joined goeasy in 2007. Prior to joining goeasy, Mr. Poole was Vice President Merchandising with Loblaw Companies and Senior Vice President Operations for Blacks Photo Corporation. Mr. Poole holds a Masters in Business Administration degree from the Ivey School of Business at Western University and a Bachelors of Applied Science Degree from Acadia University.	March 2018	2,800
David Yeilding Ontario, Canada	Senior Vice President & Interim Chief Financial Officer of goeasy Ltd. Previously Mr. Yeilding was Senior Vice President Finance with goeasy Ltd. having joined the Company in 2010. Prior to joining goeasy, David was Vice President Finance with Fidelity Investments and a Director in PricewaterhouseCoopers Transaction Services practice where he advised clients on investments, financing, mergers and acquisitions. David is a Chartered Accountant (CPA CA) and holds a Masters in Business Administration degree from the DeGroote School of Business at McMaster University and a Bachelors Degree in Economics from Queens University.	January 2015	15,462

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised
Sabrina Anzini Ontario, Canada	Sabrina is the Vice President, Legal of goeasy Ltd. having joined goeasy in 2017. Prior to goeasy, Sabrina was Director and General Counsel of Law and Corporate Affairs at LoyaltyOne, Co. She also spent a number of years working for federal cabinet ministers at several government ministries and served as General Counsel to the Office of the Prime Minister of Canada. Sabrina holds a Master of Laws degree from the University of Ottawa, Juris Doctor and Bachelor of Arts degrees from Western University and an Honors Business Administration from the Richard Ivey School of Business at Western University.	April 2018	-

Notes:
(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Corporate Governance Committee.

As of December 31, 2018, the Directors and executive Officers of the Company beneficially own directly or indirectly or exercised control or direction over 3,934,319 Common Shares or approximately 27.3% of the issued and outstanding Common Shares.

AUDIT COMMITTEE INFORMATION

The Company's Audit Committee Mandate sets out its responsibilities and duties, membership qualifications and procedures for reporting to the Board of directors. A copy of the mandate is attached hereto as Schedule "A". As at December 31, 2018, the Audit Committee was comprised of five Directors, all of whom are independent Directors: David Thomson (chair), David Appel, Sean Morrison, Karen Basian and Susan Doniz. Each member of the Audit Committee is considered by the Board of Directors to be financially literate within the meaning of applicable securities laws by way of their business experience and educational background. The following is a brief summary of the education and experience that is relevant to the performance of their responsibilities as Committee members.

David Thomson (Chair)
Mr. Thomson is a former President of Great West Life Properties. Prior to joining Great West, he was Executive Vice President of Oxford Development Group. He is Chairman of the Toronto Dominion Bank Private Giving Foundation.

David Appel
Mr. Appel has had a career in law, business, and government service, and is a Director of a number of charitable organizations. Mr. Appel is a retired member of the Quebec Bar. Mr. Appel serves on the Board of Directors of Hirshhorn Museum.

Sean Morrison
Mr. Morrison is the Co-Founder and a Managing Partner of Maxam Capital Corporation and the Chief Executive Officer of Diversified Royalty Corp. Prior to forming Maxam, Mr. Morrison was a partner at Capital West Partners, a Vancouver-based investment banking firm. Mr. Morrison is a Chartered Accountant (CPA CA).

Karen Basian

Ms. Basian is member of the Board of Directors of BookJane and is also the Managing Director of Newtopia and a Principal at KB Capital Management Inc., a strategy consulting and financial advisory firm. Ms. Basian serves on the Board of Directors of Kognitiv Corporation. Ms. Basian is a Chartered Accountant (CPA CA) and has an M.B.A. from IMD in Lausanne, Switzerland.

Susan Doniz

Ms. Doniz is the Chief Information Officer of Qantas Airways. Prior to joining Qantas she was Global Chief Information Officer for Aimia. Ms. Doniz sits on numerous Boards of Directors including Bayshore HealthCare.

External Auditor Service Fees

During the two most recently completed fiscal years, the Company paid the following fees to Ernst & Young LLP, the Company's external auditor, for audit, audit-related and tax services:

Audit Fees

Ernst & Young LLP has performed audit services for the Company during the last two fiscal years, which included the audit of the Company's consolidated financial statements for the fiscal years ended December 31, 2017 and December 31, 2018. Aggregate fees for audit services for the Company were $908,000 in 2017 and $868,585 in 2018.

