ANNUAL REPORT

2024

goeasy

easyfinancial | easyhome | LENDCARE

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Empowering Canadians, driving record growth

2024 was another breakthrough year for goeasy. We produced record loan growth, delivered consistently stable credit performance and improved operating leverage, further solidifying our position as one of Canada's leading non-prime consumer lenders.

In 2024 alone, we issued over 315,000 loans to support our customers in achieving the quality of life they deserve. We did this by providing the resources to pay for an unplanned or unexpected bill to lowering their borrowing costs by consolidating their debts; from financing a vehicle or powersports product for their family's enjoyment to paying for healthcare expenses such as uninsured dental work or a veterinary bill; and by helping them purchase household items such as furniture or appliances. With originations of $3.2 billion in the year, goeasy has now proudly served approximately 1.5 million Canadians through our easyfinancial, easyhome and LendCare brands.

We are proud of the essential role we play in the financial system, empowering the 9.6 million hard-working everyday Canadians, with near to non-prime credit scores, that encounter systemic barriers due to their credit challenges. We do this by providing transparent products and services that allow our customers to lower their interest rates and improve their credit scores as they work their way towards eventually moving on to banks or other traditional lenders for their financing needs.

Our 2024 highlights

$3.2B
Loan originations

$4.6B
Ending loan book

$951M
Loan book growth

21.9%
Total revenue growth

25.3%
Efficiency ratio[1]

41.2%
Adjusted operating margin[1]

[1] These are non-IFRS measure and ratios. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 42 of the Company's MD&A year ended December 31, 2024.

$290M
Adjusted net income[1]

$16.71
Adjusted diluted earnings per share[1]

17.6%
Adjusted diluted earnings per share growth[1]

7.0%
Adjusted return on receivable[1]

6.2%
Adjusted return on asset[1]

25.5%
Adjusted return on equity[1]

$4.68
Annual dividend per share

$481M
Free cash flows from operations[1]

$1.9B
Total funding capacity as of December 31, 2024

[1] These are non-IFRS measure and ratios. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 42 of the Company's MD&A year ended December 31, 2024.

2024 Annual letter to shareholders

"This past year, like so many before it, was defined by the rapid evolution of our business as we continued to empower Canadians and drive record growth."

As I reflect on 2024, we must begin by acknowledging a significant leadership transition. After 14 years with goeasy, including six as CEO, Jason Mullins has moved on to his next chapter, leaving behind an excellent foundation of team engagement and financial success. Jason's leadership guided us through pivotal moments, including an era of strategic expansion and digital transformation, guiding our strength during the Pandemic, a transformational acquisition of LendCare, and considered judgement amid shifting economic and regulatory landscapes. We are grateful for his many contributions and his commitment to continue serving as a member of our Board of Directors, providing the Company with continuity and support. On behalf of the Board, I wish to thank Jason for the significant achievements and the industry-leading results he drove during his tenure.

As we look forward to our next phase of significant growth, I am thrilled that we have appointed Dan Rees as goeasy's Chief Executive Officer. Dan is the first external CEO to lead our organization in 25 years, and his appointment is an exciting milestone and signal of our ambition. He brings a depth of experience in financial services to goeasy following a successful 25-year career with Scotiabank. From 2019 to 2024, Dan served as Scotiabank's Group Head of Canadian Banking where he demonstrated a track record of driving impressive results while leading the largest revenue portfolio of $13 billion and a lending portfolio of approximately $450 billion. Dan stood out above all the other candidates as a leader who understands the requirement to be obsessed with our frontline employees and has already demonstrated a deep connection to the importance of preserving our unique culture that works hard, celebrates the wins, and has a deeply rooted empathy and connection to all the customers we serve. He is exceptionally positioned to lead our business through its next stage of growth. His entrepreneurial approach aligns well with our culture, and his addition strengthens the executive team on their journey to expand our existing products and channels of distribution to become the largest and best performing non-prime lender in Canada and beyond.

We also made important strategic enhancements to our Company including the appointment of Patrick Ens as President of easyfinancial in July 2024. Patrick joined goeasy from a successful tenure with Capital One Canada, where he acquired over 17 years of experience in consumer credit, including serving as President of Capital One Canada, between 2021-2024. Patrick's appointment balances the organizational structure with the role of Ali Metel, who has served as President of the LendCare brand since 2021, when it was acquired by goeasy.

Additionally, to support the maturation and evolution of the company's matrixed structure, we established an Executive Leadership Team to drive decision-making and efficiency. Together, these initiatives have strengthened our ability to navigate complexity and accelerate growth.

2024 A year of resilience and growth

This past year is a testament to our unique ability to adapt and thrive in an ever-evolving macroeconomic environment. Persistent inflation, rising interest rates and higher costs placed increased financial pressure on all Canadians, particularly those with non-prime credit ratings. Throughout 2024, our teams remained deeply committed to expanding access to credit for those who are unable to access products or services from banks, and who rely on us for a responsible and reliable source of financing for their life essentials.

Our disciplined approach to credit management and operational execution allowed us to deliver another year of record-breaking performance:

- Record loan originations of over $3.2 billion
- Record portfolio growth exceeding $950 million, closing the year at $4.6 billion
- Record Adjusted Diluted Earnings Per Share of $16.71
- Record Adjusted Net Income of $290M
- Actively participated in consultation with Federal Finance Minister's office and prepared credit models to successfully manage the implementation of 35% max allowable rate of interest
- Continued investments in technology, customer experience, and operational efficiency
- Award winning corporate culture recognized through multiple workplace culture awards
- Record 2024 employee engagement score of 85%

2025 A year of evolution & prioritization

In 2025 we will execute three key strategic initiatives that will deliver strong growth while optimizing cost savings:

Build a revolving card product

First, we are completing our build of a revolving credit card product that we intend to pilot later in the year. There remains a material void in the marketplace for general purpose credit cards for the Canadians that we serve. Occupied by only a couple of major market participants, non-prime borrowers that are unable to get a card product from a traditional bank are often left with few options. We believe we can build a superior solution, one that will eventually have a loyalty and rewards component. The card product integrates well in our existing strategy of supporting customers on their credit building journey.

Introduce auto title and auto refinance products

Second, we are investing in introducing both auto title and auto refinance products. Auto finance continues to represent the largest segment of the Canadian non-prime credit market. A majority of Canadians own a vehicle with equity in it, which can be used to access a secured loan at a lowered interest rate, which means we can look to offer financing alternatives to consumers who either own their vehicle outright or have an existing auto loan.

Continuing to invest in operating efficiency

Lastly, we are continuing to prioritize investments in technology to enable greater efficiency. Through automating and streamlining business processes, as well as leveraging advancements in AI and technology to enhance existing workforce capabilities, we can continue to scale the business and drive cost savings.

LOOKING AHEAD

Our expectation is to organically grow the loan portfolio to between $7.35 billion and $7.75 billion in 2027, driven by the growth and execution of our planned suite of products and channels. Our outlook provides a range of guidance to account for unanticipated headwinds at one end, and the benefit of our initiatives performing better than planned at the other.

After assessing the potential impacts to our business, if the US moves forward with their threat of broad tariffs, our initial calculations based on stress testing our credit models on various assumptions have been reassuring. As non-prime customers carry 53% lower debt than prime customers, they are less volatile with lower delinquency degradation during times of economic crisis. The quality of our loan originations and performance of the overall portfolio provide confidence in future stable credit performance and overall results.

We have demonstrated since 2001 a consistency of managing through a variety of changes to our environment and have proven that our resilience allows us to persevere and continue to offer a path to a better financial future for our customers.

Additionally, we have embedded the implementation of the 35% maximum allowable rate of interest, alongside our own strategy to reduce the cost of borrowing for our customers by passing along rate reductions as we scale. As such, our interest yield currently at 29% will continue its intended decline to approximately 26% over the next 3 years.

I remain grateful to the entire goeasy team for their drive and passion that helped produce another record year for our Company. Our team genuinely cares deeply about delivering high quality financial products to our customers and merchant partners, in a transparent and frictionless manner. Together we are on a mission to put everyday Canadians on the path to a better tomorrow.

We are excited about what lies ahead. The resilience, innovation, and dedication of our 2,500 team members gives me full confidence that goeasy will continue to deliver a significant return for our shareholders in 2025 and beyond, with industry-leading results while supporting hundreds of thousands of Canadians in their financial journeys.

Thank you for your continued trust and confidence. It's been a privilege to once again lead the goeasy team and I look forward to another year of shared success and record beating results.

David Ingram
EXECUTIVE CHAIRMAN
goeasy Ltd.

Shareholder returns

Track record of producing industry leading returns for shareholders

Our business generates superior returns, having delivered an average ROE of 26.40% over the last 5 years. We have established credit and underwriting practices to prudently manage risk, resulting in long term stable credit performance. We maintain a strong balance sheet with diversified sources of funding, resulting in significant funding capacity to execute on our growth initiatives.

24,570%
Total Shareholder Return (2001 - December 2024)

>21%
Target ROE

11
Years of dividend increase

$1.9B
Liquidity to fund organic growth forecast

Risk and analytics

goeasy has established ourselves as one of Canada's most disciplined lenders. At the heart of our long-term success lies a robust credit adjudication framework, advanced risk analytics, and a data-driven culture that prioritizes prudent lending without compromising growth. We have consistently demonstrated our ability to balance strong loan originations with sound underwriting practices, resulting in consistent performance and resilient portfolio quality.

Our proprietary credit models leverage decades of lending data, enabling dynamic adjustments to risk thresholds and pricing strategies based on borrower profiles, macroeconomic conditions, and evolving consumer behaviours. This precision in risk segmentation has been key to delivering low and stable charge-off rates even during periods of economic uncertainty, such as the pandemic or the recent inflationary environment. We continue to outperform expectations, and consistently maintain net charge-offs within our long-term target range of 8% to 10%, even as we've scaled to $4.6 billion in gross consumer loan receivables. We've achieved this while growing our originations and expanding into new lending verticals, demonstrating the scalability of our credit infrastructure and the repeatability of our underwriting success.

Our ability to manage credit is further underpinned by a robust collections infrastructure and highly disciplined account management strategies. We apply a tailored approach that reflects the unique needs of our customer base which enables us to maintain strong repayment performance while fostering long-term relationships. We've also made significant investments in technology, enabling real-time monitoring of credit performance and early identification of potential delinquencies. These capabilities translate into faster response times, better customer engagement, and ultimately, stronger credit outcomes.

Provide everyday Canadians a path to a better tomorrow, today

Our executive leadership team

DAN REES
CHIEF EXECUTIVE OFFICER

ALI METEL
PRESIDENT, LENDCARE

PATRICK ENS
PRESIDENT, EASYFINANCIAL & EASYHOME

HAL KHOURI
EXECUTIVE VICE-PRESIDENT
& CHIEF FINANCIAL OFFICER

DAVID COOPER
EXECUTIVE VICE-PRESIDENT & CHIEF PEOPLE OFFICER

SABRINA ANZINI
EXECUTIVE VICE-PRESIDENT & CHIEF LEGAL OFFICER

JASON APPEL
EXECUTIVE VICE-PRESIDENT & CHIEF RISK OFFICER

FARHAN ALI KHAN
EXECUTIVE VICE-PRESIDENT & CHIEF STRATEGY
AND CORPORATE DEVELOPMENT OFFICER

MICHAEL EUBANKS
EXECUTIVE VICE-PRESIDENT
& CHIEF INFORMATION OFFICER

Our brands

easyhome

Launched in 1990, easyhome is Canada's largest lease-to-own retailer. It provides everyday Canadians with brand-name household furniture, appliances, and electronics. The brand is supported by 134 retail locations and an e-commerce platform.

easyfinancial

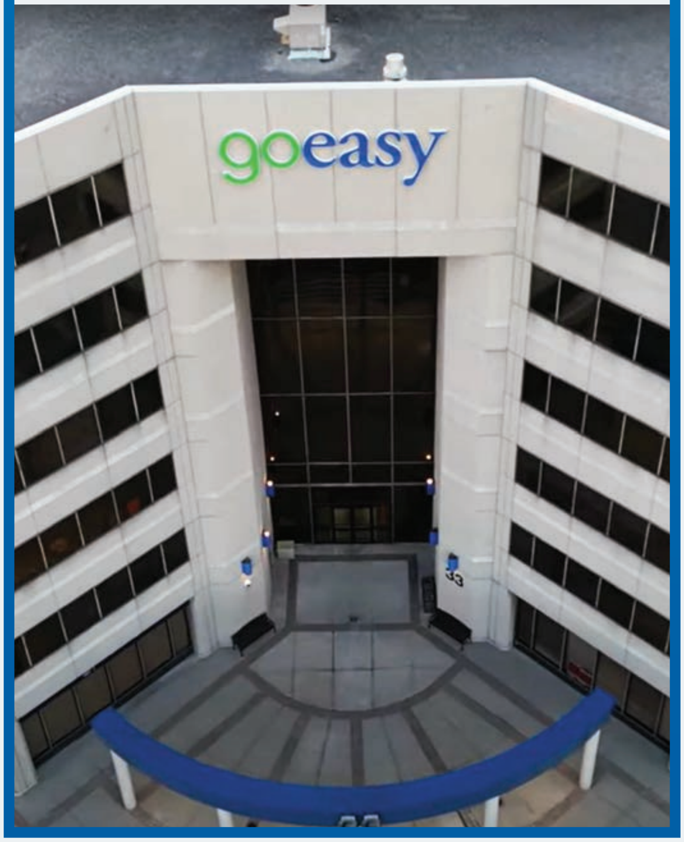
Launched in 2006, easyfinancial is the consumer lending division of goeasy. It offers a full suite of lending products including unsecured personal loans and home equity installment loans. Customers can transact seamlessly through an omni-channel model that includes online and mobile platforms, as well as 295 locations across Canada.

LendCare

Launched in 2004, and acquired in 2021, LendCare is the point-of-sale financing division of goeasy. It allows over 10,800 merchants to offer a full spectrum of consumer lending for Automotive, Powersports, Retail, Healthcare, Medical, Dental and Veterinary financing.

goeasy

goeasy Ltd. is a Canadian company, headquartered in Mississauga, Ontario, that provides non-prime leasing and lending services through its easyhome, easyfinancial and LendCare brands. Supported by over 2,500 employees, the Company offers a wide variety of financial products and services including unsecured personal loans and home equity instalment loans, point-of-sale financing through a large network of merchant partners and lease-to-own merchandise. Customers can transact seamlessly through an omni-channel model that includes online and mobile platforms, over 400 locations across Canada, and more than 10,800 merchant partners across Canada. Throughout the Company's history, it has acquired and organically served approximately 1.5 million Canadians and originated over $16.0 billion in loans.



Our strategy

We continue to focus on building Canada's leading non-prime consumer lender, supported by a strategy that is deeply connected to helping our customers improve their financial future and achieve the quality of life they deserve. Guided by the strategic pillars that have driven our business priorities since 2017, our approach empowers customers to access financing, build stronger credit, reduce their cost of borrowing over time and achieve better financial outcomes.

Product range

Through our three brands - easyfinancial, LendCare, and easyhome - we offer a full suite of non-prime consumer credit products, which include unsecured personal loans, home equity loans, lease-to-own, automotive financing, and point-of-sale financing for powersports, retail and health care verticals, along with a broad suite of value-add ancillary services. Over time, we will continue to expand and grow the products we offer to provide customers with near to non-prime credit scores with the same type of borrowing options available to prime consumers through banks or other traditional lenders.

Channel expansion

We operate three distinct and complementary distribution and acquisition channels including over 400 retail lending outlets (295 easyfinancial branches and 134 easyhome stores), a robust digital platform (web and mobile) and point-of-sale financing available through over 10,800 merchant partners. We will continue to pursue new opportunities that include expanding our retail network, developing more dynamic and personalized digital experiences supported by our mobile app, adding new merchant partners, and seeking new third-party lending and referral relationships.

Market diversification

As goeasy continues to explore additional avenues for growth, including future international market expansion, we believe that Canada continues to provide a substantial runway for growth, with a $230+ billion non-prime consumer credit market. We remain focused on adding new dealer and merchant partners across Canada to increase the distribution of our products to make them accessible to more Canadians, as well as exploring new verticals yet to be launched.

Financial wellness

We aim to help customers understand their credit profile, how credit works, and what steps they can take to ensure they protect their credit scores as they work their way towards improving their credit profile, and eventually moving on to banks for their financing needs. We provide free financial literacy resources through goeasy Academy, a dedicated portal that includes hundreds of articles and tools on how to manage personal finances.

Our customer commitment

In 2024, we continued to put our customers on a path to a better financial future. We are proud of the essential role we play in the financial system, empowering the 9.6 million Canadians, who have near to non-prime credit scores and encounter systemic barriers due to their credit challenges, by enabling them to access credit for leasing and lending products as they work their way towards improving their credit profile, and being in a position to eventually move on to banks and other traditional lenders for their financing needs.

Our customers are hard-working everyday Canadian families who work in a wide range of industries that include hospitality, public sector, leisure and retail. On average, they are 43 years old, with an individual income of approximately $60,000 per year, 2 children, ~4 years at their current employer and ~4 years at their current residence.

Our customers turn to us as a reliable source of credit to pay for an unplanned or unexpected bill to lowering their borrowing costs through consolidating their debts, from financing a vehicle or powersports product for their family's enjoyment to paying for healthcare expenses such as uninsured dental work or a veterinary bill, or purchasing household items such as furniture or appliances, we provide the resources to help them finance the quality of life they deserve.

43
Average age

$60K
Average individual income

2
Average number of children

Supporting Canadians at every step

We have adjusted our services to support customers by tailoring lending solutions and offering flexible loan products, such as adjustable repayment terms to help customers manage their payments in times of uncertainty.

As our customers demonstrate consistent on-time payment behaviour, we have been able to gradually reduce their cost of borrowing, qualifying them for lending products at lower interest rates.

Over time, we have been able to reduce the weighted average interest rate of our lending products from 46% to approximately 29%, passing on the benefits of our scale directly to our customers.

315K

Loans issued to enable Canadians to meet their financial needs

60%

Of our customers improved their credit score within the first 12 months of borrowing from us[1]

1 IN 3

Customers were able to qualify and obtain financing from a Schedule 1 or 2 bank within the first 12 months of borrowing with us[2]

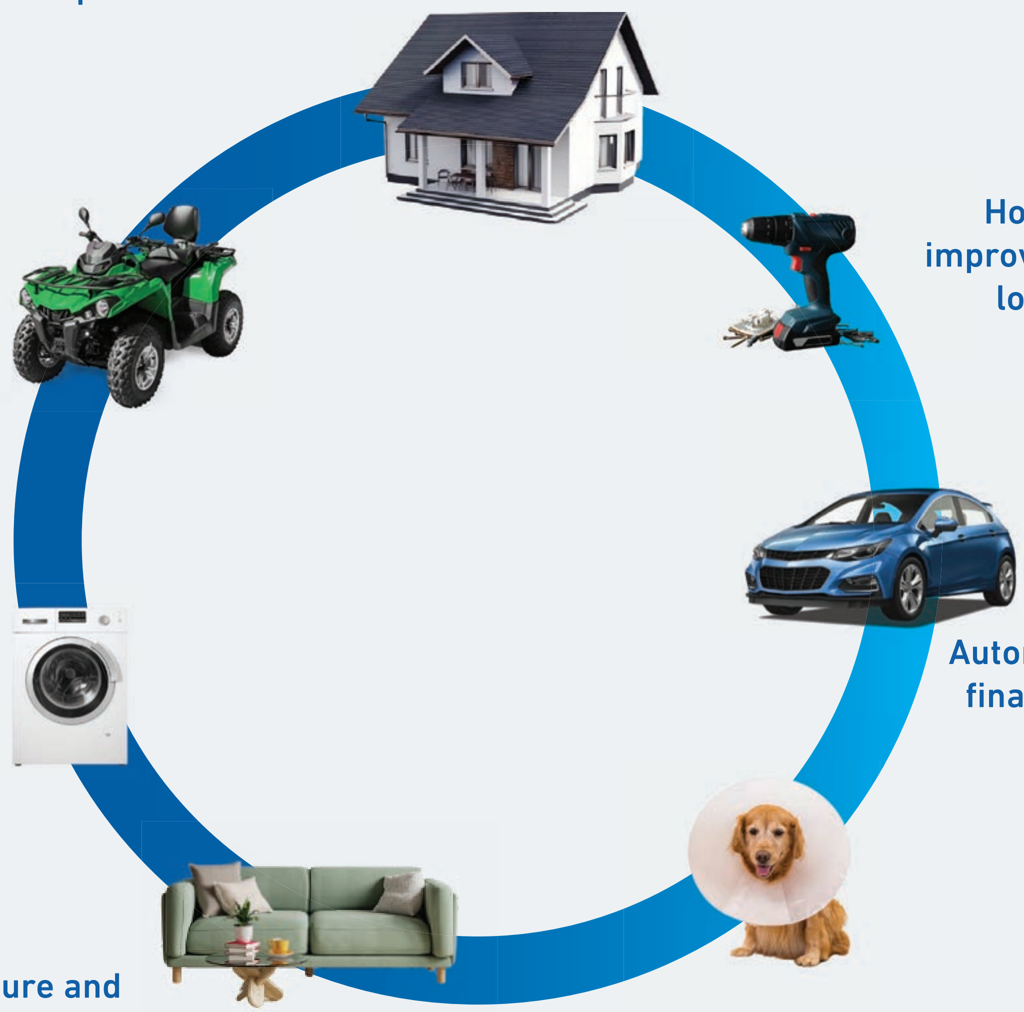
A+ Rating BBB ACCREDITED BUSINESS

Platinum Trusted Service Award 2024 feefo

10 YEARS of proven Trusted Service 2024 feefo

[1] As measured by an increase in TransUnion Risk Score within 12 months of borrowing from our easyfinancial brand. [2] Prime credit is defined as opening a trade with a prime bank lender within 12 months of borrowing from our easyfinancial brand..

Our products



Our channels

Our employee experience

Our team members are the foundation of our success and the heart of the customer-centric culture we have built over the last 34 years. Throughout the past three decades, our culture has been built around our Leadership Principles that include dreaming big, having heart, and operating with a purpose beyond a profit.

Our unique culture prioritizes investing in our people and creating an environment that puts the success and well-being of our employees first. Our goal is to make work matter for our employees through challenging and meaningful work, so that we attract and retain the best and brightest through a culture that champions ambition, growth, respect, and integrity.

Each year, we ask our employees to give feedback on their experience through our Employee Engagement Survey so that we can direct meaningful investments in their future. In 2024, we achieved a record-high employee engagement score of 85% reflecting a culture where our people feel valued and supported to grow their careers.

We invest in career development, growth and engagement:

- Job-specific training, career coaching, leadership development, sponsorships, tuition assistance and support for external courses
- Semi-annual performance reviews
- Comprehensive succession planning with priority for mission critical roles
- Annual employee engagement survey
- Competitive base pay, monthly bonus plans
- Quarterly and annual performance and leadership awards
- Tuition assistance programs

We support all aspects of employee health and wellbeing:

- Hybrid work for corporate office roles
- Paid leave
- Compassionate care leave
- A chronic disease program
- Maternity and parental top-up benefits
- A RRSP matching program
- Virtual medical access
- Mental health support and financial wellness tools

88%
Believe everyone at goeasy can succeed to their full potential

86%
Believe they have the opportunity to use their strengths at work

88%
Believe goeasy has an outstanding future ahead

85%
Record engagement score

2024 Investments

goeasy commits to enhancing our total rewards offering on an ongoing basis. This includes modifying and enhancing our incentives, benefits, and rewards to align with what is most important to our employees and reflective of the current economic and social conditions.

1. Expanding Maternity and Paternity Leave:

Increased maternity leave top-up from 8 weeks to 12 weeks, and increased paternity leave top up from 4 weeks to 8 weeks.

2. Employee Loan Program:

We know this program is very important to our employees, so we continue to offer below market loan rates to employees.

3. Group RRSP Program:

To ensure our employees can take advantage of our Group RRSP program earlier, the waiting period has been lowered from 1 year to 3 months.

4. Cultural Observance Day:

As a Canadian Company, we pride ourselves on a diverse employee base from over 90 nationalities. Effective on Monday, June 3, 2024, goeasy employees are able to use one of the five (5) personal days for a cultural observance.

Our award-winning culture

Our award-winning culture reflects our commitment to employee growth, inclusion, and excellence, earning recognition for its outstanding workplace environment and leadership in the industry.

2022 REPORT ON BUSINESS WOMEN LEAD HERE

Waterstone CANADA'S MOST ADMIRED CORPORATE CULTURES 2024

2024 WINNER REPORT ON BUSINESS CANADA'S TOP GROWING COMPANIES

Great Place To Work. Certified NOV 2023 - NOV 2024 CANADA

Best Workplaces with Most Trusted Executive Teams Great Place To Work. CANADA 2024

Best Workplaces Great Place To Work. CANADA 2024

We create an inclusive workplace through Diversity, Equity, and Inclusion

Since forming our Diversity, Equity, and Inclusion Council in 2021, we have created a forum to listen to employees and learn from subject matter experts as we continue to improve the ways in which we foster an inclusive workplace. Additionally, four Employee Resource Groups have been formed, by employees for employees.

Women In Leadership (WIL) supports female leaders through mentorship, networking and development programs including speaker series, book clubs and more

Afro-Canadian Development and Empowerment (ADE) promotes racial equity by supporting Black talent through mentorship, career development, and policy changes

PRIDE fosters a safe, inclusive workplace by promoting awareness, advocacy, and education to support and empower employees, regardless of sexual orientation, gender identity, or expression

CIRCLE fosters a safe and supportive space through programs, events, and initiatives to support employees who identify as Indigenous

Diversity in action

Annually, we conduct an "I am goeasy" self-identification survey. This survey helps inform how the organization develops action plans to further drive our commitment to Diversity, Equity, and Inclusion.

49%
Of management positions are held by women

90
Different employee countries of origin

29%
Of employees identify as a visible minority

Our environmental, social & governance strategy

We are a proud Canadian company dedicated to financial inclusion. Our ESG approach is a natural extension of our mission - Providing Everyday Canadians a Path to a Better Tomorrow, Today. Through responsible lending, community investment, sustainable practices, and good governance, we are working to create lasting impact.

Our environment

We're focused on reducing our carbon footprint and resource use through sustainable practices, including minimizing paper, energy, and emissions, to support a greener future.

Reducing energy consumption

We continuously strive to reduce our carbon footprint and energy consumption. Over the past year, we retrofitted energy-efficient LED lighting in 30 of our more than 400 retail locations, a step toward lowering energy consumption across retail locations. By collaborating with suppliers to optimize shipping distances and cut down on packaging waste, we're taking meaningful steps to lower our overall carbon footprint.

Building with purpose

Our new branch designs incorporate sustainability at every level, using furniture made from GREENGUARD Certified materials that meet rigorous emission standards. With designs containing up to 65% recycled content, our spaces reflect a thoughtful approach to reducing environmental impact while maintaining functionality and modern appeal.

Pilot program with Recycle Your Batteries Canada!

In 2024, we launched a pilot program in partnership with Recycle Your Batteries Canada! to promote responsible battery recycling through convenient collection points and awareness initiatives. This initiative successfully diverted batteries from landfills, reinforcing our commitment to environmental stewardship and sustainable waste management.

–1%
YOY total energy consumption decrease

4.8M+
Paper consumption offset

584
Reforested trees in 2024

Our social impact

With a strong focus on providing better tomorrows, not only for our customers, but also for our local communities and beyond, goeasy has contributed over $6.3 million in charitable support to date. This includes total contributions of more than $5 million through our dedicated 20-year partnership with BGC Canada to help the clubs with their mission of providing safe, supportive places where children and youth can experience a positive and healthy learning and social environment. Reflecting on 2024, goeasy, its employees, along with its merchant and vendor partners, made a meaningful difference in many communities across Canada and abroad.

Feed Their Future:

goeasy will donate $1.4 million between 2023-2025 to BGC Canada's Food Fund, which will provide 350,000 meals and snacks to children across the country who attend the BGC Clubs.

$1.4M

goeasy Cares:

Launched in 2024, goeasy Cares is a powerful initiative that allows us to join forces and give back to the communities our employees live and work in, every day. Each quarter, employees can nominate any local registered charity that needs help fundraising for a goal. The inaugural group of organizations supported included Welcome Center Shelter (Windsor, ON), Windsor Humane Society (Windsor, ON), Brockville Food Bank (Brockville, ON), Operation Friendship Seniors Society (Edmonton, AB), The Joyriders (Hunter River, PEI), The Open-Door Square One (Mississauga, ON).

goVolunteer Program:

goeasy's commitment to giving back is not just a corporate responsibility, but a core value that helps foster a culture of compassion and generosity amongst our employees.

To help support our employees' volunteer pursuits, we offer employees three dedicated volunteer days, which is paid time off so they can contribute their time to the causes that are most meaningful to them. In 2024, goeasy achieved the highest participation yet in this initiative.

DK Johnson Award:

To provide our employees an opportunity to give back to local organizations that matter most to them, we proudly launched the D.K. Johnson Community Award. This award allows employees to nominate community projects or charitable organizations that are deserving and close to their hearts. The winning nomination is awarded $10,000 to help support meaningful change.

The Award was created in honour of Donald K. Johnson - an extraordinary Canadian philanthropist and goeasy Ltd. Board Member for over 10 years. His dedication to philanthropic efforts is reflected in our mission, and values and is a crucial part of our DNA.

David Lewis Scholarship Fund:

We are committed to supporting our employees in meaningful ways that have a positive impact on their lives and their families. Every August, we offer the David Lewis Scholarship Fund to support the child of an employee who is pursuing a post-secondary education. This esteemed scholarship provides the winning student with $10,000 to assist them in financing their higher education.

The David Lewis Scholarship Fund was established in honour of David Lewis, a goeasy Board Member who faithfully served our Company for over two decades. Over the years, we have received hundreds of applications and have contributed more than $100,000 to this program.

$90K

Community awards granted to date

$100K

Scholarships granted to date

Our Board of Directors

DAVID INGRAM
EXECUTIVE CHAIRMAN

DONALD K. JOHNSON
CHAIRMAN EMERITUS

DAVID APPEL
INDEPENDENT DIRECTOR

KAREN BASIAN
LEAD DIRECTOR

SEAN MORRISON
INDEPENDENT DIRECTOR

HONOURABLE JAMES MOORE
INDEPENDENT DIRECTOR

TARA DEAKIN
INDEPENDENT DIRECTOR

JASON MULLINS
DIRECTOR

JONATHAN TÉTRAULT
INDEPENDENT DIRECTOR

RADHIKA KAKKAR
INDEPENDENT DIRECTOR

Our governance

Maintaining strong governance practices across goeasy is essential to the effective and sustainable operation of the Company. goeasy strives to maintain a comprehensive set of policies, controls and procedures designed to keep the Company secure, while also enhancing disclosure to all shareholders.

Ethical business conduct

The Board has adopted a written Code of Business Conduct (the "Code") for the Company's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Company. The Board has also established an independent confidential hotline to encourage employees, directors, and officers to raise concerns regarding matters addressed by the Code on a confidential basis, free from discrimination, retaliation, or harassment.

Board composition and diversity

goeasy believes in the benefits of diversity and has committed to a Board that is diverse in a variety of ways, including: experience, perspective, education, and gender. Through the Company's policy of supporting and promoting diversity, it looks to identify and select board members based not only on the qualifications, personal qualities, business background and experience of the candidates, but also the composition of the group of nominees to bring together a board that will support goeasy in achieving the highest level of performance for its shareholders.

Board of Director committees

The Board has established three committees to assist with its responsibilities: the Audit Committee, the Human Resources Committee, and the Corporate Governance, Nominating and Risk Committee.

Audit committee

The Audit Committee oversees the accounting and financial reporting practices of the Company and the audits of the Company's financial statements and exercises the responsibilities and duties set out in its mandate. The Audit Committee is currently comprised of five directors of the Corporation, Karen Basian (Chair), David Appel, Sean Morrison, Hon. James Moore, and Jonathan Tétrault, all of whom are independent. Each member of the Audit Committee is considered by the Board of Directors to be financially literate within the meaning of applicable securities laws by way of their business experience and educational background.

Human Resources committee

The Human Resources Committee is responsible for, among other things, reviewing and recommending the form and adequacy of compensation arrangements for directors and executive officers, having regard to associated risks and responsibilities. Compensation includes but is not limited to salary, bonuses, benefits, equity-based incentives, share purchases and other compensation, as appropriate. Additionally, the Committee reviews and makes recommendations to the full Board on all matters pertaining to bonus plans, salary policy, equity-based incentives, and share purchase plans for all other employees. The Committee annually reviews its compensation practices by comparing them to surveys of relevant competitors and sets objective compensation based on this review. Also, as part of its mandate, the Human Resources Committee is responsible for developing and monitoring executive talent management plans, ensuring that succession plans are in place for key executive roles. The Committee will advise to ensure that management has effective processes in place to retain key employees, identify and reward high potential talent, and adequately address the organization's diversity and inclusion needs in efforts to align the capabilities of talent with the current and forward-facing business goals and strategy. The Human Resources Committee is currently comprised of four directors of the Corporation, Tara Deakin (Chair), Karen Basian, Sean Morrison, and Radhika Kakkar, all of whom are independent.

Corporate governance, nominating & risk committee

The Corporate Governance, Nominating and Risk Committee is responsible for, among other things, assisting the Board in establishing and maintaining a sound system of corporate governance through a process of continuing assessment and enhancement, as well as enterprise risk management, which includes matters such as: Environmental Social and Governance (ESG) and information security. The Committee is also responsible for reviewing any related-party transactions and implementing yearly Material Interest Attestations for all Board Members. The Corporate Governance, Nominating and Risk Committee is currently comprised of four directors of the Corporation, Hon. James Moore (Chair), David Appel, Tara Deakin, and Jonathan Tétrault, all of whom are independent.

Executive compensation governance & philosophy

The Human Resources Committee of the Board has the mandate to establish and implement the Company's executive compensation policies and monitor its compensation practices, with the objective that executive compensation be aligned to shareholders, market competitive and fair. The Human Resources Committee is responsible for reviewing and approving all officers' compensation and equity-based compensation plans. The Company's executive compensation policy is designed to incorporate a pay-for performance philosophy. The philosophy has been established to encourage and reward executive officers on the basis of individual and business performance. Elements of executive officer compensation includes competitive base wages, short-term incentives such as bonus plans, and long-term equity-based incentives such as share options, restricted share units, and executive deferred share units. The Company's objective with respect to its compensation program is to attract, retain and motivate employees at all levels to achieve corporate and individual performance goals. The Company's compensation programs are designed to reward individual performance based on predetermined individual goals as well as the Company's financial targets, such as profitability, and adherence to corporate values. The Company's strategy is to align compensation with corporate objectives including appropriate risk management and strategic execution. The Company chooses to pay each element of its compensation program in order to attract, retain and motivate employees as well as to remain competitive within the Canadian and U.S. financial services and retail industries, and to encourage long-term employment. Equity awards, as determined by the Board, are based on the recommendations of the Chief Executive Officer. Performance targets are based on financial measurements agreed to by the Board. Each of these elements fits into the Company's overall compensation strategy by aligning individual and corporate performance to business strategies.

Enterprise risk management framework

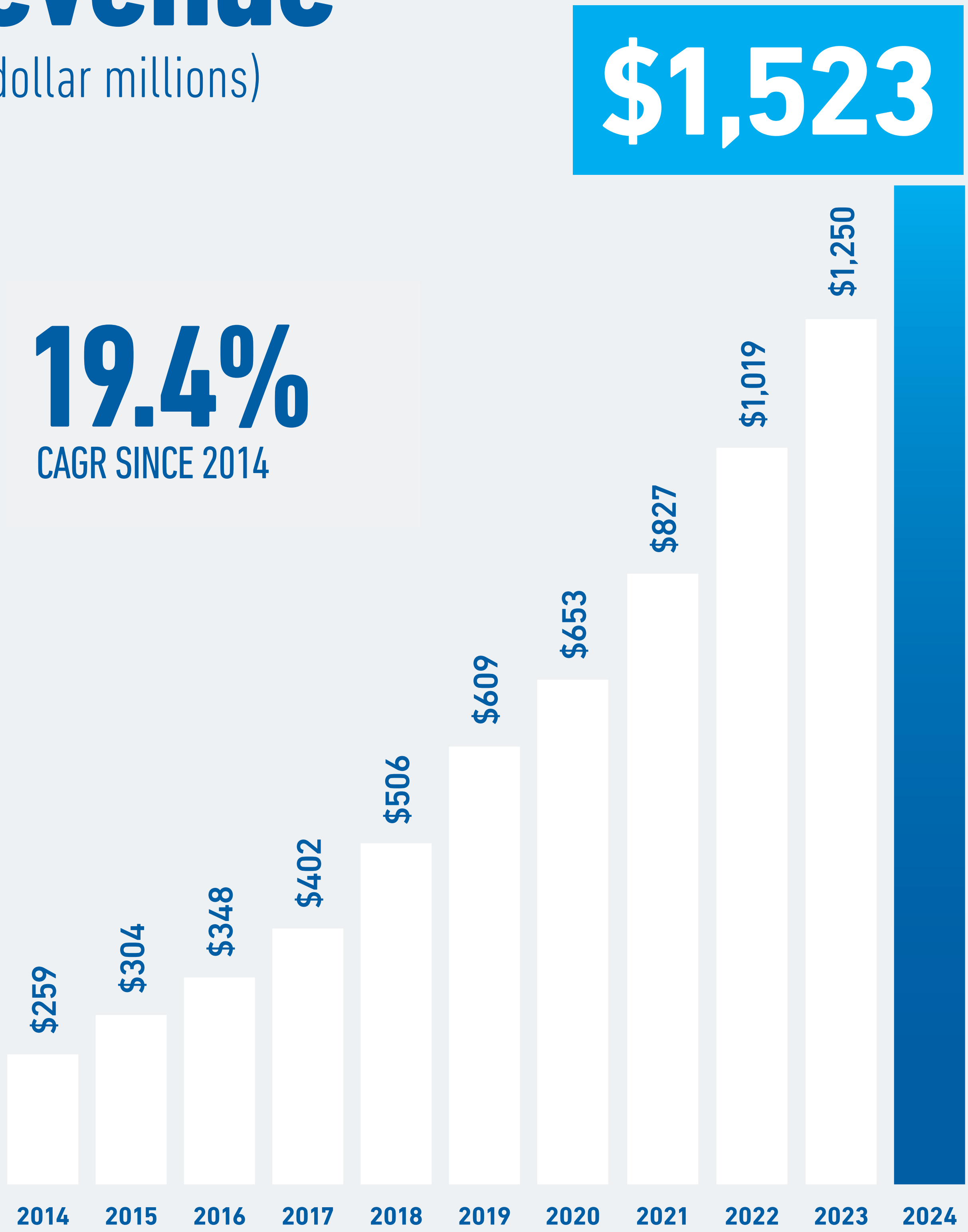
The Company has adopted an Enterprise Risk Management Framework to identify risks across its business operations, rank risks against a 25-point scale (impact and likelihood) and formulate mitigation plans for risk that are deemed to be outside the Company accepted risk tolerance. The formal process occurs quarterly and is reported to the Board on a frequent basis.

