



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

August 10, 2022

goeasy Ltd. Reports Record Results for the Second Quarter

Loan Originations of \$628 million, up 66% from \$379 million
Organic Loan Growth of \$216 million, up 191% from \$74 million
Loan Portfolio of \$2.37 billion, up 32% from \$1.80 billion
Quarterly Diluted Earnings per Share of \$2.32, up 100% from \$1.16
Adjusted Quarterly Diluted Earnings per Share¹ of \$2.83, up 8% from \$2.61

Mississauga, Ontario, August 10, 2022: *goeasy* Ltd. (TSX: GSY), ("*goeasy*" or the "**Company**"), one of Canada's leading non-prime consumer lenders, today reported results for the second quarter ended June 30, 2022.

Second Quarter Results

During the quarter, the Company experienced record loan originations of \$628 million, up 66% compared to the \$379 million produced in the second quarter of 2021. The increase in lending was driven by a record volume of applications for credit, which were up 51% over the prior year, leading to a record level of loan originations across several of the company's products and acquisition channels.

The improved loan originations led to record organic growth in the loan portfolio of \$216 million, which was up 191% from \$74 million of organic loan growth in the second quarter of 2021. At quarter end, the gross consumer loan receivable portfolio was \$2.37 billion, up 32% from \$1.80 billion in the second quarter of 2021. The growth in consumer loans led to an increase in revenue, which was a record \$252 million in the quarter, up 24% 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 second quarter was 9.3%, in line with the Company's target range of between 8.5% and 10.5% on an annualized basis, and up from 8.2% in the second quarter of 2021, a period which benefited from pandemic related government support and reduced consumer expenses. The Company's allowance for future credit losses decreased slightly to 7.68% from 7.78% in the first quarter of 2022, primarily due to the improved product and credit mix of the loan portfolio.

Operating income for the second quarter of 2022 was a record \$85.2 million, up 52% from \$56.1 million in the second quarter of 2021. Operating margin for the second quarter was 33.8%, up from 27.7% in the prior year. After adjustments for items related to the acquisition of LendCare Holdings Inc. ("**LendCare**"), the Company reported record adjusted operating income² of \$88.7 million, up \$8.9 million or an increase of 11% compared to \$79.9 million in the second quarter of 2021. Adjusted operating margin¹ for the second quarter was 35.3%, down from 39.5% in the prior year, primarily due to a higher level of loan loss provision expense compared to the prior year.

Net income in the second quarter was \$38.3 million, up 97% from \$19.5 million in the same period of 2021, which resulted in diluted earnings per share of \$2.32, up 100% from the \$1.16 reported in the second 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 \$5.9 million fair value loss on investments, adjusted net income² was \$46.8 million, up 7% from \$43.7 million in 2021. Adjusted diluted earnings per share¹ was a record \$2.83, up 8% from \$2.61 in the second quarter of 2021. Return on equity during the quarter was 20.2%, compared to 12.0% in the second quarter of 2021. After adjusting for non-recurring and unusual items, adjusted return on equity¹ was 24.7% in the quarter, compared to 26.9% in the same period of 2021.

“We are delighted to report record organic loan growth of \$216 million in the quarter, complemented by stable credit performance. While the increase in loan growth over last year resulted in approximately \$0.48 cents of incremental loan loss provision expense on an after-tax per share basis in the quarter, it will contribute to the long-term earnings growth of the company. Growth in our secured lending products, such as home equity, powersports and automotive financing, lifted meaningfully, while also helping improve the credit mix of our portfolio. The annualized net charge-off rate in the quarter was 9.3%, directly in line with our target range, and down meaningfully from the 13.3% we reported prior to the pandemic in 2019, due to the significant structural improvements we have made to the business. All combined, we delivered record adjusted earnings per share¹ of \$2.83,” said Jason Mullins, goeasy’s President and Chief Executive Officer. “As a result of the strength in the business, we have updated our forecast to reflect recent trends. We now expect the loan portfolio to approach nearly \$4 billion in 2024, with a stable outlook for credit performance, driven by a disciplined approach to growth and credit risk management. With all our major initiatives working together, we remain on our journey to be the leading non-prime lender in Canada,” Mr. Mullins concluded.

