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

THREE MONTHS ENDED MARCH 31, 2021

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Date: May 11, 2021

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 March 31, 2021 compared to March 31, 2020, and the consolidated results of operations for the three-month period ended March 31, 2021 compared with the corresponding period of 2020. 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, 2020. 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 2020 annual MD&A: Corporate Strategy, Commitments, Guarantees and Contingencies, Risk Factors, and Critical Accounting Estimates. Overview of the Business is as described in the December 31, 2020 MD&A other than as related to the acquisition of LendCare Holdings Inc.

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.sedar.com* and on the Company's website at *www.goeasy.com* *(https://investors.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, 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 goeasy, plans and references to future operations and results, critical accounting estimates, expected lower charge off rates on loans with real estate collateral and the benefits resulting from such lower rates, 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 goeasy'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 goeasy. 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 favorable terms, secure new franchised locations, 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 favorable 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.

goeasy 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 a Canadian company headquartered in Mississauga, Ontario, that provides non-prime leasing and lending services through its easyhome and easyfinancial divisions. With a wide variety of financial products and services including unsecured and secured instalment loans, goeasy aspires to help put Canadians on a path to a better financial future as they rebuild their credit and graduate to prime lending. Customers can transact seamlessly with easyhome and easyfinancial through an omnichannel model that includes online and mobile, as well as over 400 leasing and lending locations across Canada supported by over 2,000 employees from coast-to-coast. Throughout the Company's history, it has served over 1 million Canadians and originated over $5.3 billion in loans, with one in three customers graduating to prime credit and 60% increasing their credit score within 12 months of borrowing from the Company.

The Company's overview of the business remains as described in its December 31, 2020 MD&A other than the acquisition described below.

On April 30, 2021, the Company completed the acquisition of 100% of the outstanding equity of LendCare Holdings Inc. ("LendCare"), a Canadian point-of-sale consumer finance and technology company, from LendCare's founders and CIVC Partners (the "Acquisition") for $320 million, excluding closing adjustments, of which $310 million was paid in cash and $10 million was paid in the Company's common shares issued to LendCare's founders as part of their consideration. Through its proprietary origination software, LendCare specializes in financing consumer purchases in the powersports, automotive, retail, healthcare, and home improvement verticals. Since its founding in 2004, LendCare has processed over $6 billion in loan applications and serves over 3,000 merchants, OEM and distributors nationwide.

Corporate Strategy

The Company has developed a strategy based on four key strategic pillars. These strategic imperatives have remained consistent and the Company will continue to focus on moving them forward in the years to come as it furthers its vision of helping the non-prime customer on their journey to a better tomorrow.

The Company's four strategic imperatives include focusing on developing new and creative products, expanding its channels of distribution, geographic diversification and lastly, a focus on continuously improving the customer experience by leveraging new and advanced technologies and prioritizing a journey of financial improvement for everyday Canadians.

The Company's corporate strategy remains as described in its December 31, 2020 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.

The Company's business has been and will continue to be impacted by the COVID-19 pandemic, which has created, and continues to create, significant societal and economic disruptions. The COVID-19 pandemic has had, and will continue to have, a broad impact across industries and the economy, including by affecting consumer confidence, global financial markets, regional and international travel, supply chain distribution of various products for many industries, government and private sector operations, the price of consumer goods, country-wide lockdowns in various regions of the world, and numerous other impacts on daily life and commerce. Additionally, the emergence of new variants have led to governments around the world to continue to enact measures to combat the spread of the COVID-19 virus, including, but not limited to, the implementation of travel bans, border closings, mandated closure of non-essential services, self-imposed quarantine periods and social and physical distancing policies, which have contributed to the material disruption to businesses globally, resulting in a sudden economic slowdown. The ever-changing and rapidly-evolving effects of COVID-19, the duration, extent and severity of which are currently unknown, on investors, businesses, the economy, society and the financial markets could, among other things, add volatility to the global stock markets, change interest rate environments, and increase delinquencies and defaults. Therefore, the COVID-19 virus and the measures to prevent its spread may negatively impact interest rates, credit ratings, credit risk, inflation, financial conditions, results of operations of the Company and other risk factors relevant to the Company. Accordingly, COVID-19 may continue to contribute higher level of uncertainty with respect to management's judgements and estimates.

On February 17, 2021, the Company had provided 3-year forecasts for the years 2021 through 2023, which were disclosed in its December 31, 2020 MD&A. The Company's forecasts did not contemplate the acquisition of LendCare. Therefore, the Company is withdrawing its 3-year forecast and intends to provide a new long-term forecast, incorporating the contribution from LendCare, as part of the Company's release of second quarter financial results.

Analysis of Results for the Three Months Ended March 31, 2021

First Quarter Highlights

- On January 1, 2021, PayBright sold 100% of its shares to Affirm Holdings Inc. (“Affirm”), including the Company’s minority equity interest in PayBright. Under the terms of the sale transaction, on January 1, 2021, the Company received total consideration, which was valued at that time, as follows:
  - Cash of $23.0 million, excluding one-time expenses and closing adjustments and including $2.1 million held in escrow;
  - Equity in Affirm with a value of $21.5 million; and
  - Contingent equity in Affirm with a value of $15.4 million, subject to revenue performance achieved in 2021 and 2022.

  After considering the likelihood of achieving the contingent equity, the fair value of the investment in PayBright was determined to be $56.0 million as at December 31, 2020 based on the value of the consideration received on January 1, 2021. During the quarter, Affirm completed an initial public offering and its shares now trade on the Nasdaq Global Select Market under the symbol "AFRM".

  Subsequent to Affirm’s initial public offering, the Company entered into a 6-month total return swap (the "TRS") agreement to substantively hedge its market exposure related to its equity in Affirm which represents the non-contingent portion of the equity consideration received, pursuant to the sale of its investment in PayBright. The TRS effectively results in the economic value of the Company’s non-contingent shares in Affirm being settled in cash at maturity for USD$108.87, net of applicable fees.

  The fair value of investment in Affirm as at March 31, 2021 of $89.4 million resulted in a before-tax unrealized fair value gain for the period of $56.4 million for the period. The change in fair value of the TRS for the three-month period ended March 31, 2021 amounts to $30.9 million. The total before-tax unrealized fair value gains on Affirm shares and the TRS was $87.3 million.

- During the three-month period ended March 31, 2021, the Company invested $6.5 million to acquire a minority equity interest in Brim Financial Inc. (“Brim”). Brim, a Canadian fintech company and globally certified credit card issuer, offers a full product suite of consumer and business credit cards, consumer digital banking services, a globally open rewards and loyalty ecosystem, and financial products including buy now pay later capabilities seamlessly integrated in all business and consumer revolving credit card products. In connection with the investment, the Company is entitled to preferential commercial terms for the use of the Brim platform.

- As at March 31, 2021, the Company had a cash position of $104.8 million which includes $9.3 million net amount of restricted cash related to its cross-currency swap contracts and total return swap contract and $39.7 million in restricted cash as part of goeasy securitization Trust’s cash balances. As at March 31, 2021, the Company has borrowing capacities of $310 million and $20 million under its revolving credit facility and revolving securitization warehouse facility, respectively. The establishment of the revolving securitization warehouse facility allows the company to pay down the balance on its revolving credit facility, while also being able to fix the interest rate for an extended period of time at the current low market levels. The cash position of $104.8 million and total borrowing capacities of $330 million represented $434.8 million in total liquidity as at March 31, 2021. The Company also has the ability to exercise the accordion feature under its revolving credit facility to add an additional $75 million in borrowing capacity. Ultimately, the current cash on hand and current borrowing limits, excluding future enhancements or diversification of funding sources, provide adequate growth capital for the Company to execute its organic growth plan. The Company intends to provide an outlook regarding the period of time that its current liquidity can fund organic growth when it publishes a new 3-year commercial forecast in the second quarter, as outlined above.

- 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 strong value that has been created for the Company’s shareholders over the years.

- The Company reported revenue during the first quarter of 2021 of $170.2 million, up from the $167.2 million reported in the comparable period of 2020, an increase of $3 million or 1.8%. The increase was primarily driven by the growth of the consumer loan portfolio, offset by the impact of COVID-19, which resulted in lower net commission earning on the Company's Loan Protection Program ("LPP") program.

