

**goeasy Ltd.**

Interim Condensed Consolidated Financial Statements

(Unaudited)

September 30, 2024

goeasy Ltd.

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(Expressed in thousands of Canadian dollars)

	As At September 30, 2024	As At December 31, 2023
<b>ASSETS</b>		
Cash (note 4)	151,056	144,577
Accounts receivable	39,458	30,762
Prepaid expenses	12,031	9,462
Consumer loans receivable, net (note 5)	4,179,169	3,447,588
Investments (note 6)	58,491	61,464
Lease assets	41,312	45,187
Derivative financial assets (note 10)	29,024	21,904
Property and equipment, net	33,516	35,382
Right-of-use assets, net	55,032	61,987
Intangible assets, net	112,308	124,931
Goodwill	180,923	180,923
<b>TOTAL ASSETS</b>	<b>4,892,320</b>	<b>4,164,167</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Revolving credit facility (note 9)	47,483	190,921
Accounts payable and accrued liabilities	78,227	72,409
Income taxes payable	17,060	24,691
Dividends payable (note 11)	19,658	15,960
Unearned revenue	25,516	26,965
Accrued interest payable	52,556	12,875
Deferred income tax liabilities, net (note 14)	16,290	24,259
Lease liabilities	63,225	70,809
Secured borrowings (note 8)	136,151	143,177
Revolving securitization warehouse facilities (note 7)	1,246,660	1,364,741
Derivative financial liabilities (notes 7 and 10)	59,588	42,457
Notes payable (note 10)	1,937,165	1,120,826
<b>TOTAL LIABILITIES</b>	<b>3,699,579</b>	<b>3,110,090</b>
<b>Shareholders' equity</b>		
Share capital (note 11)	441,648	428,328
Contributed surplus	26,065	24,817
Accumulated other comprehensive loss	(36,027)	(9,721)
Retained earnings	761,055	610,653
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,192,741</b>	<b>1,054,077</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,892,320</b>	<b>4,164,167</b>

See accompanying notes to the interim condensed consolidated financial statements.

On behalf of the Board:



David Ingram  
Director



Karen Basian  
Director

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, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>REVENUE</b>				
Interest income	282,665	229,269	817,459	644,260
Lease revenue	23,439	24,540	72,194	75,157
Commissions earned	69,703	61,527	204,634	172,975
Charges and fees	7,388	6,396	23,817	19,565
	<b>383,195</b>	<b>321,732</b>	<b>1,118,104</b>	<b>911,957</b>
<b>OPERATING EXPENSES</b>				
<b>BAD DEBTS (NOTE 5)</b>	<b>121,092</b>	89,539	<b>338,786</b>	250,069
<b>OTHER OPERATING EXPENSES</b>				
Salaries and benefits	44,311	49,886	151,330	151,595
Share-based compensation (note 12)	3,894	3,262	12,484	9,260
Technology costs	9,960	7,244	28,290	20,992
Advertising and promotion	6,768	6,476	23,708	22,715
Occupancy	5,078	6,096	15,572	19,136
Underwriting and collections	4,944	4,255	14,835	12,333
Other expenses	6,249	6,676	25,399	21,816
	<b>81,204</b>	83,895	<b>271,618</b>	257,847
<b>DEPRECIATION AND AMORTIZATION</b>				
Depreciation of lease assets	7,538	8,415	21,860	25,328
Amortization of intangible assets	5,693	5,656	17,420	16,447
Depreciation of right-of-use assets	5,342	5,323	16,096	15,840
Depreciation of property and equipment	2,645	2,341	7,722	7,145
	<b>21,218</b>	21,735	<b>63,098</b>	64,760
<b>TOTAL OPERATING EXPENSES</b>	<b>223,514</b>	195,169	<b>673,502</b>	572,676
<b>OPERATING INCOME</b>	<b>159,681</b>	126,563	<b>444,602</b>	339,281
<b>OTHER (LOSS) INCOME (NOTE 6)</b>	<b>4,165</b>	4,148	<b>(2,973)</b>	8,461
<b>FINANCE COSTS (NOTE 13)</b>	<b>(47,850)</b>	(40,875)	<b>(153,847)</b>	(112,754)
<b>INCOME BEFORE INCOME TAXES</b>	<b>115,996</b>	89,836	<b>287,782</b>	234,988
<b>INCOME TAX EXPENSE (RECOVERY) (NOTE 14)</b>				
Current	31,288	24,819	83,622	67,815
Deferred	(232)	(1,293)	(5,125)	(6,123)
	<b>31,056</b>	23,526	<b>78,497</b>	61,692
<b>NET INCOME</b>	<b>84,940</b>	66,310	<b>209,285</b>	173,296
<b>BASIC EARNINGS PER SHARE (NOTE 15)</b>	<b>4.95</b>	3.93	<b>12.25</b>	10.29
<b>DILUTED EARNINGS PER SHARE (NOTE 15)</b>	<b>4.88</b>	3.87	<b>12.06</b>	10.14

See accompanying notes to the interim condensed consolidated financial statements.

goeasy Ltd.

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Unaudited)

(Expressed in thousands of Canadian dollars)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>Net income</b>	<b>84,940</b>	<b>66,310</b>	<b>209,285</b>	<b>173,296</b>
<b>Other comprehensive income (loss) to be reclassified to the consolidated statement of income in subsequent periods</b>				
Change in costs of hedging, net of taxes	(3,326)	1,131	12,952	(295)
Change in fair value of cash flow hedge, net of taxes	(18,066)	3,423	(39,258)	10,779
	(21,392)	4,554	(26,306)	10,484
<b>Comprehensive income</b>	<b>63,548</b>	<b>70,864</b>	<b>182,979</b>	<b>183,780</b>

See accompanying notes to the interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited)

(Expressed in thousands of Canadian dollars)

	Share Capital	Contributed Surplus	Total Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
<b>Balance, December 31, 2023</b>	<b>428,328</b>	<b>24,817</b>	<b>453,145</b>	<b>610,653</b>	<b>(9,721)</b>	<b>1,054,077</b>
Common shares issued	13,320	(5,173)	8,147	-	-	8,147
Share-based compensation (note 12)	-	12,484	12,484	-	-	12,484
Repurchase of equity interest related to deferred share units, net of tax (note 12)	-	(1,190)	(1,190)	-	-	(1,190)
Repurchase of equity interest related to restricted share units, net of tax (note 12)	-	(4,873)	(4,873)	-	-	(4,873)
Comprehensive income (loss)	-	-	-	209,285	(26,306)	182,979
Dividends	-	-	-	(58,883)	-	(58,883)
<b>Balance, September 30, 2024</b>	<b>441,648</b>	<b>26,065</b>	<b>467,713</b>	<b>761,055</b>	<b>(36,027)</b>	<b>1,192,741</b>
<b>Balance, December 31, 2022</b>	<b>419,046</b>	<b>21,499</b>	<b>440,545</b>	<b>426,367</b>	<b>2,776</b>	<b>869,688</b>
Common shares issued	6,365	(1,870)	4,495	-	-	4,495
Share-based compensation (note 12)	-	9,260	9,260	-	-	9,260
Repurchase of equity interest related to restricted share units, net of tax (note 12)	-	(7,129)	(7,129)	-	-	(7,129)
Comprehensive income	-	-	-	173,296	10,484	183,780
Dividends	-	-	-	(47,654)	-	(47,654)
<b>Balance, September 30, 2023</b>	<b>425,411</b>	<b>21,760</b>	<b>447,171</b>	<b>552,009</b>	<b>13,260</b>	<b>1,012,440</b>

See accompanying notes to the interim condensed consolidated financial statements.

goeasy Ltd.

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

(Expressed in thousands of Canadian dollars)

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
<b>OPERATING ACTIVITIES</b>				
Net income	84,940	66,310	209,285	173,296
Add (deduct) items not affecting cash				
Bad debts (note 5)	121,092	89,539	338,786	250,069
Depreciation of lease assets	7,538	8,415	21,860	25,328
Amortization of intangible assets	5,693	5,656	17,420	16,447
Depreciation of right-of-use assets	5,342	5,323	16,096	15,840
Share-based compensation (note 12)	3,894	3,262	12,484	9,260
Depreciation of property and equipment	2,645	2,341	7,722	7,145
Amortization of deferred financing charges	2,260	1,953	6,115	5,627
Other loss (income) (note 6)	(4,165)	(4,148)	2,973	(8,461)
Amortization of premium on notes payable	(1,030)	-	(2,184)	-
Deferred income tax recovery	(232)	(1,293)	(5,125)	(6,123)
Fair value change on prepayment options (note 10)	(11,819)	-	(13,977)	-
	216,158	177,358	611,455	488,428
Net change in other operating assets and liabilities (note 16)	43,987	42,550	24,983	47,001
Net issuance of consumer loans receivable	(382,317)	(310,867)	(1,070,367)	(858,923)
Purchase of lease assets	(6,962)	(5,529)	(17,932)	(19,939)
<b>Cash used in operating activities</b>	<b>(129,134)</b>	<b>(96,488)</b>	<b>(451,861)</b>	<b>(343,433)</b>
<b>INVESTING ACTIVITIES</b>				
Investments in intangible assets	(2,099)	(2,527)	(4,797)	(6,351)
Purchase of property and equipment	(1,771)	(4,707)	(5,907)	(5,677)
Proceeds on sale of investment	-	3,042	-	3,042
<b>Cash used in investing activities</b>	<b>(3,870)</b>	<b>(4,192)</b>	<b>(10,704)</b>	<b>(8,986)</b>
<b>FINANCING ACTIVITIES</b>				
Issuance of notes payable, net of financing charges	275,945	-	810,564	-
Advances from revolving credit facilities, net of financing charges	167,766	93,978	448,737	419,377
Advances from revolving securitization warehouse facilities, net of financing charges	19,947	209,666	89,722	446,843
Advances from secured borrowings, net of financing charges	28,316	33,610	64,456	67,115
Issuance of common shares, net of issuance costs	234	967	6,492	3,658
Lease incentive received	34	254	52	762
Payment of deferred share units (note 12)	-	-	(882)	-
Payment of restricted share units (note 12)	(554)	(536)	(5,151)	(8,642)
Payment of lease liability	(5,535)	(5,453)	(16,777)	(16,289)
Payment of common share dividends (note 11)	(19,117)	(15,284)	(53,663)	(45,468)
Payment of loan from secured borrowings	(23,894)	(15,963)	(71,506)	(41,529)
Payment of advances from revolving securitization warehouse facilities	(55,000)	-	(210,000)	(60,000)
Payment of advances from revolving credit facilities	(240,000)	(191,000)	(593,000)	(392,000)
<b>Cash provided by financing activities</b>	<b>148,142</b>	<b>110,239</b>	<b>469,044</b>	<b>373,827</b>
<b>Net increase in cash during the period</b>	<b>15,138</b>	<b>9,559</b>	<b>6,479</b>	<b>21,408</b>
Cash, beginning of period	135,918	74,503	144,577	62,654
<b>Cash, end of period</b>	<b>151,056</b>	<b>84,062</b>	<b>151,056</b>	<b>84,062</b>

