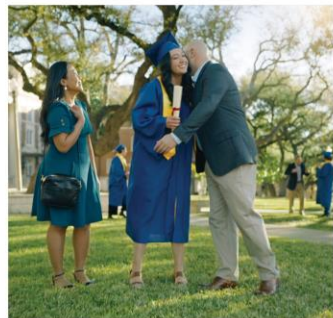


# EARNINGS PRESENTATION

## SECOND QUARTER 2022

AUGUST 11, 2022

goeasy



# IMPORTANT INFORMATION

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## Cautionary Note Regarding Forward-Looking Statements

This presentation includes forward-looking statements about goeasy, including, but not limited to, its business operations, strategy and expected financial performance and condition. Forward-looking statements include, but are not limited to, those with respect to the estimated number of new locations to be opened, forecasts for growth of the consumer loans receivable portfolio, annual revenue growth forecasts, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements and the Company's ability to secure sufficient capital, liquidity of goeasy, plans and references to future operations and results, critical accounting estimates, expected lower charge-off rates on loans with real estate collateral and the benefits resulting from such lower rates, the size and characteristics of the Canadian non-prime lending market, the continued development of the type and size of competitors in the market. In certain cases, forward-looking statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as "expect", "continue", "anticipate", "intend", "aim", "plan", "believe", "budget", "estimate", "forecast", "foresee", "target" or negative versions thereof and similar expressions, and/or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about goeasy's operations, economic factors and the industry generally. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by goeasy. Some important factors that could cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, goeasy's ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on 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.

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

# INCREASED DEMAND & IMPROVED OPERATING PERFORMANCE LEAD TO RECORD RESULTS

## ORIGINATION GROWTH

- Record volume of applications for credit led to record loan originations of \$628M, an increase of 66% YoY
- Record organic loan growth of \$216M during the quarter, an increase of 191%
- Growth experienced across all product and acquisition channels with strength in unsecured lending, home equity lending, powersports financing, auto financing and cross-selling activity

## STABLE CREDIT PERFORMANCE

- Net charge off rate of 9.3%, in line with target range of 8.5% to 10.5% for fiscal 2022, and compared to 8.2% in Q2 2021, a period which benefitted from pandemic related effects
- Structural improvements to the business have resulted in a significant reduction from 2019 net charge off rate of 13.3%
- Loan loss provision rate decreased slightly to 7.68% from 7.78% in Q1 2022, due to improved product and credit mix of loan portfolio

## SIGNIFICANT LIQUIDITY & CAPITAL

- Upsized \$900M revolving securitization warehouse facility to \$1.4B; improved eligibility criteria and pool concentration limits, resulting in increased funding capacity
- Total liquidity of approximately \$1.09B available to fund organic growth through Q2 2025

## OPERATING LEVERAGE & PROFITABILITY

- Increase in operating leverage as operating expense efficiency ratio<sup>1</sup> improved from 39.3% in Q2 2021 to 34.2% in Q2 2022
- Reported net income of \$38.3M and reported diluted earnings per share of \$2.32; adjusted net income<sup>2</sup> of \$46.8M, up 7% YoY from \$43.7M; record adjusted diluted earnings per share<sup>1</sup> of \$2.83, up 8% YoY from \$2.61

## STRONG SHAREHOLDER RETURNS

- Repurchased 170K shares or 1.1% of shares outstanding for a total cost of \$20M in Q2 2022
- Net leverage<sup>3</sup> of 70%, in line with target leverage ratio

1. These are non-IFRS ratios. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation  
2. This is a non-IFRS measure. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation  
3. Net leverage (net debt to net capitalization) is a capital management measure. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation

# Q2 2022 FINANCIAL PERFORMANCE HIGHLIGHTS

(\$ in millions)

## LOAN ORIGINATIONS AND RECEIVABLES

	Q2 21	Q2 22	YoY Chg.	YoY Chg. %
Originations	\$379	\$628	\$249	65.7%
Gross consumer loans receivable	\$1,796	\$2,370	\$574	32.0%

- Growth driven by record volume of applications for credit and improved operating performance, which led to record originations across products and channels

## NET CHARGE OFF AND PROVISION RATES

	Q2 21	Q2 22	YoY Chg.	YoY Chg. %
Net charge off rate	8.2%	9.3%	(110bps)	(13.4%)
Loan loss provision rate	7.90%	7.68%	22bps	2.8%

- Credit performance in line with target range of 8.5% to 10.5% for fiscal 2022
- YoY increase in net charge off rate reflects benefits of pandemic related government support and consumer expense reductions experienced in Q2 2021
- Lower provision rate due to improved credit quality and product mix

## REVENUE AND PORTFOLIO YIELD

	Q2 21	Q2 22	YoY Chg.	YoY Chg. %
Revenue	\$202	\$252	\$49	24.4%
Total yield on consumer loans (including ancillary products) <sup>1</sup>	42.8%	39.0%	(380bps)	(8.9%)

- Portfolio yield in line with guided range, with risk-adjusted rates, increased secured product lending, and increased lending activity in Quebec leading to a reduced cost of borrowing for consumers

## OPERATING INCOME AND EPS

	Q2 21	Q2 22	YoY Chg.	YoY Chg. %
Operating inc.	\$56	\$85	\$29	51.9%
Adj. operating inc. <sup>2</sup>	\$80	\$89	\$9	11.1%
Diluted EPS	\$1.16	\$2.32	\$1.16	100.0%
Adj. diluted EPS <sup>1</sup>	\$2.61	\$2.83	\$0.22	8.4%

