goeasy Ltd.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Three Months Ended March 31, 2016

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

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Date: May 2, 2016

The following Management’s Discussion and Analysis [“MD&A”] presents an analysis of the financial condition of goeasy Ltd. and its subsidiaries [collectively referred to as “goeasy” or the “Company”] as at March 31, 2016 compared to March 31, 2015, and the results of operations for the three month period ended March 31, 2016 compared with the corresponding period of 2015. This MD&A should be read in conjunction with the Company’s audited consolidated financial statements and the related notes and MD&A for the year ended December 31, 2015. 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 2015 annual MD&A: Overview of the Business, Corporate Strategy, Outlook, Commitments, Guarantees and Contingencies, Risk Factors, Critical Accounting Estimates and Adoption of New Accounting Standards and Standards Issued But Not Yet Effective.

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 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.sedar.com* 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, those with respect to 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 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 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, secure new franchised locations, 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 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 the leading full-service provider of goods and alternative financial services that improve the lives of everyday Canadians. goeasy Ltd. serves its customers through two key operating divisions: easyhome and easyfinancial. easyhome is Canada's largest lease-to-own company, offering brand-name household furniture, appliances and electronics to consumers under weekly or monthly leasing agreements through both corporate and franchise stores. easyfinancial is the Company's financial services arm, offering unsecured, installment loans in amounts from $500 to $15,000 for 9 to 60 month terms with bi-weekly, semi-monthly and monthly repayment options.

The Company's overview of the business remains as described in its December 31, 2015 MD&A.

Corporate Strategy

The Company is committed to being the leading full-service provider of goods and alternative financial services that improve the lives of everyday Canadians. To maintain this position, the Company must continuously evolve to meet the needs of its chosen consumer segment. Additionally, the Company must focus on maintaining its competitive advantage by capitalizing on the key aspects of each business unit, including brand awareness, superior customer service and its cross-country retail network. Cost efficiencies through economies of scale and shared services will further contribute to the Company's ability to contend with competitive activities in the marketplace.

To achieve this long-term goal, the Company has three key business imperatives:

- Evolve the delivery channels
- Expand the size and scope of easyfinancial
- Execute with efficiency and effectiveness

The Company's corporate strategy remains as described in its December 31, 2015 MD&A.

Outlook

2016 and Three-Year (2018) Targets

The following table outlines the Company's targets for 2016 and 2018 and provides the material assumptions used to develop such forward-looking statements. These targets are inherently subject to risks which are identified in the following table, as well as those risks referred to in the section entitled "Risk Factors" as described in the Company's December 31, 2015 MD&A.

	Targets for 2016	Targets for 2018	Assumptions	Risk Factors[1]
New easyfinancial locations	**10 - 20 locations opened during the year**	**220 - 240 locations by the end of 2018**	• The Company continues to be able to access growth capital for its easyfinancial business at a reasonable cost. • Virtually all new locations will operate as stand-alone branches.	• The earnings drag from newly opened locations is within acceptable levels. • The Company's ability to secure new real estate and experienced personnel. • Retail business conditions are assumed to be within normal parameters with respect to consumer demand and margins.
Gross consumer loans receivable portfolio at year end	**\$360 - \$390 million**	**\$500 million**	• The new store opening plan and the development of new delivery channels occur as expected. • The Company continues to be able to access growth capital for its easyfinancial business at a reasonable cost. • Increased expenditures on marketing and advertising within easyfinancial	• Retail business conditions are assumed to be within normal parameters with respect to consumer demand and margins. • The Company's ability to secure new real estate and experienced personnel. • Continued access to capital.
Total revenue growth	**16% - 20%[2]**	**n/a**	• Nominal growth for the easyhome business unit. • Continued growth of the consumer loans receivable portfolio, driven by new delivery channels, additional store openings and increased marketing spend.	• Retail business conditions are assumed to be within normal parameters with respect to consumer demand and margins. • Changes to regulations governing the products offered by the Company. • Reduction in the yield on easyfinancial's products.
easyfinancial operating margin	**32% - 35%**	**35%**	• Yield and cost rates at mature locations are indicative of future performance.	• The Company's ability to achieve operating efficiencies as its locations mature. • The earnings drag from newly opened locations is within acceptable levels.

[1] Risk factors include those risks referred to in the section entitled "Risk Factors" as described in the Company's December 31, 2015 MD&A.

[2] The December 31, 2015 MD&A indicated a total revenue growth target of 18-22% and has been updated to reflect the correct total revenue growth target of 16-20%.

Analysis of Results for the Three Months Ended March 31, 2016

First Quarter Highlights

- During the first quarter of 2016, the Company reached a milestone of $1.0 billion in loans originated at easyfinancial.

- To help its customers along the journey back to lower interest rates, easyfinancial also announced the introduction of risk adjusted interest rates and an increase in the maximum loan size to $15,000 for eligible customers in the first quarter of 2016. The new loan products are designed to reward existing customers with improved credit and attract new ones that are eligible for a lower rate of interest.