- The gross consumer loans receivable increased from $1.17 billion as at March 31, 2020 to $1.28 billion as at March 31, 2021, an increase of $111.2 million or 9.5%. The growth was fueled by: i) increased originations from the Company's point-of-sale channel; ii) increased origination of unsecured loans and the increased penetration of risk adjusted rate and real estate secured loans; iii) maturation of the Company's retail branch network and expansion in Quebec; iv) lending in the Company's easyhome stores; and v) ongoing enhancements to the Company's digital properties.

- Net charge offs in the quarter as a percentage of the average gross consumer loans receivable on an annualized basis were 9.1%, 410 bps lower compared to the first quarter of 2020 of 13.2%, primarily driven by the continued federal financial support available to customers during the COVID-19 pandemic, assistance provided by banks and other lenders in the form of payment deferral programs, reduced living expenses attributed to stay-at-home orders and business closures caused by the pandemic, and the use of easyfinancial's loan protection insurance program. In addition, throughout the preceding years, the Company proactively made a series of credit model enhancements to improve the long-term credit quality of the portfolio.

- During the quarter, the bad debt provision for future credit losses decreased from 10.08% to 9.88%, resulting in a decrease of $2.6 million before-tax provision expense. The decrease is due to improvements in underlying credit quality and a reduction in the forward-looking indicators ("FLIs") driven by improvements in unemployment, GDP and oil price economic forecasts.

- easyfinancial reported record operating income and operating margin for the first quarter of 2021. easyfinancial's operating income was $71.7 million for the first quarter of 2021 compared with $51.5 million for the comparable period in 2020, an increase of $20.2 million or 39.3% driven by: i) revenue increases of $1.5 million; and ii) an $18.9 million reduction in bad debt expense, driven by lower net charge offs and a lower provision expense; partially offset by iii) a $0.2 million increase in incremental expenditures to manage the larger loan book, enhance the product offering and expand the easyfinancial footprint. easyfinancial's operating margin in the quarter increased to 53.8% when compared to 39.1% reported in the comparable period of 2020.

- easyhome reported record operating income and operating margin during the first quarter of 2021. easyhome's operating income was $9 million compared with $7 million for the comparable period of 2020, an increase of $2.0 million or 28.6% driven by: i) higher revenues due to the strong performance of the leasing portfolio and the benefit of continued growth in its loan portfolio; and ii) lower expenses when compared to the comparable period of 2020 due to lower marketing spend and lower bad debt expenses. Operating margin for the first quarter of 2021 was 24.5%, an increase from the 19.8% reported in the comparable period of 2020.

- Total Company operating income for the first quarter of 2021 reached a record level of $63.9 million, up $19.7 million or 44.6% when compared to the comparable period of 2020. The Company also reported a record operating margin of 37.6% in the quarter, up from the 26.4% reported in the comparable period of 2020. The increase in operating margin was mainly driven by the higher revenue and lower bad debt expense during the period, along with the operating leverage achieved from scale.

- goeasy achieved record reported and adjusted net income and reported and adjusted diluted earnings per share during the first quarter of 2021, which was the 79th consecutive quarter of positive net income and diluted earnings per share. The Company's net income for the first quarter of 2021 of $112 million or $7.14 per share on a diluted basis, was up 409.5% and 406.4%, respectively, against the $22.0 million or $1.41 per share on a diluted basis reported in the same period of 2020. Excluding the $75.8 million after capital gains tax impact of the unrealized fair value gains mainly on investments in Affirm and TRS and $0.5 million after-tax impact of transaction costs incurred related to the acquisition of LendCare, the adjusted net income during the first quarter of 2021 was $36.7 million or $2.34 per share on a diluted basis. On this normalized basis, adjusted net income and adjusted diluted earnings per share increased by 66.9% and 66.0%, respectively.

- goeasy achieved a record reported return on equity of 90.1% in the first quarter of 2021 compared to 25.8% in the comparable period of 2020, primarily due to growth in reported net income driven mainly by unrealized fair value gains on investments during the period. Adjusted return on equity during the first quarter of 2021 increased to 29.5% from 25.8% in the comparable period of 2020. The improvement in adjusted return on equity was related primarily to higher revenue and lower bad debt expense.

- Subsequent events after March 31, 2021:
  Acquisition of LendCare Holdings Inc.
  On April 30, 2021 ("Acquisition Date"), the Company completed the acquisition of 100% of the outstanding equity of LendCare, a Canadian point-of-sale consumer finance and technology company, from LendCare's founders and CIVC Partners (the "Acquisition") for $320 million, excluding closing adjustments, of which $310 million was paid in cash and $10 million was paid in the Company's common shares issued to LendCare's founders as part of their consideration.

  The acquisition is accounted for as a business combination under the acquisition method. As at April 30, 2021, the fair value of assets and liabilities acquired were approximately $474.3 million of assets and $400.7 million of liabilities. The excess of accounting consideration over the approximated fair value of the identified net assets is allocated to goodwill and intangible assets of $284.5 million and deferred tax liability of $38.2 million. Goodwill represents the expected synergies from the combined operations of the Company and LendCare. The results of the acquisition will be consolidated from the Acquisition Date. The purchase price allocation is preliminary and still subject to refinement and may be adjusted to reflect new information about facts and circumstances that existed at the Acquisition Date.

  During the three-month period ended March 31, 2021, the Company incurred $0.7 million transaction costs related to the acquisition of LendCare, including advisory and consulting costs, legal costs and other direct transaction costs. These transaction costs were recognized under Other expenses in the interim condensed consolidated statement of income.

  $172.5 Million Bought Deal Equity Offering
  On April 16, 2021, the Company closed its bought deal equity offering of 1,404,265 subscription receipts of the Company ("Subscription Receipts") (including 183,165 Subscription Receipts issued pursuant to the exercise in full by the syndicate of underwriters of the over-allotment option granted by the Company), at a price of $122.85 per Subscription Receipt, for gross aggregate proceeds of $172.5 million (the "Offering"). The Subscription Receipts issued pursuant to the Offering commenced trading on the Toronto Stock Exchange ("TSX") on April 16, 2021 under the ticker symbol GSY.R. As a result of the completion of the Acquisition on April 30, 2021, each of the 1,404,265 outstanding Subscription Receipts were automatically exchanged for one common share of the Company. The Subscription Receipts were delisted from the TSX after the close of market on April 30, 2021.

  US$320 Million Notes Offering
  On April 29, 2021, the Company closed its offering of US$320 million 4.375% senior unsecured notes maturing on May 1, 2026 ("2026 Notes") with interest payable semi-annually on May 1 and November 1 of each year and commencing on November 1, 2021. Concurrently with the offering, the Company entered into a cross currency swap agreement to fix the foreign exchange rate for the proceeds from the offering and for all required payments of principal and interest under these 2026 Notes, effectively hedging the obligation at $400 million with a Canadian dollar interest rate of 4.818%.

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended March 31, 2021	March 31, 2020	Variance $ / bps	Variance % change
Summary Financial Results				
Revenue	**170,174**	167,202	2,972	1.8%
Operating expenses before depreciation and amortization [2]	**89,081**	107,078	(17,997)	(16.8%)
EBITDA[1]	**159,222**	51,100	108,122	211.6%
EBITDA margin[1]	**93.6%**	30.6%	6,300 bps	205.9%
Depreciation and amortization expense	**17,161**	15,905	1,256	7.9%
Operating income	**63,932**	44,219	19,713	44.6%
Operating margin[1]	**37.6%**	26.4%	1,120 bps	42.4%
Other income[3]	**87,372**	-	87,372	100.0%
Finance costs	**14,236**	14,344	(108)	(0.8%)
Effective income tax rate	**18.3%**	26.4%	(810 bps)	(30.7%)
Net income	**111,975**	21,979	89,996	409.5%
Diluted earnings per share	**7.14**	1.41	5.73	406.4%
Return on equity	**90.1%**	25.8%	6,430 bps	249.2%
Adjusted (Normalized) Financial Results[1,2,3]				
Adjusted EBITDA	**72,530**	51,100	21,430	41.9%
Adjusted EBITDA margin	**42.6%**	30.6%	1,200 bps	39.2%
Adjusted net income	**36,679**	21,979	14,700	66.9%
Adjusted diluted earnings per share	**2.34**	1.41	0.93	66.0%
Adjusted return on equity	**29.5%**	25.8%	370 bps	14.3%
Key Performance Indicators[1]				
Same store revenue growth (overall)	**1.7%**	19.6%	(1,790 bps)	(91.3%)
Same store revenue growth (easyhome)	**4.9%**	4.5%	40 bps	8.9%
Segment Financials				
easyfinancial revenue	**133,329**	131,788	1,541	1.2%
easyfinancial operating margin	**53.8%**	39.1%	1,470 bps	37.6%
easyhome revenue	**36,845**	35,414	1,431	4.0%
easyhome operating margin	**24.5%**	19.8%	470 bps	23.7%
Portfolio Indicators				
Gross consumer loans receivable	**1,277,291**	1,166,055	111,236	9.5%
Growth in consumer loans receivable	**30,451**	55,422	(24,971)	(45.1%)
Gross loan originations	**272,351**	241,603	30,748	12.7%
Total yield on consumer loans (including ancillary products)	**44.3%**	47.7%	(340 bps)	(7.1%)
Net charge offs as a percentage of average gross consumer loans receivable	**9.1%**	13.2%	(410 bps)	(31.1%)
Cash provided by operating activities before net growth in gross consumer loans receivable	**63,166**	53,947	9,219	17.1%
Potential monthly lease revenue	**8,366**	8,272	94	1.1%

