

goeasy Ltd. Reports Record Results for the Third Quarter

Loan Originations of \$722 million, up 13% from \$641 million
Loan Portfolio of \$3.43 billion, up 33% from \$2.59 billion
Revenue of \$322 million, up 23% from \$262 million
Net Charge Off Rate of 8.8%, down 50 bps from 9.3%
Diluted EPS of \$3.87, up 35%; Adjusted Diluted EPS¹ of \$3.81, up 29% from \$2.95

Mississauga, Ontario, November 7, 2023: *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, 2023.

Third Quarter Results

During the quarter, the Company generated a record \$722 million in loan originations, up 13% compared to \$641 million produced in the third quarter of 2022. The increase in lending was driven by a record volume of applications for credit, which were up 30% over the prior year, leading to record loan originations across several of the Company's products and acquisition channels.

The increase in loan originations led to record growth in the loan portfolio of \$230 million, which was up 5% from \$219 million of loan book growth in the third quarter of 2022. At quarter end, the consumer loan portfolio was \$3.43 billion, up 33% from \$2.59 billion in the third quarter of 2022. The growth in consumer loans led to an increase in revenue, which was a record \$322 million in the quarter, up 23% from \$262 million in the third quarter of last year.

During the quarter, the Company once again continued to experience stable credit and payment performance. The net charge off rate in the third quarter was 8.8%, down from 9.3% in the third quarter of 2022, and at the lower end of the Company's forecasted range of between 8.5% and 9.5%. The stable credit performance reflects the improved credit and product mix of the loan portfolio and proactive credit and underwriting enhancements made since the fourth quarter of 2021. The Company's allowance for future credit losses reduced slightly to 7.37%, compared to 7.42% in the second quarter.

Operating income for the third quarter of 2023 was a record \$127 million, up 39% from \$91 million in the third quarter of 2022. Operating margin for the third quarter was a record 39.3%, up from 34.8% in the same period last year. After adjustments, including unusual items and non-recurring expenses, the Company reported record adjusted operating income² of \$130 million, an increase of 37% compared to \$95 million in the third quarter of 2022. Adjusted operating margin¹ for the third quarter was a record 40.4%, up from 36.2% in the same period in 2022. The efficiency ratio¹ for the third quarter of 2023 was a record 28.6%, an improvement of 400 bps from 32.6% in the third quarter of 2022, reflecting an increase in operating leverage.

Net income in the third quarter was \$66.3 million, up 41% from \$47.2 million in the same period of 2022, which resulted in diluted earnings per share of \$3.87, up 35% from the \$2.86 reported in the third quarter

of 2022. After adjusting for non-recurring and unusual items on an after-tax basis in both periods, adjusted net income² was a record \$65.2 million, up 34% from \$48.6 million in the third quarter of 2022. Adjusted diluted earnings per share¹ was a record \$3.81, up 29% from \$2.95 in the third quarter of 2022. Return on equity during the quarter was 27.0%, compared to 24.2% in the third quarter of 2022. Adjusted return on equity¹ was 26.6% in the quarter, an increase of 170 bps from 24.9% in the same period of 2022.

“During the quarter we continued to execute on our strategy to build Canada’s leading provider of non-prime consumer credit, while putting everyday Canadians on the path to a better tomorrow by helping them increase their credit score and graduate to lower rates,” said Jason Mullins, goeasy’s President and Chief Executive Officer, “Record growth and reduced credit losses contributed to record earnings, with adjusted diluted EPS increasing 29% over the same quarter last year,” Mr. Mullins continued, “With the weighted average credit score of our originations increasing for eight consecutive quarters, and this past quarter having the highest weighted average score in our history, we continue to improve the credit quality of our portfolio. Looking forward, we remain confident that we will meet, or exceed, all of our commercial forecasts. Despite higher borrowing costs, the benefits of scale are serving to produce meaningful operating leverage and protect margins, enabling us to grow earnings and produce a return on equity above 20%.”

