MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2025

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Date: August 6, 2025

The following Management's Discussion and Analysis ("MD&A") presents an analysis of the consolidated financial condition of goeasy Ltd. and its subsidiaries (collectively referred to as "goeasy" or the "Company") as at June 30, 2025 compared to June 30, 2024, and the consolidated results of operations for the three and six-month periods ended June 30, 2025, compared with the corresponding periods of 2024. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2024. The financial information presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted. All dollar amounts are in thousands of Canadian dollars unless otherwise indicated.

There have been no material changes to the information discussed in the following sections of the Company's 2024 annual MD&A: Overview of the Business, Corporate Strategy, Commitments, Guarantees and Contingencies, Risk Factors, and Critical Accounting Estimates.

This MD&A is the responsibility of management. The Board of Directors has approved this MD&A after receiving the recommendations of the Company's Audit Committee, which is comprised exclusively of independent directors, and the Company's Disclosure Committee.

This MD&A refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to our consolidated financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's Annual Information Form. These filings are available on SEDAR at *www.sedarplus.ca* and on the Company's website at *www.goeasy.com.*

Caution Regarding Forward-Looking Statements

This MD&A 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 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 this 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.

Overview of the Business

goeasy Ltd. is one of Canada's leading non-prime consumer lenders offering a full suite of leasing and lending products to the non-prime consumer. Founded in 1990 and headquartered in Mississauga, Ontario, goeasy operates under its easyhome, easyfinancial and LendCare operating segments. Supported by over 2,600 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 and healthcare verticals, through approximately 11,200 merchant partners across Canada. Throughout the Company's history, it has acquired and organically served approximately 1.6 million Canadians and originated over $17.5 billion in loans.

As at June 30, 2025, the Company operated 293 easyfinancial locations (including 4 kiosks within easyhome stores and 3 operation centres) and 131 easyhome stores (including 34 franchises).

The Company's overview of the business remains as described in its December 31, 2024 MD&A.

Corporate Strategy

goeasy is committed to being a leading full-service provider of financial products and services that provide everyday Canadians a path to a better tomorrow, today. To achieve its long-term goals, the Company has developed a strategy based on four key strategic pillars. These priorities have remained consistent since 2017 and align to the Company's strategic initiatives, as it furthers its vision of becoming the one stop shop for credit for non-prime consumers. In addition to providing access to a wide range of responsible financial products, the Company also aims to help their customers improve their credit and gradually lower their borrowing costs.

The Company's four strategic pillars include developing a wide range of credit products, expanding its channels and points of distribution, diversifying its geographic footprint and lastly, focusing on improving the customer's financial wellness through its products and services, interest rate graduation offers, transparency, financial education and customer relationships.

The Company's corporate strategy remains as described in its December 31, 2024 MD&A.

Outlook

The discussion in this section is qualified in its entirety by the cautionary language regarding forward-looking statements found in the "Caution Regarding Forward-Looking Statements" of this MD&A.

On February 13, 2025, the Company had provided 3-year forecasts for the years 2025 through 2027 in its December 31, 2024 MD&A. These forecasts, together with the underlying key assumptions and key risk factors, remain as described therein. These forecasts are inherently subject to risks which are referred to in the Outlook and Risk Factors sections in the December 31, 2024 MD&A.

The following table outlines the Company's revised forecasts for the years 2025 through 2027:

	Forecasts for 2025	Forecasts for 2026	Forecasts for 2027
Gross consumer loans receivable at year end	**\$5.40 - \$5.70 billion**	**\$6.40 - \$6.70 billion**	**\$7.35 - \$7.75 billion**
Total Company revenue	**\$1.62 - \$1.82 billion**	**\$1.80 - \$2.00 billion**	**\$2.00 - \$2.20 billion**
Total yield on consumer loans (including ancillary products)[1]	**31.0% - 32.5%**	**29.0% - 31.0%**	**29.0% - 31.0%**
Net charge offs as a percentage of average gross consumer loans receivable	**7.75% - 9.75%**	**7.5% - 9.5%**	**7.5% - 9.5%**
Total Company operating margin	**41% +**	**42.5% +**	**43% +**
Return on equity	**23% +**	**23% +**	**23% +**

[1] Total yield on consumer loans (including ancillary products) is a non-IFRS ratio. Non-IFRS ratios are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. See description in section "Portfolio Analysis".

Analysis of Results for the Three Months Ended June 30, 2025

Second Quarter Highlights

- Gross consumer loans receivable increased to $5.10 billion as at June 30, 2025 from $4.14 billion as at June 30, 2024, an increase of $961.6 million, or 23.2%. The increase in consumer loans receivable was driven by record volume of applications for credit, leading to strong loan growth across all product verticals, including unsecured lending, automotive financing, home equity lending and point-of-sale financing.

- Total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 31.8% in the three-month period ended June 30, 2025, down 310 bps from the same period of 2024. Total annualized yield decreased due to: i) the continued growth of secured loan products which carry lower rates of interest such as home equity loans, automotive financing, and point-of-sale financing; ii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products; and iii) the impact of the new maximum allowable rate of interest on the Company's unsecured lending product.

- The Company reported record revenue of $418.3 million during the three-month period ended June 30, 2025, an increase of $40.5 million, or 10.7%, when compared to the same period of 2024. Revenue growth was mainly driven by the record organic growth of the Company's consumer loan portfolio.

- Net charge offs for the three-month period ended June 30, 2025, as an annualized percentage of average gross consumer loans receivable were 8.8%, down from 9.3% in the same period of 2024, primarily due to the improved credit and product mix of the loan portfolio, as well as credit and underwriting enhancements. The Company's net charge off rate was in line with its target range for 2025 of 7.75% to 9.75%.

- For the three-month period ended June 30, 2025, the net change in allowance for credit losses was $27.5 million, compared to $18.4 million in the same period of 2024, an increase of $9.1 million. This increase was primarily driven by higher growth in consumer loans receivable and an adjustment in the rate of allowance for expected credit losses. Provision for credit losses rate increased to 7.92% from 7.86% in the first quarter of 2025, primarily due to unfavourable movement in forward looking macroeconomic indicators produced by Moody's Analytics, partially offset by improved credit and product mix of the loan portfolio, as well as credit and underwriting enhancements.

- The Company reported total operating income for the three-month period ended June 30, 2025 of $161.1 million, up $13.9 million, or 9.4%, when compared to the same period of 2024. The Company also reported an operating margin of 38.5%, down from 39.0% in the same period of 2024. During the three-month period ended June 30, 2025, the Company incurred adjusting items that are outside of its normal business activities, which management believes are not reflective of the Company's underlying business performance. These adjusting items include integration costs and amortization of intangible assets related to the acquisition of LendCare. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of the adjusting items, the Company reported an adjusted operating income[1] for the three-month period ended June 30, 2025 of $164.4 million, up $11.4 million, or 7.5%, when compared to the same period of 2024. The increase in adjusted operating income was mainly driven by higher revenue associated with the strong loan growth in the period, stable credit performance and continued improvement in operating efficiency. The Company reported an adjusted operating margin[1] of 39.3%, down from the 40.5% in the same period of 2024, primarily driven by the decline in total annualized yield on consumer loans (including ancillary products) and the increase in allowance for credit losses primarily driven by unfavourable movement in forward looking macroeconomic indicators, partially offset by the continued improvement in operating efficiency.

- The three-month period ended June 30, 2025 was the 96th consecutive quarter of positive net income and diluted earnings per share. The Company's net income for the three-month period ended June 30, 2025 was $86.5 million, or $5.19 per share on a diluted basis, up 32.3% and 38.0%, respectively, compared to the same period of 2024. During the period, the Company incurred adjusting items including integration costs and amortization of intangible assets related to the acquisition of LendCare and fair value change on prepayment options related to Notes Payable. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of these adjusting items, the Company achieved adjusted net income[1] during the three-month period ended June 30, 2025 of $68.5 million, down 4.0% compared to the same period of 2024. Adjusted diluted earnings per share[1] was $4.11, relatively consistent with $4.10 in the same period of 2024. The decrease in adjusted net income was primarily driven by: i) the decline in total annualized yield on consumer loans (including ancillary products) due to a continued shift in product mix toward secured loans, tighter credit and underwriting practices and the impact of the new maximum allowable rate of interest, ii) the increase in allowance for credit losses primarily driven by unfavourable movement in forward looking macroeconomic indicators, and iii) incremental finance costs due to higher borrowing levels to fund growth of the Company's lending business, partially offset by the continued improvement in operating efficiency.

- Return on equity was 29.3% for the three-month period ended June 30, 2025, up from 23.3% in the same period of 2024. Adjusted return on equity[1] for the three-month period ended June 30, 2025 was 23.2%, down from 25.4% in the same period of 2024, driven by a lower adjusted net income, as discussed above, and a higher level of shareholders' equity. Excluding goodwill and acquired intangible assets, the adjusted return on tangible common equity[1] for the three-month period ended June 30, 2025 was 29.0%, down from 32.6% in the same period of 2024. The decline in adjusted return on tangible common equity was mainly driven by a lower adjusted net income as discussed above, and a higher level of tangible common equity and improved debt leverage position.

- As at June 30, 2025, the Company had a cash position of $254.5 million, which included $163.0 million of cash collateral pledged by the Company where access to the cash is restricted and had borrowing capacities of $1.49 billion under its existing revolving credit facilities, bringing its total liquidity to $1.74 billion. The current total liquidity, excluding future enhancements or diversification of funding sources, provides adequate growth capital for the Company to execute its organic growth plans.

- On April 1, 2025, the Company issued US$400 million of 7.375% senior unsecured notes payable due on October 1, 2030 (the "October 2030 Notes") with interest payable semi-annually on April 1 and October 1 of each year. The October 2030 Notes include certain prepayment options which are derivatives embedded in the notes. Concurrent with the issuance of these 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 notes at a fixed exchange rate of US$1.000 = CAD1.4284, thereby hedging these notes at a CAD interest rate of 6.03% until October 1, 2029.

[1] Adjusted operating income and adjusted net income are non-IFRS measures. Adjusted operating margin, adjusted diluted earnings per share, adjusted return on equity and reported and adjusted tangible common equity are non-IFRS ratios. Non-IFRS measures and non-IFRS ratios are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. See descriptions in section "Key Performance Indicators and Non-IFRS Measures".

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended June 30, 2025	June 30, 2024	Variance $ / bps	Variance % Change
Summary Financial Results				
Revenue	**418,311**	377,795	40,516	10.7%
Bad debts	**136,383**	112,499	23,884	21.2%
Other operating expenses	**100,307**	97,084	3,223	3.3%
EBITDA[1]	**174,674**	158,230	16,444	10.4%
EBITDA margin[1]	**41.8%**	41.9%	(10 bps)	(0.2%)
Depreciation and amortization	**20,559**	21,002	(443)	(2.1%)
Operating income	**161,062**	147,210	13,852	9.4%
Operating margin	**38.5%**	39.0%	(50 bps)	(1.3%)
Other loss	**-**	(2,740)	2,740	(100.0%)
Finance costs	**43,033**	54,684	(11,651)	(21.3%)
Effective income tax rate	**26.7%**	27.2%	(50 bps)	(1.8%)
Net income	**86,543**	65,401	21,142	32.3%
Diluted earnings per share	**5.19**	3.76	1.43	38.0%
Return on receivables	**7.0%**	6.5%	50 bps	7.7%
Return on assets	**6.3%**	5.8%	50 bps	8.6%
Return on equity	**29.3%**	23.3%	600 bps	25.8%
Return on tangible common equity[1]	**37.7%**	31.0%	670 bps	21.6%
Adjusted Financial Results[1,2]				
Other operating expenses	**107,162**	101,807	5,355	5.3%
Efficiency ratio	**25.6%**	26.9%	(130 bps)	(4.8%)
Operating income	**164,429**	153,004	11,425	7.5%
Operating margin	**39.3%**	40.5%	(120 bps)	(3.0%)
Net income	**68,457**	71,332	(2,875)	(4.0%)
Diluted earnings per share	**4.11**	4.10	0.01	0.2%
Return on receivables	**5.5%**	7.1%	(160 bps)	(22.5%)
Return on assets	**5.0%**	6.3%	(130 bps)	(20.6%)
Return on equity	**23.2%**	25.4%	(220 bps)	(8.7%)
Return on tangible common equity	**29.0%**	32.6%	(360 bps)	(11.0%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	**380,854**	339,511	41,343	12.2%
easyfinancial operating margin	**46.1%**	48.6%	(250 bps)	(5.1%)
easyhome revenue	**37,457**	38,284	(827)	(2.2%)
easyhome operating margin	**26.5%**	31.0%	(450 bps)	(14.5%)
Portfolio Indicators				
Gross consumer loans receivable	**5,099,726**	4,138,155	961,571	23.2%
Growth in consumer loans receivable	**313,201**	286,076	27,125	9.5%
Gross loan originations	**903,719**	826,659	77,060	9.3%
Total yield on consumer loans (including ancillary products)[1]	**31.8%**	34.9%	(310 bps)	(8.9%)
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]	**34,748**	93,084	(58,336)	(62.7%)
Potential monthly leasing revenue[1]	**6,478**	7,254	(776)	(10.7%)

[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 receivables, 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. See description in sections "Portfolio Analysis", "Key Performance Indicators and Non-IFRS Measures" and "Financial Condition".
[2] Adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section.