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

[2] During the first quarter of 2021, Operating expenses before depreciation and amortization includes $0.7 million before-tax ($0.5 million after-tax) transaction costs related to the acquisition of LendCare, including advisory and consulting costs, legal costs, and other direct transaction costs.

[3] During the first quarter of 2021, the Company recognized $87.4 million before-tax ($75.8 million after-tax) impact of the unrealized fair value gains mainly on investments in Affirm and TRS.

Store Locations Summary

	Locations as at December 31, 2020	Locations opened during period	Locations closed during period	Conversions	Locations as at March 31, 2021
easyfinancial					
Kiosks (in store)	14	-	-	(1)	**13**
Stand-alone locations	251	3	-	1	**255**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	266	3	-	-	**269**
easyhome					
Corporately owned stores	126	-	-	-	**126**
Franchise stores	35	-	(1)	-	**34**
Total easyhome stores	161	-	(1)	-	**160**

Summary of Financial Results by Operating Segment

	Three Months Ended March 31, 2021			
($ in 000's except earnings per share)	**easyfinancial**	**easyhome**	**Corporate**	**Total**
Revenue				
Interest income	**100,504**	**4,990**	**-**	**105,494**
Lease revenue	**-**	**28,437**	**-**	**28,437**
Commissions earned	**30,910**	**2,427**	**-**	**33,337**
Charges and fees	**1,915**	**991**	**-**	**2,906**
	133,329	**36,845**	**-**	**170,174**
Total operating expenses before depreciation and amortization	**57,326**	**16,325**	**15,430**	**89,081**
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	**2,085**	**9,575**	**1,157**	**12,817**
Depreciation of right-of-use assets	**2,221**	**1,908**	**215**	**4,344**
	4,306	**11,483**	**1,372**	**17,161**
Operating income (loss)	**71,697**	**9,037**	**(16,802)**	**63,932**
Other income				**87,372**
Finance costs				
Interest expense and amortization of deferred financing charges				**13,495**
Interest expense on lease liabilities				**741**
				14,236
Income before income taxes				**137,068**
Income taxes				**25,093**
Net income				**111,975**
Diluted earnings per share				**7.14**

($ in 000's except earnings per share)	Three Months Ended March 31, 2020			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	96,094	4,006	-	100,100
Lease revenue	-	27,814	-	27,814
Commissions earned	32,965	2,313	-	35,278
Charges and fees	2,729	1,281	-	4,010
	131,788	35,414	-	167,202
Total operating expenses before depreciation and amortization	76,756	17,039	13,283	107,078
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	1,700	9,411	797	11,908
Depreciation of right-of-use assets	1,849	1,944	204	3,997
	3,549	11,355	1,001	15,905
Operating income (loss)	51,483	7,020	(14,284)	44,219
Finance costs				
Interest expense and amortization of deferred financing charges				13,676
Interest expense on lease liabilities				668
				14,344
Income before income taxes				29,875
Income taxes				7,896
Net income				21,979
Diluted earnings per share				1.41

Portfolio Performance

Consumer Loans Receivable

Loan originations in the quarter were $272.4 million, up by 12.7% compared to origination volume in the comparable period of 2020. The loan book increased by $30.5 million in the quarter compared to growth of $55.4 million in the comparable period of 2020. The gross consumer loans receivable increased from $1.17 billion as at March 31, 2020 to $1.28 billion as at March 31, 2021, an increase of $111.2 million or 9.5%. The growth was fueled by: i) increased originations from the Company's point-of-sale channel; ii) increased origination of unsecured loans and the increased penetration of risk adjusted rate and real estate secured loans; iii) maturation of the Company's retail branch network and expansion in Quebec; iv) lending in the Company's easyhome stores; and v) ongoing enhancements to the Company's digital properties.

The annualized total yield (including loan interest, fees and ancillary products) realized by the Company on its average consumer loans receivable was 44.3% in the first quarter of 2021, down 340 bps from the comparable period of 2020. The decrease in the yield in the quarter was due to several factors including: i) the acquisition of a consumer loan portfolio from Mogo, which have lower rates of interest; ii) the increased penetration of risk adjusted interest rate and real estate secured loans to more creditworthy customers with lower rates of interest; iii) increased lending activity in Quebec where loans have a lower interest rate; iv) a higher proportion of larger dollar loans which have reduced pricing on certain ancillary products; and v) a modest reduction in penetration rates on ancillary products, particularly on risk adjusted rate and real estate secured loans.

Bad debt expense decreased to $29.3 million for the quarter from $48.6 million during the comparable period of 2020, a decrease of $19.3 million or 39.8%. The following table details the components of bad debt expense.

	Three Months Ended	
($ in 000's)	**March 31, 2021**	**March 31, 2020**
Provision required due to net charge offs	28,800	37,902
Impact of loan book growth	3,069	5,600
Impact of change in provision rate during the period	(2,595)	5,116
Net change in allowance for credit losses	474	10,716
Bad debt expense	29,274	48,618

Bad debt expense decreased by $19.3 million due to three factors:

(i) Net charge offs decreased from $37.9 million in the first quarter of 2020 to $28.8 million in the current quarter, down by $9.1 million. Net charge offs in the quarter as a percentage of the average gross consumer loans receivable on an annualized basis were 9.1%, down by 410 bps as compared to 13.2% reported in the first quarter of 2020. The decrease in net charge offs was primarily driven by the significant degree of federal financial support available to customers during the COVID-19 pandemic, assistance provided by banks and other lenders in the form of payment deferral programs, reduced living expenses attributed to stay-at-home orders and business closures caused by the pandemic, and the use of easyfinancial's loan protection insurance program. In addition, throughout 2020 and 2021, the Company proactively made a series of credit model enhancements and underwriting adjustments to improve the long-term credit quality of the portfolio.

(ii) The lower loan book growth in the current quarter decreased bad debt expense provision by $2.5 million when compared to the same period of 2020. The loan book increased in the current quarter by $30.5 million which resulted in a provision expense of $3.1 million as compared to the loan book increase of $55.4 million in the same period of 2020 which resulted in a provision expense of $5.6 million.

(iii) During the quarter, the Company decreased its provision rate for future credit losses from 10.08% to 9.88%, recording a decrease of $2.6 million in before-tax provision expense. The decrease is due to improvements in underlying credit quality and a reduction in the FLIs driven by improvements in unemployment, GDP and oil price economic forecasts..

easyhome Leasing Portfolio

The leasing portfolio as measured by potential monthly lease revenue as at March 31, 2021 was $8.4 million, up from the $8.3 million reported as at March 31, 2020. Overall, the number of lease agreements declined from 86,880 as at March 31, 2020 to 83,922 as at March 31, 2021, a drop of 3.4%. The decline in agreements was offset by a 4.7% increase in average leasing rates due in part to changes in product mix, and selected pricing adjustments. The increase in the lease portfolio, strong cash collections and the growth of consumer lending within the easyhome stores contributed to the increase in revenues.