Other Key Third Quarter Highlights

easyfinancial

- Record revenue of \$284 million, up 26%
- 41% of the loan portfolio secured, up from 38%
- Record volume of applications for credit, up 30%
- Record new customer volume at 42,700
- 68% of net loan advances¹ in the quarter were issued to new customers, up from 64%
- Record volume of originations in automotive financing
- Average loan book per branch³ improved to a record \$5.5 million, an increase of 20%
- Weighted average interest rate³ on consumer loans of 30.1%, down from 31.0%
- Record operating income of \$140 million, up 38%
- Operating margin of 49.4%, up from 45.3%

easyhome

- Revenue of \$38.1 million, up 2%
- Consumer loan portfolio within easyhome stores increased to \$102.6 million, up 24%
- Financial revenue² from consumer lending increased to \$12.2 million, up 19%
- Operating income of \$9.2 million, up 19%
- Operating margin of 24.2%, up from 20.9%

Overall

- 89th consecutive quarter of positive net income
- 2023 marks the 19th consecutive year of paying dividends and the 9th consecutive year of a dividend increase
- 54th consecutive quarter of same store revenue growth
- Total customers served over 1.3 million
- Acquired and organically originated over \$12.1 billion in loans
- Adjusted return on equity¹ of 26.6%, up from 24.9%

- Adjusted return on tangible common equity¹ of 35.9%, down from 37.7%
- Fully drawn weighted average cost of borrowing at 6.2%, up from 5.3%
- Net debt to net capitalization⁴ of 72% on September 30, 2023, in line with the Company's target leverage profile

Nine Months Results

For the first nine months of 2023, the Company funded \$2.00 billion in loan originations, up 15% from \$1.75 billion in 2022. The consumer loan receivable portfolio finished at \$3.43 billion, up 33% from \$2.59 billion as of September 30, 2022.

For the first nine months of 2023, the Company produced record revenues of \$912 million, up 22% compared to \$746 million in the same period of 2022. Operating income for the period was a record \$339 million compared with \$257 million in the first nine months of 2022, an increase of \$83 million or 32%. Adjusted operating income² for the first nine months of 2023 was a record \$351 million, 30% higher compared to \$270 million in the same period of 2022. Efficiency ratio¹ for the first nine months of 2023 was 30.9%, an improvement of 320 bps from 34.1% in the same period of 2022.

Net income for the first nine months of 2023 was \$173 million and diluted earnings per share was \$10.14, compared with \$112 million or \$6.71 per share. Adjusted net income² for the first nine months of 2023 was \$174 million and adjusted diluted earnings per share¹ was \$10.19 compared with \$141 million or \$8.50 per share, increases of 23% and 20%, respectively. Reported return on equity was 24.7%, while adjusted return on equity¹ was 24.9%, up from 24.3% in the same period of 2022.

Balance Sheet and Liquidity

Total assets were \$3.94 billion as of September 30, 2023, an increase of 26% from \$3.13 billion as of September 30, 2022, primarily driven by growth in the consumer loan portfolio.

During the quarter, the Company increased the size of its existing revolving securitization warehouse facility collateralized by automotive consumer loans (the **"Automotive Securitization Facility"**) from \$200 million to \$375 million, with the addition of Wells Fargo Bank as a new lender to the syndicate, which is led by Bank of Montreal. 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 5.43% as of November 1, 2023, the interest rate would be 7.28%. The Company will continue to utilize 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 quarter, the Company recognized net investment income of \$4.1 million, due to fair value change in the Company's minority investment in Affirm Holdings Inc. ("Affirm").

Free cash flow from operations before net growth in gross consumer loans receivable² in the quarter was \$134 million, up 40% from \$96 million in the third quarter of 2022. Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's existing revolving credit facilities, the Company had approximately \$933 million in total funding capacity as of September 30, 2023. The Company remains confident that the capacity available under its existing funding facilities, and its ability to raise additional debt financing, is sufficient to fund its organic growth forecast.

At quarter-end, the Company's weighted average cost of borrowing was 5.9%, and the fully drawn weighted average cost of borrowing was 6.2%. 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, 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 \$4.2 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 16 months.

Dividend

The Board of Directors has approved a quarterly dividend of \$0.96 per share payable on January 12, 2024 to the holders of common shares of record as at the close of business on December 29, 2023.

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

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

raise capital under favourable terms, compete, manage the impact of litigation (including shareholder litigation), control costs at all levels of the organization and maintain and enhance the system of internal controls.

The Company cautions that the foregoing list is not exhaustive. These and other factors could cause actual results to differ materially from our expectations expressed in the forward-looking statements, and further details and descriptions of these and other factors are disclosed in the Company's Management's Discussion and Analysis ("**MD&A**"), including under the section entitled "Risk Factors".

