



goeasy Ltd. Reports Record Results for the Third Quarter

November 3, 2021

Loan Portfolio of \$1.90 billion, up 60%
Revenue of \$220 million, up 36%
Adjusted Operating Income of \$85.8 million, up 51%
Adjusted Quarterly Net Income of \$46.7 million, up 48%
Adjusted Quarterly Diluted Earnings per Share of \$2.70, up 35%

MISSISSAUGA, Ontario, Nov. 03, 2021 (GLOBE NEWSWIRE) -- goeasy Ltd. (TSX: GSY), ("**goeasy**" or the "**Company**"), one of Canada's leading non-prime consumer lenders, today reported results for the third quarter ended September 30, 2021.

Third Quarter Results

During the quarter, the Company generated a record \$436 million in total loan originations, up 52% compared to the \$287 million produced in the third quarter of 2020, and a sequential increase of 15% from the \$379 million in loan originations in the second quarter of 2021. The increase in loan originations led to record organic growth in the loan portfolio of \$101 million during the quarter, resulting in a total gross consumer loan receivable portfolio of \$1.90 billion, up 60% from \$1.18 billion in the third quarter of 2020. The growth in consumer loans led to an increase in revenue, which was a record \$220 million in the quarter, up 36% over the third quarter in 2020.

During the quarter, the Company continued to experience stable credit and payment performance. The net charge off rate for the third quarter was 8.3%, compared to 7.8% in the third quarter of 2020 and 8.2% in the second quarter of 2021. The overall allowance for future credit losses reduced slightly from 7.90% in the prior quarter to 7.83%.

Operating income for the third quarter of 2021 was a record \$81.4 million, up 43% from \$56.9 million in the third quarter of 2020. Operating margin for the third quarter was 37.0%, up from 35.2% in the prior year. After adjusting for items related to the recent acquisition of LendCare Holdings Inc. ("**LendCare**"), the Company reported record adjusted operating income of \$85.8 million, up \$28.9 million or an increase of 51% compared to the third quarter of 2020. Adjusted operating margin for the third quarter was 39.1%, up from 35.2% in the prior year. During the quarter, the Company also recorded a \$23.2 million before-tax fair value gain on investments.

Net income in the third quarter was \$63.5 million, compared to \$33.1 million in the same period of 2020, which resulted in diluted earnings per share of \$3.66, compared to \$2.09 in the third quarter of 2020. After adjusting for non-recurring and unusual items on an after-tax basis, including \$1.0 million of transaction and integration costs related to the acquisition of LendCare, \$2.4 million in amortization of acquired intangible assets, and a \$20.1 million fair value gain on investments, adjusted net income was a record \$46.7 million, up 48% from \$31.6 million in 2020. Adjusted diluted earnings per share was a record \$2.70, up 35% from \$2.00 in the third quarter of 2020.

Return on equity during the quarter was 32.7%, compared to 34.7% in the third quarter of 2020. After adjusting for the non-recurring and unusual items previously noted, adjusted return on equity was 24.0% in the quarter, compared to 33.1% in the same period of 2020.

"During the quarter we made significant progress on the integration of LendCare, which is on track to produce the synergies and accretion forecast during our acquisition," said Jason Mullins, goeasy's President and Chief Executive Officer, "With consumer demand for credit improving, complemented by the expansion of our auto lending program and point-of-sale channel, we grew the consumer loan portfolio a record \$101 million during the quarter, more than double the same quarter last year. Meanwhile, the stable credit performance and improved operating leverage, led to record adjusted diluted earnings per share of \$2.70," Mr. Mullins concluded, "With our fully drawn weighted average cost of borrowing declining to 4.3% and total liquidity now exceeding \$900 million, our balance sheet is stronger than ever and we remain on track to achieving our forecast for 2021 and beyond."

