goeasy Ltd.
TSX Symbol: **GSY**

goeasy Ltd.
33 City Centre Drive
Suite 510
Mississauga, Ontario
L5B 2N5 Canada
Tel: 905-272-2788
Fax: 905-272-9886

Press Release
May 6, 2020

goeasy Ltd. Reports Results for the First Quarter

Loan Portfolio of $1.17 billion, up 33%
Revenue of $167 million, up 20%
Diluted Earnings per Share of $1.41, up 20%
Total Liquidity of $214 million

Mississauga, May 6, 2020: *goeasy* Ltd. (TSX: GSY), ("***goeasy***" or the "**Company**"), a leading full-service provider of goods and alternative financial services, announced its results for the first quarter ended March 31, 2020.

First Quarter Results

During the quarter the Company generated $242 million of total loan originations, up 10% from the $219 million in the first quarter of 2019. The originations, combined with the previously announced acquisition of a $31.3 million consumer loan portfolio from Mogo Inc., led to growth in the loan portfolio of $55.4 million, which reached $1.17 billion at the end of the quarter, up 33% from $879 million as at March 31, 2019.

Revenue for the first quarter increased to a record $167 million, up 20% over the same period in 2019, driven by the expansion of the consumer loan portfolio. The net charge-off rate for the quarter was 13.2%, compared to 13.1% in the first quarter of 2019 and 13.3% in the fourth quarter of 2019.

During the quarter the Company increased its allowance for future credit losses, recording an incremental $5.1 million before tax provision expense, or approximately $0.23 in diluted earnings per share, based on the economic conditions generated by the COVID-19 pandemic and modest shifts in the risk of its consumer loan portfolio at quarter-end. Including the additional expense for future credit losses, operating income grew to $44.2 million, up 14% from $38.8 million in the first quarter of 2019, while the operating margin was 26.4%, down slightly from 27.7% in the prior year. Net income in the first quarter was $22 million, up 20% from $18.3 million in 2019, which resulted in diluted earnings per share of $1.41, up 20% from the $1.18 in the first quarter of 2019.

"Our hearts go out to the many families and communities around the world being affected by the COVID-19 pandemic and I wish to thank our 2,000 team members that have stood by our customers through this unprecedented event," said Jason Mullins, goeasy's President and Chief Executive Officer, "We were fortunate to enter this crisis from a position of strength, with over $214 million of liquidity and a business model that is well positioned to navigate through an economic downturn. As the outbreak arrived, we pro-actively closed our branches and enabled our digital lending capabilities, while implementing new underwriting protocols and remaining fully operational throughout. Our focus shifted from acquiring new business, to serving and supporting our existing customers through this difficult time," Mr. Mullins continued, "While it was prudent to increase our allowance for future losses given the economic uncertainty, our net charge-off rate remained stable in the quarter at 13.2%, while we also delivered healthy revenue and earnings growth."

goeasy Ltd.
33 City Centre Drive
Suite 510
Mississauga, Ontario
L5B 2N5 Canada
Tel: 905-272-2788
Fax: 905-272-9886

Other Key First Quarter Highlights

easyfinancial

- Total application volume increased 12%
- Revenue grew to $132 million, up 26%
- Secured loan portfolio grew to $122 million, up 78%
- 59% of net loan advances in the quarter were issued to new customers, down from 63%
- 46% of applications acquired online, up from 43%
- Aided brand awareness of 83%, up from 82%
- Average loan book per branch improved to $3.8 million, an increase of 22%
- The delinquency rate on the final Saturday of the quarter was 5.4%, up from 4.3%
- Operating income of $51.4 million, up 25%
- Operating margin of 39.1%, flat to 39.5%

easyhome

- Revenue of $35.4 million, up 0.5%
- Same store revenue growth of 4.5%
- Consumer lending portfolio within easyhome stores increased to $40.7 million, up 67%
- Revenue from consumer lending increased to $5.5 million, up 64%
- Operating income of $7 million, down 2%
- Operating margin of 19.8%, slightly down from the 20.3% reported in the first quarter of 2019