Other Key Second Quarter Highlights

easyfinancial

- Revenue of \$214 million, up 30%
- 36% of the loan portfolio secured, up from 33%
- 65% of net loan advances in the quarter were issued to new customers, consistent year over year
- Record net customer growth during the quarter of 12,157
- Record home equity originations, which increased 169%
- Record powersports financing originations, which increased 59%
- Record automotive financing originations of \$50 million, which increased 451%
- Average loan book per branch³ improved to \$4.3 million, an increase of 14%
- Weighted average interest rate³ on consumer loans of 31.7%, down from 33.7%
- Record operating income of \$95.6 million, up 28%
- Operating margin of 44.6%, down from 45.4%

easyhome

- Revenue of \$37.5 million, broadly flat year over year
- Same store revenue growth³ of 2.8%
- Consumer loan portfolio within easyhome stores increased to \$77.1 million, up 35%
- Financial revenue¹ from consumer lending increased to \$9.9 million, up 35% from \$7.3 million
- Operating income of \$8.7 million, down 6%
- Operating margin of 23.3%, down from 24.9%

Overall

- 49th consecutive quarter of same store revenue growth³
- 84th consecutive quarter of positive net income
- 2022 marks the 18th consecutive year of paying dividends and the 8th consecutive year of a dividend increase
- Total same store revenue growth³ of 16.8%
- Total customers served over 1.2 million
- Record adjusted return on tangible common equity¹ of 38.0%, up from 34.8% in the second quarter of 2021
- Fully drawn weighted average cost of borrowing at 4.9%
- Net debt to net capitalization⁴ of 70% on June 30, 2022, up from 64% in the prior year and in line with the Company's target leverage ratio

Six Months Results

For the first six months of 2022, the Company produced record revenues of \$484 million, up 30% compared with \$373 million in the same period of 2021. Operating income for the period was a record \$165 million compared with \$120 million in the first six months of 2021, an increase of \$45.1 million or 38%. Net income for the first six months of 2022 was \$64.4 million and diluted earnings per share was \$3.86, compared with \$131.4 million or \$8.10 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 income² for the first six months of 2022 was a record \$92.6 million and adjusted diluted earnings per share¹ was a record \$5.55 compared with \$80.4 million or \$4.95 per share, increases of 15% and 12%, respectively. Reported return on equity was 16.7%, while adjusted return on equity¹ was 24.1%, down from 27.7% in 2021.

Balance Sheet and Liquidity

Total assets were \$2.90 billion as of June 30, 2022, an increase of 18% from \$2.45 billion as of June 30, 2021, primarily driven by growth in the consumer loan portfolio and partially offset by the decrease in investments mainly due to the disposal of the non-contingent portion of the equity investment in Affirm Holdings Inc. ("**Affirm**").

During the quarter, 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. As of June 30, 2022, the Company invested \$15 million in convertible notes and committed to purchase an additional \$25 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. Through the new strategic partnership, goeasy's automotive and point-of-sale financing brand, LendCare, will become a preferred non-bank financing provider within Canada Drives' online automotive retail platform. goeasy will provide automotive financing to a committed portion of the non-prime borrowers who purchase and finance a vehicle through Canada Drives' platform.

During the quarter, the Company increased its existing revolving securitization warehouse facility (“**Securitization Facility**”) by \$500 million to a total facility of \$1.4 billion. The amendment to the Securitization Facility incorporates key modifications including improved eligibility criteria for consumer loans, as well as pool concentration limits, resulting in increased funding capacity. The lending syndicate for the Securitization Facility continues to consist of National Bank Financial Markets, Bank of Montreal and Royal Bank of Canada, and the facility continues to bear 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 2.94% as of August 8, 2022, the interest rate would be 4.79%. The Company also continues utilizing 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.

During the second quarter of 2022, the Company recognized a \$6.8 million pre-tax net fair value loss on its investments, which was mainly related to the unhedged contingent shares of its investment in Affirm. The unrealized fair value loss in Affirm during the period was partially offset by the realized fair value gain in the related total return swaps (“**TRS**”). Since the initial shares of Affirm were obtained on January 1, 2021, the Company has recognized a realized gain on the non-contingent portion of the investment in Affirm and its related TRS of \$66.3 million, a realized gain on the TRS related to the contingent portion of the investment in Affirm of \$25.4 million, and an unrealized fair value loss on the contingent portion of the investment in Affirm of \$4.5 million. Including the cash received on the initial sale of PayBright Inc. (“**PayBright**”) to Affirm, the total realized and unrealized gains amount to \$109 million, relative to the initial investment of \$34 million made in 2019, or approximately 3.2 times the initial investment.

Free cash flow from operations before net growth in gross consumer loans receivable² in the quarter was \$56.9 million, up 18% from \$48.2 million in the second 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, goeasy has approximately \$1.09 billion in total funding capacity, which it estimates is sufficient to fund its organic growth through the second quarter of 2025. At quarter-end, the Company’s fully drawn weighted average cost of borrowing was at 4.9%. 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 \$250 million per year solely from internal cash flows. The Company also estimates that 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 \$3.3 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.

Updated Outlook

On February 16, 2022, the Company provided a 3-year forecast for the years 2022 through 2024. The Company has since experienced accelerated growth in its consumer loans receivable portfolio and consequently, the Company has revised its forecast for the years 2022 through 2024 to reflect the most recent outlook. The Company continues to pursue a long-term strategy that includes expanding its product range, developing its channels of distribution and leveraging risk-based pricing to reduce the cost of borrowing for its consumers and extend the life of its customer relationships. As such, the total yield earned on its consumer loan portfolio¹ will gradually decline, while net charge off rates remain stable and operating margins expand. The forecasts outlined below contemplate the Company's expected domestic organic growth plan and do not include the impact of any future mergers or acquisitions, or the associated gains or losses associated with its investments.