- Record reported operating income of \$85M, record adjusted operating income<sup>2</sup> of \$89M
- Reported diluted EPS of \$2.32; after adjusting for unusual and non-recurring items, record adjusted diluted EPS<sup>1</sup> of \$2.83, up 8% YoY
- YoY income affected by increase in loan loss provision related to higher receivables growth

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Note: Non-IFRS ratios and non-IFRS measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies



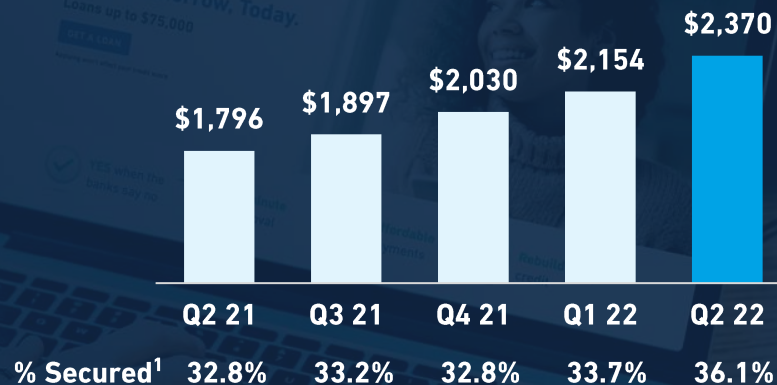
# PRODUCT & CHANNEL STRATEGY DRIVING RECORD ORIGINATIONS

(\$ in millions)

## GROSS LOAN ORIGINATIONS



## GROSS CONSUMER LOANS RECEIVABLE



### Q2 2022 HIGHLIGHTS

- Multi-product and omnichannel strategy benefitting from strong consumer demand; record volume of applications for credit, up 51% from Q2 2021
- Record originations of \$628M in Q2 2022 compared to \$379M in Q2 2021, up 66%, resulting in a record level of organic loan growth of \$216M
- 36.1% of consumer loan portfolio now secured, up from 32.8% in Q2 2021

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

# QUARTERLY HIGHLIGHTS

---

## AUTO FINANCING

- Executing on strategic initiative to become the leading non-prime, non-bank auto lender in Canada
- Record quarterly originations of \$50M, up 450% YoY
- Increased the dealer network from ~1,700 to ~1,900

## POINT-OF-SALE FINANCING

- Powersports financing experienced record originations, benefitting from strong seasonal demand
- Point-of-sale financing offered through a record number of merchants in the retail, powersports, home improvement and healthcare verticals

## HOME EQUITY LENDING

- Emphasis on home equity lending, the company's highest credit quality product
- Record quarterly home equity loan originations, up 169% YoY
- LTVs on Q2 originations (inclusive of goeasy loans) of <60% and average home values of ~\$500K, ~30% below the Canadian average

## CROSS-SELLING

- Experienced improved performance of cross-selling pre-approved unsecured loans to existing and former customers
- Cross-selling rates into additional products tracking to between 10% to 30% within first year (depending on initial product category)

# STRATEGIC INVESTMENT IN CANADA DRIVES

- In June 2022, goeasy entered into a strategic commercial partnership with Canada Drives – Canada's largest online car shopping and to-your-door delivery platform
- Through this new strategic partnership, LendCare will become a preferred non-bank financing provider within Canada Drives' online automotive retail platform and provide financing to a committed portion of non-prime purchasers
- Concurrent with the strategic partnership, goeasy agreed to make a minority equity investment of \$40M in the form of convertible notes
- Convertible notes mature in June 2025 and are convertible into preferred shares on defined terms

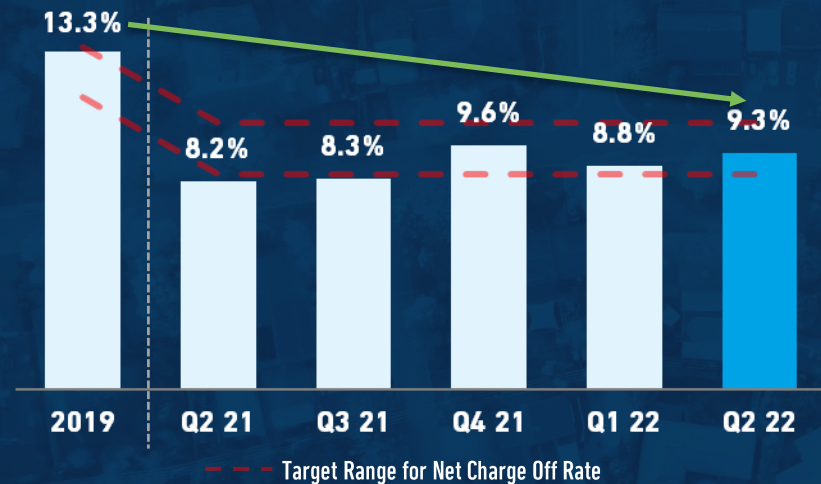
**ACCELERATES PLAN TO BECOME NO.1 NON-PRIME, NON-BANK AUTO LENDER IN CANADA**



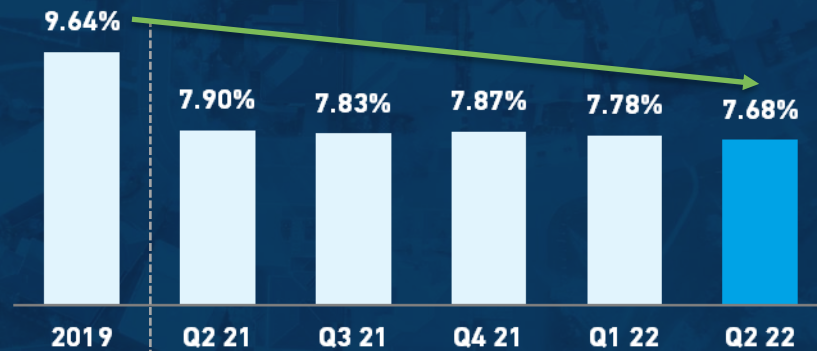
goeasy  
+  
canada drives®  
IN  
\$58B  
AUTO FINANCE MARKET<sup>1</sup>

