goeasy

ANNUAL REPORT 2023

easyfinancial | easyhome | LendCare

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2023 marked another milestone year for goeasy

We produced strong loan growth and stable credit performance. These record results further solidified our position as a leader in the Canadian non-prime consumer credit market.

Over 9.3 million Canadians have non-prime credit, of which approximately 72% have been denied credit by banks and other traditional institutions, highlighting the essential role goeasy plays in the financial system.

In 2023 alone, we issued over 250,000 loans to help everyday Canadians tackle their household financial needs. This included paying for bills and emergency expenses, repairing their homes, covering health and dental expenses, purchasing a vehicle to get to work and paying for life's unexpected circumstances. With originations exceeding $12.8 billion in loans, we have now proudly served over 1.3 million Canadians with responsible and transparent lending products that help our customers build their credit for the future.

Although we are proud of the millions of Canadians we have been able to help through our diverse portfolio of lending products and services, it is our on-going commitment to executing our mission of providing everyday Canadians a path to a better tomorrow today, that we are most proud of. Through our robust product suite, risk adjusted rates, financial education platforms and the deep relationships we have built with our customers, we continue to provide millions of Canadians a path to reduce their cost of borrowing over time. Since 2017, we have reduced the weighted average interest rate we charge our borrowers to approximately 30% today, passing on the benefits of our scale directly to our customers. Having helped over 200,000 customers graduate to prime credit to date, there is no doubt we are just getting started. Over time, we will continue to build our suite of lending products and expand our channels of distribution to create an unparalleled customer experience for the millions of Canadians with non-prime credit that turn to us as a trusted source for all of their financial needs.

About goeasy

goeasy is one of Canada's leading non-prime consumer lenders, focused on delivering a full suite of financial services to Canadians with non-prime credit. For 33 years, goeasy has provided financial solutions designed to meet the needs of individuals navigating credit challenges. With a retail distribution footprint of over 400 stores and branches across Canada, a robust digital lending platform, and partnerships with over 9,500 dealer and merchant partners nationwide, goeasy strives to deliver convenient and accessible credit options to help meet the everyday financial needs of our customers. With a team of over 2,400 dedicated employees that have supported over 1.3 million Canadians by extending over $12.8 billion in consumer credit, we remain steadfast in our commitment to our mission of helping Canadians on a path to a better tomorrow.

2023 Highlights

$2.7B
Annual loan originations

$851M
Total loan book growth

8.9%
Net charge-off rate

22.6%
Total revenue growth

26.5%
Adjusted net income growth[1]

23.0%
Adjusted diluted eps growth[1]

25.4%
Adjusted return on equity[1]

[1] Adjusted net income is a non-IFRS measure, and adjusted diluted EPS and adjusted return on equity are non-IFRS ratios. Refer to "Key Performance Indicators and Non-IFRS Measures" section on page 43 of the Company's MD&A year ended December 31, 2023.

2023 Annual Letter to Shareholders

Amidst a world of change and disruption, 2023 marked another year of demonstrating the strength and resilience of our business, combined with the passion and performance of our team, leading to record results.

Our industry continues to evolve just as rapidly as the world around us. The affordability impact of inflation on consumers, heightened levels of credit risk due to economic concerns, and pending regulatory changes, have all put pressure on lenders within the non-prime sector, leading to consolidation and reduced competition. As we look forward, we remain confident that goeasy is well positioned to navigate the evolving landscape and capture the significant market opportunity that lies ahead.

The business today has grown to become a diverse multi-billion-dollar enterprise, but is still grounded in the core principles that have been embedded into our culture for for nearly three decades; passionately taking care of our customers, and providing our team members with challenging and fulfilling work that rewards them for the essential role they play in the success of our Company. After all these years, including the many learnings, records and milestones, it still feels like the beginning.

Jason Mullins

President & Chief Executive Officer

Financial Results

2023 was another record year for the Company. We proudly issued over 250,000 loans to everyday hard-working Canadians, extending them over $2.7 billion in credit, an increase of 14% from the prior year. Our consumer loan portfolio grew by a record $851 million, finishing the year at $3.65 billion, up 30%.

The growth in our consumer loan portfolio led to record revenue of $1.25 billion, up 23% compared to 2022. In addition to the robust portfolio and revenue growth, we produced stable credit performance despite a challenging and deteriorating economic environment. The net charge off rate in 2023 was 8.9%, down from 9.1% in 2022, demonstrating the impact of disciplined credit risk management, pro-active credit adjustments and the benefit of a shift in product mix.

During the year, we also continued to focus on generating more operating leverage through scale and productivity gains, producing an improvement in the efficiency ratio, which was 30.2% in the year, or 340 bps better than 2022. Adjusted operating income for the year was a record $491 million, 33% higher compared to $369 million in the prior year. Net income for the year was $248 million and diluted earnings per share was $14.48, compared with $140 million or $8.42 per share in 2022. Adjusted net income for the year was a record $243 million and adjusted diluted earnings per share was a record $14.21 compared with $192 million or $11.55 per share, increases of 27% and 23%, respectively. Reported return on equity and adjusted return on equity was above our target level of return at 25.9% and 25.4%, respectively.

Managing Credit Risk Amidst Economic Uncertainty

We consider managing credit performance to be our highest priority order of business, as this is also a symbol of ensuring our customers are set up for financial success. Producing stable credit performance can build confidence from all stakeholders and improve access to funding, while volatile credit performance can damage confidence and affect the terms upon which we can obtain capital. In the non-prime lending industry, managing credit performance is paramount. If managed well, the level of volatility in credit performance can be greatly reduced.

Monitoring & Pro-active Response

We employ a wide range of monitoring tools to carefully study vintage level loan performance at a granular level of segmentation. We also carefully study macro-economic and societal trends that could influence our business. Together, we use the information to make calculated and pro-active adjustments to our credit strategy. While this may sound straight forward, it is challenging and complex. Moreover, it requires immense discipline to tighten credit tolerance and underwriting standards at the expense of lending volume, often long before it is necessary. The only way to position a credit portfolio for stability in bad times, is to apply sound judgement and make calculated decisions in good times.

Credit & Underwriting

The primary way we manage credit risk is through the development of custom proprietary scorecards and algorithms that segment risk. The more sources of data and history that we accumulate, and the more sophisticated the tools and technology used for statistical modeling become, the more accurate and predictive the models are. Today, we utilize over 2,000 external data points and rapidly evolving machine learning software to constantly develop challenger models to the ones we use in our business. Every time a customer applies for credit, we then augment those models with the assessment of affordability, which evaluates and assigns a loan amount that the customer can safely afford. Lastly, we conduct rigorous underwriting, including collecting and validating the information provided by the borrower. Just as important as the models and scorecards themselves, is the tolerance level we set for accepting risk. As our risk appetite or outlook evolves, we can modify the tolerance level, change our affordability logic, or enhance our underwriting criteria, all of which become tools we can use on-demand to influence the risk level of our portfolio.

Product Mix

One of the benefits to diversification in any business, is the reduction of concentration, which reduces risk. In the context of credit risk, our multi-product strategy has provided the capacity to shift our product mix toward lower risk products, such as secured loans, which have risen from 10% of our portfolio in 2018 to over 40% today. By allocating marketing spend, promotions, technology investment and internal resources purposefully, we can influence the mix of our product portfolio, which in turn can improve the overall credit risk performance of the portfolio.

Our Culture as a Competitive Advantage

At goeasy, we believe that our company culture is a key point of differentiation and a distinct competitive advantage. While most corporate leaders imply the same, we are very convinced that our culture makes a material difference. As there are many individual elements that make up the culture of a company, we have aimed to codify the characteristics that drive our success. As I reflect on the past few years, there are a few attributes that stand out as relevant to the performance of our organization during this period.

Purpose Driven

We are a purpose driven business, with a deep passion to help millions of Canadians access the financial products that power their lives, in a responsible and transparent manner. The pride that our people have for this mission helps create a winning spirit and resilience that enables our business to drive ahead in the face of challenge and adversity. It keeps us focussed on the greater good. It binds us together toward a common and worthy goal. No matter what is in front of us.

Alignment

We have worked very hard to ensure alignment between team members on the front line, and every level of leadership up to the CEO. The way a company designs its goals and incentives play a major role in creating, or interfering, with alignment. We have carefully crafted both short and long-term rewards that aim to achieve this alignment. Most notably, is our share-based incentive program, which applies to our leadership team. In this program the number of shares that vest and the criteria upon which vesting is determined, is identical across the enterprise, and for every position. This allows our entire leadership team across all business units to openly share how we are tracking and performing, as everyone is measured on the same outcomes. This alignment is incredibly powerful.

Power to Pivot

Changing direction is hard, especially if it's sudden or unexpected. It's disruptive, it's emotional, and it requires very humble, nimble and willing team members. Yet we are living in a rapidly changing world that requires more flexibility than ever before. Over the years, we've come to pride ourselves on the ability to pivot, to react quickly to changes in the environment and adjust course, whether that means reprioritizing projects, shifting our focus, or seizing a new opportunity that has emerged. At goeasy we embrace the power of the pivot.

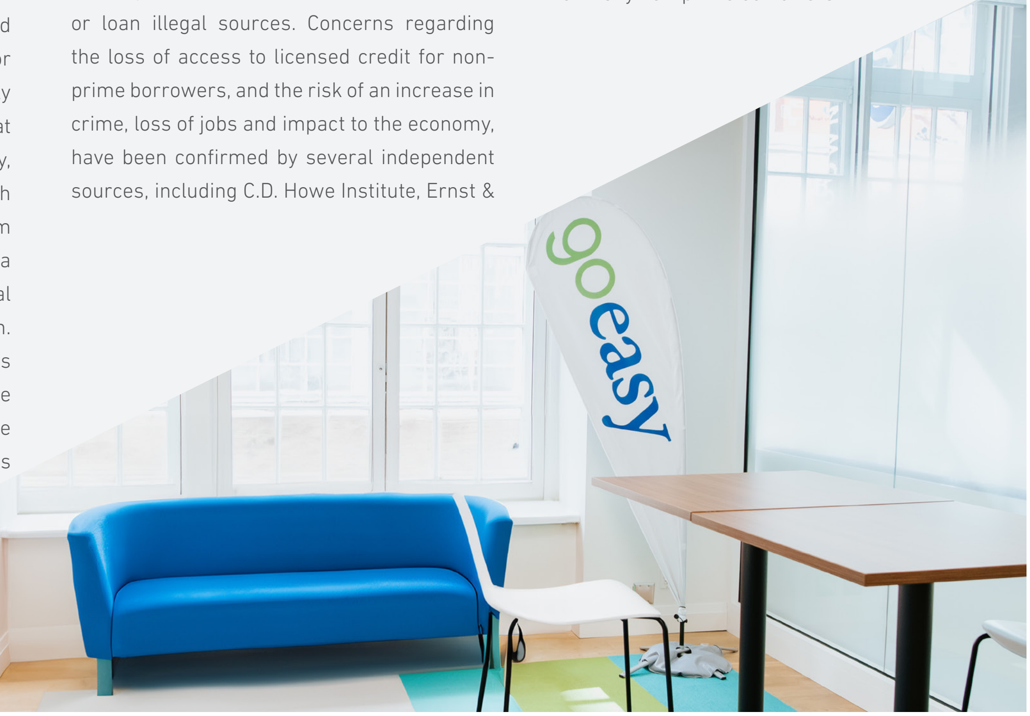
State of Regulations in Canada

In the 2023 Federal Budget, the Government of Canada announced that they intended to lower the maximum allowable rate of interest that a lender can change from the existing rate of 47% APR to a 35% APR. Following this announcement, we have individually, and in partnership with the Canadian Lenders Association ("CLA"), spent considerable time educating regulators and politicians on the unfortunate consequences of this change.

The CLA estimates that up to 4.7 million Canadians may be adversely affected, cutting these borrowers off from access to credit and pushing them to more expensive payday loans, or loan illegal sources. Concerns regarding the loss of access to licensed credit for non-prime borrowers, and the risk of an increase in crime, loss of jobs and impact to the economy, have been confirmed by several independent sources, including C.D. Howe Institute, Ernst & Young, and the Ontario Association of Chiefs of Police, all of whom have sounded alarm bells. At the time of this letter, we still expect the Government to proceed with implementation of the lower allowable rate, however, they have yet to publish the date upon which the new law will come into effect.

We would also argue that the marketplace has worked efficiently on its own accord without government intervention. Since 2016, we have brought down the average rate of interest on the products we offer from 46% to 30%. We've done this because it is good business. A robust and competitive marketplace is good for consumers and allows them to choose who they want to do business with, which improves experience, quality and prices.

When the maximum allowable rate reduces, there will unfortunately be a segment of borrowers that we can no longer serve due to an inability to price the loan commensurate with the credit risk. However, we also believe that the reduction in competition and the increased barrier to entry, will ultimately drive more market share toward those with scale, creating a net benefit to goeasy and the small handful of large market participants. In fact, we are already experiencing a greater level of demand caused, in part, by the anticipation of a more difficult operating environment. Unfortunately, this is at the expense of millions of Canadians right to freely access regulated credit, and a reduction in innovation and competition. In our view, the change represents a step backwards for many non-prime borrowers.



Our Target Return

The design of our loan products and our material investment decisions are based on delivering a desired rate of return for equity holders. Given the risk profile of our business within the broader financial services sector, we believe it is necessary to produce a target return on equity of 20%. We presently fund approximately 30% of our business with equity, and 70% through a variety of forms of debt. As a result, we require an after-tax return on our loan receivables of at least 6%. Put another way, for every $100 of outstanding loan throughout the year, we fund $30 of those loan balances during the year with equity and $70 with debt, requiring that we generate at least $6 of after-tax profit on an annualized basis. Note this is an annualized in-period view, assuming a pool of loans outstanding over the course of a year. We also carefully measure vintage unit economics and customer lifetime value, which all conspire to produce these ultimate return levels.

Every product in our suite is designed to meet our desired rate of return, however, the geography of the income and variable expenses related to each product varies significantly. Certain products targeted toward customers with better credit, or those secured by hard assets, generally have lower rates of interest and gross yields, but also incur less acquisition and servicing costs, and lower loan losses. Other products like unsecured personal loans or products issued to customers with lower credit scores, generally have higher rates of interest and gross yields, but incur greater expenses to underwrite and service, and experience higher loan losses.

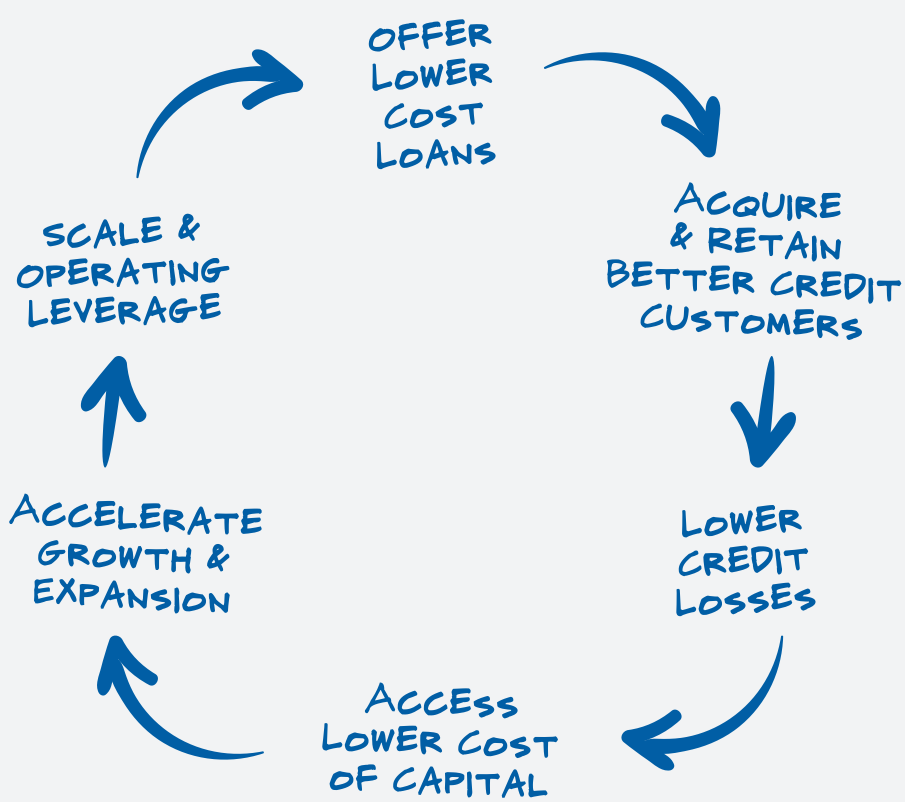
Developing the capability to measure returns, and the rigour to monitor and manage the financial performance of our portfolio has become a key strength, yet there still remains further opportunity to optimize this discipline as the business scales.

The Flywheel

The concept of a "flywheel" was developed in the book Good to Great, by Jim Collins. The idea was constructed to convey that no matter how dramatic the end result, good-to-great transformations never happen in one fell swoop. There is no single defining action or miracle moment, but rather the process resembles relentlessly pushing a giant, heavy flywheel, turn upon turn, building momentum and picking up speed. The concept of the flywheel envisions a giant wheel where the spokes represent a series of business activities executed in sequential order, where one begets the next. Each one powering the wheel to turn and move the business forward.

I recently heard Jim speak at the World Business Forum in New York last year, during which he discussed the concept of the flywheel. In his words, a flywheel is operating effectively when upon executing one spoke of the wheel, "you can't help but execute the next spoke in the wheel". Since 2017 we have been executing a flywheel strategy to pass along the benefits of scale to customers in the form of lower cost products.

As we have offered lower cost loans, it has led to acquiring and retaining better credit quality borrowers. As we've acquired and retained better credit quality borrowers, we've produced improving credit performance. As we've produced improving credit performance, we've be able to obtain lower cost sources of funding. As we've obtained lower cost sources of financing, we've been able to invest in expansion efforts and accelerate our growth. As we've accelerated our growth, we've benefited from scale and increased operating leverage with lower relative operating costs. As we've achieved more scale and operating leverage, we've then passed on the benefit of the lower relative operating costs to the non-prime market in the form of lower cost loans (lower APR products and reduced rates). As the flywheel has progressively turned, it has gained momentum.



Next

Every year we provide a refreshed outlook on the business underpinned by a commercial forecast containing our view on growth and financial performance. These forecasts are built bottom up, assuming we execute an organic expansion plan with the existing products and channels we have in our suite today. The forecast is then based on a down-the-fairway set of assumptions that we have consistently met, or exceeded, over the past 10 years. The one remaining question is always, what's next?

As evidenced best by the launch of the easyfinancial business in 2006, we are consistent practitioners of building, testing and learning from new initiatives – introduced specifically when the business is performing well. The worst time to pursue a major business initiative is when the business is underperforming. This leads to rushed and undisciplined decisions. When a business is performing well and has attractive organic growth prospects from its existing products and services, a business is far more disciplined and patient. With our current business performing well, we have begun to turn our attention to a combination of acquisition opportunities, both domestic and international, as well as the development and test of a new lending product, a revolving general purpose credit card.