- goeasy continued to grow revenue during the first quarter of 2016. Revenue for the quarter increased to $82.3 million from the $70.5 million reported in the first quarter of 2015, an increase of $11.8 million or 16.7%. The growth was driven primarily by the expansion of easyfinancial and its consumer loans receivable portfolio. Same-store revenue growth for the quarter, which includes revenue growth from easyfinancial, was 14.4%. Excluding the impact of easyfinancial, same-store revenue growth was 2.9%.

- The gross consumer loans receivable portfolio as at March 31, 2016 was $304.2 million compared with $207.5 million as at March 31, 2015, an increase of $96.7 million or 46.6%. Loan originations were strong in the quarter at $81.7 million, up 34.7% compared with the first quarter of 2015.

- easyfinancial generated a strong operating margin of 34.9% in the first quarter of 2016, continuing to improve sequentially after the acquisition of 45 branches from a payday loan operator in the first quarter of 2015. easyfinancial's operating income was $15.7 million for the first quarter of 2016 compared with $9.7 million for the comparable period in 2015, an increase of $6.0 million or 61.4%.

- easyhome also generated a strong operating margin of 17.1% in the first quarter of 2016, up from the operating margin of 15.6% reported in the first quarter of 2015. The operating income of easyhome increased by $0.4 million or 6.7% in the first quarter of 2016 to $6.4 million. This improvement was driven by lower advertising expenses and the store transactions completed over the past 15 months that have resulted in a smaller but more efficient store network.

- Operating income for first quarter of 2016 reached $14.8 million, which represented an increase of $5.0 million or 50.9% when compared to the operating income for the first quarter of 2015. Overall, operating margin for the quarter was 17.9%, up from the 13.9% operating margin reported in the first quarter of 2015. Overall operating margin benefitted from higher operating margins at both the easyhome and easyfinancial businesses as well as an increasing percentage of the Company's operating income being generated by the higher margin easyfinancial business.

- Net income for the first quarter of 2016 was $7.3 million or $0.52 per share on a diluted basis compared with $4.9 million or $0.35 per share for the first quarter of 2015. Diluted earnings per share increased by $0.17 or 48.6%.

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended Mar. 31, 2016	Three Months Ended Mar. 31, 2015	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**82,325**	70,525	11,800	16.7%
Operating expenses before depreciation and amortization	**53,769**	47,124	6,645	14.1%
EBITDA[1]	**17,110**	11,777	5,333	45.3%
EBITDA margin[1]	**20.8%**	16.7%	4.1%	-
Depreciation and amortization expense	**13,803**	13,626	177	1.3%
Operating income	**14,753**	9,775	4,978	50.9%
Operating margin[1]	**17.9%**	13.9%	4.0%	-
Finance costs	**4,821**	3,130	1,691	54.0%
Effective income tax rate	**27.0%**	25.9%	1.1%	-
Net income	**7,252**	4,923	2,329	47.3%
Diluted earnings per share	**0.52**	0.35	0.17	48.6%
Return on Equity[1]	**16.3%**	12.6%	3.7%	-
Key Performance Indicators[1]				
Same-store revenue growth	**14.4%**	19.8%	(5.4%)	-
Same-store revenue growth excluding easyfinancial	**2.9%**	3.3%	(0.4%)	-
easyhome				
Potential monthly lease revenue	**10,064**	10,614	(550)	(5.2%)
Change in potential monthly lease revenue due to ongoing operations	**(427)**	(240)	(187)	(77.9%)
easyhome revenue	**37,322**	38,293	(971)	(2.5%)
easyhome operating margin	**17.1%**	15.6%	1.5%	-
easyfinancial				
Gross consumer loans receivable	**304,162**	207,509	96,653	46.6%
Growth in gross consumer loans receivable	**14,736**	15,284	(548)	(3.6%)
Gross loan originations	**81,690**	60,639	21,051	34.7%
easyfinancial revenue	**45,003**	32,232	12,771	39.6%
Bad debt expense as a percentage of easyfinancial revenue	**27.5%**	25.3%	2.2%	-
Net charge offs as a percentage of average gross consumer loans receivable	**15.2%**	13.8%	1.4%	-
easyfinancial operating margin	**34.9%**	30.2%	4.7%	-

[1] See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures".

Store Locations Summary

	Locations as at Dec. 31, 2015	Locations opened / acquired during period	Locations closed / sold during period	Conversions	Locations as at Mar. 31, 2016
easyhome					
Corporately owned stores	155	-	(1)	(1)	**153**
Consolidated franchise locations	3	-	-	-	**3**
Total consolidated stores	158	-	(1)	(1)	**156**
Total franchise stores	26	-	(1)	1	**26**
Total easyhome stores	184	-	(2)	-	**182**
easyfinancial					
Kiosks (in store)	51	4	-	(5)	**50**
Stand-alone locations	150	3	-	5	**158**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	202	7	-	-	**209**