Revenue

Revenue for the three-month period ended March 31, 2021 was $170.2 million compared to $167.2 million in the comparable period of 2020, an increase of $3 million or 1.8%. Overall, same store sales growth for the quarter was 1.7%. Revenue growth was driven mainly by the growth in the consumer loan portfolio and the stronger performance of the leasing portfolio.

e*asyfinancial* – Revenue for the three-month period ended March 31, 2021 was $133.3 million, an increase of $1.5 million when compared to the comparable period of 2020. The components of the increased revenue include:
(i) Interest income increased by $4.4 million or 4.6% driven by the 9.5% growth in the loan portfolio, offset by lower interest yields;
(ii) Commissions earned on the sale of ancillary products and services decreased by $2.1 million or 6.2% mainly driven by the impact of COVID-19, which resulted in lower net LPP revenue, coupled with lower penetration on certain ancillary products, particularly on risk adjusted rate and real estate secured loans; and
(iii) Charges and fees decreased by $0.8 million driven primarily by strong payment performance, resulting in fewer delinquency fees being charged.

easyhome – Revenue for the three-month period ended March 31, 2021 was $36.8 million, an increase of $1.4 million when compared to the comparable period of 2020. Lending revenue within the easyhome stores increased by $1.1 million in the current quarter when compared to the first quarter of 2020. Traditional leasing revenue for the current quarter was $0.3 million higher compared to the same period of 2020. The components of easyhome revenue include:
(i) Interest income increased by $1.0 million due to the growth of the consumer loans receivable related to the easyhome business;
(ii) Lease revenue increased by $0.6 million due to strong cash collections on a larger lease portfolio;
(iii) Commissions earned on the sale of ancillary products related to consumer lending at easyhome increased by $0.1 million. The increase is due to higher revenues associated with the Company's LPP; and
(iv) Charges and fees declined by $0.3 million due to lower fee charges by the traditional leasing business.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization were $89.1 million for the three-month period ended March 31, 2021, a decrease of $18.0 million or 16.8% from the comparable period in 2020. The decrease in operating expenses was driven by lower bad debt expense in the easyfinancial and easyhome business, partially offset by slightly higher expenses in the corporate segment. Total operating expenses before depreciation and amortization represented 52.3% of revenue for the first quarter of 2021 compared with 64.0% reported in the comparable period of 2020.

easyfinancial – Total operating expenses before depreciation and amortization were $57.3 million for the first quarter of 2021, a decrease of $19.4 million or 25.3% from the comparable period of 2020. Key drivers include:
(i) Bad debt expense decreased by $18.9 million in the current quarter when compared to the comparable period in 2020, driven by a lower net charge offs and provision expense in the quarter;
(ii) Other operating expenses decreased by $0.3 million in the quarter driven by lower store admin costs; and
(iii) A $0.2 million decrease in advertising and marketing spend.

easyhome – Total operating expenses before depreciation and amortization were $16.3 million for the first quarter of 2021, which was $0.7 million or 4.2% lower than the comparable period of 2020. Key drivers include:
(i) A $0.4 million decrease in bad debt expense driven by lower provision expense and net charge offs in the quarter;
(ii) Other operating expenses decreased by $0.1 million in distribution, store and admin costs; and
(iii) A $0.2 million decrease in advertising and marketing spend.

Corporate – Total operating expenses before depreciation and amortization for the first quarter of 2021 were $15.4 million which includes the transaction costs of $0.7 million discussed below. Excluding the transaction costs, operating expenses before depreciation and amortization for the first quarter of 2021 were $14.7 million compared to $13.3 million for the comparable period in 2020, an increase of $1.4 million or 11.0%. The increase was primarily due to higher compensation costs and technology costs than in the same period of 2020. Excluding the transaction costs, corporate expenses before depreciation and amortization represented 8.7% of revenue in the first quarter of 2021 compared to 7.9% of revenue in the same quarter of 2020.

Transaction Costs – During the three-month period ended March 31, 2021, corporate expenses before depreciation and amortization included $0.7 million transaction costs related to the acquisition of LendCare, including advisory and consulting costs, legal costs and other direct transaction costs.

Depreciation and Amortization

Depreciation and amortization for the three-month period ended March 31, 2021 was $17.2 million, an increase of $1.3 million or 7.9% from the comparable period in 2020. Overall, depreciation and amortization represented 10.1% of revenue for the first quarter of 2021, an increase from the 9.5% reported in the comparable period of 2020.

easyfinancial – Total depreciation and amortization was $4.3 million in the first quarter of 2021. This included $2.2 million of right-of-use asset depreciation, $0.4 million higher than the $1.8 million reported in the comparable period of 2020. Depreciation of property and equipment and intangibles in the first quarter of 2021 was $2.1 million, $0.4 million higher than the $1.7 million reported in the comparable period of 2020.

easyhome – Depreciation and amortization was $11.5 million in the first quarter of 2021, an increase of $0.1 million from the comparable period in 2020. easyhome's depreciation and amortization of lease assets, property and equipment and intangibles expressed as a percentage of easyhome revenue for the current quarter was 26.0%, down from the 26.6% reported in the first quarter of 2020. The slight rate reduction was due to a smaller lease asset base against a revenue base with an increasing proportion generated from consumer lending and lower lease asset charge offs.

Corporate – Depreciation and amortization was $1.4 million in the first quarter of 2021, an increase of $0.4 million from the same period in 2020. The increase was mainly due to higher amortization of intangible assets and depreciation of property and equipment primarily driven by new software additions and leasehold improvements recognized over the past 12 months.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the three-month period ended March 31, 2021 was $63.9 million, up $19.7 million or 44.6% when compared to the comparable period of 2020. The Company's operating margin for the quarter was 37.6%, up from the 26.4% reported in the first quarter of 2020. The increase in operating margin was mainly driven by the higher revenue and lower bad debt expense during the period.

easyfinancial – Operating income was $71.7 million for the first quarter of 2021 compared with $51.5 million for the comparable period in 2020, an increase of $20.2 million or 39.3%. The improvement was driven by the continued growth in the Company's loan book and related revenue increases of $1.5 million, an $18.9 million reduction in bad debt expense, driven by lower net charge offs and a lower provision expense, and a $0.2 million decrease in advertising spend, partially offset by a $0.4 million in incremental expenditures to manage the growing customer base, enhance the product offering, and expand the easyfinancial footprint. Operating margin in the quarter was 53.8% compared with 39.1% reported in the comparable period of 2020.

easyhome – Operating income was $9 million for the first quarter of 2021, an increase of $2 million or 28.7% when compared to the comparable period of 2020. The increase was driven by higher revenues of $1.4 million due to the strong performance of the leasing business, and the growth of consumer lending in easyhome, combined with lower expenses of $0.7 million. Operating margin for the first quarter of 2021 was 24.5%, an increase from the 19.8% reported in the comparable period of 2020.

Other Income

During the three-month period ended March 31, 2021, the Company recognized total unrealized fair value before-tax gains of $87.4 million mainly on investments in Affirm and TRS.

Finance Costs

Finance costs for the three-month period ended March 31, 2021 were $14.2 million, a decrease of $0.1 million from the first quarter of 2020. The decrease was mainly driven by a lower cost of borrowing. The average blended coupon interest rate for the Company's debt as at March 31, 2021, was 5.3% down from 5.6% as at March 31, 2020.

Income Tax Expense

The effective income tax rate for the first quarter of 2021 was 18.3% which was lower than the 26.4% reported in the comparable period of 2020 mainly driven by the effect of capital gain treatment on the unrealized fair value gain on Investments in the first quarter of 2021.

Net Income and EPS

Net income for the first quarter of 2021 was $112 million, or $7.14 per share on a diluted basis, up 409.5% and 406.4%, respectively, against the $22.0 million or $1.41 per share on a diluted basis reported in the same period of 2020. Excluding the $75.8 million after capital gains tax impact of the unrealized fair value gains mainly on investments in Affirm and TRS and $0.5 million after-tax impact of transaction costs incurred related to the acquisition of LendCare, the adjusted net income during the first quarter of 2021 was $36.7 million or $2.34 per share on a diluted basis. On this normalized basis, adjusted net income and adjusted diluted earnings per share increased by 66.9% and 66.0%, respectively.