Information Technology & cybersecurity

The Company's business model is dependent upon the successful and uninterrupted functioning of its computer, internet, and data processing systems and, thus, it allocates appropriate resources to support its ongoing function and enhancement. It also relies heavily on the secure processing, storage and transmission of confidential and sensitive customer and other information through its information technology network. The Chief Information Officer of the Company oversees information security, and the Chief Privacy Officer oversees privacy matters.

Annual revenue

(In dollar millions)

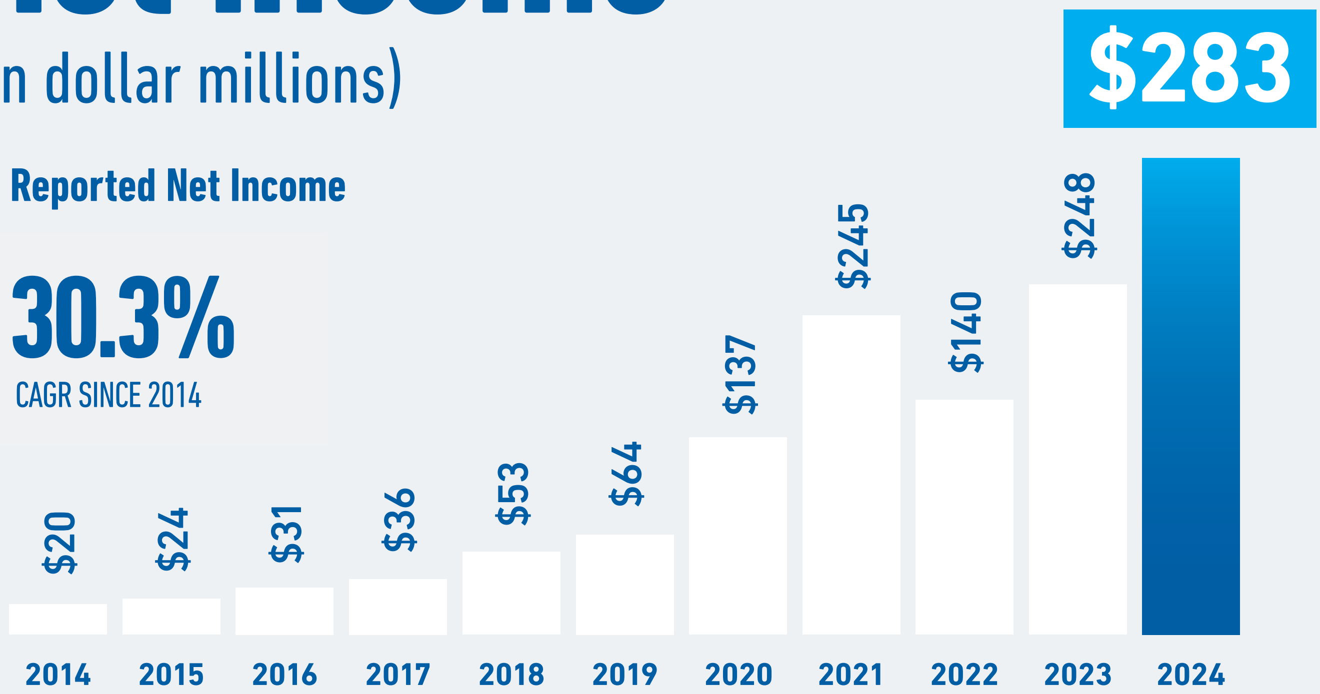


Annual net income

(In dollar millions)

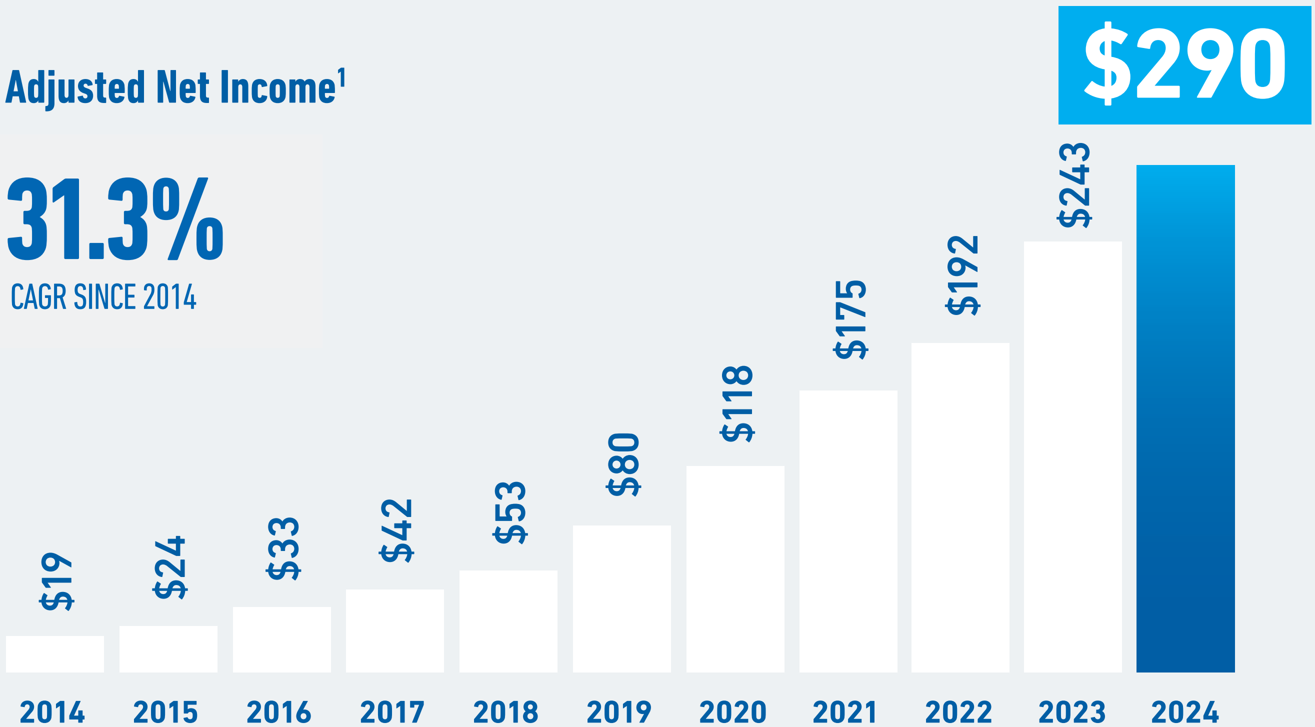
Reported Net Income

30.3%
CAGR SINCE 2014



Adjusted Net Income[1]

31.3%
CAGR SINCE 2014



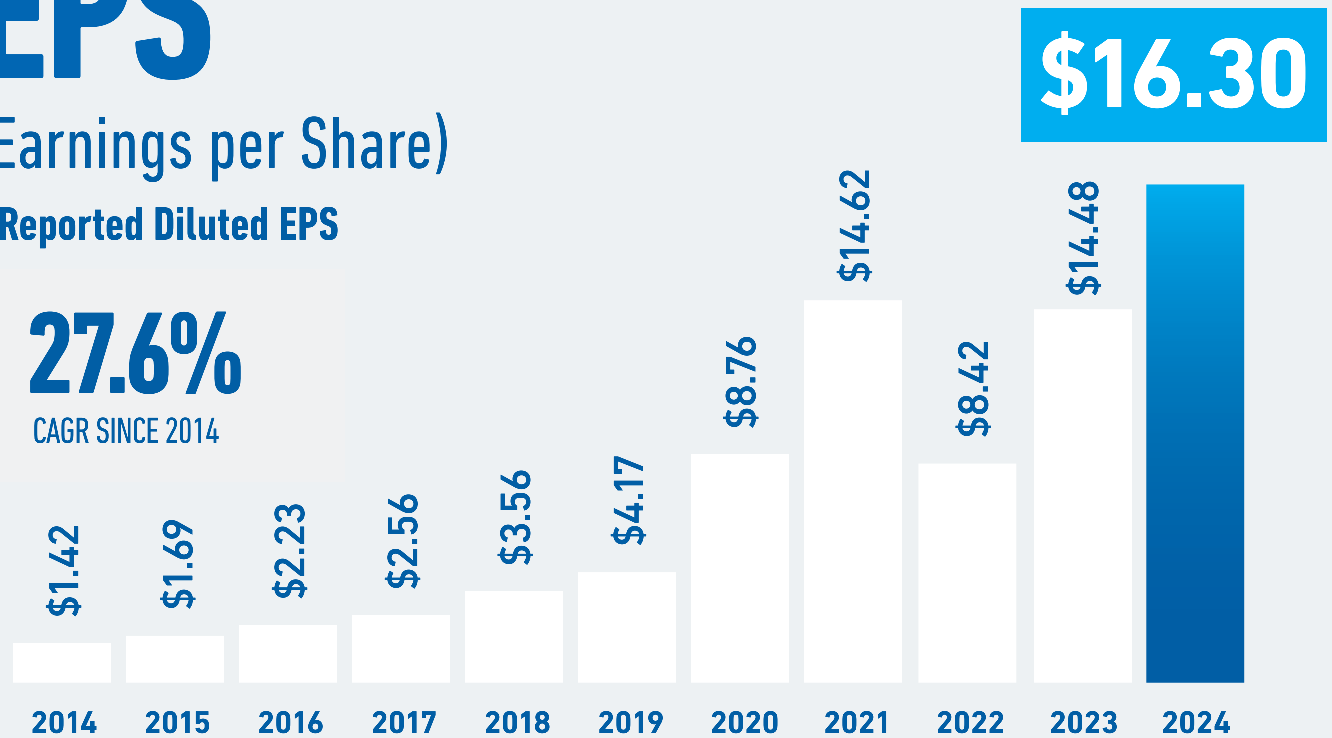
[1] Adjusted net income is a non-IFRS measure. It is not determined in accordance with IFRS, does not have standardized meanings and may not be comparable to similar financial measures presented by other companies. Refer to 1) "Key Performance Indicators and Non-IFRS Measures" section on page 42 of the Company's MD&A year ended December 31, 2024 for FY 24 and FY 23 metrics, 2) "Key Performance Indicators and Non-IFRS Measures" section on page 43 of the Company's MD&A year ended December 31, 2022 for FY 22 and FY 21 metrics, 3) "Key Performance Indicators and Non-IFRS Measures" section on page 42 of the Company's MD&A year ended December 31, 2020 for FY 20 and FY 19 metrics, 4) "Key Performance Indicators and Non-IFRS Measures" section on page 51 of the Company's MD&A year ended December 31, 2018 for FY 18 and FY17 metrics, 5) "Key Performance Indicators and Non-IFRS Measures" section on page 35 of the Company's MD&A year ended December 31, 2016 for FY 16 and FY 15 metrics, and 6) "Key Performance Indicators and Non-IFRS Measures" section on page 29 of the Company's MD&A year ended December 31, 2014 for FY 14 metrics.

Annual EPS

(Earnings per Share)

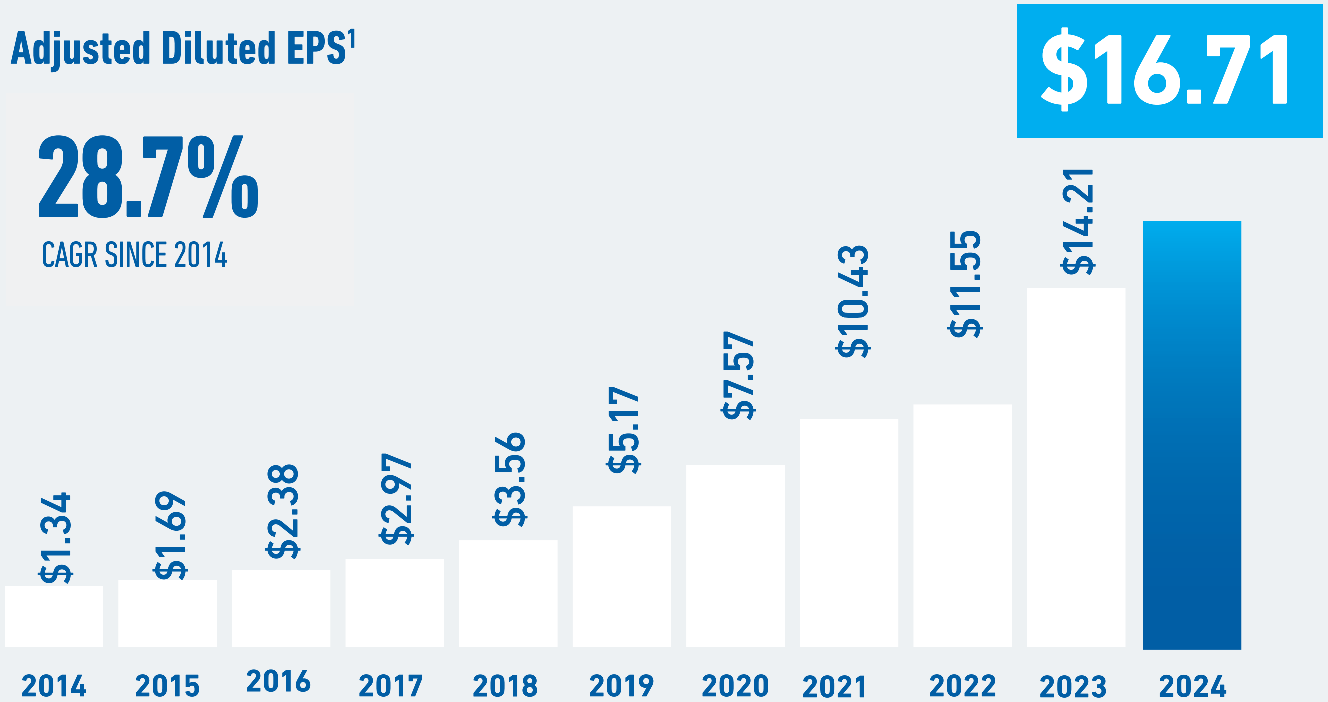
Reported Diluted EPS

27.6%
CAGR SINCE 2014



Adjusted Diluted EPS[1]

28.7%
CAGR SINCE 2014



[1] Adjusted net income is a non-IFRS measure. It is not determined in accordance with IFRS, does not have standardized meanings and may not be comparable to similar financial measures presented by other companies. Refer to 1) "Key Performance Indicators and Non-IFRS Measures" section on page 42 of the Company's MD&A year ended December 31, 2024 for FY 24 and FY 23 metrics, 2) "Key Performance Indicators and Non-IFRS Measures" section on page 43 of the Company's MD&A year ended December 31, 2022 for FY 22 and FY 21 metrics, 3) "Key Performance Indicators and Non-IFRS Measures" section on page 42 of the Company's MD&A year ended December 31, 2020 for FY 20 and FY 19 metrics, 4) "Key Performance Indicators and Non-IFRS Measures" section on page 51 of the Company's MD&A year ended December 31, 2018 for FY 18 and FY17 metrics, 5) "Key Performance Indicators and Non-IFRS Measures" section on page 35 of the Company's MD&A year ended December 31, 2016 for FY 16 and FY 15 metrics, and 6) "Key Performance Indicators and Non-IFRS Measures" section on page 29 of the Company's MD&A year ended December 31, 2014 for FY 14 metrics.

FINANCIAL SUMMARY

(in $000s except per share amounts, store counts, employee counts, percentages and ratios)	2024	2023	2022	2021	2020
INCOME STATEMENT					
Revenue	1,523,289	1,250,069	1,019,336	826,722	652,922
Operating income	609,657	476,518	332,407	281,003	216,436
Net income	283,110	247,898	140,161	244,943	136,505
Diluted earnings per share	16.30	14.48	8.42	14.62	8.76
BALANCE SHEET					
Cash	251,381	144,577	62,654	102,479	93,053
Gross consumer loans receivable	4,596,115	3,645,202	2,794,694	2,030,339	1,246,840
Lease assets	40,973	45,187	48,437	47,182	49,384
Total assets	5,194,536	4,164,167	3,302,889	2,596,153	1,501,916
External debt[3]	3,629,803	2,819,665	2,229,260	1,552,679	887,749
Shareholders' equity	1,201,063	1,054,077	869,688	789,913	443,512
FINANCIAL METRICS					
Revenue growth	21.9%	22.6%	23.3%	26.6%	7.1%
Operating margin	40.0%	38.1%	32.6%	34.0%	33.1%
Adjusted operating margin[1]	41.2%	39.3%	36.2%	38.3%	33.1%
Efficiency ratio[1,4]	25.3%	30.2%	33.6%	37.2%	-
Adjusted net income[2]	290,142	243,175	192,261	174,759	117,646
Adjusted diluted earnings per share[1]	16.71	14.21	11.55	10.43	7.57
Return on receivables[4]	6.8%	7.6%	5.8%	-	-
Adjusted return on receivables[1,4]	7.0%	7.5%	8.0%	-	-
Return on assets	6.1%	6.7%	4.8%	11.5%	9.8%
Adjusted return on assets[1]	6.2%	6.5%	6.6%	8.2%	8.5%
Return on equity	24.9%	25.9%	17.6%	36.7%	36.1%
Adjusted return on equity[1]	25.5%	25.4%	24.2%	26.2%	31.1%
Return on tangible common equity[1,4]	32.8%	36.7%	28.4%	50.7%	38.3%
Adjusted return on tangible common equity[1,4]	32.5%	34.6%	36.4%	35.3%	33.0%
Net debt to net capitalization[3]	0.74	0.72	0.71	0.65	0.64
Annual dividend per share	4.68	3.84	3.64	2.64	1.80
OPERATING METRICS					
Gross loan originations	3,166,227	2,709,194	2,377,606	1,594,480	1,033,130
Growth in gross consumer loans receivable	950,913	850,508	764,355	783,499	136,207
Net charge-offs as a percentage of average gross consumer loans receivable	9.2%	8.9%	9.1%	8.8%	10.0%
Free cash flows from operations before net growth in gross consumer loans receivable[2]	481,467	377,291	258,474	260,104	210,619
OPERATIONS					
Total store count:					
easyfinancial	295	300	302	294	266
easyhome	134	144	154	158	161
Employees	2,500	2,463	2,492	2,394	2,024

Notes:

[1] These are non-IFRS ratios. Refer to 1) "Key Performance Indicators and Non-IFRS Measures" section on page 42 of the Company's MD&A year ended December 31, 2024 for FY 24 metric, 2) "Key Performance Indicators and Non-IFRS Measures" section on page 43 of the Company's MD&A year ended December 31, 2023 for FY 23 and FY 22 metrics, 3) "Key Performance Indicators and Non-IFRS Measures" section on page 50 of the Company's MD&A year ended December 31, 2021 for FY 21 and FY 20 metrics.

[2] These are non-IFRS measures. Refer to 1) "Key Performance Indicators and Non-IFRS Measures" section on page 42 of the Company's MD&A year ended December 31, 2024 for FY 24 metric, 2) "Key Performance Indicators and Non-IFRS Measures" section on page 43 of the Company's MD&A year ended December 31, 2023 for FY 23 and FY 22 metrics, 3) "Key Performance Indicators and Non-IFRS Measures" section on page 50 of the Company's MD&A year ended December 31, 2021 for FY 21 and FY 20 metrics.

[3] This is a capital management measure. Refer to 1) "Financial Condition" section on page 54 of the Company's MD&A year ended December 31, 2024 for FY 24 metric, 2) "Financial Condition" section on page 55 of the Company's MD&A year ended December 31, 2023 for FY 23 and FY 22 metrics, 2) "Financial Condition" section on page 61 of the Company's MD&A year ended December 31, 2021 for FY 21 and FY20 metrics

[4] Comparable efficiency ratio measure for the year 2020 was not published; comparable reported and adjusted return on receivables financial ratios for the years 2020 to 2021 were not published

Note: Non-IFRS ratios, non-IRFS measures and capital management measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies

Management's discussion and analysis of financial condition and results of operations

For the year ended

December 31, 2024

Management's discussion and analysis of financial condition and results of operations

Date: February 13, 2025

The following Management's Discussion and Analysis ("MD&A") presents an analysis of the consolidated financial condition of goeasy Ltd. and its subsidiaries (collectively referred to as "goeasy" or the "Company") as at December 31, 2024 compared to December 31, 2023, and the consolidated results of operations for the three-month period and year ended December 31, 2024, compared with the corresponding periods of 2023. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2024. The financial information presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted. All dollar amounts are in thousands of Canadian dollars unless otherwise indicated.

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

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

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

Caution regarding forward-looking statements

This MD&A includes forward-looking statements about goeasy, including, but not limited to, its business operations, strategy and expected financial performance and condition. Forward-looking statements include, but are not limited to, statements with respect to forecasts for growth of the consumer loans receivable, annual revenue growth forecasts, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements and the Company's ability to secure sufficient capital, liquidity of the Company, plans and references to future operations and results, critical accounting estimates, expected future yields and net charge off rates on loans, the dealer relationships, the size and characteristics of the Canadian non-prime lending market and the continued development of the type and size of competitors in the market. In certain cases, forward-looking statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as "expect", "continue", "anticipate", "intend", "aim", "plan", "believe", "budget", "estimate", "forecast", "foresee", "target" or negative versions thereof and similar expressions, and/or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company's operations, economic factors and the industry generally. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by the Company. Some important factors that could cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, goeasy's ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on favourable terms, offer products which appeal to customers at a competitive rate, respond to changes in legislation, react to uncertainties related to regulatory action, raise capital under favourable terms, compete, manage the impact of litigation (including shareholder litigation), control costs at all levels of the organization and maintain and enhance the system of internal controls.

The Company cautions that the foregoing list is not exhaustive. These and other factors could cause actual results to differ materially from our expectations expressed in the forward-looking statements, and further details and descriptions of these and other factors are disclosed in this MD&A, including under the section entitled "Risk Factors".

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

Overview of the business

goeasy Ltd. is one of Canada's leading non-prime consumer lenders offering a full suite of leasing and lending products to the non-prime consumer. Founded in 1990 and headquartered in Mississauga, Ontario, goeasy operates under its easyhome, easyfinancial and LendCare operating segments. Supported by over 2,500 employees, the Company offers a wide variety of financial products and services including unsecured and secured instalment loans, merchant financing through a variety of verticals and lease-to-own merchandise. Customers can transact seamlessly through an omnichannel model that includes online and mobile platforms, more than 400 locations across Canada, and point-of-sale financing offered in the retail, powersports, automotive and healthcare verticals, through over 10,800 merchant partners across Canada. Throughout the Company's history, it has acquired and organically served approximately 1.5 million Canadians and originated over $16.0 billion in loans.

As at December 31, 2024, the Company operated 295 easyfinancial locations (including 2 kiosks within easyhome stores and 3 operation centres) and 134 easyhome stores (including 34 franchises).

With 34 years of leasing and lending experience, goeasy has developed a deep understanding of the non-prime Canadian consumer. Of the 32.6 million Canadians with an active credit file as at December 31, 2024, 9.6 million had credit scores less than 720 and are deemed to be non-prime. Collectively, these Canadians carry $231.4 billion in non-mortgage credit balances, up from $217.9 billion in 2023, and represent the Company's target market. These consumers, many of which are unable to access credit from banks and traditional financial institutions, turn to goeasy as a reliable source of consumer credit for everyday financial needs. goeasy aspires to help non-prime customers rebuild their credit and put them on a path to a better financial future. By graduating customers to progressively lower rates of interest in recognition of on-time payment behaviour, and eventually helping them graduate back to prime lending, goeasy is uniquely positioned to deliver on its vision of providing everyday Canadians a path to a better tomorrow, today.

goeasy funds its business through a combination of equity and a variety of debt instruments, including US$1.61 billion senior unsecured notes, $150 million senior unsecured notes, $125 million secured borrowings and a $550 million revolving credit facility. In addition, the Company has a revolving securitization warehouse facility of $1.4 billion collateralized by unsecured personal loans and home equity loans and another $700 million revolving securitization warehouse facility collateralized by automotive consumer loans. The Company remains confident that capacity available under its existing funding facilities, and its ability to raise additional debt financing, is sufficient to fund its organic growth plans. goeasy's senior unsecured notes payable are rated BB- and Ba3, with a stable trend, by the Standard & Poor's and Moody's rating agencies, respectively. goeasy's common shares ("Common Shares") are listed for trading on the Toronto Stock Exchange ("TSX") under the trading symbol "GSY".

Accredited by the Better Business Bureau, goeasy is the proud recipient of several awards in recognition of its exceptional culture and continued business growth including 2024 Best Workplaces™ in Financial Services & Insurance, Waterstone Canada's Most Admired Corporate Cultures, ranking on the 2022 Report on Business Women Lead Here executive gender diversity benchmark, placing on the 2024 Report on Business ranking of Canada's Top Growing Companies, ranking on the TSX30, Greater Toronto Top Employers Award and has been certified as a Great Place to Work®. The Company is represented by a diverse group of team members from over 70 nationalities who believe strongly in giving back to communities in which it operates. To date, goeasy has raised and donated over $6.3 million to support its long-standing partnerships with BGC Canada and many other local charities.

Reportable segments

For management reporting purposes, the Company has two reportable segments: easyfinancial and easyhome. The Company aggregates the operations of its easyfinancial and LendCare operating segments into one reportable segment called easyfinancial, on the basis of their similar economic characteristics, customer profile, nature of products, and regulatory environment. Refer to the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2024, for further details.

Overview of easyfinancial

easyfinancial is goeasy's consumer lending arm that provides instalment loans with the goal of bridging the gap between traditional financial institutions and costly payday lenders. To further serve customers' needs and diversify its product offerings, goeasy acquired LendCare, a Canadian point-of-sale consumer finance and technology company, in 2021. The addition of LendCare accelerated goeasy's point-of-sale channel into relatively new untapped verticals, such as powersports and healthcare financing. Shortly after, the company launched an automotive financing program designed to help non-prime consumer purchase and finance a vehicle. easyfinancial and LendCare operating segments now comprise goeasy's consumer lending segment, which is a leading provider of non-prime credit in Canada.

Prior to 2010, consumer demand for non-prime loans in Canada was satisfied by the consumer-lending arms of several large, international financial institutions. Today, traditional financial institutions are generally unwilling or unable to offer credit solutions to consumers that are deemed to be a higher credit risk due to the consumer's financial situation or less-than-perfect credit history. As this shift in supply for non-prime consumer lending has taken place, a range of industry participants who offer diverse products including auto lending, credit cards, instalment loans, retail finance programs, small business lending and real estate secured lending have emerged. Generally, these industry participants have tended to focus on a single product rather than providing consumers with a broad integrated suite of financial products and services. As a result, easyfinancial has emerged as one of a number of national companies focused on serving the entire non-prime credit spectrum.

easyfinancial's product offering consists of secured and unsecured installment loans available to Canadian consumers who are generally unable to access credit from traditional sources such as major banks. The Company originates loans up to $125,000 with rates between 9.9% and 35.0%, which are fixed payment instalment products. When a loan is secured, the collateral provided by the borrower may include residential property, an automobile, a recreational vehicle or personal property. Unsecured installment loans typically range in size from $500 to $27,600 with repayment periods from 9 to 84 months, while secured installment loans typically range in size from $15,000 to $125,000 with repayment periods of 48 to 240 months. The required regular installment payments on these loans from customers include both principal and interest and result in the entire principal balance being repaid over the stated amortization period, provided all contractual payments are made as scheduled. All payments made by borrowers are reported to credit reporting agencies to help customers rebuild their credit.

easyfinancial also offers a number of optional ancillary products including a customer protection program that provides creditor insurance, a home and auto benefits product which provides roadside assistance, a gap insurance product which covers buyer and lender from any shortfall in cases of total loss insurance claims, warranty coverage on select financial products, and a credit monitoring and optimization tool that helps customers understand the steps to take to rebuild their credit. The Company also charges its customers interest on the money it lends and may also receive a commission for the sale of optional ancillary products offered through third party providers. The interest, additional commissions and various fees, collectively produce the total portfolio yield the Company generates on its loan book. The Company's total portfolio yield, relative to its cost of capital and loan losses, is a key driver of profitability.

As a lender, the Company expects to incur credit losses related to those customers who are unable to repay their loans. Given the higher credit risk of non-prime borrowers, credit losses are reflective of the higher rates of interest charged. The Company's custom credit and underwriting models allow it to set the level of risk it is willing to accept. The Company could take less credit risk and reduce its loan losses, but it would come at the expense of profitable volume. Likewise, the Company could accept more risk to drive greater growth and profitability, but it would come with higher credit losses and have potential impacts on the cost and availability of access to capital. Ultimately, the Company's objective is to optimize investment returns and operating margins by striking the right balance between origination velocity (the applicants it approves) and the loss rate of the portfolio.

The Company offers its products and services through an omnichannel business model, including a retail branch network, digital platform, merchant partners and indirect lending partnerships. The Company had 295 easyfinancial locations (including 2 kiosks within easyhome stores and 3 operations centres) in 10 Canadian provinces as at December 31, 2024. In addition to its retail branch network, customers can also transact online, which remains a key source of new customer acquisition. The Company also originates loans through its point-of-sale and dealership channel, which includes over 10,800 merchant partners across Canada.

Although the Company leverages multiple acquisition channels to attract new customers, approximately half of its loans are managed through its local branches. Through many years of experience in non-prime lending, the Company believes that an omnichannel model optimizes customer acquisition, loan performance and profitability, while providing a high-touch and personalized customer experience. The customer loyalty developed through these direct personal relationships with higher risk borrowers, extends the length of the customer relationship and improves the repayment of loans, which ultimately leads to lower charge offs and higher lifetime value.

In addition to its unique omnichannel model, the Company also differentiates itself through its customer experience and specifically the journey of providing customers a path to improving their credit and graduating back to prime borrowing. This is accomplished through the Company's broad product range, which provides customers with progressively lower interest rates, free financial literacy literature and tools and services that help them better understand and manage their credit profile. Whether a customer is looking to establish, repair, build or strengthen their credit profile by borrowing funds, purchase an automobile or recreational vehicle or using the equity in their home to secure a larger loan for a home renovation or repair, easyfinancial can provide a lending solution that best serves their individual needs.

Through its many years of experience and a disciplined approach to growth and managing risk, easyfinancial has demonstrated a history of stable and consistent credit performance. Since implementing centralized credit adjudication in 2011 in easyfinancial, the Company has successfully managed annualized net charge off rates within its stated target range consistently during each year of its operations. Lending decisions are made using custom credit and underwriting models or scorecards that are constructed using the latest statistical and machine learning techniques and data sources to optimize the balance between loan volumes and credit losses. These models and scorecards have been developed and refined over time by leveraging the accumulation of extensive customer application, demographic, borrowing, repayment and consumer banking data that determines a customer's creditworthiness, lending limit and interest rate. The use of custom models improves the accuracy of predicting default risk for the non-prime customer and are 200% more predictive when compared to a traditional credit score. Credit risk is further enhanced by industry-leading underwriting practices that include pre-qualification, credit adjudication, affordability calculations, centralized loan and document verification, and repayment by the customer via electronic pre-authorized debit directly from the customer's bank account, often on the day they receive their regularly scheduled income. The Company also requires supporting documentation for all of its successful applicants who take out a direct-to-consumer loan. Through the Company's proprietary custom scoring models and scorecards, coupled with the personal relationships its employees develop with customers at its branch locations, the Company believes it has found an optimal balance between growth and prudent risk management and underwriting.

Overview of easyhome

easyhome is Canada's largest lease-to-own company by store count, offering customers brand-name household furniture, appliances and electronics through flexible lease agreements. easyhome operates through both corporately owned stores located across Canada and through a network of franchised locations and has been in operation since 1990. In 2024, easyhome accounted for 10% of consolidated revenue and leasing revenue accounted for 66% of easyhome revenue.

Through its 134 locations, which includes 34 franchise stores or through its eCommerce platform, Canadians turn to easyhome as an alternative to purchasing or financing their goods. With no down payment or credit check required, easyhome offers a flexible solution that helps consumers get access to the goods they need, with the flexibility to terminate their lease at any time without penalty. These consumers may not be able to purchase merchandise due to a lack of credit or insufficient cash resources, may have a short-term or otherwise temporary need for the merchandise, or may simply want to use the merchandise, with no long-term obligation, before making a purchase decision.

In 2017, easyhome began offering unsecured lending products. As at December 31, 2024, there are 134 easyhome locations offering unsecured loans to its customers. This expansion allowed the Company to further increase its distribution footprint for its financial services products by leveraging its existing real estate and employee base. This transition has enabled easyhome stores to diversify its product offering and meet the broader financial needs of its customers.

easyhome also offers a number of optional ancillary products to its customers including a customer protection program. This product is designed to give its customers peace of mind by waiving the customer's payments for a period of time should they be met with unexpected circumstances, including involuntary loss of employment, accident and illness and critical illness or death. easyhome also offers its customers a liability damage waiver product when entering into a lease agreement. The product provides protection to a customer from the obligation to make any additional payments in the event that merchandise is damaged, destroyed or lost while on lease.

In 2019, easyhome began reporting customer's lease payments to the credit reporting agencies as a way to further support its customers' ability to secure access to credit and improve their credit profile. With every on-time lease payment, easyhome customers can now build their credit and ultimately use the easyhome transaction as a steppingstone into other financial products and services offered by easyfinancial.

Corporate strategy

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

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

Product range

The Company's objective is to build a full suite of non-prime consumer credit products, which includes unsecured and secured lending products at various risk-adjusted interest rates, along with a broad suite of value-add ancillary services. As of December 31, 2024, the Company's specific product offering includes traditional unsecured instalment loans, home equity loans, automotive vehicle financing, and loans to finance the purchase of retail goods, powersports and recreational vehicles, home improvement projects and healthcare related products and services. Over time, the Company will continue to expand and grow the products it offers to provide non-prime consumers with the same type of choices and options available to prime consumers through a traditional bank. As the Company brings new products to market, it will explore existing conventional products as well as develop new forms of credit that meet the unique needs of its customers.

Channel expansion

The Company operates three distinct and complementary distribution and acquisition channels including 429 retail lending outlets (295 easyfinancial branches and 134 easyhome stores where loans are offered as of December 31, 2024), a robust digital platform (web and mobile) and point-of-sale financing available through over 10,800 merchant partners. Based on the unit volume of applications and originations in the most recent quarter, the retail branch channel represented 11% of application volume and 36% of loan originations, online represented 67% of application volume and 35% of originations and point-of-sale financing represented 22% applications and 29% of originations. 50% of loan originations were funded and/or serviced in a branch location, 40% were funded and/or serviced through a point-of-sale channel, with the remaining 10% serviced in the Company's national shared services centre. The Company will continue to pursue new opportunities that include expanding its retail network, developing more dynamic and personalized digital experiences supported by its goeasy Connect mobile app, adding new automotive and powersports dealerships, adding new merchant partnerships and seeking new third-party lending and referral partnerships.

Geographic diversification

The Company believes Canada will continue to provide strong growth for goeasy with over 9.6 million non-prime Canadians facing limited options for credit. The Company also remains focused on adding new dealer and merchant partners across Canada to increase the distribution of its products and make them more accessible to all Canadians.

Additionally, the Company believes there is a future opportunity to consider international markets where the easyfinancial business model can be replicated.

Financial wellness

The Company competes on a unique point of differentiation, which is a focus on its customers' financial wellness and more specifically, the journey of providing customers a path to gradually reduce their rate of interest, improve their credit and graduate back to prime lending rates. With 9.6 million non-prime Canadians, goeasy plays an extremely important role in the financial system. By providing access to credit and a second chance for its customers, the Company serves as a key steppingstone in helping them rebuild their credit through products that report each payment to the credit reporting agencies. The Company is also focused on providing its customers a path to reducing their cost of borrowing over time by progressively offering those customers that demonstrate positive payment behaviour, access to products with lower rates of interest. Between 2017 and 2024, the company has reduced the weighted average interest charged on its loans from approximately 46% to approximately 29.3%.

The Company has always set itself apart from the competition by seeing beyond the initial transaction with the customer and instead, focusing on building one-to-one personalized relationships that are based on trust and respect for every customer's unique situation. The Company is proud to provide free financial literacy resources for all Canadians, which includes hundreds of articles and tools to help empower its customers to better understand and manage their personal finances.

As the Company continues to evolve, ensuring its suite of products and services are designed to meet its customer's needs across the entire credit spectrum is critically important. goeasy views its business as a lending ecosystem for non-prime Canadians, a one-stop shop where they can get access to all the financial products and services, they need to meet their borrowing needs from a single trusted provider. In 2023, the Company brought this ecosystem to life as it launched its industry leading mobile app, goeasy Connect, to provide customers with access to their account information as well as goeasy's entire range of products and services directly from their mobile device. The digital portal provides customers with seamless access to build their credit, borrow money and shop for the products they need through a best-in-class customer experience. Through the app, customers can also access pre-approved loan offers tailored to their credit profile and borrowing needs so that they know exactly how much they have been approved for and at what rates.

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.

Updates on 2024 Forecasts

The Company experienced strong commercial performance, including stable credit performance, improved operating leverage, and record adjusted operating income, adjusted net income and adjusted earnings per share. The Company ended the year in a strong financial position, driven by record organic growth and improvements in the credit quality of the Company's consumer loan portfolio. Furthermore, the Company remained well capitalized throughout the year, with approximately $1.87 billion in total liquidity and funding capacity, along with a conservative financial leverage position. The business also continued to prove its strength and resilience amidst economic volatility.

The Company's 2024 forecasts, assumptions and risk factors were disclosed in its December 31, 2024 MD&A. The Company has revised its forecasts in its June 30, 2024 MD&A. The Company's actual performance against its forecast for fiscal 2024 is as follows:

	ACTUAL RESULTS FOR 2024	UPDATED FORECASTS FOR 2024	OUTCOME
Gross consumer loans receivable at year-end	**$4.60 billion**	**$4.55 - $4.65 billion**	**Consistent with forecast**
Total Company revenue	**$1.52 billion**	**$1.50 - $1.60 billion**	**Consistent with forecast**
Total yield on consumer loans (including ancillary products)[1]	**34.1 %**	**33.0% - 35.0%**	**Consistent with forecast**
Net charge offs as a percentage of average gross consumer loans receivable	**9.2%**	**8.0% - 10.0%**	**Consistent with forecast**
Total Company operating margin (reported/adjusted[1,2])	**40.0%/41.2%**	**39% +**	**Consistent with forecast**
Return on equity (reported/adjusted[1,2])	**24.9%/25.5%**	**21% +**	**Consistent with forecast**

[1] Total yield on consumer loans (including ancillary products), adjusted total Company operating margin and adjusted return on equity are non-IFRS ratios. Non-IFRS ratios are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures".