See accompanying notes to the interim condensed consolidated financial statements.

**goeasy Ltd.**

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

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### **1. CORPORATE INFORMATION**

goeasy Ltd. (the “Parent Company”) was incorporated under the laws of the Province of Alberta, Canada by Certificate and Articles of Incorporation dated December 14, 1990, and was continued as a corporation in the Province of Ontario pursuant to Articles of Continuance dated July 22, 1993. The Parent Company has common shares listed on the Toronto Stock Exchange (the “TSX”) under the symbol “GSY” and its head office is in Mississauga, Ontario, Canada.

The Parent Company and all of the companies that it controls (collectively referred to as “goeasy” or the “Company”) are a leading full-service provider of goods and alternative financial services that provide everyday Canadians with a path for a better tomorrow, today. The principal operating activities of the Company include: i) providing loans and other financial services to consumers; and ii) leasing household products to consumers. 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 10,500 merchant partners across Canada.

The Company operates in two reportable segments: easyfinancial and easyhome. As at September 30, 2024, the Company operated 298 easyfinancial locations (including 2 kiosks within easyhome stores and 3 operation centres) and 138 easyhome stores (including 34 franchises). As at December 31, 2023, the Company operated 300 easyfinancial locations (including 2 kiosks within easyhome stores and 3 operation centres) and 144 easyhome stores (including 34 franchises).

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 7, 2024.

### **2. BASIS OF PREPARATION**

The unaudited interim condensed consolidated financial statements include the financial statements of the Parent Company and all of the companies that it controls. goeasy Ltd. controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. This includes all wholly owned subsidiaries and structured entities (note 7) where goeasy Ltd. has control but does not have ownership of a majority of the voting rights.

As at September 30, 2024, the Parent Company’s principal subsidiaries were:

- easyfinancial Services Inc.
- LendCare Capital Inc.
- RTO Asset Management Inc.

All intra-group transactions and balances were eliminated on consolidation.

**goeasy Ltd.**

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

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### **Statement of Compliance with International Financial Reporting Standards (“IFRS”)**

The unaudited interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2024 were prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using the same accounting policies as those used in the Company’s most recent audited annual consolidated financial statements. These unaudited interim condensed consolidated financial statements do not include all the disclosures included in the Company’s audited annual consolidated financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read together with the audited annual consolidated financial statements as at and for the year ended December 31, 2023.

### **3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

#### **(a) New Standards, Interpretations and Amendments Adopted by the Company**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company’s annual consolidated financial statements as at and for the year ended December 31, 2023. There were no new standards, interpretations or amendments that had a material impact on the Company’s interim condensed consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### **(b) Standards Issued but Not Yet Effective**

The new and amended standards that are issued, but not yet effective, up to the issuance date of the Company’s interim condensed consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### **IFRS 18, *Presentation and Disclosure in Financial Statements***

In April 2024, the International Accounting Standards Board (“IASB”) issued IFRS 18, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7, *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

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IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

### **(c) Interest Rate Benchmark Reform**

In December 2021, the Canadian Alternative Reference Rate working group ("CARR") recommended that the Canadian Dollar Offered Rate ("CDOR") should cease calculation and publication after June 2024 with the Canadian Overnight Repo Rate Average ("CORRA") suggested as the replacement benchmark rate. On May 16, 2022, the CDOR administrator announced the cessation of CDOR consistent with the recommendations outlined by CARR. Additionally, on January 11, 2023, CARR announced the development of a forward-looking term CORRA rate ("Term CORRA").

All of the Company's existing credit facilities that reference CDOR or the Canadian Bankers' Acceptance rate ("BAs") have transitioned to CORRA as administered by the Bank of Canada or the Term CORRA administered and published by CanDeal Benchmark Solutions and TMX Datalinx on or before June 28, 2024. The transition from CDOR to CORRA had no impact to the Company's interim condensed consolidated financial statements.

## **4. CASH**

Certain cash on deposit at banks earns interest at floating rates based on daily bank deposit rates.

The Company has pledged a portion of its cash to fulfill collateral requirements under its cross-currency swap contracts. As at September 30, 2024, the fair value of the cash pledged by the Company as cash collateral in respect of its cross-currency swap contracts was \$20.1 million (December 31, 2023 – \$24.2 million cash pledged by the Company).

Related to its Revolving Securitization Warehouse Facilities and Secured Borrowings, the Company holds back an amount from the proceeds of loan transfers as a reserve against future customer defaults. As at September 30, 2024, the cash held back as a reserve for the Revolving Securitization Warehouse Facilities and Secured Borrowings were \$55.1 million and \$22.4 million, respectively (December 31, 2023 – \$52.3 million and \$15.2 million, respectively).

Cash includes a total of \$97.6 million (December 31, 2023 – \$91.7 million) of cash collateral pledged by the Company where access to the cash is restricted.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

### 5. CONSUMER LOANS RECEIVABLE

Consumer loans receivable represents amounts advanced to customers and includes both unsecured and secured loans. Unsecured loan terms generally range from 9 to 84 months while secured loan terms generally range from 3.5 to 20 years.

	September 30, 2024	December 31, 2023
Gross consumer loans receivable	4,393,353	3,645,202
Interest receivable from consumer loans	91,971	53,545
Unamortized deferred acquisition costs	70,254	50,342
Unamortized deferred revenue	(52,010)	(36,142)
Allowance for credit losses	(324,399)	(265,359)
	<b>4,179,169</b>	<b>3,447,588</b>

The allocation of the Company's gross consumer loans receivable based on loan type is as follows:

	September 30, 2024		December 31, 2023	
	\$	% of Total Loans	\$	% of Total Loans
Unsecured instalment loans	2,417,966	55.0%	2,116,869	58.1%
Secured instalment loans	1,975,387	45.0%	1,528,333	41.9%
	<b>4,393,353</b>	<b>100.0%</b>	<b>3,645,202</b>	<b>100.0%</b>

The scheduled principal repayment aging analyses of the gross consumer loans receivable portfolio as at September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024		December 31, 2023	
	\$	% of Total Loans	\$	% of Total Loans
0 – 6 months	272,033	6.2%	273,572	7.5%
6 – 12 months	196,695	4.5%	172,645	4.7%
1 – 2 years	420,255	9.6%	380,715	10.4%
2 – 3 years	538,928	12.3%	510,311	14.0%
3 – 4 years	668,371	15.2%	567,582	15.6%
4 – 5 years	712,702	16.2%	557,254	15.3%
5 – 6 years	669,141	15.2%	509,651	14.0%
6 – 7 years	527,892	12.0%	361,083	9.9%
7 years +	387,336	8.8%	312,389	8.6%
	<b>4,393,353</b>	<b>100.0%</b>	<b>3,645,202</b>	<b>100.0%</b>

**goeasy Ltd.****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

The gross consumer loans receivable portfolio categorized by the contractual time to maturity as at September 30, 2024 and December 31, 2023 are summarized as follows:

	September 30, 2024		December 31, 2023	
	\$	% of Total Loans	\$	% of Total Loans
0 – 1 year	84,242	1.9%	72,892	2.0%
1 – 2 years	158,151	3.6%	144,303	4.0%
2 – 3 years	255,351	5.8%	277,715	7.6%
3 – 4 years	500,650	11.4%	529,764	14.5%
4 – 5 years	648,023	14.8%	554,585	15.2%
5 – 6 years	866,022	19.7%	651,882	17.9%
6 – 7 years	1,022,504	23.3%	724,442	19.9%
7 years +	858,410	19.5%	689,619	18.9%
	<b>4,393,353</b>	<b>100.0%</b>	<b>3,645,202</b>	<b>100.0%</b>

An aging analysis of gross consumer loans receivable past due is as follows:

	September 30, 2024		December 31, 2023	
	\$	% of Total Loans	\$	% of Total Loans
1 – 30 days	110,348	2.5%	125,229	3.4%
31 – 44 days	34,796	0.8%	24,280	0.7%
45 – 60 days	37,803	0.9%	20,354	0.6%
61 – 90 days	47,334	1.1%	22,797	0.6%
91 – 120 days	32,290	0.7%	7,687	0.2%
121 – 150 days	31,066	0.7%	6,422	0.2%
151 – 180 days	31,118	0.7%	4,043	0.1%
	<b>324,755</b>	<b>7.4%</b>	<b>210,812</b>	<b>5.8%</b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

The following tables provide the gross consumer loans receivable segregated by the Company's risk ratings and staging classification. The classification of loans into low, normal and high risk categories is based on the Company's custom behaviour credit scoring model and/or third-party credit scores. The Company's scoring model has been built and refined using analytical techniques and statistical modelling tools for predicting future losses among certain customer segments rather than traditional credit scores available from credit reporting agencies. Loans categorized as low risk have expected future losses that are lower than the average expected loss rate of the overall portfolio. Loans categorized as normal risk have expected future losses that are approximately equal to the average expected loss rate of the overall loan portfolio. Loans categorized as high risk have expected future losses that are higher than the average expected loss rate of the overall loan portfolio. The median TransUnion Risk Score for those borrowers categorized as low, normal and high risk is presented as a reference.