Other Key Third Quarter Highlights

easyfinancial

- Revenue of \$182 million, up 45%
- 33% of the loan portfolio secured, up from 12%
- 66% of net loan advances in the quarter were issued to new customers, up from 50%
- 41% of applications acquired online, up from 38%
- 25% of new loans issued through point-of-sale financing, up from 18%
- 4% of new loans issued auto financing, a new product category in 2021
- Average loan book per branch improved to \$4.0 million, an increase of 6%
- Weighted average interest yield of 33.6%, down from 38.3%
- Record operating income of \$90.6 million, up 42%
- Operating margin of 49.7%, down from 50.7%

easyhome

- Record revenue of \$37.6 million, up 5%
- Same store revenue growth of 5.6%
- Consumer loan portfolio within easyhome stores increased to \$61.8 million, up 38%
- Revenue from consumer lending increased to \$7.9 million, up 43%
- Record operating income of \$10.1 million, up 28%
- Record operating margin of 26.7%, up from 21.9%

Overall

- 46th consecutive quarter of same store sales growth
- 81st consecutive quarter of positive net income
- 2021 marks the 17th consecutive year of paying dividends and the 7th consecutive year of a dividend increase
- Total same store revenue growth of 15.4%
- Adjusted return on equity of 24.0% in the quarter and adjusted return on tangible common equity of 42.9%
- Fully drawn weighted average cost of borrowing reduced to 4.3%, down from 5.0%
- Net external debt to net capitalization of 62% on September 30, 2021, down from 66% in the prior year and below the Company's target leverage ratio of 70%

Nine Months Results

For the first nine months of 2021, the Company produced record revenues of \$592 million, up 24% compared with \$480 million in the same period of 2020. Operating income for the period was \$201 million compared with \$155 million in the first nine months of 2020, an increase of \$46.2 million or 30%. Net income for the first nine months of 2021 was \$195 million and diluted earnings per share was \$11.75 compared with \$87.6 million or \$5.64 per share, increases of 123% and 108%, respectively. Excluding the effects of the adjusting items related to the acquisition of LendCare and fair value gains on investments, adjusted net income for the first nine months of 2021 was \$127 million and adjusted diluted earnings per share was \$7.66, increases of 54% and 44%, respectively, while adjusted return on equity was 26.6%.

Balance Sheet and Liquidity

Total assets were \$2.47 billion as of September 30, 2021, an increase of 81% from \$1.37 billion as of September 30, 2020, driven by growth in the consumer loan portfolio, including the \$445 million gross consumer loan portfolio acquired through the acquisition of LendCare, the intangible assets and goodwill arising from the LendCare acquisition, and the return on the Company's investment in Affirm Holdings Inc. ("Affirm").

In September 2021, the Company entered into a 9-month total return swap agreement (the "TRS") to partially hedge its market exposure related to 100,000 of the 468,000 contingent shares related to the equity held in Affirm. The TRS effectively results in the economic value of the hedged portion of the Company's contingent equity in Affirm being settled in cash at maturity for US\$110.35 per share, net of applicable fees. During the third quarter of 2021, the Company recognized a \$20.1 million after-tax fair value gain on the investment in Affirm and the TRS. Year to date, the Company has recorded total fair value gains on investments of \$92.4 million.

During the quarter, the Company increased its existing revolving securitization warehouse facility to \$600 million. The warehouse facility continues to be structured and underwritten by National Bank Financial Markets under a new three-year agreement, which incorporates favorable key modifications, including improvements to eligibility criteria and advance rates. The interest on advances are payable at the rate of 1-month CDOR plus 185 bps, an improvement of 110 bps. Based on the current 1-month CDOR rate of 0.43% as of November 3, 2021, the interest rate would be 2.28%. The Company continues utilizing an interest rate swap agreement to generate fixed rate payments on the amounts drawn and mitigate the impact of interest rate volatility.

Cash provided by operating activities before the net growth in gross consumer loans receivable in the quarter was \$89.2 million. Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's revolving credit facilities, goeasy has approximately \$908 million in total funding capacity, which it estimates is sufficient to fund its organic growth through the fourth quarter of 2023. At quarter-end, the Company's fully drawn weighted average cost of borrowing reduced to 4.3%, down from 5.0% in the prior year, with incremental draws on its senior secured revolving credit facility bearing a rate of approximately 3.5% and incremental draws on its amended securitization facility bearing a rate of approximately 2.3%.