Selected Quarterly Information

($ in millions except percentages and per share amounts)	March 2021	December 2020	September 2020	June 2020	March 2020	December 2019	September 2019	June 2019	March 2019
Gross consumer loans receivable	**1,277.3**	1,246.8	1,182.8	1,134.5	1,166.1	1,110.6	1,035.6	959.7	879.4
Revenue	**170.2**	173.2	161.8	150.7	167.2	165.5	156.1	147.9	139.9
Net income	**112.0**	48.9	33.1	32.5	22.0	6.7	19.8	19.6	18.3
Adjusted net income[2]	**36.7**	35.0	31.6	29.1	22.0	22.6	19.8	19.6	18.3
Return on equity	**90.1%**	45.8%	34.7%	37.0%	25.8%	8.0%	24.1%	25.2%	24.4%
Adjusted return on equity[2]	**29.5%**	32.8%	33.1%	33.1%	25.8%	27.0%	24.1%	25.2%	24.4%
Net income as a percentage of revenue	**65.8%**	28.2%	20.5%	21.6%	13.1%	4.0%	12.7%	13.2%	13.1%
Adjusted net income as a percentage of revenue[2]	**21.6%**	20.2%	19.5%	19.3%	13.1%	13.7%	12.7%	13.2%	13.1%
Earnings per share[1]									
Basic	**7.41**	3.24	2.20	2.25	1.50	0.46	1.35	1.34	1.25
Diluted	**7.14**	3.14	2.09	2.11	1.41	0.46	1.28	1.26	1.18
Adjusted diluted[2]	**2.34**	2.24	2.00	1.89	1.41	1.45	1.28	1.26	1.18

[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 or repurchased during the year on the basic weighted average number of Common Shares (as defined herein) outstanding together with the effects of rounding.
[2] Adjusted for certain adjusting items.

Key financial measures for each of the last nine quarters are summarized in the table above and include the gross consumer loans receivable, revenue, net income, earnings per share, return on equity, and net income as a percentage of revenue over this timeframe. Revenue growth over this time frame was primarily related to the growth of the gross consumer loans receivable. The larger revenue base together with lower operating expenses and finance costs, increased the Company's adjusted net income and adjusted earnings per share while the increased scale of the business resulted in adjusted net income as a percentage of revenue also increasing over the presented time horizon. Lastly, adjusted return on equity has been increasing in recent quarters due to the increasing earnings generated by the business.

Portfolio Analysis

The Company generates its revenue from a portfolio of consumer loans receivable and lease agreements that are originated 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 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.

Consumer Loans Receivable

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 has historically resulted in better performance. No additional credit is extended to a customer whose loan is delinquent.

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

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

	Three Months Ended	
($ in 000's)	**March 31, 2021**	**March 31, 2020**
Loan originations to new customers	**99,957**	94,483
Loan originations to existing customers	**172,394**	147,120
Less: Proceeds applied to repay existing loans	**(95,330)**	(81,193)
Net advance to existing customers	**77,064**	65,927
Net principal written	**177,021**	160,410

Gross Consumer Loans Receivable

The measure that the Company uses to describe the size of 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 during the periods were as follows:

($ in 000's)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Opening gross consumer loans receivable	**1,246,840**	1,110,633
Gross loan originations	**272,351**	241,603
Gross loan purchased	**-**	31,275
Gross principal payments and other adjustments	**(210,692)**	(176,587)
Gross charge offs before recoveries	**(31,208)**	(40,869)
Net growth in gross consumer loans receivable during the period	**30,451**	55,422
Ending gross consumer loans receivable	**1,277,291**	1,166,055

The scheduled principal repayment of the gross consumer loans receivable are as follows:

	March 31, 2021		March 31, 2020	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
0 – 6 months	**192,611**	**15.1%**	190,466	16.3%
6 – 12 months	**142,804**	**11.2%**	135,555	11.6%
12 – 24 months	**306,565**	**24.0%**	288,144	24.7%
24 – 36 months	**293,438**	**23.0%**	275,192	23.6%
36 – 48 months	**189,229**	**14.8%**	161,684	13.9%
48 – 60 months	**65,425**	**5.1%**	48,609	4.2%
60 months +	**87,219**	**6.8%**	66,405	5.7%
Gross consumer loans receivable	**1,277,291**	**100.0%**	1,166,055	100.0%

A breakdown of the gross consumer loans receivable categorized by the contractual time to maturity is as follows:

	March 31, 2021		March 31, 2020	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
0 – 1 year	**50,984**	**4.0%**	44,014	3.8%
1 – 2 years	**147,077**	**11.5%**	140,984	12.1%
2 – 3 years	**325,049**	**25.4%**	308,174	26.4%
3 – 4 years	**387,790**	**30.4%**	386,046	33.1%
4 – 5 years	**215,896**	**16.9%**	173,257	14.9%
5 years +	**150,495**	**11.8%**	113,580	9.7%
Gross consumer loans receivable	**1,277,291**	**100.0%**	1,166,055	100.0%

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

	March 31, 2021		March 31, 2020	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Gross consumer loans receivable, easyfinancial	**1,224,189**	**95.8%**	1,125,335	96.5%
Gross consumer loans receivable, easyhome	**53,102**	**4.2%**	40,720	3.5%
Gross consumer loans receivable	**1,277,291**	**100.0%**	1,166,055	100.0%

Financial Revenue and Net Financial Income

Financial revenue is generated by both the easyfinancial and easyhome segments. Financial revenue includes interest and various other ancillary fees generated by the Company's gross consumer loans receivable. Net financial income details the profitability of the Company's gross consumer loans receivable before any costs to originate or administer. Net financial income is calculated by deducting interest expense and amortization of deferred financing charges and bad debt expense from financial revenue. Net financial income is impacted by the size of the gross consumer loans receivable, the portfolio yield, the amount and cost of the Company's debt, the Company's leverage ratio and the bad debt expense experienced in the period.

	Three Months Ended	
($ in 000's)	**March 31, 2021**	**March 31, 2020**
Financial revenue, easyfinancial	**133,329**	131,788
Financial revenue, easyhome	**6,602**	5,492
Financial revenue	**139,931**	137,280
Less: Interest expenses and amortization of deferred financing charges	**(13,495)**	(13,676)
Less: Bad debt expense	**(29,274)**	(48,618)
Net financial income	**97,162**	74,986

Total Yield on Consumer Loans

Total yield on consumer loans is calculated as the financial revenue generated (including revenue generated on the sale of ancillary products) on the Company's consumer loans receivable divided by the average of the month-end loan balances for the indicated period. For interim periods, the rate is annualized.

($ in 000's except percentages)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Finance revenue	**139,931**	137,280
Multiplied by number of periods in year	**X 4/1**	X 4/1
Divided by average gross consumer loans receivable	**1,264,755**	1,151,366
Total yield as a percentage of average gross consumer loans receivable (annualized)	**44.3%**	47.7%

Net Charge offs

In addition to loan originations, the consumer loans receivable during a period 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 are charged off. In addition, customer loan balances are charged off upon notification that the customer is bankrupt following a detailed review of the filing. 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. For interim periods, the rate is annualized.

($ in 000's except percentages)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Net charge offs	**28,800**	37,902
Multiplied by number of periods in year	**X 4/1**	X 4/1
Divided by average gross consumer loans receivable	**1,264,755**	1,151,366
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**9.1%**	13.2%

Allowance for Credit Losses

The allowance for expected credit 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 expected credit losses provides for credit losses that are expected to transpire in future periods. Customer loans for which we have 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 are charged off against the allowance for loan losses.

	Three Months Ended	
($ in 000's except percentages)	**March 31, 2021**	**March 31, 2020**
Allowance for credit losses, beginning of period	**125,676**	107,107
Net charge offs written off against the allowance	**(28,800)**	(37,902)
Bad debt expense	**29,274**	48,618
Allowance for credit losses, end of period	**126,150**	117,823
Allowance for credit losses as a percentage of the ending gross consumer loans receivable	**9.88%**	10.10%

IFRS 9 requires that 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 rate of unemployment, rate of inflation, a decrease in the expected future price of oil from the current rates or a decrease in the rate of GDP growth has historically tended to increase the charge offs experienced by the Company. Conversely a forecasted decrease in the rate of unemployment, rate of inflation, an increase in the expected future price of oil from the current rates or an increase in the GDP growth rate has historically tended to decrease the charge offs experienced by the Company. Over the past several years the Company has operated in a relatively stable Canadian economic environment with moderate movements in economic variables. However, as a result of the turbulent economic environment brought on by the COVID-19 pandemic, management identified the need to incorporate additional data and methodological approaches into the Company's forward-looking scenario modelling. Therefore, additional factors have been incorporated in assessing the economic impact of the COVID-19 pandemic on the Company's consumer loan portfolio.