Summary of Financial Results by Operating Segment

($ in 000's except earnings per share)	Three Months Ended March 31, 2016			
	easyhome	easyfinancial	Corporate	Total
Revenue	**37,322**	**45,003**	**-**	**82,325**
Total operating expenses before depreciation and amortization	**18,835**	**27,760**	**7,174**	**53,769**
Depreciation and amortization	**12,096**	**1,545**	**162**	**13,803**
Operating income (loss)	**6,391**	**15,698**	**(7,336)**	**14,753**
Finance costs				**4,821**
Income before income taxes				**9,932**
Income taxes				**2,680**
Net income				**7,252**
Diluted earnings per share				**0.52**

($ in 000's except earnings per share)	Three Months Ended March 31, 2015			
	easyhome	easyfinancial	Corporate	Total
Revenue	38,293	32,232	-	70,525
Total operating expenses before depreciation and amortization	19,965	21,392	5,767	47,124
Depreciation and amortization	12,336	1,114	176	13,626
Operating income (loss)	5,992	9,726	(5,943)	9,775
Finance costs				3,130
Income before income taxes				6,645
Income taxes				1,722
Net income				4,923
Diluted earnings per share				0.35

Revenue

Revenue for the three month period ended March 31, 2016 was $82.3 million compared to $70.5 million in the same period in 2015, an increase of $11.8 million or 16.7%. Same-store sales growth for the quarter was 14.4%. Revenue growth was driven primarily by the growth of easyfinancial.

easyhome - Revenue for the three month period ended March 31, 2016 was $37.3 million, a decrease of $1.0 million when compared with the first quarter of 2015. Factors impacting revenue in the period included the following:

- The Company completed several transactions over the past 15 months to acquire merchandise lease portfolios (including the acquisition of the lease portfolio of 14 rent-to-own stores from a large U.S.-based rent-to-own company completed in third quarter of 2015) and closed or sold merchandise leasing stores that it owned. These transactions in aggregate reduced revenue by $0.3 million in the quarter when compared to the first quarter of 2015.
- Revenue in the first quarter of 2016 was reduced by $0.7 million due to the deconsolidation or closure of U.S. franchise locations that were previously consolidated for financial reporting purposes. The Company has been winding down its remaining U.S. operations.
- Revenue growth across the Canadian store network (excluding the impact of store transactions) was flat in the first quarter of 2016 compared with the same period in 2015.

easyfinancial - Revenue for the three month period ended March 31, 2016 was $45.0 million, an increase of $12.8 million or 39.6% from the comparable period in 2015. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $207.5 million as at March 31, 2015 to $304.2 million as at March 31, 2016, an increase of $96.7 million or 46.6%.

The yield realized by the Company on its consumer loans receivable portfolio declined by 4.1% in the first quarter of 2016 compared with the first quarter of 2015 due to two factors. First, the Company has seen strong demand for larger dollar loans and these loans have lower pricing on certain ancillary products to account for the lower overall risk. Second, the net commissions earned by the Company on these ancillary products have been reduced due to increased claims activity.

The gross consumer loans receivable portfolio experienced solid growth of $14.7 million in the quarter compared with growth of $15.3 million for the first quarter of 2015. Loan originations in the quarter were $81.7 million, up 34.7% compared to the first quarter of 2015.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization were $53.8 million for the three month period ended March 31, 2016, an increase of $6.6 million or 14.1% from the comparable period in 2015. The increase in operating expenses was driven primarily by the higher costs associated with the expanding easyfinancial business and higher corporate costs somewhat offset by lower costs within the easyhome business. Total operating expenses before depreciation and amortization represented 65.3% of revenue for the first quarter of 2016, down from the 66.8% reported in the first quarter of 2015.

easyhome – Total operating expenses before depreciation and amortization for the three month period ended March 31, 2016 were $18.8 million, a decrease of $1.2 million from the $20.0 million reported in the first quarter of 2015. The costs savings were driven by the reduced store count, lower overhead costs and a $0.3 million reduction in advertising spend. Consolidated leasing store count declined by 10 from 166 as at March 31, 2015 to 156 as at March 31, 2016.

easyfinancial – Total operating expenses before depreciation and amortization were $27.8 million for the first quarter of 2016, an increase of $6.4 million or 29.8% from the first quarter of 2015. Operating expenses, excluding bad debts, increased by $2.2 million or 16.3% in the quarter driven by: i) the increased cost of 15 additional branches when compared to March 31, 2015; ii) the additional operating costs associated with the 45 branches acquired and opened during the first quarter of 2015; iii) an additional $0.2 million in advertising and marketing investment to support the growth in the consumer loans receivable portfolio; and iv) higher costs associated with easyfinancial's Shared Service Centre to support the increase in loan originations and collection activities. Overall, branch count increased from 194 as at March 31, 2015 to 209 as at March 31, 2016.