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. is a Canadian company, headquartered in Mississauga, Ontario, that provides non-prime leasing and lending services through its easyhome, easyfinancial and LendCare brands. Supported by approximately 2,400 employees, the Company offers a wide variety of financial products and services including unsecured and secured instalment loans, merchant financing through a variety of verticals and lease-to-own merchandise. Customers can transact seamlessly through an omnichannel model that includes online and mobile platforms, over 400 locations across Canada, and point-of-sale financing offered in the retail, powersports, automotive, home improvement and healthcare verticals, through over 9,100 merchant partners across Canada. Throughout the Company's history, it has acquired and organically served over 1.3 million Canadians and originated over \$12.1 billion in loans.

Accredited by the Better Business Bureau, goeasy is the proud recipient of several awards in recognition of its exceptional culture and continued business growth including Waterstone Canada's Most Admired Corporate Cultures, ranking on the 2022 Report on Business Women Lead Here executive gender diversity benchmark, placing on the Report on Business ranking of Canada's Top Growing Companies, ranking on the TSX30, Greater Toronto Top Employers Award and has been certified as a Great Place to Work[®]. The Company is represented by a diverse group of team members from 78 nationalities who believe strongly in giving back to communities in which it operates. To date, goeasy has raised and donated over \$5.2 million to support its long-standing partnerships with BGC Canada 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.

For more information about goeasy and our business units, visit www.goeasy.com, www.easyfinancial.com, www.lendcare.ca, www.easyhome.ca.

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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.

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

(Unaudited)

(Expressed in thousands of Canadian dollars)

	As At September 30, 2023	As At December 31, 2022
ASSETS		
Cash	84,062	62,654
Accounts receivable	27,474	25,697
Prepaid expenses	10,987	8,334
Income taxes recoverable	-	2,323
Consumer loans receivable, net	3,236,211	2,627,357
Investments	62,723	57,304
Lease assets	43,176	48,437
Property and equipment, net	34,260	35,856
Derivative financial assets	63,532	49,444
Intangible assets, net	128,706	138,802
Right-of-use assets, net	63,915	65,758
Goodwill	180,923	180,923
TOTAL ASSETS	3,935,969	3,302,889
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving credit facility	176,700	148,646
Accounts payable and accrued liabilities	67,542	51,136
Income taxes payable	16,599	-
Dividends payable	15,906	14,965
Unearned revenue	28,214	28,661
Accrued interest	25,207	10,159
Deferred tax liabilities, net	20,307	24,692
Lease liabilities	72,799	74,328
Secured borrowings	131,409	105,792
Revolving securitization warehouse facilities	1,194,617	805,825
Notes payable	1,174,229	1,168,997
TOTAL LIABILITIES	2,923,529	2,433,201
Shareholders' equity		
Share capital	425,411	419,046
Contributed surplus	21,760	21,499
Accumulated other comprehensive income	13,260	2,776
Retained earnings	552,009	426,367
TOTAL SHAREHOLDERS' EQUITY	1,012,440	869,688
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,935,969	3,302,889

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, 2023	September 30, 2022	September 30, 2023	September 30, 2022
REVENUE				
Interest income	229,269	180,695	644,260	506,830
Lease revenue	24,540	25,369	75,157	78,195
Commissions earned	61,527	50,569	172,975	145,770
Charges and fees	6,396	5,583	19,565	15,215
	321,732	262,216	911,957	746,010
OPERATING EXPENSES				
BAD DEBTS	89,539	72,551	250,069	194,636
OTHER OPERATING EXPENSES				
Salaries and benefits	49,886	44,838	151,595	130,710
Stock-based compensation	3,262	2,642	9,260	7,432
Advertising and promotion	6,476	7,234	22,715	26,127
Occupancy	6,096	6,265	19,136	18,828
Technology costs	7,244	5,274	20,992	15,974
Underwriting and collections	4,255	3,702	12,333	10,324
Other expenses	6,676	7,352	21,816	23,392
	83,895	77,307	257,847	232,787
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	8,415	8,371	25,328	25,031
Amortization of intangible assets	5,656	5,249	16,447	15,377
Depreciation of right-of-use assets	5,323	5,071	15,840	14,911
Depreciation of property and equipment	2,341	2,289	7,145	6,742
	21,735	20,980	64,760	62,061
TOTAL OPERATING EXPENSES	195,169	170,838	572,676	489,484
OPERATING INCOME	126,563	91,378	339,281	256,526
OTHER INCOME (LOSS)	4,148	1,294	8,461	(23,050)
FINANCE COSTS	(40,875)	(28,497)	(112,754)	(76,421)
INCOME BEFORE INCOME TAXES	89,836	64,175	234,988	157,055
INCOME TAX EXPENSE (RECOVERY)				
Current	24,819	17,822	67,815	54,443
Deferred	(1,293)	(836)	(6,123)	(8,973)
	23,526	16,986	61,692	45,470
NET INCOME	66,310	47,189	173,296	111,585
BASIC EARNINGS PER SHARE	3.93	2.92	10.29	6.88
DILUTED EARNINGS PER SHARE	3.87	2.86	10.14	6.71

