

Interim Condensed Consolidated Financial Statements

goeasy Ltd.

(Unaudited)

March 31, 2016

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(expressed in thousands of Canadian dollars)

	As At March 31, 2016	As At December 31, 2015
ASSETS		
Cash	18,273	11,389
Amounts receivable	12,069	13,000
Prepaid expenses	2,707	2,446
Consumer loans receivable (note 4)	285,268	270,961
Lease assets	57,740	60,753
Property and equipment	18,352	18,689
Deferred tax assets (note 8)	6,887	5,913
Intangible assets	14,494	14,041
Goodwill	21,310	21,310
TOTAL ASSETS	437,100	418,502
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	24,426	23,617
Income taxes payable	1,983	700
Dividends payable (note 6)	1,690	1,341
Deferred lease inducements	1,822	1,922
Unearned revenue	3,986	3,982
Provisions	455	582
Term loan (note 5)	223,016	210,299
TOTAL LIABILITIES	257,378	242,443
Shareholders' equity		
Share capital (note 6)	83,481	81,725
Contributed surplus	8,199	9,852
Accumulated other comprehensive income	807	969
Retained earnings	87,235	83,513
TOTAL SHAREHOLDERS' EQUITY	179,722	176,059
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	437,100	418,502

See accompanying notes to the interim condensed consolidated financial statements

On behalf of the Board:



David Ingram
Director



Donald K. Johnson
Director

goeasy Ltd.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

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

	Three Months Ended	
	March 31, 2016	March 31, 2015
REVENUE		
Lease revenue	35,948	36,753
Interest income	31,555	21,158
Other	14,822	12,614
	82,325	70,525
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION		
Salaries and benefits	22,568	21,155
Stock based compensation (note 7)	1,007	1,620
Advertising and promotion	2,485	2,587
Bad debts	12,380	8,168
Occupancy	7,979	7,636
Other	7,350	5,958
	53,769	47,124
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets	11,446	11,624
Depreciation of property and equipment	1,383	1,280
Amortization of intangible assets	974	722
	13,803	13,626
Total operating expenses	67,572	60,750
Operating income	14,753	9,775
Finance costs (note 5)	4,821	3,130
Income before income taxes	9,932	6,645
Income tax expense (recovery) (note 8)		
Current	3,653	1,252
Deferred	(973)	470
	2,680	1,722
Net income	7,252	4,923
Basic earnings per share (note 9)	0.54	0.36
Diluted earnings per share (note 9)	0.52	0.35

See accompanying notes to the interim condensed consolidated financial statements

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)
(expressed in thousands of Canadian dollars)

	Three Months Ended	
	March 31, 2016	March 31, 2015
Net income	7,252	4,923
Other comprehensive (loss) income		
Change in foreign currency translation reserve	(162)	605
Transfer of realized translation losses	-	(297)
Comprehensive income	7,090	5,231

See accompanying notes to the interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)
(expressed in thousands of Canadian dollars)

	Share Capital	Contributed Surplus	Total Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, December 31, 2015	81,725	9,852	91,577	83,513	969	176,059
Common shares issued	2,722	(2,660)	62	-	-	62
Stock-based compensation (note 7)	-	1,007	1,007	-	-	1,007
Shares purchased for cancellation (note 6)	(966)	-	(966)	(1,840)	-	(2,806)
Comprehensive (loss) income	-	-	-	7,252	(162)	7,090
Dividends (note 6)	-	-	-	(1,690)	-	(1,690)
Balance, March 31, 2016	83,481	8,199	91,680	87,235	807	179,722
Balance, December 31, 2014	80,364	6,458	86,822	66,452	694	153,968
Common shares issued	1,078	(183)	895	-	-	895
Stock-based compensation (note 7)	-	478	478	-	-	478
Comprehensive income	-	-	-	4,923	308	5,231
Dividends (note 6)	-	-	-	(1,343)	-	(1,343)
Balance, March 31, 2015	81,442	6,753	88,195	70,032	1,002	159,229

See accompanying notes to the interim condensed consolidated financial statements