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

Dividend

The Board of Directors has approved a quarterly dividend of \$0.91 per share payable on October 14, 2022 to the holders of common shares of record as at the close of business on September 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, 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 more than 5,000 merchants across Canada. Throughout the Company's history, it has acquired and organically served over 1.2 million Canadians and originated over \$8.8 billion in loans, with one in three easyfinancial customers graduating to prime credit and 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 \$4.39 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.

For further information contact:

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

Farhan Ali Khan
Senior Vice President, Chief Corporate Development Officer
(905) 272-2788

Notes:

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

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

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

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

⁵ 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.

goeasy Ltd.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(expressed in thousands of Canadian dollars)

	As At June 30, 2022	As At December 31, 2021
ASSETS		
Cash	95,900	102,479
Accounts receivable	22,877	20,769
Prepaid expenses	8,651	8,018
Income taxes recoverable	3,357	-
Consumer loans receivable, net	2,223,563	1,899,631
Investments	36,618	64,441
Lease assets	45,378	47,182
Property and equipment, net	34,811	35,285
Derivative financial assets	26,291	20,634
Intangible assets, net	157,871	159,651
Right-of-use assets, net	59,507	57,140
Goodwill	180,923	180,923
TOTAL ASSETS	2,895,747	2,596,153
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving credit facility	143,331	-
Accounts payable and accrued liabilities	46,992	57,134
Income taxes payable	-	27,859
Dividends payable	14,407	10,692
Unearned revenue	20,592	11,354
Accrued interest	7,972	8,135
Deferred tax liabilities, net	29,923	38,648
Lease liabilities	68,168	65,607
Secured borrowings	138,378	173,959
Revolving securitization warehouse facility	526,095	292,814
Derivative financial liabilities	23,048	34,132
Notes payable	1,108,363	1,085,906
TOTAL LIABILITIES	2,127,269	1,806,240
Shareholders' equity		
Share capital	357,377	363,514
Contributed surplus	18,630	22,583
Accumulated other comprehensive income	12,452	8,567
Retained earnings	380,019	395,249
TOTAL SHAREHOLDERS' EQUITY	768,478	789,913
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,895,747	2,596,153

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
REVENUE				
Interest income	169,311	128,483	326,135	233,977
Lease revenue	25,948	28,348	52,826	56,785
Commissions earned	51,343	42,435	95,201	75,772
Charges and fees	5,050	3,090	9,632	5,996
	251,652	202,356	483,794	372,530
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits	43,908	43,804	85,872	79,210
Stock-based compensation	2,490	1,901	4,790	3,987
Advertising and promotion	9,383	7,172	18,893	13,064
Bad debts	67,936	48,873	122,085	78,147
Occupancy	6,184	5,753	12,563	11,277
Technology costs	5,460	4,017	10,700	7,821
Other expenses	10,799	15,409	22,662	22,504
	146,160	126,929	277,565	216,010
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	8,195	8,843	16,660	18,086
Amortization of intangible assets	4,915	4,134	10,128	5,880
Depreciation of right-of-use assets	4,971	4,422	9,840	8,766
Depreciation of property and equipment	2,228	1,938	4,453	3,766
	20,309	19,337	41,081	36,498
TOTAL OPERATING EXPENSES	166,469	146,266	318,646	252,508
OPERATING INCOME	85,183	56,090	165,148	120,022
OTHER (LOSS) INCOME	(6,819)	(4,086)	(24,344)	83,286
FINANCE COSTS				
Interest expense and amortization of deferred financing charges	23,590	20,066	46,233	33,561
Interest expense on lease liabilities	855	756	1,691	1,497
	24,445	20,822	47,924	35,058
INCOME BEFORE INCOME TAXES	53,919	31,182	92,880	168,250
INCOME TAX EXPENSE (RECOVERY)				
Current	20,325	15,811	36,621	32,808
Deferred	(4,706)	(4,096)	(8,137)	4,000
	15,619	11,715	28,484	36,808
NET INCOME	38,300	19,467	64,396	131,442
BASIC EARNINGS PER SHARE	2.37	1.20	3.96	8.39
DILUTED EARNINGS PER SHARE	2.32	1.16	3.86	8.10