As of September 30, 2021, the Company also estimates that once its existing and available sources of capital are fully utilized, it could continue to grow the loan portfolio by approximately \$200 million per year solely from internal cash flows. The Company also estimates that if it were to run-off its consumer loan and consumer leasing portfolios, the value of the total cash repayments paid to the Company over the remaining life of its contracts would be approximately \$3 billion. If, during such a run-off scenario, all excess cash flows were applied directly to debt, the Company estimates it would extinguish all external debt within 16 months.

Future Outlook

The Company has provided 3-year forecasts for the years 2021 through 2023. The Company continues to pursue a long-term strategy that includes expanding its product range, developing its channels of distribution and leveraging risk-based pricing, which increases the average loan size and extends the life of its customer relationships. As such, the total yield earned on its consumer loan portfolio will gradually decline, while net charge-off rates moderate and operating margins expand. The forecasts outlined below contemplate the Company's expected domestic organic growth plan and do not include the impact of any future mergers or acquisitions, or the associated gains or losses associated with its investments.

	Forecasts for 2021	Forecasts for 2022	Forecasts for 2023
Gross Loan Receivable Portfolio at Year End	\$1.95 billion – \$2.05 billion	\$2.35 billion – \$2.55 billion	\$2.8 billion – \$3.0 billion
New easyfinancial locations	20 - 25	15 - 20	10 - 15

easyfinancial Total Revenue Yield	40% - 42%	36% - 38%	35% - 37%
Total Revenue Growth	24% - 27%	17% - 20%	12% - 15%
Net charge-off Rate (Average Receivables)	8.5% - 10.5%	8.5% - 10.5%	8.0% - 10.0%
Adjusted Total Company Operating Margin	35%+	36%+	37%+
Adjusted Return on Equity	22%+	22%+	22%+
Cash provided by Operating Activities before Net Growth in Gross Consumer Loans Receivable	\$190 million – \$230 million	\$270 million – \$310 million	\$310 million – \$350 million
Net Debt to Net Capitalization	64% - 66%	64% - 66%	63% - 65%

Dividend

The Board of Directors has approved a quarterly dividend of \$0.66 per share payable on January 14, 2022 to the holders of common shares of record as at the close of business on December 31, 2021.

Forward-Looking Statements

All figures reported above with respect to outlook are targets established by the Company and are subject to change as plans and business conditions vary. Accordingly, investors are cautioned not to place undue reliance on the foregoing guidance. Actual results may differ materially.

This press release includes forward-looking statements about goeasy, including, but not limited to, its business operations, strategy, expected financial performance and condition, the estimated number of new locations to be opened, targets for growth of the consumer loans receivable portfolio, annual revenue growth targets, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements, liquidity of the Company, plans and references to future operations and results and critical accounting estimates. In certain cases, forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'budgeted', 'estimates', 'forecasts', 'targets' or negative versions thereof and similar expressions, and/or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company's operations, economic factors and the industry generally, as well as those factors referred to in the Company's most recent Annual Information Form and Management Discussion and Analysis, as available on www.sedar.com, in the section entitled "Risk Factors". There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by the Company, due to, but not limited to, important factors such as the Company's ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on favourable terms, purchase products which appeal to customers at a competitive rate, respond to changes in legislation, react to uncertainties related to regulatory action, raise capital under favourable terms, manage the impact of litigation (including shareholder litigation), control costs at all levels of the organization and maintain and enhance the system of internal controls. The Company cautions that the foregoing list is not exhaustive.

The reader is cautioned to consider these, and other factors carefully and not to place undue reliance on forward-looking statements, which may not be appropriate for other purposes. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

About goeasy

goeasy Ltd., a Canadian company, headquartered in Mississauga, Ontario, provides non-prime leasing and lending services through its easyhome, easyfinancial and LendCare brands. Supported by more than 2,200 employees, the Company offers a wide variety of financial products and services including unsecured and secured instalment loans. Customers can transact seamlessly through an omni-channel model that includes an online and mobile platform, over 400 locations across Canada, and point-of-sale financing offered in the retail, power sports, automotive, home improvement and healthcare verticals, through more than 4,000 merchants across Canada. Throughout the Company's history, it has acquired and organically served over 1 million Canadians and originated over \$7.2 billion in loans, with one in three easyfinancial customers graduating to prime credit and 60% increasing their credit score within 12 months of borrowing.

