



TSX Symbol: GSY

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## Press Release

November 10, 2022

### goeasy Ltd. Reports Record Results for the Third Quarter & Announces New \$200 Million Securitization Facility

**Loan Originations of \$641 million, up 47% from \$436 million**

**Loan Growth of \$219 million, up 117% from \$101 million**

**Loan Portfolio of \$2.59 billion, up 37% from \$1.90 billion**

**Diluted EPS of \$2.86; Adjusted Diluted EPS<sup>1</sup> of \$2.95, up 9% from \$2.70**

**Mississauga, Ontario, November 10, 2022:** *goeasy* Ltd. (TSX: GSY), ("*goeasy*" or the "**Company**"), one of Canada's leading non-prime consumer lenders, today reported results for the third quarter ended September 30, 2022 and announced the establishment of a new \$200 million revolving securitization warehouse facility (the "**New Securitization Facility**") collateralized by automotive consumer loans.

#### Third Quarter Results

During the quarter, the Company produced record loan originations of \$641 million, up 47% compared to the \$436 million originated in the third quarter of 2021. The increase in lending was driven by healthy demand across the company's entire range of products and acquisition channels, including unsecured lending, home equity loans, powersports financing and automotive financing.

The increased loan originations led to record growth in the loan portfolio of \$219 million, which was up 117% from \$101 million of loan growth in the third quarter of 2021. At quarter end, the gross consumer loan receivable portfolio was \$2.59 billion, up 37% from \$1.90 billion in the third quarter of 2021. The growth in consumer loans led to an increase in revenue, which was a record \$262 million in the quarter, up 19% over the same period last year.

During the quarter, the Company also continued to experience stable credit and payment performance. The net charge off rate in the third quarter was 9.3%, in line with the Company's target range of between 8.5% and 10.5% on an annualized basis, and down from the pre-pandemic level of 13.2% in the third quarter of 2019. The Company's allowance for future credit losses decreased slightly to 7.58% from 7.68% in the second quarter of 2022, primarily due to the improved product and credit mix of the loan portfolio.

Operating income for the third quarter of 2022 was a record \$91.4 million, up 12% from \$81.4 million in the third quarter of 2021. Operating margin for the third quarter was 34.8%, down from 37.0% in the prior year. After adjustments for items related to the acquisition of LendCare Capital Inc. ("**LendCare**"), the Company reported record adjusted operating income<sup>2</sup> of \$94.8 million, up \$9.0 million or an increase of 11% compared to \$85.8 million in the third quarter of 2021. Adjusted operating margin<sup>1</sup> for the third quarter was 36.2%, down from 39.1% in the prior year, primarily due to a higher level of loan growth resulting in an increase in the loan loss provision expense compared to the prior year.

Net income in the third quarter was \$47.2 million, down 26% from \$63.5 million in the same period of 2021, which resulted in diluted earnings per share of \$2.86, down 22% from the \$3.66 reported in the third quarter of 2021. After adjusting for non-recurring and unusual items on an after-tax basis, including \$2.4 million in amortization of acquired intangible assets and a \$1.1 million fair value gain on investments, adjusted net income<sup>2</sup> was a record \$48.6 million, up 4% from \$46.7 million in the third quarter of 2021. Adjusted diluted earnings per share<sup>1</sup> was a record \$2.95, up 9% from \$2.70 in the third quarter of 2021. Return on equity during the quarter was 24.2%, compared to 32.7% in the third quarter of 2021. After adjusting for non-recurring and unusual items, adjusted return on equity<sup>1</sup> was 24.9% in the quarter, up from 24.0% in the same period of 2021.

“The team delivered another strong quarter, producing record loan growth and stable credit performance. Amidst an uncertain economic backdrop, we continue to employ a disciplined approach to managing credit risk by focusing on the quality of our originations and underwriting standards, which further strengthen the resilience of our portfolio,” said Jason Mullins, goeasy’s President and Chief Executive Officer. “Similar to last quarter, the elevated loan growth over the prior year resulted in an incremental loan loss provision expense of approximately \$0.40 on an after-tax per share basis in the quarter, yet the strong commercial performance and operating leverage served to produce record adjusted diluted earnings per share<sup>1</sup> of \$2.95. The addition of a new securitization facility to support our automotive financing program also demonstrates the ongoing support of our banks and increases our undrawn debt capacity to over \$1.1 billion. Looking forward, we continue to experience strong growth potential fueled by our business initiatives and favorable competitive dynamics. We are confident that the business is well positioned to grow responsibly and navigate through the current economic conditions. We are reaffirming the commitment to our 3-year forecast, which includes increasing our consumer loan portfolio by approximately 54% to nearly \$4 billion by the end of 2025, and we remain dedicated to our journey to build Canada’s leading non-prime consumer lending platform,” Mr. Mullins concluded.