# STABLE CREDIT AND PAYMENT PERFORMANCE

## NET CHARGE OFFS



## LOAN LOSS PROVISION RATE



## Q2 2022 HIGHLIGHTS

- Net charge off rate within target range of 8.5% to 10.5%
- Provision rate decreased by 10bps QoQ due to improved credit quality and product mix
- Structurally improved credit performance compared to pre-pandemic period following acquisition of LendCare



# HIGH QUALITY ORIGINATIONS DURING THE QUARTER PROVIDE CONFIDENCE IN FUTURE CREDIT PERFORMANCE

**<60%** LTVs (INCLUSIVE OF GOEASY LOANS) FOR HOME EQUITY LOAN ORIGINATIONS, LOWER THAN  
HISTORICAL PORTFOLIO AVERAGE OF ~65%

HIGHEST PERCENTAGE OF LOW & MEDIUM RISK ORIGINATIONS IN  
COMPANY HISTORY BASED ON PROBABILITIES OF DEFAULT

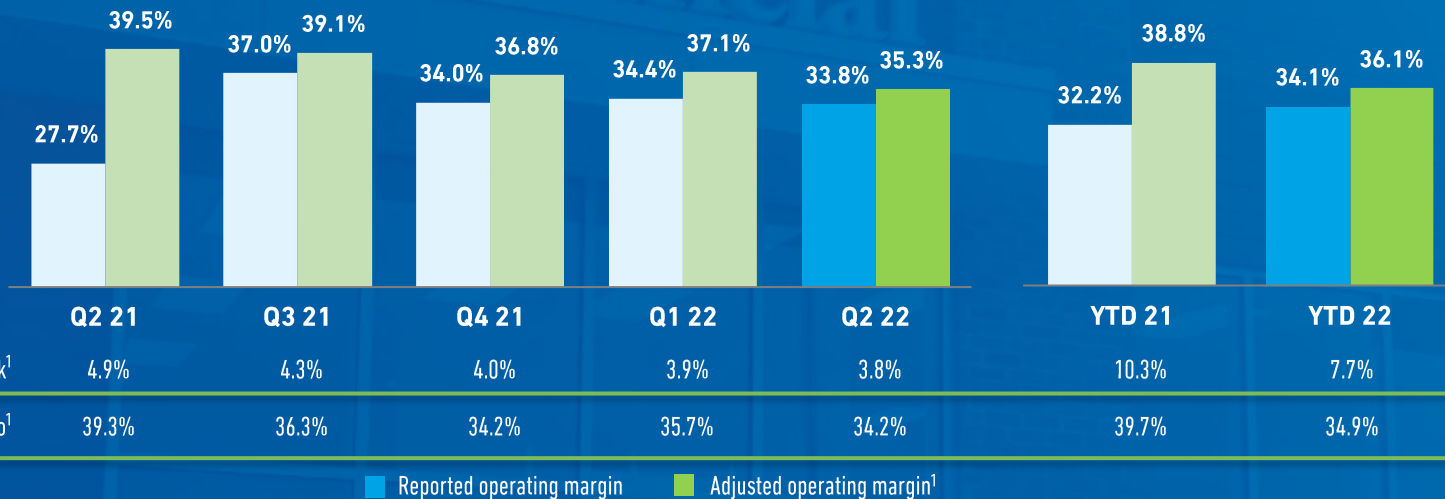
**~20%** YOY INCREASE IN AVERAGE  
INCOMES OF AUTO LOAN  
BORROWERS

GROWTH DIVERSIFIED ACROSS 7  
PRODUCT CATEGORIES

**34%** OF QUARTERLY ORIGINATIONS WERE SECURED, A  
RECORD LEVEL

# INVESTING IN THE BUSINESS WHILE PRODUCING STRONG OPERATING LEVERAGE

## Reported & Adjusted Operating Margin<sup>1</sup>



## Q2 2022 HIGHLIGHTS

- Moderation of operating margin in the quarter mainly due to higher level of allowance for credit losses related to the higher loan growth and the increase in net charge offs relative to Q2 2021, which benefitted from pandemic related government support and consumer expense reductions
- Efficiency ratio<sup>1</sup> improved by 510bps compared to Q2 2021, reflecting improved operating leverage

1. These are non-IFRS ratios. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation  
 Note: Non-IFRS ratios are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies

# Q2 2022 FINANCIAL HIGHLIGHTS

(\$ in millions)

## SUMMARY FINANCIAL RESULTS

	Q2 21	Q1 22	Q2 22	YoY Chg. %
Revenue	202	232	252	24.4%
Operating income	56	80	85	51.9%
Operating margin	27.7%	34.4%	33.8%	22.0%
Adj. operating income <sup>1</sup>	80	86	89	11.1%
Adj. operating margin <sup>2</sup>	39.5%	37.1%	35.3%	(10.6%)
Net income	19	26	38	96.7%
Diluted EPS	1.16	1.55	2.32	100.0%
Adj. net income <sup>1</sup>	44	46	47	7.2%
Adj. diluted EPS <sup>2</sup>	2.61	2.72	2.83	8.4%
Return on equity	12.0%	13.5%	20.2%	68.3%
Adj. return on equity <sup>2</sup>	26.9%	23.8%	24.7%	(8.2%)
Adj. ROTCE <sup>2</sup>	34.8%	36.5%	38.0%	9.2%