Segmented Reporting

(\$ in 000's except earnings per share)	Three Months Ended June 30, 2022			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	162,140	7,171	-	169,311
Lease revenue	-	25,948	-	25,948
Commissions earned	47,897	3,446	-	51,343
Charges and fees	4,077	973	-	5,050
	214,114	37,538	-	251,652
Total operating expenses before depreciation and amortization	110,158	18,327	17,675	146,160
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	5,626	8,485	1,227	15,338
Depreciation of right-of-use assets	2,748	1,988	235	4,971
	8,374	10,473	1,462	20,309
Segment operating income (loss)	95,582	8,738	(19,137)	85,183
Other loss				(6,819)
Finance costs				
Interest expense and amortization of deferred financing charges				23,590
Interest expense on lease liabilities				855
				24,445
Income before income taxes				53,919
Income taxes				15,619
Net Income				38,300
Diluted earnings per share				2.32

(\$ in 000's except earnings per share)	Three Months Ended June 30, 2021			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	123,036	5,447	-	128,483
Lease revenue	-	28,348	-	28,348
Commissions earned	39,665	2,770	-	42,435
Charges and fees	2,187	903	-	3,090
	164,888	37,468	-	202,356
Total operating expenses before depreciation and amortization	83,291	17,066	26,572	126,929
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	4,458	9,165	1,292	14,915
Depreciation of right-of-use-assets	2,288	1,918	216	4,422
	6,746	11,083	1,508	19,337
Segment operating income (loss)	74,851	9,319	(28,080)	56,090
Other loss				(4,086)
Finance costs				
Interest expense and amortization of deferred financing charges				20,066
Interest expense on lease liabilities				756
				20,822
Income before income taxes				31,182
Income taxes				11,715
Net Income				19,467
Diluted earnings per share				1.16

(\$ in 000's except earnings per share)	Six Months Ended June 30, 2022			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	312,289	13,846	-	326,135
Lease revenue	-	52,826	-	52,826
Commissions earned	88,754	6,447	-	95,201
Charges and fees	7,681	1,951	-	9,632
	408,724	75,070	-	483,794
Total operating expenses before depreciation and amortization	205,810	35,775	35,980	277,565
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	11,536	17,255	2,450	31,241
Depreciation of right-of-use assets	5,471	3,931	438	9,840
	17,007	21,186	2,888	41,081
Segment operating income (loss)	185,907	18,109	(38,868)	165,148
Other loss				(24,344)
Finance costs				
Interest expense and amortization of deferred financing charges				46,233
Interest expense on lease liabilities				1,691
				47,924
Income before income taxes				92,880
Income taxes				28,484
Net Income				64,396
Diluted earnings per share				3.86

(\$ in 000's except earnings per share)	Six Months Ended June 30, 2021			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	223,540	10,437	-	233,977
Lease revenue	-	56,785	-	56,785
Commissions earned	70,575	5,197	-	75,772
Charges and fees	4,102	1,894	-	5,996
	298,217	74,313	-	372,530
Total operating expenses before depreciation and amortization	140,617	33,391	42,002	216,010
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	6,543	18,740	2,449	27,732
Depreciation of right-of-use-assets	4,509	3,826	431	8,766
	11,052	22,566	2,880	36,498
Segment operating income (loss)	146,548	18,356	(44,882)	120,022
Other income				83,286
Finance costs				
Interest expense and amortization of deferred financing charges				33,561
Interest expense on lease liabilities				1,497
				35,058
Income before income taxes				168,250
Income taxes				36,808
Net Income				131,442
Diluted earnings per share				8.10

Summary of Financial Results and Key Performance Indicators

(\$ in 000's except earnings per share and percentages)	Three Months Ended		Variance \$ / bps	Variance % change
	June 30, 2022	June 30, 2021		
Summary Financial Results				
Revenue	251,652	202,356	49,296	24.4%
Operating expenses before depreciation and amortization ^{2,3}	146,160	126,929	19,231	15.2%
EBITDA ¹	90,478	62,498	27,980	44.8%
EBITDA margin ¹	36.0%	30.9%	510 bps	16.5%
Depreciation and amortization expense ²	20,309	19,337	972	5.0%
Operating income	85,183	56,090	29,093	51.9%
Operating margin	33.8%	27.7%	610 bps	22.0%
Other loss ^{2,3}	(6,819)	(4,086)	(2,733)	(66.9%)
Finance costs ³	24,445	20,822	3,623	17.4%
Effective income tax rate	29.0%	37.6%	(860 bps)	(22.9%)
Net income	38,300	19,467	18,833	96.7%
Diluted earnings per share	2.32	1.16	1.16	100.0%
Return on assets	5.5%	3.8%	170 bps	44.7%
Return on equity	20.2%	12.0%	820 bps	68.3%
Return on tangible common equity ¹	33.0%	16.8%	1620 bps	96.4%
Adjusted Financial Results^{1,2,3}				
Adjusted operating income	88,740	79,870	8,870	11.1%
Adjusted operating margin	35.3%	39.5%	(420 bps)	(10.6%)
Adjusted net income	46,830	43,687	3,143	7.2%
Adjusted diluted earnings per share	2.83	2.61	0.22	8.4%
Adjusted return on assets	6.7%	8.6%	(190 bps)	(22.1%)
Adjusted return on equity	24.7%	26.9%	(220 bps)	(8.2%)
Adjusted return on tangible common equity	38.0%	34.8%	320 bps	9.2%
Key Performance Indicators				
Same store revenue growth (overall) ¹	16.8%	20.2%	(340 bps)	(16.8%)
Same store revenue growth (easyhome) ¹	2.8%	7.9%	(510 bps)	(64.6%)
Segment Financials				
easyfinancial revenue	214,114	164,888	49,226	29.9%
easyfinancial operating margin	44.6%	45.4%	(80 bps)	(1.8%)
easyhome revenue	37,538	37,468	70	0.2%
easyhome operating margin	23.3%	24.9%	(160 bps)	(6.4%)
Portfolio Indicators				
Gross consumer loans receivable	2,369,843	1,795,844	573,999	32.0%
Growth in consumer loans receivable ⁴	215,543	518,553	(303,010)	(58.4%)
Gross loan originations	628,189	379,082	249,107	65.7%
Total yield on consumer loans (including ancillary products) ¹	39.0%	42.8%	(380 bps)	(8.9%)
Net charge offs as a percentage of average gross consumer loans receivable	9.3%	8.2%	110 bps	13.4%
Free cash flows from operation before net growth in gross consumer loans receivable ¹	56,918	48,246	8,672	18.0%
Potential monthly lease revenue ¹	7,634	8,322	(688)	(8.3%)