Acquisitions

Three years post our acquisition of LendCare, with the business having been largely integrated into our culture, we are very pleased with the benefits and value that has been produced, which well exceeds the targeted level of earnings accretion we forecasted. Not only have the business lines we acquired continue to scale, we were able to leverage the combined platform to accelerate growth and product expansion, such as the launch of our automotive financing program, which is on track to be our second largest product. Over the last 20 year period, we have now made nine strategic investments or acquisitions, that have produced a combined return of over 90%, providing confidence that we can allocate capital toward select strategic investments that can generate meaningful value for shareholders. We are now in a position to explore additional acquisitions, either domestic or in new markets, where we can add new sources of growth and leverage our existing capabilities. With a strong organic growth profile in front of us, we are naturally a disciplined buyer with high standards and a very clear criteria for what qualifies as a strategic fit. We constantly assess our choices for capital allocation, which is first prioritized toward organic growth and steady investment in our core business, before then assessing new strategic investments alongside returning capital to shareholders through share repurchases. Should we identify an acquisition that makes strategic sense, we will apply the same disciplined approach and the appropriate patience necessary to build and expand it properly, leading to a material source of growth in the future.

Product Expansion

There is presently a unique opportunity in the $40 billion Canadian non-prime general purpose credit card market. With limited competition focussed on our target segment of borrowers, we believe we can build a credit card that not only provides access to a critical financial product for consumers, but provides them an attractive rewards and benefits program. Today, approximately 70% of our current customers have a credit card, most of which are issued the most basic level cards by their primary financial institution, with limited benefits. Meanwhile the other 30% of our customers are seeking a way to access this mainstream financial product to manage everyday expenses that a larger instalment loan may not be suitable for. In 2024 we will begin to design and build a product, with a plan to carefully test and learn how the market and consumers respond and perform before we begin to scale. This period is critical and may reveal another billion-dollar product opportunity.

Closing

I could not be more proud of the work our team of over 2,400 across goeasy do each and every day. They battle relentlessly to offer our customers access to financial products that fuel their lives, while providing them a chance to rebuild their credit and reduce their cost of borrowing over time. It is their spirit and passion that recently earned goeasy the recognition of being named on of the top 50 Best Workplaces in Canada.

2023 was not just another record year for the Company, it was a year that further strengthened and galvanized us around the critical role we play in the financial services industry. It added fuel to our fire and passion for wanting to serve the over 9.3 million Canadians with non-prime credit. As we have always said, despite the scale and success we've enjoyed to date, we still view ourselves as a dynamic and entrepreneurial company in a large and underserved market. To this day, we still believe we are just getting started!

Jason Mullins

Our Strategy

We continue to focus on building Canada's leading non-prime consumer lender, supported by a strategy that is deeply connected to our purpose driven mission of helping our customers improve their financial future. Our mission of helping our customers achieve better financial outcomes is executed through our four key strategic pillars, an approach that truly sets us apart from the competition.

Product Range

With a Canadian market size of over $218 billion in non-prime consumer credit, goeasy has consistently executed against a product roadmap and strategy that positions the company as the leading single source of credit for Canadians with non-prime credit. By offering one of the widest ranges of consumer credit products available in the market, including leasing for everyday household items, unsecured personal loans, home equity loans, automotive financing, and financing for everyday purchases in the powersports, healthcare and general retail categories, consumers come to goeasy as their trusted lender for all their credit needs.

Unsecured Personal Loans

easyfinancial offers unsecured personal loans up to $20,000 with personalized rates and payment terms that are designed to help our customers find a solution that fits their unique needs. Our customers can apply without impacting their credit score and all payments made by borrowers are reported to credit reporting agencies, which in turn helps our customers rebuild their credit and graduate to lower rates on future loans.

Secured Personal Loans

For our customers that are homeowners, we offer home equity loans up to $100,000 with rates starting at 9.9%. By using the equity in their home, customers can access our highest loan amounts at our lowest rates for home renovations, debt consolidation and emergency expenses. Both our unsecured and secured loans are supported by an omni-channel model that includes a branch network of 300 locations from coast-to-coast, a digital lending platform, and a mobile app that enables customers to conveniently transact with us.

Point-of-Sale Financing

LendCare, goeasy's point-of-sale financing brand, operates through a network of over 6,200 merchants to help customers finance the purchase of powersports products, everyday retail purchases and healthcare procedures and equipment. Our goal is to provide our partners with competitive approval rates, attractive financing offers for their consumers, and an overall best-in-class financing experience to help drive and increase their sales volume. Powered by our leading-edge technology platform, the merchant can obtain an instant credit decision and automated loan solution, enabling the customer to buy what they want today and pay for it over time.

Automotive Financing

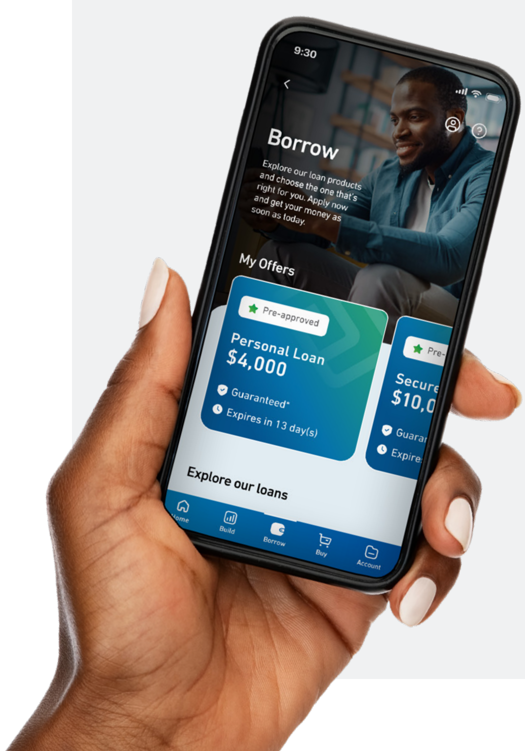
Through LendCare, we also offer automotive financing through a robust auto dealer network that includes over 3,300 dealer partners. With a fast and easy application process, we provide instant credit decisions to help minimize friction and get customers on the road quickly and efficiently with flexible financing options. With large ambitions to become Canada's leading non-prime, non-bank auto lender, we are well on our way with 2023 auto originations exceeding $370 million.

Leasing

easyhome, Canada's largest lease-to-own retailer, has been in operation since 1990 and offers customers brand name household furniture, appliances, and electronics through lease-to-own agreements. The brand is supported by 144 retail locations, which includes 34 franchise stores and an e-commerce platform. Canadians turn to easyhome as an alternative to purchasing or financing their goods, or when they simply want the flexibility to return or upgrade items in their home with ease. 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. In 2019, easyhome began reporting customers' lease payments to the credit reporting agencies to further support our customers' ability to secure access to credit and improve their credit profile. With every on-time lease payment, easyhome customers can build their credit and ultimately use the easyhome transaction as a stepping-stone to access other financial products and services offered by easyfinancial and LendCare.

Channel Expansion

Our strategy is focused on delivering our products and services through the widest channels of distribution that enable us to meet our customers' needs for credit, anywhere and everywhere they are. Through three distinct and complementary channels of distribution that include a national retail and branch network of over 400 locations, a digital platform and newly launched mobile app, and a merchant and dealer network with over 9,500 partners, our omni-channel model enables customers to transact with us simply and conveniently. In 2023, we made significant progress in the digitalization of the customer journey as we launched a new all-in-one digital platform and mobile app, goeasy Connect™. This transformational, industry-first digital solution provides goeasy customers with one-stop access to all our credit products across our brands through a simple and easy to use digital customer experience. Over time, we will continue to build additional features and functionality that enhance the experience and make it even easier for our customers to access the credit products they need.



Geographic Diversification

Canada continues to provide goeasy a substantial runway for growth, with over 9.3 million Canadians with non-prime credit needing alternative options for credit. With an expansive footprint in Canada that includes 300 easyfinancial locations, our community-based branch locations cover over 85% of the population, providing Canadians with easy and convenient access to credit. As goeasy continues to explore additional avenues for growth, we believe that international markets, where the easyfinancial business model can be replicated, present significant opportunity. The two markets that are particularly attractive include the United States with over 100 million consumers with non-prime credit scores, and the United Kingdom with over 12 million consumers with non-prime credit scores.

Financial Wellness

goeasy is committed to improving the financial wellness of our customers by providing responsible and transparent financial products and services that are tailored to their individual needs. With 72% of easyfinancial customers disclosing that they have been denied credit by banks or other traditional lenders, our focus is not only to provide them with the credit they need today, but the tools to improve their financial health for tomorrow. For many borrowers with non-prime credit, we serve as an important stepping-stone to help rebuild credit by reporting each loan payment to the credit reporting agencies. As our customers demonstrate consistent on-time payment behaviour, we are able to gradually reduce their cost of borrowing over time by qualifying them for other lending products at a lower interest rate. Between 2017 and 2023, we have reduced the weighted average interest rate charged to customers from 46% to 30.3% today. At goeasy, we have always set ourselves apart from the competition by looking beyond the initial transaction with the customer and focusing on building long-term personalized relationships based on trust and respect. During discussions with customers, we aim to help them understand their credit profile, how credit works, and what steps they can take to ensure they protect and build their credit rating. In addition, goeasy provides free financial literacy resources for all Canadians through goeasy Academy, a dedicated portal that includes hundreds of articles and tools to help Canadians better understand and manage their personal finances. Over time, we will continue to invest in building unique tools and programs that will help drive meaningful progress for our customers on their path to a better tomorrow and an improved financial future.

Our Customers

With 33 years of experience serving over 1.3 million Canadians with non-prime credit, we have developed a deep understanding of our customers' financial needs to help them achieve their long-term financial goals.

Our customers are everyday hard-working Canadians in a variety of industry sectors including manufacturing, retail, financial services, healthcare, technology, and public sector jobs. The typical customer is 43 years old, supporting an average of 1.9 dependents, with an individual income of $60,000 per year, residing at their current place of residence for almost four years and working with their current employer for 3.7 years. Canadians with non-prime credit, carry 53% less total consumer debt than the typical prime consumer, due primarily to a lower level of home ownership, at approximately 20%, versus the Canadian home ownership rate of ~67%.

These consumers, many of which are unable to access credit from banks and traditional financial institutions, turn to goeasy as a reliable source of credit for everyday basic financial needs and large ticket discretionary purchases. 80% of easyfinancial customers report that they rely on access to credit when a financial emergency arises, turning to goeasy as a trusted and reliable alternative to a traditional bank. From financing a vehicle or buying a powersports product for their family's enjoyment, to financing a healthcare expense such as uninsured dental work or a veterinary bill, or purchasing household items such as furniture or appliances, we help Canadians with non-prime credit finance all of their life needs. We are proud of the role we play in our customers' lives, meeting their needs for credit today, while helping them graduate to progressively lower rates and ultimately, prime lending products over time.

Source: goeasy direct-to-consumer loan data (December 2023)

Provide everyday Canadians a path to a better tomorrow, today.

33
Years of leasing & lending experience

$1.3M
Canadians served

$3.6B
Consumer loan portfolio

$12.8B
Total loan originations

A History in the Making

"For 33 years, goeasy has proudly helped over 1.3 million Canadians with non-prime credit. Our passion to support our customers and put them on a path to a better tomorrow, has enabled the organization to consistently produce record results. As we reflect on our journey and milestones over the past three decades, we understand the importance of preserving the Company's core values, while continuing to innovate and evolve as we look to meet the changing needs of our customers. With a market of over 9.3 million non-prime Canadians, we have never been more excited about the opportunities ahead and recognize that we are truly just getting started."

Jason Mullins

President & CEO

1990
- RTO Enterprises founded

2001
- David Ingram appointed CEO and company returns to profitability

2003
- easyhome is born, consolidated from 6 brands

2006
- easyfinancial launches

2011
- First easyfinancial stand alone branch opens
- Centralized credit adjudication introduced

2015
- Corporate name changed to goeasy ltd.

2016
- Risk adjusted interest rate loans launched

2017

- Expanded into Quebec
- Home Equity product launched
- Recapitalized the business with C$530 Million in financing

2018

- Next generation proprietary online loan application launched

2019

- David Ingram transitions to Executive Chairman, Jason Mullins assumes role of President & CEO
- $1 Billion loan portfolio milestone
- Strategic partnership & investment in PayBright
- Recapitalized the business with C$728 Million in financing
- Reached $1 Billion market capitalization

2020

- goeasy and PayBright launched e-commerce platform
- Launch of soft credit inquiry
- Launch of banking models for credit adjudication
- Established C$200 Million revolving securitization warehouse facility

2021

- Completed strategic acquisition of LendCare
- C$2 Billion loan portfolio milestone
- Completed C$173 Million equity offering & US$320 Million senior unsecured notes issuance
- Strategic investment & partnership with Brim
- Launched automotive financing

2022

- Increased securitization facility from C$900 Million to C$1.4 Billion
- C$57.9 Million bought deal offering of common shares
- Launch of new corporate intranet
- Launch of new goeasy.com corporate website
- Placed on the 2022 Report on Business Women Lead Here list

2023

- $3 Billion loan portfolio milestone
- 300th easyfinancial branch opening
- 9,500+ merchant & dealer partners
- Launch of new mobile app - goeasy Connect
- Increased total funding capacity to C$900M+
- Certified as a Great Place to Work®
- 100th easybites kitchen at BGC Canada clubs completed bringing to a close our 10 year, $1.2M commitment
- Launch of Feed their Future a $1.4M Commitment to BGC Canada's Food Fund

Annual Revenue

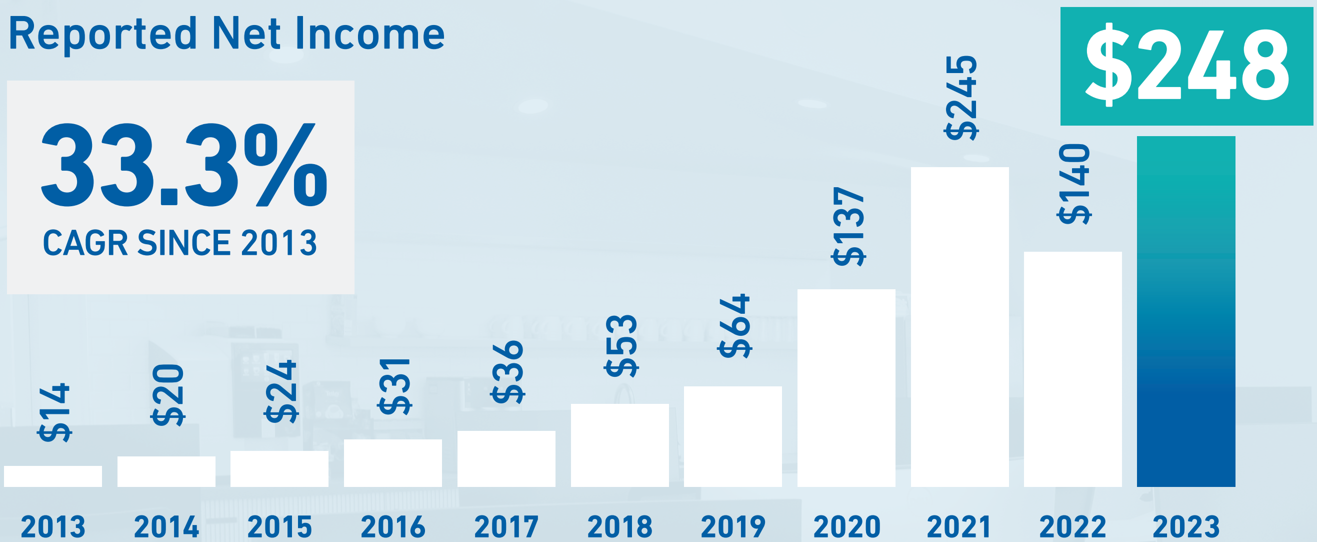
(In dollar millions)

Annual Net Income

(In dollar millions)

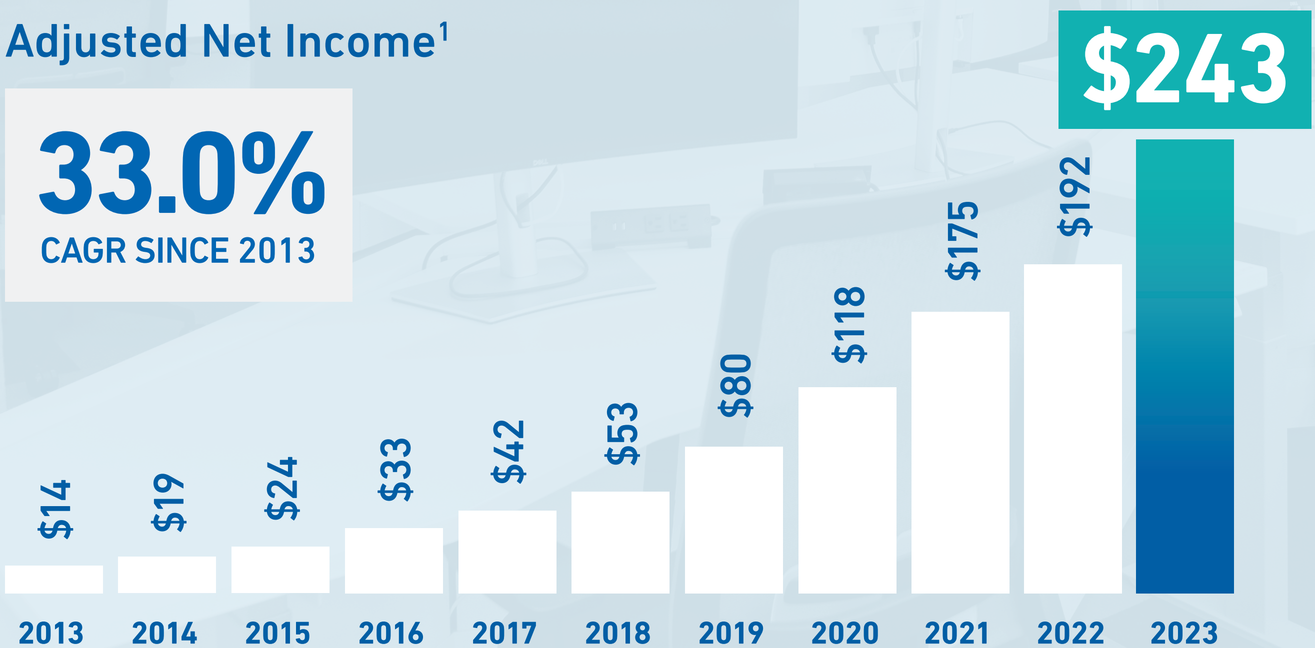
Reported Net Income

33.3%
CAGR SINCE 2013



Adjusted Net Income[1]

33.0%
CAGR SINCE 2013



[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 43 of the Company’s MD&A year ended December 31, 2023 for FY 23 metric, 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 metric, 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, 4) “Key Performance Indicators and Non-IFRS Measures” section on page 39 of the Company’s MD&A year ended December 31, 2019 for FY 19 and FY18 metrics, 5) “Key Performance Indicators and Non-IFRS Measures” section on page 39 of the Company’s MD&A year ended December 31, 2017 for FY 17 and FY 16 metrics, 6) “Key Performance Indicators and Non-IFRS Measures” section on page 31 of the Company’s MD&A year ended December 31, 2015 for FY 15 and FY 14 metrics, and 7) “Key Performance Indicators and Non-IFRS Measures” section on page 23 of the Company’s MD&A year ended December 31, 2013 for FY 13 metric.

Annual EPS

(Earnings per Share)

Reported Diluted EPS

Adjusted Diluted EPS[1]

[1] Adjusted diluted EPS 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. Change this to: Refer to 1) "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 metric, 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 metric, 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, 4) "Key Performance Indicators and Non-IFRS Measures" section on page 39 of the Company's MD&A year ended December 31, 2019 for FY 19 and FY18 metrics, 5) "Key Performance Indicators and Non-IFRS Measures" section on page 39 of the Company's MD&A year ended December 31, 2017 for FY 17 and FY 16 metrics, 6) "Key Performance Indicators and Non-IFRS Measures" section on page 31 of the Company's MD&A year ended December 31, 2015 for FY 15 and FY 14 metrics, and 7) "Key Performance Indicators and Non-IFRS Measures" section on page 23 of the Company's MD&A year ended December 31, 2013 for FY 13 metric.