[2] During the year, the Company incurred adjusting items that were outside of its normal business activities, which management believes are not reflective of underlying business performance. These adjusting items include non-recurring advisory costs, integration costs and amortization of intangible assets related to the acquisition of LendCare, net investment income, refinancing costs and discount related to the repurchase of 2026 Notes, and fair value change on prepayment options related Notes Payable. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section.

Three Year Forecasts

The Company continues to pursue a long-term strategy that includes expanding its product range, developing its channels of distribution and leveraging risk-based pricing to reduce the cost of borrowing for its consumers and extend the life of its customer relationships. As such, the total yield earned on its consumer loan portfolio and net charge off rates will gradually decline, while operating margins expand.

The Company's strong financial profile positions it well to continue on its long-track record of achieving its corporate growth objectives. The Company has provided a new 3-year forecast for the years 2025 through 2027. The periods of 2025 and 2026 have been updated to reflect the most recent outlook.

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

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

These forecasts are inherently subject to material assumptions used to develop such forward-looking statements and risk factors as identified below.

Key Assumptions

In formulating the guidance provided above, the Company makes a series of assumptions, which include, but are not limited to:

Environmental Conditions

- Stability in the macroeconomic environment.
- Continued demand for non-prime credit.

Portfolio Growth

- The Company executes on growth initiatives outlined in its strategic plan and increased penetration of its indirect point of-sale and secured lending products.
- Stable revenue generated by the Company's easyhome business, coupled with growth of consumer lending at easyhome.

Liquidity & Funding

- The Company continues to be able to access growth capital and at reasonable rates.

Revenue Yield

- The Company expects the total portfolio yield to moderate over the outlook period, due to a shift in product mix, growth in indirect point-of-sale financing and secured lending products.
- The effective yield earned on the sale of ancillary products gradually reduces as the average loan size increases.
- Total portfolio yield and net loss rates of its lending products are as estimated in the Company's budget and strategic plan.

Credit Performance

- Net charge offs perform in line with the Company' budget and the forecasts generated through the use of its proprietary custom credit and scoring models.
- The mixture of customers acquired through each of the Company's acquisition channels and the mixture of new and existing borrowers are as estimated in the Company's forecast.

Investment Performance

- The fair value of investments are assumed to remain static, as no forecast is made on changes in carrying value or timing of realization of the investment portfolio.

Mergers and Acquisitions

- No mergers and acquisitions were contemplated in the forecasts.

Key Risk Factors

These forecasts are inherently subject to risks as identified in the following, as well as those risks, which are referred to in the section entitled "Risk Factors" as described in this MD&A.

Environmental & Market Conditions

- Uncertainty around overall consumer demand during times of business disruption.
- Increased levels of unemployment or economic instability that may adversely affect the Company's forward-looking indicators that contribute to credit risk and losses within the Company's loan portfolio.
- Business conditions are within acceptable parameters with respect to consumer demand, competition and margins.

Real Estate

- The Company's ability to renew existing leases and secure new locations.

Access to Capital & Funding

- Continued access to required capital and funding.

Regulatory Environment

- Changes to regulations governing the products offered by the Company.

Credit Performance

- Material increase of net charge off rates.

Merchant Partnerships and Point-of-Sale Channel

- The Company's ability to continue to secure and maintain merchant partnerships in its automotive financing and point-of-sale channel.

Analysis of results for the year ended December 31, 2024

Financial Highlights and Accomplishments

- In 2024, the Company continued strengthening its balance sheet and liquidity position by expanding its borrowing capacity and extending facility maturity dates. These enhancements to the Company's funding sources facilitate its long-term growth plan and contemplated strategic business initiatives, while staggering maturities to ensure that future refinancings are not concentrated in any fiscal year, thereby mitigating any interest rate repricing risk.

  - On February 23, 2024, the Company issued US$400 million of 7.625% senior unsecured notes payable maturing on July 1, 2029 (the "2029 Notes") with interest payable semi-annually on January 1 and July 1 of each year. The 2029 Notes include certain prepayment options which are derivatives embedded in the notes. Concurrent with the issuance of 2029 Notes, the Company entered into cross-currency swaps to fix the foreign exchange rate for the proceeds from the offering and for payments of principal and interest under these 2029 Notes at a fixed exchange rate of US$1.000 = CAD1.353, thereby hedging the 2029 Notes at a CAD interest rate of 7.195% until July 1, 2028.

  - On July 25, 2024, the Company issued an additional US$200 million of 2029 Notes (the "Additional 2029 Notes") at a price of US$1,018.75 per US$1,000 principal amount. Concurrent with the issuance of the Additional 2029 Notes, the Company entered into derivative financial instruments as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for payments of principal and interest under the Additional 2029 Notes until July 1, 2028, at a fixed exchange rate of US$1.000 = CAD1.3758, thereby hedging the Additional 2029 Notes at a CAD interest rate of 6.936% until July 1, 2028.

  - On May 28, 2024, the Company amended its Secured Borrowings to provide for $125 million of incremental funding through the sale of consumer loans until May 31, 2025. The facility continues to bear an interest equal to an interpolated Government of Canada Bonds ("GOCB") rate plus an initial spread of 310 bps.

  - On July 19, 2024, the Company amended its Revolving Credit Facility to increase the size of the facility from $370 million to $550 million, with the maturity extended to July 18, 2027. The Company also has an ability to exercise the accordion feature under its Revolving Credit Facility to add an additional $150 million in borrowing capacity.

  - On October 21, 2024, the Company announced its commencement of a cash tender offer to repurchase any and all of its outstanding 4.375% senior unsecured notes payable maturing on May 1, 2026 ("2026 Notes"). The tender offer expired on October 30, 2024. On November 4, 2024, the Company extinguished a total of US$255.4 million of 2026 Notes that were validly tendered and accepted for repurchase at a price of US$999.58 per US$1,000 principal amount, resulting to a $1.5 million discount recognized in finance costs in the consolidated statements of income. In addition, the Company de-designated US$255.4 million of the related cross-currency swaps as cash flow hedges and immediately unwound them. As a result of repurchasing these notes and the unwinding of the related cross-currency swaps, the Company incurred tender offer fees, recognized the remaining unamortized deferred financing costs related to these notes, realized derivative loss, and reclassified the net change in cash flow hedge from OCI to the consolidated statements of income resulting in a total refinancing cost of $9.4 million recognized in finance costs in the consolidated statements of income.
  - On November 4, 2024, the Company issued US$400 million of 6.875% senior unsecured notes payable (the "2030 USD Notes") and $150 million of 6.000% senior unsecured notes payable (the "2030 CAD Notes") (the 2030 USD Notes and 2030 CAD Notes are collectively referred to as the "2030 Notes") with interest payable semi-annually on May 15 and November 15 of each year and mature on May 15, 2030. The 2030 Notes include certain prepayment options, which are derivatives embedded in the notes. Concurrent with the issuance of 2030 USD Notes, the Company entered into cross-currency swaps to fix the foreign exchange rate for the proceeds from the offering and for payments of principal and interest under these 2030 USD Notes at a fixed exchange rate of US$1.000 = CAD1.3843, thereby hedging the 2030 USD Notes at a CAD interest rate of 5.977% until May 15, 2029.
  - On December 18, 2024, the Company increased its Revolving Securitization Warehouse Facility II from $500 million to $700 million and extended the maturity date to December 15, 2026. The facility continues to be underwritten by the same syndicate of lenders. The Company continues to utilize an interest rate swap agreement to generate fixed rate payments on the amounts drawn to mitigate the impact of increase in interest rate.
  - As at December 31, 2024, the Company had a cash position of $251.4 million, which included $83.5 million in restricted cash related to its Revolving Securitization Warehouse Facilities and Secured Borrowings, and had borrowing capacities of $1.62 billion under its existing revolving credit facilities, bringing its total liquidity to $1.87 billion. The current total liquidity, excluding future enhancements or diversification of funding sources, provides adequate growth capital for the Company to execute its organic growth plans.
- The Company reported record revenue for the year ended December 31, 2024 of $1.52 billion, an increase of $273.2 million, or 21.9% compared to 2023. The increase was primarily driven by record organic growth of the Company's consumer loan portfolio.
- Gross consumer loans receivable increased to $4.60 billion as at December 31, 2024 from $3.65 billion as at December 31, 2023, an increase of $950.9 million, or 26.1%. The increase in consumer loans receivable was driven by strong volume of applications for credit, leading to strong loan growth across several product and acquisition channels, including unsecured lending, home equity loans, automotive financing and point-of-sale financing.
- Net charge offs for the year as a percentage of average gross consumer loans receivable were 9.2%, 30 bps higher compared to 2023 of 8.9%, primarily due to a relatively weaker macroeconomic environment, partially moderated by the implementation of tighter credit & underwriting and enhanced collection measures and an increase in the proportion of the consumer loan portfolio secured by physical assets. The Company's net charge off rate was in line with the targeted range for 2024 of 8.0% to 10.0%.
- During the year, the net change in allowance for future credit losses was $84.3 million, compared to $52.3 million in 2023, an increase of $32.0 million. This increase was primarily driven by higher growth in consumer loans receivable and an adjustment in the rate of allowance for expected credit losses due to unfavourable changes in the macroeconomic forecast data used in the Company's allowance model under IFRS 9, which resulted in a provision rate of 7.61%, up from 7.28% as at December 31, 2023.

- Total Company reported record total operating income of $609.7 million, up $133.1 million, or 27.9% compared to 2023. The Company also reported a record operating margin of 40.0%, up from the 38.1% in 2023. During the year, the Company incurred adjusting items that are outside of its normal business activities, which management believes are not reflective of the Company's underlying business performance. These adjusting items include non-recurring advisory costs, integration costs and amortization of intangible assets related to the acquisition of LendCare. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of these adjusting items, the Company reported record adjusted operating income[1] of $628.2 million, up $137.0 million, or 27.9%, compared to 2023. The increase in adjusted operating income was mainly driven by higher revenue associated with the record loan growth in the year and continued improvement in operating leverage. The Company also reported a record adjusted operating margin[1] of 41.2%, up from 39.3% in 2023.

- During the year, the Company recognized net investment income of $3.1 million, mainly due to fair value changes on the Company's investments and realized fair value gain from the disposal of its investment in listed and actively traded companies, compared to $9.8 million of net investment income in 2023.

- The Company reported record net income of $283.1 million, or $16.30 per share on a diluted basis, up 14.2% and 12.6%, respectively, compared to 2023. During the year, the Company incurred adjusting items including non-recurring advisory costs, integration costs and amortization of intangible assets related to the acquisition of LendCare, net investment income, refinancing costs and discount related to the repurchase of 2026 Notes, and fair value change on prepayment options related Notes Payable. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of these adjusting items, the Company achieved record adjusted net income[1] and record adjusted diluted earnings per share[1] of $290.1 million and $16.71 per share on a diluted basis, respectively. On this basis, adjusted net income and adjusted diluted earnings per share increased by 19.3% and 17.6%, respectively. The increase in adjusted net income was primarily driven by record adjusted operating income, partially offset by incremental finance costs due to higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing due to an increasing rate environment.

- Return on equity was 24.9%, down from 25.9% in 2023, primarily due to the higher level of shareholders' equity. Adjusted return on equity[1] was 25.5%, relatively consistent with 2023. Excluding goodwill and acquired intangible assets, the adjusted return on tangible common equity[1] was 32.5%, down from 34.6% in 2023. The decline in adjusted return on tangible common equity was mainly driven by a higher level of tangible common equity and improved debt leverage position, partially offset by higher adjusted net income, as discussed above.

- In consideration of the improved earnings achieved in 2024 and the Company's confidence in its continued growth and access to capital going forward, the Board of Directors approved a 24.8% increase to the annual dividend from $4.68 per share to $5.84 per share in 2025.

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

Summary of financial results and key performance indicators

($ IN 000'S EXCEPT EARNINGS PER SHARE AND PERCENTAGES)	YEAR ENDED DECEMBER 31, 2024	DECEMBER 31, 2023	VARIANCE $ / BPS	VARIANCE % CHANGE
Summary Financial Results				
Revenue	**1,523,289**	1,250,069	273,220	21.9%
Bad debts	**467,764**	341,639	126,125	36.9%
Other operating expenses	**361,973**	345,581	16,392	4.7%
EBITDA[1]	**667,202**	539,085	128,117	23.8%
EBITDA margin[1]	**43.8%**	43.1%	70 bps	1.6%
Depreciation and amortization	**83,895**	86,331	(2,436)	(2.8%)
Operating income	**609,657**	476,518	133,139	27.9%
Operating margin	**40.0%**	38.1%	190 bps	5.0%
Other income	**3,132**	9,771	(6,639)	(67.9%)
Finance costs	**225,492**	149,334	76,158	51.0%
Effective income tax rate	**26.9%**	26.4%	50 bps	1.9%
Net income	**283,110**	247,898	35,212	14.2%
Diluted earnings per share	**16.30**	14.48	1.82	12.6%
Return on receivables	**6.8%**	7.6%	(80 bps)	(10.5%)
Return on assets	**6.1%**	6.7%	(60 bps)	(9.0%)
Return on equity	**24.9%**	25.9%	(100 bps)	(3.9%)
Return on tangible common equity[1]	**32.8%**	36.7%	(390 bps)	(10.6%)
Adjusted Financial Results[1,2]				
Other operating expenses	**386,017**	377,574	8,443	2.2%
Efficiency ratio	**25.3%**	30.2%	(490 bps)	(16.2%)
Operating income	**628,195**	491,160	137,035	27.9%
Operating margin	**41.2%**	39.3%	190 bps	4.8%
Net income	**290,142**	243,175	46,967	19.3%
Diluted earnings per share	**16.71**	14.21	2.50	17.6%
Return on receivables	**7.0%**	7.5%	(50 bps)	(6.7%)
Return on assets	**6.2%**	6.5%	(30 bps)	(4.6%)
Return on equity	**25.5%**	25.4%	10 bps	0.4%
Return on tangible common equity	**32.5%**	34.6%	(210 bps)	(6.1%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	**1,370,414**	1,096,817	273,597	24.9%
easyfinancial operating margin	**48.6%**	48.7%	(10 bps)	(0.2%)
easyhome revenue	**152,875**	153,252	(377)	(0.2%)
easyhome operating margin	**29.2%**	24.1%	510 bps	21.2%
Portfolio Indicators				
Gross consumer loans receivable	**4,596,115**	3,645,202	950,913	26.1%
Growth in consumer loans receivable	**950,913**	850,508	100,405	11.8%
Gross loan originations	**3,166,227**	2,709,194	457,033	16.9%
Total yield on consumer loans (including ancillary products)[1]	**34.1%**	35.3%	(120 bps)	(3.4%)
Net charge offs as a percentage of average gross consumer loans receivable	**9.2%**	8.9%	30 bps	3.4%
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**481,467**	377,291	104,176	27.6%
Potential monthly leasing revenue[1]	**6,875**	7,654	(779)	(10.2%)

[1] EBITDA, adjusted other operating expenses, adjusted operating income, adjusted net income and free cash flows from operations before net growth in gross consumer loans receivable are non-IFRS measures. EBITDA margin, efficiency ratio, adjusted operating margin, adjusted diluted earnings per share, adjusted return on receivables, adjusted return on equity, adjusted return on assets, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. See description in sections "Portfolio Analysis", "Key Performance Indicators and Non-IFRS Measures" and "Financial Condition".

[2] Adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section.

Summary of financial results by reporting segment

($ IN 000'S EXCEPT EARNINGS PER SHARE)	YEAR ENDED DECEMBER 31, 2024 EASYFINANCIAL	EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	**1,081,843**	**39,979**	**-**	**1,121,822**
Lease revenue	**-**	**95,407**	**-**	**95,407**
Commissions earned	**261,630**	**14,096**	**-**	**275,726**
Charges and fees	**26,941**	**3,393**	**-**	**30,334**
	1,370,414	**152,875**	**-**	**1,523,289**
Operating expenses				
Bad debts	**452,558**	**15,206**	**-**	**467,764**
Other operating expenses	**212,451**	**54,987**	**94,535**	**361,973**
Depreciation and amortization	**38,995**	**38,096**	**6,804**	**83,895**
	704,004	**108,289**	**101,339**	**913,632**
Operating income (loss)	**666,410**	**44,586**	**(101,339)**	**609,657**
Other income				**3,132**
Finance costs				**(225,492)**
Income before income taxes				**387,297**
Income taxes				**104,187**
Net income				**283,110**
Diluted earnings per share				**16.30**

($ IN 000'S EXCEPT EARNINGS PER SHARE)	YEAR ENDED DECEMBER 31, 2023 EASYFINANCIAL	EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	853,228	35,700	-	888,928
Lease revenue	-	99,848	-	99,848
Commissions earned	220,363	14,122	-	234,485
Charges and fees	23,226	3,582	-	26,808
	1,096,817	153,252	-	1,250,069
Operating expenses				
Bad debts	327,196	14,443	-	341,639
Other operating expenses	197,358	59,610	88,613	345,581
Depreciation and amortization	37,747	42,259	6,325	86,331
	562,301	116,312	94,938	773,551
Operating income (loss)	534,516	36,940	(94,938)	476,518
Other income				9,771
Finance costs				(149,334)
Income before income taxes				336,955
Income taxes				89,057
Net income				247,898
Diluted earnings per share				14.48

Portfolio performance

Consumer Loans Receivable

The gross consumer loans receivable portfolio increased to $4.60 billion as at December 31, 2024, from $3.65 billion as at December 31, 2023, an increase of $950.9 million, or 26.1%. Loan originations for the year were $3.17 billion, up 16.9% from the same period of 2023. The increase in consumer loans receivable was driven by strong volume of applications for credit, leading to strong loan growth across several product and acquisition channels, including unsecured lending, home equity loans, automotive financing and point-of-sale financing.

The total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 34.1%, down 120 bps from the same period of 2023. Total annualized yield decreased due to: i) the strong organic growth of secured loan products which carry lower rates of interest such as home equity loans, automotive financing, and point-of-sale financing; and ii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products.

Bad debt expense increased to $467.8 million for the year ended December 31, 2024, from $341.6 million in 2023, an increase of $126.1 million, or 36.9%. The following table details the components of bad debt expense:

	YEAR ENDED	
($ IN 000'S)	DECEMBER 31, 2024	DECEMBER 31, 2023
Provision required due to net charge offs	**383,494**	289,321
Impact of loan book growth	**60,808**	57,466
Impact of change in allowance for expected credit losses rate	**23,462**	(5,148)
Net change in allowance for credit losses	**84,270**	52,318
Bad debt expense	**467,764**	341,639

Bad debt expense increased by $126.1 million due to the following factors:

(i) Net charge offs increased from $289.3 million for the year ended December 31, 2023 to $383.5 million in 2024, an increase of $94.2 million. Net charge offs in the year as a percentage of the average gross consumer loans receivable on an annualized basis were 9.2%, up from 8.9% in 2023, primarily due to a relatively weaker macroeconomic environment, partially moderated by the implementation of tighter credit & underwriting and enhanced collection measures and an increase in the proportion of the consumer loan portfolio secured by physical assets. The Company's net charge off rate was in line with the targeted range for 2024 of 8.0% to 10.0%.

(ii) The net change in allowance for credit losses was $84.3 million, compared to $52.3 million in 2023, an increase of $32.0 million. This increase was primarily driven by higher growth in consumer loans receivable and an adjustment in the rate of allowance for expected credit losses due to unfavourable changes in the macroeconomic forecast data used in the Company's allowance model under IFRS 9, which resulted in a provision rate of 7.61%, up from 7.28% as at December 31, 2023.

easyhome Leasing Portfolio

The leasing portfolio, as measured by potential monthly leasing revenue as at December 31, 2024, was $6.9 million, down from $7.7 million as at December 31, 2023. The easyhome leasing business is a mature business that has experienced a gradual decline in sales volume, as some consumer demand has shifted to alternate forms of financing purchases of everyday household items.

Revenue

Revenue for the year was $1.52 billion, compared to $1.25 billion in 2023, an increase of $273.2 million, or 21.9%. Revenue growth was mainly driven by the strong organic growth of the Company's consumer loan portfolio.

easyfinancial – Revenue was $1.37 billion, an increase of $273.6 million, or 24.9%, compared to 2023. Components of the change in revenue include:

(i) Interest income increased by $228.6 million, or 26.8%, driven by the strong growth in the loan portfolio, which includes growth of unsecured lending, home equity loans, automotive financing and point-of-sale financing, partially offset by slightly lower interest yields due to improved product mix;

(ii) Commissions earned from sales of ancillary products and services increased by $41.3 million, or 18.7%, due to the larger consumer loan portfolio; and

(iii) Charges and fees increased by $3.7 million, due to the larger consumer loan portfolio.

easyhome – Revenue was $152.9 million, a decrease of $0.4 million, or 0.2%, compared to 2023. Lending revenue within the easyhome stores increased by $4.4 million, compared to 2023. Traditional leasing revenue, including fees, was $4.8 million lower compared to 2023. Components of the change in revenue include:

(i) Interest income increased by $4.3 million, or 12.0%, driven by the growth in the loan portfolio related to the easyhome business;

(ii) Leasing revenue decreased by $4.4 million, or 4.4%, due to a smaller lease asset portfolio; and

(iii) Commissions earned on the sale of ancillary products, charges and fees decreased by $0.2 million, when compared to 2023.

Other Operating Expenses

Other operating expenses for the year were $362.0 million, an increase of $16.4 million, or 4.7%, compared to 2023. The increase in other operating expenses was mainly driven by higher operating costs to support the growing loan portfolio, moderated by the continued improvement in operating efficiency. The efficiency ratio for the year was 25.3%, an improvement of 490 bps from 30.2% in 2023, reflecting an increase in operating leverage.

easyfinancial – Other operating expenses for the year were $212.5 million, an increase of $15.1 million, or 7.6%, compared to 2023. The increase in other operating expenses was driven by incremental volume-related costs to operate and manage the growing loan portfolio, partially offset by improved operating efficiency.

easyhome – Other operating expenses for the year were $55.0 million, a decrease of $4.6 million, or 7.8%, compared to 2023. The decrease in other operating expenses was driven by lower store costs due to continued improvement in operating efficiency.

Corporate – Other operating expenses for the year were $94.5 million, an increase of $5.9 million, or 6.7% compared to 2023. The increase in other operating expenses was primarily due to non-recurring advisory costs and incremental volume-related costs to support the growing loan portfolio. Excluding the effects of the adjusting items discussed in “Key Performance Indicators and Non-IFRS Measures”, corporate expenses before depreciation and amortization represented 5.8% of revenues, compared to 7.0% of revenues in 2023.

Depreciation and Amortization

Depreciation and amortization was $83.9 million, a decrease of $2.4 million, or 2.8%, when compared to 2023, driven primarily by smaller lease asset portfolio, resulting in lower depreciation of lease assets, offset by higher depreciation of property and equipment and amortization of intangible assets. Overall, depreciation and amortization represented 5.5% of revenues for the year, compared to 6.9% of revenues in 2023.

easyfinancial – Total depreciation and amortization was $39.0 million, an increase of $1.2 million, or 3.3%, when compared to 2023, driven primarily by higher depreciation of property and equipment.

easyhome – Total depreciation and amortization expense was $38.1 million, a decrease of $4.2 million, or 9.9%, when compared to 2023, mainly due to a smaller lease asset portfolio.

Corporate – Total depreciation and amortization was $6.8 million, an increase of $0.5 million, or 7.6%, when compared to 2023, driven by higher amortization of intangible assets.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income was $609.7 million, up $133.1 million, or 27.9%, compared to 2023. The Company's operating margin was 40.0%, up from 38.1% in 2023. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures", the Company reported an adjusted operating income of $628.2 million, up $137.0 million, or 27.9%, when compared to 2023. The increase in adjusted operating income was mainly driven by higher revenue associated with the strong loan growth and continued improvement in operating leverage. The Company also reported an adjusted operating margin of 41.2%, up from 39.3% in 2023.

easyfinancial – Operating income was $666.4 million, an increase of $131.9 million, or 24.7%, when compared to 2023. The improved operating income was mainly driven by higher revenue associated with strong loan growth and continued improvement in operating leverage. easyfinancial revenue increased by $273.6 million, partially offset by an increase of $125.4 million in bad debt expense and an increase of $16.3 million in other costs to support the growing customer base and enhanced product offerings. easyfinancial's operating margin was 48.6%, compared to 48.7% in 2023.

easyhome – Operating income was $44.6 million, compared to $36.9 million in 2023, an increase of $7.6 million, or 20.7%. The increase was mainly driven by higher lending revenues associated with the larger consumer loan portfolio and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin was 29.2%, compared to 24.1% in 2023.

Other Income

During the year, the Company recognized a net investment income of $3.1 million, mainly due to fair value changes in the Company's investments and realized fair value gain from the disposal of its investment in listed and actively traded companies, compared to $9.8 million of net investment income in 2023.

Finance Costs

Finance costs were $225.5 million, an increase of $76.2 million, compared to 2023. The increase was mainly driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing due to an increasing rate environment. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility. As at December 31, 2024, 99% of the Company's drawn debt balances effectively bear fixed rates of interest due to the type of debt and the interest rate swap agreements on Revolving Securitization Warehouse Facilities.

Income Tax Expense

The effective income tax rate for the year was 26.9%, higher than the 26.4% in 2023, mainly due to lower net investment income, which were taxed at a lower capital gains effective tax rate.

Net Income and EPS

The Company's net income was $283.1 million, or $16.30 per share on a diluted basis, up 14.2% and 12.6%, respectively, compared to 2023. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures" section, the Company reported adjusted net income and adjusted diluted earnings per share of $290.1 million, or $16.71 per share on a diluted basis, an increase of 19.3% and 17.6%, respectively, compared to 2023. The increase in adjusted net income was primarily driven by record operating income, partially offset by incremental finance costs due to higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing due to an increasing rate environment.

Selected annual information

($ IN 000'S EXCEPT PERCENTAGES AND PER SHARE AMOUNTS)	2024[3]	2023[3]	2022[3]	2021[3]	2020
Gross Consumer Loans Receivable	**4,596,115**	3,645,202	2,794,694	2,030,339	1,246,840
Revenue	**1,523,289**	1,250,069	1,019,336	826,722	652,922
Net income	**283,110**	247,898	140,161	244,943	136,505
Adjusted net income[1]	**290,142**	243,175	192,261	174,759	117,646
Return on receivables[2]	**6.8%**	7.6%	5.8%	-	-
Adjusted return on receivables[1,2]	**7.0%**	7.5%	8.0%	-	-
Return on assets	**6.1%**	6.7%	4.8%	11.5%	9.8%
Adjusted return on assets[1]	**6.2%**	6.5%	6.6%	8.2%	8.5%
Return on equity	**24.9%**	25.9%	17.6%	36.7%	36.1%
Adjusted return on equity[1]	**25.5%**	25.4%	24.2%	26.2%	31.1%
Return on tangible common equity[1]	**32.8%**	36.7%	28.4%	50.7%	38.3%
Adjusted return on tangible common equity[1]	**32.5%**	34.6%	36.4%	35.3%	33.0%
Net income as a percentage of revenue	**18.6%**	19.8%	13.8%	29.6%	20.9%
Adjusted net income as a percentage of revenue[1]	**19.0%**	19.5%	18.9%	21.1%	18.0%
Dividends declared on Common Shares	**78,401**	63,614	58,338	42,312	26,103
Cash dividends declared per Common Share	**4.68**	3.84	3.64	2.64	1.80
Earnings per share					
Basic	**16.56**	14.70	8.61	15.12	9.21
Diluted	**16.30**	14.48	8.42	14.62	8.76
Adjusted diluted[1]	**16.71**	14.21	11.55	10.43	7.57

[1] Adjusted net income is a non-IFRS measure. Adjusted diluted earnings per share, adjusted return on equity, adjusted return on receivables, adjusted return on assets and reported and adjusted return on tangible common equity are non-IFRS ratios. See description in section "Key Performance Indicators and Non-IFRS Measures". Please refer to page 43 of the December 31, 2023 MD&A, page 43 of the December 31, 2022 MD&A, page 50 of December 31, 2021 MD&A and page 42 of the December 31, 2020 MD&A, for the respective "Key Performance Indicators and Non-IFRS Measures" section for those years. These MD&As are available on *www.sedarplus.ca*.

[2] Comparable reported and adjusted return on receivables financial measures for years 2020 and 2021 were not published.

[3] Selected annual information above for years 2021 to 2024 include financial information related to LendCare.

Key financial measures for each of the last five years are summarized in the table above and include gross consumer loans receivable, revenue, net income, earnings per share, return on receivables, return on assets, return on equity, return on tangible common equity and net income as a percentage of revenue over this time frame. Revenue growth over this time frame was primarily related to the strong growth of the Company's consumer loan portfolio. The increasing adjusted net income and adjusted diluted earnings per share was driven by the increasing revenue, stable credit performance of the loan book and continued improvement in operating leverage. The adjusted net income as a percentage of revenue was stable over the five-year period. Adjusted return on receivables, adjusted return on assets, adjusted return on equity and adjusted return of tangible common equity decreased over the past years, driven by a continued shift in credit and product mix toward higher-credit-quality borrowers, lower loan rates, and a higher level of assets and shareholders' equity.

Assets and Liabilities

($ IN 000'S)	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023	AS AT DECEMBER 31, 2022	AS AT DECEMBER 31, 2021	AS AT DECEMBER 31, 2020
Total assets	**5,194,536**	4,164,167	3,302,889	2,596,153	1,501,916
Consumer loans receivable, net	**4,366,533**	3,447,588	2,627,357	1,899,631	1,152,378
Cash	**251,381**	144,577	62,654	102,479	93,053
Total liabilities	**3,993,473**	3,110,090	2,433,201	1,806,240	1,058,404
Notes payable	**2,413,795**	1,120,826	1,168,997	1,085,906	689,410
Revolving securitization warehouse facilities	**1,073,876**	1,364,741	805,825	292,814	-
Secured borrowings	**120,335**	143,177	105,792	173,959	-
Revolving credit facility	**21,797**	190,921	148,646	-	198,339

Total assets have been increasing due primarily to the strong organic growth of the Company's consumer loans receivable portfolio.

The Company finances the growth of its consumer loans receivable through a combination of external debt, common shares and retained earnings. The Company's external debt includes Revolving Credit Facility, Revolving Securitization Warehouse Facilities, Secured Borrowings and Notes Payable. At the end of 2024, the Company's ratio of net debt to net capitalization was 74%, a level that is conservative against several of the Company's peers and consistent with the Company's desired leverage position.

Analysis of results for the three months ended December 31, 2024

Fourth Quarter Highlights

- The Company reported record revenue of $405.2 million during the three-month period ended December 31, 2024, an increase of $67.1 million, or 19.8%, when compared to the same period of 2023. Revenue growth was mainly driven by the strong organic growth of the Company's consumer loan portfolio.
- Gross consumer loans receivable increased to $4.60 billion as at December 31, 2024 from $3.65 billion as at December 31, 2023, an increase of $950.9 million, or 26.1%. The increase in consumer loans receivable was driven by strong volume of applications for credit, leading to strong loan growth across several product and acquisition channels, including unsecured lending, home equity loans, automotive financing and point-of-sale financing, partially moderated by the implementation of tighter credit and collection measures.
- Net charge offs for the three-month period ended December 31, 2024, as an annualized percentage of average gross consumer loans receivable were 9.1%, up from 8.8% in the same period of 2023, primarily due to a relatively weaker macroeconomic environment, partially moderated by the implementation of tighter credit & underwriting and enhanced collection measures and an increase in the proportion of the consumer loan portfolio secured by physical assets. The Company's net charge off rate was in line with the targeted range for 2024 of 8.0% to 10.0%.
- For the three-month period ended December 31, 2024, the net change in allowance for credit losses was $25.2 million, compared to $12.6 million in the same period of 2023, an increase of $12.6 million. This increase was primarily driven by higher growth in consumer loans receivable and an adjustment in the rate of allowance for expected credit losses due to unfavourable changes in the macroeconomic forecast data used in the Company's allowance model under IFRS 9, which resulted in a provision rate of 7.61%, up from 7.38% in the third quarter of 2024. The provision rate for the three-month period ended December 31, 2023 decreased to 7.28%, from 7.37% in the third quarter of 2023, primarily due to continued improvement in the product and credit mix of the loan portfolio.

- The Company reported record total operating income for the three-month period ended December 31, 2024 of $165.1 million, up $27.8 million, or 20.3%, when compared to the same period of 2023. The Company also reported operating margin of 40.7%, slightly up from 40.6% in the same period of 2023. During the three-month period ended December 31, 2024, the Company incurred adjusting items that are outside of its normal business activities, which management believes are not reflective of the Company's underlying business performance. These adjusting items include integration costs and amortization of intangible assets related to the acquisition of LendCare. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of the adjusting items, the Company reported record adjusted operating income[1] for the three-month period ended December 31, 2024 of $168.4 million, up $27.8 million, or 19.8%, when compared to the same period of 2023. The increase in adjusted operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio and continued improvement in operating leverage. The Company reported an adjusted operating margin[1] of 41.6%, consistent with the same period of 2023.
- During the quarter, the Company recognized a net investment income of $6.1 million, mainly due to fair value changes on the Company's investments and realized fair value gain from the disposal of its investment in listed and actively traded companies, compared to $1.3 million in the same period of 2023.
- The three-month period ended December 31, 2024 was the 94th consecutive quarter of positive net income and diluted earnings per share. The Company's net income for the three-month period ended December 31, 2024 was $73.8 million, or $4.25 per share on a diluted basis, down 1.0% and 2.1%, respectively, compared to the same period of 2023. During the period, the Company incurred adjusting items including integration costs and amortization of intangible assets related to the acquisition of LendCare, net investment income, refinancing costs and discount related to the repurchase of 2026 Notes and fair value change on prepayment options related to Notes Payable. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of these adjusting items, the Company achieved record adjusted net income[1] and record adjusted diluted earnings per share[1] during the three-month period ended December 31, 2024 of $77.4 million and $4.45 per share on a diluted basis, respectively. Adjusted net income and adjusted diluted earnings per share increased by 12.2% and 11.0%, respectively, when compared to the same period of 2023. The increase in adjusted net income was primarily driven by record adjusted operating income, partially offset by incremental finance costs due to higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing due to an increasing rate environment.
- Return on equity was 24.7% for the three-month period ended December 31, 2024, down from 28.9% in the same period of 2023. Adjusted return on equity[1] for the three-month period ended December 31, 2024 was 25.9%, down from 26.7% in the same period of 2023, driven by a higher level of shareholders' equity, partially offset by higher adjusted net income, as discussed above. Excluding goodwill and acquired intangible assets, the adjusted return on tangible common equity[1] for the three-month period ended December 31, 2024 was 32.5%, down from 35.3% in the same period of 2023. The decline in adjusted return on tangible common equity was mainly driven by a higher level of tangible common equity and improved debt leverage position, partially offset by higher adjusted net income, as discussed above.

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

Summary of financial results and key performance indicators

($ IN 000'S EXCEPT EARNINGS PER SHARE AND PERCENTAGES)	THREE MONTHS ENDED DECEMBER 31, 2024	DECEMBER 31, 2023	VARIANCE $ / BPS	VARIANCE % CHANGE
Summary Financial Results				
Revenue	**405,185**	338,112	67,073	19.8%
Bad debts	**128,978**	91,570	37,408	40.9%
Other operating expenses	**90,355**	87,734	2,621	3.0%
EBITDA[1]	**184,335**	151,911	32,424	21.3%
EBITDA margin[1]	**45.5%**	44.9%	60 bps	1.3%
Depreciation and amortization	**20,797**	21,571	(774)	(3.6%)
Operating income	**165,055**	137,237	27,818	20.3%
Operating margin	**40.7%**	40.6%	10 bps	0.2%
Other income	**6,105**	1,310	4,795	366.0%
Finance costs	**71,645**	36,580	35,065	95.9%
Effective income tax rate	**25.8%**	26.8%	(100 bps)	(3.7%)
Net income	**73,825**	74,602	(777)	(1.0%)
Diluted earnings per share	**4.25**	4.34	(0.09)	(2.1%)
Return on receivables	**6.5%**	8.3%	(180 bps)	(21.7%)
Return on assets	**5.9%**	7.4%	(150 bps)	(20.3%)
Return on equity	**24.7%**	28.9%	(420 bps)	(14.5%)
Return on tangible common equity[1]	**32.0%**	39.5%	(750 bps)	(19.0%)
Adjusted Financial Results[1,2]				
Other operating expenses	**97,885**	95,810	2,075	2.2%
Efficiency ratio	**24.2%**	28.3%	(410 bps)	(14.5%)
Operating income	**168,422**	140,643	27,779	19.8%
Operating margin	**41.6%**	41.6%	-	-
Net income	**77,399**	68,961	8,438	12.2%
Diluted earnings per share	**4.45**	4.01	0.44	11.0%
Return on receivables	**6.8%**	7.7%	(90 bps)	(11.7%)
Return on assets	**6.1%**	6.8%	(70 bps)	(10.3%)
Return on equity	**25.9%**	26.7%	(80 bps)	(3.0%)
Return on tangible common equity	**32.5%**	35.3%	(280 bps)	(7.9%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	**367,344**	299,465	67,879	22.7%
easyfinancial operating margin	**47.4%**	50.2%	(280 bps)	(5.6%)
easyhome revenue	**37,841**	38,647	(806)	(2.1%)
easyhome operating margin	**26.4%**	24.3%	210 bps	8.6%
Portfolio Indicators				
Gross consumer loans receivable	**4,596,115**	3,645,202	950,913	26.1%
Growth in consumer loans receivable	**202,762**	214,926	(12,164)	(5.7%)
Gross loan originations	**813,689**	704,875	108,814	15.4%
Total yield on consumer loans (including ancillary products)[1]	**33.6%**	34.9%	(130 bps)	(3.7%)
Net charge offs as a percentage of average gross consumer loans receivable	**9.1%**	8.8%	30 bps	3.4%
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**185,177**	85,142	100,035	117.5%
Potential monthly leasing revenue[1]	**6,875**	7,654	(779)	(10.2%)

[1] EBITDA, adjusted other operating expenses, adjusted operating income, adjusted net income and free cash flows from operations before net growth in gross consumer loans receivable are non-IFRS measures. EBITDA margin, efficiency ratio, adjusted operating margin, adjusted diluted earnings per share, adjusted return on receivables, adjusted return on equity, adjusted return on assets, reported and adjusted return on tangible common equity and total yield on consumer loans (including ancillary products) are non-IFRS ratios. See description in sections "Portfolio Analysis", "Key Performance Indicators and Non-IFRS Measures" and "Financial Condition". [2] Adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section.