## SUMMARY EASYFINANCIAL RESULTS

	Q2 21	Q1 22	Q2 22	YoY Chg. %
<b><u>Portfolio indicators</u></b>				
Gross consumer loans receivable	1,796	2,154	2,370	32.0%
Gross loan originations	379	477	628	65.7%
Total yield on consumer loans (including ancillary products) <sup>2</sup>	42.8%	38.7%	39.0%	(8.9%)
Net charge off rate	8.2%	8.8%	9.3%	(13.4%)
<b><u>easyfinancial performance</u></b>				
easyfinancial revenue	165	195	214	29.9%
easyfinancial operating margin	45.4%	46.4%	44.6%	(1.8%)

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# YTD 2022 FINANCIAL HIGHLIGHTS

(\$ in millions)

## SUMMARY FINANCIAL RESULTS


	YTD 21	YTD 22	YoY Chg. %
Revenue	373	484	29.9%
Operating income	120	165	37.6%
Operating margin	32.2%	34.1%	5.9%
Adj. operating income <sup>1</sup>	144	175	21.0%
Adj. operating margin <sup>2</sup>	38.8%	36.1%	(7.0%)
Net income	131	64	(51.0%)
Diluted EPS	8.10	3.86	(52.3%)
Adj. net income <sup>1</sup>	80	93	15.2%
Adj. diluted EPS <sup>2</sup>	4.95	5.55	12.1%
Return on equity	45.3%	16.7%	(63.1%)
Adj. return on equity <sup>2</sup>	27.7%	24.1%	(13.0%)
Adj. ROTCE <sup>2</sup>	33.8%	36.9%	9.2%

## SUMMARY EASYFINANCIAL RESULTS

	YTD 21	YTD 22	YoY Chg. %
<b><u>Portfolio indicators</u></b>			
Gross consumer loans receivable	1,796	2,370	32.0%
Gross loan originations	651	1,105	69.6%
Total yield on consumer loans (including ancillary products) <sup>2</sup>	43.4%	38.9%	(10.4%)
Net charge off rate	8.6%	9.1%	(5.8%)
<b><u>easyfinancial performance</u></b>			
easyfinancial revenue	298	409	37.1%
easyfinancial operating margin	49.1%	45.5%	(7.3%)

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2. These are non-IFRS ratios. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation

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# **LIQUIDITY & CAPITAL**

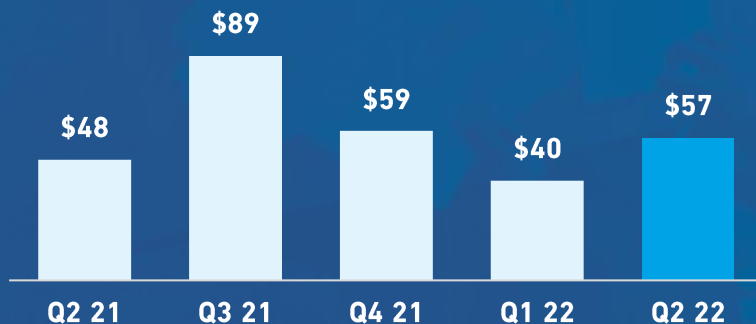


# MAINTAINING STRONG BALANCE SHEET AND SIGNIFICANT LIQUIDITY

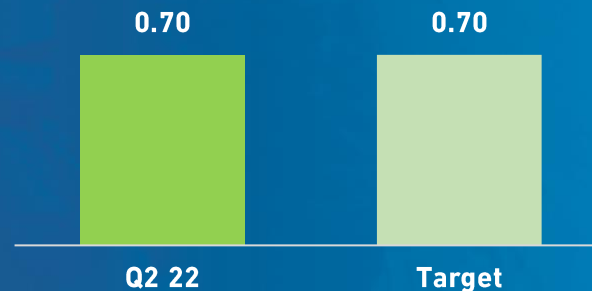
(\$ in millions)

- Upsized the revolving securitization warehouse facility by \$500M to a total of \$1.4B, improved eligibility criteria and pool concentration limits, resulting in increased funding capacity
- Total liquidity of approximately \$1.09B, sufficient to fund organic growth through Q2 2025
- At Q2 2022, fully drawn weighted average cost of borrowing was at 4.9%
- Free cash flow from operations<sup>1</sup> in the quarter of \$57M, up 18% from \$48M in Q2 2021
- Net debt to net capitalization<sup>2</sup> at 0.70, in line with the Company's target leverage ratio

## FREE CASH FLOWS FROM OPERATIONS<sup>1</sup>



## NET LEVERAGE<sup>2</sup> (NET DEBT TO NET CAPITALIZATION)



1. Free cash flows from operations before net growth in gross consumer loans receivable is a non-IFRS measure. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation

2. This is a capital management measure. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation

# STRONG CAPITAL RETURNS

- 2022 marks 18<sup>th</sup> consecutive year of paying a dividend and 8<sup>th</sup> consecutive year of an increase in the dividend
- Opportunistic and targeted share repurchases offer an additional form of returning capital to shareholders; repurchased 450K shares or 2.8% of shares outstanding for a total cost of \$61M in first half of 2022