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three Months Ended	
	March 31, 2016	March 31, 2015
OPERATING ACTIVITIES		
Net income	7,252	4,923
Add (deduct) items not affecting cash		
Depreciation of lease assets	11,446	11,624
Depreciation of property and equipment	1,383	1,280
Amortization of intangible assets	974	722
Stock-based compensation (note 7)	1,007	478
Bad debts expense	12,380	8,168
Deferred income tax (recovery) expense	(973)	470
Gain on sale of property and equipment	(786)	(1,252)
	32,683	26,413
Net change in other operating assets and liabilities (note 10)	2,539	(3,674)
Net issuance of consumer loans receivable	(26,687)	(22,237)
Cash provided by operating activities	8,535	502
INVESTING ACTIVITIES		
Purchase of lease assets	(9,090)	(11,767)
Purchase of property and equipment	(1,069)	(2,114)
Purchase of intangible assets	(1,429)	(811)
Acquisitions	-	(3,671)
Proceeds on sale of property and equipment	1,305	2,249
Cash used in investing activities	(10,283)	(16,114)
FINANCING ACTIVITIES		
Repayments of bank revolving credit facility	-	(139)
Advances of term loan	12,717	15,157
Payment of common share dividends (note 6)	(1,341)	(1,133)
Issuance of common shares	62	895
Purchase of common shares for cancellation (note 6)	(2,806)	-
Cash provided by financing activities	8,632	14,780
Net increase (decrease) in cash during the period	6,884	(832)
Cash, beginning of period	11,389	1,165
Cash, end of period	18,273	333

See accompanying notes to the interim condensed consolidated financial statements

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

1. CORPORATE INFORMATION

goeasy Ltd. ["Parent Company"] was incorporated under the laws of Alberta, Canada by Certificate and Articles of Incorporation dated December 14, 1990 and was continued as a corporation in Ontario pursuant to Articles of Continuance dated July 22, 1993. The Parent Company changed its name from easyhome Ltd. to goeasy Ltd. effective September 14, 2015. The Parent Company has common shares listed on the Toronto Stock Exchange (TSX – GSY) and its head office is located in Mississauga, Ontario, Canada.

The principal operating activities of the Parent Company and all the companies that it controls [collectively referred to as "goeasy" or the "Company"] include i) merchandise leasing of household furnishings, appliances and home electronic products to consumers under weekly or monthly leasing agreements and ii) offering unsecured instalment loans to consumers.

The Company operates in two reportable segments: easyhome and easyfinancial. As at March 31, 2016, the Company operated 182 easyhome stores (including 26 franchises and 3 consolidated franchises) and 209 easyfinancial locations (December 31, 2015 – 184 easyhome stores including 26 franchises and 3 consolidated franchises, and 202 easyfinancial locations).

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements include the financial statements of the Parent Company and all companies that it controls. goeasy Ltd. controls an entity: i) when it has the power to direct the activities of the entity which have the most significant impact on the entity's risks and/or returns; ii) where it is exposed to significant risks and/or returns arising from the entity; and iii) where it is able to use its power to affect the risks and/or returns to which it is exposed. This includes all wholly owned subsidiaries and certain special purpose entities ["SPEs"] where goeasy Ltd. has control but does not have ownership of a majority of voting rights.

As at March 31, 2016, the Parent Company's principal subsidiaries were:

- RTO Asset Management Inc.
- easyfinancial Services Inc.
- easyhome U.S. Ltd.
- easyfinancial mortgages Inc.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 2, 2016.

Statement of Compliance with IFRS

The unaudited interim condensed consolidated financial statements for the three month periods ended March 31, 2016 were prepared in accordance with International Accounting Standards ["IAS"] 34, *Interim Financial Reporting* using the same accounting policies as those used in the Company's most recent audited annual consolidated financial statements. These unaudited interim condensed consolidated financial statements do not include all of the disclosures included in the Company's audited annual consolidated financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read together with the audited annual consolidated financial statements.

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9 Financial Instruments

The Company will be required to adopt IFRS 9, *Financial Instruments*, which is the IASB's replacement of IAS 39. IFRS 9 will provide new requirements for the classification and measurement of financial assets and liabilities, impairment and hedge accounting. IFRS 9 is required to be applied for years beginning on or after January 1, 2018 with early adoption permitted. The Company is in the process of assessing the impact of this standard.

IFRS 15 Revenue from Contracts with Customers

The Company will be required to adopt IFRS 15, *Revenue from Contracts with Customers*, which clarifies the principles for recognizing revenue and cash flows arising from contracts with customers. IFRS 15 is required to be applied for years beginning on or after January 1, 2018, with early adoption permitted, and is to be applied retrospectively. The Company is in the process of assessing the impact of this standard.

IFRS 16 Leases

The Company will be required to adopt IFRS 16, *Leases*, which is the IASB's replacement of IAS 17. IFRS 16 will require lessees to recognize a lease liability that reflects future lease payments and a 'right-of-use-asset' for most lease contracts. IFRS 16 is required to be applied for years beginning on or after January 1, 2019 with early adoption permitted, but only in conjunction with the adoption of IFRS 15. The Company has not yet assessed the impact of this standard.