In calculating the allowance for credit losses in 2021, internally developed models were used which factor in credit risk related parameters including the probability of default, the exposure at default, the loss given default, and other relevant risk factors. As part of the process, three forward-looking scenarios are generated - i) Neutral, ii) Optimistic, and iii) Pessimistic - based on forecasting of macroeconomic variables (GDP, unemployment rates, inflation rates, and oil prices) that are determined relevant to the allowance for credit losses. Judgment is then applied to the recommended probability weightings to these scenarios to determine a probability weighted allowance for credit losses as at March 31, 2021.

The following table shows the key macroeconomic variables used in the determination of the probability weighted allowance during the forecast period as at March 31, 2021, which were obtained from the FLI forecasts produced by five large Canadian banks.

12-Month Forward-Looking Macroeconomic Variables (Average annual %)	**Neutral Forecast**	**Optimistic Forecast**	**Pessimistic Forecast**
Unemployment rate[1]	**7.20%**	**6.98%**	**10.22%**
GDP growth[2]	**7.41%**	**7.74%**	**(1.02%)**
Inflation growth[3]	**2.22%**	**1.70%**	**2.70%**
Oil prices[4]	**$57.13**	**$65.75**	**$34.33**

[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

The assignment of the probability weighting for the various scenarios using these variables involves management judgment through a robust internal review and analysis by management to arrive at a collective view on the likelihood of each scenario, particularly in light of the current COVID-19 pandemic circumstance. If management were to assign 100% probability to the pessimistic scenario forecast, the allowance for credit losses would have been $14.2 million higher than the reported allowance for credit losses as at March 31, 2021. Note 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.

Bad Debt Expense (Provision for Credit Losses)

The Company's bad debt expense is the amount that its allowance for future credit losses must be increased, after considering net-charge offs, such that the balance of the allowance for credit losses at each statement of financial position date is appropriate under IFRS. Operationally, this will require a larger provision to be taken when new consumer loans receivables are originated or purchased. An analysis of the Company's bad debt expense for the periods is as follows:

	Three Months Ended	
($ in 000's except percentages)	**March 31, 2021**	**March 31, 2020**
Net charge offs	**28,800**	37,902
Net change in allowance for credit losses	**474**	10,716
Bad debt expense	**29,274**	48,618
Financial revenue	**139,931**	137,280
Bad debt expense as a percentage of Financial Revenue	**20.9%**	35.4%

Aging of the Consumer Loans receivable

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

	March 31, 2021		March 31, 2020	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Current	**1,217,184**	**95.3%**	1,099,884	94.3%
Days past due				
1 - 30 days	**36,028**	**2.8%**	39,412	3.4%
31 - 44 days	**8,974**	**0.7%**	8,695	0.7%
45 - 60 days	**5,937**	**0.5%**	8,822	0.8%
61 - 90 days	**8,479**	**0.7%**	8,754	0.8%
91 – 180 days	**689**	**0.0%**	488	0.0%
	60,107	**4.7%**	66,171	5.7%
Gross consumer loans receivable	**1,277,291**	**100.0%**	1,166,055	100.0%

A large portion of the Company's consumer loans receivable 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 as of the last Saturday of the periods was as follows:

	Saturday, March 27, 2021	Saturday, March 28, 2020
	% of total	**% of total**
Current	**95.6%**	94.6%
Days past due		
1 - 30 days	**2.8%**	3.3%
31 - 44 days	**0.5%**	0.6%
45 - 60 days	**0.5%**	0.7%
61 - 90 days	**0.6%**	0.8%
91 - 180 days	**0.0%**	0.0%
	4.4%	5.4%
Gross consumer loans receivable	**100.0%**	100.0%

Consumer Loans receivable by Geography

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

	March 31, 2021		March 31, 2020	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Newfoundland & Labrador	**43,486**	**3.4%**	41,265	3.5%
Nova Scotia	**67,558**	**5.3%**	62,024	5.3%
Prince Edward Island	**10,329**	**0.8%**	9,682	0.8%
New Brunswick	**58,286**	**4.6%**	51,507	4.4%
Quebec	**121,538**	**9.5%**	82,758	7.1%
Ontario	**536,531**	**42.0%**	508,273	43.7%
Manitoba	**52,611**	**4.1%**	47,542	4.1%
Saskatchewan	**63,092**	**4.9%**	60,774	5.2%
Alberta	**177,587**	**13.9%**	162,478	13.9%
British Columbia	**132,803**	**10.4%**	127,480	10.9%
Territories	**13,470**	**1.1%**	12,272	1.1%
Gross consumer loans receivable	**1,277,291**	**100.0%**	1,166,055	100.0%

Consumer Loans Receivable by Loan Type

At the end of the periods, the Company's consumer loans receivable was allocated among the following loan types:

	March 31, 2021		March 31, 2020	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Unsecured Instalment Loans	**1,114,822**	**87.3%**	1,044,095	89.5%
Secured Instalment Loans	**162,469**	**12.7%**	121,960	10.5%
Gross consumer loans receivable	**1,277,291**	**100.0%**	1,166,055	100.0%

Leasing Portfolio Analysis

Potential Monthly Leasing Revenue

The Company measures its leasing portfolio and the performance of its easyhome business through potential monthly lease revenue. Potential monthly lease 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. 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)	**March 31, 2021**	**March 31, 2020**
Opening potential monthly lease revenue	**8,461**	8,643
Decrease due to store closures or sales during the period	**-**	(12)
Decrease due to ongoing operations	**(95)**	(359)
Net change	**(95)**	(371)
Ending potential monthly lease revenue	**8,366**	8,272

Potential monthly lease revenue is calculated as follows:

	March 31, 2021	**March 31, 2020**
Total number of lease agreements	**83,922**	86,880
Multiplied by the average required monthly lease payment per agreement	**99.69**	95.21
Potential monthly lease revenue ($ in 000's)	**8,366**	8,272

Leasing Portfolio by Product Category

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

	March 31, 2021		March 31, 2020	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Furniture	**3,557**	**42.5%**	3,730	45.1%
Electronics	**2,640**	**31.6%**	2,639	31.9%
Appliances	**1,133**	**13.5%**	1,019	12.3%
Computers	**1,036**	**12.4%**	884	10.7%
Potential monthly lease revenue	**8,366**	**100.0%**	8,272	100.0%

Leasing Portfolio by Geography

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

	March 31, 2021		March 31, 2020	
($ in 000's except percentages)	**$**	**% of total**	**$**	**% of total**
Newfoundland & Labrador	**676**	**8.1%**	675	8.2%
Nova Scotia	**830**	**9.9%**	826	10.0%
Prince Edward Island	**148**	**1.7%**	144	1.7%
New Brunswick	**683**	**8.2%**	697	8.4%
Quebec	**586**	**7.0%**	554	6.7%
Ontario	**2,660**	**31.8%**	2,662	32.2%
Manitoba	**241**	**2.9%**	241	3.0%
Saskatchewan	**389**	**4.6%**	358	4.3%
Alberta	**1,252**	**15.0%**	1,261	15.2%
British Columbia	**901**	**10.8%**	854	10.3%
Potential monthly lease revenue	**8,366**	**100.0%**	8,272	100.0%

Leasing 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. easyhome leasing revenue is defined as the total revenue generated by the Company's easyhome business less the financial revenue generated by easyhome.

	Three Months Ended	
($ in 000's except percentages)	**March 31, 2021**	**March 31, 2020**
Net charge offs	**658**	844
Leasing revenue	**30,243**	29,922
Net charge offs as a percentage of leasing revenue	**2.2%**	2.8%

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:

Same Store Revenue Growth

Same store revenue growth measures the revenue growth for all stores that have been open for a minimum of 15 months. To calculate same store revenue growth for a period, the revenue 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-month to 36-month time frame, as these stores tend to be in the strongest period of growth at this time.