Bad debt expense increased to $12.4 million for the first quarter of 2016 from $8.2 million during the comparable period in 2015 but declined sequentially from the $13.5 million reported in the fourth quarter of 2015. Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.2% in the quarter compared with 13.8% in the first quarter of 2015. The year-over-year increase was largely driven by a greater proportion of loans originating on-line as such loans tend to have a higher charge off rate than retail originated customers. This charge off rate, however, is down sequentially from the 15.5% reported in the fourth quarter of 2015 as a result of the changes made to the Company's credit underwriting and collection practices. The Company continues to expect that the net charge off rate will be in the range of 14% to 16% throughout 2016.

Corporate – Total operating expenses before depreciation and amortization were $7.2 million for the first quarter of 2016 compared to $5.8 million in the first quarter of 2015, an increase of $1.4 million. The increase was related to i) greater professional fees, including recruiting costs; ii) higher salary and administrative costs in the first quarter of 2016, including higher accrued but not paid short-term incentive compensation; and iii) an additional benefit of $0.5 million in the first quarter of 2015 from gains on the sale of stores to franchisees. Corporate expenses before depreciation and amortization represented 8.7% of revenue in the first quarter of 2016 compared to 8.2% of revenue in the first quarter of 2015.

Depreciation and Amortization

Depreciation and amortization for the three month period ended March 31, 2016 was $13.8 million, an increase of $0.2 million from the comparable period in 2015. Overall, depreciation and amortization represented 16.8% of revenue for the three months ended March 31, 2016, a decrease from 19.3% in the comparable period of 2015.

easyhome's depreciation and amortization expense declined by $0.2 million in the first quarter of 2016 compared to the first quarter of 2015 due to reductions in the lease portfolio. easyhome's depreciation and amortization expressed as a percentage of easyhome's revenue for the quarter was 32.4% compared with 32.2% reported in the first quarter of 2015.

The $0.4 million increase in depreciation and amortization within easyfinancial was attributable to its growing branch network and the amortization of new systems. easyfinancial's depreciation and amortization expressed as a percentage of easyfinancial's revenue for the quarter was 3.4%, consistent with the first quarter of 2015.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the three month period ended March 31, 2016 was $14.8 million, up from the $9.8 million reported in the first quarter of 2015 and an increase of $5.0 million or 50.9%. Higher operating incomes within easyhome and easyfinancial were partially offset by higher corporate costs. Overall, operating margin for the first quarter of 2016 was 17.9%, up from the 13.9% reported in the first quarter of 2015.

easyhome – Operating income was $6.4 million for the first quarter of 2016, an increase of $0.4 million when compared with the first quarter of 2015. While overall revenue declined in the quarter when compared with the first quarter of 2015 due to the smaller store network, operating income was positively impacted by the store transactions completed over the past 15 months and lower advertising spend. Operating margin for first quarter of 2016 was 17.1%, an increase from the 15.6% reported in the first quarter of 2015.

easyfinancial – Operating income was $15.7 million for the first quarter of 2016 compared with $9.7 million for the comparable period in 2015, an increase of $6.0 million or 61.4%. The increase in operating income was driven primarily by the growth of the consumer loans receivable portfolio and associated revenue. Operating margin was 34.9% in the quarter compared with 30.2% reported in the first quarter of 2015.

Finance Costs

Finance costs for the three month period ended March 31, 2016 were $4.8 million, up $1.7 million from the same period in 2015. This increase in finance costs was driven by higher average borrowing levels.

Income Tax Expense

The effective income tax rate for the first quarter of 2016 was 27.0% compared to 25.9% in the first quarter of 2015. The effective income tax rate in the first quarter of 2015 was reduced due to relatively larger gains on the sales of stores to franchisees in the first quarter of 2015.

Net Income and EPS

Net income for the first quarter of 2016 was $7.3 million or $0.52 per share on a diluted basis compared with $4.9 million or $0.35 per share for the first quarter of 2015. Diluted earnings per share increased by $0.17 or 48.6%.

Selected Quarterly Information

($ in millions except percentages and per share amounts)	Mar. 2016	Dec. 2015	Sept. 2015	Jun. 2015	Mar. 2015	Dec. 2014	Sept. 2014	Jun. 2014	Mar. 2014
Revenue	**82.3**	82.9	78.0	72.9	70.5	70.0	65.5	63.2	60.3
Net income for the period	**7.3**	7.5	6.3	5.0	4.9	7.1	3.5	4.5	4.6
Net income as a percentage of revenue	**8.8%**	9.1%	8.0%	6.9%	7.0%	10.2%	5.3%	7.2%	7.7%
Earnings per share[1]									
Basic	**0.54**	0.56	0.46	0.37	0.36	0.53	0.26	0.34	0.35
Diluted	**0.52**	0.54	0.45	0.36	0.35	0.51	0.25	0.33	0.34

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

Portfolio Analysis

The Company generates its revenue from a portfolio of lease agreements and consumer loans receivable that are originated through the initial transaction with its customers. To a large extent, the business results for a period are determined by the performance of these portfolios, and the make-up of the portfolios at the end of a period are an important indicator of future business 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 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 financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

easyhome Portfolio Analysis

Potential Monthly Leasing Revenue

The Company measures its leasing portfolio through potential monthly lease revenue. Potential monthly lease revenue reflects the revenue that the Company's portfolio of leased merchandise would generate in a month providing it collected all lease payments due in that period. Growth in potential monthly lease revenue is driven by several factors including an increased number of customers, an increased number of leased assets per customer as well as an increase in the average price of the leased items.