4. CONSUMER LOANS RECEIVABLE

Consumer loans receivable represented amounts advanced to customers of easyfinancial. Loan terms generally ranged from 9 to 60 months.

	March 31, 2016	December 31, 2015
Gross consumer loans receivable	304,162	289,426
Unamortized deferred acquisition costs	573	-
Allowance for loan losses	(19,467)	(18,465)
	285,268	270,961
Current	125,369	118,850
Non-current	159,899	152,111
	285,268	270,961

During the first quarter of 2016, the Company recorded deferred acquisition costs of \$573 (2015 – nil) related to commissions paid to a third party.

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

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

	March 31, 2016		December 31, 2015	
	\$	% of total loans	\$	% of total loans
1 - 30 days	12,211	4.0%	12,282	4.2%
31 - 44 days	2,498	0.8%	2,256	0.8%
45 - 60 days	2,411	0.8%	1,919	0.7%
61 - 90 days	3,471	1.2%	3,258	1.1%
	20,591	6.8%	19,715	6.8%

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

	Three Months Ended March 31, 2016	Year Ended December 31, 2015
Balance, beginning of the period	18,465	11,532
Net amounts written off against allowance	(11,378)	(35,000)
Increase due to lending and collection activities	12,380	41,933
Balance, end of the period	19,467	18,465

5. REVOLVING OPERATING FACILITY AND TERM LOAN

The Company's credit facilities consisted of a \$280 million term loan and a \$20 million revolving operating facility. \$230 million of the term loan was drawn as of March 31, 2016 with the balance available in periodic advances until March 31, 2017. Borrowings under the term loan bore interest at the Canadian Bankers' Acceptance rate plus 699 bps with a 799 bps floor while borrowings under the revolving operating facility bore interest at the lender's prime rate plus 175 to 275 bps depending on the Company's debt to earnings before interest, taxes, depreciation and amortization ["EBITDA"] ratio. The Company's credit facilities expire on October 4, 2019 and were secured by a first charge over substantially all assets of the Company.

The drawings under the Company's credit facilities were as follows:

	March 31, 2016	December 31, 2015
Amounts borrowed under term loan	230,000	217,500
Unamortized deferred financing costs	(6,984)	(7,201)
Term loan	223,016	210,299

As at March 31, 2016, the Company's interest rates under the term loan and revolving operating facility were 7.99% and 5.45%, respectively.

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

The financial covenants of the credit facility were as follows:

Financial Covenant	Requirements	March 31, 2016
Total debt to EBITDA ratio	< 4.40	3.69
Total debt to tangible net worth ratio	< 1.70	1.58
Adjusted EBITDA for preceding 12 months (consolidated)	> 52,200	62,350

The financial covenant requirements described above vary each quarter as per the lending agreement and were based on the Company's financial forecasts over these periods. As at March 31, 2016, the Company was in compliance with all of its financial covenants under its lending agreements.

Finance Costs

Included in finance costs in the interim condensed consolidated statements of income was interest expense on the credit facilities and amortization of deferred financing costs as follows:

	Three Months Ended	
	March 31, 2016	March 31, 2015
Interest expense	4,366	2,811
Amortization of deferred financing costs	455	319
	4,821	3,130

6. SHARE CAPITAL

Common Shares Issued and Outstanding

The changes in common shares are summarized as follows:

	Three Months Ended March 31, 2016		Year Ended December 31, 2015	
	# of shares (in 000's)	\$	# of shares (in 000's)	\$
Balance, beginning of the period	13,411	81,725	13,330	80,364
Exercise of stock options	4	50	189	1,975
Exercise of RSUs	266	2,651	-	-
Shares purchased for cancellation	(159)	(966)	(111)	(676)
Dividend reinvestment plan	1	21	3	62
Balance, end of the period	13,523	83,481	13,411	81,725

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

Dividends on Common Shares

For the three month period ended March 31, 2016, the Company paid dividends of \$1.3 million (2015 – \$1.1 million) or \$0.10 per share (2015 – \$0.085 per share). On February 17, 2016, the Company increased the dividend rate by 25% and declared a dividend of \$0.125 per share to shareholders of record on March 25, 2016, payable on April 8, 2016. The dividend paid on April 8, 2016 was \$1.7 million.