SEGMENT REPORTING

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

	Three Months Ended September 30, 2023			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	219,995	9,274	-	229,269
Lease revenue	-	24,540	-	24,540
Commissions earned	57,991	3,536	-	61,527
Charges and fees	5,636	760	-	6,396
	283,622	38,110	-	321,732
Operating expenses				
Bad debts	85,674	3,865	-	89,539
Other operating expenses	48,201	14,454	21,240	83,895
Depreciation and amortization	9,622	10,562	1,551	21,735
	143,497	28,881	22,791	195,169
Operating income (loss)	140,125	9,229	(22,791)	126,563
Other income				4,148
Finance costs				(40,875)
Income before income taxes				89,836
Income taxes				23,526
Net income				66,310
Diluted earnings per share				3.87
	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
Operating expenses				
Bad debts	69,633	2,918	-	72,551
Other operating expenses	44,658	15,970	16,679	77,307
Depreciation and amortization	8,815	10,628	1,537	20,980
	123,106	29,516	18,216	170,838
Operating income (loss)	101,812	7,782	(18,216)	91,378
Other income				1,294
Finance costs				(28,497)
Income before income taxes				64,175
Income taxes				16,986
Net income				47,189
Diluted earnings per share				2.86

	Nine Months Ended September 30, 2023			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	618,086	26,174	-	644,260
Lease revenue	-	75,157	-	75,157
Commissions earned	162,348	10,627	-	172,975
Charges and fees	16,918	2,647	-	19,565
	797,352	114,605	-	911,957
Operating expenses				
Bad debts	240,120	9,949	-	250,069
Other operating expenses	144,825	45,280	67,742	257,847
Depreciation and amortization	28,133	31,840	4,787	64,760
	413,078	87,069	72,529	572,676
Operating income (loss)	384,274	27,536	(72,529)	339,281
Other income				8,461
Finance costs				(112,754)
Income before income taxes				234,988
Income taxes				61,692
Net income				173,296
Diluted earnings per share				10.14

	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
Operating expenses				
Bad debts	186,773	7,863	-	194,636
Other operating expenses	133,328	46,800	52,659	232,787
Depreciation and amortization	25,822	31,814	4,425	62,061
	345,923	86,477	57,084	489,484
Operating income (loss)	287,719	25,891	(57,084)	256,526
Other loss				(23,050)
Finance costs				(76,421)
Income before income taxes				157,055
Income taxes				45,470
Net income				111,585
Diluted earnings per share				6.71

SUMMARY OF FINANCIAL RESULTS AND KEY PERFORMANCE INDICATORS

(Expressed in thousands of Canadian dollars, except earnings per share and percentages)

	Three Months Ended		Variance \$/ bps	Variance % change
	September 30, 2023	September 30, 2022		
Summary Financial Results				
Revenue	321,732	262,216	59,516	22.7%
Bad debts	89,539	72,551	16,988	23.4%
Other operating expenses	83,895	77,307	6,588	8.5%
EBITDA ¹	144,031	105,281	38,750	36.8%
EBITDA margin ¹	44.8%	40.2%	460 bps	11.4%
Depreciation and amortization	21,735	20,980	755	3.6%
Operating income	126,563	91,378	35,185	38.5%
Operating margin	39.3%	34.8%	450 bps	12.9%
Other income	4,148	1,294	2,854	220.6%
Finance costs	40,875	28,497	12,378	43.4%
Effective income tax rate	26.2%	26.5%	(30 bps)	(1.1%)
Net income	66,310	47,189	19,121	40.5%
Diluted earnings per share	3.87	2.86	1.01	35.3%
Return on assets	7.0%	6.3%	70 bps	11.1%
Return on equity	27.0%	24.2%	280 bps	11.6%
Return on tangible common equity ¹	37.8%	38.5%	(70 bps)	(1.8%)
Adjusted Financial Results¹				
Other operating expenses	92,144	85,508	6,636	7.8%
Efficiency ratio	28.6%	32.6%	(400 bps)	(12.3%)
Operating income	130,004	94,823	35,181	37.1%
Operating margin	40.4%	36.2%	420 bps	11.6%
Net income	65,241	48,626	16,615	34.2%
Diluted earnings per share	3.81	2.95	0.86	29.2%
Return on assets	6.9%	6.5%	40 bps	6.2%
Return on equity	26.6%	24.9%	170 bps	6.8%
Return on tangible common equity	35.9%	37.7%	(180 bps)	(4.8%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	283,622	224,918	58,704	26.1%
easyfinancial operating margin	49.4%	45.3%	410 bps	9.1%
easyhome revenue	38,110	37,298	812	2.2%
easyhome operating margin	24.2%	20.9%	330 bps	15.8%
Portfolio Indicators				
Gross consumer loans receivable	3,430,276	2,588,656	841,620	32.5%
Growth in consumer loans receivable	230,063	218,813	11,250	5.1%
Gross loan originations	721,917	640,519	81,398	12.7%
Total yield on consumer loans (including ancillary products) ¹	35.3%	37.4%	(210 bps)	(5.6%)
Net charge offs as a percentage of average gross consumer loans receivable	8.8%	9.3%	(50 bps)	(5.4%)
Free cash flows from operations before net growth in gross consumer loans receivable ¹	133,575	95,588	37,987	39.7%
Potential monthly leasing revenue ¹	7,411	7,623	(212)	(2.8%)