### **Other Key Third Quarter Highlights**

#### **easyfinancial**

- Revenue of \$225 million, up 24%
- 38% of the loan portfolio secured, up from 33%
- 64% of net loan advances<sup>1</sup> in the quarter were issued to new customers, consistent with 66%
- Record net customer growth during the quarter of 12,472
- Record financing volumes in unsecured loans, automotive financing and healthcare financing
- Average loan book per branch<sup>3</sup> improved to \$4.6 million, an increase of 16%
- Weighted average interest rate<sup>3</sup> on consumer loans of 31.0%, down from 33.6%
- Record operating income of \$102 million, up 12%
- Operating margin of 45.3%, down from 49.7%

#### **easyhome**

- Revenue of \$37.3 million, broadly flat year over year
- Same store revenue growth<sup>3</sup> of 1.6%
- Consumer loan portfolio within easyhome stores increased to \$83.0 million, up 34%
- Financial revenue<sup>2</sup> from consumer lending increased to \$10.2 million, up 30% from \$7.9 million
- Operating income of \$7.8 million, down 23%
- Operating margin of 20.9%, down from 26.7%

## Overall

- 50<sup>th</sup> consecutive quarter of same store revenue growth<sup>3</sup>
- 85<sup>th</sup> consecutive quarter of positive net income
- 2022 marks the 18<sup>th</sup> consecutive year of paying dividends and the 8<sup>th</sup> consecutive year of a dividend increase
- Total same store revenue growth<sup>3</sup> of 14.9%
- Total customers served over 1.2 million
- Adjusted return on equity<sup>1</sup> of 24.9%, up from 24%
- Adjusted return on tangible common equity<sup>1</sup> of 37.7%, up from 37.1%
- Fully drawn weighted average cost of borrowing at 5.2%
- Net debt to net capitalization<sup>4</sup> of 72% on September 30, 2022, up from 62% in the prior year

## Nine Months Results

For the first nine months of 2022, the Company produced record revenues of \$746 million, up 26% compared with \$592 million in the same period of 2021. Operating income for the period was a record \$257 million compared with \$201 million in the first nine months of 2021, an increase of \$55.2 million or 27%. Net income for the first nine months of 2022 was \$112 million and diluted earnings per share was \$6.71, compared with \$195 million or \$11.75 per share. Excluding the effects of the adjusting items related to the acquisition of LendCare, corporate development costs and fair value mark-to-market impact on investments, adjusted net income<sup>2</sup> for the first nine months of 2022 was a record \$141 million and adjusted diluted earnings per share<sup>1</sup> was a record \$8.50 compared with \$127 million or \$7.66 per share, increases of 11% and 11%, respectively. Reported return on equity was 19.2%, while adjusted return on equity<sup>1</sup> was 24.3%, down from 26.6% in 2021.

## Balance Sheet and Liquidity

Total assets were \$3.13 billion as of September 30, 2022, an increase of 27% from \$2.47 billion as of September 30, 2021, primarily driven by growth in the consumer loan portfolio.

In June 2022, the Company entered into a strategic commercial partnership and agreed to make a minority equity investment of \$40 million in Canada Drives, Canada's largest 100% online car shopping and to-your-door delivery platform. In October 2022, the Company invested \$15 million of its total commitment, in convertible notes, resulting in a total \$30 million investment to date. The Company has committed to purchase an additional \$10 million in convertible notes on or before January 1, 2023. The convertible notes mature on June 15, 2025, bear interest at 5% annually and are convertible into preferred shares on defined terms.

The Company announced today the establishment of a new \$200 million revolving securitization warehouse facility, structured and underwritten by Bank of Montreal. The new facility will be securitized by automotive consumer loans originated by goeasy's wholly owned subsidiaries, easyfinancial Services Inc. and LendCare, and will have an initial term of two years and interest on advances payable at the rate of 1-month Canadian Dollar Offered Rate ("CDOR") plus 185 bps. Based on the current 1-month CDOR rate of 4.23% as of November 8, 2022, the interest rate would be 6.08%. The Company intends to establish an interest rate swap agreement to generate fixed rate payments on the amounts drawn to assist in mitigating the impact of increases in interest rates. The New Securitization Facility complements the

Company's existing \$1.4 billion revolving securitization warehouse facility, which also bears an interest on advances payable at the rate of 1-month CDOR plus 185 bps.