<b>As at September 30, 2024</b>					
	<b>Median TransUnion Risk Score</b>	<b>Stage 1 (Performing)</b>	<b>Stage 2 (Under- Performing)</b>	<b>Stage 3 (Non- Performing)</b>	<b>Total</b>
Low risk	627	2,746,179	8,247	195	2,754,621
Normal risk	548	1,015,903	21,929	305	1,038,137
High risk	490	226,234	166,376	207,985	600,595
<b>Total</b>	<b>585</b>	<b>3,988,316</b>	<b>196,552</b>	<b>208,485</b>	<b>4,393,353</b>

<b>As at December 31, 2023</b>					
	<b>Median TransUnion Risk Score</b>	<b>Stage 1 (Performing)</b>	<b>Stage 2 (Under- Performing)</b>	<b>Stage 3 (Non- Performing)</b>	<b>Total</b>
Low risk	635	2,025,764	2,914	150	2,028,828
Normal risk	548	1,046,233	12,576	279	1,059,088
High risk	498	286,405	191,068	79,813	557,286
<b>Total</b>	<b>580</b>	<b>3,358,402</b>	<b>206,558</b>	<b>80,242</b>	<b>3,645,202</b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

An analysis of the changes in the classification of gross consumer loans receivable is as follows:

	Three Months Ended September 30, 2024			Total
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	
Balance as at July 1, 2024	3,740,191	202,519	195,445	4,138,155
Gross loans originated	839,446	-	-	839,446
Principal payments and other adjustments	(456,066)	1,923	(12,733)	(466,876)
Transfers to (from)				
Stage 1 (Performing)	211,232	(169,842)	(41,390)	-
Stage 2 (Under-Performing)	(219,521)	224,918	(5,397)	-
Stage 3 (Non-Performing)	(112,336)	(55,126)	167,462	-
Gross charge offs	(14,630)	(7,840)	(94,902)	(117,372)
Net growth in gross consumer loans receivable during the period	248,125	(5,967)	13,040	255,198
<b>Balance as at September 30, 2024</b>	<b>3,988,316</b>	<b>196,552</b>	<b>208,485</b>	<b>4,393,353</b>
	Three Months Ended September 30, 2023			Total
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	
Balance as at July 1, 2023	2,938,918	180,468	80,827	3,200,213
Gross loans originated	721,917	-	-	721,917
Principal payments and other adjustments	(405,710)	7,998	(10,105)	(407,817)
Transfers to (from)				
Stage 1 (Performing)	146,237	(111,708)	(34,529)	-
Stage 2 (Under-Performing)	(155,897)	160,839	(4,942)	-
Stage 3 (Non-Performing)	(63,638)	(35,761)	99,399	-
Gross charge offs	(15,024)	(8,167)	(60,846)	(84,037)
Net growth in gross consumer loans receivable during the period	227,885	13,201	(11,023)	230,063
<b>Balance as at September 30, 2023</b>	<b>3,166,803</b>	<b>193,669</b>	<b>69,804</b>	<b>3,430,276</b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

	Nine Months Ended September 30, 2024			Total
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	
Balance as at January 1, 2024	3,358,402	206,558	80,242	3,645,202
Gross loans originated	2,352,538	-	-	2,352,538
Principal payments and other adjustments	(1,261,280)	8,866	(24,322)	(1,276,736)
Transfers to (from)				
Stage 1 (Performing)	573,119	(468,324)	(104,795)	-
Stage 2 (Under-Performing)	(600,566)	618,976	(18,410)	-
Stage 3 (Non-Performing)	(383,203)	(144,128)	527,331	-
Gross charge offs	(50,694)	(25,396)	(251,561)	(327,651)
Net growth in gross consumer loans receivable during the period	629,914	(10,006)	128,243	748,151
<b>Balance as at September 30, 2024</b>	<b>3,988,316</b>	<b>196,552</b>	<b>208,485</b>	<b>4,393,353</b>

	Nine Months Ended September 30, 2023			Total
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	
Balance as at January 1, 2023	2,563,395	154,535	76,764	2,794,694
Gross loans originated	2,004,319	-	-	2,004,319
Principal payments and other adjustments	(1,116,468)	23,980	(37,044)	(1,129,532)
Transfers to (from)				
Stage 1 (Performing)	384,507	(301,276)	(83,231)	-
Stage 2 (Under-Performing)	(430,576)	445,171	(14,595)	-
Stage 3 (Non-Performing)	(194,466)	(106,647)	301,113	-
Gross charge offs	(43,908)	(22,094)	(173,203)	(239,205)
Net growth in gross consumer loans receivable during the period	603,408	39,134	(6,960)	635,582
<b>Balance as at September 30, 2023</b>	<b>3,166,803</b>	<b>193,669</b>	<b>69,804</b>	<b>3,430,276</b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

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For the periods ended September 30, 2024 and 2023

The changes in the allowance for credit losses are summarized below:

	Nine Months Ended September 30, 2024	Year Ended December 31, 2023
<b>Allowance for credit losses, beginning of period</b>	<b>265,359</b>	213,041
Net charge offs against allowance	<b>(279,746)</b>	(289,321)
Increase due to lending activities	<b>338,786</b>	341,639
<b>Allowance for credit losses, end of period</b>	<b>324,399</b>	265,359

An analysis of the changes in the classification of the allowance for credit losses is as follows:

	Three Months Ended September 30, 2024			Total
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	
Balance as at July 1, 2024	171,950	69,610	61,106	302,666
Gross loans originated	31,774	-	-	31,774
Principal payments and other adjustments	(24,367)	1,551	(68,314)	(91,130)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	38,370	(40,417)	(22,856)	(24,903)
Stage 2 (Under-Performing)	(19,674)	66,493	(3,500)	43,319
Stage 3 (Non-Performing)	(11,467)	(18,258)	191,757	162,032
Net charge offs against allowance	(12,239)	(6,560)	(80,560)	(99,359)
<b>Balance as at September 30, 2024</b>	<b>174,347</b>	<b>72,419</b>	<b>77,633</b>	<b>324,399</b>

	Three Months Ended September 30, 2023			Total
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	
Balance as at July 1, 2023	135,250	55,985	46,075	237,310
Gross loans originated	33,406	-	-	33,406
Principal payments and other adjustments	(17,751)	23	(15,518)	(33,246)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	32,606	(21,340)	(17,693)	(6,427)
Stage 2 (Under-Performing)	(13,903)	43,295	(3,280)	26,112
Stage 3 (Non-Performing)	(6,870)	(9,711)	86,275	69,694
Net charge offs against allowance	(13,026)	(7,081)	(53,947)	(74,054)
<b>Balance as at September 30, 2023</b>	<b>149,712</b>	<b>61,171</b>	<b>41,912</b>	<b>252,795</b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

	Nine Months Ended September 30, 2024			Total
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	
Balance as at January 1, 2024	149,860	67,304	48,195	265,359
Gross loans originated	99,102	-	-	99,102
Principal payments and other adjustments	(46,424)	(379)	(138,705)	(185,508)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	104,537	(106,475)	(59,587)	(61,525)
Stage 2 (Under-Performing)	(56,846)	177,878	(12,485)	108,547
Stage 3 (Non-Performing)	(32,012)	(43,952)	454,134	378,170
Net charge offs against allowance	(43,870)	(21,957)	(213,919)	(279,746)
<b>Balance as at September 30, 2024</b>	<b>174,347</b>	<b>72,419</b>	<b>77,633</b>	<b>324,399</b>

	Nine Months Ended September 30, 2023			Total
	Stage 1 (Performing)	Stage 2 (Under- Performing)	Stage 3 (Non- Performing)	
Balance as at January 1, 2023	116,969	53,381	42,691	213,041
Gross loans originated	89,036	-	-	89,036
Principal payments and other adjustments	(47,350)	387	(43,985)	(90,948)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	89,399	(62,283)	(45,565)	(18,449)
Stage 2 (Under-Performing)	(39,160)	118,839	(10,231)	69,448
Stage 3 (Non-Performing)	(21,020)	(29,949)	251,951	200,982
Net charge offs against allowance	(38,162)	(19,204)	(152,949)	(210,315)
<b>Balance as at September 30, 2023</b>	<b>149,712</b>	<b>61,171</b>	<b>41,912</b>	<b>252,795</b>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

In calculating the allowance for credit losses, internally developed models were used, which factor in credit risk related parameters including probability of default, exposure at default, loss given default and other relevant risk factors. As part of the process, the Company employed five distinct forecast scenarios, derived from forward-looking indicators forecasts produced by Moody's Analytics, which include neutral, moderately optimistic, extremely optimistic, moderately pessimistic and extremely pessimistic scenarios. These scenarios use a combination of four inter-related macroeconomic variables, being unemployment rates, gross domestic product ("GDP") growth rates, inflation growth rates and oil prices, to determine a probability weighted allowance. Management judgment is then applied to the recommended probability weightings to these scenarios to determine a probability weighted allowance for credit losses.