Overall

- 40th consecutive quarter of same store sales growth
- 75th consecutive quarter of positive net income
- 16th consecutive year of paying dividends and 6th consecutive year of dividend increases
- Total same store revenue growth of 19.6%
- Return on equity of 26% in the quarter, up from 24%
- Fully drawn weighted average cost of borrowing reduced to 5.4%, down from 6.8%
- Net external debt to net capitalization of 72% as at March 31, 2020, in line with the Company's target leverage ratio of 70%
- Repurchased 204,150 common shares at a weighted average price of $48.98 through the Company's Normal Course Issuer Bid
- No reduction of personnel during COVID-19

goeasy Ltd.
TSX Symbol: **GSY**

goeasy Ltd.
33 City Centre Drive
Suite 510
Mississauga, Ontario
L5B 2N5 Canada
Tel: 905-272-2788
Fax: 905-272-9886

Press Release
May 6, 2020

Balance Sheet and Liquidity

Total assets were $1.4 billion as at March 31, 2020, an increase of 28% from $1.1 billion as at March 31, 2019, driven by the growth in the consumer loan portfolio. Cash provided by operating activities before the net issuance of consumer loans receivable and purchase of lease assets was $103 million during the quarter, an increase of 34% from $77 million in the first quarter of 2019.

During 2019, the Company also made several enhancements to its balance sheet, including amendments to its revolving credit facility and refinancing of its unsecured notes payable. The revolving credit facility was increased from $174.5 million to $310 million, while reducing the cost of borrowing and extending the maturity from November 1, 2020 to February 12, 2022. Additionally, the unsecured notes payable was refinanced and increased from USD475 million to USD550 million, while reducing the cost of borrowing and extending the maturity from November 1, 2022 to December 1, 2024.

Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's revolving credit facility, goeasy had approximately $214 million in total funding capacity, which it estimates is sufficient to fund its growth through the fourth quarter of 2021. At quarter-end, the Company's fully drawn weighted average cost of borrowing reduced to 5.4%, down from 6.8% in the prior year, with incremental draws on its senior secured revolving credit facility bearing a rate of approximately 4.3% due to the lower interest rate environment. The Company also estimates that once its existing and available sources of capital are fully utilized, it could continue to grow the loan portfolio by approximately $150 million per year solely from internal cash flows.

The Company also estimates that as of March 31, 2019, if it were to run-off its consumer loan and consumer leasing portfolios, the value of the total cash repayments paid to the Company over the remaining life of its contracts would be approximately $2.3 billion. If during such a run-off scenario all excess cash flows were applied directly to debt, the Company estimates it would extinguish all external debt within 20 months.

COVID-19 & Future Outlook

On February 12, 2020 the Company provided a 3-year forecast for the full years of 2020 through 2022, which did not include the impact of COVID-19 disruptions. Due to the current uncertainty relating to the impacts of COVID-19, the Company is withdrawing its 3-year forecast and expects to provide a further update in the coming quarters.

goeasy Ltd.
33 City Centre Drive
Suite 510
Mississauga, Ontario
L5B 2N5 Canada
Tel: 905-272-2788
Fax: 905-272-9886

The Company believes it is well positioned to navigate through an economic downturn based on several factors, including, but not limited to:

- **Majority of easyfinancial Customers have Loan Protection Insurance:** The insurance, offered by Assurant Inc., a global provider of risk-management solutions, covers a borrower's full loan payment for a period of 6 consecutive months in the event of unemployment. In April, approximately $7.8 million of claims payments were made to easyfinancial on behalf of its customers.

- **Lower Level of Debt:** Approximately 20% of easyfinancial customers own their home, as compared to the Canadian homeownership rate of approximately 70%. As a result, the debt to income ratio of a typical easyfinancial customer is much lower than the average Canadian consumer, at 115% debt to disposable annual income versus 175%, primarily due to the absence of mortgage debt.