Summary of financial results by reporting segment

($ IN 000'S EXCEPT EARNINGS PER SHARE)	THREE MONTHS ENDED DECEMBER 31, 2024			
	EASYFINANCIAL	EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	294,150	10,213	-	304,363
Lease revenue	-	23,213	-	23,213
Commissions earned	67,498	3,594	-	71,092
Charges and fees	5,696	821	-	6,517
	367,344	37,841	-	405,185
Operating expenses				
Bad debts	124,334	4,644	-	128,978
Other operating expenses	59,413	13,499	17,443	90,355
Depreciation and amortization	9,408	9,697	1,692	20,797
	193,155	27,840	19,135	240,130
Operating income (loss)	174,189	10,001	(19,135)	165,055
Other income				6,105
Finance costs				(71,645)
Income before income taxes				99,515
Income taxes				25,690
Net income				73,825
Diluted earnings per share				4.25

($ IN 000'S EXCEPT EARNINGS PER SHARE)	THREE MONTHS ENDED DECEMBER 31, 2023			
	EASYFINANCIAL	EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	235,142	9,526	-	244,668
Lease revenue	-	24,691	-	24,691
Commissions earned	58,015	3,495	-	61,510
Charges and fees	6,308	935	-	7,243
	299,465	38,647	-	338,112
Operating expenses				
Bad debts	87,076	4,494	-	91,570
Other operating expenses	52,533	14,330	20,871	87,734
Depreciation and amortization	9,614	10,419	1,538	21,571
	149,223	29,243	22,409	200,875
Operating income (loss)	150,242	9,404	(22,409)	137,237
Other income				1,310
Finance costs				(36,580)
Income before income taxes				101,967
Income taxes				27,365
Net income				74,602
Diluted earnings per share				4.34

Portfolio performance

Consumer Loans Receivable

Loan originations in the three-month period ended December 31, 2024 were $813.7 million, up 15.4% compared to the same period of 2023. Gross consumer loans receivable grew by $202.8 million during the quarter, compared to $214.9 million in the same period of 2023. Gross consumer loans receivable increased to $4.60 billion as at December 31, 2024, from $3.65 billion as at December 31, 2023, an increase of $950.9 million, or 26.1%. The increase in consumer loans receivable was driven by strong volume of applications for credit, leading to strong loan growth across several product and acquisition channels, including unsecured lending, home equity loans and automotive financing, partially moderated by the implementation of tighter credit and collection measures.

Total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 33.6% in the three-month period ended December 31, 2024, down 130 bps from the same period of 2023. Total annualized yield decreased due to: i) the strong organic growth of secured loan products which carry lower rates of interest such as home equity loans, automotive financing, and point-of-sale financing; and ii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products.

Bad debt expense increased to $129.0 million for the three-month period ended December 31, 2024, from $91.6 million during the same period of 2023, an increase of $37.4 million, or 40.9%. The following table details the components of bad debt expense.

	THREE MONTHS ENDED	
($ IN 000'S)	DECEMBER 31, 2024	DECEMBER 31, 2023
Provision required due to net charge offs	**103,748**	79,006
Impact of loan book growth	**14,967**	14,472
Impact of change in the rate of allowance for expected credit losses	**10,263**	(1,908)
Net change in allowance for credit losses	**25,230**	12,564
Bad debt expense	**128,978**	91,570

Bad debts expense increased by $37.4 million due to the following factors:

(i) Net charge offs increased from $79.0 million in the fourth quarter of 2023 to $103.7 million in the current quarter, an increase of $24.7 million. Net charge offs in the quarter as an annualized percentage of average gross consumer loans receivable were 9.1%, up from 8.8% in the same period of 2023, primarily due to a relatively weaker macroeconomic environment, partially moderated by the implementation of tighter credit & underwriting and enhanced collection measures and an increase in the proportion of the consumer loan portfolio secured by physical assets. The Company's net charge off rate was in line with the targeted range for 2024 of 8.0% to 10.0%.

(ii) The net change in allowance for credit losses in the fourth quarter of 2024 was $25.2 million, compared to $12.6 million in the same period of 2023, an increase of $12.6 million. This increase was primarily driven by higher growth in consumer loans receivable and an adjustment in the rate of allowance for expected credit losses due to unfavourable changes in the macroeconomic forecast data used in the Company's allowance model under IFRS 9, which resulted in a provision rate of 7.61%, up from 7.38% in the third quarter of 2024. The provision rate for the three-month period ended December 31, 2023 decreased to 7.28%, from 7.37% in the third quarter of 2023, primarily due to continued improvement in the product and credit mix of the loan portfolio.

easyhome Leasing Portfolio

The leasing portfolio, as measured by potential monthly leasing revenue as at December 31, 2024, was $6.9 million, down from $7.7 million as at December 31, 2023. The easyhome leasing business is a mature business that has experienced a gradual decline in sales volume, as some consumer demand has shifted to alternate forms of financing purchases of everyday household items.

Revenue

Revenue for the three-month period ended December 31, 2024 was $405.2 million, an increase of $67.1 million, or 19.8%, when compared to the same period of 2023. Revenue growth was mainly driven by the strong organic growth of the Company's consumer loan portfolio.

easyfinancial – Revenue for the three-month period ended December 31, 2024 was $367.3 million, an increase of $67.9 million, when compared to the same period of 2023. Components of the change in revenue include:

(i) Interest income increased by $59.0 million, or 25.1%, driven by the strong growth in the loan portfolio, which includes growth of unsecured lending, home equity loan and automotive financing, partially offset by slightly lower interest yields due to improved product mix; and

(ii) Commissions earned from sales of ancillary products and services increased by $9.5 million, or 16.3%, due to the larger consumer loan portfolio.

easyhome – Revenue for the three-month period ended December 31, 2024 was $37.8 million, a decrease of $0.8 million, when compared to the same period of 2023. Lending revenue within the easyhome stores increased by $0.8 million, when compared to the same period of 2023. Traditional leasing revenue, including fees, was $1.6 million lower compared to the same period of 2023. Components of the change in revenue include:

(i) Interest income increased by $0.7 million, driven by the growth in the loan portfolio related to lending activities in the easyhome business;

(ii) Leasing revenue decreased by $1.5 million due to a smaller lease asset portfolio; and

(iii) Commissions earned on the sale of ancillary products, charges and fees were relatively flat from the comparable period of 2023.

Other Operating Expenses

Other operating expenses were $90.4 million for the three-month period ended December 31, 2024, an increase of $2.6 million, or 3.0%, when compared to the same period of 2023. The increase in other operating expenses was mainly driven by higher operating costs to support the growing loan portfolio, moderated by the continued improvement in operating efficiency. The efficiency ratio for the fourth quarter of 2024 was 24.2%, an improvement of 410 bps from 28.3% in the fourth quarter of 2023, reflecting an increase in operating leverage.

easyfinancial – Other operating expenses were $59.4 million for the three-month period ended December 31, 2024, an increase of $6.9 million, or 13.1%, when compared to the same period of 2023. The increase in other operating expenses was driven by incremental volume related costs to operate and manage the growing loan portfolio, partially offset by improved operating efficiency.

easyhome – Other operating expenses were $13.5 million for the three-month period ended December 31, 2024, a decrease of $0.8 million, or 5.8%, when compared to the same period of 2023. The decrease in other operating expenses was driven by lower store costs due to continued improvement in operating efficiency.

Corporate – Other operating expenses were $17.4 million for the three-month period ended December 31, 2024, a decrease of $3.4 million, or 16.4%, when compared to the same period of 2023. The decrease in other operating expenses was primarily due to adjustments in share-based compensation. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures", corporate expenses before depreciation and amortization represented 4.3% of revenues in the fourth quarter of 2024, compared to 6.1% of revenues in the same period of 2023.

Depreciation and Amortization

Depreciation and amortization for the three-month period ended December 31, 2024 was $20.8 million, a decrease of $0.8 million, or 3.6%, when compared to the same period of 2023, driven primarily by smaller lease asset portfolio, resulting in lower depreciation of lease assets. Overall, depreciation and amortization represented 5.1% of revenues for the three-month period ended December 31, 2024, compared to 6.4% in the same period of 2023.

easyfinancial – Depreciation and amortization was $9.4 million for the three-month period ended December 31, 2024, a decrease of $0.2 million, or 2.1%, when compared to the same period of 2023, driven primarily by lower amortization of intangible assets.

easyhome – Depreciation and amortization was $9.7 million for the three-month period ended December 31, 2024, a decrease of $0.7 million, or 6.9%, when compared to the same period of 2023, mainly due to a smaller lease asset portfolio.

Corporate – Depreciation and amortization was $1.7 million in the three-month period ended December 31, 2024, an increase of $0.2 million, or 10%, from the comparable period of 2023, driven by higher amortization of intangible assets.

Operating Income (Income before Finance Costs and Income Taxes)

The Company reported total operating income for the three-month period ended December 31, 2024 of $165.1 million, up $27.8 million, or 20.3%, when compared to the same period of 2023. The Company also reported operating margin of 40.7%, slightly up from 40.6% in the same period of 2023. Excluding the effects of the adjusting items, the Company reported record adjusted operating income for the three-month period ended December 31, 2024 of $168.4 million, up $27.8 million, or 19.8%, when compared to the same period of 2023. The increase in adjusted operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio and continued improvement in operating leverage. The Company reported record adjusted operating margin of 41.6%, consistent with the same period of 2023.

easyfinancial – Operating income for the three-month period ended December 31, 2024 was $174.2 million, an increase of $23.9 million, or 15.9%, when compared to the same period of 2023. The improved operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio and continued improvement in operating leverage. easyfinancial revenue increased by $67.9 million, partially offset by an increase of $37.3 million in bad debt expense and an increase of $6.7 million in other costs to support the growing customer base and enhanced product offerings. easyfinancial's operating margin was 47.4%, compared to 50.2% in the same period of 2023.

easyhome – Operating income for the three-month period ended December 31, 2024 was $10.0 million, an increase of $0.6 million, or 6.3%. The increase was mainly driven by higher lending revenues during the period associated with the larger consumer loan portfolio and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin was 26.4%, compared to 24.3% in the same period of 2023.

Other Income

During the three-month period ended December 31, 2024, the Company recognized a net investment income of $6.1 million, mainly due to the realized fair value gain from the disposal of its investment in listed and actively traded companies, compared to $1.3 million in the same period of 2023.

Finance Costs

Finance costs for the three-month period ended December 31, 2024 were $71.6 million, an increase of $35.1 million, when compared to the same period of 2023. The increase was mainly driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing due to an increasing rate environment. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility. As at December 31, 2024, 99% of the Company's drawn debt balances effectively bear fixed rates of interest due to the type of debt and the interest rate swap agreements on Revolving Securitization Warehouse Facilities.

Income Tax Expense

The effective income tax rate for the three-month period ended December 31, 2024 was 25.8%, lower than the 26.8% in the same period of 2023, mainly due to higher net investment income, which were taxed at a lower capital gains effective tax rate.

Net Income and Diluted Earnings Per Share

The Company's net income for the three-month period ended December 31, 2024 was $73.8 million, or $4.25 per share on a diluted basis, down 1.0% and 2.1%, respectively, compared to the same period of 2023. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures" section, the Company reported adjusted net income and adjusted diluted earnings per share of $77.4 million, or $4.45 per share on a diluted basis, an increase of 12.2% and 11.0%, respectively, compared to the same period of 2023. The increase in adjusted net income was primarily driven by record operating income, partially offset by incremental finance costs due to higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing due to an increasing rate environment.

Selected quarterly information

($ IN MILLIONS EXCEPT PERCENTAGES AND PER SHARE AMOUNTS)	DECEMBER 2024	SEPTEMER 2024	JUNE 2024	MARCH 2024	DECEMBER 2023	SEPTEMBER 2023	JUNE 2023	MARCH 2023	DECEMBER 2022
Gross consumer loans receivable	**4,596.1**	4,393.4	4,138.2	3,852.1	3,645.2	3,430.3	3,200.2	2,990.7	2,794.7
Revenue	**405.2**	383.2	377.8	357.1	338.1	321.7	302.9	287.3	273.3
Net income	**73.8**	84.9	65.4	58.9	74.6	66.3	55.6	51.4	28.6
Adjusted net income[1]	**77.4**	75.1	71.3	66.3	69.0	65.2	56.0	52.9	51.0
Return on receivables	**6.5%**	7.9%	6.5%	6.2%	8.3%	7.9%	7.1%	7.0%	4.2%
Adjusted return on receivables[1]	**6.8%**	7.0%	7.1%	7.0%	7.7%	7.8%	7.2%	7.2%	7.5%
Return on assets	**5.9%**	7.1%	5.8%	5.5%	7.4%	7.0%	6.2%	6.1%	3.6%
Adjusted return on assets[1]	**6.1%**	6.3%	6.3%	6.2%	6.8%	6.9%	6.2%	6.2%	6.3%
Return on equity	**24.7%**	29.1%	23.3%	21.9%	28.9%	27.0%	24.0%	23.2%	13.8%
Adjusted return on equity[1]	**25.9%**	25.7%	25.4%	24.6%	26.7%	26.6%	24.2%	23.9%	24.6%
Return on tangible common equity[1]	**32.0%**	37.8%	31.0%	29.6%	39.5%	37.8%	34.6%	34.4%	21.8%
Adjusted return on tangible common equity[1]	**32.5%**	32.5%	32.6%	32.0%	35.3%	35.9%	33.4%	33.8%	35.9%
Net income as a percentage of revenue	**18.2%**	22.2%	17.3%	16.5%	22.1%	20.6%	18.3%	17.9%	10.5%
Adjusted net income as a percentage of revenue[1]	**19.1%**	19.6%	18.9%	18.6%	20.4%	20.3%	18.5%	18.4%	18.7%
Earnings per share[2]									
Basic	**4.32**	4.95	3.82	3.46	4.41	3.93	3.29	3.06	1.74
Diluted	**4.25**	4.88	3.76	3.40	4.34	3.87	3.26	3.01	1.71
Adjusted diluted[1]	**4.45**	4.32	4.10	3.83	4.01	3.81	3.28	3.10	3.05

[1] Adjusted net income is a non-IFRS measure. Adjusted diluted earnings per share, adjusted return on equity, adjusted return on receivables, adjusted return on assets, adjusted net income as percentage of revenue and reported and adjusted return on tangible common equity are non-IFRS ratios. See descriptions in "Key Performance Indicators and Non-IFRS Measures" section. Please refer to page 31 of the September 30, 2024 MD&A, page 31 of the June 30, 2024 MD&A, page 23 of the March 31, 2024 MD&A, 43 of the December 31, 2023 MD&A, page 31 of the September 30, 2023 MD&A, page 32 of the June 30, 2023 MD&A, page 26 of the March 31, 2023 MD&A and page 43 of the December 31, 2022 MD&A , for the respective "Key Performance Indicators and Non-IFRS Measures" section for those periods. These MD&As are available on *www.sedarplus.ca*.

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

Key financial measures for each of the last nine quarters are summarized in the table. Revenue growth over this period was primarily related to the strong growth of the Company's consumer loan portfolio. The larger revenue base together with efficient operating expense management, increased the Company's adjusted net income and adjusted earnings per share. The increasing adjusted net income and adjusted diluted earnings per share was driven by the increasing revenue, stable credit performance of the loan book and continued improvement in operating leverage. The adjusted net income as a percentage of revenue was stable over the past quarters. Adjusted return on receivables, adjusted return on assets, adjusted return on equity and adjusted return on tangible common equity increased in prior quarters due to increasing earnings generated by the business. These ratios declined in the first quarter of 2024, driven by a continued shift in credit and product mix toward higher-credit-quality borrowers, lower loan rates, and a higher level of assets and shareholders' equity and remained stable throughout 2024.

Portfolio analysis

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

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

Consumer Loans Receivable

Loan Originations and Net Principal Written

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

Net principal written is a non-IFRS measure capturing the Company's gross loan originations during a period, excluding the portion of the originations used to repay prior borrowings. The Company uses net principal written, among other measures, to assess the operating performance of its lending business. Non-IFRS measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies.

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Gross loan originations	**813,689**	704,875	**3,166,227**	2,709,194
Loan originations to new customers	**428,753**	345,339	**1,701,171**	1,354,907
Loan originations to existing customers	**384,936**	359,536	**1,465,056**	1,354,287
Less: Proceeds applied to repay existing loans	**(207,416)**	(191,978)	**(766,764)**	(724,702)
Net advance to existing customers	**177,520**	167,558	**698,292**	629,585
Net principal written	**606,273**	512,897	**2,399,463**	1,984,492

Gross Consumer Loans Receivable

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Opening gross consumer loans receivable	**4,393,353**	3,430,276	**3,645,202**	2,794,694
Gross loan originations	**813,689**	704,875	**3,166,227**	2,709,194
Gross principal payments and other adjustments	**(492,516)**	(398,774)	**(1,769,252)**	(1,528,306)
Gross charge offs before recoveries	**(118,411)**	(91,175)	**(446,062)**	(330,380)
Net growth in gross consumer loans receivable during the period	**202,762**	214,926	**950,913**	850,508
Ending gross consumer loans receivable	**4,596,115**	3,645,202	**4,596,115**	3,645,202

The scheduled principal repayment aging analyses of the gross consumer loans receivable portfolio as at December 31, 2024 and 2023 are as follows:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
0 – 6 months	**299,017**	**6.4%**	273,572	7.5%
6 – 12 months	**201,270**	**4.4%**	172,645	4.7%
1 – 2 years	**427,797**	**9.3%**	380,715	10.4%
2 – 3 years	**549,491**	**12.0%**	510,311	14.0%
3 – 4 years	**681,909**	**14.8%**	567,582	15.6%
4 – 5 years	**770,066**	**16.8%**	557,254	15.3%
5 – 6 years	**706,122**	**15.4%**	509,651	14.0%
6 – 7 years	**560,655**	**12.2%**	361,083	9.9%
7 years +	**399,788**	**8.7%**	312,389	8.6%
Gross consumer loans receivable	**4,596,115**	**100.0%**	3,645,202	100.0%

The gross consumer loans receivable portfolio categorized by the contractual time to maturity as at December 31, 2024 and 2023 are summarized as follows:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
0 – 1 year	**90,964**	**2.0%**	72,892	2.0%
1 – 2 years	**162,681**	**3.5%**	144,303	4.0%
2 – 3 years	**244,382**	**5.3%**	277,715	7.6%
3 – 4 years	**486,768**	**10.6%**	529,764	14.5%
4 – 5 years	**670,433**	**14.6%**	554,585	15.2%
5 – 6 years	**893,893**	**19.4%**	651,882	17.9%
6 – 7 years	**1,150,622**	**25.0%**	724,442	19.9%
7 years +	**896,372**	**19.6%**	689,619	18.9%
Gross consumer loans receivable	**4,596,115**	**100.0%**	3,645,202	100.0%

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

	DECEMBER 31, 2024		DECEMBER 31, 2023	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
easyfinancial	**4,479,940**	**97.5%**	3,538,943	97.1%
easyhome	**116,175**	**2.5%**	106,259	2.9%
Gross consumer loans receivable	**4,596,115**	**100.0%**	3,645,202	100.0%

Financial Revenue and Net Financial Income

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

Net financial income is a non-IFRS measure that details the profitability of the Company's gross consumer loans receivable before costs to originate or administer. Net financial income is calculated by deducting interest expense, amortization of deferred financing charges and bad debt expense from financial revenue. Net financial income is impacted by the size of gross consumer loans receivable, portfolio yield, amount and cost of the Company's debt, the Company's leverage ratio and bad debt expense incurred in the period. The Company uses net financial income, among other measures, to assess the operating performance of its loan portfolio. Non-IFRS measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies.

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Total Company revenue	**405,185**	338,112	**1,523,289**	1,250,069
Less: Leasing revenue	**(24,612)**	(26,236)	**(101,129)**	(105,925)
Financial revenue	**380,573**	311,876	**1,422,160**	1,144,144
Less: Finance costs	**(71,645)**	(36,580)	**(225,492)**	(149,334)
Add: Interest expense on lease liabilities	**893**	951	**3,616**	3,822
Less: Bad debt expense	**(128,978)**	(91,570)	**(467,764)**	(341,639)
Net financial income	**180,843**	184,677	**732,520**	656,993

Total Yield on Consumer Loans as a Percentage of Average Gross Consumer Loans Receivable

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Total Company revenue	**405,185**	338,112	**1,523,289**	1,250,069
Less: Leasing revenue	**(24,612)**	(26,236)	**(101,129)**	(105,925)
Financial revenue	**380,573**	311,876	**1,422,160**	1,144,144
Multiplied by number of periods in a year	**X 4**	X 4	**X 4/4**	X 4/4
Divided by average gross consumer loans receivable	**4,536,022**	3,577,393	**4,167,684**	3,245,686
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	**33.6%**	34.9%	**34.1%**	35.3%

Net Charge Offs

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

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Net charge offs against allowance	**103,748**	79,006	**383,494**	289,321
Multiplied by number of periods in year	**X 4**	X 4	**X 4/4**	X 4/4
Divided by average gross consumer loans receivable	**4,536,022**	3,577,393	**4,167,684**	3,245,686
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**9.1%**	8.8%	**9.2%**	8.9%

The increase in net charge offs for the year ended December 31, 2024, as an annualized percentage of average gross consumer loans receivable from the same period of 2023 was primarily due to a relatively weaker macroeconomic environment, partially moderated by the implementation of tighter credit & underwriting and collection measures and an increase in the proportion of the consumer loan portfolio secured by physical assets. The Company's net charge off rate was in line with the targeted range for 2024 of 8.0% to 10.0%.

Allowance for Credit Losses

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Allowance for credit losses, beginning of period	**324,399**	252,795	**265,359**	213,041
Net charge offs against allowance	**(103,748)**	(79,006)	**(383,494)**	(289,321)
Bad debt expense	**128,978**	91,570	**467,764**	341,639
Allowance for credit losses, end of period	**349,629**	265,359	**349,629**	265,359
Allowance for credit losses as a percentage of the ending gross consumer loans receivable	**7.61%**	7.28%	**7.61%**	7.28%

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

In calculating the allowance for credit losses, internally developed models were used, which factor in credit risk related parameters including probability of default, exposure at default, loss given default and other relevant risk factors. As part of the process, the Company employed five distinct forecast scenarios, derived from FLI forecasts produced by Moody's Analytics, which include neutral, moderately optimistic, extremely optimistic, moderately pessimistic and extremely pessimistic scenarios. These scenarios use a combination of four interrelated macroeconomic variables, being unemployment rates, GDP, inflation rates and oil prices. Management judgment is then applied to the recommended probability weightings to these scenarios to determine a probability weighted allowance for credit losses.

The following table shows the key macroeconomic variables used in the determination of the probability weighted allowance during the forecast periods as at December 31, 2024 and 2023, respectively.

	FORECAST SCENARIOS				
12-MONTH FORWARD-LOOKING MACROECONOMIC VARIABLES (AVERAGE ANNUAL)	NEUTRAL	MODERATELY OPTIMISTIC	EXTREMELY OPTIMISTIC	MODERATELY PESSIMISTIC	EXTREMELY PESSIMISTIC
December 31, 2024					
Unemployment rate[1]	**6.79%**	**6.54%**	**6.29%**	**8.51%**	**9.12%**
GDP growth rate[2]	**1.33%**	**2.16%**	**2.94%**	**(1.96%)**	**(3.27%)**
Inflation growth rate[3]	**2.05%**	**2.35%**	**2.55%**	**2.64%**	**2.88%**
Oil prices[4]	**$72.66**	**$77.32**	**$79.28**	**$56.99**	**$48.10**
December 31, 2023					
Unemployment rate[1]	6.18%	5.39%	4.70%	8.41%	9.83%
GDP growth rate[2]	0.53%	1.57%	2.38%	(1.51%)	(2.71%)
Inflation growth rate[3]	2.11%	2.12%	2.15%	2.09%	1.93%
Oil prices[4]	$79.35	$81.93	$84.05	$62.73	$52.79

[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 to arrive at a collective view on the likelihood of each scenario taking into account current economic conditions and the implications for near-term macroeconomic performance. If management were to assign 100% probability to the extremely pessimistic scenario forecast, the allowance for credit losses would have been $398.9 million, $49.2 million or 14.1% higher than the reported allowance for credit losses as at December 31, 2024 (December 31, 2023 – $295.2 million, $29.8 million or 11.2% higher than the reported allowance for credit losses). The sensitivity above does not consider the migration of exposure and/or changes in credit risk that would have occurred in the loan portfolio due to risk mitigation actions or other factors.

Aging of Gross Consumer Loans Receivable

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

	DECEMBER 31, 2024		DECEMBER 31, 2023	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
Current	**4,250,730**	**92.5%**	3,434,390	94.2%
Days past due				
1 - 30 days	**123,035**	**2.7%**	125,229	3.4%
31 - 44 days	**21,379**	**0.5%**	24,280	0.7%
45 - 60 days	**21,447**	**0.5%**	20,354	0.6%
61 - 90 days	**22,614**	**0.5%**	22,797	0.6%
91 - 120 days	**16,499**	**0.3%**	7,687	0.2%
121 - 150 days	**35,244**	**0.7%**	6,422	0.2%
151+ days	**105,167**	**2.3%**	4,043	0.1%
	345,385	**7.5%**	210,812	5.8%
Gross consumer loans receivable	**4,596,115**	**100.0%**	3,645,202	100.0%

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

Gross consumer loans receivable past due as at December 31, 2024 increased from 5.8% to 7.5%, compared to December 31, 2023. The increase in delinquency was primarily due to: i) the continued shift in product mix toward secured loans, which have a longer period to charge off at 180 days post initial delinquency, compared to unsecured loans which charge off 90 days post initial delinquency; ii) the continued maturation of the secured consumer loan portfolio which resulted in a larger proportion of loans entering the peak period of potential default; iii) the implementation of tighter collection practices, which increased the number of accounts rolling to later stage delinquencies; iv) weaker macroeconomic conditions; and v) unfavourable day weighting in that the end of the quarter occurred on a day where a lower number of payments were received as compared to the same quarter of the previous year.

Gross consumer loans receivable, defined as late-stage delinquent (over 90 days past due) as at December 31, 2024, increased by 280 bps, compared to December 31, 2023, primarily driven by a delay in repossession turnaround times for certain secured assets stemming from third parties (including bailiffs, towing companies, auction houses, etc.) having to accommodate an increasingly larger volume of units out for repossession from lenders across the industry. To date, the lengthening of the repossession timeframes has not had any negative impact on collection results (the ratio of assets collected to those out for repossession) or resale values realized on collected assets. As a result of the temporary delay in asset recoveries for certain secured loans where additional collection measures are deemed practicable and there is an expectation to derive net realizable value, in accordance with the Company's charge off policy, these loans have not been charged off and remain part of the gross consumer loans receivable. The Company expects recoveries of these loans to be completed within the next 90 days.

Gross consumer loans receivable, defined as early-stage delinquent (less than 90 days past due) as at December 31, 2024, decreased by 110 bps compared to December 31, 2023, primarily driven by tighter credit and underwriting measures implemented during the course of the year as well as the tighter collection measures implemented as described above.

Gross Consumer Loans Receivable by Geography

As at December 31, 2024 and 2023, the Company's gross consumer loans receivable was allocated among the following geographic regions

	DECEMBER 31, 2024		DECEMBER 31, 2023	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Newfoundland & Labrador	**119,093**	**2.6%**	99,581	2.7%
Nova Scotia	**212,757**	**4.6%**	173,536	4.8%
Prince Edward Island	**23,641**	**0.5%**	21,968	0.6%
New Brunswick	**172,490**	**3.8%**	148,529	4.1%
Quebec	**558,925**	**12.2%**	447,714	12.3%
Ontario	**1,815,504**	**39.5%**	1,408,224	38.6%
Manitoba	**192,964**	**4.2%**	150,319	4.1%
Saskatchewan	**191,765**	**4.2%**	162,038	4.4%
Alberta	**796,416**	**17.3%**	627,148	17.2%
British Columbia	**476,317**	**10.4%**	375,916	10.3%
Territories	**36,243**	**0.7%**	30,229	0.9%
Gross consumer loans receivable	**4,596,115**	**100.0%**	3,645,202	100.0%

Gross Consumer Loans Receivable by Loan Type

As at December 31, 2024 and 2023, the allocation of the Company's gross consumer loans receivable based on loan type is as follows:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Unsecured Instalment Loans	**2,514,260**	**54.7%**	2,116,869	58.1%
Secured Instalment Loans[1]	**2,081,855**	**45.3%**	1,528,333	41.9%
Gross consumer loans receivable	**4,596,115**	**100.0%**	3,645,202	100.0%

[1] Secured instalment loans include loans secured by real estate, personal property or a Notice of Security Interest.

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

Leasing Portfolio Analysis

Potential Monthly Leasing Revenue

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

Potential monthly leasing revenue is calculated as follows:

	DECEMBER 31,2024	DECEMBER 31, 2023
Total number of lease agreements	**64,104**	70,733
Multiplied by the average required monthly lease payment per agreement	**107.24**	108.21
Potential monthly leasing revenue ($ in 000's)	**6,875**	7,654

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Opening potential monthly leasing revenue	**6,989**	7,411	**7,654**	7,868
Increase due to store openings or acquisitions during the period	**-**	133	**-**	133
Decrease due to store closures or sales during the period	**(111)**	(38)	**(143)**	(196)
Decrease due to ongoing operations	**(3)**	148	**(636)**	(151)
Net change	**(114)**	243	**(779)**	(214)
Ending potential monthly leasing revenue	**6,875**	7,654	**6,875**	7,654

Potential Monthly Leasing Revenue by Product Category

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

	DECEMBER 31, 2024		DECEMBER 31, 2023	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Furniture	**2,962**	**43.1%**	3,259	42.6%
Electronics	**2,155**	**31.3%**	2,478	32.4%
Appliances	**1,066**	**15.5%**	1,110	14.5%
Computers	**692**	**10.1%**	807	10.5%
Potential monthly leasing revenue	**6,875**	**100.0%**	7,654	100.0%

Potential Monthly Leasing Revenue by Geography

As at December 31, 2024 and 2023, the Company's leasing portfolio as measured by potential monthly leasing revenue, was allocated among the following geographic regions:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Newfoundland & Labrador	**660**	**9.6%**	671	8.7%
Nova Scotia	**704**	**10.2%**	763	10.0%
Prince Edward Island	**120**	**1.8%**	128	1.7%
New Brunswick	**612**	**8.9%**	646	8.4%
Quebec	**495**	**7.2%**	550	7.2%
Ontario	**2,118**	**30.8%**	2,310	30.2%
Manitoba	**265**	**3.9%**	294	3.8%
Saskatchewan	**290**	**4.2%**	320	4.2%
Alberta	**1,020**	**14.8%**	1,230	16.1%
British Columbia	**591**	**8.6%**	742	9.7%
Potential monthly leasing revenue	**6,875**	**100.0%**	7,654	100.0%

Leasing Charge Offs as a Percentage of Leasing Revenue

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Depreciation of lease assets	**7,622**	8,207	**29,482**	33,535
Less: Lease asset depreciation excluding net charge offs	**(6,714)**	(7,257)	**(25,979)**	(29,939)
Net charge offs	**908**	950	**3,503**	3,596
Total Company revenue	**405,185**	338,112	**1,523,289**	1,250,069
Less: Financial revenue	**(380,573)**	(311,876)	**(1,422,160)**	(1,144,144)
Leasing revenue	**24,612**	26,236	**101,129**	105,925
Net charge offs as a percentage of leasing revenue	**3.7%**	3.6%	**3.5%**	3.4%

Key performance indicators and non-IFRS measures

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

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

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

Adjusted Net Income and Adjusted Diluted Earnings Per Share

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

Items used to calculate adjusted net income and adjusted diluted earnings per share for the three-month periods and years ended December 31, 2024 and 2023 include those indicated in the chart below:

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT EARNINGS PER SHARE)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2022
Net income as stated	**73,825**	74,602	**283,110**	247,898
Impact of adjusting items				
Other operating expenses				
Advisory costs[1]	**-**	-	**4,941**	-
Integration costs[2]	**92**	131	**497**	608
Contract exit fee[4]	**-**	-	**-**	934
Depreciation and amortization				
Amortization of acquired intangible assets[3]	**3,275**	3,275	**13,100**	13,100
Other income [5]	**(6,105)**	(1,310)	**(3,132)**	(9,771)
Finance costs				
Refinancing costs related to notes payable[6],[7]	**9,429**	9,501	**9,429**	9,501
Discount on the repurchase of Notes Payable[6]	**(1,487)**	-	**(1,487)**	-
Fair value change on prepayment options related to Notes Payable[8]	**761**	(19,035)	**(13,216)**	(19,035)
Total pre-tax impact of adjusting items	**5,965**	(7,438)	**10,132**	(4,663)
Income tax impact of above adjusting items	**(2,391)**	1,797	**(3,100)**	(60)
After-tax impact of adjusting items	**3,574**	(5,641)	**7,032**	(4,723)
Adjusted net income	**77,399**	68,961	**290,142**	243,175
Weighted average number of diluted shares outstanding	**17,383**	17,207	**17,366**	17,117
Diluted earnings per share as stated	**4.25**	4.34	**16.30**	14.48
Per share impact of adjusting items	**0.20**	(0.33)	**0.41**	(0.27)
Adjusted diluted earnings per share	**4.45**	4.01	**16.71**	14.21

Adjusting items related to the advisory costs

[1] Advisory costs for the three-month period and year ended December 31, 2024 were related to non-recurring advisory, consulting and legal costs.

Adjusting items related to the LendCare acquisition

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

[3] Amortization of the $131 million intangible asset related to the acquisition of LendCare with an estimated useful life of ten years.

Adjusting items related to a contract exit fee

[4] In the first quarter of 2023, the Company settled its dispute with the third-party technology provider that was contracted in 2020 to develop a new loan management system.

Adjusting item related to other income

[5] For the three-month periods and years ended December 31, 2024 and 2023, net investment income were mainly due to fair value changes in the Company's investments.

Adjusting item related to the refinancing of Notes Payable

[6] In the fourth quarter of 2024, the Company the Company extinguished a total of US$255.4 million of 2026 Notes that were validly tendered and accepted for repurchase at a price of US$999.58 per US$1,000 principal amount, resulting in a $1.5 million discount. As a result of repurchasing these notes and the unwinding of the related cross-currency swaps, the Company incurred tender offer fees, recognized the remaining unamortized deferred financing costs related to these notes, realized derivative loss, and reclassified the net change in cash flow hedge from OCI to the consolidated statements of income resulting in a total refinancing cost of $9.4 million.

[7] In the fourth quarter of 2023, the Company repaid its 5.375% senior unsecured notes payable maturing on December 1, 2024 ("2024 Notes") that would have matured on December 1, 2024 and unwound the related cross currency swaps, incurring a $9.5 million refinancing costs, which included the recognition of the remaining unamortized deferred financing costs, realized derivative loss on the settlement of the cross-currency swaps associated to 2024 Notes, and the net change in cash flow hedge that was reclassified from other comprehensive income to consolidated statement of income.

Adjusting item related to prepayment options embedded in the Notes Payable

[8] For the three-month periods and years ended December 31, 2024 and 2023, the Company recognized a fair value change on the prepayment options related to Notes Payable.