The following table shows the key macroeconomic variables used in the determination of the probability weighted allowance during the forecast periods as at September 30, 2024 and December 31, 2023, respectively:

12-Month Forward-Looking Macroeconomic Variables (Average Annual)	Forecast Scenarios				
	Neutral	Moderately Optimistic	Extremely Optimistic	Moderately Pessimistic	Extremely Pessimistic
<b>September 30, 2024</b>					
Unemployment rate <sup>1</sup>	6.57%	6.35%	6.10%	7.89%	8.29%
GDP growth rate <sup>2</sup>	2.15%	2.91%	3.72%	(0.42%)	(1.38%)
Inflation growth rate <sup>3</sup>	2.10%	2.39%	2.58%	1.89%	1.65%
Oil prices <sup>4</sup>	\$77.00	\$81.63	\$83.59	\$61.42	\$52.15
<b>December 31, 2023</b>					
Unemployment rate <sup>1</sup>	6.18%	5.39%	4.70%	8.41%	9.83%
GDP growth rate <sup>2</sup>	0.53%	1.57%	2.38%	(1.51%)	(2.71%)
Inflation growth rate <sup>3</sup>	2.11%	2.12%	2.15%	2.09%	1.93%
Oil prices <sup>4</sup>	\$79.35	\$81.93	\$84.05	\$62.73	\$52.79

<sup>1</sup> An average of the projected monthly unemployment rates over the next 12-month forecast period.

<sup>2</sup> A projected year-over-year GDP growth rate.

<sup>3</sup> A projected year-over-year inflation growth rate.

<sup>4</sup> An average of the projected monthly oil prices over the next 12-month forecast period.

Historically, the rates of inflation and unemployment are positively correlated with the Company's loss rates while oil prices and the rate of GDP growth are negatively correlated. The assignment of the probability weighting for the various scenarios using these variables involves management's judgment to arrive at a collective view of the likelihood of each scenario taking into account current economic conditions and implications for near-term macroeconomic performance. If management were to assign 100% probability to the extremely pessimistic scenario forecast, the allowance for credit losses would have been \$355.8 million, \$31.4 million or 9.7% higher than the reported allowance for credit losses as at September 30, 2024 (December 31, 2023 – \$295.2 million, \$29.8 million or 11.2% higher than the reported allowance for credit losses). This sensitivity does not consider the migration of exposure and/or changes in credit risk that would have occurred in the loan portfolio due to risk mitigation actions or other factors.

## goeasy Ltd.

### NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

#### 6. INVESTMENTS

Investments include the following:

	September 30, 2024	December 31, 2023
Listed and actively traded companies	16,573	19,546
Unlisted companies	41,918	41,918
	<b>58,491</b>	<b>61,464</b>

Changes in the holdings, fair values of investments, and net investment income (loss) recorded in other income (loss) (including realized and unrealized gains and losses) in the interim condensed consolidated statements of income are summarized below:

	Fair Value, Beginning of Period	Additions	Sales/ Settlements	Net Investment Income (Loss)	Fair Value, End of Period
<b>For the nine months ended September 30, 2024</b>					
Listed and actively traded companies	19,546	-	-	(2,973)	16,573
Unlisted companies	41,918	-	-	-	41,918
	<b>61,464</b>	<b>-</b>	<b>-</b>	<b>(2,973)</b>	<b>58,491</b>
<b>For the year ended December 31, 2023</b>					
Listed and actively traded companies	6,226	-	(5,556)	18,876	19,546
Unlisted companies	51,078	-	(55)	(9,105)	41,918
	<b>57,304</b>	<b>-</b>	<b>(5,611)</b>	<b>9,771</b>	<b>61,464</b>

#### Listed and Actively Traded Companies

The Company's investments in listed and actively traded companies were classified at initial recognition at fair value through profit or loss ("FVTPL"). Investments in listed and actively traded companies were subsequently measured based on quoted prices in active markets.

For the three and nine-month periods ended September 30, 2024, the Company has recognized investment income of \$4.2 million and investment loss of \$3.0 million, respectively on its investments in listed and actively traded companies (for the three and nine-month periods ended September 30, 2023 – investment income of \$4.1 million and \$7.4 million, respectively), included in other income (loss) in the interim condensed consolidated statements of income.

## goeasy Ltd.

### NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

#### Unlisted Companies

The Company's investments in unlisted companies were classified at initial recognition at FVTPL. For the three and nine-month periods ended September 30, 2024, the Company has recognized nil (for the three and nine-month periods ended September 30, 2023 – investment income of nil and \$1 million, respectively) investment income or loss on its investments in unlisted companies, included in other income (loss) in the interim condensed consolidated statements of income.

Set out below are the significant unobservable inputs to valuation as at September 30, 2024:

	Valuation Techniques	Significant Unobservable Inputs	Range	Sensitivity of the Input to Fair Value
Unlisted companies	Public company comparables	Revenue multiples	1.7x – 19.2x	0.7x increase (decrease) in the revenue multiples would result in an increase (decrease) in fair value by \$0.8 million
	Public company comparables	Enterprise value to gross profit multiples	4.5x – 17.6x	1.9x increase (decrease) in the enterprise value to gross profit multiples would result in an increase (decrease) in fair value by \$0.6 million
	Recent transactions	Price per share	Not applicable	Valuation was based on private recent transactions

## 7. REVOLVING SECURITIZATION WAREHOUSE FACILITIES

#### *goeasy Securitization Trust*

goeasy Securitization Trust ("Trust I") is a securitization vehicle controlled and consolidated by the Company. The Company's activities include transactions with Trust I, a structured entity, which has been designed to achieve a specific business objective. A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The primary purpose of Trust I is to provide the Company with funding for its operational needs. Trust I has a \$1.4 billion revolving securitization warehouse facility ("Revolving Securitization Warehouse Facility I") with a syndicate of lenders, and as collateral for the drawn amount, consumer loans are sold from easyfinancial Services Inc. and LendCare Capital Inc. into Trust I. As the economic exposure associated with the rights related to these consumer loans is controlled by easyfinancial Services Inc. and LendCare Capital Inc., these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position. The Revolving Securitization Warehouse Facility I matures on October 31, 2025 and bears interest equal to the 1-month CDOR plus 195 basis points ("bps").

## goeasy Ltd.

### NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Following CARR's recommendation to transition from CDOR to CORRA as a benchmark rate, as disclosed in Note 3, on June 15, 2024, the Company amended its Revolving Securitization Warehouse Facility I to change its benchmark rate from CDOR to CORRA. The Revolving Securitization Warehouse Facility I bears interest on drawn amounts at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 195 bps; provided further that the interest rate shall not fall below 195 bps.

Concurrent with the establishment of the Revolving Securitization Warehouse Facility I, the Company entered into an interest rate swap as a cash flow hedge to protect against the variability of future interest payments by paying a fixed rate based on the weighted average life of the securitized loans and receiving a variable rate equivalent to 1-month CDOR.

On May 9, 2024, the Company amended its existing interest rate swap to change the benchmark rate for the variable interest rate from 1-month CDOR to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps.

The following table summarizes the details of the Revolving Securitization Warehouse Facility I:

	September 30, 2024	December 31, 2023
Drawn amount	980,000	1,125,000
Unamortized deferred financing costs	(2,393)	(3,968)
	977,607	1,121,032

As at September 30, 2024, \$1.63 billion (December 31, 2023 – \$1.81 billion) of consumer loans receivable were pledged by the Company as collateral against its Revolving Securitization Warehouse Facility I.

#### *goeasy Securitization Trust II*

On October 24, 2022, the Company established goeasy Securitization Trust II ("Trust II"), a securitization vehicle controlled and consolidated by the Company. The Company's activities include transactions with Trust II, a structured entity, which has been designed to achieve a specific business objective.

The primary purpose of Trust II is to provide the Company with funding for automotive consumer loans. Trust II has a \$500 million revolving securitization warehouse facility (the "Revolving Securitization Warehouse Facility II") (the Revolving Securitization Warehouse Facility I and Revolving Securitization Warehouse Facility II are collectively referred to as "Revolving Securitization Warehouse Facilities") with a syndicate of lenders, and as collateral for the drawn amount, automotive consumer loans can be sold from easyfinancial Services Inc. and LendCare Capital Inc. into Trust II. As the economic exposure associated with the rights related to these automotive consumer loans is controlled by easyfinancial Services Inc. and LendCare Capital Inc., these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position. The Revolving Securitization Warehouse Facility II matures on December 16, 2025 and bears interest equal to the 1-month CDOR plus 185 bps.

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Following CARR’s recommendation to transition from CDOR to CORRA as a benchmark rate, as disclosed in Note 3, on May 15, 2024, the Company has amended its Revolving Securitization Warehouse Facility II to change its benchmark rate from CDOR to CORRA. The Revolving Securitization Warehouse Facility II bears interest on drawn amounts at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 185 bps; provided further that the interest rate shall not fall below 185 bps.

Concurrent with the establishment of the Revolving Securitization Warehouse Facility II, the Company also entered into an interest rate swap as a cash flow hedge to protect against the variability of future interest payments by paying a fixed rate based on the weighted average life of the securitized loans and receiving a variable rate equivalent to 1-month CDOR.