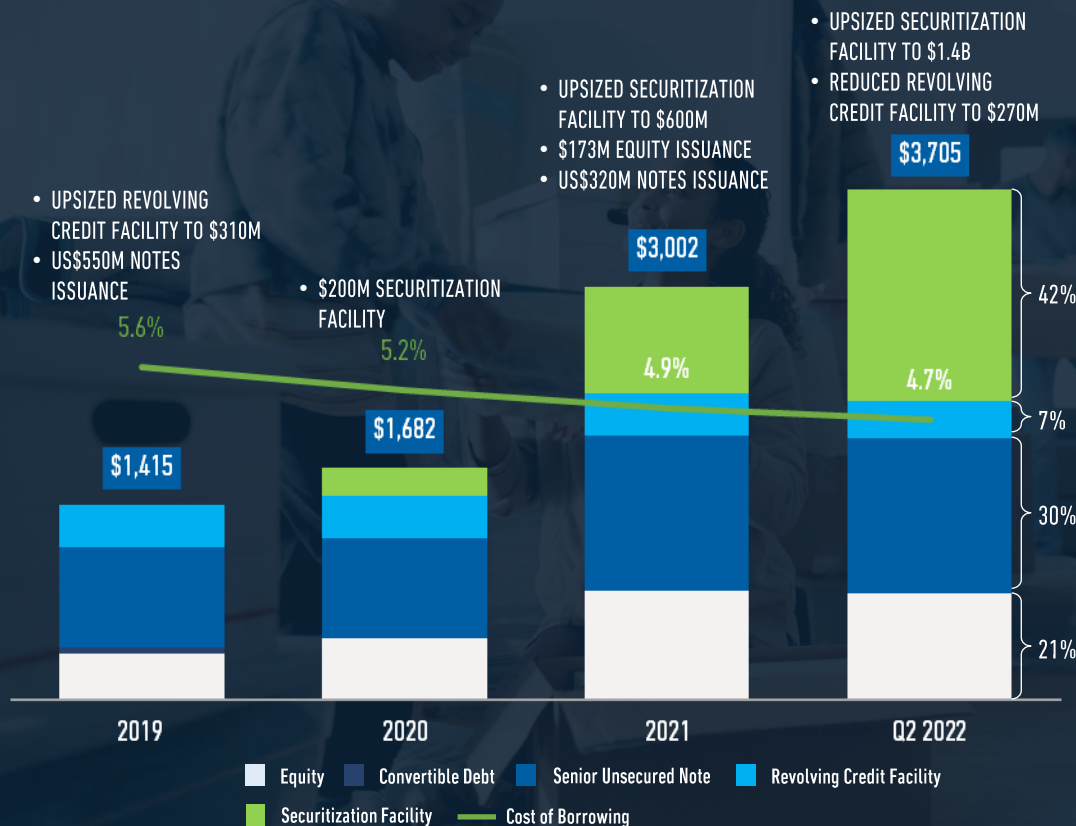
## ANNUAL DIVIDEND



## SHARE REPURCHASES




# CAPITAL STRUCTURE EVOLUTION AND ROBUST INTEREST RATE RISK MANAGEMENT



- Senior unsecured notes have locked in interest rates and cross-currency swaps over 5-year maturity periods
- Securitization warehouse facility draws have locked in interest rates via a swap hedge
- Revolving credit facility is used for short-term operational needs and carries a lower spread at variable interest rates
- Forward rate curves are analyzed each month to assess downstream rate movements, which then inform optimal utilization of available debt facilities to drive the most cost-effective source of funding
- At Q2 2022, 93% of the Company's drawn debt is with fixed / hedged rates

Note: Capital stack (\$M) defined as total shareholders' equity plus maximum funding capacity of the Company's debt; cost of borrowing defined as the average blended coupon interest rate on drawn balance of the Company's debt