Financial Summary

(in $000s except per share amounts, store counts, employee counts, percentages and ratios)	2023	2022	2021	2020	2019
INCOME STATEMENT					
Revenue	1,250,069	1,019,336	826,722	652,922	609,383
Operating income	476,518	332,407	281,003	216,436	168,793
Net income	247,898	140,161	244,943	136,505	64,349
Diluted earnings per share	14.48	8.42	14.62	8.76	4.17
BALANCE SHEET					
Cash	144,577	62,654	102,479	93,053	46,341
Gross consumer loans receivable	3,645,202	2,794,694	2,030,339	1,246,840	1,110,633
Lease assets	45,187	48,437	47,182	49,384	48,696
Total assets	4,164,167	3,302,889	2,596,153	1,501,916	1,318,622
External debt[3]	2,819,665	2,229,260	1,552,679	887,749	854,768
Shareholders' equity	1,054,077	869,688	789,913	443,512	332,421
FINANCIAL METRICS					
Revenue growth	22.6%	23.3%	26.6%	7.1%	20.4%
Operating margin	38.1%	32.6%	34.0%	33.1%	27.7%
Adjusted operating margin[1]	39.3%	36.2%	38.3%	33.1%	27.7%
Efficiency ratio[1,4]	30.2%	33.6%	37.2%	-	-
Adjusted net income[2]	243,175	192,261	174,759	117,646	80,315
Adjusted diluted earnings per share[1]	14.21	11.55	10.43	7.57	5.17
Return on receivables[4]	7.6%	5.8%	-	-	-
Adjusted return on receivables[1,4]	7.5%	8.0%	-	-	-
Return on assets	6.7%	4.8%	11.5%	9.8%	5.5%
Adjusted return on assets[1]	6.5%	6.6%	8.2%	8.5%	6.8%
Return on equity	25.9%	17.6%	36.7%	36.1%	20.2%
Adjusted return on equity[1]	25.4%	24.2%	26.2%	31.1%	25.3%
Return on tangible common equity[1,4]	36.7%	28.4%	50.7%	38.3%	-
Adjusted return on tangible common equity[1,4]	34.6%	36.4%	35.3%	33.0%	-
Net debt to net capitalization[3]	0.72	0.71	0.65	0.64	0.71
Annual dividend per share	3.84	3.64	2.64	1.80	1.24
OPERATING METRICS					
Gross loan originations	2,709,194	2,377,606	1,594,480	1,033,130	1,095,375
Growth in gross consumer loans receivable	850,508	764,355	783,499	136,207	276,854
Net charge-offs as a percentage of average gross consumer loans receivable	8.9%	9.1%	8.8%	10.0%	13.3%
Free cash flows from operations before net growth in gross consumer loans receivable[2]	377,291	258,474	260,104	210,619	120,985
OPERATIONS					
Total store count:					
easyfinancial	300	302	294	266	256
easyhome	144	154	158	161	163
Employees	2,463	2,492	2,394	2,024	2,024

Notes:

[1] These are non-IFRS ratios. Refer to 1) "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 metric, 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

[2] These are non-IFRS measures. Refer to 1) "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 metric, 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.

[3] This is a capital management measure. Refer to 1) "Financial Condition" section on page 55 of the Company's MD&A year ended December 31, 2023 for FY 23 metric, 2) "Financial Condition" section on page 54 of the Company's MD&A year ended December 31, 2022 for FY 22 and FY 21 metrics, 2) "Financial Condition" section on page 49 of the Company's MD&A year ended December 31, 2020 for FY 20 and FY19 metrics

[4] Comparable efficiency ratio measure for the years 2019 and 2020 were not published; comparable reported and adjusted return on receivables financial ratios for the years 2019 to 2021 were not published; and comparable reported and adjusted return on tangible common equity financial ratios for the year 2019 were not published

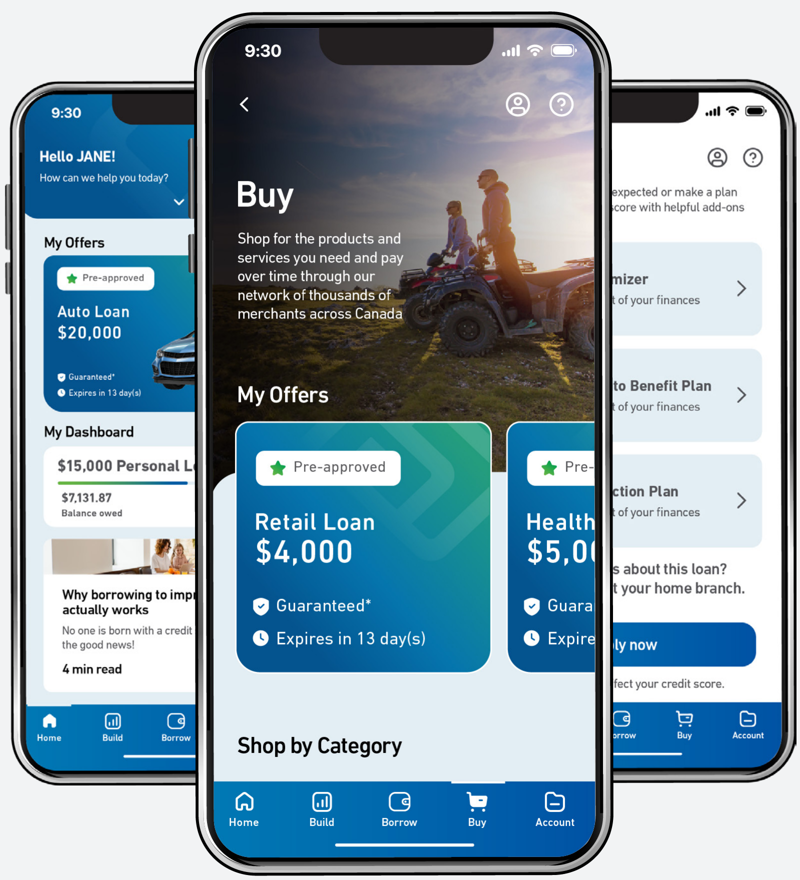
Note: Non-IFRS ratios, non-IRFS measures and capital management measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies

Future Forward

Investing in the Digital Experience

As we accelerate our digital lending capabilities, goeasy was excited to launch goeasy Connect™, an industry-first, transformational digital solution that provides goeasy customers with one-stop access to our credit products across all of our consumer lending brands.

This simple and easy to use digital platform provides our customers with real-time access to their account details, payment information and pre-approved offers. Through the platform, they know how much they can borrow and at what rates, to help them meet all of their borrowing needs. Since the launch of goeasy Connect™, over 100,000 customers have downloaded the mobile app through the Apple app store and Google Play. The future roadmap includes new feature enhancements that will be added over time, as we continue to build a leading digital experience for our customers.



goeasy CONNECT

Download the FREE goeasy Connect™ App

Download on the App Store

GET IT ON Google Play

Building the Branch of the Future

In 2023, we opened our 300th branch, a revolutionary, state-of-the-art branch located on the iconic Yonge Street in downtown Toronto. The new branch design is centered around creating a seamless omni-channel experience for our customers that merges digital technologies with personalized service delivered at the branch level.

Over the next several years, we will look to retrofit our existing branch network with variations of our flagship model to provide our customers with an unparalleled customer experience that sets easyfinancial apart as one of Canada's leading non-prime consumer lenders.

Enhancing the Employee Experience

In addition to supporting our customers through the acceleration of our digital roadmap, we also continue to focus on investing in technology and infrastructure to unlock efficiency and productivity for our employees. This past year, we invested in several new platforms including a microlearning solution to drive frontline knowledge and a modern cloud-based contact centre solution with full omni-channel capabilities. Over time, we will continue to invest in our employee experience as we support our frontline with digital technologies that help them deliver impactful experiences for our customers.

AI and Machine Learning

Although we have been employing AI and machine learning for many years to help automate complex processes and support our best-in-class credit risk capabilities, we see significant opportunities for continued investments in AI. Leveraging the backbone of our data infrastructure, AI will help fuel our personalization strategy as we create customized content and offers based on the unique credit profiles of our customers. We currently have several AI-driven "Proof of Concepts" running across a number of areas in the business as we continue to build our next generation data models to be more agile in accommodating our new and expanding channels. In addition, we continue to actively build and test a variety of AI chatbots, to use for customer service inquiries and financial education, as we look to deliver a superior customer experience that is fast, engaging and convenient for our customers.

Environmental, Social and Governance Strategy

Our commitment to shaping a better tomorrow extends beyond helping to improve the lives of our customers and employees, as it serves to guide our teams' actions and underpins the values and policies that govern our organization. As we extend our purpose beyond profit, we strive to relentlessly focus on our Environmental, Social and Governance (ESG) practices as we look to generate long-term value for our stakeholders and ensure a sustainable tomorrow for generations to come.

Environment

Over the past several years, we have put new environmental initiatives into practice as we continue to seek opportunities to reduce our carbon footprint and minimize our use of natural resources. We are committed to supporting a greener future by managing our environmental impacts and prioritizing sustainable environmental practices which include reducing our paper and plastic usage, as well as reducing our energy and emission consumption.

Sustainable Paper Policies

To reduce our paper consumption, we have worked to eliminate paper-based billing and statements and have invested heavily in multiple digital platforms, including an Enterprise Resource Platform, a Human Resources Information System, and an Intranet Portal.

For the paper that we do use, including printed posters and brochures across our retail network, we have partnered with PrintReleaf, a global platform that uses technology to measure our paper footprint based on our cumulative printing volume. In turn, PrintReleaf calculates how many trees have been harvested to produce the paper used and reforests them through sustainable reforestation sites around the world.

In 2023, we reforested 2,224 standard trees which is a 418% increase year-over-year. Since joining PrintReleaf in January 2021, we are proud to have offset the equivalent of 27 million letter pages of paper consumption by reforesting 3,304 trees.

2,224

Reforested trees in 2023

27M

Letter pages of paper consumption offset

3,304

Trees reforested since 2021

printreleaf. CERTIFIED REFORESTED

Reducing Plastic

In 2023, we installed water coolers in our branches and stores to provide employees with access to water and reduce single-use plastics. As a result, we have reduced waste by eliminating the use of more than 80,000 plastic water bottles. In addition, we eliminated the use of suction cups for point-of-sale materials in our stores and branches, reducing 500 lbs. of plastic.

Energy and Emission Reduction

We continuously strive to reduce our carbon footprint and energy consumption through programs that include the use of LED lighting across our 400+ retail locations. Over the past year, we have retrofitted energy-efficient LED lighting in 40 stores and branches. Additionally, we are engaging suppliers to minimize shipping distance and waste associated with packaging materials to help reduce our impact on the environment.

Expanding Use of Recycled Materials Throughout Retail Network

As we developed our new branch design, leveraging opportunities to incorporate furniture made from low-emitting and recycled materials was core to our approach. We were deliberate in our selection of furniture and incorporated designs made from low-emitting materials that are GREENGUARD Certified. This certification demonstrates that the materials used have undergone scientific testing to meet chemical emission requirements. In addition, all tables and chairs within our new branch design have been created with 10% to 65% pre-consumer and post-consumer recycled content, a calculation provided by Leadership in Energy and Environmental Design (LEED).

-7.15%

YOY total energy consumption decrease

Social

Our enduring commitment to social responsibility guides the ways in which we operate, as we aim to benefit society at large. This includes making decisions that consider the impact on all of our key stakeholders, including our employees, customers, and communities so we can create a workplace and world where everyone thrives.

People and Culture

Our goeasy team members are the foundation of our success and at the heart of the customer-centric culture we have built over the past 33 years. Throughout the past three decades, our culture has been built around our Values and Leadership Principles that include dreaming big, having heart, and operating with a purpose beyond a profit. goeasy's 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.

goeasy Leadership Principles

1 We put **goeasy** first.

2 We are **obsessed** with the front-line.

3 **We do what's right,** even when it's not easy.

4 We are **humble** and **hungry.**

5 We **dream** big.

6 We **test** and **learn.**

7 We make it **simple.**

8 We have **heart.**

4 We have a **purpose** beyond a profit.

10 We play **hard.**

To help guide our progress and continue to find opportunities to enhance our high-performance culture, our annual Engagement Survey, now in its eighth year, measures a variety of engagement metrics that indicate employee satisfaction in key areas. Annually, our leaders share the results and plans to address any gaps or opportunities to improve the goeasy workplace culture.

Investing in career development, growth, and engagement

Guided by our Leadership Principles and core to our culture, is a strong focus on talent development and career management that is supported by a variety of training programs including job-specific training, career coaching, leadership development, mentorship, tuition assistance, and support for external courses. These programs are supported by semi-annual performance reviews and comprehensive succession planning with a priority focus on mission critical roles.

- "goforum" is a series of developmental programs for frontline to senior management that is designed for high performers, providing career and life experiences to our top talent. The program focuses on cross-functional collaboration to solve real business issues, participation in external courses, personal career coaching, psychometric and 360 assessments and the opportunity to learn from senior leaders who participate in the program as mentors.

- The Manager Essentials Training Program is designed to support new managers as they embark on their leadership journey at goeasy. 76% of management positions were filled by internal promotions in 2023, highlighting the effectiveness of the work that is done to prepare the next generation of leaders at goeasy.

- We know that great talent knows great talent, so our Employee Referral Program is designed for employees to recommend colleagues who share their commitment to achieve high standards of delivering top-quality work. Employees can earn a monetary award for each candidate hired into a Permanent Full-Time or Part-Time position. In 2023, our employees were successful in referring 353 new employees and we paid out almost $95,000 in referral rewards.

- Annually, we bring together all of our store and branch managers, as well as leaders from our National Sales and Service Centre, LendCare, and our Support Centre for our National Conference. This unique event is centered on learning and development as our leaders from across the business hear from our Leadership Team on our successes and learnings from the previous year, and look ahead at our strategic roadmap for the future.

Supporting all aspects of employee health & wellbeing

In keeping with our mission to create better tomorrows for our employees, each year goeasy commits to enhancing our total rewards offering. 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. In 2023, we made one of the most significant changes to our benefits plan as we transitioned to a modular benefit plan, giving employees the option to choose which benefit coverage is right for them to help support their unique needs. In 2023, we also rolled out our Compassionate Care leave program, providing employees with extended coverage to take care of an immediate family member with a serious medical condition. We also launched Carepath's Chronic Disease program, which connects employees to personalized health support for chronic diseases from the time of diagnosis to treatment and recovery.

84%
Overall engagement score in 2023

81%
of employees are proud to tell others they work for goeasy

82%
of employees agree that they are doing meaningful work

84%
of employees agree they can be themselves at work

86%
of employees would recommend their manager to others

86%
employees agree that they use their strengths everyday at work

90%
of employees agree that goeasy values diversity of culture, backgrounds, person styles, and lifestyles among its employees

2022 REPORT ON BUSINESS WOMEN LEAD HERE

Great Place To Work. Certified SEP 2022 – AUG 2023 CANADA

Waterstone CANADA'S MOST ADMIRED CORPORATE CULTURES

Best Workplaces in Financial Services & Insurance Great Place To Work. CANADA 2023

Best Workplaces in Ontario Great Place To Work. CANADA 2023

Recognizing outstanding contributions

Recognition is central to goeasy's culture as we strive to create a workplace that motivates employees, shares in each other's successes, and rewards employees for their meaningful contributions to company performance. We recognize employees for their outstanding efforts through our Employee of the Month program, Quarterly Leadership Awards, and our annual awards which include Value Awards, Employees of the Year, and the David Ingram Leadership Award. We also recognize employees with high tenure through our Service Awards, which allows employees to choose from a wide range of gift options to thank and reward them for their years of service.

2023 Investments

- Modular benefits with SunLife so employees can choose the coverage plan that suits their individual needs
- Compassionate Care leave which includes eight weeks of paid leave
- Carepath's Chronic Disease program to connect employees and their families to personalized health support from diagnosis through to treatment and recovery
- Employee loan program with rates lower than our cost of borrowing to help support employees that need access to credit

In addition to these new benefits, we also continue to invest in a highly robust employee benefits program which includes competitive base pay, monthly bonus plans, quarterly and annual performance incentives, maternity and paternity top-up benefits, RRSP matching program, virtual medical and mental health access, employee assistance program (EAP), company matched charitable donations, a sabbatical program, tuition assistance programs, reading assistance programs for children of employees and access to free financial literacy webinars through Sun Life.

Attracting and Retaining World Class Talent

As a proudly Canadian Company, we pride ourselves on a diverse employee base that very much reflects the Canadian population with employees from over 70 Nationalities. Beyond our commitment to having a workforce as diverse as the Country itself, we have actively created a variety of programs to embrace and integrate new Canadians from various international backgrounds to enrich our culture and support employees starting their new chapter in Canada.

Pilot for New Canadian support program launched

35%

Of external hires in 2023 were new to Canada

260+

Employees progressed from new to Canada to Permanent Resident in the past 3 years

10%

Of promotions in 2023 were new Canadians

New to Canada support program

Designed in 2022 and launched in 2023, our New to Canada support program assists employees on an active work permit who are not yet permanent residents, navigate the permanent resident application process. The program covers up to $2,000 of legal fees associated with the process for eligible talent.

Inclusive hiring practices

We recognize that many new Canadians arrive with a wealth of qualifications and experience from their home countries, however, they often face the challenge of not having Canadian work experience which can be a significant barrier to achieving their professional goals. Understanding this, goeasy places a strong emphasis on recognizing the inherent value and qualifications these individuals bring to the table. In 2023, goeasy welcomed 344 employees to the organization that were employed on a work permit, representing their first professional services role in Canada.

Career advancement

goeasy not only offers critical first employment opportunities in the Canadian labour market, but also emphasizes career advancement as a core aspect of our culture. In 2023, a notable 10% of all employees who received promotions were new Canadians. Our commitment to equitable and performance-based talent development enriches the Company workforce with diverse leadership perspectives and demonstrates goeasy's commitment to having a team that reflects the communities we serve.

Pathway to permanent residency

Through our programs and dedicated effort to support new Canadians, over 260 of our employees have successfully transitioned from a Temporary Work Permit to Permanent Resident (PR) status in the past three years, demonstrating the effectiveness of our support in their journey towards long-term settlement in Canada.

Creating an Inclusive Workplace Through Diversity, Equity, and Inclusion (DEI)

At goeasy, we prioritize cultivating a work culture where we celebrate who we are as individuals, while ensuring every employee can reach their full potential. We are proud to have employee representation from over 70 different countries of origin, and above-average Canadian representation of members of racialized groups (visible minorities) and Indigenous people.

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. Additional programs that have emerged as a result include diversity training for all employees and Anti-Racism and microaggression training for the Senior Leadership Team in partnership with Dr. Leland Harper, a well-regarded expert in Corporate DEI practices.

Annually, we conduct an "I am goeasy" self-identification survey. This survey is used to measure our progress towards being an inclusive organization by helping us understand representation and any potential gaps that may exist in our current DEI practices. This survey helps inform how the organization develops action plans to further drive our commitment to Diversity, Equity, and Inclusion.