- **Solutions to Support Borrowers:** easyfinancial has a suite of loan amendment solutions that it can offer borrowers to support them through a difficult financial period. These include temporarily deferring loan payments or extending the term of their loan to reduce their regular payment obligation. In April approximately 12% of customers utilized a form of support, as compared to approximately 7%-8% in a typical month.

- **Strength of the Business Model under Stress:** goeasy's business model is able to withstand a material increase in credit losses. Due to the risk-adjusted margin, the Company estimates that its net charge-off rate would have to more than double (from 13% to approximately 30%) before the business would become unprofitable and impact its capital. Furthermore, the Company maintains a conservative level of financial leverage at a target of 70% net debt to net capitalization with over $300 million of tangible capital (~27% of receivables).

- **Credit and Underwriting Flexibility:** The Company employs the use of proprietary custom scoring models that can be adjusted to increase, or decrease, it's tolerance for credit risk very quickly. In addition, all direct-to-consumer loans are reviewed by a central loan approval team, which conduct a series of extra evaluation measures such as verification of income. The Company has already implemented adjustments to its underwriting process and risk tolerance in response to changing market conditions.

- **Degree of Federal Financial Support Available to Consumers:** Since March, the Federal Government has pledged over $145 billion in financial aid to help Canadians cope with the global COVID-19 pandemic, including income supports, wage subsidies and tax deferrals. As the income of an easyfinancial customer is consistent with the national average (approximately $46,000), this financial support, along with the standard federal unemployment insurance, is helping to soften the impact associated with an increase in unemployment.

goeasy Ltd.
33 City Centre Drive
Suite 510
Mississauga, Ontario
L5B 2N5 Canada
Tel: 905-272-2788
Fax: 905-272-9886

"While we plan to update our long-term forecast given the effects of COVID-19, we remain confident in the resilience of our business during an economic downturn and our portfolio continues to perform well. During the month of April our average delinquency rate was 5.1%, down slightly from last year, and we collected 93% of the payments we would normally collect in a typical month. As a result, we expect our net charge off rate in the second quarter to also decline from the prior year and finish below 13%," Mr. Mullins concluded, "The first phase of our response was to prioritize the health and safety of our team and focus on taking care of our customers. With stable credit performance, supported by a well-capitalized balance sheet, we are now preparing to gradually transition into our second phase of returning to a balanced focus on loan originations. Although we do not plan to grow the consumer loan portfolio during the second quarter due to a combination of softer demand from stay-at-home orders and tighter underwriting criteria, as the economy begins to reopen we have our full complement of team members ready to refocus on profitable growth."

Dividend

The Board of Directors has approved a quarterly dividend of $0.45 per share payable on July 10, 2020 to the holders of common shares of record as at the close of business on June 26, 2020.

Forward-Looking Statements

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

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

goeasy Ltd.
33 City Centre Drive
Suite 510
Mississauga, Ontario
L5B 2N5 Canada
Tel: 905-272-2788
Fax: 905-272-9886

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

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

About goeasy

goeasy Ltd., a Canadian company, headquartered in Mississauga, Ontario, provides non-prime leasing and lending services through its easyhome and easyfinancial divisions. With a wide variety of financial products and services including unsecured and secured instalment loans, goeasy aspires to help put Canadians on a path to a better financial future, as they rebuild their credit and graduate to prime lending. Customers can transact seamlessly with easyhome and easyfinancial through an omni-channel model that includes online and mobile, as well as over 400 leasing and lending locations across Canada supported by more than 2,000 employees. Throughout the company's history, it has served over 1 million Canadians and originated over $4.2 billion in loans, with one in three customers graduating to prime credit and 60% increasing their credit score within 12 months of borrowing.

goeasy Ltd.
TSX Symbol: **GSY**

goeasy Ltd.
33 City Centre Drive
Suite 510
Mississauga, Ontario
L5B 2N5 Canada
Tel: 905-272-2788
Fax: 905-272-9886