Free cash flow from operations before net growth in gross consumer loans receivable<sup>2</sup> in the quarter was \$95.6 million, up 7% from \$89.2 million in the third quarter of 2021. Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's revolving credit facilities, including the aforementioned New Securitization Facility, the Company has approximately \$1.12 billion in total debt capacity. The Company estimates that its current debt capacity is sufficient to support organic growth, excluding any change in the value of its investments, through the second half of 2025. At quarter-end, the Company's fully drawn weighted average cost of borrowing was at 5.2%. The Company estimates that it could currently grow the consumer loan portfolio by approximately \$250 million per year solely from internal cash flows, without utilizing external debt. The Company also estimates that once its existing and available sources of debt are fully utilized in the second of half of 2025, it could continue to grow the loan portfolio by approximately \$400 million per year solely from internal cash flows. The Company also estimates that if it were to run-off its consumer loan and leasing portfolios, the value of the total cash repayments paid to the Company over the remaining life of its contracts would be approximately \$3.4 billion. If, during such a run-off scenario with reasonable cost reductions, all excess cash flows were applied directly to debt, the Company estimates it would extinguish all external debt within 15 months.

### **Dividend**

The Board of Directors has approved a quarterly dividend of \$0.91 per share payable on January 13, 2023 to the holders of common shares of record as at the close of business on December 30, 2022.

### **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.

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's Discussion and Analysis, as available on [www.sedar.com](http://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, easyfinancial and LendCare brands. Supported by more than 2,300 employees, the Company offers a wide variety of financial products and services including unsecured and secured instalment loans. Customers can transact seamlessly through an omni-channel model that includes an online and mobile platform, over 400 locations across Canada, and point-of-sale financing offered in the retail, powersports, automotive, home improvement and healthcare verticals, through approximately 6,000 merchants across Canada. Throughout the Company's history, it has acquired and organically served over 1.2 million Canadians and originated over \$9.5 billion in loans, with one in three easyfinancial customers graduating to prime credit and over 60% increasing their credit score within 12 months of borrowing.

Accredited by the Better Business Bureau, 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, honoured by The Globe and Mail's Women Lead Here executive gender diversity benchmark and has been certified as a Great Place to Work®. The company is represented by a diverse group of team members from over 75 nationalities who believe strongly in giving back to the communities in which it operates. To date, goeasy has raised and donated over \$4.7 million to support its long-standing partnerships with BGC Canada, Habitat for Humanity and many other local charities.

goeasy Ltd.'s common shares are listed on the TSX under the trading symbol "GSY". goeasy is rated BB- with a stable trend from S&P and Ba3 with a stable trend from Moody's. Visit [www.goeasy.com](http://www.goeasy.com).

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Notes:

<sup>1</sup> These are non-IFRS ratios. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

<sup>2</sup> These are non-IFRS measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

<sup>3</sup> These are supplementary financial measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

<sup>4</sup> These are capital management measures. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

<sup>5</sup> Non-IFRS ratios, non-IFRS measures, supplementary financial measures and capital management 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.

goeasly Ltd.

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(expressed in thousands of Canadian dollars)

	As At September 30, 2022	As At December 31, 2021
<b>ASSETS</b>		
Cash	74,009	102,479
Accounts receivable	25,566	20,769
Prepaid expenses	8,604	8,018
Consumer loans receivable, net	2,435,447	1,899,631
Investments	37,913	64,441
Lease assets	45,520	47,182
Property and equipment, net	35,223	35,285
Derivative financial assets	67,580	20,634
Intangible assets, net	157,812	159,651
Right-of-use assets, net	61,319	57,140
Goodwill	180,923	180,923
<b>TOTAL ASSETS</b>	<b>3,129,916</b>	<b>2,596,153</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Revolving credit facility	98,492	-
Accounts payable and accrued liabilities	50,401	57,134
Income taxes payable	2,088	27,859
Dividends payable	14,453	10,692
Unearned revenue	24,589	11,354
Accrued interest	24,511	8,135
Deferred tax liabilities, net	25,735	38,648
Lease liabilities	69,973	65,607
Secured borrowings	121,207	173,959
Revolving securitization warehouse facility	716,554	292,814
Derivative financial liabilities	-	34,132
Notes payable	1,189,961	1,085,906
<b>TOTAL LIABILITIES</b>	<b>2,337,964</b>	<b>1,806,240</b>
<b>Shareholders' equity</b>		
Share capital	359,920	363,514
Contributed surplus	19,691	22,583
Accumulated other comprehensive (loss) income	(414)	8,567
Retained earnings	412,755	395,249
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>791,952</b>	<b>789,913</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,129,916</b>	<b>2,596,153</b>

goeasy Ltd.