The change in the potential monthly lease revenue during the periods was as follows:

	Three Months Ended	
($ in 000's)	**Mar. 31, 2016**	**Mar. 31, 2015**
Opening potential monthly lease revenue	**10,651**	10,955
Change due to store openings or acquisitions during the period	**-**	81
Change due to store closures or sales during the period	**(160)**	(182)
Change due to ongoing operations	**(427)**	(240)
Net change	**(587)**	(341)
Ending potential monthly lease revenue	**10,064**	10,614

easyhome Portfolio by Product Category

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

($ in 000's)	**Mar. 31, 2016**	**Mar. 31, 2015**
Furniture	**4,206**	4,211
Appliances	**1,122**	1,168
Electronics	**3,324**	3,553
Computers	**1,412**	1,682
Potential monthly lease revenue	**10,064**	10,614

easyhome Portfolio by Geography

At the end of the periods, the Company's Leasing portfolio as measured by potential monthly lease revenue was allocated between the following geographic regions:

($ in 000's)	**March 31, 2016**		**March 31, 2015**	
	$	**% of total**	**$**	**% of total**
Newfoundland & Labrador	**895**	**8.9%**	925	8.7%
Nova Scotia	**792**	**7.9%**	830	7.8%
Prince Edward Island	**184**	**1.8%**	195	1.8%
New Brunswick	**707**	**7.0%**	713	6.8%
Quebec	**548**	**5.4%**	545	5.1%
Ontario	**3,650**	**36.3%**	3,816	35.9%
Manitoba	**250**	**2.5%**	301	2.9%
Saskatchewan	**561**	**5.6%**	705	6.6%
Alberta	**1,390**	**13.8%**	1,384	13.1%
British Columbia	**955**	**9.5%**	937	8.8%
USA	**132**	**1.3%**	263	2.5%
Potential monthly lease revenue	**10,064**	**100.0%**	10,614	100.0%

easyhome Charge Offs

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.

	Three Months Ended	
($ in 000's except percentages)	**Mar. 31, 2016**	**Mar. 31, 2015**
Net charge offs	**1,202**	1,172
Leasing revenue	**37,322**	38,293
Net charge offs as a percentage of easyhome revenue	**3.2%**	3.1%

Consumer Loans Receivable Portfolio

Loan Originations and Net Principal Written

Gross loan originations is the value of all consumer loans receivable advanced to the Company's customers during the 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 is applied to eliminate their prior borrowings.

When the Company extends additional credit to an existing customer, a full credit underwriting is performed using up-to-date information. Additionally, the loan repayment history of that customer throughout their relationship with the Company is considered in the credit decision. As a result, the quality of the credit decision is improved and is expected to result in better performance.

Net principal written details the Company's gross loan originations during a period, excluding that portion of the origination that has been used to eliminate the prior borrowings.

The gross loans originations and net principal written during the periods were as follows:

	Three Months Ended	
($ in 000's)	**Mar. 31, 2016**	**Mar. 31, 2015**
Loan originations to new customers	**35,884**	27,428
Loan originations to existing customers	**45,806**	33,211
Less: Proceeds applied to repay existing loans	**(23,314)**	(16,123)
Net advance to existing customers	**22,492**	17,088
Net principal written	**58,376**	44,516

Gross Consumer Loans Receivable

The measure that the Company uses to measure its easyfinancial portfolio is 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 an increased number of customers and an increased loan value per customer. The changes in the gross consumer loans receivable portfolio during the periods were as follows:

	Three Months Ended	
($ in 000's)	**Mar. 31, 2016**	**Mar. 31, 2015**
Opening gross consumer loans receivable	**289,426**	192,225
Gross loan originations	**81,690**	60,639
Gross principal payments and other adjustments	**(54,372)**	(37,756)
Gross charge offs before recoveries	**(12,582)**	(7,599)
Net growth in gross consumer loans receivable during the period	**14,736**	15,284
Ending gross consumer loans receivable	**304,162**	207,509

Net Charge Offs

In addition to loan originations, the consumer loans receivable portfolio during a period is impacted by charge offs of delinquent customers. The Company charges off delinquent customers when they are 90 days contractually in arrears. Subsequent collections of previously charged-off accounts are netted with 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 the easyfinancial consumer loans receivable portfolio. For interim periods, the rate is annualized.