Adjusted Net Income as a Percentage of Revenue

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

($ IN 000'S EXCEPT PERCENTAGES)	THREE MONTHS ENDED DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**73,825**	**73,825**	74,602	74,602
After-tax impact of adjusting items[1]	**-**	**3,574**	-	(5,641)
Adjusted net income	**73,825**	**77,399**	74,602	68,961
Divided by revenue	**405,185**	**405,185**	338,112	338,112
Net income as a percentage of revenue	**18.2%**	**19.1%**	22.1%	20.4%

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

($ IN 000'S EXCEPT PERCENTAGES)	YEAR ENDED DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**283,110**	**283,110**	247,898	247,898
After-tax impact of adjusting items[1]	**-**	**7,032**	-	(4,723)
Adjusted net income	**283,110**	**290,142**	247,898	243,175
Divided by revenue	**1,523,289**	**1,523,289**	1,250,069	1,250,069
Net income as a percentage of revenue	**18.6%**	**19.0%**	19.8%	19.5%

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

Adjusted Other Operating Expenses and Efficiency Ratio

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT EARNINGS PER SHARE)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Other operating expenses as stated	**90,355**	87,734	**361,973**	345,581
Impact of adjusting items[1]				
Other operating expenses				
Integration costs	**(92)**	(131)	**(497)**	(608)
Advisory costs	**-**	-	**(4,941)**	-
Contract exit fee	**-**	-	**-**	(934)
Depreciation and amortization				
Depreciation of lease assets	**7,622**	8,207	**29,482**	33,535
Total impact of adjusting items	**7,530**	8,076	**24,044**	31,993
Adjusted other operating expenses	**97,885**	95,810	**386,017**	377,574
Total revenue	**405,185**	338,112	**1,523,289**	1,250,069
Efficiency ratio	**24.2%**	28.3%	**25.3%**	30.2%

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

Adjusted Operating Margin

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

	THREE MONTHS ENDED			
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
easyfinancial				
Operating income	**174,189**	**174,189**	150,242	150,242
Divided by revenue	**367,344**	**367,344**	299,465	299,465
***easyfinancial* operating margin**	**47.4%**	**47.4%**	50.2%	50.2%
easyhome				
Operating income	**10,001**	**10,001**	9,404	9,404
Divided by revenue	**37,841**	**37,841**	38,647	38,647
easyhome operating margin	**26.4%**	**26.4%**	24.3%	24.3%
Total				
Operating income	**165,055**	**165,055**	137,237	137,237
Other operating expenses[1]				
Integration costs	**-**	**92**	-	131
Depreciation and amortization[1]				
Amortization of acquired intangible assets	**-**	**3,275**	-	3,275
Adjusted operating income	**165,055**	**168,422**	137,237	140,643
Divided by revenue	**405,185**	**405,185**	338,112	338,112
Total operating margin	**40.7%**	**41.6%**	40.6%	41.6%

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

($ IN 000'S EXCEPT PERCENTAGES)	YEAR ENDED DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
easyfinancial				
Operating income	**666,410**	**666,410**	534,516	534,516
Divided by revenue	**1,370,414**	**1,370,414**	1,096,817	1,096,817
***easyfinancial* operating margin**	**48.6%**	**48.6%**	48.7%	48.7%
easyhome				
Operating income	**44,586**	**44,586**	36,940	36,940
Divided by revenue	**152,875**	**152,875**	153,252	53,252
easyhome operating margin	**29.2%**	**29.2%**	24.1%	24.1%
Total				
Operating income	**609,657**	**609,657**	476,518	476,518
Other operating expenses[1]				
Advisory costs	**-**	**4,941**	-	-
Integration costs	**-**	**497**	-	608
Contract exit fee	**-**	**-**	-	934
Depreciation and amortization[1]				
Amortization of acquired intangible assets	**-**	**13,100**	-	13,100
Adjusted operating income	**609,657**	**628,195**	476,518	491,160
Divided by revenue	**1,523,289**	**1,523,289**	1,250,069	1,250,069
Total operating margin	**40.0%**	**41.2%**	38.1%	39.3%

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

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

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Net income as stated	**73,825**	74,602	**283,110**	247,898
Finance cost	**71,645**	36,580	**225,492**	149,334
Income tax expense	**25,690**	27,365	**104,187**	89,027
Depreciation and amortization	**20,797**	21,571	**83,895**	86,331
Depreciation of lease assets	**(7,622)**	(8,207)	**(29,482)**	(33,535)
EBITDA	**184,335**	151,911	**667,202**	539,085
Divided by revenue	**405,185**	338,112	**1,523,289**	1,250,069
EBITDA margin	**45.5%**	44.9%	**43.8%**	43.1%

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

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Cash used in operating activities	**(17,585)**	(129,784)	**(469,446)**	(473,217)
Net growth in gross consumer loans receivable during the period	**202,762**	214,926	**950,913**	850,508
Free cash flows from operations before net growth in gross consumer loans receivable	**185,177**	85,142	**481,467**	377,291

Adjusted Return on Receivables

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

	THREE MONTHS ENDED			
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**73,825**	**73,825**	74,602	74,602
After-tax impact of adjusting items[1]	**-**	**3,574**	-	(5,641)
Adjusted net income	**73,825**	**77,399**	74,602	68,961
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average gross consumer loans receivable	**4,536,022**	**4,536,022**	3,577,393	3,577,393
Return on receivables	**6.5%**	**6.8%**	8.3%	7.7%

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

	YEAR ENDED			
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**283,110**	**283,110**	247,898	247,898
After-tax impact of adjusting items[1]	**-**	**7,032**	-	(4,723)
Adjusted net income	**283,110**	**290,142**	247,898	243,175
Divided by average gross consumer loans receivable	**4,167,684**	**4,167,684**	3,245,686	3,245,686
Return on receivables	**6.8%**	**7.0%**	7.6%	7.5%

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

Adjusted Return on Assets

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

	THREE MONTHS ENDED			
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**73,825**	**73,825**	74,602	74,602
After-tax impact of adjusting items[1]	**-**	**3,574**	-	(5,641)
Adjusted net income	**73,825**	**77,399**	74,602	68,961
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average total assets for the period	**5,043,428**	**5,043,428**	4,050,068	4,050,068
Return on assets	**5.9%**	**6.1%**	7.4%	6.8%

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

	YEAR ENDED			
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**283,110**	**283,110**	247,898	247,898
After-tax impact of adjusting items[1]	**-**	**7,032**	-	(4,723)
Adjusted net income	**283,110**	**290,142**	247,898	243,175
Divided by average total assets for the year	**4,658,528**	**4,658,528**	3,715,531	3,715,531
Return on assets	**6.1%**	**6.2%**	6.7%	6.5%

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

Adjusted Return on Equity

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

	THREE MONTHS ENDED			
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**73,825**	**73,825**	74,602	74,602
After-tax impact of adjusting items[1]	**-**	**3,574**	-	(5,641)
Adjusted net income	**73,825**	**77,399**	74,602	68,961
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average shareholders' equity for the period	**1,196,902**	**1,196,902**	1,033,259	1,033,259
Return on equity	**24.7%**	**25.9%**	28.9%	26.7%

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

($ IN 000'S EXCEPT PERCENTAGES)	YEAR ENDED DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**283,110**	**283,110**	247,898	247,898
After-tax impact of adjusting items[1]	**-**	**7,032**	-	(4,723)
Adjusted net income	**283,110**	**290,142**	247,898	243,175
Divided by average shareholders' equity for the period	**1,139,198**	**1,139,198**	958,322	958,322
Return on equity	**24.9%**	**25.5%**	25.9%	25.4%

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

Reported and Adjusted Return on Tangible Common Equity

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

($ IN 000'S EXCEPT PERCENTAGES)	THREE MONTHS ENDED DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**73,825**	**73,825**	74,602	74,602
Amortization of acquired intangible assets	**3,275**	**3,275**	3,275	3,275
Income tax impact of the above item	**(868)**	**(868)**	(868)	(868)
Net income before amortization of acquired intangible assets, net of income tax	**76,232**	**76,232**	77,009	77,009
Impact of adjusting items[1]				
Other operating expenses				
Integration costs	**-**	**92**	-	131
Other income	**-**	**(6,105)**	-	(1,310)
Finance costs				
Refinancing costs related to Notes Payable	**-**	**9,429**	-	9,501
Discount on the repurchase of Notes Payable	**-**	**(1,487)**	-	-
Fair value change on prepayment options related to Notes Payable	**-**	**761**	-	(19,035)
Total pre-tax impact of adjusting items	**-**	**2,690**	-	(10,713)
Income tax impact of above adjusting items	**-**	**(1,523)**	-	2,665
After-tax impact of adjusting items	**-**	**1,167**	-	(8,048)
Adjusted net income	**76,232**	**77,399**	77,009	68,961
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Average shareholders' equity	**1,196,902**	**1,196,902**	1,033,259	1,033,259
Average goodwill	**(180,923)**	**(180,923)**	(180,923)	(180,923)
Average acquired intangible assets[2]	**(84,604)**	**(84,604)**	(97,704)	(97,704)
Average related deferred tax liabilities	**22,420**	**22,420**	25,892	25,892
Divided by average tangible common equity	**953,795**	**953,795**	780,524	780,524
Return on tangible common equity	**32.0%**	**32.5%**	39.5%	35.3%

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

($ IN 000'S EXCEPT PERCENTAGES)	YEAR ENDED DECEMBER 31, 2024	DECEMBER 31, 2024 (ADJUSTED)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)
Net income as stated	**283,110**	**283,110**	247,898	247,898
Amortization of acquired intangible assets	**13,100**	**13,100**	13,100	13,100
Income tax impact of the above item	**(3,471)**	**(3,471)**	(3,471)	(3,471)
Net income before amortization of acquired intangible assets, net of income tax	**292,739**	**292,739**	257,527	257,527
Impact of adjusting items[1]				
Other operating expenses				
Advisory costs	**-**	**4,941**	-	-
Integration costs	**-**	**497**	-	608
Contract exit fee	**-**		-	934
Other income	**-**	**(3,132)**	-	(9,771)
Finance costs				
Refinancing costs related to Notes Payable	**-**	**9,429**	-	9,501
Discount on the repurchase of Notes Payable	**-**	**(1,487)**	-	-
Fair value change on prepayment options related to Notes Payable	**-**	**(13,216)**	-	(19,035)
Total pre-tax impact of adjusting items	**-**	**(2,968)**	-	(17,763)
Income tax impact of above adjusting items	**-**	**371**	-	3,411
After-tax impact of adjusting items	**-**	**(2,597)**	-	(14,352)
Adjusted net income	**292,739**	**290,142**	257,527	243,175
Average shareholders' equity	**1,139,198**	**1,139,198**	958,322	958,322
Average goodwill	**(180,923)**	**(180,923)**	(180,923)	(180,923)
Average acquired intangible assets[2]	**(89,517)**	**(89,517)**	(102,617)	(102,617)
Average related deferred tax liabilities	**23,722**	**23,722**	27,194	27,194
Divided by average tangible common equity	**892,480**	**892,480**	701,976	701,976
Return on tangible common equity	**32.8%**	**32.5%**	36.7%	34.6%

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

Financial condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at December 31, 2024 and 2023.

($ IN 000'S, EXCEPT FOR RATIOS)	DECEMBER 31, 2024	DECEMBER 31, 2023
Consumer loans receivable, net	**4,366,533**	3,447,588
Cash	**251,381**	144,577
Accounts receivable	**42,438**	30,762
Prepaid expenses	**9,488**	9,462
Investments	**41,918**	61,464
Lease assets	**40,973**	45,187
Derivative financial assets	**60,675**	21,904
Property and equipment, net	**35,004**	35,382
Right-of-use assets, net	**54,224**	61,987
Intangible assets, net	**110,979**	124,931
Goodwill	**180,923**	180,923
Total assets	**5,194,536**	4,164,167
Notes payable	**2,413,795**	1,120,826
Revolving securitization warehouse facilities	**1,073,876**	1,364,741
Secured borrowings	**120,335**	143,177
Revolving credit facility	**21,797**	190,921
External debt	**3,629,803**	2,819,665
Accounts payable and other liabilities	**156,903**	72,409
Income taxes payable	**24,567**	24,691
Dividends payable	**19,519**	15,960
Unearned revenue	**25,864**	26,965
Accrued interest payable	**49,003**	12,875
Deferred income tax liabilities, net	**4,184**	24,259
Lease liabilities	**62,164**	70,809
Derivative financial liabilities	**21,466**	42,457
Total liabilities	**3,993,473**	3,110,090
Shareholders' equity	**1,201,063**	1,054,077
Total capitalization (external debt plus total shareholders' equity)	**4,830,866**	3,873,742
Capital management measures		
External debt to shareholders' equity[1]	**3.02**	2.68
Net debt to net capitalization[2]	**0.74**	0.72

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

[2] Net debt to net capitalization is a leverage metric the Company uses to ensure it is operating within its target leverage range. 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 $5.19 billion as at December 31, 2024, an increase of $1.03 billion or 24.7%, compared to December 31, 2023. The increase was related primarily to a $918.9 million increase in net consumer loans receivable driven by strong loan originations and a $106.8 million increase in cash, mainly driven by cash generated from operations and the cash proceeds from net borrowings from the Company's debt facilities, partially offset by repurchases of Common Shares through the Company's Normal Course Issuer Bid ("NCIB") during the current period and higher dividends paid.

The $1.03 billion of growth in total assets was primarily financed by: i) a $810.1 million increase in external debt mainly from the issuance of 2029 Notes, Additional 2029 Notes and 2030 Notes; and ii) a $147.0 million increase in total shareholders' equity, which was driven by the earnings generated by the Company, partially offset by dividends paid. While the Company has continued to pay a dividend to its shareholders, a large portion of the Company's earnings have been retained to fund growth of its consumer lending business.

Liquidity and capital resources

Cash Flow Review

The table below provides a summary of cash flow components for the three-month periods and years ended December 31, 2024 and 2023.

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S)	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
Cash provided by operating activities before net issuance of consumer loans receivable and purchase of lease assets	**305,993**	183,338	**942,431**	718,767
Net issuance of consumer loans receivable	**(316,342)**	(302,947)	**(1,386,709)**	(1,161,870)
Purchase of lease assets	**(7,236)**	(10,175)	**(25,168)**	(30,114)
Cash used in operating activities	**(17,585)**	(129,784)	**(469,446)**	(473,217)
Cash provided by (used) in investing activities	**14,222**	(2,763)	**3,518**	(11,749)
Cash provided by financing activities	**103,688**	193,062	**572,732**	566,889
Net increase in cash for the period	**100,325**	60,515	**106,804**	81,923

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

Cash Flow Analysis for the Three Months Ended December 31, 2024

Cash used in operating activities for the three-month period ended December 31, 2024 was $17.6 million, compared with $129.8 million in the same period of 2023. Included in cash used in operating activities were: i) a net issuance of consumer loans receivable of $316.3 million; and ii) the purchase of lease assets of $7.2 million. If the net issuance of consumer loans receivable and the purchase of lease assets were treated as cash flows from investing activities, the cash flows generated by operating activities would have been $306.0 million, up from $183.3 million in the same period of 2023, mainly driven by higher non-cash expenses and favourable changes in working capital.

During the three-month period ended December 31, 2024, cash generated in investing activities was $14.2 million, compared to $2.8 million used in investing activities in the same period of 2023, mainly due to the proceeds on sale of investments in listed and actively traded companies.

During the three-month period ended December 31, 2024, the Company generated $103.7 million in cash flow from financing activities, compared to $193.1 million in the same period of 2023. The decrease was mainly due to lower net borrowings on the Company's debt facilities and repurchases of Common Shares through the Company's NCIB during the current period.

Cash Flow Analysis for the Year Ended December 31, 2024

Cash used in operating activities during the year was $469.4 million, compared with $473.2 million in 2023. Included in cash used in operating activities for the year were: i) a net issuance of consumer loans receivable of $1.39 billion; and ii) the purchase of $25.2 million of lease assets. If the net issuance of consumer loans receivable and the purchase of lease assets were treated as cash flows from investing activities, the cash flows generated by operating activities would have been $942.4 million, up from $718.8 million in 2023. The increase was mainly driven by higher earnings and higher non-cash expenses, partially offset by unfavourable changes in working capital.

During the year, the Company generated $3.5 million in investing activities, compared to $11.7 million used in investing activities in the same period of 2023, mainly due to the larger proceeds on sale of investments in listed and actively traded companies.

During the year, the Company generated $572.7 million in cash flow from financing activities, compared to $566.9 million in the same period of 2023. The increase was mainly due to higher net borrowings on the Company's debt facilities, partially offset by repurchases of Common Shares through the Company's NCIB during the current period and higher dividends paid.

Capital and Funding Resources

goeasy funds its business through a combination of equity and debt instruments. goeasy's Common Shares are listed for trading on the TSX under the trading symbol "GSY". goeasy is rated BB- with a stable trend from S&P and Ba3 with a stable trend from Moody's.

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

As at December 31, 2024, the Company's external debt consisted of Notes Payable with a net carrying value of $2.41 billion, $1.08 billion drawn against the Company's Revolving Securitization Warehouse Facilities, $25.0 million drawn against the Company's Revolving Credit Facility and $120.3 million drawn against the Company's Secured Borrowings.

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

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

Borrowings under the 2029 Notes bore a USD coupon rate of 7.625%. Through a cross-currency swap agreement arranged concurrently with the issuance of the 2029 Notes, the Company hedged the risk of changes in the foreign exchange rate for payments of principal and interest until July 1, 2028, effectively hedging the obligation at a Canadian dollar interest rate of 7.195%. These 2029 Notes mature on July 1, 2029.

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

Borrowings under the 2030 USD Notes bore a USD coupon rate of 6.875% and 2030 CAD Notes bore a CAD coupon rate of 6.000%. Through a cross-currency swap with the issuance of the 2030 USD Notes, the Company hedge the risk of changes in the foreign exchange rate for payments of principal and interest until May 15, 2029, effectively hedging the obligation at a Canadian dollar interest rate of 5.977%. These 2030 Notes mature on May 15, 2030.

The Company's Revolving Securitization Warehouse Facility I and Revolving Securitization Warehouse Facility II have maturity dates of October 31, 2025 and December 15, 2026, respectively. Borrowings on Revolving Securitization Warehouse Facility I bear interest at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 195 bps; provided further that the interest rate shall not fall below 195 bps. Borrowings on Revolving Securitization Warehouse Facility II bear interest at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 185 bps; provided further that the interest rate shall not fall below 185 bps. Concurrent with the establishment of the Revolving Securitization Warehouse Facilities, the Company entered into interest rate swap agreements as cash flow hedges to protect against the risk of changes in the variability of future interest rates by paying a fixed rate on each draw based on the weighted average life of the securitized loans and receiving a variable rate equivalent to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps.

Borrowings under the Company's Revolving Credit Facility bear interest at 225 bps plus either (i) the forward-looking Term CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three-month interest period; or (ii) the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three month interest period; providedxsfurther that the interest rate shall not fall below 225 bps.

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

- A $105 million securitization facility ("$105 million Securitization Facility"), which bears interest at the GOCB rate (with a floor rate of 0.95%) plus 395 bps. The loan sale agreement to sell loans into the facility expired on July 31, 2021. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.
- An $85 million securitization facility ("$85 million Securitization Facility"), which bears interest at the GOCB rate (with a floor rate of 0.25%) plus 325 bps. In addition to the securitization loan facility, there was a $6 million accumulation loan agreement, which advances 85% of the face value of consumer loans for up to a 90-day period, bearing interest at the Canadian Bankers' Acceptance rate ("BA") plus 400 bps. The loan sale agreement to sell loans into the facility expired on November 30, 2021. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

  On April 30, 2023, the Company amended this securitization facility to provide for $150 million of incremental funding ("$150 million Securitization Facility"), bearing an interest equal to an interpolated GOCB rate plus an initial spread of 310 bps. The loan sale agreement to sell loans into the facility expired on April 30, 2024. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

  On May 28, 2024, the Company further amended this securitization facility to provide for $125 million of incremental funding ("$125 million Securitization Facility") through the sale of consumer loans until May 31, 2025. The facility continues to bear an interest equal to an interpolated GOCB rate plus an initial spread of 310 bps.

The average blended coupon interest rate for the Company's debt as at December 31, 2024 was 6.8%, up from 6.4% as at December 31, 2023.

Including the cash position of $251.4 million, the Company's total liquidity as at December 31, 2024 was $1.87 billion.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

($ IN 000'S)	Less than 1 Year	1 to 3 Years	4 to 5 Years	5 Years +	Total
December 31, 2024					
Accounts payable and other liabilities	**156,903**	**-**	**-**	**-**	**156,903**
Accrued interest payable	**49,003**	**-**	**-**	**-**	**49,003**
Revolving credit facility	**-**	**25,000**	**-**	**-**	**25,000**
Revolving securitization warehouse facilities	**-**	**1,077,500**	**-**	**-**	**1,077,500**
Secured borrowings	**65,471**	**32,813**	**21,772**	**279**	**120,335**
Derivative financial liabilities	**-**	**21,466**	**-**	**-**	**21,466**
Notes payable	**-**	**849,954**	**1,441,198**	**149,884**	**2,441,036**
December 31, 2023					
Accounts payable and other liabilities	72,409	-	-	-	72,409
Accrued interest payable	12,875	-	-	-	12,875
Revolving credit facility	-	192,000	-	-	192,000
Revolving securitization warehouse facilities	-	1,370,000	-	-	1,370,000
Secured borrowings	69,450	67,925	5,224	578	143,177
Derivative financial liabilities	-	4,166	38,291	-	42,457
Notes payable	-	424,064	709,825	-	1,133,889

Outstanding shares and dividends

As at February 13, 2025, there were 16,470,723 Common Shares, 363,777 Board deferred share units, 108,168 share options, 252,579 restricted share units, 69,375 Executive deferred share units and no warrants outstanding.

Normal Course Issuer Bid

On December 16, 2022, the Company announced the acceptance by the TSX of the Company's Notice of Intention to make an NCIB (the "2022 NCIB"). Pursuant to the 2022 NCIB, the Company proposed to purchase, from time to time, up to an aggregate of 1,252,730 common shares being approximately 10% of goeasy's public float. As at December 9, 2022, goeasy had 16,438,926 common shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2022, was 49,253. Under the 2022 NCIB, daily purchases were limited to 12,313 common shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The purchases were permitted to commence on December 21, 2022, and terminated on December 20, 2023.

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

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

For the year ended December 31, 2024, the Company purchased and cancelled 163,061 of its Common Shares on the open market at an average price of $165.51 per share, for a total cost of $27.0 million. For the year ended December 31, 2023, the Company did not purchase and cancel any common shares.

Dividends

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

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

For the quarter ended December 31, 2024, the Company declared a $1.17 per share quarterly dividend on outstanding Common Shares. This dividend was paid on January 10, 2024.

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 fourth quarter of the years indicated:

	2024	2023	2022	2021	2020	2019	2018
Quarterly dividend per share	**$1.170**	$0.960	$0.910	$0.660	$0.450	$0.310	$0.225
Percentage increase	**21.9%**	5.5%	37.9%	46.7%	45.2%	37.8%	25.0%

Commitments, guarantees and contingencies

Commitments

The Company is committed to software maintenance, development and licensing service agreements, and operating leases for premises and vehicles. Some of the Company's lease contracts for premises include extension options. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised. As at December 31, 2024, no extension option for lease contracts for premises is expected to be exercised.

The undiscounted potential future lease payments for operating leases for premises and vehicles and the estimated operating costs related to technology commitments required for the next five years and thereafter are as follows:

($ IN 000'S)	WITHIN 1 YEAR	AFTER 1 YEAR, BUT NOT MORE THAN 5 YEARS	MORE THAN 5 YEARS
Premises	22,799	39,883	4,521
Technology commitments	22,601	23,151	3,538
Vehicles	753	1,406	-
Total contractual obligations	46,153	64,440	8,059

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

Risk factors

Overview

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

Strategic Risk

Strategic risk is the risk from changes in the business environment, fundamental changes in demand for the Company's products or services, improper implementation of decisions, execution of the Company's strategy or inadequate responsiveness to changes in the business environment, including changes in the competitive and regulatory landscapes.

The Company's growth strategy is focused on consumer lending through its easyfinancial and LendCare operating segments. The Company's ability to increase its customer and revenue base is contingent, in part, on its ability to grow its consumer loans receivable portfolio, to access customers through new delivery channels, to secure and maintain merchant partnerships for LendCare, to successfully develop and launch new products to meet evolving customer demands, to secure growth financing at a reasonable cost and to execute with efficiency and effectiveness.

The impact of poor execution by management or an inadequate response to changes in the business environment could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

Market Risk

Macroeconomic Conditions

Certain changes in macroeconomic conditions, many of which are beyond the Company's control, can have a negative impact on its customers and its performance. The Company's primary customer segment is the non-prime consumer. These cash and credit constrained customers are affected by adverse macroeconomic conditions such as higher unemployment rates and/or costs of living, which can result in lower collection rates and higher charge off rates and adversely affect the Company's performance, financial condition and liquidity. The Company can neither predict the impact of the current economic conditions will have on its future results, nor predict when the economic environment will change.

There can be no assurance that economic conditions will remain favorable for the Company's business or that demand for loans or default rates by customers will remain at current levels. Reduced demand for loans would negatively impact the Company's growth and revenues, while increased default rates by customers may inhibit the Company's access to capital, hinder the growth of its loan portfolio and negatively impact its profitability. Either such result could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

Interest Rate Risk

Interest rate risk measures the Company's risk of financial loss due to adverse movements in interest rates. The Company maintains diversified funding sources and utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility.

The 2026 Notes, 2028 Notes, 2029 Notes, Additional 2029 Notes and 2030 Notes maturing on May 1, 2026, December 1, 2028, July 1, 2029, July 1, 2029, and May 15, 2030, respectively, have fixed rates of interest.

The Revolving Credit Facility has variable interest rates at either the lender's prime rate plus 75 bps or 225 bps plus either (i) the forward-looking Term CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three month interest period; or (ii) the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three month interest period; provided further that the interest rate shall not fall below 225 bps. The Company does not hedge interest rates on the Revolving Credit Facility. Accordingly, future changes in interest rates will affect the amount of interest expense payable by the Company to the extent draws are made on the variable rate Revolving Credit Facility. As at December 31, 2024, the Company's has drawn $25 million against its $550 million Revolving Credit Facility.

The Revolving Securitization Warehouse Facility I has variable interest rates at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 195 bps; provided further that the interest rate shall not fall below 195 bps. The Revolving Securitization Warehouse Facility II has variable interest rates at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 185 bps; provided further that the interest rate shall not fall below 185 bps. The Company entered into interest rate swap agreements as cash flow hedges to protect itself against the variability of future interest payments by paying a fixed rate based on the weighted average life of the securitized loans and receiving variable rate equivalent to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps. As such, each incremental swap that is taken on has a hedge implemented that results in interest rates becoming fixed for the duration of that swap.

The $105 million Securitization Facility bears interest at the GOCB rate (with a floor rate of 0.95%) plus 395 bps and the $85 million Securitization Facility bears interest at the GOCB (with a floor rate of 0.25%) plus 325 bps. The loan sale agreements to sell loans into these facilities expired in 2021. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity. The $150 million Securitization Facility and $125 million Securitization Facility bear interest at an interpolated GOCB rate plus 310 bps. The interpolated rate is determined using the remaining maturity of each loan sold into the facility, and the rate remains fixed for the life of the loan.

As at December 31, 2024, 99% (2023 – 93%) of the Company's drawn debt balances effectively bear fixed rates due to the type of debt and the aforementioned interest rate swap agreement on the Revolving Securitization Warehouse Facilities.

The Company cannot predict the impact of the changing economic conditions will have on its future results, nor predict when interest rates will change.

Foreign Currency Risk

The 2026 Notes, 2028 Notes, 2029 Notes, Additional 2029 Notes and 2030 USD Notes were issued in USD. Concurrent with these offerings, the Company entered into cross-currency swap agreements to hedge the risk of changes in the foreign exchange rate for the proceeds from the offerings and for payments of principal and interest under these notes effectively hedging the obligation. The hedge is designed to match the cash flow obligations of the Company under the Notes Payable, covering either full or partial term.

The Company sources some of its merchandise and services out of the United States and, as such, its Canadian operations have some United States dollar denominated cash and payable balances. As a result, the Company has both foreign exchange transaction and translation risk. Although the Company has United States dollar denominated purchases, it has historically been able to price its lease transactions to compensate for the impact of foreign currency fluctuations on its purchases. However, in periods of rapid change in the Canadian to United States dollar exchange rate, the Company may not be able to pass on such changes in the cost of purchased products to its customers, which may negatively impact its financial performance.

Competition

The Company estimates the size of the Canadian market for non-prime consumer lending, excluding mortgages, is approximately $231.4 billion. This demand is currently being met by a wide variety of industry participants that offer diverse products, including auto lending, credit cards, installment loans, retail finance programs, small business lending and real estate secured lending. Generally, industry participants have tended to focus on a single product offering rather than providing consumers with multiple alternatives. As a result, the suppliers to the marketplace are quite diverse.

Competition in the non-prime consumer lending market is based primarily on access, flexibility and cost (interest rates). Consumers are generally able to transition between different types of lending products that are available in the marketplace to satisfy their need for these different characteristics. While traditional financial institutions are likely to decrease their risk tolerance and move farther away from non-prime lending, regional financial institutions such as credit unions, payday lenders, marketplace lenders and online lenders may consider expansion into the non-prime market. In addition, the recent change to the maximum allowable rate of interest in Canada may result in corresponding impacts to the competitiveness of the Canadian non-prime market.

The Company also faces direct competition in the Canadian market from other merchandise leasing companies. Other factors that may adversely affect the performance of the leasing business are increased sales of used furniture and electronics online and at retail stores that offer a non-prime point-of-sale purchase financing option. Additional competitors, both domestic and international, may emerge since barriers to entry are relatively low.

Credit Risk

Credit risk is the risk of loss that arises when a customer or counterparty fails to pay an amount owing to the Company.

The maximum exposure to credit risk is represented by the carrying amount of the accounts receivable, consumer loans receivable and lease assets with customers under merchandise lease agreements. The Company provides consumer loans and lease products to thousands of customers pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity. The Company is subject to a higher level of credit risk due to the credit constrained nature of many of the Company's customers and in circumstances where its policies and procedures are not complied with.

Credit risk related to the Company's consumer loans receivable is impacted by both the Company's credit policies and the lending practices which are overseen by the Company's Credit Committee, comprised of members of senior management. Credit quality of the customer is assessed using proprietary credit models and individual credit limits are defined in accordance with this assessment. The Company evaluates the concentration of risk with respect to customer loans receivable as low, as its customers are located in several jurisdictions and operate independently. The Company continuously updates its underwriting models based on the historical performance of groups of customer loans, which guide its lending decisions. To the extent such historical data used to develop its underwriting models is not representative or predictive of current loan book performance, the Company could suffer increased loan losses.

The Company maintains an allowance for credit losses as prescribed by IFRS 9 and as described fully in the notes to the Company's consolidated financial statements for the year ended December 31, 2024. The process for establishing an allowance for loan losses is critical to the Company's results of operations and financial conditions and is based on historical data, the underlying health and quality of the consumer loan portfolio at a point in time, and forward-looking indicators. To the extent that such inputs used to develop its allowance for credit losses are not representative or predictive of current loan book performance, the Company could suffer increased loan losses greater than those provided for on its consolidated financial statements.

The Company cannot guarantee that delinquency and loss levels will correspond with historical levels experienced, and there is a risk that delinquency and loss rates could increase significantly and have a material adverse effect on the financial results of the Company.

Credit risk related to lease assets with customers results from the possibility of customer default with respect to agreed upon payments or in not returning the lease assets. The Company has a standard collection process in place in the event of payment default, which includes the recovery of the lease asset if satisfactory payment terms cannot be worked out with the customer, as the Company maintains ownership of the lease assets until payment options are exercised.

For accounts receivable from third parties, credit risk relates to the possibility of default on amounts owing to the Company. The Company deals with credible companies, performs ongoing credit evaluations of counterparties and consumers and creates an allowance for uncollectible amounts when determined to be appropriate.

The Company has established a Credit Committee and created processes and procedures to identify, measure, monitor and mitigate significant credit risks. However, to the extent that such risks go unidentified or are not adequately or expeditiously addressed by senior management, the Company and its financial performance could be adversely affected.

Liquidity and Funding Risk

Liquidity Risk

The Company has been funded through various sources, including the Revolving Credit Facility, the Revolving Securitization Warehouse Facilities, Secured Borrowings, the 2026 Notes, the 2028 Notes, the 2029 Notes, the Additional 2029 Notes, the 2030 Notes, and public market equity offerings. The availability of additional financing will depend on a variety of factors, including the availability of credit and equity financing to the financial services industry and the Company's financial performance and credit ratings.

The Company has publicly stated that it intends to continue to expand its consumer lending business. To achieve this goal, the Company may require additional funds which can be obtained through various sources, including debt or equity financing. There can be no assurance, however, that additional funding will be available when needed or will be available on terms favorable to the Company. The inability to access adequate sources of financing, or to do so on favorable terms, may adversely affect the Company's capital structure and ability to fund operational requirements and satisfy financial obligations. If additional funds are raised by issuing equity securities, shareholders may incur dilution.

Liquidity risk is the risk that the Company's financial condition is adversely affected by an inability to meet funding obligations and support the Company's business growth. The Company manages its capital to maintain its ability to continue as a going concern and to provide adequate returns to shareholders by way of share appreciation and dividends. The Company's capital structure consists of external debt and shareholders' equity, which comprises issued capital, contributed surplus and retained earnings.

All of the Company's debt facilities must be renewed on a periodic basis. These facilities contain restrictions on the Company's ability to, among other things, pay dividends, sell or transfer assets, incur additional debt, repay other debt, make certain investments or acquisitions, repurchase or redeem shares and engage in alternate business activities. The facilities also contain a number of covenants that require the Company to maintain certain specified financial ratios. Failure to meet any of these covenants could result in an event of default under these facilities which could, in turn, allow lenders to declare all amounts outstanding to be immediately due and payable. In such a case, the financial condition, liquidity and results of the Company's operations could materially suffer.

The Company has strengthened its banking relationships and diversified its funding sources over the past years. In 2024, the Company increased its Revolving Securitization Warehouse Facility II from $500 million to $700 million and extended the maturity date to December 15, 2026, increased its Revolving Credit Facility from $370 million to $550 million and extended the maturity date to July 18, 2027, and amended its securitization facility with a leading Canadian insurance company, to provide for $125 million of funding through the sale of consumer loans until May 31, 2025. In the year, the Company issued 2029 Notes, Additional 2029 Notes and 2030 Notes. If the Company is unable to renew these facilities on acceptable terms when they become due, there could be a material adverse effect on the Company's financial condition, liquidity and results of operations.

Debt Service

The Company's ability to make scheduled payments on, or refinance its debt obligations, depends on its financial condition and operating performance, which are subject to a number of factors beyond its control. The Company may be unable to maintain a level of cash flows from operating activities sufficient to permit it to repay the principal and interest on its indebtedness.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, reduce its growth plans, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to obtain such alternative measures on commercially reasonable terms, or at all and, even if successful, those alternative actions may not allow it to meet its scheduled debt service obligations. The Company's credit agreements restrict its ability to dispose of assets and use the proceeds from those dispositions and may also restrict its ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. The Company may not be able to consummate any such dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations when due.

The Company's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms, or at all, would materially and adversely affect its business, results of operations and financial condition. Failure to meet its debt obligations could result in default under its lending agreements. In the event of such default, the holders of such indebtedness could elect to declare all of the funds borrowed thereunder to be immediately due and payable, together with accrued and unpaid interest, and the Company could, among other remedies that may be available, be forced into bankruptcy, insolvency or liquidation. If the Company's operating performance declines, it may need to seek waivers from the holders of such indebtedness to avoid being in default under the instruments governing such indebtedness. If the Company breaches its covenants under its indebtedness, it may not be able to obtain a waiver from the holders of such indebtedness on terms acceptable to the Company or at all. If this occurs, the Company would be in default under such indebtedness, and the holders of such indebtedness could exercise their rights as described above and the Company could, among other remedies that may be available, be forced into bankruptcy, insolvency or liquidation. A default under the agreements governing certain of the Company's existing or future indebtedness and the remedies sought by the holders of such indebtedness could make the Company unable to pay principal or interest on the debt.

Debt Covenants

The agreements governing the Company's credit facilities contain restrictive covenants that may limit its discretion with respect to certain business matters. These covenants may place significant restrictions on, among other things, the Company's ability to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees, and to sell or otherwise dispose of assets. In addition, the agreements governing the Company's credit facilities may contain financial covenants that require it to meet certain financial ratios and financial condition tests.

If the Company fails to maintain the requisite financial ratios under the agreement governing its credit facilities, it will be unable to draw any amounts under the credit facilities until such default is waived or cured as required. In addition, such a failure could constitute an event of default under the Company's lending agreements entitling the lenders to accelerate the outstanding indebtedness thereunder unless such event of default is cured as required by the agreement. The Company's ability to comply with these covenants in future periods will depend on its ongoing financial and operating performance, which in turn will be subject to economic conditions and to financial, market and competitive factors, many of which are beyond its control.

The restrictions in the agreements governing the Company's credit facilities may prevent the Company from taking actions that it believes would be in the best interest of its business and may make it difficult for it to execute its business strategy successfully or effectively compete with companies that are not similarly restricted. The Company may also incur future debt obligations that might subject it to additional restrictive covenants that could affect its financial and operational flexibility.

The Company's ability to comply with the covenants and restrictions contained in the agreement governing the Company's credit facilities may be affected by economic, financial and industry conditions beyond its control. The breach of any of these covenants or restrictions could result in a default under the agreements that would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable (including terminating any outstanding hedging arrangements), together with accrued and unpaid interest, or cause cross-defaults under the Company's other debts. If the Company is unable to repay its secured debt, lenders could proceed against the collateral securing the debt. This could have serious consequences to the Company's financial condition and results of operations and could cause it to become bankrupt or insolvent.

Credit Ratings

The Company received credit ratings in connection with the issuance of its Notes Payable. Any credit ratings applied to these notes are an assessment of the Company's ability to pay its obligations. The Company is under no obligation to maintain any credit rating with credit rating agencies and there is no assurance that any credit rating assigned to these notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering, withdrawal or failure to maintain any credit ratings applied to these notes may have an adverse effect on the market price or value and the liquidity of these notes and, in addition, any such action could make it more difficult or more expensive for the Company to obtain additional debt financing in the future.

Possible Movement of Stock Price

The market price of the Common Shares, similar to that of other public companies, has been subject to significant fluctuation in response to numerous factors, including significant shifts in the availability of global credit, changes in macroeconomic performance due to volatile shifts in oil prices and unexpected natural disasters, concerns about the global economy and potential recession, economic shocks, as well as variations in the annual or quarterly financial results of the Company, timing of announcements of acquisitions or material transactions by the Company or its competitors, other conditions in the economy in general or in the industry in particular, changes in applicable laws and regulations and other factors. Moreover, from time to time, the stock markets experience significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company's performance. No prediction can be made as to the effect, if any, that future sales of Common Shares or the availability of shares for future sale (including shares issuable upon the exercise of stock options) will have on the market price of the Common Shares prevailing from time to time. Sales of substantial numbers of such shares or the perception that such sales could occur may adversely affect the prevailing price of the Common Shares. Significant changes in the stock price could jeopardize the Company's ability to raise growth capital through an equity offering without significant dilution to existing shareholders.

Operational Risk

Operational risk, which is inherent in all business activities, is the potential for loss as a result of external events, human behaviour (including error and fraud, non-compliance with mandated policies and procedures or other inappropriate behaviour) or inadequacy, or the failure of processes, procedures or controls. The impact may include financial loss, loss of reputation, loss of competitive position or regulatory and civil penalties. While operational risk cannot be eliminated, the Company takes reasonable steps to mitigate this risk by putting in place a system of oversight, policies, procedures and internal controls.

Dependence on Key Personnel

One of the significant limiting factors in the Company's performance and expansion plans will be the hiring and retention of the best people for the job. Over the past few years, the Company has strengthened its hiring competencies and training programs.

In particular, the Company is dependent upon the abilities, experiences and efforts of its senior management team and other key employees. The loss of these individuals without adequate replacement could have a material adverse impact on its business and operations.

As a consequence of its growth strategy and relatively high employee turnover at the store and branch level, the Company requires a growing number of qualified managers and other store or branch personnel to successfully operate its expanding branch and store network. There is competition for such personnel, and there can be no assurances that the Company will be successful in attracting and retaining the personnel it may require. If the Company is unable to attract and retain qualified personnel or its costs to do so increase dramatically, its operations would be materially adversely affected.

Outsource Risk

The Company outsources certain business functions to third-party service providers, which increases its operational complexity and decreases its control. The Company relies on these service providers to provide a high level of service and support, which subjects it to risks associated with inadequate or untimely service. In addition, if these outsourcing arrangements were not renewed or were terminated or the services provided to the Company were otherwise disrupted, the Company would have to obtain these services from an alternate provider. The Company may be unable to replace, or be delayed in replacing, these sources and there is a risk that it would be unable to enter into a similar agreement with an alternate provider on terms that it considers favorable or in a timely manner. In the future, the Company may outsource additional business functions. If any of these or other risks relating to outsourcing were realized, the Company's financial position, liquidity and results of operations could be adversely affected.

Fraud Risk

Employee and customer misconduct could subject the Company to financial losses or regulatory sanctions and seriously harm the Company's reputation. Misconduct by its employees could include hiding unauthorized activities, improper or unauthorized activities on behalf of customers or improper use of confidential information. It is not always possible to prevent employee error and misconduct, and the precautions the Company takes to prevent and detect this activity may not be effective in all cases. Employee error could also subject the Company to financial claims for negligence.