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

² During the three-month period ended June 30, 2022, the Company had a total of \$10.4 million before-tax (\$8.5 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 cost, and other integration costs related to the acquisition of LendCare. Integration costs amounting to \$0.3 million before-tax (\$0.2 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 loss

- Fair value losses mainly on investments in Affirm and its related TRS amounting to \$6.8 million before-tax (\$5.9 million after-tax).

³ During the three-month period ended June 30, 2021, the Company had a total of \$29.6 million before-tax (\$24.2 million after-tax) of adjusting items which include:

Adjusting items related to the acquisition of LendCare

- Transaction costs of \$8.4 million before-tax (\$8.0 million after-tax) which include advisory and consulting costs, legal costs, and other transaction costs related to the acquisition of LendCare reported under Operating expenses before depreciation and amortization. Amounting to \$6.7 million which are non tax-deductible and loan commitment fee 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 cost, and other integration costs related to the acquisition of LendCare reported under Operating expense before depreciation and amortization amounting to \$0.6 million before-tax (\$0.5 million after-tax);
- Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from the LendCare amounting to \$14.3 million before-tax (\$10.5 million after-tax).

Adjusting item related to other income

- Fair value loss mainly on investments in Affirm and its related TRS amounting to \$4.1 million before-tax (\$3.5 million after-tax).

⁴ Growth in consumer loans receivable for the three-month period ended June 30, 2021 includes \$444.5 million of gross loans purchased through the acquisition of LendCare.

(\$ in 000's except earnings per share and percentages)	Six Months Ended		Variance \$ / bps	Variance % change
	June 30, 2022	June 30, 2021		
Summary Financial Results				
Revenue	483,794	372,530	111,264	29.9%
Operating expenses before depreciation and amortization ²	277,565	216,010	61,555	28.5%
EBITDA ¹	165,225	221,720	(56,495)	(25.5%)
EBITDA margin ¹	34.2%	59.5%	(2,530 bps)	-42.5%
Depreciation and amortization expense ²	41,081	36,498	4,583	12.6%
Operating income	165,148	120,022	45,126	37.6%
Operating margin	34.1%	32.2%	190 bps	5.9%
Other income ^{2,3}	(24,344)	83,286	(107,630)	(129.2%)
Finance costs ³	47,924	35,058	12,866	36.7%
Effective income tax rate	30.7%	21.9%	880 bps	40.2%
Net income	64,396	131,442	(67,046)	(51.0%)
Diluted earnings per share	3.86	8.10	(4.24)	(52.3%)
Return on assets	4.7%	14.2%	(950 bps)	(66.9%)
Return on equity	16.7%	45.3%	(2,860 bps)	(63.1%)
Return on tangible common equity ¹	27.6%	56.0%	(2,840 bps)	(50.7%)
Adjusted Financial Results^{1,2,3}				
Adjusted operating income	174,801	144,481	30,320	21.0%
Adjusted operating margin	36.1%	38.8%	(270 bps)	(7.0%)
Adjusted net income	92,609	80,366	12,243	15.2%
Adjusted diluted earnings per share	5.55	4.95	0.60	12.1%
Adjusted return on assets	6.8%	8.7%	(190 bps)	(21.8%)
Adjusted return on equity	24.1%	27.7%	(360 bps)	(13.0%)
Adjusted return on tangible common equity	36.9%	33.8%	310 bps	9.2%
Key Performance Indicators				
Same store revenue growth (overall) ¹	15.1%	10.4%	470 bps	45.2%
Same store revenue growth (easyhome) ¹	2.8%	6.4%	(360 bps)	(56.3%)
Segment Financials				
easyfinancial revenue	408,724	298,217	110,507	37.1%
easyfinancial operating margin	45.5%	49.1%	(360 bps)	(7.3%)
easyhome revenue	75,070	74,313	757	1.0%
easyhome operating margin	24.1%	24.7%	(60 bps)	(2.4%)
Portfolio Indicators				
Gross consumer loans receivable	2,369,843	1,795,844	573,999	32.0%
Growth in consumer loans receivable ⁴	339,504	549,004	(209,500)	(38.2%)
Gross loan originations	1,104,732	651,433	453,299	69.6%
Total yield on consumer loans (including ancillary products) ¹	38.9%	43.4%	(450 bps)	(10.4%)
Net charge-offs as a percentage of average gross consumer loans receivable	9.1%	8.6%	50 bps	5.8%
Free cash flows from operation before net growth in gross consumer loans receivable ¹	96,846	111,412	(14,566)	(13.1%)
Potential monthly lease revenue ¹	7,634	8,322	(688)	(8.3%)