# **FUTURE OUTLOOK**

# REVISING 3-YEAR FORECAST TO REFLECT INCREASED LOAN GROWTH

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

**FORECASTING ~\$4.0B CONSUMER LOAN PORTFOLIO BY END OF 2024**

1. This is a non-IFRS ratio. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation



**GROSS CONSUMER LOAN PORTFOLIO GROWTH IN Q3 2022 BETWEEN \$180M AND \$200M**

**TOTAL YIELD ON CONSUMER LOANS (INCLUDING ANCILLARY PRODUCTS)<sup>1</sup> IN Q3 2022 BETWEEN 37.0% AND 38.0%**

**NET CHARGE OFF RATE IN Q3 2022 BETWEEN 9.0% AND 10.0%**

1. This is a non-IFRS ratio. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation

# Q & A



# APPENDIX



# CONSOLIDATED INCOME STATEMENTS

(\$ in thousands)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	YTD 21	YTD 22
<b>REVENUE</b>							
Interest income	128,483	146,132	155,529	156,824	169,311	233,977	326,135
Lease revenue	28,348	27,923	27,663	26,878	25,948	56,785	52,826
Commissions earned	42,435	42,052	45,910	43,858	51,343	75,772	95,201
Charges and fees	3,090	3,655	5,328	4,582	5,050	5,996	9,632
	<b>202,356</b>	<b>219,762</b>	<b>234,430</b>	<b>232,142</b>	<b>251,652</b>	<b>372,530</b>	<b>483,794</b>
<b>EXPENSES</b>							
Salaries and benefits	43,804	41,776	36,171	41,964	43,908	79,210	85,872
Stock-based compensation	1,901	2,116	2,772	2,300	2,490	3,987	4,790
Advertising and promotion	7,172	7,751	9,578	9,510	9,383	13,064	18,893
Bad debts	48,873	45,297	58,640	54,149	67,936	78,147	122,085
Occupancy	5,753	5,995	6,342	6,379	6,184	11,277	12,563
Technology costs	4,017	4,900	5,312	5,240	5,460	7,821	10,700
Other expenses	15,409	9,852	14,321	11,863	10,799	22,504	22,662
	<b>126,929</b>	<b>117,687</b>	<b>133,136</b>	<b>131,405</b>	<b>146,160</b>	<b>216,010</b>	<b>277,565</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>19,337</b>	<b>20,723</b>	<b>21,665</b>	<b>20,772</b>	<b>20,309</b>	<b>36,498</b>	<b>41,081</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>146,266</b>	<b>138,410</b>	<b>154,801</b>	<b>152,177</b>	<b>166,469</b>	<b>252,508</b>	<b>318,646</b>
<b>OPERATING INCOME</b>	<b>56,090</b>	<b>81,352</b>	<b>79,629</b>	<b>79,965</b>	<b>85,183</b>	<b>120,022</b>	<b>165,148</b>
<b>OTHER (LOSS) INCOME</b>	<b>(4,086)</b>	<b>23,219</b>	<b>8,371</b>	<b>(17,525)</b>	<b>(6,819)</b>	<b>83,286</b>	<b>(24,344)</b>
<b>FINANCE COSTS</b>	<b>20,822</b>	<b>21,686</b>	<b>22,281</b>	<b>23,479</b>	<b>24,445</b>	<b>35,058</b>	<b>47,924</b>
<b>INCOME TAX EXPENSE</b>	<b>11,715</b>	<b>19,345</b>	<b>15,758</b>	<b>12,865</b>	<b>15,619</b>	<b>36,808</b>	<b>28,484</b>
<b>NET INCOME</b>	<b>19,467</b>	<b>63,540</b>	<b>49,961</b>	<b>26,096</b>	<b>38,300</b>	<b>131,442</b>	<b>64,396</b>
<b>ADJUSTED NET INCOME<sup>1</sup></b>	<b>43,687</b>	<b>46,748</b>	<b>47,644</b>	<b>45,779</b>	<b>46,830</b>	<b>80,366</b>	<b>92,609</b>

1. This is a non-IFRS measure. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation

# CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
<b>ASSETS</b>					
Cash	140,192	124,685	102,479	96,430	95,900
Consumer loans receivable, net	1,682,151	1,780,073	1,899,631	2,023,702	2,223,563
Investment	95,138	64,178	64,441	35,313	36,618
Lease assets	45,921	44,482	47,182	44,650	45,378
Property and equipment, net	34,467	34,397	35,285	34,843	34,811
Intangible assets, net	162,379	161,189	159,651	158,778	157,871
Goodwill	179,835	180,923	180,923	180,923	180,923
Right-of-use assets, net	52,656	54,663	57,140	56,453	59,507
Other assets <sup>1</sup>	58,542	27,147	49,421	57,228	61,176
<b>TOTAL ASSETS</b>	<b>2,451,281</b>	<b>2,471,737</b>	<b>2,596,153</b>	<b>2,688,320</b>	<b>2,895,747</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	53,081	61,433	57,134	45,046	46,992
Revolving credit facility	14,039	14,339	-	68,180	143,331
Notes payable	1,061,313	1,087,397	1,085,906	1,075,331	1,108,363
Revolving securitization warehouse facility	198,731	122,648	292,814	392,038	526,095
Secured borrowings	186,714	191,574	173,959	155,948	138,378
Other liabilities <sup>1</sup>	188,612	187,019	196,427	200,463	164,110
<b>Total liabilities</b>	<b>1,702,490</b>	<b>1,664,410</b>	<b>1,806,240</b>	<b>1,937,006</b>	<b>2,127,269</b>
<b>Total shareholders' equity</b>	<b>748,791</b>	<b>807,327</b>	<b>789,913</b>	<b>751,314</b>	<b>768,478</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,451,281</b>	<b>2,471,737</b>	<b>2,596,153</b>	<b>2,688,320</b>	<b>2,895,747</b>

1. These are non-IFRS measures. Refer to "Non-IFRS and Other Financial Measures" section on page 24 of this presentation

Note: Non-IFRS measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies



# NON-IFRS AND OTHER FINANCIAL MEASURES

*The Company uses a number of financial measures to assess its performance. Some of these measures are not calculated in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB), are not identified by IFRS and do not have standardized meanings that would ensure consistency and comparability among companies using these measures. The Company believes that non-IFRS measures and other financial measures are useful in assessing ongoing business performance and provide readers with a better understanding of how management assesses performance. These non-IFRS measures and other financial measures are used throughout this earnings presentation and listed in this section. An explanation of the composition of non-IFRS measures and other financial measures can be found in the Company's Management's Discussion & Analysis (MD&A), available on [www.sedar.com](http://www.sedar.com).*

## Non-IFRS Measures

### Adjusted Net Income

- Adjusted net income is a non-IFRS measure. Refer to 1) "Key Performance Indicators and Non-IFRS Measures" section on page 37 of the Company's MD&A for the three and six-month periods ended June 30, 2022 for Q2 22, Q2 21, YTD 22, and YTD 21 metrics, 2) "Key Performance Indicators and Non-IFRS Measures" section on page 27 of the Company's MD&A for the three-month period ended March 31, 2022 for Q1 22 metric, 3) "Key Performance Indicators and Non-IFRS Measures" section on page 50 of the Company's MD&A for the three-month period and year ended December 31, 2021 for Q4 21 metric, and 4) "Key Performance Indicators and Non-IFRS Measures" section on page 37 of the Company's MD&A for the three and nine-month periods ended September 30, 2021 for Q3 21 metric