	Three Months Ended	
($ in 000's except percentages)	**Mar. 31, 2016**	**Mar. 31, 2015**
Net charge offs	11,378	6,953
Average gross consumer loans receivable	298,837	200,973
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**15.2%**	13.8%

easyfinancial Bad Debt Expense

The Company's bad debt expense for a period includes the net charge offs for that particular period plus any increases or decreases to its allowance for loan losses. The details of the Company's bad debt expense for the periods were as follows:

($ in 000's except percentages)	**Three Months Ended Mar. 31, 2016**	**Three Months Ended Mar. 31, 2015**
Net charge offs	**11,378**	6,953
Net change in allowance for loan losses	**1,002**	1,215
Bad debt expense	**12,380**	8,168
easyfinancial revenue	**45,003**	32,232
Bad debt expense as a percentage of easyfinancial revenue	**27.5%**	25.3%

easyfinancial Allowance for Loan Losses

The allowance for loan losses is a provision that is reported on the Company's balance sheet that is netted against the gross consumer loans receivable to arrive at the net consumer loans receivable. The allowance for loan losses provides for a portion of the future charge offs that have not yet occurred within the portfolio of consumer loans receivable that exist at the end of a period. It is determined by the Company using a standard calculation that considers; i) the relative maturity of the loans within the portfolio; ii) the long-term expected charge-off rates based on actual historical performance; and iii) the long-term expected charge-off pattern (timing) for a vintage of loans over their life based on actual historical performance. The allowance for loan losses essentially estimates the charge offs that are expect to occur over the subsequent five-month period for loans that existed as of the balance sheet date. Customer loan balances that are delinquent greater than 90 days are written off against the allowance for loan losses.

($ in 000's except percentages)	**Three Months Ended Mar. 31, 2016**	**Three Months Ended Mar. 31, 2015**
Allowance for loan losses, beginning of period	**18,465**	11,532
Net charge offs written off against the allowance	**(11,378)**	(6,953)
Change in allowance due to lending and collection activities	**12,380**	8,168
Allowance for loan losses, ending of period	**19,467**	12,747
Allowance for loan losses as a percentage of the ending gross consumer loans receivable	**6.4%**	6.1%

Aging of the Consumer Loans Receivable Portfolio

An aging analysis of the consumer loans receivable portfolio at the end of the periods was as follows:

($ in 000's)	March 31, 2016		March 31, 2015	
	$	**% of total**	**$**	**% of total**
Current	**283,571**	**93.2%**	193,340	93.2%
Days past due				
1 - 30 days	**12,211**	**4.0%**	8,161	3.9%
31 - 44 days	**2,498**	**0.8%**	2,074	1.0%
45 - 60 days	**2,411**	**0.8%**	1,710	0.8%
61 - 90 days	**3,471**	**1.2%**	2,224	1.1%
	20,591	**6.8%**	14,169	6.8%
Gross consumer loans receivable	**304,162**	**100.0%**	207,509	100.0%

A large portion of the Company's consumer loans receivable portfolio operates on a bi-weekly rather than monthly repayment cycle. As such, the aging analysis between different fiscal periods may not be comparable depending upon the day of the week on which the fiscal period ends. An alternate aging analysis prepared as of the last Saturday of the fiscal periods often presents a more relevant comparison.

An aging analysis of the consumer loans receivable portfolio as of the last Saturday of the periods was as follows:

($ in 000's)	Saturday, Mar. 26, 2016	Saturday, Mar. 25, 2015
	% of total	**% of total**
Current	**93.4%**	93.2%
Days past due		
1 - 30 days	**4.0%**	4.1%
31 - 44 days	**0.7%**	0.9%
45 - 60 days	**0.8%**	0.7%
61 - 90 days	**1.1%**	1.1%
	6.6%	6.8%
Gross consumer loans receivable	**100%**	100%

easyfinancial Consumer Loans Receivable Portfolio by Geography

At the end of the periods, the Company's easyfinancial consumer loans receivable portfolio was allocated between the following geographic regions:

($ in 000's)	March 31, 2016		March 31, 2015	
	$	% of total	$	% of total
Newfoundland & Labrador	**16,184**	**5.3%**	11,957	5.8%
Nova Scotia	**23,900**	**7.9%**	18,692	9.0%
Prince Edward Island	**4,025**	**1.3%**	2,858	1.4%
New Brunswick	**16,513**	**5.4%**	12,577	6.1%
Quebec	**-**	**-**	-	-
Ontario	**133,745**	**44.0%**	91,699	44.2%
Manitoba	**12,064**	**4.0%**	7,387	3.5%
Saskatchewan	**16,832**	**5.5%**	10,823	5.2%
Alberta	**42,862**	**14.1%**	27,768	13.4%
British Columbia	**35,154**	**11.6%**	21,855	10.5%
Territories	**2,883**	**0.9%**	1,893	0.9%
Gross consumer loans receivable	**304,162**	**100.0%**	207,509	100.0%

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 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:

Same-Store Revenue Growth

Same-store revenue growth measures the revenue growth for all stores that were open throughout the current period as well as the comparable prior year period. To calculate same-store revenue growth for a period, the revenue for applicable stores for that period is compared to the same period in the prior year. Same-store revenue growth is influenced by both the Company's product offerings as well as the number of stores which have been open for a 12 to 36 month time frame, as these stores tend to be in the strongest period of growth at this time.