For the three-month period ended March 31, 2021, the company experienced a lower level of same store revenue growth rate compared to the same period of 2020. The Company experienced a lower level of loan growth during the preceding quarters due to a lower level of demand caused by the COVID-19 pandemic. In addition, the Company experienced higher than usual loan protection insurance claim costs, which serve to reduce the net commissions earned on this program, associated with higher unemployment rates as a result of the COVID-19 pandemic. The lower level of loan growth and higher claim costs resulted in a lower annualized total yield and lower revenue growth.

	Three Months Ended	
	March 31, 2021	March 31, 2020
Same store revenue growth (overall)	**1.7%**	19.6%
Same store revenue growth (easyhome)	**4.9%**	4.5%

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 efficiency of its operations.

	Three Months Ended	
($ in 000's except percentages)	**March 31, 2021**	**March 31, 2020**
Operating expenses before depreciation and amortization	**89,081**	107,078
Divided by revenue	**170,174**	167,202
Operating expenses before depreciation and amortization as % of revenue	**52.3%**	64.0%

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.

	Three Months Ended	
($ in 000's except percentages)	**March 31, 2021**	**March 31, 2020**
easyfinancial		
Operating income	**71,697**	51,483
Divided by revenue	**133,329**	131,788
easyfinancial operating margin	**53.8%**	39.1%
easyhome		
Operating income	**9,037**	7,020
Divided by revenue	**36,845**	35,414
easyhome operating margin	**24.5%**	19.8%
Total		
Operating income	**63,932**	44,219
Divided by revenue	**170,174**	167,202
Total operating margin	**37.6%**	26.4%

Cash provided by operating activities before net growth in gross consumer loans receivable

The Company defines cash provided by operating activities before net growth in gross consumer loans receivable as cash provided by (used in) operating activities if the Company has not invested in the growth of the consumer loans receivable and the loan portfolio had remained static. The Company believes cash provided by operating activities 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	
($ in 000's)	**March 31, 2021**	**March 31, 2020**
Cash provided by (used in) operating activities	**32,715**	(1,475)
Net growth in gross consumer loans receivable during the period	**30,451**	55,422
Cash provided by operating activities before net growth in gross consumer loans receivable	**63,166**	53,947

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. 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 adjusted for the effects of adjusting items.

Items used to calculate adjusted net income and earnings per share for the three-month periods ended March 31, 2021 and 2020 include those indicated in the chart below:

	Three Months Ended	
($ in 000's except earnings per share)	**March 31, 2021**	**March 31, 2020**
Net income as stated	**111,975**	21,979
Impact of adjusting items		
Transaction costs[1]	**680**	
Other income[2]	**(87,372)**	-
Tax impact of above items	**11,396**	-
After-tax impact of adjusting items	**(75,296)**	-
Adjusted net income	**36,679**	21,979
After-tax impact of Debentures	**-**	680
Fully diluted adjusted net income	**36,679**	22,659
Weighted average number of diluted shares outstanding	**15,689**	16,094
Diluted earnings per share as stated	**7.14**	1.41
Per share impact of normalized items	**(4.80)**	-
Adjusted diluted earnings per share	**2.34**	1.41

[1] During the first quarter of 2021, the Company incurred $0.5 million after-tax transaction costs related to the acquisition of LendCare, including advisory and consulting costs, legal costs and other direct transaction costs.

[2] During the first quarter of 2021, the Company recognized $75.8 million after-tax impact of the unrealized fair value gains mainly on investments in Affirm and TRS.

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.

	Three Months Ended		
($ in 000's except percentages)	**March 31, 2021**	**March 31, 2021 (adjusted)**	**March 31, 2020**
Net income as stated	**111,975**	**111,975**	21,979
Finance cost	**14,236**	**14,236**	14,344
Income tax expense	**25,093**	**25,093**	7,896
Depreciation and amortization, excluding depreciation of lease assets	**7,918**	**7,918**	6,881
EBITDA	**159,222**	**159,222**	51,100
Transaction costs	-	**680**	-
Other income	-	**(87,372)**	-
Adjusted EBITDA	**159,222**	**72,530**	51,100
Divided by revenue	**170,174**	**170,174**	167,202
EBITDA margin	**93.6%**	**42.6%**	30.6%

Return on Assets

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

	Three Months Ended		
($ in 000's except percentages)	**March 31, 2021**	**March 31, 2021 (adjusted)**	**March 31, 2020**
Net income as stated	**111,975**	**111,975**	21,979
Impact of adjusting items			
Transaction costs	**-**	**680**	-
Other income	**-**	**(87,372)**	-
Tax impact of above items	**-**	**11,396**	-
After-tax impact of adjusting items	**-**	**(75,296)**	**-**
Adjusted net income	**111,975**	**36,679**	21,979
Multiplied by number of periods in year	**X 4/1**	**X 4/1**	X 4/1
Divided by average total assets for the period	**1,556,900**	**1,556,900**	1,363,146
Return on assets	**28.8%**	**9.4%**	6.4%

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 percentages)	Three Months Ended March 31, 2021	March 31, 2021 (adjusted)	March 31, 2020
Net income as stated	**111,975**	**111,975**	21,979
Impact of adjusting items			
Transaction costs	**-**	**680**	-
Other income	**-**	**(87,372)**	-
Tax impact of above items	**-**	**11,396**	-
After-tax impact of adjusting items	**-**	**(75,296)**	-
Adjusted net income	**111,975**	**36,679**	21,979
Multiplied by number of periods in year	**X 4/1**	**X 4/1**	X 4/1
Divided by average shareholders' equity for the period	**496,889**	**496,889**	341,065
Return on equity	**90.1%**	**29.5%**	25.8%

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, 2021 and 2020.

($ in 000's, except for ratios)	March 31, 2021	March 31, 2020
Consumer loans receivable, net	**1,184,709**	1,088,157
Cash	**104,842**	34,252
Investment	**96,896**	34,300
Lease assets	**45,473**	47,711
Right-of-use assets, net	**48,111**	46,610
Property and equipment, net	**30,269**	24,076
Derivative financial assets	**30,999**	56,637
Intangible assets, net	**27,136**	19,991
Goodwill	**21,310**	21,310
Other assets	**22,139**	34,625
Total assets	**1,611,884**	1,407,669
External debt[1]	**858,733**	929,479
Lease liabilities	**55,934**	53,029
Derivative financial liabilities	**44,985**	-
Other liabilities	**101,966**	75,452
Total liabilities	**1,061,618**	1,057,960
Shareholders' equity	**550,266**	349,709
Total capitalization (external debt plus total shareholders' equity)	**1,408,999**	1,279,188
External debt to shareholders' equity	**1.56**	2.66
Net debt to net capitalization[2]	**0.58**	0.72
External debt to adjusted EBITDA	**3.22**	4.62

[1] External debt includes the carrying values of Debentures, loan from revolving credit facility, loan from revolving securitization warehouse facility, and notes payable.

[2] Net debt is calculated as external debt less cash. Net debt to net capitalization is net debt divided by the sum of net debt and shareholders' equity.

Total assets were $1.6 billion as at March 31, 2021, an increase of $204.2 million or 14.5% compared to March 31, 2020. The increase was related primarily to: i) the $96.6 million increase in the net consumer loans receivable; ii) the increase in cash of $70.6 million; and iii) the increase in investments of $62.6 million mainly due to the new equity investments in Affirm and Brim partially offset by the disposal of equity investment in PayBright.

The $204.2 million growth in total assets was primarily financed by the $200.6 million increase in total shareholder's equity, which was driven by earnings generated by the Company partially offset by share buybacks under the Company's Normal Course Issuer Bid and dividends paid. While the Company has continued to pay a dividend to its shareholders, a large portion of the Company's earnings over the prior year have been retained to fund the growth of easyfinancial.

Liquidity and Capital Resources

Cash Flow Review

The table below provides a summary of cash flow components for the three-months period ended March 31, 2021 and 2020.