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

² During the six months ended June 30, 2022, the Company had a total of \$34.0 million before-tax (\$28.2 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 elect 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 cost, and other integration costs related to the acquisition of LendCare. Integration costs amounting to \$0.8 million before-tax (\$0.6 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 \$6.6 million before-tax (\$4.8 million after-tax).

Adjusting item related to other income

- Fair value loss mainly on investments in Affirm and its related TRS amounting to \$24.3 million before-tax (\$21.1 million after-tax).

³ During the six months ended June 30, 2021, the Company had a total of \$57.1 million before-tax (\$51.1 million after-tax) of adjusting items which include:

- Transaction costs of \$9.1 million before-tax (\$8.7 million after-tax) which include advisory and consulting costs, legal costs, and other direct transaction costs amounting to \$7.4 million related to the acquisition of LendCare reported under Operating expense before depreciation and amortization which are not tax deductible and loan commitment fee under Finance costs amounting to \$1.7 million before-tax (\$1.3 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).

⁴ Growth in consumer loans receivable for the six-month period ended June 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.

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 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022. Items used to calculate adjusted net income and adjusted earnings per share for the three and six-month periods ended June 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except earnings per share)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net income as stated	38,300	19,467	64,396	131,442
Impact of adjusting items				
<i>Operating expenses before depreciation and amortization</i>				
Corporate development costs ¹	-	-	2,314	-
Integration costs ³	282	648	789	648
Transaction costs ²	-	6,679	-	7,359
Day one loan loss provision on the acquired loans ⁴	-	14,252	-	14,252
<i>Amortization of intangible assets</i>				
Amortization of acquired intangible assets ⁵	3,275	2,200	6,550	2,200
<i>Other loss (income)</i> ⁶	6,819	4,086	24,344	(83,286)
<i>Finance costs</i>				
Transaction costs ²	-	1,726	-	1,726
Total pre-tax impact of adjusting items	10,376	29,591	33,997	(57,101)
<i>Income tax impact of above adjusting items</i>	(1,846)	(5,371)	(5,784)	6,025
After-tax impact of adjusting items	8,530	24,220	28,213	(51,076)
Adjusted net income	46,830	43,687	92,609	80,366
Weighted average number of diluted shares outstanding	16,522	16,768	16,677	16,230
Diluted earnings per share as stated	2.32	1.16	3.86	8.10
Per share impact of adjusting items	0.51	1.45	1.69	(3.15)
Adjusted diluted earnings per share	2.83	2.61	5.55	4.95

Adjusting item related to corporate development costs

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

Adjusting items related to the LendCare Acquisition

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

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

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

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

Adjusting item related to other income (loss)

⁶ For the three and six-month periods ended June 30, 2022 and 2021, fair value gains (losses) mainly related to 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 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022. Items used to calculate adjusted operating income and adjusted operating margins for the three and six-month periods ended June 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	June 30, 2022	June 30, 2022 (adjusted)	June 30, 2021	June 30, 2021 (adjusted)
easyfinancial				
Operating income	95,582	95,582	74,851	74,851
Divided by revenue	214,114	214,114	164,888	164,888
easyfinancial operating margin	44.6%	44.6%	45.4%	45.4%
easyhome				
Operating income	8,738	8,738	9,319	9,319
Divided by revenue	37,538	37,538	37,468	37,468
easyhome operating margin	23.3%	23.3%	24.9%	24.9%
Total				
Operating income	85,183	85,183	56,090	56,090
<i>Operating expenses before depreciation and amortization¹</i>				
Integration costs	-	282	-	648
Transaction costs	-	-	-	6,679
Day one loan loss provision on the acquired loans	-	-	-	14,252
<i>Amortization of intangible assets¹</i>				
Amortization of acquired intangible assets	-	3,275	-	2,200
Adjusted operating income	85,183	88,740	56,090	79,869
Divided by revenue	251,652	251,652	202,356	202,356
Total operating margin	33.8%	35.3%	27.7%	39.5%