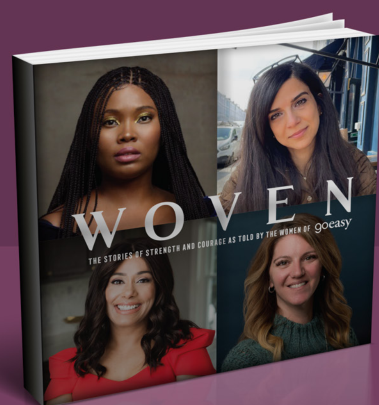
Core to our DEI strategy are our employee-led, Employee Resource Groups (ERGs). Since 2015, they have helped create safe spaces for our employees, fostering an environment of support and understanding to help marginalized groups feel connected. Today, we are proud to have four ERGs formed by employees for employees that include:

Women in Leadership (WIL)

WIL, our first ERG, launched in 2015 and was created to provide female leaders at goeasy the opportunity to advance their careers through growth and learning opportunities, networking, and exposure to senior female leaders. Now in our ninth year, WIL has supported the women of goeasy through a variety of programs including a speaker series, full-day summit events, panels, book clubs and social networking events.

In 2022, WIL launched a mentorship program for women throughout the organization. Over the past two years, the program has grown significantly with participation from more than 100 mentees, and mentors, who are looking for an opportunity to build their professional network and grow their skills through a more personalized program.

This past year, in an effort to continuously expand the reach of this very important platform, WIL published our first ever book, WOVEN.



Learn More

WOVEN

Stories of Strength and Courage, is the first-ever goeasy Women in Leadership (WIL) book. This 100-page hardcover book is a collection of inspiring personal stories, told by the women of goeasy in their own words. Proceeds from the book will be donated to the Mariam Society, a charity that supports girls living in poverty in rural India through education, scholarships, and financial literacy workshops.

49%

Of all management positions are held by women-identifying employees

46%

Of internal promotions in 2023 were filled by women-identifying employees

38%

Of non-executive board positions held by women-identifying leaders

3100+

Women have participated in goeasy's Women in Leadership events since inception

Afro-Canadian Development and Empowerment (ADE)

Established in 2020, our ADE committee strives to develop and empower goeasy's Black talent and allies through the promotion of racial equity within our organization. The committee has led to impactful initiatives, including Black History Month education and observation, formal racial sensitivity training for leaders and has spearheaded meaningful changes to goeasy's policies, including the Business Code of Conduct, reinforcing goeasy's commitment to a diverse and inclusive workplace.

ADE also actively supports the career development of Black talent through increased mentorship and access to career-development programs. Through partnerships with the Onyx Initiative and Freshstarthub, there has been an increase in representation across management levels and an increased hiring of early-stage Black talent.

8% Of goeasy employees identify as black

20% Of Quebec goeasy employees identify as black

Over the past three years, ADE also proudly raised over $25,000 through fundraising initiatives and branded apparel in support of Black businesses, the Black Youth Helpline, and the Black Opportunity Fund.

CIRCLE

Our CIRCLE ERG was developed in 2022 to uplift our Indigenous community by building a safe space with opportunities for growth and support within goeasy. With 4% of goeasy's employees identifying as Indigenous, CIRCLE supports our Indigenous employees and communities through a variety of programs and events to build awareness and allyship.

This year, CIRCLE introduced the first Annual CIRCLE in Action community donation program. The program solicits nominations from employees for Indigenous community programs or charities that need financial support. The nominees selected for 2023 include the Native Canadian Centre of Toronto and the Red Cross for wildfire relief in impacted Indigenous communities.

To mark the 2023 Day of National Truth and Reconciliation, CIRCLE supplied employees with orange shirts and ran an internal campaign that included support materials, panels, and spotlights on notable Indigenous figures to raise awareness and encourage education.

PRIDE

Our newest ERG, PRIDE, aims to create a safe and inclusive environment and culture where all employees, regardless of sexual orientation, gender identity or expression, feel included, valued, and empowered to achieve their full potential.PRIDE was created to promote awareness, advocate for equality, and provide a platform for education and support for those within and connected to the 2SLGBTQIA+ community. To foster inclusivity and acceptance, our PRIDE ERG focuses on education, training, awareness and advocacy to promote inclusivity and acceptance.


Our Customer Commitment

We're here for the hard-working, everyday Canadians who are unable to access credit from banks and traditional lenders. Often challenged with a life event or financial speed bump, they turn to us for financial products that can give them the relief they need today, so they can rebuild their credit for tomorrow. Having served more than 1.3 million Canadians over three decades, we have a deep understanding of our customers and their financial needs.

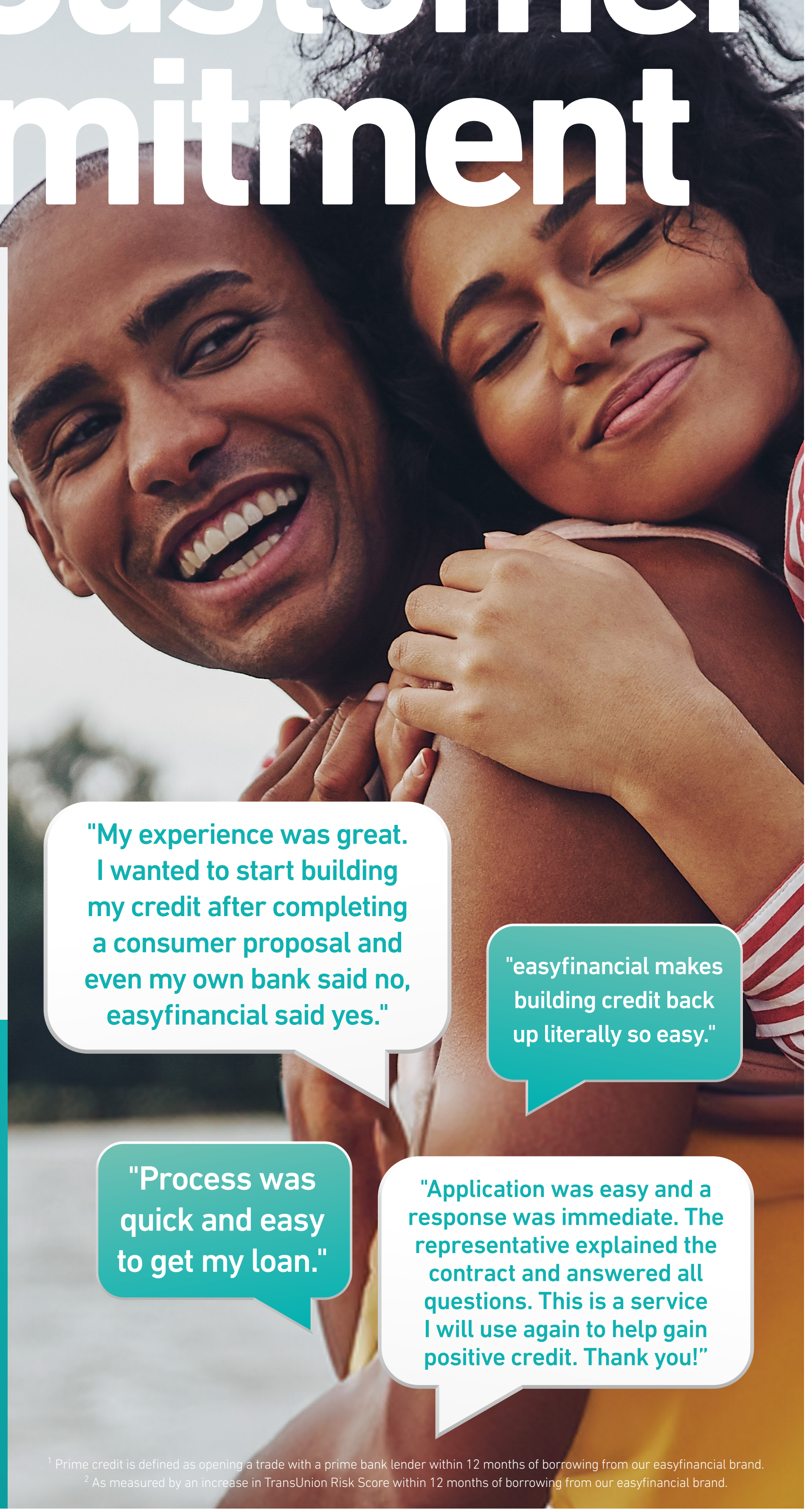
With more than 400 locations across Canada and over 2,400 employees, the trusted relationships our front-line teams develop with our customers are what truly sets us apart. Through these relationships, providing financial education and our full suite of financial products and services, our goal is to help our customers graduate to prime lending rates so they can achieve the promise of a better financial future.

1 IN 3

Of customers graduate to prime credit[1]

60%

Of customers improve their credit score[2]



"My experience was great. I wanted to start building my credit after completing a consumer proposal and even my own bank said no, easyfinancial said yes."

"easyfinancial makes building credit back up literally so easy."

"Process was quick and easy to get my loan."

"Application was easy and a response was immediate. The representative explained the contract and answered all questions. This is a service I will use again to help gain positive credit. Thank you!"

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

Responsible Lending

goeasy plays a critical role in the Canadian financial system for the millions of Canadians with non-prime credit that have been denied access to financial products and services from banks and other traditional lenders. Our customers come to us to help pay for everyday household bills, manage emergency expenses, consolidate debt, finance vehicles, healthcare services and automobiles through a fixed-payment installment loan that fits their budget. Our branches are in communities throughout Canada that reflect where the average middle-class consumer often lives and works. Based on a demographic analysis, the average household income within a 10 km radius of our easyfinancial branches is $109,000, approximately 10% above the Canadian average household income. Our merchant and dealer network are also expansive, including over 9,500 partners from coast-to-coast that provide our customers with access to a large range of products and services.

Our lending products employ risk-based pricing to calculate interest for our customers. Recognizing that not all customers have the same credit profiles, this lending strategy helps ensure access to credit to the widest group of consumers, while rewarding those customers with higher creditworthiness, lower rates. As we establish relationships with these customers and they make regular on-time payments, we can then reward them with lower rates of interest on subsequent loans. Through this strategy, along with an expanded product suite that enables customers to access lower-rate products, 60% of our customers improve their credit scores and over 30% of them successfully graduate to prime credit within one year of borrowing from us. By the third year of borrowing, over 50% of our customers have seen their credit improve sufficiently, allowing them to open a prime credit trade.

This level of graduation is a direct reflection of the critical role we play in improving the long-term financial health of Canadians.

Supporting our customers' journey toward financial health through:

- Employee training to help customers understand their credit report and the steps to improve their credit score.
- Robust affordability calculations to ensure a customer's payments can fit within their monthly budget.
- Lower rates of interest offered as customers improve their credit through on-time payments.
- Financial literacy tools through goeasy Academy.
- 14-day cooling off period on all unsecured direct-to-consumer loans.
- Optional ancillary products including:

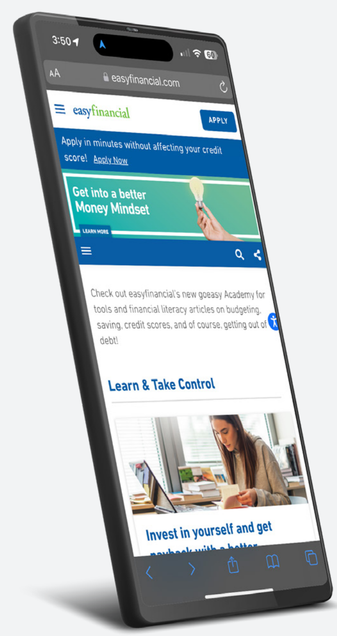
  - Loan protection plans to protect a customer's loan payments in the case of unforeseen events such as unemployment or critical illness.

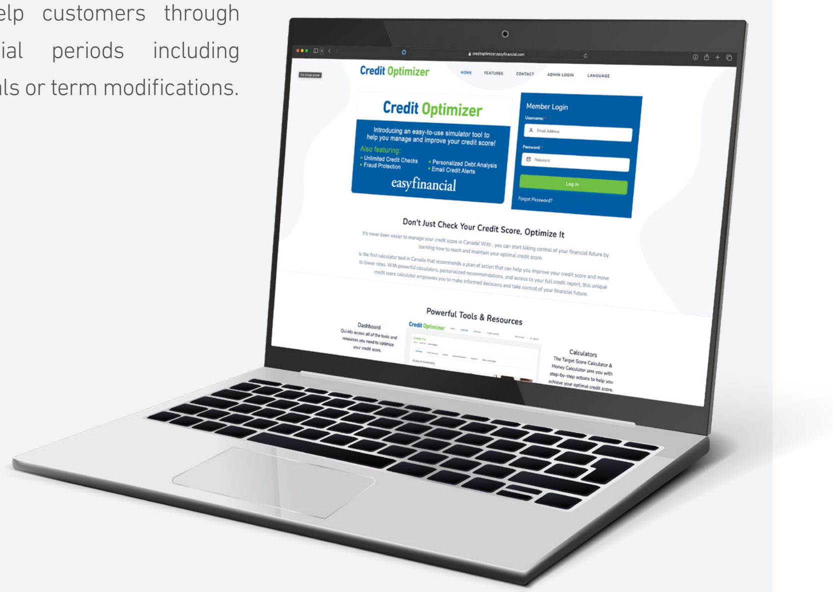
  - Warranty and gap insurance to protect the value of the goods being financed by our customers.

  - Screening and audit processes for all merchant partners to ensure the highest levels of service and integrity for our customers.
- A suite of borrower assistance tools designed to help customers through difficult financial periods including payment deferrals or term modifications.

Credit Optimizer

At easyfinancial, we also offer an optional service to help our customers improve their credit faster called Credit Optimizer. This unique data-driven tool provides customers with a customized plan that enables them to set a target credit score and provides the steps to help get there. Exclusively available through easyfinancial, this product includes features that go well beyond a basic credit monitoring solution so customers can get real-time recommendations and a personalized debt analysis that can help them stay in control of their credit.





Financial Empowerment

In addition to our suite of products and services, we also offer free financial literacy materials through our proprietary financial education platform, goeasy Academy. The platform offers hundreds of articles and videos across a variety of topics including building credit, saving and debt management, as well as tools and calculators to help all Canadians improve their financial health.

This past year, we made a significant investment to empower new Canadians through financial literacy. Research conducted by goeasy in November of 2023, revealed that more than 80% of Newcomers are not confident in their understanding of the Canadian financial system and 49% of Newcomers wish they better understood their credit score and how to build credit in Canada. These statistics revealed that many new Canadians feel ill-prepared to succeed in our financial system as they feel shut out of the financial sector, both from an education standpoint and in their limited access to everyday financial products that help build their credit.

To help close this gap during Financial Literacy Month, goeasy partnered with Credit Canada to sponsor a free-eLearning program, Building Credit from the Ground Up: A Program for Newcomers that was available in eight languages. The program provided essential information on how to build credit in Canada and included access to other educational articles, tools, webinars, and resources throughout the month. As part of the campaign, we featured our own employees who are new Canadians in a "Newcomer series" that was hosted through our social media channels. They provided real life stories of how they have navigated the financial system in Canada by building healthy credit profiles.

As we look ahead to other ways we can continue to support the financial journeys of new Canadians, goeasy is exploring a partnership with Nova Credit to access international credit history for potential customers. This would help Newcomers get a head start on building their credit in Canada, by enabling them to use their international credit history to qualify for a loan in Canada sooner.

Superior Customer Service

We are proud to have once again been awarded the Platinum Trusted Service Award from Feefo for both easyhome and easyfinancial. This coveted award is given to companies that deliver time and time again for their customers and recognizes businesses that consistently deliver a world-class customer experience. In addition, we were also awarded Feefo's exclusive "10 Years of Proven Trusted Service" award for consistently delivering excellence in customer service for ten years. This prestigious award is presented to businesses that have won a Trusted Service Award ten years in a row, representing our dedication and commitment to giving customers the best experience consistently over a decade.

goeasy is also accredited by the Better Business Bureau and is proud of our A+ BBB Rating.

A+ Rating BBB ACCREDITED BUSINESS

10 YEARS of proven Trusted Service 2024 feefo

Platinum Trusted Service Award 2024 feefo

Investing in Our Communities

goeasy is deeply committed to making a positive impact on society through our strong emphasis on giving back to the communities in which we live and work. With a retail footprint that serves over 85% of the Canadian population, our connection to these communities is defined by more than our physical locations. By donating our time, talents, and resources, we're working to make a difference at home and abroad through our long-standing local and global charitable partnerships.

Investing In Tomorrow's Leaders Through BGC Canada

For almost two decades, goeasy has partnered with BGC Canada (formerly Boys & Girls Clubs) to help support their mission of empowering young people and providing them with opportunities for a brighter future. Since 2004, we have donated over $4.7 million to BGC Canada to support their efforts to provide children and youth with safe spaces to develop life skills, confidence, and a sense of community.

$5.5M+

Donated to charities throughout our Company's history

$750k+

Donated in 2023

This past year, we were thrilled to complete our easybites program, a 10-year, $2.5 million commitment to remodel 100 kitchens across the BGC network of clubs nationwide. Launched in 2014, this program was created to ensure every club had a functioning and modern kitchen that could serve as the heart of the community. These kitchens also enable the club staff to prepare healthy meals for the youth while teaching them healthy eating habits and independence.

easybites

$2.5M	10	100
Commitment	Years	Kitchens

The successful completion of this program was in part driven by the generous support of our employees who committed to actively donating to BGC Canada through our employee match program, and our partners including Whirlpool Canada, who have supported the program by donating new appliances to help complete the kitchens.

With the completion of the easybites program, goeasy worked with BGC to assess where the clubs had the biggest need and where goeasy could make the biggest impact. With the rising costs of food and food insecurity a growing concern for many of the families that use the clubs, goeasy was proud to launch "Feed Their Future" in support of BGC Canada's Food Fund. This initiative marks the evolution of our partnership, as goeasy and BGC Canada find new and impactful ways to improve the lives of children in their communities.

Through Feed their Future, goeasy will donate $1.4 million over three years 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	3	300k
Commitment	Year	Meals & snacks

Giving Back Locally

We believe that providing everyday Canadians a better tomorrow, includes making a positive impact in the local communities we serve by investing in education, people, and resources. During times of need, including unexpected events and natural crises, goeasy consistently steps up to ensure our employees and their local community members are supported. During 2023, we responded to the wildfire crisis across Canada by donating over $25,000 to the Red Cross Appeals to assist with the fires in British Columbia, Northwest Territories, Alberta, Northern Quebec, and Nova Scotia. In addition, we also supported several local food banks with non-perishable food donations raised during our annual Thanksgiving Food Drive. As part of our Annual Toy Drive, we were also proud to have donated 1,300 toys that were distributed to children in need through BGC to help make their holidays brighter.

"Partnerships, like the one we have with goeasy, are essential to BGC Canada's ability to serve communities. We support 150,000 children and youth across Canada, providing over six million healthy meals and snacks a year. goeasy's support will help make all the difference in determining outcomes for these youth, empowering the next generation, and creating a brighter future."

Owen Charters
President & CEO
of BGC Canada

goVolunteer

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 addition, we run an annual 'goVolunteer' day through our Mississauga Support Centre and LendCare Head Office, where we organize a full day for employees to volunteer their time at a variety of charities. In 2023, over 150 employees participated in the program, giving their time to the Food Bank of Mississauga, Feed the Need Durham, and The Good Shepherd Venture Centre Food Bank.

DK Johnson Award

In honour of Don Johnson, a legendary Canadian philanthropist and goeasy's Chairman Emeritus, we created an annual award that enables employees to nominate a local charity or community project to receive $10,000. Established in 2019, this award empowers employees to create meaningful and lasting change by nominating organizations that play a critical role in the local communities of our employees. Through this award, we have donated $50,000 to local charities from coast-to-coast including The Joshua Group in Saint John, New Brunswick, Janeway Children's Hospital Foundation in St. John's, Newfoundland, and the Operation Friendship Senior's society in Edmonton, Alberta.