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

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

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>REVENUE</b>				
Interest income	180,695	146,132	506,830	380,109
Lease revenue	25,369	27,923	78,195	84,708
Commissions earned	50,569	42,052	145,770	117,824
Charges and fees	5,583	3,655	15,215	9,651
	<b>262,216</b>	<b>219,762</b>	<b>746,010</b>	<b>592,292</b>
<b>EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>				
Salaries and benefits	44,838	41,776	130,710	120,986
Stock-based compensation	2,642	2,116	7,432	6,103
Advertising and promotion	7,234	7,751	26,127	20,815
Bad debts	72,551	45,297	194,636	123,444
Occupancy	6,265	5,995	18,828	17,272
Technology costs	5,274	4,900	15,974	12,721
Other expenses	11,054	9,852	33,716	32,356
	<b>149,858</b>	<b>117,687</b>	<b>427,423</b>	<b>333,697</b>
<b>DEPRECIATION AND AMORTIZATION</b>				
Depreciation of lease assets	8,371	8,601	25,031	26,687
Amortization of intangible assets	5,249	5,405	15,377	11,285
Depreciation of right-of-use assets	5,071	4,650	14,911	13,416
Depreciation of property and equipment	2,289	2,067	6,742	5,833
	<b>20,980</b>	<b>20,723</b>	<b>62,061</b>	<b>57,221</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>170,838</b>	<b>138,410</b>	<b>489,484</b>	<b>390,918</b>
<b>OPERATING INCOME</b>	<b>91,378</b>	<b>81,352</b>	<b>256,526</b>	<b>201,374</b>
<b>OTHER INCOME (LOSS)</b>	<b>1,294</b>	<b>23,219</b>	<b>(23,050)</b>	<b>106,505</b>
<b>FINANCE COSTS</b>				
Interest expense and amortization of deferred financing charges	27,602	20,889	73,835	54,450
Interest expense on lease liabilities	895	797	2,586	2,294
	<b>28,497</b>	<b>21,686</b>	<b>76,421</b>	<b>56,744</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>64,175</b>	<b>82,885</b>	<b>157,055</b>	<b>251,135</b>
<b>INCOME TAX EXPENSE (RECOVERY)</b>				
Current	17,822	25,769	54,443	58,577
Deferred	(836)	(6,424)	(8,973)	(2,424)
	<b>16,986</b>	<b>19,345</b>	<b>45,470</b>	<b>56,153</b>
<b>NET INCOME</b>	<b>47,189</b>	<b>63,540</b>	<b>111,585</b>	<b>194,982</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>2.92</b>	<b>3.79</b>	<b>6.88</b>	<b>12.15</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>2.86</b>	<b>3.66</b>	<b>6.71</b>	<b>11.75</b>



**Segmented Reporting**

(\$ in 000's except earnings per share)	Three Months Ended September 30, 2022			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	173,145	7,550	-	180,695
Lease revenue	-	25,369	-	25,369
Commissions earned	47,236	3,333	-	50,569
Charges and fees	4,537	1,046	-	5,583
	224,918	37,298	-	262,216
Total operating expenses before depreciation and amortization	114,291	18,888	16,679	149,858
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	6,006	8,663	1,240	15,909
Depreciation of right-of-use assets	2,809	1,965	297	5,071
	8,815	10,628	1,537	20,980
Segment operating income (loss)	101,812	7,782	(18,216)	91,378
Other income				1,294
Finance costs				
Interest expense and amortization of deferred financing charges				27,602
Interest expense on lease liabilities				895
				28,497
Income before income taxes				64,175
Income taxes				16,986
<b>Net Income</b>				<b>47,189</b>
<b>Diluted earnings per share</b>				<b>2.86</b>

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

(\$ in 000's except earnings per share)	Nine Months Ended September 30, 2022			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	485,434	21,396	-	506,830
Lease revenue	-	78,195	-	78,195
Commissions earned	135,990	9,780	-	145,770
Charges and fees	12,218	2,997	-	15,215
	633,642	112,368	-	746,010
Total operating expenses before depreciation and amortization	320,101	54,663	52,659	427,423
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	17,542	25,918	3,690	47,150
Depreciation of right-of-use assets	8,280	5,896	735	14,911
	25,822	31,814	4,425	62,061
Segment operating income (loss)	287,719	25,891	(57,084)	256,526
Other loss				(23,050)
Finance costs				
Interest expense and amortization of deferred financing charges				73,835
Interest expense on lease liabilities				2,586
				76,421
Income before income taxes				157,055
Income taxes				45,470
<b>Net Income</b>				<b>111,585</b>
<b>Diluted earnings per share</b>				<b>6.71</b>