### Adjusted Operating Income

- Adjusted operating income is a non-IFRS measure. Refer to 1) "Key Performance Indicators and Non-IFRS Measures" section on page 37 of the Company's MD&A for the three and six-month periods ended June 30, 2022 for Q2 22, Q2 21, YTD 22, and YTD 21 metrics, and 2) "Key Performance Indicators and Non-IFRS Measures" section on page 27 of the Company's MD&A for the three-month period ended March 31, 2022 for Q1 22 metric

### Financial Revenue

- Financial revenue is a non-IFRS measure. Refer to "Portfolio Analysis" section on page 26 of the Company's MD&A for the three and six-month periods ended June 30, 2022 for Q2 22, Q2 21, YTD 22, and YTD 21 metrics

# NON-IFRS AND OTHER FINANCIAL MEASURES (CONT.)

## Non-IFRS Measures (Cont.)

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

- Free cash flows from operations before net growth in gross consumer loans receivable is a non-IFRS measure. Refer to 1) “Key Performance Indicators and Non-IFRS Measures” section on page 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022 for Q2 22 and Q2 21 metrics, 2) “Key Performance Indicators and Non-IFRS Measures” section on page 27 of the Company’s MD&A for the three-month period ended March 31, 2022 for Q1 22 metric, 3) “Key Performance Indicators and Non-IFRS Measures” section on page 50 of the Company’s MD&A for the three-month period and year ended December 31, 2021 for Q4 21 metric, and 4) “Key Performance Indicators and Non-IFRS Measures” section on page 37 of the Company’s MD&A for the three and nine-month periods ended September 30, 2021 for Q3 21 metric

### Other Assets

- Other assets is a non-IFRS measure. The Company defines other assets as the sum of accounts receivable, prepaid expense, income tax recoverable, and derivative financial assets. The Company believes other assets is a relevant measure of the Company’s financial position. Refer to below for reconciliation

(\$ in thousands)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
Total assets					
Accounts receivable	17,112	18,057	20,769	21,646	22,877
Prepaid expense	8,477	8,668	8,018	8,043	8,651
Income tax recoverable	-	-	-	-	3,357
Derivative financial assets	32,953	422	20,634	27,539	26,291
<b>Other assets</b>	<b>58,542</b>	<b>27,147</b>	<b>49,421</b>	<b>57,228</b>	<b>61,176</b>

# NON-IFRS AND OTHER FINANCIAL MEASURES (CONT.)

## Non-IFRS Measures (Cont.)

### Other Liabilities

- Other liabilities is a non-IFRS measure. The Company defines other liabilities as the sum of income taxes payable, dividends payable, unearned revenue, accrued interest, deferred tax liabilities, net, lease liabilities, and derivative financial liabilities. The Company believes other liabilities is a relevant measure of the Company's financial position. Refer to below for reconciliation

(\$ in thousands)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
Total liabilities					
Income taxes payable	7,927	22,860	27,859	4,965	-
Dividends payable	10,887	10,888	10,692	14,514	14,407
Unearned revenue	9,389	9,329	11,354	13,344	20,592
Accrued interest	7,860	22,968	8,135	23,489	7,972
Deferred tax liabilities, net	43,922	38,983	38,648	31,014	29,923
Lease liabilities	60,600	62,915	65,607	65,033	68,168
Derivative financial liabilities	48,027	19,076	34,132	48,104	23,048
<b>Other liabilities</b>	<b>188,612</b>	<b>187,019</b>	<b>196,427</b>	<b>200,463</b>	<b>164,110</b>

# NON-IFRS AND OTHER FINANCIAL MEASURES (CONT.)

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## Non-IFRS Ratios

### Adjusted Operating Margin

- Adjusted operating margin is a non-IFRS ratio. Refer to 1) “Key Performance Indicators and Non-IFRS Measures” section on page 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022 for Q2 22, Q2 21, YTD 22, and YTD 21 metrics, 2) “Key Performance Indicators and Non-IFRS Measures” section on page 27 of the Company’s MD&A for the three-month period ended March 31, 2022 for Q1 22 metric, 3) “Key Performance Indicators and Non-IFRS Measures” section on page 50 of the Company’s MD&A for the three-month period and year ended December 31, 2021 for Q4 21 metric, and 4) “Key Performance Indicators and Non-IFRS Measures” section on page 37 of the Company’s MD&A for the three and nine-month periods ended September 30, 2021 for Q3 21 metric

### Adjusted Diluted Earnings per Share

- Adjusted diluted earnings per share is a non-IFRS ratio. Refer to 1) “Key Performance Indicators and Non-IFRS Measures” section on page 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022 for Q2 22, Q2 21, YTD 22, and YTD 21 metrics, and 2) “Key Performance Indicators and Non-IFRS Measures” section on page 27 of the Company’s MD&A for the three-month period ended March 31, 2022 for Q1 22 metric

### Total Yield on Consumer Loans as a Percentage of Average Gross Consumer Loans Receivable

- Total yield on consumer loans (including ancillary products) is a non-IFRS ratio. Refer to 1) “Portfolio Analysis” section on page 26 of the Company’s MD&A for the three and six-month periods ended June 30, 2022 for Q2 22, Q2 21, YTD 22, and YTD 21 metrics, and 2) “Portfolio Analysis” section on page 17 of the Company’s MD&A for the three-month period ended March 31, 2022 for Q1 22 metric

### Adjusted Return on Equity

- Adjusted return on equity is a non-IFRS ratio. Refer to 1) “Key Performance Indicators and Non-IFRS Measures” section on page 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022 for Q2 22, Q2 21, YTD 22, and YTD 21 metrics, and 2) “Key Performance Indicators and Non-IFRS Measures” section on page 27 of the Company’s MD&A for the three-month period ended March 31, 2022 for Q1 22 metric

# NON-IFRS AND OTHER FINANCIAL MEASURES (CONT.)

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## Non-IFRS Ratios (Cont.)