Audit-Related Fees

No audit-related services were performed by Ernst & Young LLP in 2017 and 2018.

Tax Fees

Ernst & Young LLP has provided tax advice to the Company during the last two fiscal years, which included corporate income tax return compliance and tax structuring. Aggregate fees for tax related services were $76,000 in 2017 and $80,075 in 2018.

All Other Fees

No other services were performed by Ernst & Young LLP in 2017 and 2018.

Interest of Experts

Ernst & Young LLP, the Company's external auditor, has provided an audit report on the Company's consolidated financial statements for the year ended December 31, 2018 and 2017. Ernst & Young was independent of the Company in accordance with the rules of professional conduct in Ontario.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent for all classes of stock is TSX Trust Company located in Toronto, Ontario. The register of transfers is located at the offices of the Company's transfer agent.

ADDITIONAL INFORMATION

Additional information including Directors' and Officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the Company's management information circular for the Company's annual meeting to be held on May 8, 2019. Additional financial information is provided in the Company's audited consolidated financial statements for the year ended December 31, 2018 and the accompanying management's discussion and analysis of financial condition and results of operations dated February 13, 2019.

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on the Company's website at www.goeasy.com.

SCHEDULE "A"
goeasy Ltd.
AUDIT COMMITTEE MANDATE
(revised August 7, 2018)

PURPOSE AND SCOPE

The Audit Committee (the "Committee" or the "Audit Committee") of the Company is a committee of the Board of Directors (the "Board"). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company's financial statements and exercise the responsibilities and duties set out in this Mandate.

The Committee shall assist the Board in its oversight role with respect to:

- The quality and integrity of financial information.
- The effectiveness of goeasy's risk management, internal controls and regulatory compliance practices.
- The external auditor's performance, qualifications and independence.
- Reviewing and approving applicable financial information and documents prior to public disclosure.

MEMBER QUALIFICATIONS

The Committee shall consist of three or more independent directors of goeasy appointed by the Board. Each of the members shall satisfy the applicable independence requirements of the laws governing the Company, including National Instrument 52-110 Audit Committees, as may be amended from time to time.

Each member of the Committee shall be financially literate as defined by the applicable legislation. Financially literate shall mean s/he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. A Committee member who is not financially literate may be appointed to the Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

STRUCTURE

The Committee shall serve as a standing committee of the Board of Directors (the "Board").

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

At the time of the annual appointment or reappointment of the members of the Committee, the Board shall appoint a Chair of the Committee. The Chair shall be a member of the Committee, preside over all Committee meetings, coordinate the Committee's compliance with this Mandate, work with management to develop the Committee's annual work-plan and provide reports of the Committee to the Board.

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub- committee to review any matter within this mandate as the Audit Committee deems appropriate.

MEETINGS

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

The Committee shall meet as often as it determines, but not less frequently than quarterly, to ensure review by the Committee of the company's quarterly results and proposed filings. A secretary shall be appointed for every meeting of the Committee who shall be responsible for maintaining minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. The Chairman of the Committee shall report to the Board on its activities after each of its meetings or upon request of the Board and may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

The Committee will have the opportunity for an in-camera session at the end of every meeting. The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present. The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board. The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

AUTHORITY

The Committee has the authority to:

- Conduct or authorize an independent investigation and retain outside consultants for any matters that come under its scope of responsibilities, with the cost to be borne by the Company.
- Communicate and meet with the external auditor or outside counsel, without the presence of Management.
- Call a meeting of the Board to consider any matter of concern to the Committee

FUNCTIONS AND RESPONSIBILITIES

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

The Committee has the following functions and responsibilities:

External Auditor

- Annually approve and recommend for appointment the external auditor to the Board. The external auditor shall report and be directly accountable to the A/C.
- Review and approve the external auditor's proposed annual audit scope, plan and staffing, including the annual

audit fees and terms of the engagement.