($ in 000's)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Cash provided by operating activities before net issuance of consumer loans receivable and purchase of lease assets	**99,648**	102,793
Net issuance of consumer loans receivable	**(61,605)**	(96,223)
Purchase of lease assets	**(5,328)**	(8,045)
Cash provided by (used in) operating activities	**32,715**	(1,475)
Cash provided by (used in) investing activities	**9,144**	(6,195)
Cash used in financing activities	**(30,070)**	(4,419)
Net increase (decrease) in cash for the period	**11,790**	(12,089)

The Company provides loans to non-prime borrowers. The Company obtains capital 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 borrowers make loan payments this generates cash flow from operating activities and income over time. 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 March 31, 2021

Cash provided by operating activities for the three-month period ended March 31, 2021 was $32.7 million compared with $1.5 million of cash used in operating activities in the same period of 2020. Included in cash provided by operating activities for the three-month period ended March 31, 2021 were: i) a net investment of consumer loans receivable amounting to $61.6 million; and ii) the purchase of lease assets of $5.3 million. If the net collection 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 $99.6 million for the three months ended March 31, 2021, down $3.1 million from the same period of 2020. The decrease was driven by lower non-cash expenses such as bad debt expense partially offset by favorable movements in working capital.

During the first quarter of 2021, the Company generated $9.1 million in investing activities, up $15.3 million compared to $6.2 million used in the same period of 2020, mainly due to proceeds received from sale of investment in PayBright and lower investment in property and equipment partially offset by the purchase of equity investment in Affirm and Brim.

During the first quarter of 2021, the Company used $30.1 million in cash flow from financing activities, up from $4.4 million in the same period of 2020. During the first quarter of 2021, the Company made a $200 million repayment of advances on the revolving credit facility, $6.5 million of dividends paid and $4.5 million lease liabilities paid which were partially offset by the net proceeds of $179 million from advances against the revolving securitization warehouse facility. During the first quarter of 2020, the Company: repaid $40 million of advances on the revolving credit facility, invested $10 million to repurchase its shares under the Company's Normal Course Issuer Bid, made $4.4 million in dividend payments and made a $4.1 million payment of lease liabilities which were partially offset by the net proceeds of $55 million from advances against its revolving credit facility.

Capital Resources

goeasy funds its business through a combination of equity and debt instruments. goeasy's common shares ("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 strong value that has been created for the Company's shareholders over the years.

As at March 31, 2021, the Company's external debt consisted of US$550 million of 2024 Notes (with net carrying values of $681 million) and $180 million drawn against the Company's revolving securitization warehouse facility. The borrowing limit under the revolving securitization warehouse facility was $200 million, leaving $20 million in additional available borrowing capacity as at March 31, 2021. As at March 31, 2021 the Company did not have a balance owing under its revolving credit facility which has a maximum borrowing limit of $310 million.

Borrowings under the 2024 Notes bore a US$ coupon rate of 5.375%. Through a cross-currency swap agreement arranged concurrently with the offering of the US$550 million 2024 Notes in November 2019, the Company fixed the foreign exchange rate for the proceeds from the offering and for all required payments of principal and interest under these 2024 Notes, effectively hedging the obligation at $728.3 million with a Canadian dollar interest rate of 5.65%. These 2024 Notes are due on December 1, 2024.

Borrowings under the Company's revolving securitization warehouse facility bear interest at the rate of 1-month Canadian Dollar Offered Rate ("CDOR") plus 295 bps and matures on December 7, 2023. Concurrent with the establishment of the revolving securitization warehouse facility, the Company entered into an interest rate swap as cash flow hedge to protect itself against changes in the variability of future interest payments by paying fixed rate and receiving variable rate equivalent to 1-month CDOR.

The average blended coupon interest rate for the Company's debt as at March 31, 2021, was 5.3% down from 5.6% as at March 31, 2020.

As at March 31, 2021, the Company had total cash on hand and borrowing capacities under its revolving credit facility and securitization warehouse facility of $434.8 million and the ability to exercise the accordion feature under this facility to add an additional $75 million in borrowing capacity. Ultimately, the current cash on hand and current borrowing limits, excluding future enhancements or diversification of funding sources, provide adequate growth capital for the Company to execute its organic growth plan. The Company intends to provide an outlook regarding the period of time that its current liquidity can fund organic growth when it publishes a new 3-year commercial forecast in the second quarter, as outlined above. However, the Company's forecast could also be affected by various risks and uncertainties, including, but not limited to, the effects of the COVID-19 pandemic.

Outstanding Shares and Dividends

As at May 11, 2021, there were 16,408,680 Common Shares, 274,000 deferred share units, 587,319 options, 228,641 restricted share units, and no warrants outstanding.

Normal Course Issuer Bid

On December 16, 2020, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make a Normal Course Issuer Bid ("NCIB") (the "2020 NCIB"). Pursuant to the 2020 NCIB, the Company proposed to purchase, from time to time, if considered advisable, up to an aggregate of 1,079,703 Common Shares being approximately 10% of goeasy's public float as of December 9, 2020. As at December 9, 2020, goeasy had 14,801,169 Common Shares issued and outstanding, and the average daily trading volume for the nine months prior to November 30, 2020, was 83,554. Under the 2020 NCIB, daily purchases will be limited to 20,888 Common Shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The purchases were permitted to commence on December 21, 2020, and will terminate on December 20, 2021, or on such earlier date as the Company may complete its purchases pursuant to the 2020 NCIB. The 2020 NCIB will be conducted through the facilities of the TSX or alternative trading systems, if eligible, and will conform to their regulations. Purchases under the 2020 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. The Company had not cancelled any of its Common Shares pursuant to the 2020 NCIB.

On December 18, 2019, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make a NCIB (the "2019 NCIB"). Pursuant to the 2019 NCIB, the Company proposed to purchase, from time to time, if considered advisable, up to an aggregate of 1,038,269 Common Shares being approximately 10% of goeasy's public float as of December 9, 2019. As at December 9, 2019, goeasy had 14,346,709 Common Shares issued and outstanding, and the average daily trading volume for the nine months prior to November 30, 2019, was 36,081. Under the 2019 NCIB, daily purchases were limited to 9,020 Common Shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The 2019 NCIB was permitted to commence on December 20, 2019 and the 2019 NCIB terminated on December 19, 2020. The purchases made by goeasy pursuant to the 2019 NCIB were 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 the Company paid for any Common Shares was the market price of such shares at the time of acquisition. The Company did not purchase any Common Shares other than by open-market purchases. Under the 2019 NCIB, the Company completed the purchase for cancellation through the facilities of the TSX of 767,855 Common Shares at a weighted average price of $55.18 per Common Share for a total cost of $42.4 million.

On March 23, 2020, TSX provided a temporary relief for its participating organizations for NCIB purchases. From March 23, 2020 to June 30, 2020 ("Effective Period"), TSX modified the volume of purchases condition in TSX Rule 6-101 of the TSX Rule Book, subsection (a) of "normal course issuer bid", so that the amount of NCIB purchases must not exceed 50% of the average daily trading volume of the listed securities of that class. During the Effective Period, the Company's daily purchases under the 2019 NCIB was limited to 18,040 Common Shares, representing 50% of the average daily trading volume, other than block purchase exemptions.

Dividends

During the quarter ended March 31, 2021, the Company paid a $0.66 per share quarterly dividend on outstanding Common Shares. This dividend was paid on April 9, 2021.

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 the loan facility, or where such payment would lead to a default.

On February 17, 2021, the Company increased the dividend rate by 46.7% from $0.45 to $0.66 per share per quarter. 2021 marks the 17th consecutive year of paying a dividend to shareholders and the 7th consecutive year of an increase in the dividend to shareholders.

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:

	2021	2020	2019	2018	2017	2016	2015
Dividend per share	**$0.660**	$0.450	$0.310	$ 0.225	$ 0.180	$ 0.125	$ 0.100
Percentage increase	**46.7%**	45.2%	37.8%	25.0%	44.0%	25.0%	17.6%

Commitments, Guarantees and Contingencies

The nature of the Company's commitments, guarantees and contingencies remain as described in its December 31, 2020 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 policies on an annual basis.

The Company's risk factors remain as described in its December 31, 2020 MD&A.

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, 2020 notes to the consolidated financial statements.

Changes in Accounting Policy and Disclosures

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2020, except for the adoption of new standards effective as at January 1, 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Company.

(b) Standards issued but not yet effective

There are no new standards issued but not yet effective as at January 1, 2021 that have a material impact to the Company's interim condensed 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 is 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 March 31, 2021.

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 control over financial reporting framework includes 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 2021

No changes were made in our internal control over financial reporting during the three-month period ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of ICFR at March 31, 2021

As at March 31, 2021, 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 March 31, 2021.