	Three Months Ended	
	Mar. 31, 2016	Mar. 31, 2015
Same-store revenue growth	**14.4%**	19.8%
Same-store revenue growth excluding easyfinancial	**2.9%**	3.3%

Operating Expenses Before Depreciation and Amortization

The Company defines operating expenses before depreciation and amortization as total operating expenses excluding depreciation and amortization expenses for the period. The Company believes that operating expenses before depreciation and amortization is an important measure of the cost of operations adjusted for the effects of purchasing decisions that may have been made in prior periods.

($ in 000's except percentages)	Three Months Ended Mar. 31, 2016	Three Months Ended Mar. 31, 2015
Operating expenses before depreciation and amortization	**53,769**	47,124
Divided by revenue	**82,325**	70,525
Operating expenses before depreciation and amortization as % of revenue	**65.3%**	66.8%

Operating Margin

The Company defines operating margin as operating income divided by revenue for the Company as a whole and for its operating segments: easyhome and easyfinancial. The Company believes 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.

($ in 000's except percentages)	Three Months Ended Mar. 31, 2016	Three Months Ended Mar. 31, 2015
easyhome		
Operating income	**6,391**	5,992
Divided by revenue	**37,322**	38,293
easyhome operating margin	**17.1%**	15.6%
easyfinancial		
Operating income	**15,698**	9,726
Divided by revenue	**45,003**	32,232
easyfinancial operating margin	**34.9%**	30.2%
Total		
Operating income	**14,753**	9,775
Divided by revenue	**82,325**	70,525
Total operating margin	**17.9%**	13.9%

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and EBITDA Margin

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

($ in 000's except percentages)	Three Months Ended Mar. 31, 2016	Three Months Ended Mar. 31, 2015
Net income	**7,252**	4,923
Finance costs	**4,821**	3,130
Income Tax Expense	**2,680**	1,722
Depreciation and amortization, excluding dep. of lease assets	**2,357**	2,002
EBITDA	**17,110**	11,777
Divided by revenue	**82,325**	70,525
EBITDA margin	**20.8%**	16.7%

Return on Equity

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

($ in 000's except periods and percentages)	Three Months Ended Mar. 31, 2016	Three Months Ended Mar. 31, 2015
Net income	**7,252**	4,923
Multiplied by number of periods in year	**X 4/1**	X 4/1
Divided by average shareholders' equity for the period	**177,891**	156,599
Return on equity	**16.3%**	12.6%

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at March 31, 2016 and March 31, 2015.

($ in 000's, except for ratios)	Mar. 31, 2016	Mar. 31, 2015
Consumer loans receivable (net of allowance and fees)	**285,268**	194,762
Lease assets	**57,740**	64,496
Property and equipment	**18,352**	18,964
Cash	**18,273**	333
Intangible assets	**14,494**	12,614
Amounts receivable	**12,069**	12,176
Other assets	**30,904**	29,500
Total assets	**437,100**	332,845
External debt (includes term loan)	**223,016**	136,615
Other liabilities	**34,362**	37,001
Total liabilities	**257,378**	173,616
Shareholders' equity	**179,722**	159,229
Total capitalization (total debt plus total shareholders' equity)	**402,738**	295,844
External debt to shareholders' equity	**1.24**	0.86
External debt to total capitalization	**0.55**	0.46
External debt to EBITDA [1]	**3.59**	3.20

1 EBITDA excludes the impact of restructuring and other unusual items and is expressed in a trailing 12 month basis.

Total assets were $437.1 million as at March 31, 2016, an increase of $104.3 million or 31.3% over March 31, 2015. The growth in total assets was driven primarily by: i) the increased size of the consumer loans receivable portfolio (net of allowance and fees) which increased by $90.5 million over the past 12 months; ii) the Company's investment in intangible assets (specifically information technology and software development) which increased by $1.9 million; iii) a $17.9 million increase in cash on hand related to the timing of advances on the Company's credit facilities; and iv) offset by a $6.8 million decrease in lease assets due primarily to the reduced store count over the past 12 months.

The $104.3 million growth in total assets was financed by an $86.4 million increase in external debt and a $20.5 million increase in total shareholder's equity. While the Company has continued to pay a dividend to its shareholders, a large portion of the Company's earnings over the prior 12 months have been retained to fund the growth of easyfinancial.

As at March 31, 2016, $230 million had been drawn under the Company's term loan. Borrowings under the term loan bore interest at the Canadian Bankers' Acceptance rate plus 699 bps with a 799 bps floor, while borrowings under the revolving operating facility bore interest at the lender's prime rate plus 175 to 275 bps depending on the Company's EBITDA ratio. The Company's credit facilities expire on October 4, 2019 and were secured by a first charge over substantially all assets of the Company. As at March 31, 2016, the Company's interest rates under the term loan and revolving operating facility were 7.99% and 5.45%, respectively.