Accredited by the Better Business Bureau, goeasy is the proud recipient of several awards including Waterstone Canada's Most Admired Corporate Cultures, Glassdoor Top CEO Award, Achievers Top 50 Most Engaged Workplaces in North America, Greater Toronto Top Employers Award, the Digital Finance Institute's Canada's Top 50 FinTech Companies, ranking on the TSX30 and placing on the Report on Business ranking of Canada's Top Growing Companies and has been certified as a Great Place to Work®. The company is represented by a diverse group of team members from over 75 nationalities who believe strongly in giving back to the communities in which it operates. To date, goeasy has raised and donated over \$3.8 million to support its long-standing partnerships with BGC Canada, Habitat for Humanity and many other local charities.

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

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goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(expressed in thousands of Canadian dollars)

	As At September 30, 2021	As At December 31, 2020
ASSETS		
Cash	124,685	93,053
Amounts receivable	18,057	9,779
Prepaid expenses	8,668	13,005
Consumer loans receivable, net	1,780,073	1,152,378
Investments	64,178	56,040
Lease assets	44,482	49,384
Property and equipment, net	34,397	31,322
Deferred tax assets, net	-	4,066
Derivative financial assets	422	-
Intangible assets, net	161,189	25,244
Right-of-use assets, net	54,663	46,335
Goodwill	180,923	21,310
TOTAL ASSETS	2,471,737	1,501,916
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving credit facility	14,339	198,339
Accounts payable and accrued liabilities	61,433	46,065
Income taxes payable	22,860	13,897
Dividends payable	10,888	6,661
Unearned revenue	9,329	10,622
Accrued interest	22,968	2,598
Deferred tax liabilities, net	38,983	-
Derivative financial liabilities	19,076	36,910
Lease liabilities	62,915	53,902
Revolving securitization warehouse facility	122,648	-
Secured borrowings	191,574	-
Notes payable	1,087,397	689,410
TOTAL LIABILITIES	1,664,410	1,058,404
Shareholders' equity		
Share capital	369,475	181,753
Contributed surplus	20,518	19,732
Accumulated other comprehensive income (loss)	6,666	(5,280)
Retained earnings	410,668	247,307
TOTAL SHAREHOLDERS' EQUITY	807,327	443,512
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,471,737	1,501,916

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
REVENUE				
Interest income	146,132	101,833	380,109	302,799
Lease revenue	27,923	28,416	84,708	84,232
Commissions earned	42,052	28,540	117,824	83,166
Charges and fees	3,655	3,035	9,651	9,506
	219,762	161,824	592,292	479,703
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits	41,776	36,457	120,986	102,283
Stock-based compensation	2,116	1,718	6,103	5,587
Advertising and promotion	7,751	7,377	20,815	18,195
Bad debts	45,297	27,221	123,444	100,505
Occupancy	5,995	5,639	17,272	17,126
Technology costs	4,900	3,817	12,721	10,499
Other expenses	9,852	6,624	32,356	22,378
	117,687	88,853	333,697	276,573
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	8,601	8,701	26,687	26,790
Depreciation of right-of-use assets	4,650	4,053	13,416	11,994
Amortization of intangible assets	5,405	1,820	11,285	4,699
Depreciation of property and equipment	2,067	1,451	5,833	4,488
	20,723	16,025	57,221	47,971
TOTAL OPERATING EXPENSES	138,410	104,878	390,918	324,544
OPERATING INCOME	81,352	56,946	201,374	155,159
OTHER INCOME	23,219	1,700	106,505	5,700
FINANCE COSTS				
Interest expense and amortization of deferred financing charges	20,889	12,543	54,450	39,624
Interest expense on lease liabilities	797	690	2,294	2,025
	21,686	13,233	56,744	41,649
INCOME BEFORE INCOME TAXES	82,885	45,413	251,135	119,210
INCOME TAX EXPENSE (RECOVERY)				
Current	25,769	9,990	58,577	23,288
Deferred	(6,424)	2,350	(2,424)	8,328
	19,345	12,340	56,153	31,616
NET INCOME	63,540	33,073	194,982	87,594
BASIC EARNINGS PER SHARE	3.79	2.20	12.15	5.95
DILUTED EARNINGS PER SHARE	3.66	2.09	11.75	5.64