David Lewis Scholarship Fund

As we continuously look for meaningful ways to give back to our communities, ensuring we can support our employees and their families through our giving programs is equally important. In 2016, we established a scholarship fund in memory of David Lewis, a long-standing goeasy board member. This award is donated annually and supports the children of our goeasy employees through a $10,000 donation to help with their post-secondary education. Through this meaningful award, we have donated $90,000 to support our employees' children and help our future leaders pursue their passions and interests through higher education.

Giving Back Globally

Beyond our local communities, goeasy has always looked for ways to make a difference at a global scale to support our employees and all Canadians with diverse backgrounds. This past year, we donated $35,000 to the Red Cross during several world crises including supporting humanitarian relief efforts in the Middle East, Turkey, and Syria.

In addition, we support the Mariam Society, an important charity that endeavours to empower girls in India who are living in poverty by providing them with education and access to financial literacy resources. Aligned to our core values of education, financial literacy and helping those that need support in overcoming life's challenges, we are proud to have donated over $35,000 to send 125 girls to school.

Over the years, our teams have also contributed to Habitat for Humanity Global Village with over 125 goeasy employees travelling across five countries to help build 45 homes and infrastructures in countries around the world. Our teams have traveled to countries including, Nicaragua, India, Guatemala, Cambodia, and Bolivia where they have had the opportunity to help make a significant impact to those in underdeveloped countries.

Habitat for Humanity®

Mariam Society

$35k
Donated to date

125
Girls sent to school

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, both on the Board and at the executive level. The Company 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 Susan Doniz, all of whom are independent.

Corporate Governance, Nominating and 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 five directors of the Corporation, Hon. James Moore (Chair), David Appel, Susan Doniz, Tara Deakin, and Jonathan Tétrault, all of whom are independent.

Executive Compensation Governance and 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 President and 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 and 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.

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

For the year ended
December 31, 2023

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

Date: February 13, 2024

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, 2023 compared to December 31, 2022, and the consolidated results of operations for the three-month period and year ended December 31, 2023, compared with the corresponding periods of 2022. 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, 2023. 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 2,400 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, over 400 locations across Canada, and point-of-sale financing offered in the retail, powersports, automotive and healthcare verticals, through over 9,500 merchant partners across Canada. Throughout the Company's history, it has acquired and organically served over 1.3 million Canadians and originated over $12.8 billion in loans.

With 33 years of leasing and lending experience, goeasy has developed a deep understanding of the non-prime Canadian consumer. Of the 31.8 million Canadians with an active credit file as at December 31, 2023, 9.3 million had credit scores less than 720 and are deemed to be non-prime, up from 8.5 million in 2022 due to the normalization of consumer credit scores following the end of government-supported stimulus and the onset of generally weaker macroeconomic conditions over the last 12-18 months. Collectively, these Canadians carry $217.9 billion in non-mortgage credit balances, up from $193.6 billion in 2022, 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$870 million senior unsecured notes, $150 million secured borrowings and a $370 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 $500 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 and Poors 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 2023 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 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 78 nationalities who believe strongly in giving back to communities in which it operates. To date, goeasy has raised and donated over $5.5 million to support its long-standing partnerships with BGC Canada and many other local charities. In 2023, the Company announced a 3-year, $1.4 million commitment to BGC Canada's Food Fund to help address the rising issue of food insecurity amongst Canadian households.

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, 2023, 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 $100,000 with rates between 9.9% and 46.9%, 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 $27,500 with repayment periods from 9 to 84 months, while secured installment loans typically range in size from $15,000 to $100,000 with repayment periods of 48 to 120 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 300 easyfinancial locations (including two kiosks within easyhome stores and three operations centres) in 10 Canadian provinces as at December 31, 2023. 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 9,500 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 improve 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 2023, easyhome accounted for 12% of consolidated revenue (2022 – 15%) and leasing revenue accounted for 69% of easyhome revenue (2022 – 73%).

Through its 144 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, 2023, there are 108 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, 2023, 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 405 retail lending outlets (297 easyfinancial branches and 108 easyhome stores where loans are offered as of December 31, 2023), a robust digital platform (web and mobile) and point-of-sale financing available through over 9,500 merchant partners. Based on the unit volume of applications and originations in the most recent quarter, the retail branch channel represented 13% of application volume and 39% of loan originations, online represented 64% of application volume and 34% of originations and point-of-sale financing represented 23% applications and 27% of originations. 53% of loan originations were funded and/or serviced in a branch location, 36% were funded and/or serviced through a point-of-sale channel, with the remaining 11% 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 new 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 9.3 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. The two markets the Company considers to be attractive include the United States and the United Kingdom. In the United States it is estimated that there are over 100 million non-prime consumers and in the United Kingdom it is estimated that there are over 12 million non-prime consumers. The consumers in these markets utilize credit products similar to those offered by the Company in Canada. The Company remains active in exploring potential acquisition opportunities within the domestic Canadian financial services industry, as well as in these international markets.

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 9.3 million non-prime Canadians, of which 72% have been denied credit by banks and other financial institutions, 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 2023, the company has reduced the weighted average interest charged on its loans from approximately 46% to approximately 30.3%.

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 2023 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 $900.6 million in total liquidity and funding capacity, along with an appropriate level of financial leverage. The business also continued to prove its strength and resilience amidst economic volatility.

The Company's 2023 forecasts, assumptions and risk factors were disclosed in its December 31, 2022 MD&A. The Company has revised its forecasts in its March 31, 2023 MD&A. The Company's actual performance against its forecast for fiscal 2023 is as follows:

	ACTUAL RESULTS FOR 2023	UPDATED FORECASTS FOR 2023	OUTCOME
Gross consumer loans receivable at year-end	**$3.65 billion**	**$3.40 - $3.60 billion**	**Exceeded the forecast**
Total Company revenue	**$1.25 billion**	**$1.20 - $1.25 billion**	**Consistent with forecast**
Total yield on consumer loans (including ancillary products) [1]	**35.3%**	**34.5% - 36.5%**	**Consistent with forecast**
Net charge offs as a percentage of average gross consumer loans receivable	**8.9%**	**8.0% - 10.0%**	**Consistent with forecast**
Total Company operating margin (reported/adjusted[1,2])	**38.1%/39.3%**	**36% +**	**Consistent with forecast**
Return on equity (reported/adjusted[1,2])	**25.9%/25.4%**	**22% +**	**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 and are significant in amount and scope, which management believes are not reflective of underlying business performance. These adjusting items include LendCare integration costs, amortization of intangible assets acquired through the acquisition, one-time refinancing costs related to notes payable, one-time contract exit fee and investment income. 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 2024 through 2026. The periods of 2024 and 2025 have been updated to reflect the most recent outlook.

	FORECASTS FOR 2024	FORECASTS FOR 2025	FORECASTS FOR 2026
Gross consumer loans receivable at year end	**$4.35 - $4.55 Billion**	**$5.10 - $5.40 Billion**	**$5.80 - $6.20 Billion**
Total Company revenue	**$1.45 - $1.55 Billion**	**$1.55 - $1.75 Billion**	**$1.70 - $1.90 Billion**
Total yield on consumer loans (including ancillary products)[1]	**33.0% - 35.0%**	**31.0% - 33.0%**	**29.5% - 31.5%**
Net charge offs as a percentage of average gross consumer loans receivable	**8.0% - 10.0%**	**7.5% - 9.5%**	**7.25% - 9.25%**
Total Company operating margin	**39% +**	**40% +**	**41% +**
Return on equity	**21% +**	**21% +**	**21% +**

[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.
- The total yield on consumer loans include the impact of the reduced maximum allowable rate of interest to an annual percentage rate ("APR") of 35% that the Government of Canada announced through the Federal Budget on March 28, 2023.
- 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, 2023

Financial Highlights and Accomplishments

- In 2023, 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.

  - On March 13, 2023, the Company exercised the accordion feature of its existing senior secured revolving credit facility (“Revolving Credit Facility”) through its existing syndicate of banks and increased the maximum amount available under the facility by $100 million to $370 million, while maintaining the current interest rate payable on advances at the Canadian Bankers’ Acceptance rate (“BA”) plus 225 bps or the lender’s prime rate (“Prime”) plus 75 bps, at the option of the Company.

  - On April 30, 2023, the Company amended its securitization facility with a leading Canadian insurance company, to provide for $150 million (“$150 million Securitization Facility”) of funding through the sale of consumer loans until April 30, 2024. The funding rate is equal to an interpolated Government of Canada Bond (“GOCB”) rate plus an initial spread of 310 bps.

  - On June 15, 2023, the Company amended its $1.4 billion revolving securitization warehouse facility (“Revolving Securitization Warehouse Facility I”) to extend the maturity date to October 31, 2025, and the applicable interest rate on advances was changed from 1-month Canadian Dollar Offered Rate (“CDOR”) plus 185 bps to 1-month CDOR plus 195 bps, an increase of 10 bps. 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.

  - On September 28, 2023, the Company increased its $200 million revolving securitization warehouse facility (“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”), which is collateralized by automotive consumer loans, from $200 million to $375 million and continues to be underwritten by the same lender, with the addition of a new lender to the syndicate. The facility continues to bear interest equal to the 1-month CDOR plus 185 bps.

- On November 28, 2023, the Company issued US$550 million of 9.250% senior unsecured notes payable (the "2028 Notes") with interest payable semi-annually on June 1 and December 1 of each year. The 2028 Notes mature on December 1, 2028. The 2028 Notes include certain prepayment options which are derivatives embedded in the notes. Concurrent with the issuance of the 2028 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 2028 Notes at a fixed exchange rate of USD1.000 = CAD1.3832, thereby hedging the US$550.0 million 2028 Notes at a CAD interest rate of 8.79% until December 1, 2027. goeasy used the proceeds from the issuance of the 2028 Notes to fund the extinguishment of its US$550.0 million of 5.375% senior unsecured notes payable (the "2024 Notes").

  For the year ended December 31, 2023, the Company recognized a fair value change on prepayment options related to 2028 Notes amounting to $19.0 million.

- On December 1, 2023, the Company extinguished its 2024 Notes and unwound the related cross-currency swaps. As a result of repaying these notes, the Company recognized the remaining unamortized deferred financing costs related to these notes, realized derivative loss on the settlement of the related cross-currency swaps, and reclassified the net change in cash flow hedge from other comprehensive income (loss) to the consolidated statement of income resulting in a total refinancing cost of $9.5 million.

- On December 20, 2023, the Company further increased its Revolving Securitization Warehouse Facility II to $500 million and extended the maturity date to December 16, 2025. 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, 2023, the Company had a cash position of $144.6 million, which included $24.2 million of restricted cash related to its cross-currency swaps and $67.5 million in restricted cash related to its revolving securitization warehouse facility and secured borrowings reserve. As at December 31, 2023, the Company has borrowing capacities of $756 million under its existing revolving credit facilities. The Company's total liquidity as at December 31, 2023 was $900.6 million. The current total liquidity, excluding future enhancements or diversification of funding sources, provide adequate growth capital for the Company to execute its organic growth plans.

- The Company reported record revenue for the year ended December 31, 2023 of $1.25 billion, an increase of $230.7 million, or 22.6% compared to 2022. The increase was primarily driven by record organic growth of the Company's consumer loan portfolio.

- Gross consumer loans receivable increased to $3.65 billion as at December 31, 2023 from $2.79 billion as at December 31, 2022, an increase of $850.5 million, or 30.4%. The increase in consumer loans receivable was driven by a strong volume of applications for credit, leading to a record loan originations across several product and acquisition channels, including unsecured lending, point-of-sale lending and automotive financing.

- Net charge offs for the year as a percentage of average gross consumer loans receivable were 8.9%, 20 bps lower compared to 2022 of 9.1%. The stable credit performance reflects the improved credit and product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021. The Company's net charge off rate was in line with the Company's targeted range for 2023 of 8.0% to 10.0%.

- During the year, the net change in allowance for future credit losses was $52.3 million, compared to $53.3 million in 2022, a decrease of $1.0 million due primarily to lower provision rate in the year. The provision rate for the year decreased to 7.28% from 7.62% in 2022, primarily due to the continued improvement in the product and credit mix of the loan portfolio.

- Total Company reported record total operating income of $476.5 million, up $144.1 million, or 43.4% compared to 2022. The Company also reported a record operating margin of 38.1%, up from the 32.6% in 2022. During the year, the Company incurred adjusting items that are outside of its normal business activities and are significant in amount and scope, which management believes are not reflective of the Company's underlying business performance. These adjusting items include a one-time contract exit fee, and 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 $491.2 million, up $121.8 million, or 33.0%, compared to 2022. The increase in adjusted operating income was mainly driven by higher revenue associated with the record loan growth in the year, stable credit performance of the loan book and continued improvement in operating leverage. The Company also reported a record adjusted operating margin[1] of 39.3%, up from the 36.2% in 2022.

- The easyfinancial reportable segment reported record operating income of $534.5 million, compared to $394 million in 2022, an increase of $140.5 million, or 35.7%. The improved operating income was mainly driven by higher revenue associated with the record loan growth in the year, stable credit performance of the loan book and continued improvement in operating leverage. easyfinancial's operating margin was 48.7%, 340 bps higher compared to 45.3% in 2022.

- The easyhome reportable segment operating income was $36.9 million, compared to $34.6 million in 2022, an increase of $2.4 million, or 6.8%. The increase was mainly driven by higher lending revenues associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin was 24.1%, compared to 23.1% in 2022.

- During the year, the Company recognized net investment income of $9.8 million, mainly due to fair value changes on the Company's investments, compared to $28.7 million of net investment loss in 2022.

- The Company's net income was $247.9 million, or $14.48 per share on a diluted basis, up 76.9% and 72.0%, respectively, compared to $140.2 million, or $8.42 per share on a diluted basis in 2022. During the year, the Company incurred adjusting items including a one-time contract exit fee, integration costs and amortization of intangible assets related to the acquisition of LendCare, net investment income, refinancing costs related to notes payable and fair value change on prepayment options related to 2028 Notes. 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 $243.2 million and $14.21 per share on a diluted basis, respectively. On this basis, adjusted net income and adjusted diluted earnings per share increased by 26.5% and 23.0%, respectively. The increase in adjusted net income was primarily driven by the record operating income, partially offset by incremental finance costs driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing.

- Return on equity was 25.9%, up from 17.6% in 2022, primarily due to the higher net income discussed above. Adjusted return on equity[1] was 25.4%, up from 24.2% in 2022, mainly driven by the record net income, partially offset by the higher level of shareholders' equity. Excluding goodwill and acquired intangible assets, the adjusted return on tangible common equity[1] was 34.6%, down from 36.4% in 2022. The decline in adjusted return on tangible common equity was mainly driven by a higher level of tangible common equity, partially offset by record adjusted net income, as discussed above.

- In consideration of the improved earnings achieved in 2023 and the Company's confidence in its continued growth and access to capital going forward, the Board of Directors approved a 21.9% increase to the annual dividend from $3.84 per share to $4.68 per share in 2024.

[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, 2023	DECEMBER 31, 2022	VARIANCE $ / BPS	VARIANCE % CHANGE
Summary Financial Results				
Revenue	**1,250,069**	1,019,336	230,733	22.6%
Bad debts	**341,639**	272,893	68,746	25.2%
Other operating expenses	**345,581**	332,730	12,851	3.9%
EBITDA[1]	**539,085**	351,507	187,578	53.4%
EBITDA margin[1]	**43.1%**	34.5%	860 bps	24.9%
Depreciation and amortization	**86,331**	81,306	5,025	6.2%
Operating income	**476,518**	332,407	144,111	43.4%
Operating margin	**38.1%**	32.6%	550 bps	16.9%
Other income (loss)	**9,771**	(28,659)	38,430	134.1%
Finance costs	**149,334**	107,972	41,362	38.3%
Effective income tax rate	**26.4%**	28.4%	(200 bps)	(7.0%)
Net income	**247,898**	140,161	107,737	76.9%
Diluted earnings per share	**14.48**	8.42	6.06	72.0%
Return on receivables	**7.6%**	5.8%	180 bps	31.0%
Return on assets	**6.7%**	4.8%	190 bps	39.6%
Return on equity	**25.9%**	17.6%	830 bps	47.2%
Return on tangible common equity[1]	**36.7%**	28.4%	830 bps	29.2%
Adjusted Financial Results[1,2]				
Other operating expenses	**377,574**	342,422	35,152	10.3%
Efficiency ratio	**30.2%**	33.6%	(340 bps)	(10.1%)
Operating income	**491,160**	369,362	121,798	33.0%
Operating margin	**39.3%**	36.2%	310 bps	8.6%
Net income	**243,175**	192,261	50,914	26.5%
Diluted earnings per share	**14.21**	11.55	2.66	23.0%
Return on receivables	**7.5%**	8.0%	(50 bps)	(6.3%)
Return on assets	**6.5%**	6.6%	(10 bps)	(1.5%)
Return on equity	**25.4%**	24.2%	120 bps	5.0%
Return on tangible common equity	**34.6%**	36.4%	(180 bps)	(4.9%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	**1,096,817**	869,528	227,289	26.1%
easyfinancial operating margin	**48.7%**	45.3%	340 bps	7.5%
easyhome revenue	**153,252**	149,808	3,444	2.3%
easyhome operating margin	**24.1%**	23.1%	100 bps	4.3%
Portfolio Indicators				
Gross consumer loans receivable	**3,645,202**	2,794,694	850,508	30.4%
Growth in consumer loans receivable	**850,508**	764,355	86,153	11.3%
Gross loan originations	**2,709,194**	2,377,606	331,588	13.9%
Total yield on consumer loans (including ancillary products)[1]	**35.3%**	37.7%	(240 bps)	(6.4%)
Net charge offs as a percentage of average gross consumer loans receivable	**8.9%**	9.1%	(20 bps)	(2.2%)
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**377,291**	258,474	118,817	46.0%
Potential monthly lease revenue[1]	**7,654**	7,868	(214)	(2.7%)

[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.

Locations Summary

	LOCATIONS AS AT DECEMBER 31, 2022	LOCATIONS OPENED IN THE YEAR	LOCATIONS CLOSED IN THE YEAR	CONVERSIONS	LOCATIONS AS AT DECEMBER 31, 2023
easyfinancial					
Kiosks (in store)	2	-	-	-	**2**
Stand-alone locations	297	4	(6)	-	**295**
Operations Centers	3	-	-	-	**3**
Total *easyfinancial* locations	302	-	-	-	**300**
easyhome					
Corporately owned stores	120	-	(10)	-	**110**
Franchise stores	34	-	-	-	**34**
Total *easyhome* stores	154	-	(10)	-	**144**
Corporate					
Corporate office	1	-	-	-	**1**
Total corporate office	1	-	-	-	**1**

In 2023, the Company closed six easyfinancial locations and 10 easyhome stores as part of its continued efforts to optimize its geographic footprint. The Company continued to offer its products and services through an omnichannel business model, that includes retail locations, online and mobile platforms, and indirect lending partnerships.