Summary of Financial Results by Reportable Segment

	Three Months Ended June 30, 2025			
($ in 000's except earnings per share)	**easyfinancial**	**easyhome**	**Corporate**	**Total**
Revenue				
Interest income	**304,358**	**11,127**	**-**	**315,485**
Lease revenue	**-**	**21,822**	**-**	**21,822**
Commissions earned	**69,812**	**3,809**	**-**	**73,621**
Charges and fees	**6,684**	**699**	**-**	**7,383**
	380,854	**37,457**	**-**	**418,311**
Operating expenses				
Bad debts	**131,070**	**5,313**	**-**	**136,383**
Other operating expenses	**64,178**	**13,252**	**22,877**	**100,307**
Depreciation and amortization	**9,954**	**8,967**	**1,638**	**20,559**
	205,202	**27,532**	**24,515**	**257,249**
Operating income (loss)	**175,652**	**9,925**	**(24,515)**	**161,062**
Other income				**-**
Finance costs				**(43,033)**
Income before income taxes				**118,029**
Income taxes				**31,486**
Net income				**86,543**
Diluted earnings per share				**5.19**

($ in 000's except earnings per share)	Three Months Ended June 30, 2024 easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	264,799	9,923	-	274,722
Lease revenue	-	24,014	-	24,014
Commissions earned	67,418	3,549	-	70,967
Charges and fees	7,294	798	-	8,092
	339,511	38,284	-	377,795
Operating expenses				
Bad debts	109,530	2,969	-	112,499
Other operating expenses	55,265	14,002	27,817	97,084
Depreciation and amortization	9,872	9,426	1,704	21,002
	174,667	26,397	29,521	230,585
Operating income (loss)	164,844	11,887	(29,521)	147,210
Other loss				(2,740)
Finance costs				(54,684)
Income before income taxes				89,786
Income taxes				24,385
Net income				65,401
Diluted earnings per share				3.76

Portfolio Performance

Consumer Loans Receivable

The gross consumer loans receivable increased to $5.10 billion as at June 30, 2025, from $4.14 billion as at June 30, 2024, an increase of $961.6 million, or 23.2%. The increase in consumer loans receivable was driven by record volume of applications for credit, leading to strong loan growth across all product verticals, including unsecured lending, automotive financing, home equity lending and point-of-sale financing.

Total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 31.8% in the three-month period ended June 30, 2025, down 310 bps from the same period of 2024. Total annualized yield decreased due to: i) the continued growth of secured loan products which carry lower rates of interest such as home equity loans, automotive financing, and point-of-sale financing; ii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products; and iii) the impact of the new maximum allowable rate of interest on the Company's unsecured lending products.

Bad debt expense increased to $136.4 million for the three-month period ended June 30, 2025, from $112.5 million in the same period of 2024, an increase of $23.9 million, or 21.2%. The following table details the components of bad debt expense.

($ in 000's)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
Provision required due to net charge offs	**108,903**	94,060
Impact of loan book growth	**22,176**	16,954
Impact of change in the rate of allowance for expected credit losses	**5,304**	1,485
Net change in allowance for credit losses	**27,480**	18,439
Bad debt expense	**136,383**	112,499

Bad debts expense increased by $23.9 million due to the following factors:

(i) Net charge offs increased from $94.1 million in the second quarter of 2024 to $108.9 million in the current quarter, an increase of $14.8 million. Net charge offs in the quarter as an annualized percentage of average gross consumer loans receivable were 8.8%, down from 9.3% in the same period of 2024, primarily due to the improved credit and product mix of the loan portfolio, as well as credit and underwriting enhancements. The Company's net charge off rate was in line with its target range for 2025 of 7.75% to 9.75%.

(ii) The net change in allowance for credit losses in the second quarter of 2025 was $27.5 million, compared to $18.4 million in the same period of 2024, an increase of $9.1 million. This increase was primarily driven by higher growth in consumer loans receivable and an adjustment in the rate of allowance for expected credit losses. Provision for credit losses rate increased to 7.92% from 7.86% in the first quarter of 2025, primarily driven by unfavourable movement in the forward looking macroeconomic indicators, partially offset by improved credit and product mix of the loan portfolio, as well as credit and underwriting enhancements.

easyhome Leasing Portfolio

The leasing portfolio, as measured by potential monthly leasing revenue as at June 30, 2025, was $6.5 million, down from $7.3 million as at June 30, 2024. The easyhome leasing business is a mature business that has experienced a gradual decline in sales volume, as some consumer demand has shifted to alternate forms of financing purchases of everyday household items.

Revenue

Revenue for the three-month period ended June 30, 2025 was $418.3 million, an increase of $40.5 million, or 10.7%, when compared to the same period of 2024. Revenue growth was mainly driven by the record organic growth of the Company's consumer loan portfolio.

e*asyfinancial* – Revenue for the three-month period ended June 30, 2025 was $380.9 million, an increase of $41.3 million, when compared to the same period of 2024. Components of the change in revenue include:

(i) Interest income increased by $39.6 million, or 14.9%, driven by the strong growth in the loan portfolio, which includes growth of unsecured lending, automotive financing, home equity lending and point-of-sale financing, partially offset by slightly lower interest yields due to improved product mix and the impact of the new maximum allowable rate of interest on the Company's unsecured lending products; and

(ii) Commissions earned on the sale of ancillary products, charges and fees increased by $1.7 million, or 2.4%, due to the larger consumer loan portfolio.

easyhome – Revenue for the three-month period ended June 30, 2025 was $37.5 million, a decrease of $0.8 million, when compared to the same period of 2024. Lending revenue within the easyhome stores increased by $1.5 million, when compared to the same period of 2024. Traditional leasing revenue, including fees, was $2.3 million lower compared to the same period of 2024. Components of the change in revenue include:

(i) Interest income increased by $1.2 million, driven by the growth in the loan portfolio related to lending activities in the easyhome business;
(ii) Leasing revenue decreased by $2.2 million due to a smaller lease asset portfolio; and
(iii) Commissions earned on the sale of ancillary products, charges and fees increased by $0.2 million due to higher lending commissions and fees driven by the growth in the loan portfolio.

Other Operating Expenses

Other operating expenses were $100.3 million for the three-month period ended June 30, 2025, an increase of $3.2 million, or 3.3%, when compared to the same period of 2024. The increase in other operating expenses was mainly driven by higher operating costs to support the growing loan portfolio, moderated by the continued improvement in operating efficiency. The efficiency ratio for the second quarter of 2025 was 25.6%, an improvement of 130 bps from 26.9% in the second quarter of 2024.

easyfinancial – Other operating expenses were $64.2 million for the three-month period ended June 30, 2025, an increase of $8.9 million, or 16.1%, when compared to the same period of 2024. The increase in other operating expenses was driven by incremental volume related costs to operate and manage the growing loan portfolio, partially offset by improved operating efficiency.

easyhome – Other operating expenses were $13.3 million for the three-month period ended June 30, 2025, a decrease of $0.8 million, or 5.4%, when compared to the same period of 2024. The decrease in other operating expenses was driven by lower store costs to operate and manage a smaller lease asset portfolio and continued improvement in operating efficiency.

Corporate – Other operating expenses were $22.9 million for the three-month period ended June 30, 2025, a decrease of $4.9 million, or 17.8%, when compared to the same period of 2024. The decrease in other operating expenses was primarily due to non-recurring advisory costs incurred in the same quarter last year. Excluding the effects of the adjusting items discussed in “Key Performance Indicators and Non-IFRS Measures”, corporate expenses before depreciation and amortization represented 5.4% of revenues in the second quarter of 2025, compared to 6.7% of revenues in the same period of 2024.

Depreciation and Amortization

Depreciation and amortization for the three-month period ended June 30, 2025 was $20.6 million, a decrease of $0.4 million, or 2.1%, when compared to the same period of 2024. Overall, depreciation and amortization represented 4.9% of revenues for the three-month period ended June 30, 2025, compared to 5.6% in the same period of 2024.

easyfinancial – Depreciation and amortization was $10.0 million for the three-month period ended June 30, 2025, relatively flat from the same period of 2024.

easyhome – Depreciation and amortization was $9.0 million for the three-month period ended June 30, 2025, a decrease of $0.5 million, or 4.9%, when compared to the same period of 2024, mainly due to a smaller lease asset portfolio.

Corporate – Depreciation and amortization was $1.6 million in the three-month period ended June 30, 2025, relatively flat from the comparable period of 2024.

Operating Income (Income before Finance Costs and Income Taxes)

The Company reported total operating income for the three-month period ended June 30, 2025 of $161.1 million, up $13.9 million, or 9.4%, when compared to the same period of 2024. The Company also reported an operating margin of 38.5%, down from 39.0% in the same period of 2024. Excluding the effects of the adjusting items, the Company reported an adjusted operating income for the three-month period ended June 30, 2025 of $164.4 million, up $11.4 million, or 7.5%, when compared to the same period of 2024. The increase in adjusted operating income was mainly driven by higher revenue associated with the strong loan growth in the period, stable credit performance and continued improvement in operating efficiency. The Company reported an adjusted operating margin of 39.3%, down from 40.5% in the same period of 2024, primarily driven by the decline in total annualized yield on consumer loans (including ancillary products) and the increase in allowance for credit losses primarily driven by unfavourable movement in forward looking macroeconomic indicators, partially offset by the continued improvement in operating efficiency.

easyfinancial – Operating income for the three-month period ended June 30, 2025 was $175.7 million, an increase of $10.8 million, or 6.6%, when compared to the same period of 2024. The improved operating income was mainly driven by higher revenue associated with the strong loan growth in the period, stable credit performance and continued improvement in operating efficiency. easyfinancial revenue increased by $41.3 million, partially offset by an increase of $21.5 million in bad debt expense and an increase of $9.0 million in other costs to support the growing customer base. easyfinancial's operating margin was 46.1%, compared to 48.6% in the same period of 2024.

easyhome – Operating income for the three-month period ended June 30, 2025 was $9.9 million, a decrease of $2.0 million, or 16.5%. The decrease was mainly driven by lower leasing revenues due to a smaller lease asset portfolio, partially offset by higher lending revenues due to a larger consumer loan portfolio. easyhome's operating margin was 26.5%, compared to 31.0% in the same period of 2024.

Finance Costs

Finance costs for the three-month period ended June 30, 2025 were $43.0 million, a decrease of $11.7 million, or 21.3%, when compared to the same period of 2024. The decrease was mainly driven by a higher fair value gain on prepayment options related to Notes Payable partially offset by higher borrowing levels to fund the growth of the Company's lending business. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility. As at June 30, 2025, 95.9% of the Company's drawn debt balances effectively bear fixed rates of interest due to the type of debt and the interest rate swap agreements on Revolving Securitization Warehouse Facilities.

Income Tax Expense

The effective income tax rate for the three-month period ended June 30, 2025 was 26.7%, lower than the 27.2% in the same period of 2024, mainly due to fair value loss on investments in the prior period, which were taxed at a lower capital gains effective tax rate.

Net Income and Diluted Earnings Per Share

The Company's net income for the three-month period ended June 30, 2025 was $86.5 million, or $5.19 per share on a diluted basis, up 32.3% and 38.0%, respectively, compared to the same period of 2024. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures" section, the Company reported adjusted net income of $68.5 million, down 4.0% compared to the same period of 2024. Adjusted diluted earnings per share was $4.11, relatively consistent with $4.10 in the same period of 2024. The decrease in adjusted net income was primarily driven by: i) the decline in total annualized yield on consumer loans (including ancillary products) due to continued shift in product mix toward secured loans, tighter credit and underwriting practices and the impact of the new maximum allowable rate of interest, ii) the increase in allowance for credit losses primarily driven by unfavourable movement in forward looking macroeconomic indicators, and iii) incremental finance costs due to higher borrowing levels to fund growth of the Company's lending business, partially offset by the continued improvement in operating efficiency.