Segmented Reporting

(\$ in 000's except earnings per share)	Three Months Ended September 30, 2021			
	easyfinancial ¹	easyhome	Corporate	Total

Revenue

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

¹ LendCare's financial results are reported under the easyfinancial reporting segment.

(\$ in 000's except earnings per share)	Three Months Ended September 30, 2020			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	97,543	4,290	-	101,833
Lease revenue	-	28,416	-	28,416
Commissions earned	26,474	2,066	-	28,540
Charges and fees	1,839	1,196	-	3,035
	125,856	35,968	-	161,824
Total operating expenses before depreciation and amortization	58,089	17,208	13,556	88,853
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	2,014	9,051	907	11,972
Depreciation of right-of-use-assets	1,977	1,824	252	4,053
	3,991	10,875	1,159	16,025
Segment operating income (loss)	63,776	7,885	(14,715)	56,946
Other income				1,700
Finance costs				
Interest expense and amortization of deferred financing charges				12,543
Interest expense on lease liabilities				690
				13,233
Income before income taxes				45,413

Income taxes	12,340
Net Income	33,073
Diluted earnings per share	2.09

(\$ in 000's except earnings per share)	Nine Months Ended September 30, 2021			
	easyfinancial ¹	easyhome	Corporate	Total
Revenue				
Interest income	363,806	16,303	-	380,109
Lease revenue	-	84,708	-	84,708
Commissions earned	109,809	8,015	-	117,824
Charges and fees	6,721	2,930	-	9,651
	480,336	111,956	-	592,292
Total operating expenses before depreciation and amortization	223,784	50,143	59,770	333,697
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	12,423	27,652	3,730	43,805
Depreciation of right-of-use assets	7,021	5,750	645	13,416
	19,444	33,402	4,375	57,221
Segment operating income (loss)	237,108	28,411	(64,145)	201,374
Other income				106,505
Finance costs				
Interest expense and amortization of deferred financing charges				54,450
Interest expense on lease liabilities				2,294
				56,744
Income before income taxes				251,135
Income taxes				56,153
Net Income				194,982
Diluted earnings per share				11.75

¹ LendCare's financial results are reported under the easyfinancial reporting segment.

(\$ in 000's except earnings per share)	Nine Months Ended September 30, 2020			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	290,483	12,316	-	302,799
Lease revenue	-	84,232	-	84,232
Commissions earned	76,785	6,381	-	83,166
Charges and fees	6,113	3,393	-	9,506
	373,381	106,322	-	479,703
Total operating expenses before depreciation and amortization	186,844	50,428	39,301	276,573
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	5,484	27,903	2,590	35,977
Depreciation of right-of-use-assets	5,691	5,595	708	11,994

	11,175	33,498	3,298	47,971
Segment operating income (loss)	175,362	22,396	(42,599)	155,159
Other income				5,700
Finance costs				
Interest expense and amortization of deferred financing charges				39,624
Interest expense on lease liabilities				2,025
				41,649
Income before income taxes				119,210
Income taxes				31,616
Net Income				87,594
Diluted earnings per share				5.64