Summary of Financial Results by Reporting Segment

	YEAR ENDED DECEMBER 31, 2023			
($ IN 000'S EXCEPT EARNINGS PER SHARE)	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**

($ IN 000'S EXCEPT EARNINGS PER SHARE)	EASYFINANCIAL	YEAR ENDED DECEMBER 31, 2022 EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	668,779	29,371	-	698,150
Lease revenue	-	103,414	-	103,414
Commissions earned	184,013	13,146	-	197,159
Charges and fees	16,736	3,877	-	20,613
	869,528	149,808	-	1,019,336
Operating expenses				
Bad debts	261,997	10,896	-	272,893
Other operating expenses	180,867	61,748	90,115	332,730
Depreciation and amortization	32,668	42,586	6,052	81,306
	475,532	115,230	96,167	686,929
Operating income (loss)	393,996	34,578	(96,167)	332,407
Other loss				(28,659)
Finance costs				(107,972)
Income before income taxes				195,776
Income taxes				55,615
Net income				140,161
Diluted earnings per share				8.42

Portfolio Performance

Consumer Loans Receivable

The gross consumer loans receivable portfolio increased to $3.65 billion as at December 31, 2023, from $2.79 billion as at December 31, 2022, an increase of $850.5 million, or 30.4%. Loan originations for the year were $2.71 billion, up 13.9% from 2022. The increase in consumer loans receivable was driven by a strong volume of applications for credit, leading to a record loan originations across several product and acquisition channels, including unsecured lending, point-of-sale lending and automotive financing. Loan originations for the year has an increased proportion of secured loans with longer payment terms, compared to 2022.

The total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 35.3%, down 240 bps from 2022. Total annualized yield decreased due to: i) organic growth of certain products which carry lower rates of interest such as home equity loans, automotive financing, point-of-sale financing in the powersports, and healthcare and retail categories; ii) increased lending activity in the province of Quebec, where loans have lower rates of interest; iii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products; iv) a modest reduction in penetration rates on ancillary products; and v) the Company's strategy to reward borrowers for on-time payment behaviour, by gradually reducing the rate of interest charged.

Bad debt expense increased to $341.6 million for the year ended December 31, 2023, from $272.9 million in 2022, an increase of $68.7 million, or 25.2%. The following table details the components of bad debt expense:

($ IN 000'S)	YEAR ENDED DECEMBER 31, 2023	DECEMBER 31, 2022
Provision required due to net charge offs	**289,321**	219,614
Impact of loan book growth	**57,466**	53,617
Impact of change in allowance for expected credit losses rate	**(5,148)**	(338)
Net change in allowance for credit losses	**52,318**	53,279
Bad debt expense	**341,639**	272,893

Bad debt expense increased by $68.7 million due to the following factors:

- Net charge offs increased from $219.6 million for the year ended December 31, 2022 to $289.3 million in 2023, an increase of $69.7 million. Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 8.9%, compared to 9.1% in 2022. The stable credit performance reflects the resilience of the non-prime consumer, coupled with improved product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021. The net charge off rate was in line with the Company's targeted range for 2023 of 8.0% to 10.0%.

- The net change in allowance for credit losses was $52.3 million, compared to $53.3 million in 2022, a decrease of $1.0 million. For the year ended December 31, 2023, the provision rate decreased to 7.28% from 7.62% in 2022, primarily due to the continued improvement in the product and credit mix of the loan portfolio and the proportion of loans secured by assets.

easyhome Leasing Portfolio

The leasing portfolio as measured by potential monthly leasing revenue as at December 31, 2023 was $7.7 million, down from $7.9 million in 2022. The easyhome leasing business is a mature business that has experienced a gradual decline in sales volume, as consumer demand has shifted to alternate forms of financing purchases of everyday household items.

Revenue

Revenue for the year was $1.25 billion, compared to $1.02 billion in the same period of 2022, an increase of $230.7 million, or 22.6%. Revenue growth was mainly driven by the organic growth of the Company's consumer loan portfolio.

easyfinancial – Revenue in 2023 was $1.10 billion, an increase of $227.3 million, or 26.1%, compared to the same period of 2022. The components of the increased revenue include:

(i) Interest income increased by $184.4 million, or 27.6%, driven by the growth in the loan portfolio, which includes growth of unsecured lending, automotive financing, home equity loans, point-of-sale financing and cross-selling activity across its consumer base, partially offset by lower interest yields due to improved product mix;

(ii) Commissions earned from sales of ancillary products and services increased by $36.4 million, or 19.8%, due to the larger consumer loan portfolio; and

(iii) Charges and fees increased by $6.5 million, or 38.8%, due to the larger consumer loan portfolio.

easyhome – Revenue in 2023 was $153.3 million, an increase of $3.4 million, or 2.3%, compared to the same period of 2022. Lending revenue within the easyhome stores increased by $7.5 million, compared to the same period of 2022. Traditional leasing revenue, including fees, was $4.1 million lower compared to the same period of 2022. Components of the increased revenue include:

(i) Interest revenue increased by $6.3 million, or 21.5%, driven by the growth in the loan portfolio related to the easyhome business;

(ii) Leasing revenue decreased by $3.6 million, or 3.4%, due to a smaller lease portfolio; and

(iii) Commissions earned on the sale of ancillary products, charges and fees increased by $0.7 million.

Other Operating Expenses

Other operating expenses for the year were $345.6 million, an increase of $12.9 million, or 3.9%, compared to the same period in 2022. The increase in other operating expenses was mainly driven by higher operating costs to support the growing loan portfolio, moderated by a one-time intangible asset write off in 2022 and the continued improvement in operating efficiency.

easyfinancial – Other operating expenses were $197.4 million, an increase of $16.5 million, or 9.1%, compared to 2022. 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 $59.6 million, a decrease of $2.1 million, or 3.5%, compared to the same period of 2022. The decrease in other operating expenses was driven by lower store costs due to the continued improvement in operating efficiency.

Corporate – Total other operating expenses for the year ended December 31, 2023 were $88.6 million, a decrease of $1.5 million, or 1.7%, from 2022. The decrease in other operating expenses was primarily due to a one-time intangible asset write off in 2022, partially offset by 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 7.0% of revenues in 2023, compared to 6.5% of revenues in 2022.

Depreciation and Amortization

Depreciation and amortization for the year was $86.3 million, an increase of $5.0 million, or 6.2%, from the same period in 2022, driven primarily by higher amortization of intangible assets and depreciation of right-of-use assets. Overall, depreciation and amortization represented 6.9% of revenue, a decline from 8.0% in 2022.

easyfinancial – Total depreciation and amortization was $37.7 million, an increase of $5.1 million, or 15.5%, when compared to 2022, driven primarily by higher amortization of intangible assets and depreciation of right-of-use assets due to new and renewal of lease agreements for retail locations since December 31, 2022.

easyhome – Total depreciation and amortization expense was $42.3 million, relatively flat from 2022.

Corporate – Depreciation and amortization was $6.3 million, relatively flat from 2022.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income was $476.5 million, up $144.1 million, or 43.4%, when compared to 2022. The Company's operating margin was 38.1%, up from 32.6% reported in 2022. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures", the Company reported record adjusted operating income of $491.2 million, up $121.8 million, or 33.0%, when compared to 2022. The increase in adjusted operating income was mainly driven by higher revenue associated with the record loan growth in the year, stable credit performance of the loan book and continued improvement in operating leverage. The Company also reported a record adjusted operating margin of 39.3%, up from 36.2% in 2022.

easyfinancial – Operating income was $534.5 million, compared to $394.0 million in 2022, an increase of $140.5 million, or 35.7%. The improved operating income was mainly driven by higher revenue associated with record loan growth in the year, stable credit performance of the loan book and continued improvement in operating leverage. easyfinancial revenue increased by $227.3 million, partially offset by an increase of $65.2 million in bad debt expense and an increase of $21.6 million in other costs to support the growing customer base and enhanced product offerings. easyfinancial's operating margin was 48.7%, 340 bps higher compared to 45.3% in 2022.

easyhome – Operating income was $36.9 million, compared to $34.6 million in 2022, an increase of $2.4 million, or 6.8%. The increase was mainly driven by higher lending revenues associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin was 24.1%, compared to 23.1% in 2022.

Other Income

During the year, the Company recognized net investment income of $9.8 million, mainly due to fair value changes on the Company's investments, compared to $28.7 million of net investment loss in 2022.

Finance Costs

Finance costs were $149.3 million, an increase of $41.4 million from 2022. The increase was mainly driven by one-time refinancing costs related to notes payable, higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing, partially offset by the fair value change on prepayment options related to 2028 Notes. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility. As at December 31, 2023, 93% of the Company's drawn debt balances effectively bear fixed rates due to the type of debt and the interest rate swap agreements on Revolving Securitization Warehouse Facilities. The average blended interest rate on drawn balances for the Company's debt as at December 31, 2023 was 6.4%, up from 5.2% as at December 31, 2022.

Income Tax Expense

The effective income tax rate for the year was 26.4%, lower than the 28.4% in 2022. The decrease was mainly due to net investment gains in 2023, compared to net investment losses in 2022, which were taxed at a lower capital gains effective tax rate.

Net Income and EPS

The Company's net income was $247.9 million, or $14.48 per share on a diluted basis, up 76.9% and 72.0%, respectively, against the $140.2 million, or $8.42 per share on a diluted basis reported in 2022. Excluding the effects of the adjusting items discussed in "Key Performance Indicators and Non-IFRS Measures" section, the Company achieved record adjusted net income and record adjusted diluted earnings per share of $243.2 million, or $14.21 per share on a diluted basis, an increase of 26.5% and 23.0%, respectively, compared to 2022. The increase in adjusted net income was primarily driven by record operating income, partially offset by incremental finance costs driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing.

Selected Annual Information

($ IN 000'S EXCEPT PERCENTAGES AND PER SHARE AMOUNTS)	2023[3]	2022[3]	2021[3]	2020	2019
Gross Consumer Loans Receivable	**3,645,202**	2,794,694	2,030,339	1,246,840	1,110,633
Revenue	**1,250,069**	1,019,336	826,722	652,922	609,383
Net income	**247,898**	140,161	244,943	136,505	64,349
Adjusted net income[1]	**243,175**	192,261	174,759	117,646	80,315
Return on receivables[2]	**7.6%**	5.8%	-	-	-
Adjusted return on receivables[1,2]	**7.5%**	8.0%	-	-	-
Return on assets	**6.7%**	4.8%	11.5%	9.8%	5.5%
Adjusted return on assets[1]	**6.5%**	6.6%	8.2%	8.5%	6.8%
Return on equity	**25.9%**	17.6%	36.7%	36.1%	20.2%
Adjusted return on equity[1]	**25.4%**	24.2%	26.2%	31.1%	25.3%
Return on tangible common equity[1,2]	**36.7%**	28.4%	50.7%	38.3%	-
Adjusted return on tangible common equity[1,2]	**34.6%**	36.4%	35.3%	33.0%	-
Net income as a percentage of revenue	**19.8%**	13.8%	29.6%	20.9%	10.6%
Adjusted net income as a percentage of revenue[1]	**19.5%**	18.9%	21.1%	18.0%	13.2%
Dividends declared on Common Shares	**63,614**	58,338	42,312	26,103	17,855
Cash dividends declared per Common Share	**3.84**	3.64	2.64	1.80	1.24
Earnings per share					
Basic	**14.70**	8.61	15.12	9.21	4.40
Diluted	**14.48**	8.42	14.62	8.76	4.17
Adjusted diluted[1]	**14.21**	11.55	10.43	7.57	5.17

[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, 2022 MD&A, page 50 of December 31, 2021 MD&A, page 42 of the December 31, 2020 MD&A, and page 39 of the December 31, 2019 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 the years 2019 to 2021 and reported and adjusted return on tangible common equity financial measures for the year 2019 were not published.

[3] Selected annual information above for years ended December 31, 2023, 2022 and 2021 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 growth of gross consumer loans receivable. The increase in the Company's adjusted net income and adjusted diluted earnings per share was driven by higher revenue due to the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. The increased scale of the business resulted in adjusted net income as a percentage of revenue also increasing, declining in the prior year mainly due to the shift in product mix towards a higher proportion of secured loans, which carry lower rates of interest. Adjusted return on assets, adjusted return on equity and adjusted return of tangible common equity decreased in the past years, mainly driven by the shift in credit and product mix to higher credit quality borrowers, lower rates on its loans, and incremental financing costs, combined with the higher level of assets and shareholders' equity.

Assets and Liabilities

($ IN 000'S)	AS AT DECEMBER 31, 2023	AS AT DECEMBER 31, 2022	AS AT DECEMBER 31, 2021	AS AT DECEMBER 31, 2020	AS AT DECEMBER 31, 2019
Total assets	**4,164,167**	3,302,889	2,596,153	1,501,916	1,318,622
Consumer loans receivable, net	**3,447,588**	2,627,357	1,899,631	1,152,378	1,040,552
Cash	**144,577**	62,654	102,479	93,053	46,341
Total liabilities	**3,110,090**	2,433,201	1,806,240	1,058,404	986,201
Revolving credit facility	**190,921**	148,646	-	198,339	112,563
Secured borrowings	**143,177**	105,792	173,959	-	
Revolving securitization warehouse facility	**1,364,741**	805,825	292,814	-	-
Notes payable	**1,120,826**	1,168,997	1,085,906	689,410	701,549
Convertible debentures	**-**	-	-	-	40,656

Total assets have been increasing due primarily to the 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 2023, the Company's ratio of net debt to net capitalization was 72%, 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, 2023

Fourth Quarter Highlights

- The Company reported record revenue of $338.1 million during the three-month period ended December 31, 2023, an increase of $64.8 million, or 23.7%, when compared to the same period of 2022. Revenue growth was mainly driven by the strong organic growth in the Company's consumer loan portfolio
- Gross consumer loans receivable increased to $3.65 billion as at December 31, 2023 from $2.79 billion as at December 31, 2022, an increase of $850.5 million, or 30.4%. The increase in consumer loans receivable was driven by a strong volume of applications for credit, leading to a strong performance across several product and acquisition channels, including unsecured lending, point-of-sale lending and automotive financing.
- Net charge offs for the three-month period ended December 31, 2023 as an annualized percentage of average gross consumer loans receivable were 8.8%, 20 bps lower compared to 9.0% in the same period of 2022, and in line with the Company's targeted range for 2023 of 8.0% to 10.0%. The stable credit performance reflects the improved credit and product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021.
- For the three-month period ended December 31, 2023, the net change in allowance for credit losses was $12.6 million, compared to $16.7 million in the same period of 2022, a decrease of $4.1 million due to the continued improvement in the product and credit mix of the loan portfolio and the proportion of loans secured by assets. 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, 2023 of $137.2 million, up $61.4 million, or 80.9%, when compared to the same period of 2022. The Company also reported a record operating margin of 40.6%, up from 27.8% reported in the same period of 2022. During the year, the Company incurred adjusting items that are outside of its normal business activities and are significant in amount and scope, 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, 2023 of $140.6 million, up $40.9 million, or 41.0%, when compared to the same period of 2022. The increase in adjusted operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. The Company reported record adjusted operating margin[1] of 41.6% in the quarter, up from 36.5% in the same period of 2022.

- The easyfinancial segment reported record operating income of $150.2 million for the three-month period ended December 31, 2023, an increase of $44.0 million, or 41.4%, when compared to the same period of 2022. The improved operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. easyfinancial's operating margin was 50.2%, 510 bps higher compared to 45.1% in the same period of 2022.
- The easyhome segment reported operating income for the three-month period ended December 31, 2023 of $9.4 million, an increase of $0.7 million, or 8.3%. The increase was mainly driven by higher lending revenues during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin was 24.3%, compared to 23.2% in the same period of 2022.
- During the quarter, the Company recognized net investment income of $1.3 million, mainly due to fair value changes on the Company's investments, compared to $5.6 million of net investment loss in the same period of 2022.
- The three-month period ended December 31, 2023 was the 90th consecutive quarter of positive net income and diluted earnings per share. The Company's net income for the three-month period ended December 31, 2023 was $74.6 million, or $4.34 per share on a diluted basis, up 161.1% and 153.8%, respectively, compared to $28.6 million, or $1.71 per share on a diluted basis reported in the same period of 2022. 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 related to notes payable and fair value change on prepayment options related to 2028 Notes. These adjusting items are discussed in the "Key Performance Indicators and Non-IFRS Measures" section. Excluding the effects of these adjusting items, goeasy achieved record adjusted net income[1] and record adjusted diluted earnings per share[1] during the three-month period ended December 31, 2023 of $69.0 million and $4.01 per share on a diluted basis, respectively. Adjusted net income and adjusted diluted earnings per share increased by 35.1% and 31.5%, respectively, when compared to the same period of 2022. The increase in adjusted net income was primarily driven by the record operating income, partially offset by incremental finance costs driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing.
- Return on equity was 28.9% for the three-month period ended December 31, 2023, up from 13.8% reported in the same period of 2022, primarily due to the higher net income discussed above. Adjusted return on equity[1] for the three-month period ended December 31, 2023 was 26.7%, up from the 24.6% reported in the same period of 2022, mainly driven by the record net income, partially offset by the higher level of shareholders' equity. Excluding goodwill and acquired intangible assets, the adjusted return on tangible common equity[1] for the three-month period ended December 31, 2023 was 35.3%, slightly down from 35.9% in the same period of 2022. The decline in adjusted return on tangible common equity was mainly driven by a higher level of tangible common equity, partially offset by record 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, 2023	DECEMBER 31, 2022	VARIANCE $ / BPS	VARIANCE % CHANGE
Summary Financial Results				
Revenue	**338,112**	273,326	64,786	23.7%
Bad debts	**91,570**	78,257	13,313	17.0%
Other operating expenses	**87,734**	99,943	(12,209)	(12.2%)
EBITDA[1]	**151,911**	81,001	70,910	87.5%
EBITDA margin[1]	**44.9%**	29.6%	1,530 bps	51.7%
Depreciation and amortization	**21,571**	19,245	2,326	12.1%
Operating income	**137,237**	75,881	61,356	80.9%
Operating margin	**40.6%**	27.8%	1,280 bps	46.0%
Other income	**1,310**	(5,609)	6,919	123.4%
Finance costs	**36,580**	31,551	5,029	15.9%
Effective income tax rate	**26.8%**	26.2%	60 bps	2.3%
Net income	**74,602**	28,576	46,026	161.1%
Diluted earnings per share	**4.34**	1.71	2.63	153.8%
Return on receivables	**8.3%**	4.2%	410 bps	97.6%
Return on assets	**7.4%**	3.6%	380 bps	105.6%
Return on equity	**28.9%**	13.8%	1,510 bps	109.4%
Return on tangible common equity[1]	**39.5%**	21.8%	1,770 bps	81.2%
Adjusted Financial Results[1,2]				
Other operating expenses	**95,810**	87,877	7,933	9.0%
Efficiency ratio	**28.3%**	32.2%	(390 bps)	(12.1%)
Operating income	**140,643**	99,738	40,905	41.0%
Operating margin	**41.6%**	36.5%	510 bps	14.0%
Net income	**68,961**	51,026	17,935	35.1%
Diluted earnings per share	**4.01**	3.05	0.96	31.5%
Return on receivables	**7.7%**	7.5%	20 bps	2.7%
Return on assets	**6.8%**	6.3%	50 bps	7.9%
Return on equity	**26.7%**	24.6%	210 bps	8.5%
Return on tangible common equity	**35.3%**	35.9%	(60 bps)	(1.7%)
Key Performance Indicators				
Segment Financials				
easyfinancial revenue	**299,465**	235,886	63,579	27.0%
easyfinancial operating margin	**50.2%**	45.1%	510 bps	11.3%
easyhome revenue	**38,647**	37,440	1,207	3.2%
easyhome operating margin	**24.3%**	23.2%	110 bps	4.7%
Portfolio Indicators				
Gross consumer loans receivable	**3,645,202**	2,794,694	850,508	30.4%
Growth in consumer loans receivable	**214,926**	206,038	8,888	4.3%
Gross loan originations	**704,875**	632,355	72,520	11.5%
Total yield on consumer loans (including ancillary products)[1]	**34.9%**	36.2%	(130 bps)	(3.6%)
Net charge offs as a percentage of average gross consumer loans receivable	**8.8%**	9.0%	(20 bps)	(2.2%)
Free cash flows from operations before net growth in gross consumer loans receivable[1]	**85,142**	66,040	19,102	28.9%
Potential monthly lease revenue[1]	**7,654**	7,868	(214)	(2.7%)

[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.