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

(\$in 000's except percentages)	Six Months Ended			
	June 30, 2022	June 30, 2022 (adjusted)	June 30, 2021	June 30, 2021 (adjusted)
easyfinancial				
Operating income	185,907	185,907	146,548	146,548
Divided by revenue	408,724	408,724	298,217	298,217
easyfinancial operating margin	45.5%	45.5%	49.1%	49.1%
easyhome				
Operating income	18,109	18,109	18,356	18,356
Divided by revenue	75,070	75,070	74,313	74,313
easyhome operating margin	24.1%	24.1%	24.7%	24.7%
Total				
Operating income	165,148	165,148	120,022	120,022
<i>Operating expenses before depreciation and amortization¹</i>				
Corporate development costs	-	2,314	-	-
Integration costs	-	789	-	648
Transaction costs	-	-	-	7,359
Day one loan loss provision on the acquired loans	-	-	-	14,252
<i>Amortization of intangible assets¹</i>				
Amortization of acquired intangible assets	-	6,550	-	2,200
Adjusted operating income	165,148	174,801	120,022	144,481
Divided by revenue	483,794	483,794	372,530	372,530
Total operating margin	34.1%	36.1%	32.2%	38.8%

¹ 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 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022. Items used to calculate EBITDA and EBITDA margin for the three and six-month periods ended June 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000’s except percentages)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net income as stated	38,300	19,467	64,396	131,442
Finance cost	24,445	20,822	47,924	35,058
Income tax expense	15,619	11,715	28,484	36,808
Depreciation and amortization	20,309	19,337	41,081	36,498
Depreciation of lease assets	(8,195)	(8,843)	(16,660)	(18,086)
EBITDA	90,478	62,498	165,225	221,720
Divided by revenue	251,652	202,356	483,794	372,530
EBITDA margin	36.0%	30.9%	34.2%	59.5%

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 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022. Items used to calculate free cash flow from operations before net growth in gross consumer loans receivable for the three and six-month periods ended June 30, 2022 and 2021 include those indicated in the chart below:

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Cash (used in) provided by operating activities	(158,625)	(25,787)	(242,658)	6,928
Net growth in gross consumer loans receivable during the period ¹	215,543	74,033	339,504	104,484
Free cash flows from operations before net growth in gross consumer loans receivable	56,918	48,246	96,846	111,412

¹ 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 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022. Items used to calculate adjusted return on assets for the three and six-month periods ended June 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	June 30, 2022	June 30, 2022 (adjusted)	June 30, 2021	June 30, 2021 (adjusted)
Net income as stated	38,300	38,300	19,467	19,467
After-tax impact of adjusting items ¹	-	8,530	-	24,220
Adjusted net income	38,300	46,830	19,467	43,687
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Divided by average total assets for the period	2,792,034	2,792,034	2,031,583	2,031,583
Return on assets	5.5%	6.7%	3.8%	8.6%

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

(\$in 000's except percentages)	Six Months Ended			
	June 30, 2022	June 30, 2022 (adjusted)	June 30, 2021	June 30, 2021 (adjusted)
Net income as stated	64,396	64,396	131,442	131,442
After-tax impact of adjusting items ¹	-	28,213	-	(51,076)
Adjusted net income	63,396	92,609	131,442	80,366
Multiplied by number of periods in a year	X 4/2	X 4/2	X 4/2	X 4/2
Divided by average total assets for the period	2,726,740	2,726,740	1,855,027	1,855,027
Return on assets	4.7%	6.8%	14.2%	8.7%

¹ 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 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022. Items used to calculate adjusted return on equity for the three and six-month periods ended June 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	June 30, 2022	June 30, 2022 (adjusted)	June 30, 2021	June 30, 2021 (adjusted)
Net income as stated	38,300	38,300	19,467	19,467
After-tax impact of adjusting items ¹	-	8,530	-	24,220
Adjusted net income	38,300	46,830	19,467	43,687
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Divided by average shareholders' equity for the period	759,896	759,896	649,529	649,529
Return on equity	20.2%	24.7%	12.0%	26.9%

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

(\$in 000's except percentages)	Six Months Ended			
	June 30, 2022	June 30, 2022 (adjusted)	June 30, 2021	June 30, 2021 (adjusted)
Net income as stated	64,396	64,396	131,442	131,442
After-tax impact of adjusting items ¹	-	28,213	-	(51,076)
Adjusted net income	64,396	92,609	131,442	80,366
Multiplied by number of periods in a year	X 4/2	X 4/2	X 4/2	X 4/2
Divided by average shareholders' equity for the period	769,902	769,902	580,856	580,856
Return on equity	16.7%	24.1%	45.3%	27.7%