If the Company's internal controls fail to prevent or detect an occurrence, or if any resulting loss is not insured, exceeds applicable insurance limits or if insurance coverage is denied or not available, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Technology Risk

The Company is dependent upon the successful and uninterrupted functioning of its computer, communications and data processing systems. The failure of these systems could interrupt operations or materially impact the Company's ability to enter into new lease or lending transactions and service or collect customer accounts. Although the Company has extensive information technology security and disaster recovery plans, such a failure, if sustained, could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

Breach of Information Security

The Company's operations rely heavily on the secure processing, storage and transmission of confidential and sensitive customer and other information through its information technology network. Other risks include the Company's use of third-party vendors with access to its network that may increase the risk of a cyber security breach. Third-party breaches or inadequate levels of cyber security expertise and safeguards may expose the Company, directly or indirectly, to security breaches.

A breach, unauthorized access, computer virus, or other form of malicious attack on the Company or its vendors may result in the compromise of confidential and/or sensitive customer or employee information, destruction or corruption of data, reputational harm affecting customer and investor confidence, and a disruption in the management of customer relationships or the inability to originate, process and service the Company's leasing or lending portfolios which could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

To mitigate the risk of an information security breach, the Company regularly assesses such risks, has a disaster recovery plan in place and has implemented reasonable controls over unauthorized access. The Company takes reasonable measures to protect the security of its information systems (including against cyber-attacks). The Chief Information Officer of the Company oversees information security. However, such a cyber-attack or data breach could have a material adverse effect on the Company and its financial condition, liquidity and results of operations.

Privacy, Information Security, and Data Protection Regulations

The Company is subject to various privacy and information security laws and takes reasonable measures to ensure compliance with all requirements. Legislators and regulators are increasingly adopting new privacy and information security laws which may increase the Company's cost of compliance. While the Company has taken reasonable steps to protect its data and that of its customers, a breach of the Company's information security may adversely affect the Company's reputation and also result in fines or penalties from governmental bodies or regulators.

Risk Management Processes and Procedures

The Company has established a Risk Oversight Committee and created regular and ongoing processes and procedures to identify, measure, monitor and mitigate significant risks to the organization. However, to the extent such risks go unidentified or are not adequately or expeditiously addressed by management, the Company could be adversely affected.

Compliance Risk

Internal Controls Over Financial Reporting

The effective design of internal controls over financial reporting is essential for the Company to prevent and detect fraud or material errors that may have occurred. The Company is also obligated to comply with the Form 52-109F2 Certification of interim filings and 52-109F1 Certification of annual filings of the Ontario Securities Commission, which requires the Company's CEO and CFO to submit a quarterly and annual certificate of compliance. The Company and its management have taken reasonable steps to ensure that adequate internal controls over financial reporting are in place. However, there is a risk that a fraud or material error may go undetected and that such material fraud or error could adversely affect the Company.

Government Regulation and Compliance

The Company takes reasonable measures to ensure compliance with governing statutes, regulations and regulatory policies. A failure to comply with such statutes, regulations or regulatory policies could result in sanctions, fines or other settlements that could adversely affect both its earnings and reputation. Changes to laws, statutes, regulations or regulatory policies could also change the economics of the Company's merchandise leasing and consumer lending businesses including the salability or pricing of certain ancillary products which could have a material adverse effect on the Company.

Section 347 of the Criminal Code prohibits the charging of an effective annual rate of interest that exceeds thirty- five percent for an agreement or arrangement for credit advanced. The Company believes that easyfinancial is subject to section 347 of the Criminal Code and closely monitors any legislative activity in this area, including the changes noted above. The application of additional capital requirements or a reduction in the maximum cost of borrowing could have a material adverse effect on the Company's financial condition, liquidity and results of operations. The Company believes that this change to the maximum allowable rate of interest, effective January 1, 2025, will not impact the projected annual increase in its adjusted diluted earnings per share going forward. At present, additional provincial regulation in certain geographic areas focusing on high-cost credit loans have been adopted, but do not materially impact the Company's business operations.

While management of the Company is of the view that its merchandise leasing business does not involve the provision of credit, it could be determined that aspects of easyhome's merchandise leasing business are subject to the Criminal Code. The Company has implemented measures to ensure that the aggregate of all charges and expenses under its merchandise lease agreement do not exceed the maximum interest rate allowed by law. Where aspects of easyhome's business are subject to the Criminal Code, and the Company has not complied with the requirements thereof, the Company could be subject to either or both (1) civil actions for nullification of contracts, rebate of some or all payments made by customers, and damages; and (2) criminal prosecution for violation of the Criminal Code, any of which outcomes could have a material adverse effect on the Company.

Numerous consumer protection laws and related regulations impose substantial requirements upon lenders involved in consumer finance, including leasing and lending. Also, federal and provincial laws impose restrictions on consumer transactions and require contract disclosures relating to the cost of borrowing and other matters. These requirements impose specific statutory liabilities upon creditors who fail to comply with their provisions.

easyfinancial is subject to minimal regulatory capital requirements in connection with its operations in Saskatchewan. Otherwise, the Company operates in an unregulated environment with regard to capital requirements.

Accounting Standards

From time to time the Company may be subject to changes in accounting standards issued by accounting standard-setting bodies, which may affect the Company's consolidated financial statements, reduce its reported profitability and change the calculation of its financial covenant measures.

Legal and Reputational Risk

Reputation

The Company's reputation is very important to attracting new customers to its platform, securing repeat lending to existing customers, hiring the best employees and obtaining financing to facilitate the growth of its business. While the Company believes that it has a good reputation and that it provides customers with a superior experience, there can be no assurance that the Company will continue to maintain a good relationship with customers or avoid negative publicity, given the higher risk industry, generally subject to an above-average level of scrutiny.

In recent years, consumer advocacy groups and some media reports have advocated governmental action to prohibit or place severe restrictions on non-bank consumer loans, not making the proper distinction between payday loans and non-prime loans. Such consumer advocacy groups and media reports generally focus on the annual percentage rate for this type of consumer loan, which is compared unfavorably to the interest typically charged by banks to consumers with top-tier credit histories. The finance charges the Company assesses can attract media publicity about the industry and be perceived as controversial. Customers' acceptance of the interest rates the Company charges on its consumer loans receivable could impact the future rate of the growth. Additionally, if the negative characterization of these types of loans is accepted by legislators and regulators, the Company could become subject to more restrictive laws and regulations applicable to consumer loan products that could have a material adverse effect on the Company's business, prospects, results of operations, financial condition or cash flows.

The Company's ability to attract and retain customers is highly dependent upon the external perceptions of its level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters — even if related to seemingly isolated incidents, or even if related to practices not specific to short-term loans, such as debt collection — could erode trust and confidence and damage the Company's reputation among existing and potential customers, which would make it difficult to attract new customers and retain existing customers, significantly decrease the demand for the Company's products, result in increased regulatory scrutiny, and have a material adverse effect on the Company's business, prospects, results of operations, financial condition, ability to raise growth capital or cash flows.

Litigation

From time to time and in the normal course of business, the Company may be involved in material litigation or may be subject to regulatory actions. There can be no assurance that any litigation or regulatory action in which the Company may become involved in the future will not have a material adverse effect on the Company's business, financial condition or results of operations. Lawsuits or regulatory actions could cause the Company to incur substantial expenditures, generate adverse publicity and could significantly impair the Company's business, force it to cease doing business in one or more jurisdictions or cause it to cease offering one or more products.

The Company is also likely to be subject to further litigation and communications with regulators in the future. An adverse ruling or a settlement of any current or future litigation or regulatory actions against the Company or another lender could cause the Company to have to refund fees and/or interest collected, forego collections of the principal amount of loans, pay multiple damages, pay monetary penalties and/or modify or terminate its operations in particular jurisdictions. Defense of any lawsuit or regulatory action, even if successful, could require substantial time and attention of the Company's management and could require the expenditure of significant amounts for legal fees and other related costs.

Insurance Risk

The Company's insurance policies may not comprehensively cover all risks and liabilities because appropriate coverage may not be available (or may not adequately cover all losses) or the Company may elect not to insure against certain risks. It may elect not to do so, for example, where it considers the applicable premiums to be excessive in relation to the perceived risks and benefits that may accrue. As a result, the Company may be held liable for material claims beyond its insurance coverage limits that could materially and adversely impact financial performance and reputation. In addition, any significant claim against such policies may lead to increased premiums on renewal and/or additional exclusions to the terms of future policies. If insurance (including cyber insurance) is not available to cover a claim or the quantum of a claim exceeds policy limits, the Company will be exposed to the financial impact of the event which could have an adverse impact on the Company's business, financial performance and operations.

Financial instruments

The Company's assets and liabilities include financial instruments.

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

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

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

Critical accounting estimates

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

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

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

Changes in accounting policy and disclosures

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

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

(ii) Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the issuance date of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7, Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on its consolidated financial statements.

(iii) Interest Rate Benchmark Reform

In December 2021, Canadian Alternative Reference Rate working group ("CARR") recommended that the Canadian Dollar Offered Rate ("CDOR") should cease calculation and publication after June 2024 with the Canadian Overnight Repo Rate Average ("CORRA") suggested as the replacement benchmark rate. On May 16, 2022, the CDOR administrator announced the cessation of CDOR consistent with the recommendations outlined by CARR. Additionally, on January 11, 2023, CARR announced the development of a forward-looking term CORRA rate ("Term CORRA").

All of the Company's existing credit facilities that reference CDOR or BAs have transitioned to CORRA as administered by the Bank of Canada or the Term CORRA administered and published by CanDeal Benchmark Solutions and TMX Datalinx on or before June 28, 2024. The transition from CDOR to CORRA had no impact to the Company's consolidated financial statements.

Internal controls

Disclosure Controls and Procedures ("DC&P")

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

The Company's management, under supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's DC&P, as required in Canada by National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings". Based on this evaluation, the CEO and CFO have concluded that the design of the system of the Company's disclosure controls and procedures were effective as at December 31, 2024.

Internal Controls over Financial Reporting ("ICFR")

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

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

(i) (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 2024

No changes were made in the Company's internal controls over financial reporting during the three-month period and year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of ICFR as at December 31, 2024

As at December 31, 2024, 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 December 31, 2024.

Management's responsibility for financial reporting

The accompanying consolidated financial statements and the information in this Annual Report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ["IFRS"] and include some amounts based on management's best estimates and judgments. When alternative accounting methods exist, management has chosen those it considers most appropriate in the circumstances. Management has prepared the financial information presented elsewhere in the Annual Report and has ensured that it is consistent with the financial statements.

goeasy Ltd. maintains a system of internal controls to provide reasonable assurance that transactions are properly authorized, financial records are accurate and reliable, and the Company's assets are properly accounted for and adequately safeguarded. These controls include quality standards in the hiring and training of employees, written policies and procedures related to employee conduct, risk management, external communication and disclosure of material information, and review and oversight of the Company's policies, procedures and practices. Management has assessed the effectiveness of this system of internal controls and determined that, as at December 31, 2024, the Company's internal control over financial reporting is effective.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out its responsibility for the financial statements through its Audit Committee. The Audit Committee is composed entirely of independent directors. The Audit Committee is responsible for the quality and integrity of the Company's financial information, the effectiveness of the Company's risk management, internal controls and regulatory compliance practices, reviewing and approving applicable financial information and documents prior to public disclosure and for selecting the Company's external auditors. The Audit Committee meets periodically with management and the external auditors to review the financial statements and the annual report and to discuss audit, financial and internal control matters. The Company's external auditors have full and free access to the Audit Committee.

The financial statements have been subject to an audit by the Company's external auditors, Ernst & Young LLP, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders.

David Ingram
Executive Chairman

Hal Khouri
Executive Vice-President & Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **goeasy Ltd.**

Opinion

We have audited the consolidated financial statements of goeasy Ltd. and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Allowance for credit losses

Key audit matter

As more fully described in Notes 2 and 6 of the consolidated financial statements, goeasy has used expected credit loss (ECL) models to recognize $349.6 million in allowances for credit losses on its consolidated balance sheet. The ECL is an unbiased and probability-weighted estimate of credit losses expected to occur in the future, which is determined by evaluating a range of possible outcomes incorporating the time value of money and reasonable and supportable information about past events, current conditions and future economic forecasts.

The allowance for credit losses is a significant estimate for which variations in model methodology, assumptions and judgements can have a material effect on the measurement of expected credit losses.

Auditing the allowance for credit losses was complex, involved auditor judgement and required the involvement of Credit Risk Specialists due to the inherent complexity of the models, assumptions, judgements and the interrelationship of these variables in measuring the ECL. Significant assumptions and judgments with respect to the estimation of the allowance for credit losses included the calculation of both 12-month and lifetime expected credit losses, the determination of when a loan has experienced a significant increase in credit risk and the determination of relevant forward looking multiple economic scenarios and the probability weighting of those scenarios.

How our audit addressed the key audit matter

To test the allowance for credit losses, among other procedures, with the assistance of our Credit Risk Specialists we assessed whether the methodology and assumptions used in the ECL models are consistent with IFRS. We independently recalculated the ECL using source data. With the assistance of our Credit Risk Specialists, we evaluated the accuracy and related application of the programming code which records loans in each of the appropriate stages. We evaluated the reasonability of macroeconomic inputs used by comparing the information to third party sources and recalculated the effect of the inputs on the ECL models. We tested the completeness and accuracy of a sample of data used in the measurement of ECL by agreeing back to appropriate source systems or loan origination documents.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion & Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion & Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If based on the work we will perform on this other information, we conclude there is a material misstatement of other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kathryn Gardiner.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 13, 2025

Audited consolidated financial statements

For the years ended

December 31, 2024 and 2023

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
ASSETS		
Cash (note 4)	**251,381**	144,577
Accounts receivable (note 5)	**42,438**	30,762
Prepaid expenses	**9,488**	9,462
Consumer loans receivable, net (note 6)	**4,366,533**	3,447,588
Investments (note 7)	**41,918**	61,464
Lease assets (note 8)	**40,973**	45,187
Derivative financial assets (note 15)	**60,675**	21,904
Property and equipment, net (note 9)	**35,004**	35,382
Right-of-use assets, net (note 10)	**54,224**	61,987
Intangible assets, net (note 11)	**110,979**	124,931
Goodwill (note 11)	**180,923**	180,923
TOTAL ASSETS	**5,194,536**	4,164,167
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Revolving credit facility (note 14)	**21,797**	190,921
Accounts payable and other liabilities	**156,903**	72,409
Income taxes payable	**24,567**	24,691
Dividends payable (note 16)	**19,519**	15,960
Unearned revenue	**25,864**	26,965
Accrued interest payable	**49,003**	12,875
Deferred income tax liabilities, net (note 19)	**4,184**	24,259
Lease liabilities (note 10)	**62,164**	70,809
Secured borrowings (note 13)	**120,335**	143,177
Revolving securitization warehouse facilities (note 12)	**1,073,876**	1,364,741
Derivative financial liabilities (notes 12 and 15)	**21,466**	42,457
Notes payable (note 15)	**2,413,795**	1,120,826
TOTAL LIABILITIES	**3,993,473**	3,110,090
SHAREHOLDERS' EQUITY		
Share capital (note 16)	**438,302**	428,328
Contributed surplus (note 17)	**26,942**	24,817
Accumulated other comprehensive loss	**(56,938)**	(9,721)
Retained earnings	**792,757**	610,653
TOTAL SHAREHOLDERS' EQUITY	**1,201,063**	1,054,077
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,194,536**	4,164,167

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

David Ingram
Director

Karen Basian
Director

Consolidated Statements of Income

(Expressed in thousands of Canadian dollars, except earnings per share)

	YEAR ENDED	
	DECEMBER 31, 2024	**DECEMBER 31, 2023**
REVENUE		
Interest income	**1,121,822**	888,928
Lease revenue	**95,407**	99,848
Commissions earned	**275,726**	234,485
Charges and fees	**30,334**	26,808
	1,523,289	1,250,069
OPERATING EXPENSES		
BAD DEBTS (NOTE 6)	**467,764**	341,639
OTHER OPERATING EXPENSES		
Salaries and benefits	**201,791**	200,917
Share-based compensation (note 17)	**13,534**	12,938
Technology costs	**38,088**	28,402
Advertising and promotion	**32,979**	31,020
Underwriting and collections	**21,251**	16,564
Occupancy	**20,632**	25,405
Other expenses	**33,698**	30,335
	361,973	345,581
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets (note 8)	**29,482**	33,535
Amortization of intangible assets (note 11)	**22,788**	21,999
Depreciation of right-of-use assets (note 10)	**21,349**	21,260
Depreciation of property and equipment (note 9)	**10,276**	9,537
	83,895	86,331
TOTAL OPERATING EXPENSES	**913,632**	773,551
OPERATING INCOME	**609,657**	476,518
OTHER INCOME (NOTE 7)	**3,132**	9,771
FINANCE COSTS (NOTE 18)	**(225,492)**	(149,334)
INCOME BEFORE INCOME TAXES	**387,297**	336,955
INCOME TAX EXPENSE (RECOVERY) (NOTE 19)		
Current	**113,370**	90,809
Deferred	**(9,183)**	(1,752)
	104,187	89,057
NET INCOME	**283,110**	247,898
BASIC EARNINGS PER SHARE (NOTE 20)	**16.56**	14.70
DILUTED EARNINGS PER SHARE (NOTE 20)	**16.30**	14.48

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income

(Expressed in thousands of Canadian dollars)

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
Net income	**283,110**	247,898
Other comprehensive income (loss) to be reclassified to the consolidated statement of income in subsequent periods		
Change in costs of hedging, net of taxes	**6,395**	2,440
Reclassification of cash flow hedge to the consolidated statement of income, net of taxes	**3,982**	4,188
Change in fair value of cash flow hedge, net of taxes	**(57,594)**	(19,125)
	(47,217)	(12,497)
Comprehensive income	**235,893**	235,401

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in thousands of Canadian dollars)

	SHARE CAPITAL	CONTRIBUTED SURPLUS	TOTAL CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME	TOTAL SHAREHOLDERS' EQUITY
Balance, December 31, 2023	**428,328**	**24,817**	**453,145**	**610,653**	**(9,721)**	**1,054,077**
Common shares issued	**14,359**	**(5,548)**	**8,811**	**-**	**-**	**8,811**
Share-based compensation (note 17)	**-**	**13,534**	**13,534**	**-**	**-**	**13,534**
Repurchase of equity interest related to deferred share units, net of tax (note 17)	**-**	**(1,190)**	**(1,190)**	**-**	**-**	**(1,190)**
Repurchase of equity interest related to restricted share units, net of tax (note 17)	**-**	**(4,671)**	**(4,671)**	**-**	**-**	**(4,671)**
Shares purchased for cancellation	**(4,385)**	**-**	**(4,385)**	**(22,604)**	**-**	**(26,989)**
Comprehensive income (loss)	**-**	**-**	**-**	**283,110**	**(47,217)**	**235,893**
Dividends (note 16)	**-**	**-**	**-**	**(78,402)**	**-**	**(78,402)**
Balance, December 31, 2024	**438,302**	**26,942**	**465,244**	**792,757**	**(56,938)**	**1,201,063**
Balance, December 31, 2022	419,046	21,499	440,545	426,367	2,776	869,688
Common shares issued	9,282	(2,446)	6,836	-	-	6,836
Share-based compensation (note 17)	-	12,938	12,938	-	-	12,938
Repurchase of equity interest related to restricted share units, net of tax (note 17)	-	(7,174)	(7,174)	-	-	(7,174)
Comprehensive income (loss)	-	-	-	247,898	(12,497)	235,401
Dividends (note 16)	-	-	-	(63,612)	-	(63,612)
Balance, December 31, 2023	428,328	24,817	453,145	610,653	(9,721)	1,054,077

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
OPERATING ACTIVITIES		
Net income	**283,110**	247,898
Add (deduct) items not affecting cash		
Bad debts (note 6)	**467,764**	341,639
Depreciation of lease assets (note 8)	**29,482**	33,535
Amortization of intangible assets (note 11)	**22,788**	21,999
Depreciation of right-of-use assets (note 10)	**21,349**	21,260
Share-based compensation (note 17)	**13,534**	12,938
Depreciation of property and equipment (note 9)	**10,276**	9,537
Refinancing costs related to notes payable (note 15)	**8,805**	9,501
Amortization of deferred financing charges	**8,457**	7,543
Loss on sale or write off of assets (note 11)	**322**	-
Discount on the repurchase of notes payable (note 15)	**(1,487)**	-
Other income (note 7)	**(3,132)**	(9,771)
Amortization of premium on notes payable	**(3,442)**	-
Deferred income tax recovery (note 19)	**(9,183)**	(1,752)
Fair value change on prepayment options (note 15)	**(13,216)**	(19,035)
	835,427	675,292
Net change in other operating assets and liabilities (note 21)	**107,004**	43,475
Net issuance of consumer loans receivable	**(1,386,709)**	(1,161,870)
Purchase of lease assets	**(25,168)**	(30,114)
Cash used in operating activities	**(469,446)**	(473,217)
INVESTING ACTIVITIES		
Proceeds on sale of investment	**22,678**	5,611
Investments in intangible assets	**(9,158)**	(8,128)
Purchase of property and equipment	**(10,002)**	(9,232)
Cash provided by (used in) investing activities	**3,518**	(11,749)
FINANCING ACTIVITIES		
Issuance of notes payable, net of financing charges (note 15)	**1,505,807**	751,797
Advances from revolving credit facilities, net of financing charges	**495,737**	563,347
Advances from revolving securitization warehouse facilities, net of financing charges	**128,677**	616,218
Advances from secured borrowings, net of financing charges	**72,685**	98,008
Issuance of common shares	**6,942**	5,703
Lease incentive received	**69**	873
Payment of deferred share units (note 17)	**(882)**	-
Payment of restricted share units (note 17)	**(5,151)**	(8,691)
Payment of lease liability (note 10)	**(22,300)**	(21,881)
Purchase of common shares for cancellation	**(26,989)**	-
Payment of common share dividends	**(72,772)**	(60,946)
Payment of loan from secured borrowings	**(95,551)**	(60,654)
Payment of notes payable (note 15)	**(325,040)**	(734,885)
Payment of advances from revolving securitization warehouse facilities	**(422,500)**	(60,000)
Payment of advances from revolving credit facilities	**(666,000)**	(522,000)
Cash provided by financing activities	**572,732**	566,889
Net increase in cash during the year	**106,804**	81,923
Cash, beginning of year	**144,577**	62,654
Cash, end of year	**251,381**	144,577

See accompanying notes to the consolidated financial statements.

Notes to consolidated financial statements

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

December 31, 2024 and 2023

1. Corporate information

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

The Parent Company and all of the companies that it controls (collectively referred to as "goeasy" or the "Company") are a leading full-service provider of goods and alternative financial services that provide everyday Canadians with a path for a better tomorrow, today. The principal operating activities of the Company include: i) providing loans and other financial services to consumers; and ii) leasing household products to consumers. Customers can transact seamlessly through an omnichannel model that includes online and mobile platforms, more than 400 locations across Canada, and point-of-sale financing offered in the retail, powersports, automotive, home improvement and healthcare verticals, through over 10,800 merchant partners across Canada.

The Company operates in two reportable segments: easyfinancial and easyhome. As at December 31, 2024, the Company operated 295 easyfinancial locations (including 2 kiosks within easyhome stores and 3 operation centres) and 134 easyhome stores (including 34 franchises).

The consolidated financial statements were authorized for issue by the Board of Directors on February 13, 2025.

2. Material accounting policy information

Basis of Preparation

The consolidated financial statements of the Company for the year ended December 31, 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The policies applied in these consolidated financial statements were based on IFRS issued and outstanding as at December 31, 2024.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and all of the companies that it controls. goeasy Ltd. controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. This includes all wholly owned subsidiaries and structured entities (note 12) where goeasy Ltd. has control but does not have ownership of a majority of the voting rights.

As at December 31, 2024, the Parent Company's principal subsidiaries were:

- RTO Asset Management Inc.
- easyfinancial Services Inc.
- LendCare Capital Inc. ("LendCare")

All intra-group transactions and balances were eliminated on consolidation.

Presentation Currency

The consolidated financial statements are presented in Canadian dollars ("CAD"), which is the Parent Company's functional currency.

Foreign Currency Translation

Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions are initially recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot rate on the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding promotional discounts, rebates and sales taxes. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as principal in all of its revenue arrangements except for the sale of certain ancillary products where it acts as an agent and, therefore, recognizes such revenue on a net basis.

i) Interest Income

Interest income from consumer loans receivable is recognized when earned using the effective interest rate method.

ii) Lease Revenue

Merchandise is leased to customers pursuant to agreements that provide for periodic lease payments collected in advance. The lease agreements can be terminated by the customer at the end of the periodic lease period without any further obligation or cost to the customer.

Lease revenue consists of lease payments, product damage liability waivers and processing and other fees. Revenue from lease agreements is recognized when earned. Lease revenue also consists of revenue from the ultimate sale of goods to customers, which represents the culmination of the lease asset life cycle and occurs when title passes to the customer. Such revenue is measured at the fair value of the consideration received or receivable.

iii) Commissions Earned and Charges and Fees

Commissions earned are recognized when, or as, a performance obligation is satisfied by providing a service to a customer, in the amount of the consideration to which the Company expects to receive. Charges and fees are recognized as revenue at a point in time upon when the transaction is completed.

Cash

Cash consists of bank balances and cash on hand, adjusted for in-transit items such as outstanding cheques and deposits.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified at initial recognition at: i) fair value through profit or loss ("FVTPL"); ii) amortized cost; iii) debt financial instruments measured at fair value through other comprehensive income ("FVOCI"); iv) equity financial instruments designated at FVOCI; or v) financial instruments designated at FVTPL, based on the contractual cash flow characteristics of the financial assets and the business model under which the financial assets are managed. All financial assets are measured at fair value with the exception of financial assets measured at amortized cost. Financial assets are reclassified when and only when the business model under which they are managed has changed. All reclassifications are to be applied prospectively from the reclassification date.

All debt instrument financial assets that do not meet a "solely payment of principal and interest" ("SPPI") test, including those that contain embedded derivatives are classified at initial recognition as FVTPL. For debt instrument financial assets that meet the SPPI test, classification at initial recognition is determined based on the business model under which these instruments are managed. Debt instruments that are managed on a "held for trading" or "fair value" basis are classified as FVTPL. Debt instruments that are managed on a "hold to collect and for sale" basis are classified as FVOCI for debt. Debt instruments that are managed on a "hold to collect" basis are classified as amortized cost.

Financial assets consist of accounts receivable, consumer loans receivable, derivative financial instruments, and investments, and are initially measured at fair value plus transaction costs.

Accounts receivable and consumer loans receivable are subsequently measured at amortized cost. Amortized cost is determined using the effective interest rate method, factoring in acquisition costs paid to third parties, and allowances for loan losses. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument.

The Company does not have any financial assets that are subsequently measured at fair value except for investments and the derivative financial instruments which may be in an asset or liability position (see section "Derivative Financial Instruments and Hedge Accounting").

Financial assets are derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from an asset.

Impairment of Financial Assets

The Company applies an expected credit loss ("ECL") model, where credit losses that are expected to transpire in future years irrespective of whether or not a loss event has occurred as at the statements of financial position date, are provided for. The Company assesses and segments its loan portfolio into performing (Stage 1), under-performing (Stage 2) and non-performing (Stage 3) categories as at each statement of financial position date. Loans are categorized as under-performing if there has been a significant increase in credit risk. The Company utilizes an internal risk rating methodology that incorporates changes in delinquency and other identifiable risk factors based on data obtained from monthly refreshes of a customer's credit profile, and any substantive adjustments to a loan's terms. Under-performing loans are recategorized to performing only if there is deemed to be a substantial decrease in credit risk. Loans are categorized as non-performing if there is objective evidence that such loans will likely charge off in the future, which the Company has determined to be when loans are delinquent for greater than 30 days. For performing loans, the Company is required to record an allowance for loan losses equal to the expected losses on that group of loans over the ensuing twelve months. For under-performing and non-performing loans, the Company is required to record an allowance for loan losses equal to the expected losses on those groups of loans over their remaining life.

In order for additional credit to be advanced to a borrower, they must be current on their pre-existing loan and meet the Company's credit and underwriting requirements. In limited situations, the Company may amend the terms of a loan, typically through deferring payments, extending the loan amortization period and reducing rates, for customers that are current or are in arrears as a means to ensure the customer remains able to repay the loan.

The key inputs in the measurement of ECL allowances are as follows:

- The probability of default is an estimate of the likelihood of default over a given time horizon;
- The exposure at default is an estimate of the exposure at a future default date;
- The loss given default is an estimate of the loss arising in the case where a default occurs at a given time; and
- Forward-looking indicators ("FLIs").

Ultimately, the ECL is calculated based on the probability weighted expected cash collected shortfall against the carrying value of the loan and considers reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions that may impact the credit profile of the loans. FLI is considered when determining significant increases in credit risk and measuring expected credit losses. Forward-looking macroeconomic factors are incorporated in the risk parameters as relevant. From an analysis of historical data, management has identified and reflected in the Company's ECL allowance those relevant FLI variables that contribute to credit risk and losses within the Company's loan portfolio. Within the Company's loan portfolio, the most highly correlated variables are unemployment rates, inflation, oil prices, and gross domestic product ("GDP").

Unsecured customer loan balances that are delinquent greater than 90 days and secured customer loan balances that are delinquent greater than 180 days where no further collection measures are deemed practicable are written off against the allowance for loan losses.

Consumer loan balances, together with the associated allowances, are written off when there is no realistic prospect of further recovery. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a write off is later recovered, the recovery is credited to bad debt expense.

For accounts receivable, the Company applies a simplified approach in calculating ECLs recognizing a loss allowance based on lifetime ECLs at each reporting date.

Modified Loans

In cases where a borrower experiences financial difficulty, the Company may grant certain concessionary modifications to the terms and conditions of a loan. Modifications may include payment deferrals, extension of amortization periods, rate reductions and other modifications intended to minimize the economic loss. The Company has policies in place to determine the appropriate remediation strategy based on the individual borrower.

If the Company determines that a modification results in the expiry of cash flows, the original asset is derecognized while a new asset is recognized based on the new contractual terms. Significant increase in credit risk is assessed relative to the risk of default on the new financial instrument at the date of derecognition. A gain or loss is assessed at the date of modification or derecognition equal to the difference between the fair value of the cash flows under the original and modified terms.

If the Company determines that a modification does not result in derecognition, significant increase in credit risk is assessed based on the risk of default at initial recognition of the original asset. Expected cash flows arising from the modified contractual terms are considered when calculating the ECL for the modified asset. For loans that were modified while having lifetime ECLs, the loans can revert to having twelve-month ECLs after a period of performance and improvement in the borrower's financial condition.

Lease Assets

Lease assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Vendor volume rebates are recorded as a reduction of the cost of lease assets.

As the leases are effectively cancellable by the customer with a week's notice, and there are no bargain purchase options provided to the customer, the customer leases are considered operating in nature. Lease agreements entitle customers to buy out a lease asset in accordance with conditions stipulated in the lease agreements.

The residual value, useful life and depreciation method of the lease assets are reviewed annually. If expectations differ from previous estimates, they are adjusted, and the changes are accounted for prospectively as a change in accounting estimates. In the event management determines that the Company can no longer lease or sell certain lease assets, they are written off.

Depreciation on lease assets is charged to net income as follows:

- Lease assets, excluding game stations, computers and related equipment, are depreciated using the units of activity method over the expected lease agreement term.
- Game stations, computers and related equipment are depreciated on a straight-line basis over 24 months.
- Depreciation for all lease assets includes the remaining book values at the time of disposition of the lease assets that have been sold and amounts that have been charged off as stolen, lost or no longer suitable for lease.

The Company records a provision against the carrying value of lease assets for estimated losses from theft and/or damage.

Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to net income as repairs and maintenance expense when incurred.

Depreciation on property and equipment is charged to net income.

Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Estimated Useful Lives
Furniture and fixtures	7 years
Computer	5 years
Office equipment	7 years
Signage	7 years
Leasehold improvements	5 to 10 years depending on the lease term

Property and equipment are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gains or losses arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) are included in net income in the period the assets are derecognized.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their estimated fair values at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the expenditure is reflected in net income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period for potential impairment indicators. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense for intangible assets with finite lives is recognized in net income.

Intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	**Estimated Useful Lives**
Customer lists	5 years
Websites and digital properties	3 years
Software (excluding websites and digital properties)	5 years
Merchant networks	10 years

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Company's trademarks have been assessed to have an indefinite life.

Gains or losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amounts of the asset and are recognized in net income when the assets are derecognized.

Research and Development Costs

Research costs are expensed as incurred. Development costs, including those related to the development of software, are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of the expected future benefit.

Leases

The Company assesses contracts at inception, whether a contract is or contains a lease.

A. Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjustments for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized at the inception of the lease, initial direct costs incurred, and lease payments made at or before the lease commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment.

i) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, plus variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of purchase options reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In determining a lease component, the Company does not separate the non-lease components from the lease component and instead accounts for each lease component and any associated non-lease components as a single lease component.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate on leases at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

B. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease revenue recognition is discussed above.

Business Combinations and Goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition, irrespective of the extent of any non-controlling interest.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the fair values of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognized initially using provisional values. Any adjustments resulting from the completion of the measurement process are recognized within twelve months of the date of acquisition.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortized. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those segments.

Impairment of Non-Financial Assets

The Company assesses at each reporting date, whether there is an indication that an asset or a CGU may be impaired.

The Company regularly reviews lease assets that are idle for more than 90 days for indicators of impairment. Such assets deemed not leasable or saleable are discarded and their net carrying value reduced to nil.

For the easyhome business unit, a CGU was determined to be at the individual store level, as the cash inflows of an individual store are largely independent of the cash inflows of other assets in the Company. For the easyfinancial and LendCare business units, a CGU was determined to be at the business unit level, as the cash inflows are largely dependent on their centralized loan and collection centres.

If an indication of impairment exists, or when annual testing for an asset is required, the Company estimates the asset or CGU's recoverable amount. The recoverable amount is the higher of the asset or CGU's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case it is determined for the CGU to which the asset belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognized in net income.

The impairment test calculations are based on detailed budgets and forecasts, which are prepared annually for each CGU to which the assets are allocated. These budgets and forecasts generally cover a period of three years with a long-term growth rate applied after the third year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset or CGU does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset or CGU in prior years. Such reversals are recognized in net income.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each group of CGUs to which the goodwill relates. Where the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in subsequent periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level and when circumstances indicate the carrying value may be impaired.

Financial Liabilities

Financial liabilities are initially recognized at fair value. In the case of certain loans and borrowings, the fair value at initial recognition includes the value of proceeds received net of directly attributable transaction costs. The Company's financial liabilities include a revolving credit facility, United States dollar ("USD") denominated notes payable, revolving securitization warehouse facilities, secured borrowings, derivative financial instruments and accounts payable and other liabilities.

After initial recognition, the Company's interest-bearing debt is subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account fees or costs related to the interest-bearing debt. Interest expense and the amortization of deferred financing charges are included in finance costs.

Non-interest-bearing financial liabilities, such as accounts payable and other liabilities, are carried at the amount owing.

A financial liability is derecognized when the obligation under the liability is settled, discharged, cancelled or expired. Any gains or losses are recognized in net income when liabilities are derecognized.

Derivative Financial Instruments and Hedge Accounting

The Company's financing activities expose it to the financial risks of changes in foreign exchange and interest rate volatility. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of these risks.

Derivative financial instruments are initially measured at fair value on the trade date and subsequently remeasured at fair value at each reporting date using observable market inputs.

The Company designates derivative financial instruments as cash flow hedges to hedge the change due to foreign exchange risk or interest rate risk when the derivative financial instruments meet the criteria for hedge accounting in accordance with IFRS 9, Financial Instruments.

In order to qualify for hedge accounting, formal documentation must include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the change in values that result from that economic relationship.
- The hedge ratio of the hedging relationship is consistent with management's risk strategy.

Where an effective hedge exists, the change in the fair value of the derivative instrument is recognized in other comprehensive income (loss) ("OCI") and reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. As such, there is no net impact on net income.

Hedge effectiveness is assessed at the inception of the hedge and on an ongoing basis. Should a hedge cease to be effective, any changes in fair value related to movements in foreign currency or interest rates would be recognized in net income at that time.

Taxes

i) Current Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. Income tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current income taxes relating to items recognized directly in equity are also recognized in equity and not in net income.

ii) Deferred Income Taxes

Deferred income taxes are provided for using the liability method on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes. Deductible income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The following temporary differences do not result in deferred income tax assets or liabilities:

- The initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- The initial recognition of goodwill; and
- Investment in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be realized.

Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will be available to allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

iii) Sales Tax

Revenue, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of sales tax recoverable from, or payable to, taxation authorities is included as part of accounts receivable or accounts payable and other liabilities in the consolidated statements of financial position.

Share-Based Payment Transactions

The Company has share-based compensation plans, such as, share options, Executive Share Units ("ESUs") in the form of restricted share units ("RSUs") or executive deferred share units ("Executive DSUs"), and Board deferred share units ("Board DSUs"), which are accounted for as equity-settled transactions. The cost of such equity-settled transactions is measured by reference to the fair value determined using the market value on the grant date or the Black-Scholes option pricing model, as appropriate. The inputs into this model are based on management's judgments and estimates.

The cost of equity-settled transactions is charged to net income, with a corresponding increase in contributed surplus over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date reflects the extent to which the vesting period has elapsed and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense for a period is recognized in share-based compensation expense in the consolidated statements of income. No expense is recognized for awards that do not ultimately vest.

Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated using the treasury share method, which assumes that cash received from the exercise of options and warrants is applied to purchase shares at the average price during the period and that the difference between the shares issued upon exercise of the options and the number of shares obtainable under this computation, on a weighted average basis, is added to the number of shares outstanding.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make accounting judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods.

These accounting judgements, estimates and assumptions are continuously evaluated and are based on management's historical experience, best knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates, which could materially impact the consolidated financial statements. Changes in estimates will be reflected in the consolidated financial statements in future periods.

Key areas of estimation where management has made difficult, complex or subjective judgments often in respect of matters that are inherently uncertain are as follows:

i) Allowance for Credit Losses and Allowance for Loan Losses

The ECL method is applied in determining the allowance for credit losses on gross consumer loans receivable. The key inputs in the measurement of ECL allowances, all of which are subject to accounting judgments, estimates and assumptions are discussed in note 2, under “Financial Assets”.