Locations Summary

	LOCATIONS AS AT SEPTEMBER 30, 2023	LOCATIONS OPENED IN THE PERIOD	LOCATIONS CLOSED IN THE PERIOD	CONVERSIONS	LOCATIONS AS AT DECEMBER 31, 2023
easyfinancial					
Kiosks (in store)	2	-	-	-	**2**
Stand-alone locations	295	-	-	-	**295**
Operations Centers	3	-	-	-	**3**
Total *easyfinancial* locations	300	-	-	-	**300**
easyhome					
Corporately owned stores	110	-	-	-	**110**
Franchise stores	34	-	-	-	**34**
Total *easyhome* stores	144	-	-	-	**144**
Corporate					
Corporate office	1	-	-	-	**1**
Total corporate office	1	-	-	-	**1**

Summary of Financial Results by Reporting Segment

	THREE MONTHS ENDED DECEMBER 31, 2023			
($ IN 000'S EXCEPT EARNINGS PER SHARE)	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**

($ IN 000'S EXCEPT EARNINGS PER SHARE)	THREE MONTHS ENDED DECEMBER 31, 2022 EASYFINANCIAL	EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	183,345	7,975	-	191,320
Lease revenue	-	25,219	-	25,219
Commissions earned	48,023	3,366	-	51,389
Charges and fees	4,518	880	-	5,398
	235,886	37,440	-	273,326
Operating expenses				
Bad debts	75,224	3,033	-	78,257
Other operating expenses	47,539	14,948	37,456	99,943
Depreciation and amortization	6,846	10,772	1,627	19,245
	129,609	28,753	39,083	197,445
Operating income (loss)	106,277	8,687	(39,083)	75,881
Other loss				(5,609)
Finance costs				(31,551)
Income before income taxes				38,721
Income taxes				10,145
Net income				28,576
Diluted earnings per share				1.71

Portfolio Performance

Consumer Loans Receivable

Loan originations in the three-month period ended December 31, 2023 were $704.9 million, up 11.5% compared to the same period of 2022. The consumer loan portfolio grew by $214.9 million during the quarter, compared to $206.0 million in the same period of 2022. Gross consumer loans receivable increased to $3.65 billion as at December 31, 2023, from $2.79 billion as at December 31, 2022, an increase of $850.5 million, or 30.4%. The increase in consumer loans receivable was driven by a strong volume of applications for credit, leading to a strong performance across several product and acquisition channels, including unsecured lending, point-of-sale lending and automotive financing. Loan originations for the three-month period ended December 31, 2023 has an increased proportion of secured loans with longer payment terms, compared to the same period of 2022.

Total annualized yield, including loan interest, fees and ancillary products, realized by the Company on its average consumer loans receivable was 34.9% in the three-month period ended December 31, 2023, down 130 bps from the same period of 2022. Total annualized yield decreased due to: i) organic growth of certain products which carry lower rates of interest such as home equity loans, automotive financing, point-of-sale financing in the powersports, and healthcare and retail categories; ii) increased lending activity in the province of Quebec, where loans have lower rates of interest; iii) a higher proportion of larger dollar value loans which have reduced pricing on certain ancillary products; iv) a modest reduction in penetration rates on ancillary products; and v) the Company's strategy to reward borrowers for on-time payment behavior by gradually reducing the rate of interest charged.

Bad debt expense increased to $91.6 million for the three-month period ended December 31, 2023, from $78.3 million during the same period of 2022, an increase of $13.3 million, or 17.0%. The following table details the components of bad debt expense.

($ IN 000'S)	THREE MONTHS ENDED DECEMBER 31, 2023	DECEMBER 31, 2022
Provision required due to net charge offs	**79,006**	61,511
Impact of loan book growth	**14,472**	14,346
Impact of change in allowance for expected credit losses rate	**(1,908)**	2,400
Net change in allowance for credit losses	**12,564**	16,746
Bad debt expense	**91,570**	78,257

Bad debts expense increased by $13.3 million due to the following factors:

i) Net charge offs increased from $61.5 million in the fourth quarter of 2022 to $79.0 million in the current quarter, an increase of $17.5 million. Net charge offs in the quarter as a percentage of average gross consumer loans receivable on an annualized basis were 8.8%, 20 bps lower compared to 9.0% in the same period of 2022. The stable credit performance reflects the resilience of the non-prime consumer, coupled with improved product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021. The net charge off rate was in line with the Company's targeted range for 2023 of 8.0% to 10.0%.

ii) The net change in allowance for credit losses was $12.6 million, compared to $16.7 million in the same period of 2022, a decrease of $4.2 million. 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, 2023 was $7.7 million, down from $7.9 million in the same period of 2022. The easyhome leasing business is a mature business that has experienced a gradual decline in sales volume, as consumer demand has shifted to alternate forms of financing purchases of everyday household items.

Revenue

Revenue for the three-month period ended December 31, 2023 was $338.1 million, an increase of $64.8 million, or 23.7%, when compared to the same period of 2022. Revenue growth was mainly driven by the record organic growth of the Company's consumer loan portfolio.

easyfinancial – Revenue for the three-month period ended December 31, 2023 was $299.5 million, an increase of $63.6 million, when compared to the same period of 2022. Components of the increased revenue include:

(i) Interest income increased by $51.8 million, or 28.3%, driven by growth in the loan portfolio, which includes growth of unsecured lending, automotive financing, home equity loans, point-of-sale financing and cross-selling activity across its consumer base, partially offset by lower interest yields due to improved product mix;

(ii) Commissions earned on the sale of ancillary products and services increased by $10.0 million, or 20.8%, due to the larger consumer loan portfolio; and

(iii) Charges and fees increased by $1.8 million.

easyhome – Revenue for the three-month period ended December 31, 2023 was $38.6 million, an increase of $1.2 million, when compared to the same period of 2022. Lending revenue within the easyhome stores increased by $1.7 million, when compared to the same period of 2022. Traditional leasing revenue, including fees, was $0.5 million lower compared to the same period of 2022. Components of the increased revenue include:

(i) Interest income increased by $1.6 million, driven by the growth in the loan portfolio related to the easyhome business;

(ii) Leasing revenue decreased by $0.5 million due to a smaller lease portfolio; and

(iii) Commissions earned on the sale of ancillary products, charges and fees increased by $0.2 million.

Other Operating Expenses

Other operating expenses were $87.7 million for the three-month period ended December 31, 2023, a decrease of $12.2 million, or 12.2%, when compared to the same period of 2022. The decrease in other operating expenses was mainly driven by a one-time intangible asset write off in 2022 and continued improvement in operating efficiency, moderated by higher operating costs to support the growing loan portfolio.

easyfinancial – Other operating expenses were $52.5 million for the three-month period ended December 31, 2023, an increase of $5.0 million, or 10.5%, when compared to the same period of 2022. 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 $14.3 million for the three-month period ended December 31, 2023, a decrease of $0.6 million, or 4.1%, when compared to the same period of 2022. The decrease in other operating expenses was driven by lower store costs due to the continued improvement in operating efficiency.

Corporate – Other operating expenses were $20.9 million for the three-month period ended December 31, 2023, a decrease of $16.6 million, or 44.3%, when compared to the same period of 2022. The decrease in other operating expenses was primarily due to a one-time intangible asset write off in 2022, partially offset by 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 6.1% of revenues in the fourth quarter of 2023, compared to 6.2% of revenues in the same period of 2022.

Depreciation and Amortization

Depreciation and amortization for the three-month period ended December 31, 2023 was $21.6 million, an increase of $2.3 million, or 12.1%, when compared to the same period of 2022, driven primarily by higher amortization of intangible assets and depreciation of right-of-use assets. Overall, depreciation and amortization represented 6.4% of revenues for the three-month period ended December 31, 2023, compared to 7.0% in the same period of 2022.

easyfinancial – Depreciation and amortization was $9.6 million for the three-month period ended December 31, 2023, an increase of $2.8 million, or 40.4%, when compared to the same period of 2022. The increase was primarily due to the reversal of an impairment reserve recognized on the existing core loan management software in the fourth quarter of 2022.

easyhome – Depreciation and amortization was $10.4 million for the three-month period ended December 31, 2023, a decrease of $0.4 million, or 3.3%, when compared to the same period of 2022, mainly due to a smaller lease asset portfolio.

Corporate – Depreciation and amortization was $1.5 million in the three-month period ended December 31, 2023, relatively flat from the comparable period of 2022.

Operating Income (Income before Finance Costs and Income Taxes)

The Company reported record total operating income for the three-month period ended December 31, 2023 of $137.2 million, up $61.4 million, or 80.9%, when compared to the same period of 2022. The Company also reported a record operating margin of 40.6%, up from 27.8% reported in the same period of 2022. Excluding the effects of the adjusting items, the Company reported record adjusted operating income1 for the three-month period ended December 31, 2023 of $140.6 million, up $40.9 million, or 41.0%, when compared to the same period of 2022. The increase in adjusted operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. The Company reported an adjusted operating margin of 41.6% in the quarter, up from 36.5% in the same period of 2022.

easyfinancial – Operating income for the three-month period ended December 31, 2023 was $150.2 million, an increase of $44.0 million, or 41.4%, when compared to the same period of 2022. The improved operating income was mainly driven by higher revenue during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage. easyfinancial revenue increased by $63.6 million, partially offset by an increase of $11.9 million in bad debt expense and an increase of $7.7 million in other costs to support the growing customer base and enhanced product offerings. easyfinancial's operating margin was 50.2%, 510 bps higher compared to 45.1% in the same period of 2022.

easyhome – Operating income for the three-month period ended December 31, 2023 was $9.4 million, an increase of $0.7 million, or 8.3%. The increase was mainly driven by higher lending revenues during the period associated with the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage, partially offset by lower leasing revenues. easyhome's operating margin was 24.3%, compared to 23.2% in the same period of 2022.

Other Income

During the three-month period ended December 31, 2023, the Company recognized net investment income of $1.3 million, mainly due to fair value changes on the Company's investments, compared to $5.6 million of net investment loss in the same period of 2022.

Finance Costs

Finance costs for the three-month period ended December 31, 2023 were $36.6 million, an increase of $5.0 million, or 15.9%, when compared to the same period of 2022. The increase was mainly driven by one-time refinancing costs related to notes payable, higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing partially offset by the fair value change on prepayment options related to 2028 Notes. The Company utilizes derivative financial instruments as cash flow hedges to assist in the management of interest rate volatility. As at December 31, 2023, 93% of the Company's drawn debt balances effectively bear fixed rates due to the type of debt and the interest rate swap agreements on Revolving Securitization Warehouse Facilities. The average blended interest rate on drawn balances for the Company's debt as at December 31, 2023 was 6.4%, up from 5.2% as at December 31, 2022.

Income Tax Expense

The effective income tax rate for the three-month period ended December 31, 2023 was 26.8%, higher than the 26.2% reported in the same period of 2022. The increase was mainly due to higher non-deductible expenses and lower adjustments in respect of prior years.

Net Income and Diluted Earnings Per Share

The Company's net income for the three-month period ended December 31, 2023 was $74.6 million, or $4.34 per share on a diluted basis, up 161.1% and 153.8%, respectively, compared to $28.6 million, or $1.71 per share on a diluted basis reported in the same period of 2022. Excluding the effects of adjusting items discussed in the "Key Performance Indicators and Non-IFRS Measures" section, the Company achieved record adjusted net income and record adjusted diluted earnings per share during the three-month period ended December 31, 2023 of $69.0 million and $4.01 per share on a diluted basis, respectively. Adjusted net income and adjusted diluted earnings per share increased by 35.1% and 31.5%, respectively, when compared to the same period of 2022. The increase in adjusted net income was primarily driven by record operating income, partially offset by incremental finance costs driven by higher borrowing levels to fund growth of the Company's lending business and a higher cost of borrowing.

Selected Quarterly Information

($ IN MILLIONS EXCEPT PERCENTAGES AND PER SHARE AMOUNTS)	DECEMBER 2023	SEPTEMER 2023	JUNE 2023	MARCH 2023	DECEMBER 2022	SEPTEMBER 2022	JUNE 2022	MARCH 2022	DECEMBER 2021
Gross consumer loans receivable	**3,645.2**	3,430.3	3,200.2	2,990.7	2,794.7	2,588.7	2,369.8	2,154.3	2,030.3
Revenue	**338.1**	321.7	302.9	287.3	273.3	262.2	251.7	232.1	234.4
Net income	**74.6**	66.3	55.6	51.4	28.6	47.2	38.3	26.1	50.0
Adjusted net income[1]	**69.0**	65.2	56.0	52.9	51.0	48.6	46.8	45.8	47.6
Return on receivables[3]	**8.3%**	-	-	-	4.2%	-	-	-	-
Adjusted return on receivables[1,3]	**7.7%**	-	-	-	7.5%	-	-	-	-
Return on assets	**7.4%**	7.0%	6.2%	6.1%	3.6%	6.3%	5.5%	4.0%	7.9%
Adjusted return on assets[1]	**6.8%**	6.9%	6.2%	6.2%	6.3%	6.5%	6.7%	6.9%	7.5%
Return on equity	**28.9%**	27.0%	24.0%	23.2%	13.8%	24.2%	20.2%	13.5%	25.0%
Adjusted return on equity[1]	**26.7%**	26.6%	24.2%	23.9%	24.6%	24.9%	24.7%	23.8%	23.9%
Return on tangible common equity[1]	**39.5%**	37.8%	34.6%	34.4%	21.8%	38.5%	33.0%	22.8%	39.8%
Adjusted return on tangible common equity[1]	**35.3%**	35.9%	33.4%	33.8%	35.9%	37.7%	38.0%	36.5%	36.2%
Net income as a percentage of revenue	**22.1%**	20.6%	18.3%	17.9%	10.5%	18.0%	15.2%	11.2%	21.3%
Adjusted net income as a percentage of revenue[1]	**20.4%**	20.3%	18.5%	18.4%	18.7%	18.5%	18.6%	19.7%	20.3%
Earnings per share[2]									
Basic	**4.41**	3.93	3.29	3.06	1.74	2.92	2.37	1.59	3.00
Diluted	**4.34**	3.87	3.26	3.01	1.71	2.86	2.32	1.55	2.90
Adjusted diluted[1]	**4.01**	3.81	3.28	3.10	3.05	2.95	2.83	2.72	2.76

[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 descriptions in "Key Performance Indicators and Non-IFRS Measures" section. Please refer to 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, page 43 of the December 31, 2023 MD&A, page 38 of the September 30, 2022 MD&A, page 37 of the June 30, 2022 MD&A, page 27 of the March 31, 2022 MD&A, and page 50 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.

[3] Comparable reported and adjusted return on receivables financial measures for the three-months periods ended September 30, 2023 and 2022, June 30, 2023 and 2022, March 31, 2023 and 2022, and December 31, 2021 were not published.

Key financial measures for each of the last nine quarters are summarized in the table above and include the gross consumer loans receivable, revenue, net income, earnings per share, return on receivables, return on assets, return on equity, return on tangible common equity, and net income as a percentage of revenue over this timeframe. Revenue growth over this timeframe was primarily related to the growth of the Company's consumer loan portfolio. The larger revenue base together with operating expense management, increased the Company's adjusted net income and adjusted earnings per share. Adjusted return on assets, adjusted return on equity and adjusted return on tangible common equity increased in the most recent quarters due to the increase in earnings driven by the larger consumer loan portfolio, stable credit performance of the loan book and continued improvement in operating leverage.

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, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Gross loan originations	**704,875**	632,355	**2,709,194**	2,377,606
Loan originations to new customers	**345,339**	299,458	**1,354,907**	1,117,146
Loan originations to existing customers	**359,536**	332,897	**1,354,287**	1,260,460
Less: Proceeds applied to repay existing loans	**(191,978)**	(177,848)	**(724,702)**	(649,509)
Net advance to existing customers	**167,558**	155,049	**629,585**	610,951
Net principal written	**512,897**	454,507	**1,984,492**	1,728,097

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, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Opening gross consumer loans receivable	**3,430,276**	2,588,656	**2,794,694**	2,030,339
Gross loan originations	**704,875**	632,355	**2,709,194**	2,377,606
Gross principal payments and other adjustments	**(398,774)**	(355,334)	**(1,528,306)**	(1,359,667)
Gross charge offs before recoveries	**(91,175)**	(70,983)	**(330,380)**	(253,584)
Net growth in gross consumer loans receivable during the period	**214,926**	206,038	**850,508**	764,355
Ending gross consumer loans receivable	**3,645,202**	2,794,694	**3,645,202**	2,794,694

The scheduled principal repayment aging analyses of the gross consumer loans receivable portfolio as at December 31, 2023 and 2022 are as follows:

	DECEMBER 31, 2022		DECEMBER 31, 2021	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
0 – 6 months	**273,572**	**7.5%**	236,026	8.4%
6 – 12 months	**172,645**	**4.7%**	161,441	5.8%
12 – 24 months	**380,715**	**10.4%**	363,437	13.0%
24 – 36 months	**510,311**	**14.0%**	433,895	15.5%
36 – 48 months	**567,582**	**15.6%**	480,990	17.2%
48 – 60 months	**557,254**	**15.3%**	346,560	12.4%
60 months+	**1,183,123**	**32.5%**	772,345	27.7%
Gross consumer loans receivable	**3,645,202**	**100.0%**	2,794,694	100.0%

Gross consumer loans receivable with principal repayments beyond 60 months as at December 31, 2023 increased by 480 bps, when compared to December 31, 2022, primarily due to the shift in product mix towards a higher proportion of secured loans, which have longer payment terms.

The gross consumer loans receivable portfolio categorized by the contractual time to maturity as at December 31, 2023 and 2022 are summarized as follows:

	DECEMBER 31, 2023		DECEMBER 31, 2022	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
0 – 1 year	**72,892**	**2.0%**	65,485	2.3%
1 – 2 years	**144,303**	**4.0%**	139,143	5.0%
2 – 3 years	**277,715**	**7.6%**	312,612	11.2%
3 – 4 years	**529,764**	**14.5%**	573,567	20.5%
4 – 5 years	**554,585**	**15.2%**	493,336	17.7%
5 years +	**2,065,943**	**56.7%**	1,210,551	43.3%
Gross consumer loans receivable	**3,645,202**	**100.0%**	2,794,694	100.0%

Gross consumer loans receivable with contractual times to maturity beyond 5 years as at December 31, 2023 increased by 1,340 bps, when compared to December 31, 2022, primarily due to the shift in product mix towards a higher proportion of secured loans, which have longer payment terms.

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:

($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2023 $	DECEMBER 31, 2023 % OF TOTAL	DECEMBER 31, 2022 $	DECEMBER 31, 2022 % OF TOTAL
Gross consumer loans receivable, *easyfinancial*	**3,538,943**	**97.1%**	2,705,943	96.8%
Gross consumer loans receivable, *easyhome*	**106,259**	**2.9%**	88,751	3.2%
Gross consumer loans receivable	**3,645,202**	**100.0%**	2,794,694	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.

($ IN 000'S)	THREE MONTHS ENDED DECEMBER 31, 2023	THREE MONTHS ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
Total Company revenue	**338,112**	273,326	**1,250,069**	1,019,336
Less: Leasing revenue	**(26,236)**	(26,772)	**(105,925)**	(110,053)
Financial revenue	**311,876**	246,554	**1,144,144**	909,283
Less: Financial costs	**(36,580)**	(31,551)	**(149,334)**	(107,972)
Add: Interest expense on lease liabilities	**951**	991	**3,822**	3,577
Less: Bad debt expense	**(91,570)**	(78,257)	**(341,639)**	(272,893)
Net financial income	**184,677**	137,737	**656,993**	531,995

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.