Press Release

May 6, 2020

goeasy is the proud recipient of several awards including Waterstone Canada's Most Admired Corporate Cultures, Glassdoor Top CEO Award, Achievers Top 50 Most Engaged Workplaces in North America, Greater Toronto Top Employers Award, the Digital Finance Institute's Canada's Top 50 FinTech Companies, ranking on the TSX30 and placing on the Report on Business ranking of Canada's Top Growing Companies. The company and its employees believe strongly in giving back to the communities in which it operates and has raised over $3 million to support its long-standing partnerships with the Boys & Girls Clubs of Canada and Habitat for Humanity.

goeasy Ltd.'s. common shares are listed on the TSX under the trading symbol "GSY" and goeasy's convertible debentures are traded on the TSX under the trading symbol "GSY-DB". goeasy is rated BB- with a stable trend from S&P and Ba3 with a stable trend from Moody's. Visit www.goeasy.com.

For further information contact:

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

David Ingram
Executive Chairman of the Board
(905) 272-2788

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)
(expressed in thousands of Canadian dollars)

	As At March 31, 2020	As At December 31, 2019
ASSETS		
Cash	**34,252**	46,341
Amounts receivable	**17,932**	18,482
Prepaid expenses	**6,081**	7,077
Consumer loans receivable, net	**1,088,157**	1,040,552
Investment	**34,300**	34,300
Lease assets	**47,711**	48,696
Property and equipment, net	**24,076**	23,007
Deferred tax assets	**10,612**	14,961
Derivative financial assets	**56,637**	-
Intangible assets, net	**19,991**	17,749
Right-of-use assets, net	**46,610**	46,147
Goodwill	**21,310**	21,310
TOTAL ASSETS	**1,407,669**	1,318,622
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving credit facility	**130,000**	115,000
Accounts payable and accrued liabilities	**40,969**	41,350
Income taxes payable	**5,776**	4,187
Dividends payable	**6,447**	4,448
Unearned revenue	**8,184**	8,082
Derivative financial liabilities	**-**	16,435
Lease liabilities	**53,029**	52,573
Convertible debentures	**41,141**	41,712
Notes payable	**772,414**	702,414
TOTAL LIABILITIES	**1,057,960**	986,201
Shareholders' equity		
Share capital	**145,613**	141,956
Contributed surplus	**15,930**	20,296
Accumulated other comprehensive income (loss)	**9,479**	(915)
Retained earnings	**178,687**	171,084
TOTAL SHAREHOLDERS' EQUITY	**349,709**	332,421
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,407,669**	1,318,622

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended	
	March 31, 2020	**March 31, 2019**
REVENUE		
Interest income	**100,100**	76,730
Lease revenue	**27,814**	29,482
Commissions earned	**35,278**	30,080
Charges and fees	**4,010**	3,568
	167,202	139,860
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION		
Salaries and benefits	**31,702**	28,677
Stock-based compensation	**2,098**	1,887
Advertising and promotion	**6,314**	5,850
Bad debts	**48,618**	34,394
Occupancy	**5,682**	4,980
Technology costs	**3,369**	2,738
Other expenses	**9,295**	6,201
	107,078	84,727
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets	**9,024**	9,650
Depreciation of right-of-use assets	**3,997**	3,791
Depreciation of property and equipment	**1,612**	1,501
Amortization of intangible assets	**1,272**	1,381
	15,905	16,323
Total operating expenses	**122,983**	101,050
Operating income	**44,219**	38,810
Finance costs		
Interest expense and amortization of deferred financing charges	**13,676**	12,898
Interest expense on lease liabilities	**668**	603
	14,344	13,501
Income before income taxes	**29,875**	25,309
Income tax expense (recovery)		
Current	**7,297**	7,357
Deferred	**599**	(321)
	7,896	7,036
Net income	**21,979**	18,273
Basic earnings per share	**1.50**	1.25
Diluted earnings per share	**1.41**	1.18