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

Summary of Financial Results and Key Performance Indicators

(\$ in 000's except earnings per share and percentages)	Three Months Ended		Variance \$/ bps	Variance % change
	September 30, 2022	September 30, 2021		
<b>Summary Financial Results</b>				
Revenue	262,216	219,762	42,454	19.3%
Operating expenses before depreciation and amortization <sup>2,3</sup>	149,858	117,687	32,171	27.3%
EBITDA <sup>1</sup>	105,281	116,693	(11,412)	(9.8%)
EBITDA margin <sup>1</sup>	40.2%	53.1%	(1,290 bps)	(24.3%)
Depreciation and amortization expense <sup>2,3</sup>	20,980	20,723	257	1.2%
Operating income	91,378	81,352	10,026	12.3%
Operating margin	34.8%	37.0%	(220 bps)	(5.9%)
Other income <sup>2,3</sup>	1,294	23,219	(21,925)	(94.4%)
Finance costs	28,497	21,686	6,811	31.4%
Effective income tax rate	26.5%	23.3%	320 bps	13.7%
Net income	47,189	63,540	(16,351)	(25.7%)
Diluted earnings per share	2.86	3.66	(0.80)	(21.9%)
Return on assets	6.3%	10.3%	(400 bps)	(38.8%)
Return on equity	24.2%	32.7%	(850 bps)	(26.0%)
Return on tangible common equity <sup>1</sup>	38.5%	52.3%	(1,380 bps)	(26.4%)
<b>Adjusted Financial Results<sup>1,2,3</sup></b>				
Adjusted operating income	94,823	85,818	9,005	10.5%
Adjusted operating margin	36.2%	39.1%	(290 bps)	(7.4%)
Adjusted net income	48,626	46,748	1,878	4.0%
Adjusted diluted earnings per share	2.95	2.70	0.25	9.3%
Adjusted return on assets	6.5%	7.6%	(110 bps)	(14.5%)
Adjusted return on equity	24.9%	24.0%	90 bps	3.8%
Adjusted return on tangible common equity	37.7%	37.1%	60 bps	1.6%
<b>Key Performance Indicators</b>				
Same store revenue growth (overall) <sup>1</sup>	14.9%	15.4%	(50 bps)	(3.2%)
Same store revenue growth (easyhome) <sup>1</sup>	1.6%	5.6%	(400 bps)	(71.4%)
<b>Segment Financials</b>				
easyfinancial revenue	224,918	182,119	42,799	23.5%
easyfinancial operating margin	45.3%	49.7%	(440 bps)	(8.9%)
easyhome revenue	37,298	37,643	(345)	(0.9%)
easyhome operating margin	20.9%	26.7%	(580 bps)	(21.7%)
<b>Portfolio Indicators</b>				
Gross consumer loans receivable	2,588,656	1,896,716	691,940	36.5%
Growth in consumer loans receivable	218,813	100,872	117,941	116.9%
Gross loan originations	640,519	436,194	204,325	46.8%
Total yield on consumer loans (including ancillary products) <sup>1</sup>	37.4%	40.8%	(340 bps)	(8.3%)
Net charge offs as a percentage of average gross consumer loans receivable	9.3%	8.3%	100 bps	12.0%
Free cash flows from operation before net growth in gross consumer loans receivable <sup>1</sup>	95,588	89,240	6,348	7.1%
Potential monthly lease revenue <sup>1</sup>	7,623	8,160	(537)	(6.6%)

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

<sup>2</sup> During the three-month period ended September 30, 2022, the Company had \$2.2 million before-tax (\$1.4 million after-tax) of adjusting items which include: Adjusting items related to the acquisition of LendCare

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

Adjusting item related to other income

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

<sup>3</sup> During the three-month period ended September 30, 2021, the Company had \$18.8 million before-tax (\$16.8 million after-tax) of adjusting items which include: Adjusting items related to the acquisition of LendCare

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

Adjusting item related to other income

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

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

<sup>1</sup> EBITDA, adjusted operating income, adjusted net income and free cash flows from operations before net growth in gross consumer loans receivable are non-IFRS measures. EBITDA margin, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on asset, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Same store revenue growth (overall), same store revenue growth (easyhome) and potential monthly lease revenue are supplementary financial measures. Non-IFRS measures, non-IFRS ratios and supplemental financial measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. See description in "Key Performance Indicators and Non-IFRS Measures" section in this press release.

<sup>2</sup> During the nine months ended September 30, 2022, the Company had \$36.1 million before-tax (\$29.7 million after-tax) adjusting items which include:

Adjusting items related to corporate development costs

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

Adjusting items relating to the acquisition of LendCare

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

Adjusting item related to other loss

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

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

- Transaction costs of \$9.3 million before-tax (\$8.9 million after-tax) which include advisory and consulting costs, legal costs, and other direct transaction costs related to the acquisition of LendCare reported under Operating expenses before depreciation and amortization amounting to \$7.6 million which are non tax-deductible and loan commitment fees related to the Acquisition of LendCare reported under Finance costs amounting to \$1.7 million before-tax (\$1.3 million after-tax);
- Integration costs related to advisory and consulting costs, employee incentives, representation and warranty insurance costs, and other integration costs related to the Acquisition of LendCare reported under Operating expenses before depreciation and amortization amounting to \$1.6 million before-tax (\$1.2 million after-tax);
- Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from LendCare amounting to \$14.3 million before-tax (\$10.5 million after-tax); and

- Amortization of the \$131 million intangible asset related to the Acquisition of LendCare with an estimated useful life of ten years amounting to \$5.5 million before-tax (\$4.0 million after-tax).