### Adjusted Return on Tangible Common Equity

- Adjusted return on tangible common equity (ROTCE) is a non-IFRS ratio. Refer to 1) “Key Performance Indicators and Non-IFRS Measures” section on page 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022 for Q2 22, Q2 21, YTD 22, and YTD 21 metrics, and 2) “Key Performance Indicators and Non-IFRS Measures” section on page 27 of the Company’s MD&A for the three-month period ended March 31, 2022 for Q1 22 metric



# NON-IFRS AND OTHER FINANCIAL MEASURES (CONT.)

## Non-IFRS Ratios (Cont.)

### Adjusted Opex / Average Loan Book

- Adjusted quarterly and annual operating expense (opex) / average loan receivables are non-IFRS ratios. The Company defines adjusted opex as total opex excluding bad debts, depreciation of right-of-use assets, amortization of intangible assets, depreciation of property and equipment, and other operating expenses that are outside of normal business activities and are significant in amount and scope. The Company believes adjusted opex / average loan receivables is an important measure of the profitability of its operations. Refer to below for reconciliation

(\$ in thousands)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22		YTD 21	YTD 22
<b>Total operating expense as stated</b>	<b>146,266</b>	<b>138,410</b>	<b>154,801</b>	<b>152,177</b>	<b>166,469</b>		<b>252,508</b>	<b>318,646</b>
Impact of adjusting items								
Bad debts	(48,873)	(45,297)	(58,640)	(54,149)	(67,937)		(78,147)	(122,085)
Operating expenses before depreciation and amortization								
Transaction costs <sup>1</sup>	(6,679)	(256)	-	-	-		(7,359)	-
Integration costs <sup>2</sup>	(648)	(952)	(3,447)	(507)	(282)		(648)	(789)
Corporate development costs <sup>3</sup>	-	-	-	(2,314)	-		-	(2,314)
Depreciation of right-of-use assets	(4,422)	(4,650)	(4,791)	(4,869)	(4,971)		(8,766)	(9,840)
Amortization of intangible assets	(4,134)	(5,405)	(5,546)	(5,213)	(4,915)		(5,880)	(10,128)
Depreciation of property and equipment	(1,938)	(2,067)	(2,171)	(2,225)	(2,228)		(3,766)	(4,453)
<b>Total impact of adjusting items</b>	<b>(66,694)</b>	<b>(58,627)</b>	<b>(74,595)</b>	<b>(69,277)</b>	<b>(80,333)</b>		<b>(104,566)</b>	<b>(149,609)</b>
<b>Adjusted operating expense</b>	<b>79,572</b>	<b>79,783</b>	<b>80,206</b>	<b>82,900</b>	<b>86,136</b>		<b>147,942</b>	<b>169,037</b>
Divided by average loan book	1,611,479	1,862,433	1,982,680	2,101,759	2,295,232		1,438,099	2,198,495
<b>Adjusted opex / average loan book</b>	<b>4.9%</b>	<b>4.3%</b>	<b>4.0%</b>	<b>3.9%</b>	<b>3.8%</b>		<b>10.3%</b>	<b>7.7%</b>

1. Transaction costs including advisory and consulting costs, legal costs, and other direct transaction costs related to the acquisition of LendCare reported under Operating expenses before depreciation and amortization

2. Integration costs related to advisory and consulting costs, employee incentives, representation and warranty insurance cost, other integration-related costs related to the acquisition of LendCare and write off of certain software as a result of the integration with LendCare. Integration costs were reported under Operating expenses before depreciation and amortization

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

# NON-IFRS AND OTHER FINANCIAL MEASURES (CONT.)

## Non-IFRS Ratios (Cont.)

### Efficiency Ratio

- Efficiency ratio is a non-IFRS ratio. The Company defines efficiency ratio as adjusted opex divided by total company revenue. The Company believes efficiency ratio is an important measure of the profitability of its operations. Refer to below for reconciliation

(\$ in thousands)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22		YTD 21	YTD 22
Adjusted operating expense <sup>1</sup>	79,572	79,783	80,206	82,900	86,136		147,941	169,037
Total company revenue	202,356	219,762	234,430	232,142	251,652		372,530	483,794
<b>Efficiency ratio</b>	<b>39.3%</b>	<b>36.3%</b>	<b>34.2%</b>	<b>35.7%</b>	<b>34.2%</b>		<b>39.7%</b>	<b>34.9%</b>

1. For explanation of adjusted operating expense, refer to the "Adjusted Opex / Average Loan Book" on page 29

## Capital Management Measures

### Net Leverage (Net Debt to Net Capitalization)

- Net debt to net capitalization is a capital management measure. Refer to "Financial Condition" section on page 47 of the Company's MD&A for the three and six-month periods ended June 30, 2022 for Q2 22 metric