Shares Purchased for Cancellation

During the three month period ended March 31, 2016, the Company purchased and cancelled 158,500 (2015 – nil) of its common shares on the open market at an average price of \$17.68 per share pursuant to a normal course issuer bid for a total cost of \$2.8 million.

During the year ended December 31, 2015, the Company purchased and cancelled 111,041 of its common shares on the open market at an average price of \$17.75 per share pursuant to a normal course issuer bid for a total cost of \$2.0 million.

The Company has purchased and cancelled 269,541 of its common shares under the normal course issuer bid that was in effect at March 31, 2016, which allows for a total purchase of up to 670,000 common shares and expires on June 24, 2016.

7. STOCK-BASED COMPENSATION

Share Option Plan

Under the Company's stock option plan, options to purchase common shares may be granted by the Board of Directors to directors, officers and employees. During the three month period ended March 31, 2016, the Company granted nil options (2015 – 79,806 options). For the three month period ended March 31, 2016, an expense of \$129 (2015 – \$113) was recorded in stock-based compensation expense in the interim condensed consolidated statements of income, with a corresponding adjustment to contributed surplus.

Restricted Share Unit ["RSU"] Plan

During the three month period ended March 31, 2016, the Company granted nil RSUs (2015 – nil) to employees of the Company under its RSU Plan. RSUs are granted at fair market value at the grant date and generally vest at the end of a three-year period based on long-term targets. For the three month period ended March 31, 2016, \$728 (2015 – \$264) was recorded as an expense in stock-based compensation expense in the interim condensed consolidated statements of income. Additionally, for the three month period ended March 31, 2016, an additional 3,101 RSUs (2015 – 2,149 RSUs) were granted as a result of dividends payable.

Performance Share Unit ["PSU"] Plan

During the three month period ended March 31, 2016, the Company granted 226,236 PSUs (2015 – 199,330 PSUs) to senior executives of the Company under its PSU Plan. PSUs are granted at fair market value at the grant date and vest at the end of a three-year period based on long-term targets. For the three month period ended March 31, 2016, nil (2015 – \$1,142) was recorded as an expense in stock-based compensation expense in the interim condensed consolidated statements of income. Additionally, for the three month period ended March 31, 2016, an additional nil PSUs (2015 – 1,782 PSUs) were granted as a result of dividends payable.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

The PSU liability as at March 31, 2016 was nil (December 31, 2015 – nil).

Deferred Share Unit [“DSU”] Plan

During the three month period ended March 31, 2016, the Company granted 6,898 DSUs (2015 – 3,394 DSUs) to directors under its DSU Plan. DSUs are granted at fair market value at the grant date and vest immediately upon grant. For the three month period ended March 31, 2016, \$150 (2015 – \$101) was recorded as stock-based compensation expense under the DSU Plan in the interim condensed consolidated statements of income. Additionally, for the three months ended March 31, 2016, an additional 1,060 DSUs (2015 – 613 DSUs) were granted as a result of dividends payable.

Stock Based Compensation Expense

	Three Months Ended	
	March 31, 2016	March 31, 2015
Equity-settled stock based compensation	1,007	478
Cash-settled stock based compensation	-	1,142
	1,007	1,620

8. INCOME TAXES

The Company’s income tax provision was determined as follows:

	Three Months Ended	
	March 31, 2016	March 31, 2015
Combined basic federal and provincial income tax rates	27.3%	27.4%
Expected income tax expense	2,714	1,822
Non-deductible expenses	93	67
U.S. and SPE results not tax effected	(17)	(81)
Other	(110)	(86)
	2,680	1,722

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

The significant components of the Company's deferred tax assets were as follows:

	March 31, 2016	December 31, 2015
Tax cost of assets in excess of net book value	9	(1,177)
Amounts receivable and provisions	5,882	5,575
Deferred salary arrangements	873	1,382
Unearned revenue	512	500
Financing fees	(127)	(100)
Other	(262)	(267)
	6,887	5,913

9. EARNINGS PER SHARE

Basic Earnings Per Share

Basic earnings per share amounts were calculated by dividing the net income for the year by the weighted average number of ordinary shares and DSUs outstanding. DSUs were included in the calculation of the weighted average number of ordinary shares outstanding as these units vest upon grant.

	Three Months Ended	
	March 31, 2016	March 31, 2015
Net income	7,252	4,923
Weighted average number of ordinary shares outstanding (in 000's)	13,541	13,493
Basic earnings per ordinary share	0.54	0.36

For the three month period ended March 31, 2016, 167,052 DSUs (2015 – 139,946 DSUs) were included in the weighted average number of ordinary shares outstanding.