Summary of Financial Results and Key Performance Indicators

(\$ in 000's except earnings per share and percentages)	Three Months Ended		Variance	Variance
	September 30, 2021	September 30, 2020	\$ / bps	% change
Summary Financial Results				
Revenue	219,762	161,824	57,938	35.8%
Operating expenses before depreciation and amortization ²	117,687	88,853	28,834	32.5%
EBITDA ¹	116,693	65,970	50,723	76.9%
EBITDA margin ¹	53.1%	40.8%	1,230 bps	30.1%
Depreciation and amortization expense ²	20,723	16,025	4,698	29.3%
Operating income	81,352	56,946	24,406	42.9%
Operating margin ¹	37.0%	35.2%	180 bps	5.1%
Other income ^{2,3}	23,219	1,700	21,519	1,265.8%
Finance costs	21,686	13,233	8,453	63.9%
Effective income tax rate	23.3%	27.2%	(390 bps)	(14.3%)
Net income	63,540	33,073	30,467	92.1%
Diluted earnings per share	3.66	2.09	1.57	75.1%
Return on assets ¹	10.3%	9.7%	60 bps	6.2%
Return on equity ¹	32.7%	34.7%	(200 bps)	(5.8%)
Return on tangible common equity ¹	58.3%	39.1%	1,920 bps	49.1%
Adjusted Financial Results^{1,2,3}				
Adjusted operating income	85,818	56,946	28,872	50.7%
Adjusted operating margin	39.1%	35.2%	390 bps	11.1%
Adjusted net income	46,748	31,598	15,150	47.9%
Adjusted diluted earnings per share	2.70	2.00	0.70	35.0%
Adjusted return on assets	7.6%	9.3%	(170 bps)	(18.3%)
Adjusted return on equity	24.0%	33.1%	(910 bps)	(27.5%)
Adjusted return on tangible common equity	42.9%	37.3%	560 bps	15.0%
Key Performance Indicators¹				
Same store revenue growth (overall)	15.4%	3.1%	1,230 bps	396.8%
Same store revenue growth (easyhome)	5.6%	7.2%	(160 bps)	(22.2%)
Segment Financials				
easyfinancial revenue	182,119	125,856	56,263	44.7%

easyfinancial operating margin	49.7%	50.7%	(100 bps)	(2.0%)
easyhome revenue	37,643	35,968	1,675	4.7%
easyhome operating margin	26.7%	21.9%	480 bps	21.9%
Portfolio Indicators				
Gross consumer loans receivable	1,896,716	1,182,801	713,915	60.4%
Growth in consumer loans receivable	100,872	48,319	52,553	108.8%
Gross loan originations	436,194	286,583	149,611	52.2%
Total yield on consumer loans (including ancillary products)	40.8%	45.1%	(430 bps)	(9.5%)
Net charge offs as a percentage of average gross consumer loans receivable	8.3%	7.8%	50 bps	6.4%
Cash provided by operating activities before net growth in gross consumer loans receivable	89,240	63,578	25,662	40.4%
Potential monthly lease revenue	8,160	8,256	(96)	(1.2%)

¹ See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures" in September 30, 2021 Management's Discussion and Analysis.

² During the third quarter of 2021, the Company had a total of -\$18.8 million before-tax (-\$16.8 million after-tax) of adjusting items which include: *Adjusting items related to the LendCare Acquisition*

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

Adjusting item related to other income

- Realized and unrealized fair value gains mainly on investments in Affirm and TRS amounting to \$23.2 million before-tax (\$20.1 million after-tax).

³ During the third quarter of 2020, the Company's adjusting item includes:

- Unrealized fair value gain on investment in PayBright amounting to \$1.7 million before-tax (\$1.5 million after-tax).