Segmented Reporting

($ in 000's except earnings per share)	Three Months Ended March 31, 2020 easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	**96,094**	**4,006**	**-**	**100,100**
Lease revenue	**-**	**27,814**	**-**	**27,814**
Commissions earned	**32,965**	**2,313**	**-**	**35,278**
Charges and fees	**2,729**	**1,281**	**-**	**4,010**
	131,788	**35,414**	**-**	**167,202**
Total operating expenses before depreciation and amortization	**76,756**	**17,039**	**13,283**	**107,078**
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	**1,700**	**9,411**	**797**	**11,908**
Depreciation of right-of-use assets	**1,849**	**1,944**	**204**	**3,997**
	3,549	**11,355**	**1,001**	**15,905**
Segment operating income (loss)	**51,483**	**7,020**	**(14,284)**	**44,219**
Finance costs				
Interest expense and amortization of deferred financing charges				**13,676**
Interest expense on lease liabilities				**668**
				14,344
Income before income taxes				**29,875**
Income taxes				**7,896**
Net Income				**21,979**
Diluted earnings per share				**1.41**

($ in 000's except earnings per share)	Three Months Ended March 31, 2019 easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	74,417	2,313	-	76,730
Lease revenue	-	29,482	-	29,482
Commissions earned	28,046	2,034	-	30,080
Charges and fees	2,148	1,420	-	3,568
	104,611	35,249	-	139,860
Total operating expenses before depreciation and amortization	59,926	15,918	8,883	84,727
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	1,818	10,101	613	12,532
Depreciation of right-of-use-assets	1,517	2,082	192	3,791
	3,335	12,183	805	16,323
Segment operating income (loss)	41,350	7,148	(9,688)	38,810
Finance costs				
Interest expense and amortization of deferred financing charges				12,898
Interest expense on lease liabilities				603
				13,501
Income before income taxes				25,309
Income taxes				7,036
Net Income				18,273
Diluted earnings per share				1.18

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Variance $ / bps	Variance % change
Summary Financial Results				
Revenue	**167,202**	139,860	27,342	19.5%
Operating expenses before depreciation and amortization	**107,078**	84,727	22,351	26.4%
EBITDA	**51,100**	45,483	5,617	12.3%
EBITDA margin	**30.6%**	32.5%	(190 bps)	(5.8%)
Depreciation and amortization expense	**15,905**	16,323	(418)	(2.6%)
Operating income	**44,219**	38,810	5,409	13.9%
Operating margin	**26.4%**	27.7%	(130 bps)	(4.7%)
Finance costs	**14,344**	13,501	843	6.2%
Effective income tax rate	**26.4%**	27.8%	(140 bps)	(5.0%)
Net income	**21,979**	18,273	3,706	20.3%
Diluted earnings per share	**1.41**	1.18	0.23	19.5%
Return on equity	**25.8%**	24.4%	140 bps	5.7%
Key Performance Indicators				
Same store revenue growth (overall)	**19.6%**	21.3%	(170 bps)	(8.0%)
Same store revenue growth (easyhome)	**4.5%**	4.7%	(20 bps)	(4.3%)
Segment Financials				
easyfinancial revenue	**131,788**	104,611	27,177	26.0%
easyfinancial operating margin	**39.1%**	39.5%	(40 bps)	(1.0%)
easyhome revenue	**35,414**	35,249	165	0.5%
easyhome operating margin	**19.8%**	20.3%	(50 bps)	(2.5%)
Portfolio Indicators				
Gross consumer loans receivable	**1,166,055**	879,370	286,685	32.6%
Growth in consumer loans receivable	**55,422**	45,591	9,831	21.6%
Gross loan originations	**241,603**	219,438	22,165	10.1%
Total yield on consumer loans (including ancillary products)	**47.7%**	50.1%	(240 bps)	(4.8%)
Net charge-offs as a percentage of average gross consumer loans receivable	**13.2%**	13.1%	10 bps	0.8%
Potential monthly lease revenue	**8,272**	8,740	(468)	(5.4%)