In addition, consumer loans receivable includes accrued interest earned from consumer loans that is expected to be received in future periods. Interest receivable from consumer loans is determined based on the amounts the Company believes will be collected in future periods.

ii) Depreciation of Lease Assets

Certain assets on lease (excluding game stations, computers and related equipment) are depreciated based on the time on lease against the lease agreement term, which is estimated by management for each product category. Other assets on lease such as game stations, computers and related equipment, are depreciated on a straight-line basis over their estimated useful lives.

iii) Impairment Assessment of Non-Financial Assets

Indicators of impairment are based on management’s judgment. If an indication of impairment exists, or when annual testing for an asset is required, the Company estimates the asset’s or CGU’s recoverable amount. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the recoverable amount, management estimates the asset’s or CGU’s value in use. Value in use is based on the estimated future cash flows of the asset or CGU, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment test calculations are based on detailed budgets and forecasts, which are prepared for each CGU to which the assets are allocated. These budgets and forecasts generally cover a period of three years with a long-term growth rate applied after the third year. Key areas of management judgment include the cash flow forecast, the growth rate applied to cash flows subsequent to the third year and the discount rate.

iv) Impairment Assessment of Goodwill and Indefinite-Life Intangible Assets

In assessing the recoverable amount, management estimates the group of CGU’s value in use. Value in use is based on estimated future cash flows of the asset or CGU, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The impairment test calculations are based on detailed budgets and forecasts, which are prepared for each CGU to which the assets are allocated. These budgets and forecasts generally cover a period of three years with a long-term growth rate applied after the third year. Key areas of management judgment involve the cash flow forecast, the growth rate applied to cash flows subsequent to the third year and the discount rate.

v) Fair Value of Share-Based Compensation

The fair value of equity-settled share-based compensation plan grants are measured at the grant date using either the related market value or the Black-Scholes option pricing model, as appropriate. The Black-Scholes option pricing model was developed for estimating the fair value of traded options that are fully transferable and have no vesting restrictions. In addition, option pricing models require the input of highly subjective assumptions, including expected share price volatility. The Company’s share options have characteristics significantly different from those of freely traded options and because changes in subjective input assumptions can materially affect the fair value estimate, the existing models do not necessarily provide a single reliable measure of the fair value of the unit options granted.

The vesting of the Company’s share-based compensation plans is based on the expected achievement of long-term targets and management retention rates, the assessment of which are subject to management’s judgment.

vi) Taxation Amounts

Tax provisions, including current and deferred income tax assets and liabilities, may require estimates and interpretations of federal and provincial income tax rules and regulations and judgments as to their interpretation and application to the Company’s specific situation. Therefore, it is possible that the ultimate value of the tax assets and liabilities could change in the future and that changes to these amounts could have a material effect on the Company’s consolidated financial statements.

vii) Fair Value Measurement of Investments

When the fair values of investments recorded in the consolidated statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using alternative valuation techniques, including financial models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3. Changes in accounting policy and disclosures

i) New Standards, Interpretations and Amendments Adopted by the Company

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

ii) Standards Issued but Not Yet Effective

The new and amended standards that are issued, but not yet effective, up to the issuance date of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7, Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on its consolidated financial statements.

iii) Interest Rate Benchmark Reform

In December 2021, the Canadian Alternative Reference Rate working group ("CARR") recommended that the Canadian Dollar Offered Rate ("CDOR") should cease calculation and publication after June 2024 with the Canadian Overnight Repo Rate Average ("CORRA") suggested as the replacement benchmark rate. On May 16, 2022, the CDOR administrator announced the cessation of CDOR consistent with the recommendations outlined by CARR. Additionally, on January 11, 2023, CARR announced the development of a forward-looking term CORRA rate ("Term CORRA").

All of the Company's existing credit facilities that reference CDOR or the Canadian Bankers' Acceptance rate ("BAs") have transitioned to CORRA as administered by the Bank of Canada or the Term CORRA administered and published by CanDeal Benchmark Solutions and TMX Datalinx on or before June 28, 2024. The transition from CDOR to CORRA had no impact to the Company's consolidated financial statements.

4. Cash

Certain cash on deposit at banks earns interest at floating rates based on daily bank deposit rates.

The Company has pledged a portion of its cash to fulfill collateral requirements under its cross-currency swap contracts. As at December 31, 2024, the fair value of the cash pledged by the Company as cash collateral in respect of its cross-currency swap contracts was nil (2023 – $24.2 million).

Related to its Revolving Securitization Warehouse Facilities and Secured Borrowings, the Company holds back an amount from the proceeds of loan transfers as a reserve against future customer defaults. As at December 31, 2024, the cash held back as a reserve for the Revolving Securitization Warehouse Facilities and Secured Borrowings were $57.9 million and $25.6 million, respectively (2023 – $52.3 million and $15.2 million, respectively). Cash includes a total of $83.5 million (2023 – $91.7 million) of cash collateral pledged by the Company where access to the cash is restricted.

5. Accounts receivable

Accounts receivable include the following:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Commissions receivable	**20,998**	18,754
Charges and fees receivable	**11,512**	6,311
Other	**9,928**	5,697
	42,438	30,762

All accounts receivable for the years ended December 31, 2024 and 2023 are due within 12 months.

6. Consumer loans receivable

Consumer loans receivable represents amounts advanced to customers and includes both unsecured and secured loans. Unsecured loan terms generally range from 9 to 84 months while secured loan terms generally range from 48 to 240 months.

	DECEMBER 31, 2024	DECEMBER 31, 2023
Gross consumer loans receivable	**4,596,115**	3,645,202
Interest receivable from consumer loans	**96,113**	53,545
Unamortized deferred acquisition costs	**77,885**	50,342
Unamortized deferred revenue	**(53,951)**	(36,142)
Allowance for credit losses	**(349,629)**	(265,359)
	4,366,533	3,447,588

The allocation of the Company's gross consumer loans receivable based on loan type is as follows:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
Unsecured instalment loans	**2,514,260**	**54.7%**	2,116,869	58.1%
Secured instalment loans	**2,081,855**	**45.3%**	1,528,333	41.9%
	4,596,115	**100.0%**	3,645,202	100.0%

The scheduled principal repayment aging analyses of the gross consumer loans receivable portfolio as at December 31, 2024 and 2023 are as follows:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
0 – 6 months	**299,017**	**6.4%**	273,572	7.5%
6 – 12 months	**201,270**	**4.4%**	172,645	4.7%
1 – 2 years	**427,797**	**9.3%**	380,715	10.4%
2 – 3 years	**549,491**	**12.0%**	510,311	14.0%
3 – 4 years	**681,909**	**14.8%**	567,582	15.6%
4 – 5 years	**770,066**	**16.8%**	557,254	15.3%
5 – 6 years	**706,122**	**15.4%**	509,651	14.0%
6 – 7 years	**560,655**	**12.2%**	361,083	9.9%
7 years +	**399,788**	**8.7%**	312,389	8.6%
	4,596,115	**100.0%**	3,645,202	100.0%

The gross consumer loans receivable portfolio categorized by the contractual time to maturity as at December 31, 2024 and 2023 are summarized as follows:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
0 – 1 year	**90,964**	**2.0%**	72,892	2.0%
1 – 2 years	**162,681**	**3.5%**	144,303	4.0%
2 – 3 years	**244,382**	**5.3%**	277,715	7.6%
3 – 4 years	**486,768**	**10.6%**	529,764	14.5%
4 – 5 years	**670,433**	**14.6%**	554,585	15.2%
5 – 6 years	**893,893**	**19.4%**	651,882	17.9%
6 – 7 years	**1,150,622**	**25.0%**	724,442	19.9%
7 years +	**896,372**	**19.6%**	689,619	18.9%
	4,596,115	**100.0%**	3,645,202	100.0%

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

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
1 – 30 days	**123,035**	**2.7%**	125,229	3.4%
31 – 44 days	**21,379**	**0.5%**	24,280	0.7%
45 – 60 days	**21,447**	**0.5%**	20,354	0.6%
61 – 90 days	**22,614**	**0.5%**	22,797	0.6%
91 – 120 days	**16,499**	**0.3%**	7,687	0.2%
121 – 150 days	**35,244**	**0.7%**	6,422	0.2%
151+ days	**105,167**	**2.3%**	4,043	0.1%
	345,385	**7.5%**	210,812	5.8%

The following tables provide the gross consumer loans receivable segregated by the Company's risk ratings and staging classification. The classification of loans into low, normal and high risk categories is based on the Company's custom behaviour credit scoring model and/or third-party credit scores. The Company's scoring model has been built and refined using analytical techniques and statistical modelling tools for predicting future losses among certain customer segments rather than traditional credit scores available from credit reporting agencies. Loans categorized as low risk have expected future losses that are lower than the average expected loss rate of the overall portfolio. Loans categorized as normal risk have expected future losses that are approximately equal to the average expected loss rate of the overall loan portfolio. Loans categorized as high risk have expected future losses that are higher than the average expected loss rate of the overall loan portfolio. The median TransUnion Risk Score for those borrowers categorized as low, normal and high risk is presented as a reference.

	AS AT DECEMBER 31, 2024				
	MEDIAN TRANSUNION RISK SCORE	STAGE 1 (PERFORMING)	STAGE 2 (UNDER-PERFORMING)	STAGE 3 (NON-PERFORMING)	TOTAL
Low Risk	**626**	**2,890,988**	**7,846**	**137**	**2,898,971**
Normal Risk	**546**	**1,054,488**	**20,534**	**222**	**1,075,244**
High Risk	**490**	**240,471**	**168,791**	**212,638**	**621,900**
	585	**4,185,947**	**197,171**	**212,997**	**4,596,115**

	AS AT DECEMBER 31, 2023				
	MEDIAN TRANSUNION RISK SCORE	STAGE 1 (PERFORMING)	STAGE 2 (UNDER-PERFORMING)	STAGE 3 (NON-PERFORMING)	TOTAL
Low Risk	635	2,025,764	2,914	150	2,028,828
Normal Risk	548	1,046,233	12,576	279	1,059,088
High Risk	498	286,405	191,068	79,813	557,286
	580	3,358,402	206,558	80,242	3,645,202

An analysis of the changes in the classification of gross consumer loans receivable is as follows:

	YEAR ENDED DECEMBER 31, 2024			
	STAGE 1 (PERFORMING)	STAGE 2 (UNDER-PERFORMING)	STAGE 3 (NON-PERFORMING)	TOTAL
Balance as at January 1, 2024	**3,358,402**	**206,558**	**80,242**	**3,645,202**
Gross loans originated	**3,166,227**	**-**	**-**	**3,166,227**
Principal payments and other adjustments	**(1,753,153)**	**8,478**	**(24,577)**	**(1,769,252)**
Transfers to (from)				
Stage 1 (Performing)	**798,516**	**(639,293)**	**(159,223)**	**-**
Stage 2 (Under-Performing)	**(823,145)**	**846,458**	**(23,313)**	**-**
Stage 3 (Non-Performing)	**(490,050)**	**(190,325)**	**680,375**	**-**
Gross charge offs	**(70,850)**	**(34,705)**	**(340,507)**	**(446,062)**
Net growth in gross consumer loans receivable during the year	**827,545**	**(9,387)**	**132,755**	**950,913**
Balance as at December 31, 2024	**4,185,947**	**197,171**	**212,997**	**4,596,115**

	YEAR ENDED DECEMBER 31, 2023			
	STAGE 1 (PERFORMING)	STAGE 2 (UNDER-PERFORMING)	STAGE 3 (NON-PERFORMING)	TOTAL
Balance as at January 1, 2023	2,563,395	154,535	76,764	2,794,694
Gross loans originated	2,709,194	-	-	2,709,194
Principal payments and other adjustments	(1,520,436)	29,699	(37,569)	(1,528,306)
Transfers to (from)				
Stage 1 (Performing)	533,757	(419,432)	(114,325)	-
Stage 2 (Under-Performing)	(603,359)	623,181	(19,822)	-
Stage 3 (Non-Performing)	(262,949)	(150,138)	413,087	-
Gross charge-offs	(61,200)	(31,287)	(237,893)	(330,380)
Net growth in gross consumer loans receivable during the year	795,007	52,023	3,478	850,508
Balance as at December 31, 2023	3,358,402	206,558	80,242	3,645,202

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

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
Allowance for credit losses, beginning of year	**265,359**	213,041
Net charge offs against allowance	**(383,494)**	(289,321)
Increase due to lending activities	**467,764**	341,639
Allowance for credit losses, end of year	**349,629**	265,359

An analysis of the changes in the classification of the allowance for credit losses is as follows:

	YEAR ENDED DECEMBER 31, 2024			
	STAGE 1 (PERFORMING)	STAGE 2 (UNDER-PERFORMING)	STAGE 3 (NON-PERFORMING)	TOTAL
Balance as at January 1, 2024	**149,860**	**67,304**	**48,195**	**265,359**
Gross loans originated	**133,244**	**-**	**-**	**133,244**
Principal payments and other adjustments	**(65,145)**	**(667)**	**(96,247)**	**(162,059)**
Transfers to (from) including remeasurement				
Stage 1 (Performing)	**154,012**	**(145,826)**	**(89,008)**	**(80,822)**
Stage 2 (Under-Performing)	**(76,738)**	**247,962**	**(15,673)**	**155,551**
Stage 3 (Non-Performing)	**(42,820)**	**(59,484)**	**524,154**	**421,850**
Net charge offs against allowance	**(61,239)**	**(29,981)**	**(292,274)**	**(383,494)**
Balance as at December 31, 2024	**191,174**	**79,308**	**79,147**	**349,629**

	YEAR ENDED DECEMBER 31, 2023			
	STAGE 1 (PERFORMING)	STAGE 2 (UNDER-PERFORMING)	STAGE 3 (NON-PERFORMING)	TOTAL
Balance as at January 1, 2023	116,969	53,381	42,691	213,041
Gross loans originated	119,537	-	-	119,537
Principal payments and other adjustments	(80,894)	(264)	(60,008)	(141,166)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	131,347	(87,083)	(61,921)	(17,657)
Stage 2 (Under-Performing)	(55,102)	170,030	(13,869)	101,059
Stage 3 (Non-Performing)	(28,956)	(41,646)	350,468	279,866
Net charge offs against allowance	(53,041)	(27,114)	(209,166)	(289,321)
Balance as at December 31, 2023	149,860	67,304	48,195	265,359

In calculating the allowance for credit losses, internally developed models were used, which factor in credit risk related parameters including probability of default, exposure at default, loss given default and other relevant risk factors. As part of the process, the Company employed five distinct forecast scenarios, derived from FLIs forecasts produced by Moody's Analytics, which include neutral, moderately optimistic, extremely optimistic, moderately pessimistic and extremely pessimistic scenarios. These scenarios use a combination of four inter-related macroeconomic variables, being unemployment rates, GDP growth rates, inflation growth rates and oil prices. Management judgment is then applied to the recommended probability weightings to these scenarios to determine a probability weighted allowance for credit losses.

The following table shows the key macroeconomic variables used in the determination of the probability weighted allowance during the forecast periods as at December 31, 2024 and 2023, respectively:

12-MONTH FORWARD-LOOKING MACROECONOMIC VARIABLES (AVERAGE ANNUAL)	FORECAST SCENARIOS				
	NEUTRAL	MODERATELY OPTIMISTIC	EXTREMELY OPTIMISTIC	MODERATELY PESSIMISTIC	EXTREMELY PESSIMISTIC
December 31, 2024					
Unemployment rate[1]	**6.79%**	**6.54%**	**6.29%**	**8.51%**	**9.12%**
GDP growth rate[2]	**1.33%**	**2.16%**	**2.94%**	**(1.96%)**	**(3.27%)**
Inflation growth rate[3]	**2.05%**	**2.35%**	**2.55%**	**2.64%**	**2.88%**
Oil prices[4]	**$72.66**	**$77.32**	**$79.28**	**$56.99**	**$48.10**
December 31, 2023					
Unemployment rate[1]	6.18%	5.39%	4.70%	8.41%	9.83%
GDP growth rate[2]	0.53%	1.57%	2.38%	(1.51%)	(2.71%)
Inflation growth rate[3]	2.11%	2.12%	2.15%	2.09%	1.93%
Oil prices[4]	$79.35	$81.93	$84.05	$62.73	$52.79

[1] An average of the projected monthly unemployment rates over the next 12-month forecast period.
[2] A projected year-over-year GDP growth rate.
[3] A projected year-over-year inflation growth rate.
[4] An average of the projected monthly oil prices over the next 12-month forecast period.

Historically, the rates of inflation and unemployment are positively correlated with the Company's loss rates while oil prices and the rate of GDP growth are negatively correlated. The assignment of the probability weighting for the various scenarios using these variables involves management's judgment to arrive at a collective view of the likelihood of each scenario taking into account current economic conditions and implications for near-term macroeconomic performance. If management were to assign 100% probability to the extremely pessimistic scenario forecast, the allowance for credit losses would have been $398.9 million, $49.2 million or 14.1% higher than the reported allowance for credit losses as at December 31, 2024 (2023 – $295.2 million, $29.8 million or 11.2% higher than the reported allowance for credit losses). This sensitivity 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.

7. Investments

Investments include the following:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Unlisted companies	**41,918**	41,918
Listed and actively traded companies	**-**	19,546
	41,918	61,464

Changes in the holdings, fair values of investments, and net investment income (loss) recorded in other income (loss) (including realized and unrealized gains and losses) in the consolidated statements of income are summarized below:

	FAIR VALUE, BEGINNING OF YEAR	ADDITIONS	SALES/ SETTLEMENTS	INVESTMENT INCOME (LOSS)	FAIR VALUE, END OF YEAR
For the year ended December 31, 2024					
Unlisted companies	**41,918**	**-**	**-**	**-**	**41,918**
Listed and actively traded companies	**19,546**	**-**	**(22,678)**	**3,132**	**-**
	61,464	**-**	**(22,678)**	**3,132**	**41,918**
For the year ended December 31, 2023					
Unlisted companies	51,078	-	(55)	(9,105)	41,918
Listed and actively traded companies	6,226	-	(5,556)	18,876	19,546
	57,304	-	(5,611)	9,771	61,464

Listed and Actively Traded Companies

The Company's investments in listed and actively traded companies were classified at initial recognition at FVTPL. Investments in listed and actively traded companies were subsequently measured based on quoted prices in active markets.

For the year ended December 31, 2024, the Company sold its investments in listed and actively traded companies with a total consideration of $22.7 million (2023 – $5.6 million). For the year ended December 31, 2024, the Company has recognized net investment income on its investments in listed and actively traded companies of $3.1 million (2023 – net investment income of $18.9 million), included in other income (loss) in the consolidated statements of income.

Unlisted Companies

The Company's investments in unlisted companies were classified at initial recognition at FVTPL. For the year ended December 31, 2024, the Company has recognized investment income or loss on its investments in unlisted companies of nil (2023 – investment loss of $9.1 million), included in other income (loss) in the consolidated statements of income.

Set out below are the significant unobservable inputs to valuation as at December 31, 2024:

	VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE	SENSITIVITY OF THE INPUT TO FAIR VALUE
Unlisted companies	Public company comparables	Revenue multiples	2.5x – 20.2x	0.7x increase (decrease) in the revenue multiples would result in an increase (decrease) in fair value by $0.9 million
	Public company comparables	Enterprise value to gross profit multiples	5.4x – 18.8x	1.1x increase (decrease) in the enterprise value to gross profit multiples would result in an increase (decrease) in fair value by $0.9 million
	Recent transactions	Price per share	Not applicable	Valuation was based on private recent transactions

8. Lease assets

	DECEMBER 31, 2024	DECEMBER 31, 2023
Cost		
Balance, beginning of year	**56,390**	58,508
Additions	**25,268**	30,285
Disposals	**(33,992)**	(32,403)
Balance, end of year	**47,666**	56,390
Accumulated Depreciation		
Balance, beginning of year	**(11,203)**	(10,071)
Depreciation	**(29,482)**	(33,535)
Disposals	**33,992**	32,403
Balance, end of year	**(6,693)**	(11,203)
Net book value	**40,973**	45,187

During the years ended December 31, 2024 and 2023, the net book value of the lease assets sold or disposed of were nil.

9. Property and equipment

	FURNITURE AND FIXTURES	COMPUTER AND OFFICE EQUIPMENT	SIGNAGE	LEASEHOLD IMPROVEMENTS	TOTAL
Cost					
December 31, 2022	12,251	15,663	5,026	46,329	79,269
Additions	1,017	2,005	385	5,825	9,232
Disposals	(639)	(304)	(210)	(818)	(1,971)
December 31, 2023	**12,629**	**17,364**	**5,201**	**51,336**	**86,530**
Additions	**2,100**	**3,194**	**300**	**4,410**	**10,004**
Disposals	**(410)**	**(121)**	**(239)**	**(970)**	**(1,740)**
December 31, 2024	**14,319**	**20,437**	**5,262**	**54,776**	**94,794**
Accumulated Depreciation					
December 31, 2022	(8,073)	(8,933)	(3,238)	(23,169)	(43,413)
Depreciation	(993)	(2,183)	(438)	(5,923)	(9,537)
Disposals	575	290	195	742	1,802
December 31, 2023	**(8,491)**	**(10,826)**	**(3,481)**	**(28,350)**	**(51,148)**
Depreciation	**(970)**	**(2,278)**	**(459)**	**(6,569)**	**(10,276)**
Disposals	**390**	**111**	**223**	**910**	**1,634**
December 31, 2024	**(9,071)**	**(12,993)**	**(3,717)**	**(34,009)**	**(59,790)**
Net Book Value					
December 31, 2023	4,138	6,538	1,720	22,986	35,382
December 31, 2024	**5,248**	**7,444**	**1,545**	**20,767**	**35,004**

As at December 31, 2024, the amount of property and equipment classified as under construction or development and not being depreciated was $2.9 million (2023 – $1.4 million).

For the year ended December 31, 2024 and 2023, no impairment was recognized, and it was determined that no indicators of impairment existed that would require an impairment test on property and equipment.

10. Right-of-use assets and lease liabilities

	RIGHT-OF-USE ASSETS			
	PREMISES	VEHICLES	TOTAL	LEASE LIABILITIES
December 31, 2022	63,789	1,969	65,758	74,328
Additions	16,628	861	17,489	17,489
Depreciation	(20,612)	(648)	(21,260)	-
Interest	-	-	-	3,821
Interest payment	-	-	-	(3,821)
Lease inducement received	-	-	-	873
Principal payment	-	-	-	(21,881)
December 31, 2023	**59,805**	**2,182**	**61,987**	**70,809**
Additions	**13,045**	**541**	**13,586**	**13,586**
Depreciation	**(20,635)**	**(714)**	**(21,349)**	**-**
Interest	**-**	**-**	**-**	**3,617**
Interest payment	**-**	**-**	**-**	**(3,617)**
Lease inducement received	**-**	**-**	**-**	**69**
Principal payment	**-**	**-**	**-**	**(22,300)**
December 31, 2024	**52,215**	**2,009**	**54,224**	**62,164**

For the year ended December 31, 2024, the Company recognized rent expense from short-term leases of $2,238 (2023 – $1,996) and variable lease payments of $15,001 (2023 – $14,719).

For the year ended December 31, 2024 and 2023, no impairment was recognized, and it was determined that no indicators of impairment existed that would require an impairment test on right-of-use assets.

11. Intangible assets and goodwill

Intangible Assets

	MERCHANT NETWORK	SOFTWARE	OTHER	TOTAL
Cost				
December 31, 2022	131,000	65,849	3,342	200,191
Additions	-	8,128	-	8,128
December 31, 2023	**131,000**	**73,977**	**3,342**	**208,319**
Additions	**-**	**9,158**	**-**	**9,158**
Disposals or write off	**-**	**(322)**	**-**	**(322)**
December 31, 2024	**131,000**	**82,813**	**3,342**	**217,155**
Accumulated Amortization				
December 31, 2022	(21,822)	(36,331)	(3,236)	(61,389)
Amortization	(13,111)	(8,841)	(47)	(21,999)
December 31, 2023	**(34,933)**	**(45,172)**	**(3,283)**	**(83,388)**
Amortization	**(13,100)**	**(9,686)**	**(2)**	**(22,788)**
December 31, 2024	**(48,033)**	**(54,858)**	**(3,285)**	**(106,176)**
Net Book Value				
December 31, 2023	96,067	28,805	59	124,931
December 31, 2024	**82,967**	**27,954**	**57**	**110,979**

Other intangible assets include trademarks and customer lists. Trademarks are considered indefinite-life intangible assets as there is no foreseeable limit to the period over which the assets are expected to generate net cash flows.

Included in additions for the year ended December 31, 2024 were $9.2 million (2023 – $8.1 million) of internally developed software application and website development costs.

For the year ended December 31, 2024 and 2023, no impairment was recognized, and it was determined that no indicators of impairment existed that would require an impairment test on intangible assets.

Goodwill

Goodwill was $180.9 million as at December 31, 2024 and 2023. Goodwill and indefinite-life intangible assets are attributed to the group of CGUs to which they relate. As at December 31, 2024 and 2023, the carrying value of goodwill attributed to the easyhome group of CGUs was $21.3 million and $159.6 million was attributed to the LendCare CGU. Impairment testing was performed as at December 31, 2024 and 2023. The impairment test consisted of comparing the carrying value of assets within the CGU to the recoverable amount of that CGU as measured by discounting the expected future cash flows using a value in use approach. When determining the value in use of a CGU, the Company developed a discounted cash flow model for the individual CGU. Revenue and cost forecasts were based on actual operating results, three-year operating budgets consistent with strategic plans presented to the Company's Board of Directors and a long-term growth rate of 1% for easyhome (2023 – 1.0%) and 2% for LendCare (2023 – 2.0%). The pre-tax discount rate used on the forecasted cash flows was 15.3% (2023 – 15.3%) for easyhome and 22.5% (2023 – 22.5%) for LendCare.

No impairment charges of goodwill or indefinite-life intangible assets were recorded in the years ended December 31, 2024 and 2023.

12. Revolving securitization warehouse facilities

goeasy Securitization Trust

goeasy Securitization Trust ("Trust I") is a securitization vehicle controlled and consolidated by the Company. The Company's activities include transactions with Trust I, a structured entity, which has been designed to achieve a specific business objective. A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The primary purpose of Trust I is to provide the Company with funding for its operational needs. Trust I has a $1.4 billion revolving securitization warehouse facility ("Revolving Securitization Warehouse Facility I") with a syndicate of lenders, and as collateral for the drawn amount, consumer loans are sold from easyfinancial Services Inc. and LendCare Capital Inc. into Trust I. As the economic exposure associated with the rights related to these consumer loans is controlled by easyfinancial Services Inc. and LendCare Capital Inc., these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position. The Revolving Securitization Warehouse Facility I matures on October 31, 2025 and bears interest equal to the one-month CDOR plus 195 basis points ("bps").

Following CARR's recommendation to transition from CDOR to CORRA as a benchmark rate, as disclosed in Note 3, on June 15, 2024, the Company amended its Revolving Securitization Warehouse Facility I to change its benchmark rate from CDOR to CORRA. The Revolving Securitization Warehouse Facility I bears interest on drawn amounts at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 195 bps; provided further that the interest rate shall not fall below 195 bps.

Concurrent with the establishment of the Revolving Securitization Warehouse Facility I, the Company entered into an interest rate swap as a cash flow hedge to protect against the variability of future interest payments by paying a fixed rate based on the weighted average life of the securitized loans and receiving a variable rate equivalent to one-month CDOR.

On May 9, 2024, the Company amended its existing interest rate swap to change the benchmark rate for the variable interest rate from one-month CDOR to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps.

goeasy Securitization Trust II

On October 24, 2022, the Company established goeasy Securitization Trust II ("Trust II"), a securitization vehicle controlled and consolidated by the Company. The Company's activities include transactions with Trust II, a structured entity, which has been designed to achieve a specific business objective.

The primary purpose of Trust II is to provide the Company with funding for automotive consumer loans. Trust II has a $500 million revolving securitization warehouse facility (the "Revolving Securitization Warehouse Facility II") (the Revolving Securitization Warehouse Facility I and Revolving Securitization Warehouse Facility II are collectively referred to as "Revolving Securitization Warehouse Facilities") with a syndicate of lenders, and as collateral for the drawn amount, automotive consumer loans can be sold from easyfinancial Services Inc. and LendCare Capital Inc. into Trust II. As the economic exposure associated with the rights related to these automotive consumer loans is controlled by easyfinancial Services Inc. and LendCare Capital Inc., these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position. The Revolving Securitization Warehouse Facility II matures on December 16, 2025 and bears interest equal to the one-month CDOR plus 185 bps.

Following CARR's recommendation to transition from CDOR to CORRA as a benchmark rate, as disclosed in Note 3, on May 15, 2024, the Company has amended its Revolving Securitization Warehouse Facility II to change its benchmark rate from CDOR to CORRA. The Revolving Securitization Warehouse Facility II bears interest on drawn amounts at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 185 bps; provided further that the interest rate shall not fall below 185 bps.

Concurrent with the establishment of the Revolving Securitization Warehouse Facility II, the Company also entered into an interest rate swap as a cash flow hedge to protect against the variability of future interest payments by paying a fixed rate based on the weighted average life of the securitized loans and receiving a variable rate equivalent to one-month CDOR.

On May 16, 2024, the Company amended its existing interest rate swap to change the benchmark rate for the variable interest rate from one-month CDOR to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps.

On December 18, 2024, the Company increased its Revolving Securitization Warehouse Facility II to $700 million and extended the maturity date to December 15, 2026. The facility continues to be underwritten by the same syndicate of lenders.

The following table summarizes the details of the Revolving Securitization Warehouse Facilities as at December 31, 2024 and 2023:

	DECEMBER 31, 2024			DECEMBER 31, 2023		
	REVOLVING SECURITIZATION WAREHOUSE FACILITY I	REVOLVING SECURITIZATION WAREHOUSE FACILITY II	TOTAL	REVOLVING SECURITIZATION WAREHOUSE FACILITY I	REVOLVING SECURITIZATION WAREHOUSE FACILITY II	TOTAL
Drawn amount	**826,000**	**251,500**	**1,077,500**	1,125,000	245,000	1,370,000
Unamortized deferred finance costs	**(1,839)**	**(1,785)**	**(3,624)**	(3,968)	(1,291)	(5,259)
	824,161	**249,715**	**1,073,876**	1,121,032	243,709	1,364,741

As at December 31, 2024, $1.54 billion (2023 – $1.81 billion) of consumer loans receivable were pledged by the Company as collateral against its Revolving Securitization Warehouse Facility I.

As at December 31, 2024, $598.5 million (2023 – $439.3 million) of automotive consumer loans were pledged by the Company as collateral against its Revolving Securitization Warehouse Facility II.

The financial covenant of the Revolving Securitization Warehouse Facilities is as follows:

FINANCIAL COVENANT	REQUIREMENTS	DECEMBER 31, 2024	DECEMBER 31, 2023
Minimum consolidated fixed charge coverage ratio	> 2.0	**3.17**	3.81

As at December 31, 2024 and 2023, the Company was in compliance with its financial covenant under the Revolving Securitization Warehouse Facilities.

The Company has elected to use hedge accounting for the Revolving Securitization Warehouse Facilities and their related interest rate swaps (i.e., the same notional amount, maturity date and interest payment dates). The Company has established a hedge ratio of 1:1 for its hedging relationships. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. There are no significant sources of hedge ineffectiveness between the Revolving Securitization Warehouse Facilities and their related interest rate swaps. There was no hedge ineffectiveness recognized in net income for the years ended December 31, 2024 and 2023.

As the Revolving Securitization Warehouse Facilities and their related interest rate swaps are in effective hedging relationships, changes in the fair value of the related interest rate swaps are recorded in OCI and, subsequently, reclassified into net income upon settlement.

Interest rate swaps have aggregated notional amounts equal to the aggregated principal outstanding of the hedged Revolving Securitization Warehouse Facilities. Fair values of interest rate swaps are determined from swap curves adjusted for credit risks. Swap curves are obtained directly from market sources. Fair values of interest rate swaps are as follows:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Derivative financial liabilities		
Revolving Securitization Warehouse Facility I	**(15,705)**	(2,496)
Revolving Securitization Warehouse Facility II	**(5,761)**	(1,670)

13. Secured borrowings

The Company also securitizes consumer loans through non-structured third parties. The economic exposure associated with the rights related to these consumer loans is retained by the Company. As a result, these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position, and Secured Borrowings are recognized for the cash proceeds received.

The Company has the following securitization facilities with non-structured third parties:

- A $105 million securitization facility ("$105 million Securitization Facility"), which bears interest at the Government of Canada Bonds ("GOCB") rate (with a floor rate of 0.95%) plus 395 bps. The loan sale agreement to sell loans into the facility expired on July 31, 2021. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.
- An $85 million securitization facility ("$85 million Securitization Facility"), which bears interest at the GOCB rate (with a floor rate of 0.25%) plus 325 bps. In addition to the securitization loan facility, there was a $6 million accumulation loan agreement, which advances 85% of the face value of consumer loans for up to a 90-day period, bearing interest at the Canadian Bankers'

Acceptance rate ("BA") plus 400 bps. The loan sale agreement to sell loans into the facility expired on November 30, 2021. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

On April 30, 2023, the Company amended this securitization facility to provide for $150 million of incremental funding ("$150 million Securitization Facility"), bearing an interest equal to an interpolated GOCB rate plus an initial spread of 310 bps. The loan sale agreement to sell loans into the facility expired on April 30, 2024. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

On May 28, 2024, the Company further amended this securitization facility to provide for $125 million of incremental funding ("$125 million Securitization Facility") through the sale of consumer loans until May 31, 2025. The facility continues to bear an interest equal to an interpolated GOCB rate plus an initial spread of 310 bps.

As at December 31, 2024, $120.3 million (2023 – $143.2 million) was drawn against the Secured Borrowings and $233.7 million (2023 – $216.9 million) of consumer loans receivable were pledged by the Company as collateral for these Secured Borrowings. As at December 31, 2024, the Company had a borrowing capacity of $74.6 million (2023 – $50.0 million) from the Secured Borrowings.

As at December 31, 2024 and 2023, the Company was in compliance with its financial covenants for the $105 million Securitization Facility, which are based on the tangible net worth of the LendCare Capital Inc. legal entity.

As at December 31, 2024 and 2023, the Company was in compliance with its financial covenants for the $85 million Securitization Facility, $150 million Securitization Facility and $125 million Securitization Facility, which are based on the Company's tangible net worth and leverage ratio.

14. Revolving credit facility

The Company's Revolving Credit Facility consists of a $370 million senior secured revolving credit facility that matures on January 27, 2025. The Revolving Credit Facility is provided by a syndicate of banks. Interest on advances was payable at either the BA plus 225 bps or the lender's prime rate plus 75 bps, at the option of the Company.

Following CARR's recommendation to transition from CDOR to CORRA as a benchmark rate, as disclosed in Note 3, on May 31, 2024, the Company amended its Revolving Credit Facility to change the interest rate on advances payable, at the option of the Company, from either the lender's prime rate plus 75 bps or BA plus 225 bps to either the lender's prime rate plus 75 bps or 225 bps plus either (i) the forward-looking Term CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three month interest period; or (ii) the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three month interest period; provided further that the interest rate shall not fall below 225 bps.

On July 19, 2024, the Company amended its Revolving Credit Facility to increase the size of the facility from $370 million to $550 million, with the maturity extended to July 18, 2027. The Company also has an ability to exercise the accordion feature under its Revolving Credit Facility to add an additional $150 million in borrowing capacity.

The following table summarizes the details of the Revolving Credit Facility:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Drawn amount	**25,000**	192,000
Unamortized deferred financing costs	**(3,203)**	(1,079)
	21,797	190,921

The financial covenants of the Revolving Credit Facility were as follows:

FINANCIAL COVENANT	REQUIREMENTS	DECEMBER 31, 2024	DECEMBER 31, 2023
Maximum consolidated leverage ratio	**< 4.50**	**3.90**	3.72
Minimum consolidated fixed charge coverage ratio	**> 1.25**	**1.85**	2.27
Minimum consolidated asset coverage ratio	**> 1.75**	**17.83**	3.03
Maximum net charge off ratio	**< 15.0%**	**9.2%**	8.9%

As at December 31, 2024 and 2023, the Company was in compliance with all of its financial covenants under its Revolving Credit Facility agreement.

15. Notes payable

US$320 Million of 4.375% Senior Unsecured Notes

On April 29, 2021, the Company issued US$320 million of 4.375% senior unsecured notes payable maturing on May 1, 2026 ("2026 Notes") with interest payable semi-annually on May 1 and November 1 of each year. The 2026 Notes include certain prepayment features.

Concurrent with the issuance of the 2026 Notes, the Company entered into derivative financial instruments (the "2026 cross-currency swaps") as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for all required payments of principal and interest under the 2026 Notes at a fixed exchange rate of US$1.000 = CAD1.2501, thereby fully hedging the US$320 million 2026 Notes at a CAD interest rate of 4.818%. The 2026 cross-currency swaps fully hedge the obligation under the 2026 Notes.

On October 21, 2024, the Company announced its commencement of a cash tender offer to repurchase any and all of its outstanding 2026 Notes. The tender offer expired on October 30, 2024. On November 4, 2024, the Company extinguished a total of US$255.4 million of 2026 Notes that were validly tendered and accepted for repurchase at a price of US$999.58 per US$1,000 principal amount, resulting in a $1.5 million discount recognized in finance costs in the consolidated statements of income. In addition, the Company de-designated US$255.4 million of 2026 cross-currency swaps as cash flow hedges and immediately unwound them. As a result of repurchasing these notes and the unwinding of the related 2026 cross-currency swaps, the Company incurred tender offer fees, recognized the remaining unamortized deferred financing costs related to these notes, realized derivative loss, and reclassified the net change in cash flow hedge from OCI to the consolidated statements of income resulting in a total refinancing cost of $9.4 million recognized in finance costs in the consolidated statements of income.

The following table summarizes the details of the 2026 Notes:

	DECEMBER 31, 2024	DECEMBER 31, 2023
2026 Notes in CAD at issuance	**80,700**	400,032
Foreign exchange movement in the 2026 Notes since issuance	**12,124**	24,032
	92,824	424,064
Unamortized deferred financing costs	**(363)**	(3,094)
	92,461	420,970

US$550 Million of 9.250% Senior Unsecured Notes

On November 28, 2023, the Company issued US$550 million of 9.250% senior unsecured notes payable maturing on December 1, 2028 (the "2028 Notes") with interest payable semi-annually on June 1 and December 1 of each year.

The 2028 Notes include certain prepayment options, which are derivatives embedded in the notes. These embedded derivatives are presented within the 2028 Notes and are measured at FVTPL with changes in fair value recognized in finance costs in the consolidated statements of income.

Concurrent with the issuance of the 2028 Notes, the Company entered into derivative financial instruments (the "2027 cross-currency swaps") as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for payments of principal and interest under the 2028 Notes until December 1, 2027, at a fixed exchange rate of US$1.000 = CAD1.3832, thereby hedging the US$550 million 2028 Notes at a CAD interest rate of 8.79% until December 1, 2027.