Analysis of Results for the Six Months Ended June 30, 2025

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Six Months Ended June 30, 2025	June 30, 2024	Variance $ / bps	Variance % Change
Summary Financial Results				
Revenue	**810,172**	734,909	75,263	10.2%
Bad debts	**267,406**	217,694	49,712	22.8%
Other operating expenses	**195,632**	190,414	5,218	2.7%
EBITDA[1]	**333,204**	305,341	27,863	9.1%
EBITDA margin[1]	**41.1%**	41.5%	(40 bps)	(1.0%)
Depreciation and amortization	**41,082**	41,880	(798)	(1.9%)
Operating income	**306,052**	284,921	21,131	7.4%
Operating margin	**37.8%**	38.8%	(100 bps)	(2.6%)
Other loss	**-**	(7,138)	7,138	(100.0%)
Finance costs	**132,684**	105,997	26,687	25.2%
Effective income tax rate	**27.4%**	27.6%	(20 bps)	(0.7%)
Net income	**125,942**	124,345	1,597	1.3%
Diluted earnings per share	**7.48**	7.17	0.31	4.3%
Return on receivables	**5.2%**	6.4%	(120 bps)	(18.8%)
Return on assets	**4.7%**	5.6%	(90 bps)	(16.1%)
Return on equity	**21.2%**	22.6%	(140 bps)	(6.2%)
Return on tangible common equity[1]	**27.6%**	30.3%	(270 bps)	(8.9%)
Adjusted Financial Results[1,2]				
Other operating expenses	**209,378**	199,492	9,886	5.0%
Efficiency ratio	**25.8%**	27.1%	(130 bps)	(4.8%)
Operating income	**312,786**	296,715	16,071	5.4%
Operating margin	**38.6%**	40.4%	(180 bps)	(4.5%)
Net income	**128,496**	137,620	(9,124)	(6.6%)
Diluted earnings per share	**7.63**	7.94	(0.31)	(3.9%)
Return on receivables	**5.3%**	7.0%	(170 bps)	(24.3%)
Return on assets	**4.8%**	6.3%	(150 bps)	(23.8%)
Return on equity	**21.6%**	25.0%	(340 bps)	(13.6%)
Return on tangible common equity	**27.1%**	32.3%	(520 bps)	(16.1%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	**735,673**	657,567	78,106	11.9%
easyfinancial operating margin	**45.2%**	48.6%	(340 bps)	(7.0%)
easyhome revenue	**74,499**	77,342	(2,843)	(3.7%)
easyhome operating margin	**26.1%**	30.0%	(390 bps)	(13.0%)
Portfolio Indicators				
Gross consumer loans receivable	**5,099,726**	4,138,155	961,571	23.2%
Growth in consumer loans receivable	**503,611**	492,953	10,658	2.2%
Gross loan originations	**1,580,487**	1,513,092	67,395	4.5%
Total yield on consumer loans (including ancillary products)[1]	**31.5%**	34.9%	(340 bps)	(9.7%)
Net charge offs as a percentage of average gross consumer loans receivable	**8.8%**	9.2%	(40 bps)	(4.3%)
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**65,988**	170,226	(104,238)	(61.2%)
Potential monthly leasing revenue[1]	**6,478**	7,254	(776)	(10.7%)

[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 receivables, 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. See description in sections "Portfolio Analysis", "Key Performance Indicators and Non-IFRS Measures" and "Financial Condition".
[2] Adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section.

Summary of Financial Results by Reporting Segment

	Six Months Ended June 30, 2025			
($ in 000's except earnings per share)	**easyfinancial**	**easyhome**	**Corporate**	**Total**
Revenue				
Interest income	**589,704**	**21,610**	**-**	**611,314**
Lease revenue	**-**	**44,064**	**-**	**44,064**
Commissions earned	**134,437**	**7,371**	**-**	**141,808**
Charges and fees	**11,532**	**1,454**	**-**	**12,986**
	735,673	**74,499**	**-**	**810,172**
Operating expenses				
Bad debts	**257,537**	**9,869**	**-**	**267,406**
Other operating expenses	**125,704**	**27,177**	**42,751**	**195,632**
Depreciation and amortization	**19,690**	**18,030**	**3,362**	**41,082**
	402,931	**55,076**	**46,113**	**504,120**
Operating income (loss)	**332,742**	**19,423**	**(46,113)**	**306,052**
Other income				**-**
Finance costs				**(132,684)**
Income before income taxes				**173,368**
Income taxes				**47,426**
Net income				**125,942**
Diluted earnings per share				**7.48**

($ in 000's except earnings per share)	Six Months Ended June 30, 2024 easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	514,938	19,856	-	534,794
Lease revenue	-	48,755	-	48,755
Commissions earned	127,912	7,019	-	134,931
Charges and fees	14,717	1,712	-	16,429
	657,567	77,342	-	734,909
Operating expenses				
Bad debts	210,833	6,861	-	217,694
Other operating expenses	107,276	28,564	54,574	190,414
Depreciation and amortization	19,747	18,709	3,424	41,880
	337,856	54,134	57,998	449,988
Operating income (loss)	319,711	23,208	(57,998)	284,921
Other loss				(7,138)
Finance costs				(105,997)
Income before income taxes				171,786
Income taxes				47,441
Net income				124,345
Diluted earnings per share				7.17

Portfolio Performance

Consumer Loans Receivable

The gross consumer loans receivable portfolio increased to $5.10 billion as at June 30, 2025, from $4.14 billion as at June 30, 2024, an increase of $961.6 million, or 23.2%. Loan originations for the six-month period were $1.58 billion, up 4.5% from the same period of 2024. The increase in consumer loans receivable was driven by record volume of applications for credit, leading to strong loan originations across all product verticals, including unsecured lending, automotive financing, home equity lending and point-of-sale financing.

The total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 31.5%, down 340 bps from the same period of 2024. Total annualized yield decreased due to: i) the continued growth of secured loan products which carry lower rates of interest such as home equity loans, automotive financing, and point-of-sale financing; ii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products; and iii) the impact of the new maximum allowable rate of interest on the Company’s unsecured lending products.

Bad debt expense increased to $267.4 million for the first half of 2025 from $217.7 million in 2024, an increase of $49.7 million, or 22.8%. The following table details the components of bad debt expense:

($ in 000's)	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Provision required due to net charge offs	**213,331**	180,387
Impact of loan book growth	**35,544**	28,749
Impact of change in allowance for expected credit losses	**18,531**	8,558
Net change in allowance for credit losses	**54,075**	37,307
Bad debt expense	**267,406**	217,694

Bad debt expense increased by $49.7 million due to the following factors:

(i) Net charge offs increased from $180.4 million for the first half of 2024 to $213.3 million in the same period of 2025, an increase of $32.9 million. Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 8.8%, slightly lower compared to the first half of 2024 and in line with the Company's target range for 2025 of 7.75% to 9.75%.

(ii) The net change in allowance for credit losses was $54.1 million, compared to $37.3 million in the same period of 2024, an increase of $16.8 million. For the six-month period ended June 30, 2025, the provision for credit losses rate increased to 7.92% from 7.61% as at December 31, 2024.

easyhome Leasing Portfolio

The leasing portfolio as measured by potential monthly leasing revenue as at June 30, 2025 was $6.5 million, down slightly from $7.3 million in the same period of 2024. The easyhome leasing business is a mature business that has experienced a gradual decline in sales volume, as consumer demand has shifted to alternate forms of financing purchases of everyday household items.

Revenue

Revenue for the six-month period ended June 30, 2025 was $810.2 million, compared to $734.9 million in the same period of 2024, an increase of $75.3 million, or 10.2%. Revenue growth was mainly driven by the record organic growth of the Company's consumer loan portfolio.

easyfinancial – Revenue for the first half of 2025 was $735.7 million, an increase of $78.1 million, or 11.9%, compared to the same period of 2024. The components of the increased revenue include:

(i) Interest income increased by $74.8 million, or 14.5% driven by the strong growth in the loan portfolio, which includes growth of unsecured lending, automotive financing, home equity lending and point-of-sale financing, partially offset by slightly lower interest yields due to improved product mix and the impact of the new maximum allowable rate of interest on the Company's unsecured lending products; and

(ii) Commissions earned from sales of ancillary products, charges and fees increased by $3.3 million, or 2.3%, due to the larger consumer loan portfolio.

easyhome – Revenue for the first half of 2025 was $74.5 million, a decrease of $2.8 million, or 3.7%, compared to the same period of 2024. Lending revenue within the easyhome stores increased by $2.2 million, or 8.7% compared to the same period of 2024. Traditional leasing revenue, including fees, was $5.0 million lower compared to the same period of 2024. Components of the change in revenue include:

(i) Interest revenue increased by $1.8 million, or 8.8%, driven by the growth in the loan portfolio related to the easyhome business;

(ii) Leasing revenue decreased by $4.7 million, or 9.6%, due to a smaller lease portfolio; and

(iii) Commissions earned on the sale of ancillary products, charges and fees were relatively flat from the same period of 2024.

Other Operating Expenses

Other operating expenses for the six-month period ended June 30, 2025 were $195.6 million, an increase of $5.2 million, or 2.7%, compared to the same period in 2024. The increase in other operating expenses was mainly driven by higher operating costs to support the growing loan portfolio, moderated by the continued improvement in operating efficiency. The efficiency ratio for the first half of 2025 was 25.8%, an improvement of 130 bps from 27.1% in the same period of 2024.

easyfinancial – Other operating expenses were $125.7 million in the first half of 2025, an increase of $18.4 million, or 17.2%, compared to the same period of 2024. The increase in other operating expenses was driven by incremental volume-related costs to operate and manage the growing loan portfolio, partially offset by improved operating efficiency.

easyhome – Other operating expenses were $27.2 million in the first half of 2025, a decrease of $1.4 million, or 4.9%, compared to the same period of 2024. The decrease in other operating expenses was driven by lower store costs to operate and manage a smaller lease asset portfolio and continued improvement in operating efficiency.

Corporate – Total other operating expenses for the first half of 2025 were $42.8 million, a decrease of $11.8 million, or 21.7%, compared to the same period of 2024. The decrease in other operating expenses was primarily due to non-recurring advisory costs and improvements in operating efficiency. Excluding the effects of the adjusting items discussed in “Key Performance Indicators and Non-IFRS Measures”, corporate expenses before depreciation and amortization represented 5.3% of revenues in the first half of 2025, compared to 6.7% of revenues in the same period of 2024.

Depreciation and Amortization

Depreciation and amortization for the six-month period ended June 30, 2025 was $41.1 million, a decrease of $0.8 million, or 1.9%, from the same period in 2024, driven primarily by lower depreciation of lease assets. Overall, depreciation and amortization represented 5.1% of revenue, a decline from 5.7% in the same period of 2024.

easyfinancial – Total depreciation and amortization was $19.7 million in the first half of 2025, relatively flat from the same period of 2024.

easyhome – Total depreciation and amortization expense was $18.0 million in the first half of 2025, a decrease of $0.7 million from the same period of 2024, mainly due to a smaller lease asset portfolio.

Corporate – Depreciation and amortization was $3.4 million in the first half of 2025, relatively flat from the first half of 2024.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the six-month period ended June 30, 2025 was $306.1 million, up $21.1 million, or 7.4%, when compared to 2024. The Company's operating margin for the six-month period ended June 30, 2025 was 37.8%, down from 38.8% in the same period of 2024. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures", the Company reported an adjusted operating income of $312.8 million, up $16.1 million, or 5.4%, when compared to the same period of 2024. The increase in adjusted operating income was mainly driven by higher revenue associated with the strong loan growth in the period, stable credit performance and continued improvement in operating efficiency. The Company also reported an adjusted operating margin of 38.6%, down from 40.4% in the same period of 2024.

easyfinancial – Operating income was $332.7 million for the first half of 2025, compared to $319.7 million in the same period of 2024, an increase of $13.0 million, or 4.1%. The improved operating income was mainly driven by higher revenue associated with strong loan growth, stable credit performance and continued improvement in operating efficiency. easyfinancial revenue increased by $78.1 million, partially offset by an increase of $46.7 million in bad debt expense and an increase of $18.4 million in other costs to support the growing customer base. easyfinancial's operating margin was 45.2%, compared to 48.6% in the same period of 2024.

easyhome – Operating income was $19.4 million for the first half of 2025, compared to $23.2 million in the same period of 2024, a decrease of $3.8 million, or 16.3%. The decrease was mainly driven by lower leasing revenues driven by a lower leasing portfolio partially offset by higher lending revenues associated with the larger consumer loan portfolio. easyhome's operating margin was 26.1%, compared to 30.0% in the same period of 2024.