Adjusting item related to other income

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

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

### **Non-IFRS Measures 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 are useful in assessing ongoing business performance and provide readers with a better understanding of how management assesses performance. These non-IFRS measures are used throughout this press release and listed below. 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).

## Adjusted Net Income and Adjusted Diluted Earnings Per Share

Adjusted net income is a non-IFRS measure, while adjusted diluted earnings per share is a non-IFRS ratio. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 38 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022. Items used to calculate adjusted net income and adjusted earnings per share for the three and nine-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

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

*Adjusting item related to corporate development costs*

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

*Adjusting items related to the LendCare Acquisition*

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

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

<sup>4</sup> Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from LendCare.

<sup>5</sup> Amortization of the \$131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years.

*Adjusting item related to other income (loss)*

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

### Adjusted Operating Income and Adjusted Operating Margin

Adjusted operating income is a non-IFRS measure, while adjusted operating margin is a non-IFRS ratio. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 38 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022. Items used to calculate adjusted operating income and adjusted operating margins for the three and nine-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	September 30, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
<b>easyfinancial</b>				
Operating income	101,812	101,812	90,560	90,560
Divided by revenue	224,918	224,918	182,119	182,119
<b>easyfinancial operating margin</b>	<b>45.3%</b>	<b>45.3%</b>	49.7%	49.7%
<b>easyhome</b>				
Operating income	7,782	7,782	10,055	10,055
Divided by revenue	37,298	37,298	37,643	37,643
<b>easyhome operating margin</b>	<b>20.9%</b>	<b>20.9%</b>	26.7%	26.7%
<b>Total</b>				
Operating income	91,378	91,378	81,352	81,352
<i>Operating expenses before depreciation and amortization<sup>1</sup></i>				
Integration costs	-	170	-	952
Transaction costs	-	-	-	256
<i>Amortization of intangible assets<sup>1</sup></i>				
Amortization of acquired intangible assets	-	3,275	-	3,258
Adjusted operating income	91,378	94,823	81,352	85,818
Divided by revenue	262,216	262,216	219,762	219,762
<b>Total operating margin</b>	<b>34.8%</b>	<b>36.2%</b>	37.0%	39.1%

<sup>1</sup> For explanation of adjusting items, refer to the “Adjusted Net Income and Adjusted Diluted Earnings Per Share” section above.

(\$in 000's except percentages)	Nine Months Ended			
	September 30, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
<b>easyfinancial</b>				
Operating income	287,719	287,719	237,108	237,108
Divided by revenue	633,642	633,642	480,336	480,336
<b>easyfinancial operating margin</b>	<b>45.4%</b>	<b>45.4%</b>	49.4%	49.4%
<b>easyhome</b>				
Operating income	25,891	25,891	28,411	28,411
Divided by revenue	112,368	112,368	111,956	111,956
<b>easyhome operating margin</b>	<b>23.0%</b>	<b>23.0%</b>	25.4%	25.4%
<b>Total</b>				
Operating income	256,526	256,526	201,374	201,374
<i>Operating expenses before depreciation and amortization<sup>1</sup></i>				
Corporate development costs	-	2,314	-	-
Integration costs	-	959	-	1,600
Transaction costs	-	-	-	7,615
Day one loan loss provision on the acquired loans	-	-	-	14,252
<i>Amortization of intangible assets<sup>1</sup></i>				
Amortization of acquired intangible assets	-	9,825	-	5,458
Adjusted operating income	256,526	269,624	201,374	230,299
Divided by revenue	746,010	746,010	592,292	592,292
<b>Total operating margin</b>	<b>34.4%</b>	<b>36.1%</b>	34.0%	38.9%

<sup>1</sup> For explanation of adjusting items, refer to the "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section above.



### Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”) and EBITDA Margin

EBITDA is a non-IFRS measure, while EBITDA margin is a non-IFRS ratio. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 38 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022. Items used to calculate EBITDA and EBITDA margin for the three and nine-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000’s except percentages)	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net income as stated	47,189	63,540	111,585	194,982
Finance costs	28,497	21,686	76,421	56,744
Income tax expense	16,986	19,345	45,470	56,153
Depreciation and amortization	20,980	20,723	62,061	57,221
Depreciation of lease assets	(8,371)	(8,601)	(25,031)	(26,687)
<b>EBITDA</b>	<b>105,281</b>	116,693	<b>270,506</b>	338,413
Divided by revenue	262,216	219,762	746,010	592,292
<b>EBITDA margin</b>	<b>40.2%</b>	53.1%	<b>36.3%</b>	57.1%

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

Free cash flow from operations before net growth in gross consumer loans receivable is a non-IFRS measure. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 38 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022. Items used to calculate free cash flow from operations before net growth in gross consumer loans receivable for the three and nine-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

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

<sup>1</sup> Excludes \$444.5 million of gross loans purchased through the acquisition of LendCare in 2021.