On May 16, 2024, the Company amended its existing interest rate swap to change the benchmark rate for the variable interest rate from 1-month CDOR to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps.

The following table summarizes the details of the Revolving Securitization Warehouse Facility II:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Drawn amount	<b>270,000</b>	245,000
Unamortized deferred finance costs	<b>(947)</b>	(1,291)
	<b>269,053</b>	243,709

As at September 30, 2024, \$527.6 million (December 31, 2023 – \$439.3 million) of automotive consumer loans were pledged by the Company as collateral against its Revolving Securitization Warehouse Facility II.

The financial covenant of the Revolving Securitization Warehouse Facilities is as follows:

<b>Financial Covenant</b>	<b>Requirements</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Minimum consolidated fixed charge coverage ratio	<b>&gt; 2.0</b>	<b>3.33</b>	3.81

As at September 30, 2024 and December 31, 2023, the Company was in compliance with its financial covenant under the Revolving Securitization Warehouse Facilities.

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For the periods ended September 30, 2024 and 2023

The following table summarizes the total carrying value of the Revolving Securitization Warehouse Facilities:

	September 30, 2024	December 31, 2023
Revolving Securitization Warehouse Facility I	977,607	1,121,032
Revolving Securitization Warehouse Facility II	269,053	243,709
	<b>1,246,660</b>	<b>1,364,741</b>

The Company has elected to use hedge accounting for the Revolving Securitization Warehouse Facilities and their related interest rate swaps (i.e., the same notional amount, maturity date and interest payment dates). The Company has established a hedge ratio of 1:1 for its hedging relationships. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. There are no significant sources of hedge ineffectiveness between the Revolving Securitization Warehouse Facilities and their related interest rate swaps. There was no hedge ineffectiveness recognized in net income for the three and nine-month periods ended September 30, 2024 and 2023.

As the Revolving Securitization Warehouse Facilities and their related interest rate swaps are in effective hedging relationships, changes in the fair value of the related interest rate swaps are recorded in other comprehensive income (loss) ("OCI") and, subsequently, reclassified into net income upon settlement.

Interest rate swaps have aggregated notional amounts equal to the aggregated principal outstanding of the hedged Revolving Securitization Warehouse Facilities. Fair values of interest rate swaps are determined from swap curves adjusted for credit risks. Swap curves are obtained directly from market sources. Fair values of interest rate swaps are as follows:

	September 30, 2024	December 31, 2023
Derivative financial liabilities		
Revolving Securitization Warehouse Facility I	(16,173)	(2,496)
Revolving Securitization Warehouse Facility II	(5,871)	(1,670)

## 8. SECURED BORROWINGS

The Company also securitizes consumer loans through non-structured third parties. The economic exposure associated with the rights related to these consumer loans is retained by the Company. As a result, these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position, and Secured Borrowings are recognized for the cash proceeds received.

The Company has the following securitization facilities with non-structured third parties:

- A \$105 million securitization facility ("\$105 million Securitization Facility"), which bears interest at the Government of Canada Bonds ("GOCB") rate (with a floor rate of 0.95%) plus 395 bps. The loan sale agreement to sell loans into the facility expired on July 31, 2021. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

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- An \$85 million securitization facility (“\$85 million Securitization Facility”), which bears interest at the GOCB rate (with a floor rate of 0.25%) plus 325 bps. In addition to the securitization loan facility, there was a \$6 million accumulation loan agreement, which advances 85% of the face value of consumer loans for up to a 90-day period, bearing interest at the Canadian Bankers’ Acceptance rate (“BA”) plus 400 bps. The loan sale agreement to sell loans into the facility expired on November 30, 2021. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

On April 30, 2023, the Company amended this securitization facility to provide for \$150 million of incremental funding (“\$150 million Securitization Facility”), bearing an interest equal to an interpolated GOCB rate plus an initial spread of 310 bps. The loan sale agreement to sell loans into the facility expired on April 30, 2024. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

On May 28, 2024, the Company further amended this securitization facility to provide for \$125 million of incremental funding (“\$125 million Securitization Facility”) through the sale of consumer loans until May 31, 2025. The facility continues to bear an interest equal to an interpolated GOCB rate plus an initial spread of 310 bps.

As at September 30, 2024, \$136.2 million (December 31, 2023 – \$143.2 million) was drawn against the Secured Borrowings and \$246.4 million (December 31, 2023 – \$216.9 million) of consumer loans receivable were pledged by the Company as collateral for these Secured Borrowings. As at September 30, 2024, the Company had a borrowing capacity of \$82.8 million (December 31, 2023 – \$50.0 million) from the Secured Borrowings.

As at September 30, 2024 and December 31, 2023, the Company was in compliance with its financial covenants for the \$105 million Securitization Facility, which are based on the tangible net worth of the LendCare Capital Inc. legal entity.

As at September 30, 2024 and December 31, 2023, the Company was in compliance with its financial covenants for the \$85 million Securitization Facility, \$150 million Securitization Facility and \$125 million Securitization Facility, which are based on the Company’s tangible net worth and leverage ratio.

### **9. REVOLVING CREDIT FACILITY**

The Company’s Revolving Credit Facility consists of a \$370 million senior secured revolving credit facility that matures on January 27, 2025. The Revolving Credit Facility was provided by a syndicate of banks. Interest on advances was payable at either the BA plus 225 bps or the lender’s prime rate plus 75 bps, at the option of the Company.

Following CARR’s recommendation to transition from CDOR to CORRA as a benchmark rate, as disclosed in Note 3, on May 31, 2024, the Company amended its Revolving Credit Facility to change the interest rate on advances payable, at the option of the Company, from either the lender’s prime rate plus 75 bps or BA plus 225 bps to either the lender’s prime rate plus 75 bps or 225 bps plus either (i) the forward-looking Term CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a 1-month interest period, or (b) 32.138 bps for a three month interest period; or (ii) the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of 29.547 bps; provided further that the interest rate shall not fall below 225 bps.

## goeasy Ltd.

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On July 19, 2024, the Company amended its Revolving Credit Facility to increase the size of the facility from \$370 million to \$550 million, with the maturity extended to July 18, 2027. The Company also has an ability to exercise the accordion feature under its Revolving Credit Facility to add an additional \$150 million in borrowing capacity.

The following table summarizes the details of the Revolving Credit Facility:

	September 30, 2024	December 31, 2023
Drawn amount	51,000	192,000
Unamortized deferred financing costs	(3,517)	(1,079)
	<b>47,483</b>	<b>190,921</b>

The financial covenants of the Revolving Credit Facility were as follows:

Financial Covenants	Requirements as at September 30, 2024 and December 31, 2023	September 30, 2024	December 31, 2023
Maximum consolidated leverage ratio	< 4.50	3.74	3.72
Minimum consolidated fixed charge coverage ratio	> 1.25	2.06	2.27
Minimum consolidated asset coverage ratio	> 1.75	12.80	3.03
Maximum net charge off ratio	< 15.0%	9.1%	8.9%

As at September 30, 2024 and December 31, 2023, the Company was in compliance with all of its financial covenants under its Revolving Credit Facility agreement.

## 10. NOTES PAYABLE

On April 29, 2021, the Company issued US\$320.0 million of 4.375% senior unsecured notes payable ("2026 Notes") with interest payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2021. The 2026 Notes mature on May 1, 2026 and include certain prepayment features.

Concurrent with the issuance of the 2026 Notes, the Company entered into derivative financial instruments (the "2026 cross-currency swaps") as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for all required payments of principal and interest under the 2026 Notes at a fixed exchange rate of US\$1.000 = CAD1.2501, thereby fully hedging the US\$320.0 million 2026 Notes at a CAD interest rate of 4.818%. The 2026 cross-currency swaps fully hedge the obligation under the 2026 Notes.

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The following table summarizes the details of the 2026 Notes:

	September 30, 2024	December 31, 2023
2026 Notes in CAD at issuance	400,032	400,032
Change in fair value of the 2026 Notes since the issuance date due to changes in the foreign exchange rate	32,800	24,032
	<b>432,832</b>	424,064
Unamortized deferred financing costs	<b>(2,139)</b>	(3,094)
	<b>430,693</b>	420,970

On November 28, 2023, the Company issued US\$550.0 million of 9.250% senior unsecured notes payable (the “2028 Notes”) with interest payable semi-annually on June 1 and December 1 of each year and mature on December 1, 2028. The proceeds of the 2028 Notes were used to extinguish the Company’s 2024 Notes.

The 2028 Notes include certain prepayment options, which are derivatives embedded in the notes. These embedded derivatives are presented within the 2028 Notes and are measured at FVTPL with changes in fair value recognized in finance costs in the interim condensed consolidated statements of income.

Concurrent with the issuance of the 2028 Notes, the Company entered into derivative financial instruments (the “2027 cross-currency swaps”) as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for payments of principal and interest under the 2028 Notes until December 1, 2027, at a fixed exchange rate of US\$1.000 = CAD1.3832, thereby hedging the US\$550.0 million 2028 Notes at a CAD interest rate of 8.79% until December 1, 2027.

The following table summarizes the details of the 2028 Notes:

	September 30, 2024	December 31, 2023
2028 Notes in CAD at issuance	760,760	760,760
Prepayment options related to 2028 Notes at issuance	(7,469)	(7,469)
Change in fair value of the 2028 Notes since the issuance date	(16,830)	(31,900)
Change in fair value of prepayment options since the issuance date	(28,465)	(19,035)
	<b>707,996</b>	702,356
Unamortized premium	6,434	7,469
Unamortized deferred financing costs	(8,731)	(9,969)
	<b>705,699</b>	699,856

On February 23, 2024, the Company issued US\$400.0 million of 7.625% senior unsecured notes payable (the “2029 Notes”) with interest payable semi-annually on January 1 and July 1 of each year and mature on July 1, 2029.