Diluted Earnings Per Share

Diluted earnings per share reflect the potential dilution that could occur if additional common shares are assumed to be issued under securities that entitle their holders to obtain common shares in the future. The number of additional shares for inclusion in diluted earnings per share was determined using the treasury stock method, whereby stock options and warrants, whose exercise price is less than the average market price of the Company's common shares, were assumed to be exercised and the proceeds are used to purchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and warrants was included in the calculation of diluted earnings per share.

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

	Three Months Ended	
	March 31, 2016	March 31, 2015
Net income	7,252	4,923
Weighted average number of ordinary shares outstanding (in 000's)	13,541	13,493
Dilutive effect of stock-based compensation (in 000's)	490	514
Weighted average number of diluted shares outstanding (in 000's)	14,031	14,007
Diluted earnings per ordinary share	0.52	0.35

10. NET CHANGE IN OTHER OPERATING ASSETS AND LIABILITIES

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

	Three Months Ended	
	March 31, 2016	March 31, 2015
Amounts receivable	931	4,332
Prepaid expenses	(261)	(890)
Accounts payable and accrued liabilities	809	(8,051)
Income taxes payable	1,283	1,069
Deferred lease inducements	(100)	(280)
Unearned revenue	4	53
Provisions	(127)	93
	2,539	(3,674)

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

	Three Months Ended	
	March 31, 2016	March 31, 2015
Income taxes paid	2,370	197
Interest paid	4,380	2,824
Interest received	30,089	20,579

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

11. CONTINGENCIES

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

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

12. FINANCIAL INSTRUMENTS

Recognition and Measurement of Financial Instruments

The Company classified its financial instruments as follows:

Financial Instruments	Measurement	March 31, 2016	December 31, 2015
Cash	Fair value	18,273	11,389
Amounts receivable	Amortized cost	12,069	13,000
Consumer loans receivable	Amortized cost	285,268	270,961
Accounts payable and accrued liabilities	Amortized cost	24,426	23,617
Term loan	Amortized cost	223,016	210,299

Fair Value Measurement

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

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

The hierarchy required the use of observable market data when available. The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities measured at amortized cost as at March 31, 2016:

	Total	Level 1	Level 2	Level 3
Amounts receivable	12,069	-	-	12,069
Consumer loans receivable	285,268	-	-	285,268
Accounts payable and accrued liabilities	24,426	-	-	24,426
Term loan	223,016	-	-	223,016

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(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

There were no transfers between Level 1, Level 2, or Level 3 during the period.

13. SEGMENTED REPORTING

For management purposes, the Company had two reportable segments: easyhome and easyfinancial.

General and administrative expenses directly related to the Company's business segments were included as operating expenses for those segments. All other general and administrative expenses were reported separately as part of Corporate. Management assessed the performance based on segment operating income (loss). The following tables summarize the relevant information for the three month periods ended March 31, 2016 and March 31, 2015:

Three Months Ended March 31, 2016	easyhome	easyfinancial	Corporate	Total
Revenue	37,322	45,003	-	82,325
Total operating expenses before depreciation and amortization	18,835	27,760	7,174	53,769
Depreciation and amortization	12,096	1,545	162	13,803
Segment operating income (loss)	6,391	15,698	(7,336)	14,753
Finance costs	-	-	4,821	4,821
Income (loss) before income taxes	6,391	15,698	(12,157)	9,932

Three Months Ended March 31, 2015	easyhome	easyfinancial	Corporate	Total
Revenue	38,293	32,232	-	70,525
Total operating expenses before depreciation and amortization	19,965	21,392	5,767	47,124
Depreciation and amortization	12,336	1,114	176	13,626
Segment operating income (loss)	5,992	9,726	(5,943)	9,775
Finance costs	-	-	3,130	3,130
Income (loss) before income taxes	5,992	9,726	(9,073)	6,645

As at March 31, 2016, the Company's goodwill of \$21.3 million (December 31, 2015 – \$21.3 million) related entirely to its easyhome segment.

goeasy Ltd.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the periods ended March 31, 2016 and March 31, 2015

The Company's easyhome business consisted of four major product categories: furniture, electronics, computers and appliances. Lease revenue generated by these product categories as a percentage of total lease revenue for the three month periods ended March 31, 2016 and 2015 were as follows:

	Three Months Ended	
	March 31, 2016 (%)	March 31, 2015 (%)
Furniture	40	39
Electronics	34	34
Computers	14	16
Appliances	12	11
	100	100