- Review and pre-approve all engagements for non-audit services, unless in the aggregate, they are not in excess of 5 percent of the total amount of fees paid by the Company to the external auditor during the fiscal year in which the services are provided. The Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- Oversee the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting, accounting policies and internal controls.
- Review the external auditor's management comment letter and management's responses thereto and enquire as to any disagreements between management and external auditors or restrictions imposed by management on external auditors.
- Evaluate the qualifications, expertise and performance of the external auditors (at least annually). If necessary, initiate the termination of the external auditors, subject to the Board and shareholder approval as required by applicable law.
- At least annually, review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.
- Review the relationships or services that may impact the objectivity and independence of the external auditor, including annual review of the auditor's written statement of all relationships between the auditor and the Company and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditor.
- Provide an open avenue of communication between management, the external auditors and the Board.
- At least annually, discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

Financial Reporting

- Review and recommend to the Board approval of the Company's annual and interim financial statements, management's discussion and analysis of the Company's financial condition and results of operation (MD&A) and press releases prior to the public disclosure of this information.
- Review and recommend to the Board approval of the financially related information and disclosures contained in the Company's Annual Report, the Annual Information Form and the Information Circular prior to public disclosure.
- Review and discuss with management and the external auditor at least annually significant financial reporting issues and judgments made in connection with the preparation and presentation of the financial statements, including any significant changes in the Company's selection and application of accounting principles, any major issues as to the Company's internal controls and any special steps adopted in light of material control deficiencies.
- Review any material change in the Company's accounting policies including alternative treatments and their impacts on the financial statements as presented by management.
- Review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.
- Review with legal counsel any legal matters having a significant impact on the financial reports.
- Review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

Internal Audit & Controls

- Receive regular reports from the internal auditor. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.
- Periodically review and approval of the mandate, plan, budget and staffing of the internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.
- The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for the internal audit function
- Annually review Management's process for assessing the Company's system of internal controls over financial reporting, including any significant or material deficiencies.
- Review the Company's disclosure controls and procedures and periodically assess the adequacy of those disclosure controls and procedures.
- Annually consider and review with management and the auditors: the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal financial and credit controls; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), and the impact of any identified weaknesses in internal controls on management's conclusions.
- Review related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.
- Review the minutes of the quarterly Disclosure Committee meetings.
- Review and approve the Company's policy on external communication and disclosure of material information, including the form and generic content of any quarterly earnings guidance and of any financial disclosure provided to investment analysts and rating agencies.
- Establish and review procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.
- Review any material issues raised by any inquiry or investigation by the Company's financial regulators
- Establish and review procedures for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
- Review management's practices in effect over officers' expenses and perquisites.

Financial Risk Management and Fraud

- Review the Company's Financial Risk Management practices on an annual basis and make recommendations to the Board regarding any proposed changes.
- Review on a periodic basis, significant risks inherent in the Company's business and ensure appropriate financial risk management techniques are in place.
- Review the effectiveness of the Company's procedures in relation to the prevention, detection, reporting and investigation of fraud that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting.
- Annually review the adequacy and quality of insurance coverage maintained by the Company.
- Oversee the investigation into occurrences of material fraud

- Communicate and meet with the Company's financial risk executives without the presence of Management, to obtain updates and feedback on the Company's Financial Risk Management practices.
- Review and approve the variable compensation program for the Company's financial risk executives.

Other

- Review recommended appointees to the office of Chief Financial Officer.
- Review and/or approve other financial matters delegated specifically to it by the Board.
- Review its charter mandate and assess annually the adequacy of this mandate, the effectiveness of its performance and, when necessary, will recommend changes to the Corporate Governance, Nominating and Risk Committee.

APPENDIX “A”
MULTILATERAL INSTRUMENT 52-110 – AUDIT COMMITTEES
MEANING OF INDEPENDENCE

<u>Meaning of Independence</u>

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a “material relationship” is a relationship, which could, in the view of the issuer’s board of directors, is reasonably expected to interfere with the exercise of a member’s independent judgment.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

> (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
> (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
> (c) an individual who:
>> (i) is a partner of a firm that is the issuer’s internal or external auditor,
>> (ii) is an employee of that firm, or
>> (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
>
> (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
>> (i) is a partner of a firm that is the issuer’s internal or external auditor,
>> (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
>> (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
>
> (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
> (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12-month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2006 or (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2007.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of this section, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Additional Independence Requirements

(1) Despite any determination made pursuant to the meaning of independence set forth above, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) An individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.