Finance Costs

Finance costs for the six-month period ended June 30, 2025 were $132.7 million, an increase of $26.7 million or 25.2%, from the same period of 2024. The increase was mainly driven by higher borrowing levels to fund growth of the Company's lending business, partially offset by the fair value change on prepayment options related to Notes Payable. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility. As at June 30, 2025, 95.9% of the Company's drawn debt balances effectively bear fixed rates due to the type of debt and the interest rate swap agreements on Revolving Securitization Warehouse Facilities.

Income Tax Expense

The effective income tax rate for the six-month period ended June 30, 2025 was 27.4%, lower than the 27.6% in the same period of 2024, mainly due to fair value loss on investments in the prior period, which were taxed at a lower capital gains effective tax rate.

Net Income and EPS

The Company's net income for the six-month period ended June 30, 2025 was $125.9 million, or $7.48 per share on a diluted basis, up 1.3% and 4.3%, respectively, compared to $124.3 million, or $7.17 per share on a diluted basis in the same period of 2024. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures" section, the Company achieved adjusted net income and adjusted diluted earnings per share of $128.5 million, or $7.63 per share on a diluted basis, decreases of 6.6% and 3.9%, respectively, compared to the same period of 2024. The decrease in adjusted net income was primarily driven by: i) the decline in total annualized yield on consumer loans (including ancillary products) due to continued shift in product mix toward secured loans, tighter credit and underwriting practices and the impact of the new maximum allowable rate of interest, ii) the increase in allowance for credit losses primarily driven by unfavourable movement in forward looking macroeconomic indicators, and iii) incremental finance costs due to higher borrowing levels to fund growth of the Company's lending business, partially offset by the continued improvement in operating efficiency.

Selected Quarterly Information

($ in millions except percentages and per share amounts)	June 2025	March 2025	December 2024	September 2024	June 2024	March 2024	December 2023	September 2023	June 2023
Gross consumer loans receivable	**5,099.7**	4,786.5	4,596.1	4,393.4	4,138.2	3,852.1	3,645.2	3,430.3	3,200.2
Revenue	**418.3**	391.9	405.2	383.2	377.8	357.1	338.1	321.7	302.9
Net income	**86.5**	39.4	73.8	84.9	65.4	58.9	74.6	66.3	55.6
Adjusted net income[1]	**68.5**	60.0	77.4	75.1	71.3	66.3	69.0	65.2	56.0
Return on receivables	**7.0%**	3.3%	6.5%	7.9%	6.5%	6.2%	8.3%	7.9%	7.1%
Adjusted return on receivables[1]	**5.5%**	5.1%	6.8%	7.0%	7.1%	7.0%	7.7%	7.8%	7.2%
Return on assets	**6.3%**	3.0%	5.9%	7.1%	5.8%	5.5%	7.4%	7.0%	6.2%
Adjusted return on assets[1]	**5.0%**	4.6%	6.1%	6.3%	6.3%	6.2%	6.8%	6.9%	6.2%
Return on equity	**29.3%**	13.4%	24.7%	29.1%	23.3%	21.9%	28.9%	27.0%	24.0%
Adjusted return on equity[1]	**23.2%**	20.4%	25.9%	25.7%	25.4%	24.6%	26.7%	26.6%	24.2%
Return on tangible common equity[1]	**37.7%**	17.9%	32.0%	37.8%	31.0%	29.6%	39.5%	37.8%	34.6%
Adjusted return on tangible common equity[1]	**29.0%**	25.7%	32.5%	32.5%	32.6%	32.0%	35.3%	35.9%	33.4%
Net income as a percentage of revenue	**20.7%**	10.1%	18.2%	22.2%	17.3%	16.5%	22.1%	20.6%	18.3%
Adjusted net income as a percentage of revenue[1]	**16.4%**	15.3%	19.1%	19.6%	18.9%	18.6%	20.4%	20.3%	18.5%
Earnings per share[2]									
Basic	**5.25**	2.35	4.32	4.95	3.82	3.46	4.41	3.93	3.29
Diluted	**5.19**	2.32	4.25	4.88	3.76	3.40	4.34	3.87	3.26
Adjusted diluted[1]	**4.11**	3.53	4.45	4.32	4.10	3.83	4.01	3.81	3.28

[1] Adjusted net income is a non-IFRS measure. Adjusted diluted earnings per share, adjusted return on equity, adjusted return on receivables, adjusted return on assets, adjusted net income as percentage of revenue and reported and adjusted return on tangible common equity are non-IFRS ratios. See descriptions in "Key Performance Indicators and Non-IFRS Measures" section. Please refer to page 24 of the March 31, 2025 MD&A, page 42 of the December 31, 2024 MD&A, page 31 of the September 30, 2024 MD&A, page 31 of the June 30, 2024 MD&A, page 23 of the March 31, 2024 MD&A, page 43 of the December 31, 2023 MD&A, page 31 of the September 30, 2023 MD&A and page 32 of the June 30, 2023 MD&A, for the respective "Key Performance Indicators and Non-IFRS Measures" section for those periods. These MD&As are available on *www.sedarplus.ca*.

[2] Quarterly earnings per share are not additive and may not equal the annual earnings per share reported. This is due to the effect of shares issued or repurchased during the period on the basic weighted average number of common shares outstanding together with the effects of rounding.

Key financial measures for each of the last nine quarters are summarized in the table. Revenue growth over this period was primarily related to the strong growth of the Company's consumer loan portfolio. The larger revenue base together with efficient operating expense management increased the Company's adjusted net income and adjusted earnings per share. The increasing adjusted net income and adjusted diluted earnings per share was driven by the increasing revenue, stable credit performance and continued improvement in operating leverage. Adjusted return on receivables, adjusted return on assets, adjusted return on equity, adjusted return on tangible common equity and adjusted net income as a percentage of revenue were stable over the past quarters. These ratios increased in the second quarter of 2025, mainly driven by higher revenue associated with the strong loan growth in the quarter, stable credit performance and continued improvement in operating leverage.

Portfolio Analysis

The Company generates its revenue from portfolios of consumer loans receivable and lease agreements. To a large extent, the Company's financial results are determined by the performance of these portfolios. The composition of these portfolios at the end of a period is a significant indicator of future financial results.

The Company measures the performance of its portfolios during a period and their make-up at the end of a period using a number of key performance indicators as described in more detail below. Several of these indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS. The discussion in this section refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to the Company's consolidated financial statements. The Company discusses these measures because it believes they facilitate the understanding of the results of its operations and financial position.

Consumer Loans Receivable

Loan Originations and Net Principal Written

Gross loan originations are the value of all consumer loans receivable advanced to the Company's customers during a period where new credit underwritings have been performed. Included in gross loan originations are loans to new customers and new loans to existing customers, a portion of which may be applied to eliminate prior borrowings. When the Company extends additional credit to an existing customer, a centralized credit analysis or full credit underwriting is performed using up-to-date information. Additionally, the loan repayment history of that customer throughout their relationship with the Company, along with their other borrowing and repayment activities, are considered in the credit decision. As a result, the quality of the credit decision made when evaluating an existing or prior customer is improved and has historically resulted in better performance.

Net principal written is a non-IFRS measure capturing the Company's gross loan originations during a period, excluding the portion of the originations used to repay prior borrowings. The Company uses net principal written, among other measures, to assess the operating performance of its lending business. Non-IFRS 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.

Gross loan originations and net principal written during the period were as follows:

	Three Months Ended		Six Months Ended	
($ in 000's)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Gross loan originations	**903,719**	826,659	**1,580,487**	1,513,092
Loan originations to new customers	**557,895**	458,920	**989,842**	814,801
Loan originations to existing customers	**345,824**	367,739	**590,645**	698,291
Less: Proceeds applied to repay existing loans	**(140,444)**	(184,658)	**(226,155)**	(355,740)
Net advance to existing customers	**205,380**	183,081	**364,490**	342,551
Net principal written	**763,275**	642,001	**1,354,332**	1,157,352

Loan originations to existing customers represented a smaller proportion of the total gross loan originations in the three and six-month periods ended June 30, 2025, primarily due to the implementation of the new maximum allowable interest rate effective January 1, 2025, whereby the Company moderated its volume of unsecured lending to existing customers to optimize the credit performance of the loan portfolio.

Gross Consumer Loans Receivable

The Company measures the size of its lending portfolio in terms of gross consumer loans receivable. Gross consumer loans receivable reflects the period-end balance of the portfolio before provisioning for potential future charge offs. Growth in gross consumer loans receivable is driven by several factors including the number of customers and average loan value per customer. Changes in gross consumer loans receivable during the periods were as follows:

	Three Months Ended		Six Months Ended	
($ in 000's)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Opening gross consumer loans receivable	**4,786,525**	3,852,079	**4,596,115**	3,645,202
Gross loan originations	**903,719**	826,659	**1,580,487**	1,513,092
Gross principal payments and other adjustments	**(469,294)**	(429,373)	**(837,502)**	(809,858)
Gross charge offs before recoveries	**(121,224)**	(111,210)	**(239,374)**	(210,281)
Net growth in gross consumer loans receivable during the period	**313,201**	286,076	**503,611**	492,953
Ending gross consumer loans receivable	**5,099,726**	4,138,155	**5,099,726**	4,138,155

The scheduled principal repayment aging analyses of the gross consumer loans receivable portfolio as at June 30, 2025 and 2024 are as follows:

($ in 000's except percentages)	June 30, 2025		June 30, 2024	
	$	% of total loans	$	% of total loans
0 – 6 months	**313,003**	**6.1%**	269,175	6.5%
6 – 12 months	**218,400**	**4.3%**	189,588	4.6%
1 – 2 years	**466,105**	**9.1%**	409,000	9.9%
2 – 3 years	**604,664**	**11.9%**	527,630	12.8%
3 – 4 years	**752,910**	**14.8%**	639,938	15.5%
4 – 5 years	**813,731**	**16.0%**	652,220	15.8%
5 – 6 years	**807,524**	**15.8%**	609,927	14.7%
6 – 7 years	**673,004**	**13.2%**	475,209	11.5%
7 years +	**450,385**	**8.8%**	365,468	8.7%
Gross consumer loans receivable	**5,099,726**	**100.0%**	4,138,155	100.0%

The gross consumer loans receivable portfolio categorized by the contractual time to maturity as at June 30, 2025 and 2024 are summarized as follows:

($ in 000's except percentages)	June 30, 2025		June 30, 2024	
	$	% of total loans	$	% of total loans
0 – 1 year	**96,731**	**1.9%**	78,920	1.9%
1 – 2 years	**174,062**	**3.4%**	153,862	3.7%
2 – 3 years	**251,919**	**4.9%**	265,030	6.4%
3 – 4 years	**508,452**	**10.0%**	513,128	12.4%
4 – 5 years	**746,896**	**14.6%**	606,186	14.6%
5 – 6 years	**986,474**	**19.4%**	806,002	19.5%
6 – 7 years	**1,261,559**	**24.7%**	902,643	21.8%
7 years +	**1,073,633**	**21.1%**	812,384	19.7%
Gross consumer loans receivable	**5,099,726**	**100.0%**	4,138,155	100.0%

Loans are originated and serviced by both the easyfinancial and easyhome reportable segments. A breakdown of gross consumer loans receivable between these segments is as follows:

($ in 000's except percentages)	June 30, 2025		June 30, 2024	
	$	% of total loans	$	% of total loans
easyfinancial	**4,961,953**	**97.3%**	4,028,281	97.3%
easyhome	**137,773**	**2.7%**	109,874	2.7%
Gross consumer loans receivable	**5,099,726**	**100.0%**	4,138,155	100.0%

Financial Revenue and Net Financial Income

Financial revenue, a non-IFRS measure, is generated by both the easyfinancial and easyhome reportable segments. Financial revenue includes interest and various other ancillary fees generated by the Company's gross consumer loans receivable. Financial revenue is calculated as total Company revenue less leasing revenue from the easyhome reportable segment.

Net financial income is a non-IFRS measure that details the profitability of the Company's gross consumer loans receivable before costs to originate or administer. Net financial income is calculated by deducting interest expense, amortization of deferred financing charges and bad debt expense from financial revenue. Net financial income is impacted by the size of gross consumer loans receivable, portfolio yield, amount and cost of the Company's debt, the Company's leverage ratio and bad debt expense incurred in the period. The Company uses net financial income, among other measures, to assess the operating performance of its loan portfolio. Non-IFRS 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.