¹ EBITDA, adjusted other operating expenses, 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, efficiency ratio, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on assets, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

	Nine Months Ended			
	September 30,	September 30,	Variance \$ / bps	Variance % change
	2023	2022		
Summary Financial Results				
Revenue	911,957	746,010	165,947	22.2%
Bad debts	250,069	194,636	55,433	28.5%
Other operating expenses	257,847	232,787	25,060	10.8%
EBITDA ¹	387,174	270,506	116,668	43.1%
EBITDA margin ¹	42.5%	36.3%	620 bps	17.1%
Depreciation and amortization	64,760	62,061	2,699	4.3%
Operating income	339,281	256,526	82,755	32.3%
Operating margin	37.2%	34.4%	280 bps	8.1%
Other income (loss)	8,461	(23,050)	31,511	136.7%
Finance costs	112,754	76,421	36,333	47.5%
Effective income tax rate	26.3%	29.0%	(270 bps)	(9.3%)
Net income	173,296	111,585	61,711	55.3%
Diluted earnings per share	10.14	6.71	3.43	51.1%
Return on assets	6.4%	5.3%	110 bps	20.8%
Return on equity	24.7%	19.2%	550 bps	28.6%
Return on tangible common equity ¹	35.6%	31.2%	440 bps	14.1%
Adjusted Financial Results¹				
Other operating expenses	281,764	254,545	27,219	10.7%
Efficiency ratio	30.9%	34.1%	(320 bps)	(9.4%)
Operating income	350,517	269,624	80,893	30.0%
Operating margin	38.4%	36.1%	230 bps	6.4%
Net income	174,214	141,235	32,979	23.4%
Diluted earnings per share	10.19	8.50	1.69	19.9%
Return on assets	6.4%	6.7%	(30 bps)	(4.5%)
Return on equity	24.9%	24.3%	60 bps	2.5%
Return on tangible common equity	34.3%	37.1%	(280 bps)	(7.5%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	797,352	633,642	163,710	25.8%
easyfinancial operating margin	48.2%	45.4%	280 bps	6.2%
easyhome revenue	114,605	112,368	2,237	2.0%
easyhome operating margin	24.0%	23.0%	100 bps	4.3%
Portfolio Indicators				
Gross consumer loans receivable	3,430,276	2,588,656	841,620	32.5%
Growth in consumer loans receivable	635,582	558,317	77,265	13.8%
Gross loan originations	2,004,319	1,745,251	259,068	14.8%
Total yield on consumer loans (including ancillary products) ¹	35.4%	38.3%	(290 bps)	(7.6%)
Net charge offs as a percentage of average gross consumer loans receivable	8.9%	9.1%	(20 bps)	(2.2%)
Free cash flows from operations before net growth in gross consumer loans receivable ¹	292,149	192,434	99,715	51.8%
Potential monthly leasing revenue ¹	7,411	7,623	(212)	(2.8%)

¹ EBITDA, adjusted other operating expenses, 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, efficiency ratio, adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity, adjusted return on assets, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. Refer to "Non-IFRS Measures and Other Financial Measures" section in this press release.