The 2029 Notes include certain prepayment options, which are derivatives embedded in the notes. These embedded derivatives are presented within the 2029 Notes and are measured at FVTPL with changes in fair value recognized in finance costs in the interim condensed consolidated statements of income.

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Concurrent with the issuance of the 2029 Notes, the Company entered into derivative financial instruments (the “2028 cross-currency swaps”) as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for payments of principal and interest under the 2029 Notes until July 1, 2028, at a fixed exchange rate of US\$1.000 = CAD1.353, thereby hedging the US\$400.0 million 2029 Notes at a CAD interest rate of 7.195% until July 1, 2028.

On July 25, 2024, the Company issued an additional US\$200 million of 2029 Notes (the “Additional 2029 Notes”) (the 2026 Notes, 2028 Notes, 2029 Notes and Additional 2029 Notes are collectively referred to as “Notes Payable”) at a price of US\$1,018.75 per US\$1,000 principal amount. Concurrent with the issuance of the Additional 2029 Notes, the Company entered into derivative financial instruments (the “Additional 2028 cross-currency swaps”) (the 2026 cross-currency swaps, 2027 cross-currency swaps, 2028 cross-currency swaps and Additional 2028 cross-currency swaps are collectively referred to as the “cross-currency swaps”) as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for payments of principal and interest under the Additional 2029 Notes until July 1, 2028, at a fixed exchange rate of US\$1.000 = CAD1.3758, thereby hedging the Additional 2029 Notes at a CAD interest rate of 6.936% until July 1, 2028. The issuance of the Additional 2029 Notes was at a 101.875 premium to par resulting in an interest rate excluding the effect of financing charges of 6.38%.

The following table summarizes the details of the 2029 Notes and Additional 2029 Notes:

	<b>September 30, 2024</b>
2029 Notes in CAD at issuance	<b>816,360</b>
Prepayment options related to 2029 Notes at issuance	<b>(12,065)</b>
Change in fair value of the 2029 Notes since the issuance date	<b>(4,800)</b>
Change in fair value of prepayment options since the issuance date	<b>(4,546)</b>
	<b>794,949</b>
Unamortized premium	<b>16,073</b>
Unamortized deferred financing costs	<b>(10,249)</b>
	<b>800,773</b>

The following table summarizes the total carrying value of the Notes Payable:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
2026 Notes	<b>430,693</b>	420,970
2028 Notes	<b>705,699</b>	699,856
2029 Notes and Additional 2029 Notes	<b>800,773</b>	-
	<b>1,937,165</b>	1,120,826

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The Company has elected to use hedge accounting for the Notes Payable and the cross-currency swaps (i.e., the same notional amount, interest rate, and interest payment dates, covering either full or partial term). The Company has elected to designate the foreign currency basis as a cost of hedging, thereby excluding foreign currency basis spreads from the designation of the hedging relationship and has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange contracts is identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. There are no significant sources of hedge ineffectiveness between the Notes Payable and cross-currency swaps. There was no hedge ineffectiveness recognized in net income for the three and nine-month periods ended September 30, 2024 and 2023.

As the Notes Payable and the cross-currency swaps are in an effective hedging relationship, changes in the fair value of the cross-currency swaps are recorded in OCI and subsequently reclassified into net income to offset the effect of foreign currency exchange rates related to the Notes Payable recognized in net income. The amount of the foreign currency basis spread at inception, designated as a cost of hedging, is amortized in net income on a straight-line basis over the life of the Notes Payable.

The cross-currency swaps have an aggregated notional amount equal to the aggregated principal outstanding of the hedged Notes Payable. The fair value of cross-currency swaps is determined using swap curves adjusted for credit risks. Swap curves are obtained directly from market sources. Fair values of cross-currency swaps are as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Derivative financial assets (liabilities)		
2026 cross-currency swaps	<b>29,024</b>	21,904
2027 cross-currency swaps	<b>(26,642)</b>	(38,291)
2028 cross-currency swaps and Additional 2028 cross-currency swaps	<b>(10,902)</b>	-

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### 11. SHARE CAPITAL

#### Common Shares Issued and Outstanding

The changes in common shares issued and outstanding are summarized as follows:

	Nine Months Ended September 30, 2024		Year Ended December 31, 2023	
	# of Shares (in 000s)	\$	# of Shares (in 000s)	\$
<b>Balance, beginning of period</b>	<b>16,625</b>	<b>428,328</b>	16,445	419,046
Exercise of share options	133	8,410	143	7,227
Exercise of restricted share units	31	3,474	22	923
Dividend reinvestment plan	9	1,522	15	1,673
Exercise of deferred share units	4	309	-	-
Other	-	(395)	-	(541)
<b>Balance, end of period</b>	<b>16,802</b>	<b>441,648</b>	16,625	428,328

#### Dividends on Common Shares

For the three and nine-month periods ended September 30, 2024, the Company paid dividends of \$19.7 million and \$55.2 million, respectively (for the three and nine-month periods ended September 30, 2023 – \$15.9 million and \$46.7 million, respectively) or \$1.17 per share and \$3.30 per share, respectively (for the three and nine-month periods ended September 30, 2023 – \$0.96 per share and \$2.83 per share, respectively). On August 8, 2024, the Company declared a dividend of \$1.17 per share to shareholders of record on September 27, 2024, payable on October 11, 2024. The dividend paid on October 11, 2024 was \$19.7 million.

#### Shares Purchased for Cancellation

On December 16, 2022, the Company announced the acceptance by the TSX of the Company's notice of intention to make normal course issuer bid ("NCIB"), which commenced on December 21, 2022 (the "2022 NCIB") and expired on December 20, 2023. During the year ended December 31, 2023, the Company did not purchase and cancel any common shares, pursuant to the 2022 NCIB.

On December 19, 2023, the Company renewed its NCIB, which allows for a total purchase of up to 1,270,245 common shares (the "2023 NCIB") and expires on December 20, 2024. During the three and nine-month periods ended September 30, 2023, the Company did not purchase and cancel any common shares, pursuant to the 2023 NCIB.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 12. SHARE-BASED COMPENSATION

#### Share Option Plan

Under the Company's share option plan, options to purchase common shares may be granted by the Board of Directors to officers and employees. During the three and nine-month periods ended September 30, 2024, 2,922 and 36,246 options, respectively, were granted by the Company (for the three and nine-month periods ended September 30, 2023 – 42,216 for both periods). For the three and nine-month periods ended September 30, 2024, the Company recorded an expense of \$0.3 million and \$1.0 million, respectively (for the three and nine-month periods ended September 30, 2023 – \$0.3 million and \$0.9 million, respectively) in share-based compensation expense related to its share option plan in the interim condensed consolidated statements of income, with a corresponding adjustment to contributed surplus.

#### Executive Share Unit ("ESU") Plan

Under the terms of the ESU Plan, the Company's Board of Directors may grant restricted share units ("RSUs") and executive deferred share units ("Executive DSUs") to officers and employees.

##### *Restricted Share Units*

RSUs are granted at fair market value at the grant date and generally vest at the end of a three-year period based on achieving long-term financial targets. RSUs are paid to officers and employees upon vesting.

During the three and nine-month periods ended September 30, 2024, the Company granted 6,415 and 63,190 RSUs, respectively (for the three and nine-month periods ended September 30, 2023 – 63,750 and 64,826 RSUs, respectively), to employees of the Company under its ESU Plan. Additionally, for the three and nine-month periods ended September 30, 2024, an additional 1,741 and 5,116 RSUs, respectively (for the three and nine-month periods ended September 30, 2023 – 1,585 and 5,802 RSUs, respectively) were granted as a result of dividends payable.

For the three and nine-month periods ended September 30, 2024, the Company repurchased the equity interest related to a portion of fully vested RSUs amounting to \$0.55 million, or \$0.54 million, net of tax, and \$5.2 million or \$4.7 million, net of tax, respectively (for the three and nine-months period ended September 30, 2023 – \$0.54 million, or \$0.51 million, net of tax and \$8.6 million, or \$7.1 million, net of tax, respectively).

For the three and nine-month periods ended September 30, 2024, the Company recorded an expense of \$1.9 million and \$6.3 million, respectively (for the three and nine-month periods ended September 30, 2023 – \$1.6 million and \$4.4 million, respectively), in share-based compensation expense related to the Company's RSUs in the interim condensed consolidated statements of income, with a corresponding adjustment to contributed surplus.

##### *Executive Deferred Share Units*

Executive DSUs are granted at fair market value at the grant date and generally vest at the end of a three-year period based on achieving long-term financial targets. Executive DSUs are paid to officers and employees upon termination of their employment with the Company.

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During the three and nine-month periods ended September 30, 2024, the Company granted 2,015 and 26,122 Executive DSUs, respectively (for the three and nine-month periods ended September 30, 2023 – 26,530 and 30,098 Executive DSUs, respectively), to employees of the Company under its ESU Plan. Additionally, for the three and nine-month periods ended September 30, 2024, an additional 784 and 2,149 Executive DSUs, respectively (for the three and nine-month periods ended September 30, 2023 – 533 and 1,666 Executive DSUs, respectively), were granted as a result of dividends payable.