	Three Months Ended		**Six Months Ended**	
($ in 000's)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Total Company revenue	**418,311**	377,795	**810,172**	734,909
Less: Leasing revenue	**(23,059)**	(25,408)	**(46,574)**	(51,657)
Financial revenue	**395,252**	352,387	**763,598**	683,252
Less: Finance costs	**(43,033)**	(54,684)	**(132,684)**	(105,997)
Add: Interest expense on lease liabilities	**874**	894	**1,761**	1,815
Less: Bad debt expense	**(136,383)**	(112,499)	**(267,406)**	(217,694)
Net financial income	**216,710**	186,098	**365,269**	361,376

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 and is calculated as the financial revenue generated, including revenue generated on the sale of ancillary products, on the Company's gross consumer loans receivable, divided by the average of the month-end loan balances for the indicated period. For interim periods, the rate is annualized. The Company uses total yield on gross consumer loans as a percentage of average gross consumer loans receivable, among other measures, to assess the operating performance of its loan portfolio.

	Three Months Ended		**Six Months Ended**	
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Total Company revenue	**418,311**	377,795	**810,172**	734,909
Less: Leasing revenue	**(23,059)**	(25,408)	**(46,574)**	(51,657)
Financial revenue	**395,252**	352,387	**763,598**	683,252
Multiplied by number of periods in a year	**X 4**	X 4	**X 4/2**	X 4/2
Divided by average gross consumer loans receivable	**4,977,757**	4,041,884	**4,843,751**	3,910,097
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	**31.8%**	34.9%	**31.5%**	34.9%

Net Charge Offs

In addition to loan originations, gross consumer loans receivable is impacted by charge offs. Unsecured customer loan balances that are delinquent greater than 90 days and secured customer loan balances that are delinquent greater than 180 days where no further collection measures are deemed practicable are written off against the allowance for loan losses. In addition, customer loan balances are charged off upon notification that the customer is insolvent, following a detailed review of the filing. Subsequent collections of previously charged off accounts are netted against gross charge offs during a period to arrive at net charge offs.

Average gross consumer loans receivable has been calculated based on the average of the month-end loan balances for the indicated period. This metric is a measure of the collection performance of gross consumer loans receivable. For interim periods, the rate is annualized.

	Three Months Ended		Six Months Ended	
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Net charge offs against allowance	**108,903**	94,060	**213,331**	180,387
Multiplied by number of periods in a year	**X 4**	X 4	**X 4/2**	X 4/2
Divided by average gross consumer loans receivable	**4,977,757**	4,041,884	**4,843,751**	3,910,097
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**8.8%**	9.3%	**8.8%**	9.2%

Allowance for Credit Losses

The allowance for expected credit losses is a provision that is reported on the Company's statement of financial position that is netted against gross consumer loans receivable to arrive at net consumer loans receivable. The allowance for expected credit losses provides for credit losses that are expected to transpire in future periods. Customer loans for which the Company has received a notification of bankruptcy, unsecured customer loan balances that are delinquent greater than 90 days and secured customer loan balances that are delinquent greater than 180 days where no further collection measures are deemed practicable are charged off against the allowance for loan losses.

	Three Months Ended		Six Months Ended	
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Allowance for credit losses, beginning of period	**376,224**	284,227	**349,629**	265,359
Net charge offs against allowance	**(108,903)**	(94,060)	**(213,331)**	(180,387)
Bad debt expense	**136,383**	112,499	**267,406**	217,694
Allowance for credit losses, end of period	**403,704**	302,666	**403,704**	302,666
Allowance for credit losses as a percentage of the ending gross consumer loans receivable	**7.92%**	7.31%	**7.92%**	7.31%

IFRS 9 requires that Forward-Looking Indicators ("FLIs") be considered when determining the allowance for credit losses. Historically, the four key macroeconomic variables contributing to credit risk and losses within the Company's loan portfolio have been: unemployment rates, inflation rates, gross domestic product ("GDP") growth and the price of oil. Analysis performed by the Company determined that a forecasted increase in the rates of unemployment and inflation, a decrease in the expected future price of oil from current rates or a decrease in the rate of GDP growth has historically tended to increase charge offs. Conversely, a forecasted decrease in the rate of unemployment, rate of inflation, an increase in the expected future price of oil from the rates or an increase in the GDP growth rate has historically tended to decrease charge offs.

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 FLI 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 interrelated macroeconomic variables, being unemployment rates, GDP, inflation rates and oil prices. 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 June 30, 2025 and 2024, respectively.

12-Month Forward-Looking Macroeconomic Variables (Average annual)	**Forecast Scenarios**				
	Neutral	**Moderately Optimistic**	**Extremely Optimistic**	**Moderately Pessimistic**	**Extremely Pessimistic**
June 30, 2025					
Unemployment rate[1]	**7.29%**	**6.69%**	**5.97%**	**8.97%**	**9.85%**
GDP growth rate[2]	**(0.29%)**	**1.41%**	**3.61%**	**(3.88%)**	**(5.60%)**
Inflation growth rate[3]	**2.06%**	**2.35%**	**2.47%**	**2.40%**	**2.46%**
Oil prices[4]	**$64.33**	**$69.25**	**$71.10**	**$48.43**	**$39.63**
June 30, 2024					
Unemployment rate[1]	6.35%	6.10%	5.72%	7.61%	8.01%
GDP growth rate[2]	1.56%	2.41%	3.26%	(0.97%)	(1.98%)
Inflation growth rate[3]	1.74%	1.97%	2.18%	1.58%	1.37%
Oil prices[4]	$79.09	$81.86	$84.04	$63.83	$53.90

[1] An average of the projected monthly unemployment rates over the next 12-month forecast period.
[2] A projected year-over-year GDP growth rate.
[3] A projected year-over-year inflation growth rate.
[4] 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 judgment through a robust internal review and analysis to arrive at a collective view on the likelihood of each scenario taking into account current economic conditions and the 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 $464.7 million, $61.0 million or 15.1% higher than the reported allowance for credit losses as at June 30, 2025 (June 30, 2024 – $332.4 million, $29.7 million or 9.8% higher than the reported allowance for credit losses). The sensitivity above 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.

Aging of Gross Consumer Loans Receivable

An aging analysis of gross consumer loans receivable at the end of the periods is as follows:

($ in 000's except percentages)	June 30, 2025		June 30, 2024	
	$	**% of total loans**	**$**	**% of total loans**
Current	**4,759,746**	**93.3%**	3,817,110	92.3%
Days past due				
1 – 30 days	**122,125**	**2.5%**	124,626	3.0%
31 – 44 days	**25,981**	**0.5%**	38,340	0.9%
45 – 60 days	**22,025**	**0.4%**	42,602	1.0%
61 – 90 days	**26,655**	**0.5%**	52,848	1.3%
91 – 120 days	**12,674**	**0.3%**	27,431	0.7%
121 – 150 days	**21,425**	**0.4%**	21,383	0.5%
151+ days	**109,095**	**2.1%**	13,815	0.3%
	339,980	**6.7%**	321,045	7.7%
Gross consumer loans receivable	**5,099,726**	**100.0%**	4,138,155	100.0%

The aging analysis between different fiscal periods may not be comparable depending upon the day of the week on which the fiscal period ends considering not all loans are on a monthly repayment cycle.

Gross consumer loans receivable that are past due as at June 30, 2025 decreased by 100 bps, compared to June 30, 2024, primarily driven by: 1) continued growth in low-risk, secured borrowings including home equity loans, automotive financing and point-of-sale-financing; 2) tighter credit and underwriting measures implemented during the course of the past year; and 3) improvements in collections activity, particularly in earlier-stage accounts.

Gross consumer loans receivable defined as early-stage delinquent (less than 90 days past due) as at June 30, 2025, decreased by 230 bps compared to June 30, 2024, primarily driven by tighter credit and underwriting measures implemented during the course of the past year, as well as the tighter collection measures implemented as described above.

Gross consumer loans receivable defined as late-stage delinquent (over 90 days past due) as at June 30, 2025, increased by 130 bps, compared to June 30, 2024, primarily driven by the continued shift in product mix toward secured loans, which have a longer period to charge off at 180 days post initial delinquency, compared to unsecured loans which charge off 90 days post initial delinquency and a delay in repossession turnaround times for certain secured assets stemming from third parties (including bailiffs, towing companies, auction houses, etc.) having to accommodate an increasingly larger volume of units out for repossession from lenders across the industry. To date, the lengthening of the repossession timeframes has not had any negative impact on collection results (the ratio of assets collected to those out for repossession), or resale values realized on collected assets. As a result of the temporary delay in asset recoveries for certain secured loans where additional collection measures are deemed practicable and there is an expectation to derive net realizable value, in accordance with the Company's charge off policy, these loans have not been charged off and remain part of the gross consumer loans receivable classified as late stage. The Company has begun to benefit from enhanced collections activity on this segment of the portfolio as evidenced by the late-stage delinquency rate having declined from 3.3% to 2.8% within the last 90 days.

Gross Consumer Loans Receivable by Geography

As at June 30, 2025 and 2024, the Company's gross consumer loans receivable was allocated among the following geographic regions:

	June 30, 2025		June 30, 2024	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Newfoundland & Labrador	**128,524**	**2.5%**	109,733	2.7%
Nova Scotia	**234,119**	**4.6%**	194,272	4.7%
Prince Edward Island	**24,863**	**0.5%**	23,111	0.6%
New Brunswick	**184,121**	**3.6%**	162,462	3.9%
Quebec	**580,666**	**11.4%**	511,000	12.3%
Ontario	**2,069,097**	**40.6%**	1,608,958	38.9%
Manitoba	**214,360**	**4.2%**	170,530	4.1%
Saskatchewan	**205,197**	**4.0%**	176,467	4.3%
Alberta	**880,131**	**17.3%**	721,733	17.4%
British Columbia	**539,599**	**10.6%**	426,330	10.3%
Territories	**39,049**	**0.7%**	33,559	0.8%
Gross consumer loans receivable	**5,099,726**	**100.0%**	4,138,155	100.0%

Gross Consumer Loans Receivable by Loan Type

As at June 30, 2025 and 2024, the allocation of the Company's gross consumer loans receivable based on loan type is as follows:

	June 30, 2025		June 30, 2024	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Unsecured instalment loans	**2,674,378**	**52.4%**	2,311,387	55.9%
Secured instalment loans[1]	**2,425,348**	**47.6%**	1,826,768	44.1%
Gross consumer loans receivable	**5,099,726**	**100.0%**	4,138,155	100.0%

[1] Secured instalment loans include loans secured by real estate and personal property.

The Company continued to experience strong organic growth of its secured loan products comprised of home equity loans, automotive financing, and point-of-sale financing.

Leasing Portfolio Analysis

Potential Monthly Leasing Revenue

Potential monthly leasing revenue is a supplementary financial measure. The Company measures its leasing portfolio and the performance of its easyhome business through potential monthly leasing revenue. Potential monthly leasing revenue reflects the lease revenue that the Company's portfolio of leased merchandise would generate in a month providing it collected all lease payments contractually due in that period, but excludes revenue generated by certain ancillary products. Potential monthly leasing revenue is an important indicator of the future revenue generating potential of the Company's lease portfolio. Potential monthly leasing revenue is calculated as the number of lease agreements outstanding, multiplied by the average required monthly lease payment per agreement.

Potential monthly leasing revenue is calculated as follows:

	June 30, 2025	June 30, 2024
Total number of lease agreements	**61,202**	67,740
Multiplied by the average required monthly lease payment per agreement	**105.85**	107.09
Potential monthly leasing revenue ($ in 000's)	**6,478**	7,254

Changes in potential monthly leasing revenue during the periods was as follows:

	Three Months Ended		Six Months Ended	
($ in 000's)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Opening potential monthly leasing revenue	**6,727**	7,377	**6,875**	7,654
Decrease due to store closures or sales during the period	**(46)**	(16)	**(108)**	(20)
Decrease due to ongoing operations	**(203)**	(107)	**(289)**	(380)
Net change	**(249)**	(123)	**(397)**	(400)
Ending potential monthly leasing revenue	**6,478**	7,254	**6,478**	7,254

Potential Monthly Leasing Revenue by Product Category

At the end of the periods, the Company's leasing portfolio, as measured by potential monthly leasing revenue was allocated among the following product categories:

	June 30, 2025		June 30, 2024	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Furniture	**2,838**	**43.8%**	3,129	43.1%
Electronics	**1,964**	**30.3%**	2,305	31.8%
Appliances	**1,046**	**16.2%**	1,085	15.0%
Computers	**630**	**9.7%**	735	10.1%
Potential monthly leasing revenue	**6,478**	**100.0%**	7,254	100.0%

Potential Monthly Leasing Revenue by Geography

As at June 30, 2025 and 2024, the Company's leasing portfolio as measured by potential monthly leasing revenue, was allocated among the following geographic regions:

	June 30, 2025		June 30, 2024	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Newfoundland & Labrador	**640**	**9.9%**	652	9.0%
Nova Scotia	**658**	**10.2%**	733	10.1%
Prince Edward Island	**108**	**1.7%**	121	1.7%
New Brunswick	**570**	**8.8%**	624	8.6%
Quebec	**463**	**7.1%**	531	7.3%
Ontario	**1,995**	**30.8%**	2,220	30.6%
Manitoba	**248**	**3.8%**	272	3.7%
Saskatchewan	**267**	**4.1%**	305	4.2%
Alberta	**960**	**14.8%**	1,132	15.6%
British Columbia	**569**	**8.8%**	664	9.2%
Potential monthly leasing revenue	**6,478**	**100.0%**	7,254	100.0%

Leasing Charge Offs as a Percentage of Leasing Revenue

The Company's leasing charge offs as a percentage of leasing revenue is a non-IFRS ratio. When easyhome enters into a leasing transaction with a customer, a sale is not recorded as the Company retains ownership of the related asset under the lease. Instead, the Company recognizes its leasing revenue over the term of the lease as payments are received from the customer. Periodically, the lease agreement is terminated by the customer or by the Company prior to the anticipated end date of the lease and the assets are returned by the customer to the Company. In some instances, the Company is unable to regain possession of the assets which are then charged off. Net charge offs (charge offs less subsequent recoveries of previously charged off assets) are included in the depreciation of lease assets expense for financial reporting purposes. easyhome leasing revenue is a non-IFRS measure and is calculated as total Company revenue less financial revenue. The Company uses leasing charge offs as a percentage of leasing revenue, among other measures, to assess the operating performance of its leasing portfolio. Non-IFRS ratios 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.