The following table summarizes the details of the 2028 Notes:

	DECEMBER 31, 2024	DECEMBER 31, 2023
2028 Notes in CAD at issuance	**760,760**	760,760
Prepayment options related to 2028 Notes at issuance	**(7,469)**	(7,469)
Foreign exchange movement in the 2028 Notes since issuance	**30,085**	(31,900)
Change in fair value of prepayment options since issuance	**(32,360)**	(19,035)
	751,016	702,356
Unamortized premium	**6,114**	7,469
Unamortized deferred financing costs	**(8,295)**	(9,969)
	748,835	699,856

US$400 Million and Additional US$200 Million of 7.625% Senior Unsecured Notes

On February 23, 2024, the Company issued US$400 million of 7.625% senior unsecured notes payable maturing on July 1, 2029 (the "2029 Notes") with interest payable semi-annually on January 1 and July 1 of each year.

The 2029 Notes include certain prepayment options, which are derivatives embedded in the notes. These embedded derivatives are presented within the 2029 Notes and are measured at FVTPL with changes in fair value recognized in finance costs in the consolidated statements of income.

Concurrent with the issuance of the 2029 Notes, the Company entered into derivative financial instruments (the "2028 cross-currency swaps") as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for payments of principal and interest under the 2029 Notes until July 1, 2028, at a fixed exchange rate of US$1.000 = CAD1.353, thereby hedging the US$400 million 2029 Notes at a CAD interest rate of 7.195% until July 1, 2028.

On July 25, 2024, the Company issued an additional US$200 million of 2029 Notes (the "Additional 2029 Notes") at a price of US$1,018.75 per US$1,000 principal amount. Concurrent with the issuance of the Additional 2029 Notes, the Company entered into derivative financial instruments (the "Additional 2028 cross-currency swaps") as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for payments of principal and interest under the Additional 2029 Notes until July 1, 2028, at a fixed exchange rate of US$1.000 = CAD1.3758, thereby hedging the Additional 2029 Notes at a CAD interest rate of 6.936% until July 1, 2028.

The following table summarizes the details of the 2029 Notes and Additional 2029 Notes:

	DECEMBER 31, 2024
2029 Notes and Additional 2029 Notes in CAD at issuance	816,360
Prepayment options related to 2029 Notes and Additional 2029 Notes at issuance	(12,065)
Foreign exchange movement in the 2029 Notes and Additional 2029 Notes since issuance	46,380
Change in fair value of prepayment options since issuance	70
	850,745
Unamortized premium	15,358
Unamortized deferred financing costs	(9,644)
	856,459

US$400 Million of 6.875% Senior Unsecured Notes and $150 Million of 6.000% Senior Unsecured Notes

On November 4, 2024, the Company issued US$400 million of 6.875% senior unsecured notes payable (the "2030 USD Notes") and $150 million of 6.000% senior unsecured notes payable (the "2030 CAD Notes") (the 2030 USD Notes and 2030 CAD Notes are collectively referred to as the "2030 Notes") with interest payable semi-annually on May 15 and November 15 of each year and mature on May 15, 2030.

The 2030 Notes include certain prepayment options, which are derivatives embedded in the notes. These embedded derivatives are presented within the 2030 Notes and are measured at FVTPL with changes in fair value recognized in finance costs in the consolidated statements of income.

Concurrent with the issuance of the 2030 USD Notes, the Company entered into derivative financial instruments (the "2029 cross-currency swaps") as cash flow hedges to hedge the risk of changes in the foreign currency exchange rate for the proceeds from the offering and for payments of principal and interest under the 2030 USD Notes until May 15, 2029, at a fixed exchange rate of US$1.000 = CAD1.3843, thereby hedging the US$400 million 2030 USD Notes at a CAD interest rate of 5.977% until May 15, 2029.

The following table summarizes the details of the 2030 USD Notes:

	DECEMBER 31, 2024
2030 USD Notes in CAD at issuance	553,720
Prepayment options related to 2030 USD Notes at issuance	(7,750)
Foreign exchange movement in the 2030 USD Notes since issuance	21,440
Change in fair value of prepayment options since issuance	127
	567,537
Unamortized premium	7,558
Unamortized deferred financing costs	(7,013)
	568,082

The following table summarizes the details of the 2030 CAD Notes:

	DECEMBER 31, 2024
2030 CAD Notes at issuance	**150,000**
Prepayment options related to 2030 CAD Notes at issuance	**(1,140)**
Change in fair value of prepayment options since the issuance date	**(87)**
	148,773
Unamortized premium	**1,111**
Unamortized deferred financing costs	**(1,926)**
	147,958

The following table summarizes the total carrying value of the Notes Payable:

	DECEMBER 31, 2024	DECEMBER 31, 2023
2026 Notes	**92,461**	420,970
2028 Notes	**748,835**	699,856
2029 Notes and Additional 2029 Notes	**856,459**	-
2030 USD Notes	**568,082**	-
2030 CAD Notes	**147,958**	-
	2,413,795	1,120,826

The Company has elected to use hedge accounting for the Notes Payable and the cross-currency swaps (i.e., the same notional amount, interest rate, and interest payment dates, covering either full or partial term). The Company has elected to designate the foreign currency basis as a cost of hedging, thereby excluding foreign currency basis spreads from the designation of the hedging relationship and has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange contracts is identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. There are no significant sources of hedge ineffectiveness between the Notes Payable and cross-currency swaps. There was no hedge ineffectiveness recognized in net income for the years ended December 31, 2024 and 2023.

As the Notes Payable and the cross-currency swaps are in an effective hedging relationship, changes in the fair value of the cross-currency swaps are recorded in OCI and subsequently reclassified into net income to offset the effect of foreign currency exchange rates related to the Notes Payable recognized in net income. The amount of the foreign currency basis spread at inception, designated as a cost of hedging, is amortized in net income on a straight-line basis over the life of the Notes Payable.

The cross-currency swaps have an aggregated notional amount equal to the aggregated principal outstanding of the hedged Notes Payable. The fair value of cross-currency swaps is determined using swap curves adjusted for credit risks. Swap curves are obtained directly from market sources. Fair values of cross-currency swaps are as follows:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Derivative financial assets (liabilities)		
2026 cross-currency swaps	**10,754**	21,904
2027 cross-currency swaps	**11,718**	(38,291)
2028 cross-currency swaps and Additional 2028 cross-currency swaps	**27,353**	-
2029 cross-currency swaps	**10,850**	-

As at December 31, 2024, the fair value of the cash pledged by the counterparties as cash collateral in respect of its cross-currency swap contracts was $69.3 million (2023 – nil). This balance is recognized under Accounts payable and other liabilities.

16. Share capital

Authorized Capital

The authorized capital of the Company consisted of an unlimited number of common shares with no par value and an unlimited number of preference shares. Each common share represents a shareholders' proportionate undivided interest in the Company. Each common share confers to its holder the right to one vote at any meeting of shareholders and to participate equally and rateably in any dividends of the Company. The common shares are listed for trading on the TSX.

Common Shares Issued and Outstanding

The changes in common shares issued and outstanding are summarized as follows:

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	# OF SHARES (IN 000S)	$	# OF SHARES (IN 000S)	$
Balance, beginning of year	**16,625**	**428,328**	16,445	419,046
Exercise of share options	**137**	**9,016**	143	7,227
Exercise of restricted share units	**31**	**3,491**	22	923
Dividend reinvestment plan	**12**	**2,070**	15	1,673
Exercise of deferred share units	**4**	**309**	-	-
Shares purchased for cancellation	**(163)**	**(4,385)**	-	-
Other	**-**	**(527)**	-	(541)
Balance, end of year	**16,646**	**438,302**	16,625	428,328

Dividends on Common Shares

For the year ended December 31, 2024, the Company declared dividends of $78.4 million (2023 – $63.6 million) or $4.68 per share (2023 – $3.84 per share). On November 7, 2024, the Company declared a quarterly dividend of $1.17 per share or $19.5 million to shareholders of record on December 27, 2024, payable on January 10, 2025.

Shares Purchased for Cancellation

On December 16, 2022, the Company announced the acceptance by the TSX of the Company's notice of intention to make a normal course issuer bid ("NCIB"), which allowed for a total purchase of up to 1,252,730 common shares and expired on December 20, 2023.

On December 19, 2023, the Company renewed its NCIB, which allowed for a total purchase of up to 1,270,245 common shares (the "2023 NCIB") and expired on December 20, 2024.

On December 19, 2024, the Company renewed its NCIB, which allows for a total purchase of up to 1,293,283 common shares (the "2024 NCIB") and expires on December 22, 2025.

For the year ended December 31, 2024, the Company purchased and cancelled 163,061 of its common shares on the open market at an average price of $165.51 per share, for a total cost of $27.0 million. For the year ended December 31, 2023, the Company did not purchase and cancel any common shares.

17. Share-based compensation

Share Option Plan

Under the Company's share option plan, options to purchase common shares may be granted by the Board of Directors to officers and employees. Options are generally granted at exercise prices equal to the fair market value at the grant date, vest at the end of a three-year period based on achieving long-term financial targets and have exercise lives of two to four years from the date of vesting.

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	# OF OPTIONS (IN 000s)	WEIGHTED AVERAGE EXERCISE PRICE $	# OF OPTIONS (IN 000s)	WEIGHTED AVERAGE EXERCISE PRICE $
Outstanding balance, beginning of year	**244**	**88.66**	345	63.35
Options granted	**36**	**159.46**	42	130.22
Options exercised	**(137)**	**50.75**	(143)	39.92
Options forfeited or expired	**(32)**	**134.65**	-	-
Outstanding balance, end of year	**111**	**145.13**	244	88.66
Exercisable balance, end of year	**23**	**127.03**	113	37.98

Outstanding share options as at December 31, 2024 were as follows:

RANGE OF EXERCISE PRICES $	OUTSTANDING			EXERCISABLE	
	# OF OPTIONS (IN 000s)	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	WEIGHTED AVERAGE EXERCISE PRICE $	# OF OPTIONS (IN 000s)	WEIGHTED AVERAGE EXERCISE PRICE $
100.00 – 149.99	**48**	**3.89**	**124.42**	**15**	**111.83**
150.00 – 191.79	**63**	**1.09**	**161.01**	**8**	**156.60**
100.00 – 191.79	**111**	**3.89**	**145.13**	**23**	**127.03**

The Company uses the fair value method of accounting for share options granted to employees. During the year ended December 31, 2024, the Company recorded an expense of $1.0 million (2023 – $1.3 million) in share-based compensation expense related to its share option plan in the consolidated statements of income, with a corresponding adjustment to contributed surplus.

Options granted in 2024 and 2023 were determined using the Black-Scholes option pricing model with the following assumptions:

	2024	2023
Risk-free interest rate (% per annum)	**3.50**	3.70
Expected hold period to exercise (years)	**4.62**	4.40
Volatility in the price of the Company's shares (%)	**52.65**	53.54
Dividend yield (%)	**2.99**	2.95

Executive Share Unit ("ESU") Plan

Under the terms of the ESU Plan, the Company's Board of Directors may grant restricted share units ("RSUs") and executive deferred share units ("Executive DSUs") to officers and employees.

Restricted Share Units

RSUs are granted at fair market value at the grant date and generally vest at the end of a three-year period based on achieving long-term financial targets. RSUs are paid to officers and employees upon vesting.

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	# OF RSUs (IN 000s)	WEIGHTED AVERAGE FAIR VALUE AT GRANT DATE $	# OF RSUs (IN 000s)	WEIGHTED AVERAGE FAIR VALUE AT GRANT DATE $
Outstanding balance, beginning of year	**293**	**134.25**	316	108.94
RSUs granted	**94**	**166.22**	65	129.98
RSU dividend reinvestments	**7**	**173.02**	8	108.11
RSUs exercised	**(60)**	**126.54**	(90)	40.95
RSUs forfeited	**(74)**	**130.10**	(6)	119.54
Outstanding balance, end of year	**260**	**149.78**	293	134.25

For the year ended December 31, 2024, the Company repurchased the equity interest related to a portion of fully vested RSUs amounting to $5.2 million (2023 – $8.7 million).

For the year ended December 31, 2024, the Company recorded an expense of $7.4 million (2023 – $6.1 million), in share-based compensation expense related to the Company's RSUs in the consolidated statements of income, with a corresponding adjustment to contributed surplus.

Executive Deferred Share Units

Executive DSUs are granted at fair market value at the grant date and generally vest at the end of a three-year period based on achieving long-term financial targets. Executive DSUs are paid to officers and employees upon termination of their employment with the Company.

	DECEMBER 31, 2024		DECEMBER 31, 2023	
	# OF EXECUTIVE DSUS (IN 000s)	WEIGHTED AVERAGE FAIR VALUE AT GRANT DATE $	# OF EXECUTIVE DSUS (IN 000s)	WEIGHTED AVERAGE FAIR VALUE AT GRANT DATE $
Outstanding balance, beginning of year	**92**	**125.17**	60	124.73
Executive DSUs granted	**27**	**160.93**	30	127.24
Executive DSU dividend reinvestments	**3**	**173.41**	2	107.94
Executive DSU Forfeited	**(54)**	**87.27**	-	-
Outstanding balance, end of year	**68**	**171.79**	92	125.17

For the year ended December 31, 2024, the Company recorded an expense of $1.3 million (2023 – $2.0 million), in share-based compensation expense related to the Company's Executive DSUs in the consolidated statements of income, with a corresponding adjustment to contributed surplus.

Board of Directors Deferred Share Unit Plan

Under the terms of the Board DSU Plan, the Company may grant DSUs to Board Directors. DSUs are granted at fair market value at the grant date and vest immediately upon grant.

During the year ended December 31, 2024, the Company granted 13,565 Board DSUs (2023 – 20,715 Board DSUs), to Board Directors under its DSU Plan. Additionally, for the year ended December 31, 2024, an additional 8,825 Board DSUs (2023 – 11,236 Board DSUs), were granted for dividends announced during the period.

For the year ended December 31, 2024, 9,064 Board DSUs (2023 – nil) were settled, of which, 4,212 Board DSUs were settled in shares. The Company repurchased the equity interest related to the remaining 4,852 Board DSUs amounting to $1.2 million.

For the year ended December 31, 2024, $3.8 million (2023 – $3.5 million), were recorded as share-based compensation expense under the Board DSU Plan in the consolidated statements of income, with a corresponding adjustment to contributed surplus.

Share-based Compensation Expense

Share-based compensation expense for the year ended December 31, 2024 was $13.5 million (2023 – $12.9 million).

Contributed Surplus

The following is a continuity of the activity in the contributed surplus account:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Contributed surplus, beginning of year	**24,817**	21,499
Equity-settled share-based compensation expense		
Restricted share units	**7,466**	6,157
Board deferred share units	**3,782**	3,477
Share options	**995**	1,316
Executive deferred share units	**1,291**	1,988
Reductions due to exercise in shares of share-based compensation		
Restricted share units	**(3,474)**	(923)
Share options	**(2,074)**	(1,523)
Repurchase of equity interest related to restricted share units, net of tax	**(4,671)**	(7,174)
Repurchase of equity interest related to deferred share units, net of tax	**(1,190)**	-
Contributed surplus, end of year	**26,942**	24,817

18. Finance costs

Finance costs include the following:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Interest expense		
Notes Payable	**132,439**	62,659
Revolving securitization warehouse facilities	**81,645**	64,800
Secured borrowings	**8,884**	6,105
Revolving credit facility	**6,344**	17,144
Refinancing costs related to Notes Payable (note 15)	**9,429**	9,501
Amortization of deferred financing costs and accretion expenses	**8,435**	7,543
Interest expense on lease liabilities	**3,617**	3,822
Discount on the repurchase of 2026 Notes (note 15)	**(1,487)**	-
Amortization of premium on Notes Payable	**(3,442)**	-
Interest income on cash in bank, net	**(7,156)**	(3,205)
Fair value change on prepayment options	**(13,216)**	(19,035)
	225,492	149,334

19. Income taxes

The Company's income tax expense was determined as follows:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Combined basic federal and provincial income tax rates	**26.5%**	26.5%
Expected income tax expense	**102,633**	89,294
Non-deductible expenses	**1,846**	1,949
Effect of capital losses (gains) on sale of assets and investments	**(153)**	(1,371)
Adjustments in respect of prior years	**(242)**	(319)
Other	**103**	(496)
	104,187	89,057

The significant components of the Company's income tax expense are as follows:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Current income tax:		
Current income tax charge	**114,920**	91,699
Adjustments in respect of prior years and other	**(1,550)**	(890)
	113,370	90,809
Deferred income tax:		
Relating to origination and reversal of temporary differences	**(11,201)**	(2,323)
Adjustments in respect of prior years and other	**2,018**	571
	(9,183)	(1,752)
	104,187	89,057

Deferred income tax related to items recognized in OCI during the year are summarized below:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Change in fair value of cash flow hedge	**13,480**	(1,516)
Change in costs of hedging	**(1,951)**	797
Reclassification of cash flow hedge to the consolidated statements of income	**(608)**	1,510
Deferred income tax (recovery) expense charged to OCI	**(10,921)**	791

The changes in deferred income tax liabilities are as follows:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Balance, beginning of year	**(24,259)**	(24,692)
Tax recovery during the year recognized in profit or loss	**9,183**	1,752
Tax recovery (expense) during the year recognized in OCI	**10,921**	(791)
Tax expense during the year recognized in equity	**(29)**	(528)
Balance, end of year	**(4,184)**	(24,259)

The significant components of the Company's deferred income tax liabilities are as follows:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Accounts receivable and allowance for credit losses	**18,674**	13,096
Revaluation of notes payable and derivative financial instruments	**12,897**	1,976
Loss carry forwards	**3,010**	623
Share-based compensation	**2,706**	2,746
Right-of-use assets, net of lease liabilities	**1,427**	1,424
Financing fees	**819**	1,222
Unrealized fair value change on investments	**(1,433)**	(827)
Fair value change on prepayment options	**(8,523)**	(5,044)
Lease assets and property and equipment	**(11,992)**	(14,359)
Intangible asset arising from business acquisition	**(21,986)**	(25,458)
Other	**217**	342
	(4,184)	(24,259)

As at December 31, 2024 and 2023, there were no recognized deferred income tax liabilities for taxes that would be payable on the undistributed earnings of the Company's subsidiaries.

20. Earnings per share

Basic Earnings Per Share

Basic earnings per share amounts were calculated by dividing the net income for the period by the weighted average number of outstanding common shares and vested Board and Executive DSUs. Board DSUs granted to Board Directors are included in the calculation of the weighted average number of common shares outstanding as they vest upon grant. Executive DSUs granted to officers generally vest at the end of a three-year period based on achieving long-term financial targets.

	DECEMBER 31, 2024	DECEMBER 31, 2023
Net income	**283,110**	247,898
Weighted average number of common shares outstanding (in 000s)	**17,094**	16,867
Basic earnings per common share	**16.56**	14.70

For the year ended December 31, 2024, 349,878 vested Board and Executive DSUs (2023 – 325,493 Board and Executive DSUs) were included in the weighted average number of common shares outstanding.

Diluted Earnings Per Share

Diluted earnings per share reflect the potential dilutive effect that could occur if additional common shares were assumed to be issued under securities or instruments that may entitle their holders to obtain common shares in the future. Dilution could occur through the exercise of share options, RSUs, or Executive DSUs. The number of additional shares for inclusion in the diluted earnings per share calculation was determined using the treasury share method.

	DECEMBER 31, 2024	DECEMBER 31, 2023
Net income	**283,110**	247,898
Weighted average number of common shares outstanding (in 000s)	**17,094**	16,867
Dilutive effect of share-based compensation (in 000s)	**272**	250
Weighted average number of diluted shares outstanding (in 000s)	**17,366**	17,117
Diluted earnings per common share	**16.30**	14.48

The following share-based compensation grants were considered anti-dilutive using the treasury share method and, therefore, were excluded in the calculation of diluted earnings per share:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Share options (in 000s)	**56**	131
Restricted share units (in 000s)	**37**	68
Executive deferred share units (in 000s)	**4**	28
	97	227

21. Net change in other operating assets and liabilities

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

	DECEMBER 31, 2024	DECEMBER 31, 2023
Accounts receivable	**(11,676)**	(5,065)
Prepaid expenses	**(26)**	(1,128)
Accounts payable and other liabilities	**83,803**	20,115
Income taxes recoverable/payable	**(124)**	28,533
Unearned revenue	**(1,101)**	(1,696)
Accrued interest payable	**36,128**	2,716
	107,004	43,475

Supplemental disclosures in respect of the consolidated statements of cash flows consist of the following:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Income taxes paid	**118,580**	70,478
Income taxes refunded	**5,086**	8,202
Interest paid	**194,586**	147,990
Interest received	**1,103,021**	882,192

22. Commitments and guarantees

The Company has technology commitments and operating leases for premises and vehicles. Some of the Company's lease contracts for premises include extension options. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised. As at December 31, 2024, no extension option for lease contracts for premises is expected to be exercised.

The undiscounted potential future lease payments for operating leases for premises and vehicles and the estimated operating costs related to technology commitments required for the next five years and thereafter are as follows:

	WITHIN 1 YEAR	AFTER 1 YEAR, BUT NOT MORE THAN 5 YEARS	MORE THAN 5 YEARS
Premises	**22,799**	**39,883**	**4,521**
Technology commitments	**22,601**	**23,151**	**3,538**
Vehicles	**753**	**1,406**	**-**
	46,153	**64,440**	**8,059**

23. 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.

24. Capital risk management

The Company manages its capital to maintain its ability to continue as a going concern and to provide adequate returns to shareholders by way of share appreciation and dividends. The capital structure of the Company consists of debt facilities (Revolving Credit Facility, Revolving Securitization Warehouse Facilities and Secured Borrowings), Notes Payable and Shareholders' equity, which includes share capital, contributed surplus, accumulated OCI and retained earnings.

The Company manages its capital structure and adjusts it in response to changing economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances, share repurchases, the payment of dividends, increasing or decreasing drawn amounts against the Company's debt facilities, issuance or payment of Notes Payable or by undertaking other activities as deemed appropriate under specific circumstances. The Company's strategy, objectives, measures, definitions and targets have not changed significantly in the past year.

The Company has externally imposed capital requirements as governed through its financing facilities. These requirements are to ensure the Company continues to operate in the normal course of business and to ensure the Company manages its debt relative to net worth. The capital requirements are congruent with the Company's management of capital.

The Company monitors capital on the basis of the financial covenants of its financing facilities.

For the years ended December 31, 2024 and 2023, the Company was in compliance with all of its externally imposed financial covenants.

25. Financial risk management

Overview

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk, interest rate risk and currency risk. 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.

Credit Risk

Credit risk is the risk of loss that arises when a customer or counterparty fails to pay an amount owing to the Company.

The maximum exposure to credit risk is represented by the carrying amount of the accounts receivable, consumer loans receivable and lease assets with customers under merchandise lease agreements. The Company provides consumer loans and leases products to thousands of customers pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity, although the Company is subject to a higher level of credit risk due to the credit constrained nature of many of the Company's customers and in circumstances where its policies and procedures are not complied with.

The credit risk on the Company's consumer loans receivable made in accordance with policies and procedures is impacted by FLIs. The analysis performed by the Company determined that the rate of inflation and rate of unemployment were positively correlated with the Company's historic loss rates while oil prices and the rate of GDP were negatively correlated with the Company's historic loss rates. In calculating the allowance for credit losses, 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, for the years ended December 31, 2024 and 2023, five forward-looking scenarios were generated – 1) neutral, 2) moderately optimistic, 3) extremely optimistic, 4) moderately pessimistic, and 5) extremely pessimistic – based on forecasting degrees of change in the macroeconomic variables (GDP, unemployment rates, inflation rates, and oil prices) within a 12-month period. Judgment is then applied by management to assign probabilistic weightings to these scenarios to determine a probability weighted allowance for credit losses as at the reporting date. The proposed macroeconomic forecasts and probability weightings are then subject to robust internal review and analysis by management to arrive at a collective view on the likelihood for each scenario. Refer to note 6 for additional details on the allowance for credit losses. As at December 31, 2024, the Company's gross consumer loans receivable portfolio was $4.60 billion (2023 – $3.65 billion). Net charge offs expressed as a percentage of the average loan book were 9.2% for the year ended December 31, 2024 (2023 – 8.9%).

The credit risk related to lease assets with customer's results from the possibility of customer default with respect to agreed upon payments or in not returning the lease assets. The Company has a standard collection process in place in the event of payment default, which includes the recovery of the lease asset if satisfactory payment terms cannot be worked out with the customer, as the Company maintains ownership of the lease assets until payment options are exercised. As at December 31, 2024, the Company's lease assets were $41.0 million (2023 – $45.2 million). Lease asset losses for the year ended December 31, 2024 represented 3.7% (2023 – 3.4%) of total leasing revenue for the easyhome reportable segment.

For accounts receivable from third parties, the risk relates to the possibility of default on amounts owing to the Company. The Company deals with credible companies, performs ongoing credit evaluations of counterparties and consumers and creates an allowance for uncollectible amounts when determined to be appropriate.

Liquidity Risk

The Company addresses liquidity risk management by maintaining sufficient availability of funding through its financing facilities. The Company manages its cash resources based on financial forecasts and anticipated cash flows, which are periodically reviewed with the Company's Board of Directors.

The Company believes that the cash flows provided by operations and funds available from the credit facilities will be sufficient in the near term to meet operational requirements, purchase lease assets, meet capital spending requirements and pay dividends. The Company remains confident that the capacity available under its existing funding facilities, and its ability to raise additional debt financing, is sufficient to fund its organic growth forecast.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

DECEMBER 31, 2024	LESS THAN 1 YEAR	1 TO 3 YEARS	4 TO 5 YEARS	5 YEARS +	TOTAL
Accounts payable and other liabilities	**156,903**	**-**	**-**	**-**	**156,903**
Accrued interest payable	**49,003**	**-**	**-**	**-**	**49,003**
Revolving credit facility	**-**	**25,000**	**-**	**-**	**25,000**
Revolving securitization warehouse facilities	**-**	**1,077,500**	**-**	**-**	**1,077,500**
Secured borrowings	**65,471**	**32,813**	**21,772**	**279**	**120,335**
Derivative financial liabilities	**-**	**21,466**	**-**	**-**	**21,466**
Notes payable	**-**	**849,954**	**1,441,198**	**149,884**	**2,441,036**

DECEMBER 31, 2023	LESS THAN 1 YEAR	1 TO 3 YEARS	4 TO 5 YEARS	5 YEARS +	TOTAL
Accounts payable and other liabilities	72,409	-	-	-	72,409
Accrued interest payable	12,875	-	-	-	12,875
Revolving credit facility	-	192,000	-	-	192,000
Revolving securitization warehouse facilities	-	1,370,000	-	-	1,370,000
Secured borrowings	69,450	67,925	5,224	578	143,177
Derivative financial liabilities	-	4,166	38,291	-	42,457
Notes payable	-	424,064	709,825	-	1,133,889

Interest Rate Risk

Interest rate risk measures the Company's risk of financial loss due to adverse movements in interest rates. The Company maintains diversified funding sources and utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility.

The 2026 Notes, 2028 Notes, 2029 Notes, Additional 2029 Notes and 2030 Notes maturing on May 1, 2026, December 1, 2028, July 1, 2029, July 1, 2029, and May 15, 2030, respectively, have fixed rates of interest.

The Revolving Credit Facility has variable interest rates at either the lender's prime rate plus 75 bps or 225 bps plus either (i) the forward-looking Term CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three month interest period; or (ii) the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of 29.547 bps; provided further that the interest rate shall not fall below 225 bps. The Company does not hedge interest rates on the Revolving Credit Facility. Accordingly, future changes in interest rates will affect the amount of interest expense payable by the Company to the extent draws are made on the variable rate Revolving Credit Facility. As at December 31, 2024, the Company's has drawn $25 million against its $550 million Revolving Credit Facility.

The Revolving Securitization Warehouse Facility I and Revolving Securitization Warehouse Facility II have variable interest rates at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 195 bps; provided further that the interest rate shall not fall below 195 bps. The Company entered into interest rate swap agreements as cash flow hedges to protect itself against the variability of future interest payments by paying a fixed rate based on the weighted average life of the securitized loans and receiving variable rate equivalent to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps. As such, each incremental swap that is taken on has a hedge implemented that results in interest rates becoming fixed for the duration of that swap.

The $105 million Securitization Facility bears interest at the GOCB rate (with a floor rate of 0.95%) plus 395 bps and the $85 million Securitization Facility bears interest at the GOCB (with a floor rate of 0.25%) plus 325 bps. The loan sale agreements to sell loans into these facilities expired in 2021. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity. The $150 million Securitization Facility and $125 million Securitization Facility bear interest at an interpolated GOCB rate plus 310 bps. The interpolated rate is determined using the remaining maturity of each loan sold into the facility, and the rate remains fixed for the life of the loan.

As at December 31, 2024, 99% (2023 – 93%) of the Company's drawn debt balances effectively bear fixed rates due to the type of debt and the aforementioned interest rate swap agreement on the Revolving Securitization Warehouse Facilities.

The Company cannot predict the impact of the changing economic conditions will have on its future results, nor predict when interest rates will change.

Currency Risk

Currency risk measures the Company's risk of financial loss due to adverse movements in currency exchange rates.

The 2026 Notes, 2028 Notes, 2029 Notes, Additional 2029 Notes and 2030 USD Notes were issued in USD. Concurrent with these offerings, the Company entered into cross-currency swap agreements to hedge the risk of changes in the foreign exchange rate for the proceeds from the offerings and for payments of principal and interest under these notes effectively hedging the obligation. The hedge is designed to match the cash flow obligations of the Company under the Notes Payable, covering either full or partial term.

The Company sources a portion of the assets it leases in Canada from United States suppliers. As a result, the Company has foreign exchange transaction exposure. These purchases are funded using the spot rate prevailing at the date of purchase. Pricing to customers can be adjusted to reflect changes in the CAD landed cost of imported goods and, as such, the Company does not have a material foreign currency transaction exposure.

26. Financial instruments

Recognition and Measurement of Financial Instruments

The Company classified its financial instruments as follows:

FINANCIAL INSTRUMENTS	MEASUREMENT	DECEMBER 31, 2024	DECEMBER 31, 2023
Cash	Fair value	**182,121**	144,577
Accounts receivable	Amortized cost	**42,438**	30,762
Consumer loans receivable, net	Amortized cost	**4,366,533**	3,447,588
Investments	Fair value	**41,918**	61,464
Derivative financial assets	Fair value	**60,675**	21,904
Revolving credit facility	Amortized cost	**21,797**	190,921
Accounts payable and other liabilities	Amortized cost	**156,903**	72,409
Accrued interest payable	Amortized cost	**49,003**	12,875
Secured borrowings	Amortized cost	**120,335**	143,177
Revolving securitization warehouse facilities	Amortized cost	**1,073,876**	1,364,741
Derivative financial liabilities	Fair value	**21,466**	42,457
Notes payable	Amortized cost	**2,413,795**	1,120,826

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 tables provide the fair value measurement hierarchy of the Company's financial assets and liabilities measured as at December 31, 2024 and 2023:

DECEMBER 31, 2024	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Cash	**182,121**	**182,121**	**-**	**-**
Accounts receivable	**42,438**	**-**	**-**	**42,438**
Consumer loans receivable, net	**4,366,533**	**-**	**-**	**4,366,533**
Investments	**41,918**	**-**	**-**	**41,918**
Derivative financial assets	**60,675**	**-**	**60,675**	**-**
Revolving credit facility	**21,797**	**-**	**-**	**21,797**
Accounts payable and other liabilities	**156,903**	**-**	**-**	**156,903**
Accrued interest payable	**49,003**	**-**	**-**	**49,003**
Secured borrowings	**120,335**	**-**	**-**	**120,335**
Revolving securitization warehouse facilities	**1,073,876**	**-**	**-**	**1,073,876**
Derivative financial liabilities	**21,466**	**-**	**21,466**	**-**
Notes payable	**2,413,795**	**-**	**-**	**2,413,795**

DECEMBER 31, 2023	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Cash	144,577	144,577	-	-
Accounts receivable	30,762	-	-	30,762
Consumer loans receivable, net	3,447,588	-	-	3,447,588
Investments	61,464	19,546	-	41,918
Derivative financial assets	21,904	-	21,904	-
Revolving credit facility	190,921	-	-	190,921
Accounts payable and other liabilities	72,409	-	-	72,409
Accrued interest payable	12,875	-	-	12,875
Secured borrowings	143,177	-	-	143,177
Revolving securitization warehouse facilities	1,364,741	-	-	1,364,741
Derivative financial liabilities	42,457	-	42,457	-
Notes payable	1,120,826	-	-	1,120,826

There were no transfers between Level 1, Level 2 or Level 3 for the years ended December 31, 2024 and 2023.

27. Related party transactions

Key management personnel includes all Board Directors and corporate officers. The following summarizes the expenses related to key management personnel during the year.

	DECEMBER 31, 2024	DECEMBER 31, 2023
Short-term employee benefits including salaries	**9,872**	6,362
Share-based payment transactions	**8,143**	9,135
	18,015	15,497

28. Segmented reporting

For management reporting purposes, the Company has two reportable segments:

- The easyfinancial reportable segment lends out capital in the form of unsecured and secured consumer loans to non-prime borrowers. easyfinancial's product offering consists of unsecured and real estate secured instalment loans. The LendCare operating segment specializes in financing consumer purchases in the powersports, automotive, retail, healthcare, and home improvement categories. The majority of loans in LendCare are secured by personal property or a Notice of Security Interest. The Company aggregates operations of easyfinancial and LendCare into one reportable segment called easyfinancial, on the basis of their similar economic characteristics, customer profile, nature of products, and regulatory environment. This aggregation most accurately reflects the nature and financial results of the business activities in which the Company engages, and the broader economic and regulatory environment in which it operates.

  The Company's chief operating decision maker ("CODM"), which has been determined by the Company to be the Chief Executive Officer, utilizes the same key performance indicators to allocate resources and assess the performance of the operating segments. The CODM uses several metrics to evaluate the performance of the operating segments, including, but not limited to, the volume of consumer loan originations and the risk-adjusted margin of the businesses (comprising the yield on the consumer loan portfolios net of the annualized loss rates). These key financial and performance indicators, which are used to assess results, manage trends and allocate resources to each of the operating segments, have been, and are expected to remain, similar. In addition, the Company has centralized some of the common functions such as finance and human resources.

  Customers served by the easyfinancial and LendCare operating segments are Canadian consumers, the majority of whom are classified as non-prime borrowers and seeking alternative financial solutions to those of a traditional bank. These consumers actively use a wide range of financial products and will migrate across the products offered in each segment. Furthermore, the nature of products sold by each of the operating segments and the distribution methods of those products are similar. Both the easyfinancial and LendCare operating segments offer unsecured and secured instalment loans, which are offered through a retail network of branches or merchant partnerships, and complemented by an online digital platform. In addition, both operating segments are subject to the same federal and provincial legislation and regulations applicable to the consumer lending industry.

- The easyhome reportable segment provides leasing services for household furniture, appliances and electronics and unsecured lending products to retail consumers.

The Company's business units generate revenue in four main categories: i) interest generated on the Company's gross consumer loans receivable portfolio; ii) lease payments generated by easyhome lease agreements; iii) commissions and other revenues generated by the sale of various ancillary products; and iv) charges and fees.

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 the Corporate segment. Management assesses performance based on segment operating income (loss).

The following tables summarize the relevant information for the year ended December 31, 2024 and 2023:

YEAR ENDED DECEMBER 31, 2024	EASYFINANCIAL	EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	**1,081,843**	**39,979**	**-**	**1,121,822**
Lease revenue	**-**	**95,407**	**-**	**95,407**
Commissions earned	**261,630**	**14,096**	**-**	**275,726**
Charges and fees	**26,941**	**3,393**	**-**	**30,334**
	1,370,414	**152,875**	**-**	**1,523,289**
Operating expenses				
Bad debts	**452,558**	**15,206**	**-**	**467,764**
Other operating expenses	**212,451**	**54,987**	**94,535**	**361,973**
Depreciation and amortization	**38,995**	**38,096**	**6,804**	**83,895**
	704,004	**108,289**	**101,339**	**913,632**
Segment operating income (loss)	**666,410**	**44,586**	**(101,339)**	**609,657**
Other income				**3,132**
Finance costs				**(225,492)**
Income before income taxes				**387,297**

YEAR ENDED DECEMBER 31, 2023	EASYFINANCIAL	EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	853,228	35,700	-	888,928
Lease revenue	-	99,848	-	99,848
Commissions earned	220,363	14,122	-	234,485
Charges and fees	23,226	3,582	-	26,808
	1,096,817	153,252	-	1,250,069
Operating expenses				
Bad debts	327,196	14,443	-	341,639
Other operating expenses	197,358	59,610	88,613	345,581
Depreciation and amortization	37,747	42,259	6,325	86,331
	562,301	116,312	94,938	773,551
Segment operating income (loss)	534,516	36,940	(94,938)	476,518
Other income				9,771
Finance costs				(149,334)
Income before income taxes				336,955

As at December 31, 2024 and 2023, the Company's goodwill consisted of $21.3 million related to its easyhome reportable segment and $159.6 million related to the LendCare operating segment within the easyfinancial reportable segment.

In scope under IFRS 15, Revenue from Contracts with Customers ("IFRS 15") are revenues relating to commissions earned and charges and fees. Lease revenue is covered under IFRS 16, Leases. Included in lease revenue is certain additional services provided by the Company related to the lease, but which fall under the scope of IFRS 15. These revenues totalled $10.3 million for the year ended December 31, 2024 (2023 - $11.0 million).

The Company's easyhome business consisted of four major product categories: furniture, electronics, appliances and computers. Lease revenue generated by these product categories as a percentage of total lease revenue for the years ended December 31, 2024 and 2023 were as follows:

	DECEMBER 31, 2024 (%)	DECEMBER 31, 2023 (%)
Furniture	**42**	41
Electronics	**31**	33
Appliances	**17**	16
Computers	**10**	10
	100	100

Corporate information

Head Office
33 City Centre Drive
5th Floor
Mississauga, Ontario
L5B 2N5
Tel: (905) 272-2788

Investor Relations
David Ingram
Executive Chairman of the Board
Tel: (905) 272-2788

Hal Khouri
Executive Vice-President
& Chief Financial Officer
Tel: (905) 272-2788

Farhan Ali Khan
Executive Vice-President & Chief Strategy and Corporate Development Officer
Tel: (905) 272-2788

Bankers
Bank of Montreal
Toronto, Ontario

Wells Fargo Canada
Toronto, Ontario

Canadian Imperial Bank
of Commerce
Toronto, Ontario

Royal Bank of Canada
Toronto, Ontario

The Toronto-Dominion Bank
Toronto, Ontario

National Bank of Canada
Toronto, Ontario

The Bank of Nova Scotia
Toronto, Ontario

Transfer Agent
TSX Trust Company
Toronto, Ontario

Listed
Toronto Stock Exchange
Trading Symbol: GSY

Solicitors
Blake, Cassels & Graydon LLP
Toronto, Ontario

Auditors
Ernst & Young LLP
Toronto, Ontario

Website
www.goeasy.com