### Adjusted Return on Assets

Adjusted return on assets is a non-IFRS ratio. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 38 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022. Items used to calculate adjusted return on assets for the three and nine-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	September 30, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
Net income as stated	47,189	47,189	63,540	63,540
After-tax impact of adjusting items <sup>1</sup>	-	1,437	-	(16,792)
<b>Adjusted net income</b>	<b>47,189</b>	<b>48,626</b>	63,450	46,748
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Divided by average total assets for the period	3,012,832	3,012,832	2,461,509	2,461,509
<b>Return on assets</b>	<b>6.3%</b>	<b>6.5%</b>	10.3%	7.6%

<sup>1</sup> For explanation of adjusting items, refer to the “Adjusted Net Income and Adjusted Diluted Earnings Per Share” section above.

(\$in 000's except percentages)	Nine Months Ended			
	September 30, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
Net income as stated	111,585	111,585	194,982	194,982
After-tax impact of adjusting items <sup>1</sup>	-	29,650	-	(67,868)
<b>Adjusted net income</b>	<b>111,585</b>	<b>141,235</b>	194,982	127,114
Multiplied by number of periods in a year	X 4/3	X 4/3	X 4/3	X 4/3
Divided by average total assets for the period	2,827,534	2,827,534	2,009,205	2,009,205
<b>Return on assets</b>	<b>5.3%</b>	<b>6.7%</b>	12.9%	8.4%

<sup>1</sup> For explanation of adjusting items, refer to the “Adjusted Net Income and Adjusted Diluted Earnings Per Share” section above.

### Adjusted Return on Equity

Adjusted return on equity is a non-IFRS ratio. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 38 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022. Items used to calculate adjusted return on equity for the three and nine-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	September 30, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
Net income as stated	47,189	47,189	63,540	63,540
After-tax impact of adjusting items <sup>1</sup>	-	1,437	-	(16,792)
<b>Adjusted net income</b>	<b>47,189</b>	<b>48,626</b>	63,540	46,748
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Divided by average shareholders' equity for the period	780,125	780,125	778,059	778,059
<b>Return on equity</b>	<b>24.2%</b>	<b>24.9%</b>	32.7%	24.0%

<sup>1</sup> For explanation of adjusting items, refer to the “Adjusted Net Income and Adjusted Diluted Earnings Per Share” section above.

(\$in 000's except percentages)	Nine Months Ended			
	September 30, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
Net income as stated	111,585	111,585	194,982	194,982
After-tax impact of adjusting items <sup>1</sup>	-	29,650	-	(67,868)
<b>Adjusted net income</b>	<b>111,585</b>	<b>141,235</b>	194,982	127,114
Multiplied by number of periods in a year	X 4/3	X 4/3	X 4/3	X 4/3
Divided by average shareholders' equity for the period	775,414	775,414	637,474	637,474
<b>Return on equity</b>	<b>19.2%</b>	<b>24.3%</b>	40.8%	26.6%

<sup>1</sup> For explanation of adjusting items, refer to the “Adjusted Net Income and Adjusted Diluted Earnings Per Share” section above.

## Return on Tangible Common Equity

Reported and adjusted return on tangible common equity are non-IFRS ratios. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 38 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022. Items used to calculate reported and adjusted return on tangible common equity for the three and nine-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	September 30, 2022	September 30, 2022 (adjusted)	September 30, 2021	September 30, 2021 (adjusted)
Net income as stated	47,189	47,189	63,540	63,540
Amortization of acquired intangible assets	3,275	3,275	3,258	3,258
Income tax impact of the above item	(868)	(868)	(863)	(863)
Net income before amortization of acquired intangible assets, net of income tax	49,596	49,596	65,935	65,935
Impact of adjusting items <sup>1</sup>				
<i>Operating expenses before depreciation and amortization</i>				
Integration costs	-	170	-	952
Transaction costs	-	-	-	256
<i>Other income</i>	-	(1,294)	-	(23,219)
Total pre-tax impact of adjusting items	-	(1,124)	-	(22,011)
<i>Income tax impact of above adjusting items</i>	-	154	-	2,824
After-tax impact of adjusting items	-	(970)	-	(19,187)
<b>Adjusted net income</b>	<b>49,596</b>	<b>48,626</b>	65,935	46,748
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Average shareholders' equity	780,215	780,215	778,059	778,059
Average goodwill	(180,923)	(180,923)	(180,379)	(180,379)
Average acquired intangible assets <sup>2</sup>	(114,079)	(114,079)	(127,179)	(127,179)
Average related deferred tax liabilities	30,231	30,231	33,702	33,702
<b>Divided by average tangible common equity</b>	<b>515,444</b>	<b>515,444</b>	504,203	504,203
<b>Return on tangible common equity</b>	<b>38.5%</b>	<b>37.7%</b>	52.3%	37.1%