	Three Months Ended		Six Months Ended	
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Depreciation of lease assets	**6,947**	7,242	**13,930**	14,322
Less: Lease asset depreciation excluding net charge offs	**(6,247)**	(6,405)	**(12,497)**	(12,646)
Net charge offs	**700**	837	**1,433**	1,676
Total Company revenue	**418,311**	377,795	**810,172**	734,909
Less: Financial revenue	**(395,252)**	(352,387)	**(763,598)**	(683,252)
Leasing revenue	**23,059**	25,408	**46,574**	51,657
Net charge offs as a percentage of leasing revenue	**3.0%**	3.3%	**3.1%**	3.2%

Key Performance Indicators and Non-IFRS Measures

In addition to the reported financial results under IFRS and the metrics described in the Portfolio Analysis section of this MD&A, the Company also measures the success of its strategy using a number of key performance indicators as described in more detail below. Several of these key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

The discussion in this section refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to the Company's consolidated financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Several non-IFRS measures that are used throughout this discussion are defined as follows:

Adjusted Net Income and Adjusted Diluted Earnings Per Share

At various times, net income and diluted earnings per share may be affected by adjusting items that have occurred in the period and impact the comparability of these measures with other periods. Adjusting items include items that are outside of normal business activities and are significant in amount and scope, which management believes are not reflective of underlying business performance. Adjusted net income and adjusted diluted earnings per share are non-IFRS measures. The Company defines: i) adjusted net income as net income excluding such adjusting items, and ii) adjusted diluted earnings per share as diluted earnings per share excluding such adjusting items. The Company believes that adjusted net income and adjusted diluted earnings per share are important measures of the profitability of operations.

Items used to calculate adjusted net income and adjusted diluted earnings per share for the three-and-six-month periods ended June 30, 2025 and 2024 include those indicated in the chart below:

($ in 000's except earnings per share)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net income as stated	**86,543**	65,401	**125,942**	124,345
Impact of adjusting items				
Other operating expenses				
Integration costs[1]	**92**	132	**184**	314
Advisory costs[3]	**-**	2,387	**-**	4,930
Depreciation and amortization				
Amortization of acquired intangible assets[2]	**3,275**	3,275	**6,550**	6,550
Other loss[4]	**-**	2,740	**-**	7,138
Finance costs				
Fair value change on prepayment options related to Notes Payable[5]	**(27,974)**	(960)	**(3,260)**	(2,158)
Total pre-tax impact of adjusting items	**(24,607)**	7,574	**3,474**	16,774
Income tax impact of above adjusting items	**6,521**	(1,643)	**(920)**	(3,499)
After-tax impact of adjusting items	**(18,086)**	5,931	**2,554**	13,275
Adjusted net income	**68,457**	71,332	**128,496**	137,620
Weighted average number of diluted shares outstanding	**16,672**	17,377	**16,832**	17,339
Diluted earnings per share as stated	**5.19**	3.76	**7.48**	7.17
Per share impact of adjusting items	**(1.08)**	0.34	**0.15**	0.77
Adjusted diluted earnings per share	**4.11**	4.10	**7.63**	7.94

Adjusting items related to the LendCare acquisition

[1] Integration costs related to representation and warranty insurance costs, and other integration costs related to the acquisition of LendCare.

[2] 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 advisory costs

[3] Advisory costs for the three and six-month periods ended June 30, 2024 were related to non-recurring advisory, consulting and legal costs.

Adjusting item related to other loss

[4] For the three and six-month periods ended June 30, 2024, net investment loss was due to fair value changes in the Company's investments.

Adjusting item related to prepayment options embedded in the Notes Payable

[5] For the three and six-month periods ended June 30, 2025 and 2024, the Company recognized a fair value change on the prepayment options related to Notes Payable.

Adjusted Net Income as a Percentage of Revenue

Adjusted net income as a percentage of revenue is a non-IFRS ratio. The Company believes that adjusted net income as a percentage of revenue is an important measure of the profitability of the Company's operations.

($ in 000's except percentages)	Three Months Ended			
	June 30, 2025	June 30, 2025 (adjusted)	June 30, 2024	June 30, 2024 (adjusted)
Net income as stated	**86,543**	**86,543**	65,401	65,401
After-tax impact of adjusting items[1]	-	**(18,086)**	-	5,931
Adjusted net income	**86,543**	**68,457**	65,401	71,332
Divided by revenue	**418,311**	**418,311**	377,795	377,795
Net income as a percentage of revenue	**20.7%**	**16.4%**	17.3%	18.9%

[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)	Six Months Ended			
	June 30, 2025	June 30, 2025 (adjusted)	June 30, 2024	June 30, 2024 (adjusted)
Net income as stated	**125,942**	**125,942**	124,345	124,345
After-tax impact of adjusting items[1]	**-**	**2,554**	-	13,275
Adjusted net income	**125,942**	**128,496**	124,345	137,620
Divided by revenue	**810,172**	**810,172**	734,909	734,909
Net income as a percentage of revenue	**15.5%**	**15.9%**	16.9%	18.7%

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

Adjusted Other Operating Expenses and Efficiency Ratio

Adjusted other operating expenses is a non-IFRS measure. The Company defines adjusted other operating expenses as other operating expenses including depreciation of lease assets but excluding other operating expenses that are outside of normal business activities and are significant in amount and scope. Efficiency ratio is a non-IFRS ratio. The Company defines efficiency ratio as adjusted other operating expenses divided by total revenue. The Company believes efficiency ratio is an important measure of the profitability of the Company's operations.

	Three Months Ended		Six Months Ended	
($ in 000's except earnings per share)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Other operating expenses as stated	**100,307**	97,084	**195,632**	190,414
Impact of adjusting items[1]				
Other operating expenses				
Integration costs	**(92)**	(132)	**(184)**	(314)
Advisory costs	**-**	(2,387)	**-**	(4,930)
Depreciation and amortization				
Depreciation of lease assets	**6,947**	7,242	**13,930**	14,322
Total impact of adjusting items	**6,855**	4,723	**13,746**	9,078
Adjusted other operating expenses	**107,162**	101,807	**209,378**	199,492
Total revenue	**418,311**	377,795	**810,172**	734,909
Efficiency ratio	**25.6%**	26.9%	**25.8%**	27.1%

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

Adjusted Operating Margin

Adjusted operating margin is a non-IFRS ratio. The Company defines adjusted operating margin as adjusted operating income divided by revenue for the Company as a whole and for its reporting segments: easyfinancial and easyhome. The Company defines adjusted operating income as operating income excluding adjusting items. The Company believes adjusted operating margin is an important measure of the profitability of its operations, which in turn assists it in assessing the Company's ability to generate cash to pay interest on its debt and to pay dividends.

	Three Months Ended			
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2025 (adjusted)**	**June 30, 2024**	**June 30, 2024 (adjusted)**
easyfinancial				
Operating income	**175,652**	**175,652**	164,844	164,844
Divided by revenue	**380,854**	**380,854**	339,511	339,511
easyfinancial operating margin	**46.1%**	**46.1%**	48.6%	48.6%
easyhome				
Operating income	**9,925**	**9,925**	11,887	11,887
Divided by revenue	**37,457**	**37,457**	38,284	38,284
easyhome operating margin	**26.5%**	**26.5%**	31.0%	31.0%
Total				
Operating income	**161,062**	**161,062**	147,210	147,210
Other operating expenses[1]				
Integration costs	-	**92**	-	132
Advisory costs	-	**-**	-	2,387
Depreciation and amortization[1]				
Amortization of acquired intangible assets	-	**3,275**	-	3,275
Adjusted operating income	**161,062**	**164,429**	147,210	153,004
Divided by revenue	**418,311**	**418,311**	377,795	377,795
Total operating margin	**38.5%**	**39.3%**	39.0%	40.5%

[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)	Six Months Ended June 30, 2025	June 30, 2025 (adjusted)	June 30, 2024	June 30, 2024 (adjusted)
easyfinancial				
Operating income	**332,742**	**332,742**	319,711	319,711
Divided by revenue	**735,673**	**735,673**	657,567	657,567
easyfinancial operating margin	**45.2%**	**45.2%**	48.6%	48.6%
easyhome				
Operating income	**19,423**	**19,423**	23,208	23,208
Divided by revenue	**74,499**	**74,499**	77,342	77,342
easyhome operating margin	**26.1%**	**26.1%**	30.0%	30.0%
Total				
Operating income	**306,052**	**306,052**	284,921	284,921
Other operating expenses[1]				
Integration costs	-	**184**	-	314
Advisory costs	-	**-**	-	4,930
Depreciation and amortization[1]				
Amortization of acquired intangible assets	-	**6,550**	-	6,550
Adjusted operating income	**306,052**	**312,786**	284,921	296,715
Divided by revenue	**810,172**	**810,172**	734,909	734,909
Total operating margin	**37.8%**	**38.6%**	38.8%	40.4%

[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 and EBITDA margin is a non-IFRS ratio. The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, excluding depreciation of lease assets. EBITDA margin is calculated as EBITDA divided by revenue. The Company uses EBITDA and EBITDA margin, among other measures, to assess the operating performance of its ongoing businesses.

	Three Months Ended		Six Months Ended	
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Net income as stated	**86,543**	65,401	**125,942**	124,345
Finance cost	**43,033**	54,684	**132,684**	105,997
Income tax expense	**31,486**	24,385	**47,426**	47,441
Depreciation and amortization	**20,559**	21,002	**41,082**	41,880
Depreciation of lease assets	**(6,947)**	(7,242)	**(13,930)**	(14,322)
EBITDA	**174,674**	158,230	**333,204**	305,341
Divided by revenue	**418,311**	377,795	**810,172**	734,909
EBITDA margin	**41.8%**	41.9%	**41.1%**	41.5%

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

Free cash flows from operations before net growth in gross consumer loans receivable is a non-IFRS measure. The Company defines free cash flows from operations before net growth in gross consumer loans receivable as cash provided by (used in) operating activities, adjusted for the costs of investments made to grow gross consumer loans receivable. The Company believes free cash flows from operations before net growth in gross consumer loans receivable is an important performance indicator to assess the cash generating ability of its existing loan portfolio.

	Three Months Ended		Six Months Ended	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Cash used in operating activities	**(278,453)**	(192,992)	**(437,623)**	(322,727)
Net growth in gross consumer loans receivable during the period	**313,201**	286,076	**503,611**	492,953
Free cash flows from operations before net growth in gross consumer loans receivable	**34,748**	93,084	**65,988**	170,226

Adjusted Return on Receivables

Adjusted return on receivables is a non-IFRS ratio. The Company defines adjusted return on receivable as annualized adjusted net income divided by average gross consumer loans receivable for the period. The Company believes adjusted return on receivables is an important measure of how gross consumer loans receivable are utilized in the business.