Liquidity and Capital Resources

Summary of Cash Flow Components

($ in 000's)	Three Months Ended Mar. 31, 2016	Mar. 31, 2015
Cash provided by operating activities before issuance of consumer loans receivable	**35,222**	22,739
Net issuance of consumer loans receivable	**(26,687)**	(22,237)
Cash provided by operating activities	**8,535**	502
Cash used in investing activities	**(10,283)**	(16,114)
Financing activities	**8,632**	14,780
Net increase (decrease) in cash for the period	**6,884**	(832)

Cash flows provided by operating activities for the three month period ended March 31, 2016 were $8.5 million. Included in this amount was a net investment of $26.7 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial consumer loans receivable portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $35.2 million in the first quarter of 2016, up $12.5 million compared to the same period of 2015, driven primarily by: i) higher net income; ii) an increase in non-cash expenses such as bad debts expense; and iii) improvements in working capital.

Cash flows provided by operating activities in the first quarter of 2016 enabled the Company to: i) meet the growth demands of easyfinancial as described above; ii) invest $9.1 million in new lease assets; iii) invest $2.5 million in additional property and equipment and intangible assets; and iv) maintain its dividend payments.

During the quarter, the Company generated $8.6 million in cash flow from financing activities as the Company increased its borrowings under the credit facility to finance the growth of easyfinancial.

The Company believes that the cash flows provided by operations will be sufficient in the near-term to meet operational requirements, purchase lease assets, meet capital spending requirements and pay dividends. Also, the additional availability under the Company's credit facilities will allow the Company to achieve its targets for the growth of its consumer loans receivable portfolio into 2017. However, for easyfinancial to achieve its full long-term growth potential, additional sources of financing over and above the currently available credit facility and term loan are required. There is no certainty that these long-term sources of capital will be available or at terms favourable to the Company.

Outstanding Shares & Dividends

As at May 2, 2016 there were 13,595,503 shares, 175,180 DSUs, 475,434 options, 292,600 RSUs, and no warrants outstanding.

Normal Course Issuer Bid

On June 23, 2015, the Company announced the acceptance by the Toronto Stock Exchange (the "TSX") of goeasy's Notice of Intention to Make a Normal Course Issuer Bid (the "NCIB"). Pursuant to the NCIB, goeasy proposes to purchase, from time to time, if it is considered advisable, up to an aggregate of 670,000 Common Shares, being approximately 4.98% of goeasy's issued and outstanding Common Shares as of

June 12, 2015. As at June 12, 2015, goeasy had 13,453,606 Common Shares issued and outstanding and the average daily trading volume for the six months prior to May 31, 2015 was 38,566.

Under the NCIB, daily purchases will be limited to 9,641 Common Shares, other than block purchase exemptions. The purchases may commence on June 25, 2015 and will terminate on June 24, 2016 or on such earlier date as goeasy may complete its purchases pursuant to the Notice of Intention. The purchases made by goeasy will be effected through the facilities of the TSX, as well as alternative trading systems, and in accordance with the rules of the TSX. The price that goeasy will pay for any Common Shares will be the market price of such shares at the time of acquisition. goeasy will make no purchases of Common Shares other than by open-market purchases.

As of March 31, 2016, the Company had purchased and cancelled 269,541 of its common shares on the open market at an average price of $17.70 per share pursuant to the June 23, 2015 NCIB for a total cost of $4.8 million.

Dividends

During the quarter ended March 31, 2016, the Company paid a $0.10 per share quarterly dividend on outstanding common shares.

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 may be declared in the event there is a default of the loan facility, or where such payment would lead to a default. On February 17, 2016, the Company increased the dividend rate by 25% and declared a dividend of $0.125 per share to shareholders of record on March 25, 2016, payable on April 8, 2016.

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

	2016	2015	2014	2013	2012	2011	2010
Dividend per share	**$ 0.10**	**$ 0.085**	**$ 0.085**	$ 0.085	$ 0.085	$ 0.085	$ 0.085
Percentage increase	**17.6%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%

Commitments, Guarantees and Contingencies

Commitments

The Company's commitments, guarantees and contingencies remain as described in its December 31, 2015 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 Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee of the Board of Directors reviews the Company's risk management policies on an annual basis.

The Company's risk factors remain as described in its December 31, 2015 MD&A.

Critical Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 fully described in the Company's December 31, 2015 Notes to the Financial Statements.

Adoption of New Accounting Standards and Standards Issued But Not Yet Effective

No new accounting standards were adopted by the Company during the reporting period.

New accounting standards that have been issued but are not yet effective are fully described in the Company's March 31, 2016 Notes to the 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 is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, including the Chief Executive Officer ["CEO"] and Chief Financial Officer ["CFO"], so that timely decisions can be made regarding 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 disclosure controls and procedures were effective as at March 31, 2016.

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. 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"].

Based on this evaluation, the CEO and CFO have concluded that the design of the Company's internal controls over financial reporting were effective as at March 31, 2016.

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.

In addition, the CEO and CFO evaluated whether there were changes in the internal controls over financial reporting during the interim period ended March 31, 2016 that materially affected, or were reasonably likely to materially affect, the internal controls over financial reporting. There were no such changes during the quarter.