¹ 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 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022. Items used to calculate reported and adjusted return on tangible common equity for the three and six-month periods ended June 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	June 30, 2022	June 30, 2022 (adjusted)	June 30, 2021	June 30, 2021 (adjusted)
Net income as stated	38,300	38,300	19,467	19,467
Amortization of acquired intangible assets	3,275	3,275	2,200	2,200
Income tax impact of the above item	(868)	(868)	(583)	(583)
Net income before amortization of acquired intangible assets, net of income tax	40,707	40,707	21,084	21,084
Impact of adjusting items ¹				
<i>Operating expenses before depreciation and amortization</i>				
Integration costs	-	282	-	648
Transaction costs	-	-	-	6,679
Day one loan loss provision on the acquired loans	-	-	-	14,252
<i>Other loss</i>	-	6,819	-	4,086
<i>Finance costs</i>				
Transaction costs	-	-	-	1,726
Total pre-tax impact of adjusting items	-	7,101	-	27,391
<i>Income tax impact of above adjusting items</i>	-	(978)	-	(4,789)
After-tax impact of adjusting items	-	6,123	-	22,602
Adjusted net income	40,707	46,830	21,084	43,686
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Average shareholders' equity	759,896	759,896	649,529	649,529
Average goodwill	(180,923)	(180,923)	(100,573)	(100,573)
Average acquired intangible assets ²	(117,354)	(117,354)	(64,408)	(64,408)
Average related deferred tax liabilities	31,099	31,099	17,068	17,068
Divided by average tangible common equity	492,718	492,718	501,616	501,616
Return on tangible common equity	33.0%	38.0%	16.8%	34.8%

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

² Excludes intangible assets relating to software.

(\$in 000's except percentages)	Six Months Ended			
	June 30, 2022	June 30, 2022 (adjusted)	June 30, 2021	June 30, 2021 (adjusted)
Net income as stated	64,396	64,396	131,442	131,442
Amortization of acquired intangible assets	6,550	6,550	2,200	2,200
Income tax impact of the above item	(1,736)	(1,736)	(583)	(583)
Net income before amortization of acquired intangible assets, net of income tax	69,210	69,210	133,059	133,059
Impact of adjusting items ¹				
<i>Operating expenses before depreciation and amortization</i>				
Corporate development costs	-	2,314	-	-
Integration costs	-	789	-	648
Transaction costs	-	-	-	7,359
Day one loan loss provision on the acquired loans	-	-	-	14,252
<i>Other loss (income)</i>	-	24,344	-	(83,286)
<i>Finance costs</i>				
Transaction costs	-	-	-	1,726
Total pre-tax impact of adjusting items	-	27,447	-	(59,301)
<i>Income tax impact of above adjusting items</i>	-	(4,048)	-	6,608
After-tax impact of adjusting items	-	23,399	-	(52,693)
Adjusted net income	69,210	92,609	133,059	80,366
Multiplied by number of periods in a year	X 4/2	X 4/2	X 4/2	X 4/2
Average shareholders' equity	769,902	769,902	580,856	580,856
Average goodwill	(180,923)	(180,923)	(74,152)	(74,152)
Average acquired intangible assets ²	(118,992)	(118,992)	(42,939)	(42,939)
Average related deferred tax liabilities	31,533	31,533	11,380	11,380
Divided by average tangible common equity	501,520	501,520	475,145	475,145
Return on tangible common equity	27.6%	36.9%	56.0%	33.8%

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

² 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 June 30, 2022 and 2021 include those indicated in the chart below:

(\$ in 000's)	Three Months Ended	
	June 30, 2022	June 30, 2021
Total company revenue	251,652	202,356
Less: easyfinancial revenue	(214,114)	(164,888)
Less: leasing revenue	(27,641)	(30,123)
easyhome financial revenue	9,897	7,345

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 26 of the Company's MD&A for the three and six-month periods ended June 30, 2022. Items used to calculate total yield on consumer loans as a percentage of average gross consumer loans receivable for the three and six-month periods ended June 30, 2022 and 2021 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Total Company revenue	251,652	202,356	483,794	372,530
Less: Leasing revenue	(27,641)	(30,123)	(56,207)	(60,366)
Financial revenue	224,011	172,233	427,587	312,164
Multiplied by number of periods in a year	X 4	X 4	X 4/2	X 4/2
Divided by average gross consumer loans receivable	2,295,232	1,611,479	2,198,495	1,438,099
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	39.0%	42.8%	38.9%	43.4%

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.

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 37 of the Company’s MD&A for the three and six-month periods ended June 30, 2022.

Potential Monthly Leasing Revenue

Potential monthly leasing revenue is a supplementary financial 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.