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 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 31 of the Company’s MD&A for the three and nine-month periods ended September 30, 2023. Items used to calculate adjusted net income and adjusted earnings per share for the three and nine-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

(\$ in 000’s except earnings per share)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income as stated	66,310	47,189	173,296	111,585
Impact of adjusting items				
<i>Other operating expenses</i>				
Contract exit fee ¹	-	-	934	-
Integration costs ²	166	170	477	959
Corporate development costs ⁴	-	-	-	2,314
<i>Depreciation and amortization</i>				
Amortization of acquired intangible assets ³	3,275	3,275	9,825	9,825
Other (income) loss ⁵	(4,148)	(1,294)	(8,461)	23,050
Total pre-tax impact of adjusting items	(707)	2,151	2,775	36,148
<i>Income tax impact of above adjusting items</i>	(362)	(714)	(1,857)	(6,498)
After-tax impact of adjusting items	(1,069)	1,437	918	29,650
Adjusted net income	65,241	48,626	174,214	141,235
Weighted average number of diluted shares outstanding	17,144	16,510	17,090	16,619
Diluted earnings per share as stated	3.87	2.86	10.14	6.71
Per share impact of adjusting items	(0.06)	0.09	0.05	1.79
Adjusted diluted earnings per share	3.81	2.95	10.19	8.50

Adjusting item related to a contract exit fee

¹ In the fourth quarter of 2022, the Company decided to terminate its agreement with a third-party technology provider that was contracted in 2020 to develop a new loan management system. After careful evaluation, the Company determined that the performance to date was unsatisfactory, and the additional investment necessary to complete the development was no longer economical, relative to the anticipated business value and other available options. In the first quarter of 2023, the Company settled its dispute with the third-party technology provider for \$0.9 million, reported under Other operating expenses.

Adjusting items related to the LendCare Capital Inc. (“LendCare”) Acquisition

² 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 as a result of the integration with LendCare.

³ Amortization of the \$131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years.

Adjusting items related to the corporate development costs

⁴ Corporate development costs in the first quarter of 2022 were related to the exploration of a strategic acquisition opportunity, which the Company elected to not pursue, including advisory, consulting and legal costs, reported under Other operating expenses.

Adjusting item related to other income (loss)

⁹ For the three and nine-month periods ended September 30, 2023, net investment income was mainly due to fair value changes on the Company's investment. For the three and nine-month periods ended September 30, 2022, net investment losses were mainly due to fair value changes on the Company's investments.

Adjusted Other Operating Expenses and Efficiency Ratio

Adjusted other operating expenses is a non-IFRS measure, while efficiency ratio is a non-IFRS ratio. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 31 of the Company's MD&A for the three and nine-month periods ended September 30, 2023. Items used to calculate adjusted other operating expenses and efficiency ratio for the three and nine-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

(\$ in 000's except earnings per share)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Other operating expenses as stated	83,895	77,307	257,847	232,787
Impact of adjusting items ¹				
<i>Other operating expenses</i>				
Contract exit fee	-	-	(934)	-
Integration costs	(166)	(170)	(476)	(959)
Corporate development costs	-	-		(2,314)
<i>Depreciation and amortization</i>				
Depreciation of lease assets	8,415	8,371	25,328	25,031
Total impact of adjusting items	8,249	8,201	23,918	21,758
Adjusted other operating expenses	92,144	85,508	281,765	254,545
Total revenue	321,732	262,216	911,957	746,010
Efficiency ratio	28.6%	32.6%	30.9%	34.1%

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

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 31 of the Company’s MD&A for the three and nine-month periods ended September 30, 2023. Items used to calculate adjusted operating income and adjusted operating margins for the three and nine-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

(\$ in 000’s except percentages)	Three Months Ended			
	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
easyfinancial				
Operating income	140,125	140,125	101,812	101,812
Divided by revenue	283,622	283,622	224,918	224,918
easyfinancial operating margin	49.4%	49.4%	45.3%	45.3%
easyhome				
Operating income	9,229	9,229	7,782	7,782
Divided by revenue	38,110	38,110	37,298	37,298
easyhome operating margin	24.2%	24.2%	20.9%	20.9%
Total				
Operating income	126,563	126,563	91,378	91,378
<i>Other operating expenses</i> ¹				
Integration costs	-	166	-	170
<i>Depreciation and amortization</i> ¹				
Amortization of acquired intangible assets	-	3,275	-	3,275
Adjusted operating income	126,563	130,004	91,378	94,823
Divided by revenue	321,732	321,732	262,216	262,216
Total operating margin	39.3%	40.4%	34.8%	36.2%