	Three Months Ended			
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2025 (adjusted)**	**June 30, 2024**	**June 30, 2024 (adjusted)**
Net income as stated	**86,543**	**86,543**	65,401	65,401
After-tax impact of adjusting items[1]	-	**(18,086)**	-	5,931
Adjusted net income	**86,543**	**68,457**	65,401	71,332
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average gross consumer loans receivable	**4,977,757**	**4,977,757**	4,041,884	4,041,884
Return on receivables	**7.0%**	**5.5%**	6.5%	7.1%

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

	Six Months Ended			
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2025 (adjusted)**	**June 30, 2024**	**June 30, 2024 (adjusted)**
Net income as stated	**125,942**	**125,942**	124,345	124,345
After-tax impact of adjusting items[1]	**-**	**2,554**	-	13,275
Adjusted net income	**125,942**	**128,496**	124,345	137,620
Multiplied by number of periods in a year	**X 4/2**	**X 4/2**	X 4/2	X 4/2
Divided by average gross consumer loans receivable	**4,843,751**	**4,843,751**	3,910,097	3,910,097
Return on receivables	**5.2%**	**5.3%**	6.4%	7.0%

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

Adjusted Return on Assets

Adjusted return on assets is a non-IFRS ratio. The Company defines adjusted return on assets as annualized adjusted net income divided by average total assets for the period. The Company believes adjusted return on assets is an important measure of how total assets are utilized in the business.

($ in 000's except percentages)	Three Months Ended June 30, 2025	June 30, 2025 (adjusted)	June 30, 2024	June 30, 2024 (adjusted)
Net income as stated	**86,543**	**86,543**	65,401	65,401
After-tax impact of adjusting items[1]	-	**(18,086)**	-	5,931
Adjusted net income	**86,543**	**68,457**	65,401	71,332
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average total assets for the period	**5,447,957**	**5,447,957**	4,520,809	4,520,809
Return on assets	**6.3%**	**5.0%**	5.8%	6.3%

[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)	Six Months Ended June 30, 2025	June 30, 2025 (adjusted)	June 30, 2024	June 30, 2024 (adjusted)
Net income as stated	**125,942**	**125,942**	124,345	124,345
After-tax impact of adjusting items[1]	**-**	**2,554**	-	13,275
Adjusted net income	**125,942**	**128,496**	124,345	137,620
Multiplied by number of periods in a year	**X 4/2**	**X 4/2**	X 4/2	X 4/2
Divided by average total assets for the period	**5,383,483**	**5,383,483**	4,401,928	4,401,928
Return on assets	**4.7%**	**4.8%**	5.6%	6.3%

[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. The Company defines adjusted return on equity as annualized adjusted net income in the period, divided by average shareholders' equity for the period. The Company believes adjusted return on equity is an important measure of how shareholders' invested capital is utilized in the business.

	Three Months Ended			
($ in 000's except percentages)	June 30, 2025	June 30, 2025 (adjusted)	June 30, 2024	June 30, 2024 (adjusted)
Net income as stated	**86,543**	**86,543**	65,401	65,401
After-tax impact of adjusting items[1]	-	**(18,086)**	-	5,931
Adjusted net income	**86,543**	**68,457**	65,401	71,332
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average shareholders' equity for the period	**1,182,362**	**1,182,362**	1,124,055	1,124,055
Return on equity	**29.3%**	**23.2%**	23.3%	25.4%

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

	Six Months Ended			
($ in 000's except percentages)	June 30, 2025	June 30, 2025 (adjusted)	June 30, 2024	June 30, 2024 (adjusted)
Net income as stated	**125,942**	**125,942**	124,345	124,345
After-tax impact of adjusting items[1]	**-**	**2,554**	-	13,275
Adjusted net income	**125,942**	**128,496**	124,345	137,620
Multiplied by number of periods in a year	**X 4/2**	**X 4/2**	X 4/2	X 4/2
Divided by average shareholders' equity for the period	**1,188,596**	**1,188,596**	1,100,729	1,100,729
Return on equity	**21.2%**	**21.6%**	22.6%	25.0%

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

Reported and Adjusted Return on Tangible Common Equity

Reported and adjusted return on tangible common equity are non-IFRS ratios. The Company defines return on tangible common equity as annualized net income, adjusted for the after-tax amortization of acquisition-related intangible assets, which are treated as adjusting items, as a percentage of average tangible common equity for the period. Tangible common equity is calculated as shareholders' equity for the period, less goodwill and acquisition-related intangible assets, net of related deferred tax liabilities. Adjusted return on tangible common equity is calculated using annualized adjusted net income in the period, divided by average tangible common equity for the period. The Company believes adjusted return on tangible common equity is an important measure of how shareholders' invested tangible capital is utilized in the business.

	Three Months Ended			
($ in 000's except percentages)	**June 30, 2025**	**June 30, 2025 (adjusted)**	**June 30, 2024**	**June 30, 2024 (adjusted)**
Net income as stated	**86,543**	**86,543**	65,401	65,401
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	**88,950**	**88,950**	67,808	67,808
Impact of adjusting items[1]				
Other operating expenses				
Integration costs	**-**	**92**	-	132
Advisory costs	**-**	**-**	-	2,387
Other loss	**-**	**-**	-	2,740
Finance costs				
Fair value change on prepayment options related to Notes Payable	**-**	**(27,974)**	-	(960)
Total pre-tax impact of adjusting items	**-**	**(27,882)**	-	4,299
Income tax impact of above adjusting items		**7,389**	-	(775)
After-tax impact of adjusting items	**-**	**(20,493)**	-	3,524
Adjusted net income	**88,950**	**68,457**	67,808	71,332
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Average shareholders' equity	**1,182,362**	**1,182,362**	1,124,055	1,124,055
Average goodwill	**(180,923)**	**(180,923)**	(180,923)	(180,923)
Average acquired intangible assets[2]	**(78,054)**	**(78,054)**	(91,154)	(91,154)
Average related deferred tax liabilities	**20,684**	**20,684**	24,156	24,156
Divided by average tangible common equity	**944,069**	**944,069**	876,134	876,134
Return on tangible common equity	**37.7%**	**29.0%**	31.0%	32.6%

[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)	Six Months Ended June 30, 2025	June 30, 2025 (adjusted)	June 30, 2024	June 30, 2024 (adjusted)
Net income as stated	**125,942**	**125,942**	124,345	124,345
Amortization of acquired intangible assets	**6,550**	**6,550**	6,550	6,550
Income tax impact of the above item	**(1,736)**	**(1,736)**	(1,736)	(1,736)
Net income before amortization of acquired intangible assets, net of income tax	**130,756**	**130,756**	129,159	129,159
Impact of adjusting items[1]				
Other operating expenses				
Integration costs	**-**	**184**	-	314
Advisory costs	**-**	**-**	-	4,930
Other loss	**-**	**-**	-	7,138
Finance costs				
Fair value change on prepayment options related to Notes Payable	**-**	**(3,260)**	-	(2,158)
Total pre-tax impact of adjusting items	**-**	**(3,076)**	-	10,224
Income tax impact of above adjusting items		**816**	-	(1,763)
After-tax impact of adjusting items	**-**	**(2,260)**	-	8,461
Adjusted net income	**130,756**	**128,496**	129,159	137,620
Multiplied by number of periods in a year	**X 4/2**	**X 4/2**	X 4/2	X 4/2
Average shareholders’ equity	**1,188,596**	**1,188,596**	1,100,729	1,100,729
Average goodwill	**(180,923)**	**(180,923)**	(180,923)	(180,923)
Average acquired intangible assets[2]	**(79,692)**	**(79,692)**	(92,792)	(92,792)
Average related deferred tax liabilities	**21,118**	**21,118**	24,590	24,590
Divided by average tangible common equity	**949,099**	**949,099**	851,604	851,604
Return on tangible common equity	**27.6%**	**27.1%**	30.3%	32.3%

[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.

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at June 30, 2025 and 2024.

($ in 000's, except for ratios)	June 30, 2025	June 30, 2024
Consumer loans receivable, net	**4,858,147**	3,917,944
Cash	**254,494**	135,918
Accounts receivable	**42,032**	40,059
Prepaid expenses	**10,346**	12,801
Investments	**41,918**	54,326
Lease assets	**37,485**	41,860
Deferred tax assets	**5,404**	-
Derivative financial assets	**6,188**	35,638
Property and equipment, net	**32,270**	34,413
Right-of-use assets, net	**51,577**	55,806
Intangible assets, net	**105,603**	115,902
Goodwill	**180,923**	180,923
Total assets	**5,626,387**	4,625,590
Notes payable	**2,823,448**	1,697,135
Revolving securitization warehouse facilities	**987,112**	1,280,973
Secured borrowings	**97,795**	131,729
Revolving credit facility	**170,924**	119,403
External debt	**4,079,279**	3,229,240
Accounts payable and other liabilities	**75,681**	73,304
Income taxes payable	**3,109**	4,220
Dividends payable	**23,461**	19,651
Unearned revenue	**28,122**	26,296
Accrued interest payable	**55,178**	27,359
Deferred income tax liabilities, net	**-**	17,683
Lease liabilities	**59,025**	64,158
Derivative financial liabilities	**90,223**	18,816
Total liabilities	**4,414,078**	3,480,727
Shareholders' equity	**1,212,309**	1,144,863
Total capitalization (external debt plus total shareholders' equity)	**5,291,588**	4,374,103
Capital management measures		
External debt to shareholders' equity[1]	**3.36**	2.82
Debt to adjusted tangible equity[2]	**3.56**	3.21

[1] External debt to shareholders' equity is a capital management measure that the Company uses to assess the ability of its net assets to cover outstanding debts. It is calculated as external debt divided by shareholders' equity.

[2] Debt to adjusted tangible equity is a capital management measure used to ensure the Company is prudently managing its leverage, supporting its ability to meet long-term funding obligations. Debt is calculated as external debt plus accrued interest payable and lease liabilities. Adjusted tangible equity is calculated as shareholder's equity plus the impact of stage 1 loan loss provision as stated in Note 5 of the interim condensed consolidated financial statements for the period ended June 30, 2025, less the impact of intangible assets, goodwill and accumulated other comprehensive loss.

Total assets were $5.63 billion as at June 30, 2025, an increase of $1.00 billion or 21.6%, compared to June 30, 2024. The increase was related primarily to a $940.2 million increase in net consumer loans receivable driven by strong loan originations and a $118.6 million increase in cash, mainly driven by cash generated from operations and cash proceeds from net borrowings from the Company's debt facilities, partially offset by repurchases of common shares through the Company's Normal Course Issuer Bid ("NCIB") during the current period and dividends paid.

The $1.00 billion total asset growth was primarily financed by: i) a $850.0 million increase in external debt mainly from Notes Payable issued in the past 12 months; and ii) a $67.4 million increase in total shareholders' equity, which was driven by the earnings generated by the Company, partially offset by dividends paid. While the Company has continued to pay a dividend to its shareholders, a large portion of the Company's earnings have been retained to fund growth of its consumer lending business.

Liquidity and Capital Resources

Cash Flow Review

The table below provides a summary of cash flow components for the three-and-six-months periods ended June 30, 2025 and 2024.

($ in 000's)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Cash provided by operating activities before net issuance of consumer loans receivable and purchase of lease assets	**166,471**	189,244	**331,813**	376,293
Net issuance of consumer loans receivable	**(439,172)**	(377,006)	**(759,020)**	(688,050)
Purchase of lease assets	**(5,752)**	(5,230)	**(10,416)**	(10,970)
Cash used in operating activities	**(278,453)**	(192,992)	**(437,623)**	(322,727)
Cash used in investing activities	**(5,549)**	(3,351)	**(8,479)**	(6,834)
Cash provided by financing activities	**357,664**	140,858	**449,215**	320,902
Net increase (decrease) in cash for the period	**73,662**	(55,485)	**3,113**	(8,659)

The Company provides loans to non-prime borrowers. The Company obtains capital and funding which is treated as cash flows from financing activities and then advances funds to borrowers as loans which are treated as cash used in operating activities. When a borrower makes a loan payment, it generates cash flow from operating activities and income. As such, when the Company is growing its portfolio of consumer loans it will tend to use cash in operating activities.

Cash Flow Analysis for the Three Months Ended June 30, 2025

Cash used in operating activities for the three-month period ended June 30, 2025 was $278.5 million, compared with $193.0 million in the same period of 2024. Included in cash used in operating activities were: i) a net issuance of consumer loans receivable of $439.2 million; and ii) the purchase of lease assets of $5.8 million. If the net issuance of consumer loans receivable and the purchase of lease assets were treated as cash flows from investing activities, the cash flows generated by operating activities would have been $166.5 million, down from $189.2 million in the same period of 2024, mainly driven by unfavourable changes in working capital and lower non-cash expenses.

During the three-month period ended June 30, 2025, cash used in investing activities was $5.5 million, higher by $2.1 million, compared to $3.4 million used in investing activities in the same period of 2024, mainly due to higher investment in intangible assets.

During the three-month period ended June 30, 2025, the Company generated $357.7 million in cash flow from financing activities, compared to $140.9 million in the same period of 2024. The increase was mainly due to higher net borrowings on the Company's debt facilities, partially offset by repurchases of common shares through the Company's NCIB and higher dividends paid during the current period.