For the three and nine-month periods ended September 30, 2024, the Company recorded an expense of \$0.8 million and \$2.4 million, respectively (for the three and nine-month periods ended September 30, 2023 – \$0.5 million and \$1.3 million, respectively), in share-based compensation expense related to the Company's Executive DSUs in the interim condensed consolidated statements of income, with a corresponding adjustment to contributed surplus.

### **Board of Directors Deferred Share Unit Plan**

Under the terms of the Board DSU Plan, the Company may grant DSUs to Board Directors. DSUs are granted at fair market value at the grant date and vest immediately upon grant.

During the three and nine-month periods ended September 30, 2024, the Company granted 1,486 and 11,840 Board DSUs, respectively (for the three and nine-month periods ended September 30, 2023 – 2,515 and 18,706 Board DSUs, respectively), to Board Directors under its DSU Plan. Additionally, for the three and nine-month periods ended September 30, 2024, an additional 2,216 and 6,633 Board DSUs, respectively (for the three and nine-month periods ended September 30, 2023 – 2,690 and 8,379 Board DSUs, respectively), were granted for dividends announced during the period.

For the three and nine-month periods ended September 30, 2024, 9,064 Board DSUs (three and nine-month periods ended September 30, 2023 – nil for both periods) were settled, of which, 4,212 Board DSUs were settled in shares. The Company repurchased the equity interest related to the remaining 4,852 Board DSUs amounting to \$1.2 million, or \$0.9 million, net of tax.

For the three and nine-month periods ended September 30, 2024, \$0.9 million and \$2.8 million, respectively (for the three and nine-month periods ended September 30, 2023 – \$0.9 million and \$2.6 million, respectively), were recorded as share-based compensation expense under the Board DSU Plan in the interim condensed consolidated statements of income, with a corresponding adjustment to contributed surplus.

### **Share-based Compensation Expense**

Share-based compensation expense for the three and nine-month periods ended September 30, 2024 was \$3.9 million and \$12.5 million, respectively (for the three and nine-month periods ended September 30, 2023 – \$3.3 million and \$9.3 million, respectively).

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**13. FINANCE COSTS**

Finance costs include the following:

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest expense				
Notes Payable	<b>34,752</b>	15,106	<b>92,025</b>	45,317
Revolving securitization warehouse facilities	<b>20,200</b>	17,175	<b>62,001</b>	43,774
Revolving credit facility	<b>1,683</b>	4,915	<b>5,398</b>	13,643
Secured borrowings	<b>2,271</b>	1,751	<b>6,796</b>	3,956
Amortization of deferred financing costs and accretion expenses	<b>2,260</b>	1,920	<b>6,093</b>	5,595
Interest expense on lease liabilities	<b>908</b>	955	<b>2,723</b>	2,871
Amortization of premium on Notes Payable	<b>(1,030)</b>	-	<b>(2,184)</b>	-
Fair value change on prepayment options	<b>(11,819)</b>	-	<b>(13,977)</b>	-
Interest income on cash in bank, net	<b>(1,375)</b>	(947)	<b>(5,028)</b>	(2,402)
	<b>47,850</b>	40,875	<b>153,847</b>	112,754

**14. INCOME TAXES**

The Company's income tax expense was determined as follows:

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Combined basic federal and provincial income tax rates	<b>26.5%</b>	26.5%
Expected income tax expense	<b>76,262</b>	62,272
Non-deductible expenses	<b>1,808</b>	1,370
Effect of capital losses (gains) on sale of assets and investments	<b>394</b>	(1,198)
Other	<b>33</b>	(752)
	<b>78,497</b>	61,692

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The significant components of the Company's deferred income tax liabilities are as follows:

	September 30, 2024	December 31, 2023
Accounts receivable and allowance for credit losses	16,662	13,096
Revaluation of notes payable and derivative financial instruments	4,717	1,976
Loss carry forwards	2,660	623
Share-based compensation	2,407	2,746
Right-of-use assets, net of lease liabilities	1,437	1,424
Financing fees	1,021	1,222
Unrealized fair value change on investments	(2,686)	(827)
Fair value change on prepayment options	(8,748)	(5,044)
Lease assets and property and equipment	(10,625)	(14,359)
Intangible asset arising from business acquisition	(22,854)	(25,458)
Other	(281)	342
	<b>(16,290)</b>	<b>(24,259)</b>

As at September 30, 2024 and December 31, 2023, there were no recognized deferred income tax liabilities for taxes that would be payable on the undistributed earnings of the Company's subsidiaries.

## 15. EARNINGS PER SHARE

### Basic Earnings Per Share

Basic earnings per share amounts were calculated by dividing the net income for the period by the weighted average number of outstanding common shares and vested Board and Executive DSUs. Board DSUs granted to Board Directors are included in the calculation of the weighted average number of common shares outstanding as they vest upon grant. Executive DSUs granted to officers generally vest at the end of a three-year period based on achieving long-term financial targets.

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net income	84,940	66,310	209,285	173,296
Weighted average number of common shares outstanding (in 000s)	17,149	16,880	17,090	16,847
<b>Basic earnings per common share</b>	<b>4.95</b>	<b>3.93</b>	<b>12.25</b>	<b>10.29</b>

For the three and nine-month periods ended September 30, 2024, 349,638 and 349,067 vested Board and Executive DSUs (for the three and nine-month periods ended September 30, 2023 – 328,322 and 322,716 vested Board and Executive DSUs) were included in the weighted average number of common shares outstanding.

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**Diluted Earnings Per Share**

Diluted earnings per share reflect the potential dilutive effect that could occur if additional common shares were assumed to be issued under securities or instruments that may entitle their holders to obtain common shares in the future. Dilution could occur through the exercise of share options, the exercise of RSUs, or the exercise of unvested Executive DSUs. The number of additional shares for inclusion in the diluted earnings per share calculation was determined using the treasury share method.

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net income	84,940	66,310	209,285	173,296
Weighted average number of common shares outstanding (in 000s)	17,149	16,880	17,090	16,847
Dilutive effect of share-based compensation (in 000s)	251	264	260	243
Weighted average number of diluted shares outstanding (in 000s)	17,400	17,144	17,350	17,090
<b>Diluted earnings per common share</b>	<b>4.88</b>	<b>3.87</b>	<b>12.06</b>	<b>10.14</b>

The following share-based compensation grants were considered anti-dilutive using the treasury share method and, therefore, were excluded in the calculation of diluted earnings per share:

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Share options (in 000s)	36	81	65	131
Restricted share units (in 000s)	2	65	63	67
Executive deferred share units (in 000s)	-	27	26	28
	<b>38</b>	<b>173</b>	<b>154</b>	<b>226</b>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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### 16. NET CHANGE IN OTHER OPERATING ASSETS AND LIABILITIES

The net change in other operating assets and liabilities is as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Accounts receivable	601	(1,225)	(8,696)	(1,777)
Prepaid expenses	770	705	(2,569)	(2,653)
Accounts payable and accrued liabilities	5,359	9,119	5,647	16,393
Income taxes recoverable/payable	12,840	16,563	(7,631)	20,437
Unearned revenue	(780)	(1,423)	(1,449)	(447)
Accrued interest payable	25,197	18,811	39,681	15,048
	<b>43,987</b>	<b>42,550</b>	<b>24,983</b>	<b>47,001</b>

Supplemental disclosures in respect of the interim condensed consolidated statements of cash flows consist of the following:

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Income taxes paid	22,402	16,283	96,305	55,480
Income taxes refunded	3,954	8,027	5,052	8,102
Interest paid	35,107	20,133	127,937	91,638
Interest received	275,682	227,141	801,217	632,874

### 17. CONTINGENCIES

The Company was involved in various legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material adverse effect on the Company's financial position, financial performance or cash flows.

The Company has agreed to indemnify its directors and officers and particular employees in accordance with the Company's policies. The Company maintains insurance policies that may provide coverage against certain claims.

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### 18. FINANCIAL INSTRUMENTS

#### Recognition and Measurement of Financial Instruments

The Company classified its financial instruments as follows:

Financial Instruments	Measurement	September 30, 2024	December 31, 2023
Cash	Fair value	151,056	144,577
Accounts receivable	Amortized cost	39,458	30,762
Consumer loans receivable, net	Amortized cost	4,179,169	3,447,588
Investments	Fair value	58,491	61,464
Derivative financial assets	Fair value	29,024	21,904
Revolving credit facility	Amortized cost	47,483	190,921
Accounts payable and accrued liabilities	Amortized cost	78,227	72,409
Accrued interest payable	Amortized cost	52,556	12,875
Secured borrowings	Amortized cost	136,151	143,177
Revolving securitization warehouse facilities	Amortized cost	1,246,660	1,364,741
Derivative financial liabilities	Fair value	59,588	42,457
Notes payable	Amortized cost	1,937,165	1,120,826

#### Fair Value Measurement

All assets and liabilities for which fair value was measured or disclosed in the interim condensed consolidated financial statements were categorized within the fair value hierarchy, described as follows, based on the lowest level input that was significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The hierarchy required the use of observable market data when available. The following tables provide the fair value measurement hierarchy of the Company's financial assets and liabilities measured as at September 30, 2024 and December 31, 2023:

<b>September 30, 2024</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash	151,056	151,056	-	-
Accounts receivable	39,458	-	-	39,458
Consumer loans receivable, net	4,179,169	-	-	4,179,169
Investments	58,491	16,573	-	41,918
Derivative financial assets	29,024	-	29,024	-
Revolving credit facility	47,483	-	-	47,483
Accounts payable and accrued liabilities	78,227	-	-	78,227
Accrued interest payable	52,556	-	-	52,556
Secured borrowings	136,151	-	-	136,151
Revolving securitization warehouse facilities	1,246,660	-	-	1,246,660
Derivative financial liabilities	59,588	-	59,588	-
Notes payable	1,937,165	-	-	1,937,165
<b>December 31, 2023</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash	144,577	144,577	-	-
Accounts receivable	30,762	-	-	30,762
Consumer loans receivable, net	3,447,588	-	-	3,447,588
Investments	61,464	19,546	-	41,918
Derivative financial assets	21,904	-	21,904	-
Revolving credit facility	190,921	-	-	190,921
Accounts payable and accrued liabilities	72,409	-	-	72,409
Accrued interest payable	12,875	-	-	12,875
Secured borrowings	143,177	-	-	143,177
Revolving securitization warehouse facilities	1,364,741	-	-	1,364,741
Derivative financial liabilities	42,457	-	42,457	-
Notes payable	1,120,826	-	-	1,120,826

There were no transfers between Level 1, Level 2 or Level 3 for the three and nine-month periods ended September 30, 2024 and year ended December 31, 2023.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 19. SEGMENTED REPORTING

For management reporting purposes, the Company has two reportable segments:

- The easyfinancial reportable segment lends out capital in the form of unsecured and secured consumer loans to non-prime borrowers. easyfinancial's product offering consists of unsecured and real estate secured instalment loans. The LendCare operating segment specializes in financing consumer purchases in the powersports, automotive, retail, healthcare, and home improvement categories. The majority of loans in LendCare are secured by personal property or a Notice of Security Interest. The Company aggregates operations of easyfinancial and LendCare into one reportable segment called easyfinancial, on the basis of their similar economic characteristics, customer profile, nature of products, and regulatory environment. This aggregation most accurately reflects the nature and financial results of the business activities in which the Company engages, and the broader economic and regulatory environment in which it operates.

The Company's chief operating decision maker ("CODM"), which has been determined by the Company to be the Chief Executive Officer, utilizes the same key performance indicators to allocate resources and assess the performance of the operating segments. The CODM uses several metrics to evaluate the performance of the operating segments, including, but not limited to, the volume of consumer loan originations and the risk-adjusted margin of the businesses (comprising the yield on the consumer loan portfolios net of the annualized loss rates). These key financial and performance indicators, which are used to assess results, manage trends and allocate resources to each of the operating segments, have been, and are expected to remain, similar. In addition, the Company has centralized some of the common functions such as finance and human resources.

Customers served by the easyfinancial and LendCare operating segments are Canadian consumers, the majority of whom are classified as non-prime borrowers and seeking alternative financial solutions to those of a traditional bank. These consumers actively use a wide range of financial products and will migrate across the products offered in each segment. Furthermore, the nature of products sold by each of the operating segments and the distribution methods of those products are similar. Both the easyfinancial and LendCare operating segments offer unsecured and secured instalment loans, which are offered through a retail network of branches or merchant partnerships, and complemented by an online digital platform. In addition, both operating segments are subject to the same federal and provincial legislation and regulations applicable to the consumer lending industry.

- The easyhome reportable segment provides leasing services for household furniture, appliances and electronics and unsecured lending products to retail consumers.

The Company's business units generate revenue in four main categories: i) interest generated on the Company's gross consumer loans receivable portfolio; ii) lease payments generated by easyhome lease agreements; iii) commissions and other revenues generated by the sale of various ancillary products; and iv) charges and fees.

General and administrative expenses directly related to the Company's business segments were included as operating expenses for those segments. All other general and administrative expenses were reported separately as part of the Corporate segment. Management assesses performance based on segment operating income (loss).

**goeasy Ltd.**

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For the periods ended September 30, 2024 and 2023

The following tables summarize the relevant information for the three and nine-month periods ended September 30, 2024 and 2023:

<b>Three Months Ended September 30, 2024</b>	<b>easyfinancial</b>	<b>easyhome</b>	<b>Corporate</b>	<b>Total</b>
Revenue				
Interest income	272,755	9,910	-	282,665
Lease revenue	-	23,439	-	23,439
Commissions earned	66,220	3,483	-	69,703
Charges and fees	6,528	860	-	7,388
	<b>345,503</b>	<b>37,692</b>	<b>-</b>	<b>383,195</b>
Operating expenses				
Bad debts	117,391	3,701	-	121,092
Other operating expenses	45,762	12,924	22,518	81,204
Depreciation and amortization	9,840	9,690	1,688	21,218
	<b>172,993</b>	<b>26,315</b>	<b>24,206</b>	<b>223,514</b>
Segment operating income (loss)	<b>172,510</b>	<b>11,377</b>	<b>(24,206)</b>	<b>159,681</b>
Other income				4,165
Finance costs				(47,850)
<b>Income before income taxes</b>				<b>115,996</b>
<b>Three Months Ended September 30, 2023</b>	<b>easyfinancial</b>	<b>easyhome</b>	<b>Corporate</b>	<b>Total</b>
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
	<b>283,622</b>	<b>38,110</b>	<b>-</b>	<b>321,732</b>
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
	<b>143,497</b>	<b>28,881</b>	<b>22,791</b>	<b>195,169</b>
Segment operating income (loss)	<b>140,125</b>	<b>9,229</b>	<b>(22,791)</b>	<b>126,563</b>
Other income				4,148
Finance costs				(40,875)
<b>Income before income taxes</b>				<b>89,836</b>

**goeasy Ltd.**

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(Unaudited)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

For the periods ended September 30, 2024 and 2023

<b>Nine Months Ended September 30, 2024</b>	<b>easyfinancial</b>	<b>easyhome</b>	<b>Corporate</b>	<b>Total</b>
Revenue				
Interest income	787,693	29,766	-	817,459
Lease revenue	-	72,194	-	72,194
Commissions earned	194,132	10,502	-	204,634
Charges and fees	21,245	2,572	-	23,817
	<b>1,003,070</b>	<b>115,034</b>	<b>-</b>	<b>1,118,104</b>
Operating expenses				
Bad debts	328,224	10,562	-	338,786
Other operating expenses	153,038	41,488	77,092	271,618
Depreciation and amortization	29,587	28,399	5,112	63,098
	<b>510,849</b>	<b>80,449</b>	<b>82,204</b>	<b>673,502</b>
Segment operating income (loss)	<b>492,221</b>	<b>34,585</b>	<b>(82,204)</b>	<b>444,602</b>
Other loss				(2,973)
Finance costs				(153,847)
<b>Income before income taxes</b>				<b>287,782</b>
<b>Nine Months Ended September 30, 2023</b>	<b>easyfinancial</b>	<b>easyhome</b>	<b>Corporate</b>	<b>Total</b>
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
	<b>797,352</b>	<b>114,605</b>	<b>-</b>	<b>911,957</b>
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
	<b>413,078</b>	<b>87,069</b>	<b>72,529</b>	<b>572,676</b>
Segment operating income (loss)	<b>384,274</b>	<b>27,536</b>	<b>(72,529)</b>	<b>339,281</b>
Other income				8,461
Finance costs				(112,754)
<b>Income before income taxes</b>				<b>234,988</b>

As at September 30, 2024 and December 31, 2023, the Company's goodwill consisted of \$21.3 million related to its easyhome reportable segment and \$159.6 million related to the LendCare operating segment within the easyfinancial reportable segment.

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In scope under IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”) are revenues relating to commissions earned and charges and fees. Lease revenue is covered under IFRS 16, *Leases*. Included in lease revenue is certain additional services provided by the Company related to the lease, but which fall under the scope of IFRS 15. These revenues totalled \$2.5 million and \$2.7 million for the three-month periods ended September 30, 2024 and 2023, respectively, and \$7.8 million and \$8.3 million for the nine-month periods ended September 30, 2024 and 2023, respectively.

The Company's easyhome business consisted of four major product categories: furniture, electronics, appliances and computers. Lease revenue generated by these product categories as a percentage of total lease revenue for the nine-month periods ended September 30, 2024 and 2023 were as follows:

	Nine Months Ended	
	September 30, 2024 (%)	September 30, 2023 (%)
Furniture	42	41
Electronics	32	33
Appliances	16	16
Computers	10	10
	<b>100</b>	<b>100</b>

## 20. SUBSEQUENT EVENTS

On October 21, 2024, the Company announced its commencement of a cash tender offer to purchase any and all of its outstanding 2026 Notes. The tender offer expired on October 30, 2024. On November 4, 2024, the Company extinguished a total of \$255.4 million of 2026 Notes that were validly tendered and accepted for purchase. In addition, on October 21, 2024, the Company de-designated US\$224 million of 2026 cross-currency swaps as cash flow hedges and immediately unwound them.

On November 4, 2024, the Company issued US\$400 million of 6.875% senior unsecured notes payable due on May 15, 2030 (the “2030 USD Notes”) and \$150 million of 6.00% senior unsecured notes payable due on May 15, 2030 (the “2030 CAD Notes”, together with the 2030 USD Notes, the “2030 Notes”) with interest payable semi-annually on May 1 and November 1 of each year. Concurrent with the issuance of the 2030 USD Notes, the Company entered into cross-currency swaps to fix the foreign exchange rate for the proceeds from the issuance and for payments of principal and interest under these 2030 USD Notes until May 15, 2029, at a fixed exchange rate of US\$1.000 = CAD1.3843, thereby hedging the 2030 USD Notes at a CAD interest rate of 5.977% until May 15, 2029. A portion of the proceeds of the 2030 Notes was used to extinguish the Company’s 2026 Notes that were validly tendered and accepted for purchase.