(\$ in 000's except earnings per share and percentages)	Nine Months Ended		Variance \$ / bps	Variance % change
	September 30, 2021	September 30, 2020		
Summary Financial Results				
Revenue	592,292	479,703	112,589	23.5%
Operating expenses before depreciation and amortization ²	333,697	276,573	57,124	20.7%
EBITDA ¹	338,413	182,040	156,373	85.9%
EBITDA margin ¹	57.1%	37.9%	1,920 bps	50.7%
Depreciation and amortization expense ²	57,221	47,971	9,250	19.3%
Operating income	201,374	155,159	46,215	29.8%
Operating margin ¹	34.0%	32.3%	170 bps	5.3%
Other income ^{2,3}	106,505	5,700	100,805	1,768.5%
Finance costs ²	56,744	41,649	15,095	36.2%
Effective income tax rate	22.4%	26.5%	(410 bps)	(15.5%)
Net income	194,982	87,594	107,388	122.6%
Diluted earnings per share	11.75	5.64	6.11	108.3%
Return on assets ¹	12.9%	8.6%	430 bps	50.0%
Return on equity ¹	40.8%	32.3%	850 bps	26.3%
Return on tangible common equity ¹	58.7%	36.5%	2,220 bps	60.8%
Adjusted Financial Results^{1,2,3}				
Adjusted operating income	230,299	155,159	75,140	48.4%
Adjusted operating margin	38.9%	32.3%	660 bps	20.4%
Adjusted net income	127,114	82,649	44,465	53.8%
Adjusted diluted earnings per share	7.66	5.33	2.33	43.7%
Adjusted return on assets	8.4%	8.1%	30 bps	3.7%
Adjusted return on equity	26.6%	30.5%	(390 bps)	(12.8%)
Adjusted return on tangible common equity	38.3%	34.5%	380 bps	11.0%
Key Performance Indicators¹				

Same store revenue growth (overall)	12.1%	7.8%	430 bps	55.1%
Same store revenue growth (easyhome)	6.1%	3.2%	290 bps	90.6%
Segment Financials				
easyfinancial revenue	480,336	373,381	106,955	28.6%
easyfinancial operating margin	49.4%	47.0%	240 bps	5.1%
easyhome revenue	111,956	106,322	5,634	5.3%
easyhome operating margin	25.4%	21.1%	430 bps	20.4%
Portfolio Indicators				
Gross consumer loans receivable	1,896,716	1,182,801	713,915	60.4%
Growth in consumer loans receivable ⁴	649,876	72,168	577,708	800.5%
Gross loan originations	1,087,627	699,028	388,599	55.6%
Total yield on consumer loans (including ancillary products)	42.4%	45.2%	(280 bps)	(6.2%)
Net charge offs as a percentage of average gross consumer loans receivable	8.5%	10.3%	(180 bps)	(17.5%)
Cash provided by operating activities before net growth in gross consumer loans receivable	200,652	169,639	31,013	18.3%
Potential monthly lease revenue	8,160	8,256	(96)	(1.2%)

¹ See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures" in September 30, 2021 Management's Discussion and Analysis.

² During the nine-month period ended September 30, 2021, the Company had a total of -\$75.9 million before-tax (-\$67.9 million after-tax) adjusting items which include:

Adjusting items related to the LendCare Acquisition

- Transaction costs of \$9.3 million before-tax (\$8.9 million after-tax) which include advisory and consulting costs, legal costs, and other direct transaction costs related to the Acquisition of LendCare reported under Operating expenses before depreciation and amortization amounting to \$7.6 million which are non tax-deductible and loan commitment fees related to the Acquisition of LendCare reported under Finance costs amounting to \$1.7 million before-tax (\$1.3 million after-tax);
- Integration costs related to advisory and consulting costs, employee incentives, representation and warranty insurance cost, and other integration costs related to the Acquisition of LendCare reported under Operating expenses before depreciation and amortization amounting to \$1.6 million before-tax (\$1.2 million after-tax);
- Bad debt expense related to the day one loan loss provision on the acquired loan portfolio from LendCare amounting to \$14.3 million before-tax (\$10.5 million after-tax); and
- Amortization of \$131 million intangible asset related to the Acquisition of LendCare with an estimated useful life of ten years amounting to \$5.5 million before-tax (\$4.0 million after-tax).

Adjusting item related to other income

- Realized and unrealized fair value gains mainly on investments in Affirm and TRS amounting to \$106.5 million before-tax (\$92.4 million after-tax).

³ During the nine-month period ended September 30, 2020, the Company's adjusting item includes:

- Unrealized fair value gain on investment in PayBright amounting to \$5.7 million before-tax (\$4.9 million after-tax).

⁴ Growth in consumer loan receivable during the period includes gross loan purchased through the LendCare Acquisition amounting to \$444.5 million.