Cash Flow Analysis for the Six Months Ended June 30, 2025

Cash used in operating activities during the six-month period ended June 30, 2025 was $437.6 million, compared with $322.7 million in the same period of 2024. Included in cash used in operating activities for the six-month period ended June 30, 2025 were: i) a net issuance of consumer loans receivable of $759.0 million; and ii) the purchase of $10.4 million of lease assets. If the net issuance of consumer loans receivable and the purchase of lease assets were treated as cash flows from investing activities, the cash flows generated by operating activities would have been $331.8 million for the six-month period ended June 30, 2025, down from $376.3 million in the same period of 2024. The decrease was mainly driven by unfavourable changes in working capital partially offset by higher non-cash expenses.

During the six-month period ended June 30, 2025, the Company used $8.5 million in investing activities, compared to $6.8 million in the same period of 2024, mainly due to higher investment in intangible assets.

During the six-month period ended June 30, 2025, the Company generated $449.2 million in cash flow from financing activities, compared to $320.9 million in the same period of 2024. The increase was mainly due to higher net borrowings on the Company's debt facilities, partially offset by repurchases of common shares through the Company's NCIB and higher dividends paid during the current period.

Capital and Funding Resources

goeasy funds its business through a combination of equity and debt instruments. goeasy's common shares are listed for trading 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.

On March 22, 2021, goeasy's common shares were added by Dow Jones to the S&P/TSX Composite Index. The Company's inclusion in the benchmark Canadian index reflects the value that has been created for the Company's shareholders over the years.

As at June 30, 2025, the Company's external debt consisted of Notes Payable with a net carrying value of $2.82 billion, $989.2 million drawn against the Company's Revolving Securitization Warehouse Facilities, $173.5 million drawn against the Company's Revolving Credit Facility and $97.8 million drawn against the Company's Secured Borrowings.

Borrowings under the US$64.6 million senior unsecured notes payable maturing on May 1, 2026 ("2026 Notes") bore a USD coupon rate of 4.375%. Through a cross-currency swap agreement arranged concurrently with the issuance of 2026 Notes, the Company hedged the risk of changes in the foreign exchange rate for payments of principal and interest, effectively hedging the obligation at a Canadian dollar interest rate of 4.818%. These 2026 Notes mature on May 1, 2026.

Borrowings under the US$550 million senior unsecured notes payable maturing on December 1, 2028 ("2028 Notes") bore a USD coupon rate of 9.250%. Through a cross-currency swap agreement arranged concurrently with the issuance of 2028 Notes, the Company hedged the risk of changes in the foreign exchange rate for payments of principal and interest until December 1, 2027, effectively hedging the obligation at a Canadian dollar interest rate of 8.79%.

Borrowings under the US$400 million senior unsecured notes payable maturing on July 1, 2029 (“2029 Notes”) bore a USD coupon rate of 7.625%. Through a cross-currency swap agreement arranged concurrently with the issuance of the 2029 Notes, the Company hedged the risk of changes in the foreign exchange rate for payments of principal and interest until July 1, 2028, effectively hedging the obligation at a Canadian dollar interest rate of 7.195%. These 2029 Notes mature on July 1, 2029.

Borrowings under the additional US$200 million of 2029 Notes (“Additional 2029 Notes”) bore a USD coupon rate of 7.625%. Through a cross-currency swap agreement arranged concurrently with the issuance of the Additional 2029 Notes, the Company hedged the risk of changes in the foreign exchange rate for payments of principal and interest until July 1, 2028, effectively hedging the obligation at a Canadian dollar interest rate of 6.936%.

Borrowings under the US$400 million senior unsecured notes payable (“May 2030 USD Notes”) bore a USD coupon rate of 6.875% and $150 million senior unsecured notes payable (“May 2030 CAD Notes”) bore a CAD coupon rate of 6.000%. Through a cross-currency swap with the issuance of the May 2030 USD Notes, the Company hedge the risk of changes in the foreign exchange rate for payments of principal and interest until May 15, 2029, effectively hedging the obligation at a Canadian dollar interest rate of 5.977%. These May 2030 Notes mature on May 15, 2030.

Borrowings under the October 2030 Notes bore a USD coupon rate of 7.375%. Through a cross-currency swap arranged concurrently with the issuance of the October 2030 Notes, the Company hedged the risk of changes in the foreign exchange rate for payments of principal and interest until October 1, 2029, effectively hedging the obligation at a Canadian dollar interest rate of 6.030%. These October 2030 Notes mature on October 1, 2030.

The Company’s Revolving Securitization Warehouse Facility I and Revolving Securitization Warehouse Facility II have maturity dates of October 31, 2025 and December 15, 2026, respectively. Borrowings on Revolving Securitization Warehouse Facility I bear interest 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. Borrowings on Revolving Securitization Warehouse Facility II bear interest 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 Facilities, the Company entered into interest rate swap agreements as cash flow hedges to protect against the risk of changes in the variability of future interest rates by paying a fixed rate on each draw based on the weighted average life of the securitized loans and receiving a variable rate equivalent to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps.

Borrowings under the Company’s Revolving Credit Facility is at the option of the Company, from 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 one-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 (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three month interest period; provided further that the interest rate shall not fall below 225 bps.

The Company has the following Secured Borrowings with non-structured third parties:

- A $105 million securitization facility (“$105 million Securitization Facility”), which bears interest at the 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.
- 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”), 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 May 31, 2025. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

The average blended coupon interest rate for the Company’s debt as at June 30, 2025 was 6.7% down from 6.9% as at June 30, 2024.

Including the cash position of $254.5 million, the Company’s total liquidity as at June 30, 2025 was $1.74 billion.

Outstanding Shares and Dividends

As at August 6, 2025, there were 16,075,117 common shares, 374,570 Board deferred share units, 140,003 share options, 296,323 restricted share units, 99,100 Executive deferred share units and no warrants outstanding.

Normal Course Issuer Bid

On December 19, 2023, the Company renewed its NCIB (the “2023 NCIB”). Pursuant to the 2023 NCIB, the Company proposed to purchase, from time to time, up to an aggregate of 1,270,245 common shares being approximately 10% of goeasy’s public float. As at December 13, 2023, goeasy had 16,603,531 common shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2023, was 29,210. Under the 2023 NCIB, daily purchases were limited to 7,302 common shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The purchases were permitted to commence on December 21, 2023, and terminated on December 20, 2024.

On December 19, 2024, the Company renewed its NCIB (the “2024 NCIB”). Pursuant to the 2024 NCIB, the Company proposed to purchase, from time to time, up to an aggregate of 1,293,283 common shares being approximately 10% of goeasy’s public float. As at December 10, 2024, goeasy had 16,728,495 common shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2024, was 56,453. Under 2024 NCIB, daily purchases will be limited to 14,113 common shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The purchases were permitted to commence on December 23, 2024, and will terminate on December 22, 2025, or on such earlier date as the Company may complete its purchases pursuant to the 2024 NCIB. The 2024 NCIB will be conducted through facilities of the TSX or alternative trading systems, if eligible and will conform to their regulations. Purchases under the 2024 NCIB will be made by means of open market transaction or other such means as a security regulatory authority may permit, including pre-arranged crosses, exempt offers and private agreements under an issuer bid exemption order issued by a securities regulatory authority. The price that goeasy will pay for any common shares will be the market price of such shares at the time of acquisition, unless otherwise permitted under applicable rules.

For the three and six-month periods ended June 30, 2025, the Company purchased and cancelled 167,369 and 589,998 of its common shares on the open market at an average price of $149.37 and 162.32 per share, for a total cost of $25.0 million and $95.8 million, respectively. For the three and six-month period ended June 30, 2024, the Company did not purchase and cancel any common shares.

Dividends

The Company reviews its dividend distribution policy on a regular basis, evaluating its financial position, profitability, cash flow and other factors the Board of Directors considers relevant. However, no dividends can be declared in the event there is a default of a loan facility, or where such payment would lead to a default.

On February 13, 2025, the Company increased the quarterly dividend rate by 24.8% from $1.17 to $1.46 per share. 2025 marks the 21st consecutive year of paying a dividend to shareholders and the 11th consecutive year of an increase in the dividend rate per share to shareholders.

For the quarter ended June 30, 2025, the Company declared a $1.46 per share quarterly dividend on outstanding common shares. This dividend was paid on July 11, 2025.

In February 2020, the Company was added to the S&P/TSX Canadian Dividend Aristocrats Index with a 42% compound annual growth rate in the dividend over the prior 5 years.

The following table sets forth the quarterly dividends paid by the Company in the first quarter of the years indicated:

	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Quarterly dividend per share	**$1.46**	$1.17	$0.96	$0.91	$0.66	$0.45	$0.31
Percentage increase	**24.8%**	21.9%	5.5%	37.9%	46.7%	45.2%	37.8%

Commitments, Guarantees and Contingencies

The nature of Company's commitments, guarantees and contingencies remain as described in its December 31, 2024 MD&A.

Risk Factors

The Company's activities are exposed to a variety of commercial, operational, financial and regulatory risks. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Corporate Governance, Nominating and Risk Committee of the Board reviews the Company's risk management program and policies on an annual basis.

The Company's risk factors remain as described in its December 31, 2024 MD&A.

Financial Instruments

The Company's assets and liabilities include financial instruments.

The Company's financial assets consist of accounts receivable, consumer loans receivable, derivative financial instruments and investments, which are initially measured at fair value plus transaction costs. Accounts receivable and consumer loans receivable are subsequently measured at amortized cost. Investments are subsequently measured at fair value.

The Company’s financing activities expose it to the financial risks of changes in foreign exchange and interest rate volatility. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of these risks. Derivative financial instruments are initially measured at fair value on the trade date and subsequently remeasured at fair value at each reporting date using observable market inputs.

The Company’s financial liabilities include a Revolving Credit Facility, Notes Payable (including prepayment options embedded therein), Revolving Securitization Warehouse Facilities, Secured Borrowings, Derivative financial instruments and Accounts payable and other liabilities. Financial liabilities are initially recognized at fair value. After initial recognition, the Company’s interest-bearing debt is subsequently measured at amortized cost using the effective interest rate method. Non-interest-bearing financial liabilities, such as Accounts payable and other liabilities, are subsequently carried at the amount owing. Prepayment options embedded in Notes Payable are subsequently measured at fair value.

Critical Accounting Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual amounts could differ from these estimates.

Significant changes in assumptions, including those with respect to future business plans and cash flows, could change the recorded amounts by a material amount.

The Company’s critical accounting estimates are as described in the December 31, 2024 notes to the consolidated financial statements.

Changes in Accounting Policy and Disclosures

(i) New standards, interpretations and amendments adopted by the Company

There were no new standards, interpretations or amendments that had a material impact on the Company’s consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(ii) 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 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.

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 new standard will have on its consolidated financial statements.

Internal Controls

Disclosure Controls and Procedures ("DC&P")

DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to various securities regulators are recorded, processed, summarized and reported within the time periods specified in applicable Canadian securities laws and include controls and procedures designed to ensure that information required to be disclosed in the Company's filings or other reports is accumulated and communicated to the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), so that timely decisions can be made regarding required disclosure.

The Company's management, under supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's DC&P, as required in Canada by National Instrument 52-109, "*Certification of Disclosure in Issuers' Annual and Interim Filings*". Based on this evaluation, the CEO and CFO have concluded that the design of the system of the Company's disclosure controls and procedures were effective as at June 30, 2025.

Internal Controls over Financial Reporting ("ICFR")

ICFR is a process designed by, or under the supervision of, senior management, and effected by the Board of Directors, management and other personnel, to provide reasonable assurances regarding the reliability of financial reporting and preparation of the Company's consolidated financial statements in accordance with IFRS.

The Company's internal controls over the financial reporting framework include those policies and procedures that:

(i) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

Management is responsible for establishing and maintaining ICFR and designs such controls to attempt to ensure that the required objectives of these internal controls have been met. Management uses the Internal Control – Integrated Framework (2013) to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In designing and evaluating such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance and may not prevent or detect all misstatements as a result of, among other things, error or fraud. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and/or procedures may deteriorate.

Changes to ICFR during 2025

No changes were made in the Company's internal controls over financial reporting during the three and six-month periods ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of ICFR as at June 30, 2025

As at June 30, 2025, under the direction and supervision of the CEO and CFO, the Company has evaluated the effectiveness of the Company's ICFR. The evaluation included a review of key controls, testing and evaluation of such test results. Based on this evaluation, the CEO and CFO have concluded that the design and operation of the Company's internal controls over financial reporting were effective as at June 30, 2025.