<sup>1</sup> For explanation of adjusting items, refer to the “Adjusted Net Income and Adjusted Diluted Earnings Per Share” section above.

<sup>2</sup> Excludes intangible assets relating to software.

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

<sup>1</sup> For explanation of adjusting items, refer to the "Adjusted Net Income and Adjusted Diluted Earnings Per Share" section above.

<sup>2</sup> Excludes intangible assets relating to software.

### easyhome Financial Revenue

easyhome financial revenue is a non-IFRS measure. It's calculated as total company revenue less easyfinancial revenue and leasing revenue. The Company believes that easyhome financial revenue is an important measure of the performance of the easyhome segment. Items used to calculate easyhome financial revenue for the three-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's)	Three Months Ended	
	September 30, 2022	September 30, 2021
<b>Total company revenue</b>	<b>262,216</b>	<b>219,762</b>
Less: easyfinancial revenue	(224,918)	(182,119)
Less: leasing revenue	(27,074)	(29,762)
<b>easyhome financial revenue</b>	<b>10,224</b>	<b>7,881</b>

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

Total yield on consumer loans as a percentage of average gross consumer loans receivable is a non-IFRS ratio. See description in section "Portfolio Analysis" on page 27 of the Company's MD&A for the three and nine-month periods ended September 30, 2022. Items used to calculate total yield on consumer loans as a percentage of average gross consumer loans receivable for the three and nine-month periods ended September 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Total Company revenue	262,216	219,762	746,010	592,292
Less: Leasing revenue	(27,074)	(29,762)	(83,281)	(90,128)
<b>Financial revenue</b>	<b>235,142</b>	<b>190,000</b>	<b>662,729</b>	<b>502,164</b>
Multiplied by number of periods in a year	X 4	X 4	X 4/3	X 4/3
<b>Divided by average gross consumer loans receivable</b>	<b>2,516,122</b>	<b>1,862,433</b>	<b>2,304,371</b>	<b>1,579,544</b>
<b>Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)</b>	<b>37.4%</b>	<b>40.8%</b>	<b>38.3%</b>	<b>42.4%</b>

### Net Principal Written and Percentage Net Principal Written to New Customers

Net principal written (Net loan advances) is a non-IFRS measure. See description in section "Portfolio Analysis" on page 27 of the Company's MD&A for the three-month period ended September 30, 2022. Percentage of net loan advances issued to new customers is a non-IFRS ratio. It is calculated as loan originations to new customers divided by net principal written. The Company uses percentage of net loan advances issued to new customers, among other measures, to assess the operating performance of its lending business. Items used to calculate percentage of net loan advances issued to new customers for the three-month period ended September 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended	
	September 30, 2022	September 30, 2021
Gross loan originations	640,519	436,194
Loan originations to new customers	298,810	204,022
Loan originations to existing customers	341,709	232,172
Less: Proceeds applied to repay existing loans	(174,746)	(126,135)
Net advance to existing customers	166,964	106,037
<b>Net principal written</b>	<b>465,773</b>	<b>310,059</b>
<b>Percentage net advances to new customers</b>	<b>64%</b>	<b>66%</b>

#### **Net Debt to Net Capitalization**

Net debt to net capitalization is a capital management measure. Refer to “Financial Condition” section on page 48 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022.

#### **Average Loan Book Per Branch**

Average loan book per branch is a supplementary financial measure. It is calculated as gross consumer loans receivable held by easyfinancial branch locations divided by number of total easyfinancial branch locations.

#### **Weighted Average Interest Rate**

Weighted average interest rate is a supplementary financial measure. It is calculated as the sum of individual loan balance multiplied by interest rate divided by gross consumer loans receivable.

#### **Same Store Revenue Growth**

Same store revenue growth (easyhome) and same store revenue growth (overall) are supplementary financial measures. Refer to “Key Performance Indicators and Non-IFRS Measures” section on page 38 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022.

#### **Potential Monthly Leasing Revenue**

Potential monthly leasing revenue is a supplementary financial measure. Refer to “Portfolio Analysis” section on page 27 of the Company’s MD&A for the three and nine-month periods ended September 30, 2022.