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

(\$ in 000's except percentages)	Nine Months Ended			
	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
easyfinancial				
Operating income	384,274	384,274	287,719	287,719
Divided by revenue	797,352	797,352	633,642	633,642
easyfinancial operating margin	48.2%	48.2%	45.4%	45.4%
easyhome				
Operating income	27,536	27,536	25,891	25,891
Divided by revenue	114,605	114,605	112,368	112,368
easyhome operating margin	24.0%	24.0%	23.0%	23.0%
Total				
Operating income	339,281	339,281	256,526	256,526
<i>Other operating expenses</i> ¹				
Contract exit fee	-	934	-	-
Integration costs	-	477	-	959
Corporate development costs	-	-	-	2,314
<i>Depreciation and amortization</i> ¹				
Amortization of acquired intangible assets	-	9,825	-	9,825
Adjusted operating income	339,281	350,517	256,526	269,624
Divided by revenue	911,957	911,957	746,010	746,010
Total operating margin	37.2%	38.4%	34.4%	36.1%

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

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 31 of the Company’s MD&A for the three and nine-month periods ended September 30, 2023. Items used to calculate EBITDA and EBITDA margin for the three and nine-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

(\$in 000’s except percentages)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income as stated	66,310	47,189	173,296	111,585
Finance cost	40,875	28,497	112,754	76,421
Income tax expense	23,526	16,986	61,692	45,470
Depreciation and amortization	21,735	20,980	64,760	62,061
Depreciation of lease assets	(8,415)	(8,371)	(25,328)	(25,031)
EBITDA	144,031	105,281	387,174	270,506
Divided by revenue	321,732	262,216	911,957	746,010
EBITDA margin	44.8%	40.2%	42.5%	36.3%

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 31 of the Company’s MD&A for the three and nine-month periods ended September 30, 2023. 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, 2023 and 2022 include those indicated in the chart below:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Cash used in operating activities	(96,488)	(123,225)	(343,433)	(365,883)
Net growth in gross consumer loans receivable during the period	230,063	218,813	635,582	558,317
Free cash flows from operations before net growth in gross consumer loans receivable	133,575	95,588	292,149	192,434

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 31 of the Company’s MD&A for the three and nine-month periods ended September 30, 2023. Items used to calculate adjusted return on assets for the three and nine-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	66,310	66,310	47,189	47,189
After-tax impact of adjusting items ¹	-	(1,069)	-	1,437
Adjusted net income	66,310	65,241	47,189	48,626
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Divided by average total assets for the period	3,808,271	3,808,271	3,012,832	3,012,832
Return on assets	7.0%	6.9%	6.3%	6.5%

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

(\$in 000's except percentages)	Nine Months Ended			
	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	173,296	173,296	111,585	111,585
After-tax impact of adjusting items ¹	-	918	-	29,650
Adjusted net income	173,296	174,214	111,585	141,235
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	3,603,372	3,603,372	2,827,534	2,827,534
Return on assets	6.4%	6.4%	5.3%	6.7%

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

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 31 of the Company’s MD&A for the three and nine-month periods ended September 30, 2023. Items used to calculate adjusted return on equity for the three and nine-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended			
	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	66,310	66,310	47,189	47,189
After-tax impact of adjusting items ¹	-	(1,069)	-	1,437
Adjusted net income	66,310	65,241	47,189	48,626
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Divided by average shareholders' equity for the period	982,871	982,871	780,215	780,215
Return on equity	27.0%	26.6%	24.2%	24.9%

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

(\$in 000's except percentages)	Nine Months Ended			
	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	173,296	173,296	111,585	111,585
After-tax impact of adjusting items ¹	-	918	-	29,650
Adjusted net income	173,296	174,214	111,585	141,235
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	934,383	934,383	775,414	775,414
Return on equity	24.7%	24.9%	19.2%	24.3%

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

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 31 of the Company’s MD&A for the three and nine-month periods ended September 30, 2023. Items used to calculate reported and adjusted return on tangible common equity for the three and nine-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

(\$ in 000’s except percentages)	Three Months Ended			
	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	66,310	66,310	47,189	47,189
Amortization of acquired intangible assets	3,275	3,275	3,275	3,275
Income tax impact of the above item	(868)	(868)	(868)	(868)
Net income before amortization of acquired intangible assets, net of income tax	68,717	68,717	49,596	49,596
Impact of adjusting items ¹				
<i>Other operating expenses</i>				
Integration costs	-	166	-	170
<i>Other income</i>	-	(4,148)	-	(1,294)
Total pre-tax impact of adjusting items	-	(3,982)	-	(1,124)
<i>Income tax impact of above adjusting items</i>	-	506	-	154
After-tax impact of adjusting items	-	(3,476)	-	(970)
Adjusted net income	68,717	65,241	49,596	48,626
Multiplied by number of periods in a year	X 4	X 4	X 4	X 4
Average shareholders’ equity	982,871	982,871	780,215	780,215
Average goodwill	(180,923)	(180,923)	(180,923)	(180,923)
Average acquired intangible assets ²	(100,979)	(100,979)	(114,079)	(114,079)
Average related deferred tax liabilities	26,759	26,759	30,231	30,231
Divided by average tangible common equity	727,728	727,728	515,444	515,444
Return on tangible common equity	37.8%	35.9%	38.5%	37.7%

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

² Excludes intangible assets relating to software.

(\$ in 000's except percentages)	Nine Months Ended			
	September 30, 2023	September 30, 2023 (adjusted)	September 30, 2022	September 30, 2022 (adjusted)
Net income as stated	173,296	173,296	111,585	111,585
Amortization of acquired intangible assets	9,825	9,825	9,825	9,825
Income tax impact of the above item	(2,604)	(2,604)	(2,604)	(2,604)
Net income before amortization of acquired intangible assets, net of income tax	180,517	180,517	118,806	118,806
Impact of adjusting items ¹				
<i>Other operating expenses</i>				
Contract exit fee	-	934	-	-
Integration costs	-	477	-	959
Corporate development costs	-	-	-	2,314
<i>Other (income) loss</i>	-	(8,461)	-	23,050
Total pre-tax impact of adjusting items	-	(7,050)	-	26,323
<i>Income tax impact of above adjusting items</i>	-	747	-	(3,894)
After-tax impact of adjusting items	-	(6,303)	-	22,429
Adjusted net income	180,517	174,214	118,806	141,235
Multiplied by number of periods in a year	X 4/3	X 4/3	X 4/3	X 4/3
Average shareholders' equity	934,383	934,383	775,414	775,414
Average goodwill	(180,923)	(180,923)	(180,923)	(180,923)
Average acquired intangible assets ²	(104,254)	(104,254)	(117,354)	(117,354)
Average related deferred tax liabilities	27,627	27,627	31,099	31,099
Divided by average tangible common equity	676,833	676,833	508,236	508,236
Return on tangible common equity	35.6%	34.3%	31.2%	37.1%

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

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 September 30, 2023 and 2022 include those indicated in the chart below:

(\$in 000's)	Three Months Ended	
	September 30, 2023	September 30, 2022
Total company revenue	321,732	262,216
Less: easyfinancial revenue	(283,622)	(224,918)
Less: leasing revenue	(25,925)	(27,074)
easyhome financial revenue	12,185	10,224

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 21 of the Company's MD&A for the three and nine-month periods ended September 30, 2023. 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, 2023 and 2022 include those indicated in the chart below:

(\$in 000's except percentages)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Total Company revenue	321,732	262,216	911,957	746,010
Less: Leasing revenue	(25,925)	(27,074)	(79,689)	(83,281)
Financial revenue	295,807	235,142	832,268	662,729
Multiplied by number of periods in a year	X 4	X 4	X 4/3	X 4/3
Divided by average gross consumer loans receivable	3,354,550	2,516,122	3,135,118	2,304,371
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	35.3%	37.4%	35.4%	38.3%

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 21 of the Company’s MD&A for the three-month and nine-month periods ended September 30, 2023. The percentage of net loan advances to new customers is a non-IFRS ratio. It is calculated as loan originations to new customers divided by the net principal written. The Company uses percentage of net loan advances to new customers, among other measures, to assess the operating performance of its lending business. Items used to calculate the percentage of net loan advances to new customers for the three-month periods ended September 30, 2023 and 2022 include those indicated in the chart below:

(\$ in 000’s)	Three Months Ended	
	September 30, 2023	September 30, 2022
Gross loan originations	721,917	640,519
Loan originations to new customers	358,330	298,810
Loan originations to existing customers	363,587	341,709
Less: Proceeds applied to repay existing loans	(195,725)	(174,746)
Net advance to existing customers	167,862	166,963
Net principal written	526,192	465,773
Percentage net advances to new customers	68.1%	64.2%

Net Debt to Net Capitalization

Net debt to net capitalization is a capital management measure. Refer to “Financial Condition” section on page 42 of the Company’s MD&A for the three and nine-month periods ended September 30, 2023.

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 the 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.