($ IN 000'S EXCEPT PERCENTAGES)	THREE MONTHS ENDED DECEMBER 31, 2023	THREE MONTHS ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
Total Company revenue	**338,112**	273,326	**1,250,069**	1,019,336
Less: Leasing revenue	**(26,236)**	(26,772)	**(105,925)**	(110,053)
Financial revenue	**311,876**	246,554	**1,144,144**	909,283
Multiplied by number of periods in year	**X 4**	X 4	**X 4/4**	X 4/4
Divided by average gross consumer loans receivable	**3,577,393**	2,726,446	**3,245,686**	2,409,890
Total yield on consumer loans as a percentage of average gross consumer loans receivable (annualized)	**34.9%**	36.2%	**35.3%**	37.7%

Net Charge Offs

In addition to loan originations, gross consumer loans receivable are impacted by charge offs. Unsecured customer loan balances that are delinquent greater than 90 days and secured customer loan balances that are delinquent greater than 180 days are charged off. In addition, customer loan balances are charged off upon notification that the customer is 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, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Net charge offs against allowance	**79,006**	61,511	**289,321**	219,614
Multiplied by number of periods in year	**X 4**	X 4	**X 4/4**	X 4/4
Divided by average gross consumer loans receivable	**3,577,393**	2,726,446	**3,245,686**	2,409,890
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**8.8%**	9.0%	**8.9%**	9.1%

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 we have received a notification of bankruptcy, unsecured customer loan balances that are delinquent greater than 90 days and secured customer loan balances that are delinquent greater than 180 days are charged off against the allowance for loan losses.

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Allowance for credit losses, beginning of period	**252,795**	196,295	**213,041**	159,762
Net charge offs against allowance	**(79,006)**	(61,511)	**(289,321)**	(219,614)
Bad debt expense	**91,570**	78,257	**341,639**	272,893
Allowance for credit losses, end of period	**265,359**	213,041	**265,359**	213,041
Allowance for credit losses as a percentage of the ending gross consumer loans receivable	**7.28%**	7.62%	**7.28%**	7.62%

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, to determine a probability weighted allowance. 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, 2023 and 2022, respectively.

12-MONTH FORWARD-LOOKING MACROECONOMIC VARIABLES (AVERAGE ANNUAL)	NEUTRAL	MODERATELY OPTIMISTIC	EXTREMELY OPTIMISTIC	MODERATELY PESSIMISTIC	EXTREMELY PESSIMISTIC
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**
December 31, 2022					
Unemployment rate[1]	6.07%	5.28%	4.59%	8.30%	9.72%
GDP growth rate[2]	0.15%	1.20%	2.08%	(1.88%)	(3.08%)
Inflation growth rate[3]	4.08%	3.78%	3.46%	4.95%	5.31%
Oil prices[4]	$86.85	$89.40	$91.49	$71.65	$60.58

[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 $295.2 million, $29.8 million or 11.2% higher than the reported allowance for credit losses as at December 31, 2023 (December 31, 2022 – $244.4 million, $31.4 million or 14.7% higher than the reported allowance for credit losses). This 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, 2023		DECEMBER 31, 2022	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Current	**3,434,390**	**94.2%**	2,628,884	94.1%
Days past due				
1 - 30 days	**125,229**	**3.4%**	86,687	3.1%
31 - 44 days	**24,280**	**0.7%**	22,027	0.8%
45 - 60 days	**20,354**	**0.6%**	18,245	0.6%
61 - 90 days	**22,797**	**0.6%**	25,285	0.9%
91 - 120 days	**7,687**	**0.2%**	6,157	0.2%
121 - 150 days	**6,422**	**0.2%**	5,020	0.2%
151 - 180 days	**4,043**	**0.1%**	2,389	0.1%
	210,812	**5.8%**	165,810	5.9%
Gross consumer loans receivable	**3,645,202**	**100.0%**	2,794,694	100.0%

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

Aging analysis of the gross consumer loans receivable as of the last Saturday of the periods is as follows:

	SATURDAY, DECEMBER 30, 2023 % OF TOTAL	SATURDAY, DECEMBER 31, 2022 % OF TOTAL
Current	**94.3%**	94.1%
Days past due		
1 - 30 days	**3.4%**	3.1%
31 - 44 days	**0.6%**	0.8%
45 - 60 days	**0.6%**	0.6%
61 - 90 days	**0.6%**	0.9%
91 - 120 days	**0.2%**	0.2%
121 - 150 days	**0.2%**	0.2%
151 - 180 days	**0.1%**	0.1%
	5.7%	5.9%
Gross consumer loans receivable	**100.0%**	100.0%

Gross Consumer Loans Receivable by Geography

As at December 31, 2023 and 2022, the Company's gross consumer loans receivable were allocated among the following geographic regions:

	DECEMBER 31, 2023		DECEMBER 31, 2022	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Newfoundland & Labrador	**99,581**	**2.7%**	82,931	3.0%
Nova Scotia	**173,536**	**4.8%**	137,746	4.9%
Prince Edward Island	**21,968**	**0.6%**	18,027	0.6%
New Brunswick	**148,529**	**4.1%**	123,635	4.4%
Quebec	**447,714**	**12.3%**	349,936	12.5%
Ontario	**1,408,224**	**38.6%**	1,059,314	37.9%
Manitoba	**150,319**	**4.1%**	113,146	4.0%
Saskatchewan	**162,038**	**4.4%**	129,596	4.6%
Alberta	**627,148**	**17.2%**	465,297	16.7%
British Columbia	**375,916**	**10.3%**	290,711	10.4%
Territories	**30,229**	**0.9%**	24,355	1.0%
Gross consumer loans receivable	**3,645,202**	**100.0%**	2,794,694	100.0%

Gross Consumer Loans Receivable by Loan Type

As at December 31, 2023 and 2022, the allocation of the Company's gross consumer loans receivable based on loan type is as follows:

	DECEMBER 31, 2023		DECEMBER 31, 2022	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Unsecured Instalment Loans	**2,116,869**	**58.1%**	1,703,593	61.0%
Secured Instalment Loans[1]	**1,528,333**	**41.9%**	1,091,101	39.0%
Gross consumer loans receivable	**3,645,202**	**100.0%**	2,794,694	100.0%

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

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 31,2023	DECEMBER 31, 2022
Total number of lease agreements	**70,733**	73,895
Multiplied by the average required monthly lease payment per agreement	**108.21**	106.47
Potential monthly leasing revenue ($ in 000's)	**7,654**	7,868

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

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S)	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Opening potential monthly lease revenue	**7,411**	7,623	**7,868**	8,193
Increase due to store openings or acquisitions during the period	**133**	-	**133**	-
Decrease due to store closures or sales during the period	**(38)**	(24)	**(196)**	(111)
Increase (decrease) due to ongoing operations	**148**	269	**(151)**	(214)
Net change	**243**	245	**(214)**	(325)
Ending potential monthly leasing revenue	**7,654**	7,868	**7,654**	7,868

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, 2023		DECEMBER 31, 2022	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Furniture	**3,259**	**42.6%**	3,238	41.2%
Electronics	**2,478**	**32.4%**	2,626	33.4%
Appliances	**1,110**	**14.5%**	1,119	14.2%
Computers	**807**	**10.5%**	885	11.2%
Potential monthly leasing revenue	**7,654**	**100.0%**	7,868	100.0%

Potential Monthly Leasing Revenue by Geography

As at December 31, 2023 and 2022, the Company's leasing portfolio as measured by potential monthly leasing revenue, was allocated among the following geographic regions:

	DECEMBER 31, 2023		DECEMBER 31, 2022	
($ IN 000'S EXCEPT PERCENTAGES)	$	% OF TOTAL	$	% OF TOTAL
Newfoundland & Labrador	**671**	**8.7%**	688	8.7%
Nova Scotia	**763**	**10.0%**	753	9.6%
Prince Edward Island	**128**	**1.7%**	136	1.7%
New Brunswick	**646**	**8.4%**	642	8.2%
Quebec	**550**	**7.2%**	552	7.0%
Ontario	**2,310**	**30.2%**	2,442	31.0%
Manitoba	**294**	**3.8%**	233	3.0%
Saskatchewan	**320**	**4.2%**	356	4.5%
Alberta	**1,230**	**16.1%**	1,217	15.5%
British Columbia	**742**	**9.7%**	849	10.8%
Potential monthly leasing revenue	**7,654**	**100.0%**	7,868	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, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Depreciation of lease assets	**8,207**	8,516	**33,535**	33,547
Less: Lease asset amortization excluding net charge offs	**(7,257)**	(7,678)	**(29,939)**	(29,992)
Net charge offs	**950**	838	**3,596**	3,555
Total Company revenue	**338,112**	273,326	**1,250,069**	1,019,336
Less: Financial revenue	**(311,876)**	(246,554)	**(1,144,144)**	(909,283)
Leasing revenue	**26,236**	26,772	**105,925**	110,053
Net charge offs as a percentage of leasing revenue	**3.6%**	3.1%	**3.4%**	3.2%

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, 2023 and 2022 include those indicated in the chart below:

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S EXCEPT EARNINGS PER SHARE)	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Net income as stated	**74,602**	28,576	**247,898**	140,161
Impact of adjusting items				
Other operating expenses				
Contract exit fee[1]	**-**	-	**934**	-
Integration costs[2]	**131**	122	**608**	1,081
Write off of an intangible asset[1]	**-**	20,460	**-**	20,460
Corporate development costs[4]	**-**	-	**-**	2,314
Depreciation and amortization				
Amortization of acquired intangible assets[3]	**3,275**	3,275	**13,100**	13,100
Other (income) loss[5]	**(1,310)**	5,609	**(9,771)**	28,659
Finance costs				
Refinancing costs related to notes payable[6]	**9,501**	-	**9,501**	-
Fair value change on prepayment options related to 2028 Notes[7]	**(19,035)**	-	**(19,035)**	-
Total pre-tax impact of adjusting items	**(7,438)**	29,466	**(4,663)**	65,614
Income tax impact of above adjusting items	**1,797**	(7,016)	**(60)**	(13,514)
After-tax impact of adjusting items	**(5,641)**	22,450	**(4,723)**	52,100
Adjusted net income	**68,961**	51,026	**243,175**	192,261
Weighted average number of diluted shares outstanding	**17,207**	16,753	**17,117**	16,650
Diluted earnings per share as stated	**4.34**	1.71	**14.48**	8.42
Per share impact of adjusting items	**(0.33)**	1.34	**(0.27)**	3.13
Adjusted diluted earnings per share	**4.01**	3.05	**14.21**	11.55

Adjusting items related to the write off of an intangible asset

[1] In the fourth quarter of 2022, the Company decided to terminate its agreement with a third-party technology provider that was contracted in 2020 to develop a new loan management system. After careful evaluation, the Company determined that the performance to date was unsatisfactory, and the additional investment necessary to complete the development was no longer economical, relative to the anticipated business value and other available options. As such, the Company elected to write off capitalized software costs in 2022 in the amount of $20.5 million, associated with this loan management system being developed by the third-party. In the first quarter of 2023, the Company settled its dispute with the third-party technology provider for $0.9 million.

Adjusting items related to the LendCare Acquisition

[2] Integration costs related to advisory and consulting costs, employee incentives, 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 the corporate development costs

[4] Corporate development costs in the first quarter of 2022 were related to the exploration of a strategic acquisition opportunity, which the Company elected to not pursue, including advisory, consulting and legal costs.

Adjusting item related to other income (loss)

[5] For the three-month periods and years ended December 31, 2023 and 2022, net investment income (losses) were mainly due to fair value changes on the Company's investments.

Adjusting item related to the refinancing of 2024 Notes

[6] During the fourth quarter of 2023, the Company repaid its 2024 Notes that would have matured on December 1, 2024, 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 2028 Notes

[7] For the three-month period and year ended December 31, 2023, the Company recognized a fair value change on the prepayment options related to 2028 Notes amounting to $19.0 million.

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.

	THREE MONTHS ENDED			
($ IN 000'S EXCEPT PERCENTAGES)	DECEMBER 31, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**74,602**	**74,602**	28,576	28,576
After-tax impact of adjusting items[1]	**-**	**(5,641)**	-	22,450
Adjusted net income	**74,602**	**68,961**	28,576	51,026
Divided by revenue	**338,112**	**338,112**	273,326	273,326
Net income as a percentage of revenue	**22.1%**	**20.4%**	10.5%	18.7%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**247,898**	**247,898**	140,161	140,161
After-tax impact of adjusting items[1]	**-**	**(4,723)**	-	52,100
Adjusted net income	**247,898**	**243,175**	140,161	192,261
Divided by revenue	**1,250,069**	**1,250,069**	1,019,336	1,019,336
Net income as a percentage of revenue	**19.8%**	**19.5%**	13.8%	18.9%

[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, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Other operating expenses as stated	**87,734**	99,943	**345,581**	332,730
Impact of adjusting items[1]				
Other operating expenses				
Contract exit fee	**-**	-	**(934)**	-
Integration costs	**(131)**	(122)	**(608)**	(1,081)
Write off of an intangible asset	**-**	(20,460)	**-**	(20,460)
Corporate development costs	**-**	-	**-**	(2,314)
Depreciation and amortization				
Depreciation of lease assets	**8,207**	8,516	**33,535**	33,547
Total impact of adjusting items	**8,076**	(12,066)	**31,993**	9,692
Adjusted other operating expenses	**95,810**	87,877	**377,574**	342,422
Total revenue	**338,112**	273,326	**1,250,069**	1,019,336
Efficiency ratio	**28.3%**	32.2%	**30.2%**	33.6%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
easyfinancial				
Operating income	**150,242**	**150,242**	106,277	106,277
Divided by revenue	**299,465**	**299,465**	235,886	235,886
***easyfinancial* operating margin**	**50.2%**	**50.2%**	45.1%	45.1%
easyhome				
Operating income	**9,404**	**9,404**	8,687	8,687
Divided by revenue	**38,647**	**38,647**	37,440	37,440
easyhome operating margin	**24.3%**	**24.3%**	23.2%	23.2%
Total				
Operating income	**137,237**	**137,237**	75,881	75,881
Other operating expenses[1]				
Integration costs	**-**	**131**	-	122
Write off of an intangible asset	**-**	**-**	-	20,460
Depreciation and amortization[1]				
Amortization of acquired intangible assets	**-**	**3,275**	-	3,275
Adjusted operating income	**137,237**	**140,643**	75,881	99,738
Divided by revenue	**338,112**	**338,112**	273,326	273,326
Total operating margin	**40.6%**	**41.6%**	27.8%	36.5%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
easyfinancial				
Operating income	**534,516**	**534,516**	393,996	393,996
Divided by revenue	**1,096,817**	**1,096,817**	869,528	869,528
***easyfinancial* operating margin**	**48.7%**	**48.7%**	45.3%	45.3%
easyhome				
Operating income	**36,940**	**36,940**	34,578	34,578
Divided by revenue	**153,252**	**153,252**	149,808	149,808
easyhome operating margin	**24.1%**	**24.1%**	23.1%	23.1%
Total				
Operating income	**476,518**	**476,518**	332,407	332,407
Other operating expenses[1]				
Contract exit fee	**-**	**934**	-	-
Integration costs	**-**	**608**	-	1,081
Write off of an intangible asset	**-**	**-**	-	20,460
Corporate development costs	**-**	**-**	-	2,314
Amortization of intangible assets[1]				
Amortization of acquired intangible assets	**-**	**13,100**	-	13,100
Adjusted operating income	**476,518**	**491,160**	332,407	369,362
Divided by revenue	**1,250,069**	**1,250,069**	1,019,336	1,019,336
Total operating margin	**38.1%**	**39.3%**	32.6%	36.2%

[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.

($ IN 000'S EXCEPT PERCENTAGES)	THREE MONTHS ENDED DECEMBER 31, 2023	DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2023	DECEMBER 31, 2022
Net income as stated	**74,602**	28,576	**247,898**	140,161
Finance costs	**36,580**	31,551	**149,334**	107,972
Income tax expense	**27,365**	10,145	**89,057**	55,615
Depreciation and amortization	**21,571**	19,245	**86,331**	81,306
Depreciation of lease assets	**(8,207)**	(8,516)	**(33,535)**	(33,547)
EBITDA	**151,911**	81,001	**539,085**	351,507
Divided by revenue	**338,112**	273,326	**1,250,069**	1,019,336
EBITDA margin	**44.9%**	29.6%	**43.1%**	34.5%

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, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Cash used in operating activities	**(129,784)**	(139,998)	**(473,217)**	(505,881)
Net growth in gross consumer loans receivable during the period	**214,926**	206,038	**850,508**	764,355
Free cash flows from operations before net growth in gross consumer loans receivable	**85,142**	66,040	**377,291**	258,474

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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**74,602**	**74,602**	28,576	28,576
After-tax impact of adjusting items[1]	**-**	**(5,641)**	-	22,450
Adjusted net income	**74,602**	**68,961**	28,576	51,026
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average gross consumer loans receivable	**3,577,393**	**3,577,393**	2,726,446	2,726,446
Return on receivables	**8.3%**	**7.7%**	4.2%	7.5%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**247,898**	**247,898**	140,161	140,161
After-tax impact of adjusting items[1]	**-**	**(4,723)**	-	52,100
Adjusted net income	**247,898**	**243,175**	140,161	192,261
Divided by average gross consumer loans receivable	**3,245,686**	**3,245,686**	2,409,890	2,409,890
Return on receivables	**7.6%**	**7.5%**	5.8%	8.0%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**74,602**	**74,602**	28,576	28,576
After-tax impact of adjusting items[1]	**-**	**(5,641)**	-	22,450
Adjusted net income	**74,602**	**68,961**	28,576	51,026
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average total assets for the period	**4,050,068**	**4,050,068**	3,216,403	3,216,403
Return on assets	**7.4%**	**6.8%**	3.6%	6.3%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**247,898**	**247,898**	140,161	140,161
After-tax impact of adjusting items[1]	**-**	**(4,723)**	-	52,100
Adjusted net income	**247,898**	**243,175**	140,161	192,261
Divided by average total assets for the year	**3,715,531**	**3,715,531**	2,922,605	2,922,605
Return on assets	**6.7%**	**6.5%**	4.8%	6.6%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**74,602**	**74,602**	28,576	28,576
After-tax impact of adjusting items[1]	**-**	**(5,641)**	-	22,450
Adjusted net income	**74,602**	**68,961**	28,576	51,026
Multiplied by number of periods in a year	**X 4**	**X 4**	X 4	X 4
Divided by average shareholders' equity for the period	**1,033,259**	**1,033,259**	830,820	830,820
Return on equity	**28.9%**	**26.7%**	13.8%	24.6%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**247,898**	**247,898**	140,161	140,161
After-tax impact of adjusting items[1]	**-**	**(4,723)**	-	52,100
Adjusted net income	**247,898**	**243,175**	140,161	192,261
Divided by average shareholders' equity for the year	**958,322**	**958,322**	794,269	794,269
Return on equity	**25.9%**	**25.4%**	17.6%	24.2%

[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 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. 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 net income before after-tax amortization of intangible assets excludes the impact of adjusting items. 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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**74,602**	**74,602**	28,576	28,576
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	**77,009**	**77,009**	30,983	30,983
Impact of adjusting items[1]				
Other operating expenses				
Integration costs	**-**	**131**	-	122
Write off of an intangible asset	**-**	**-**	-	20,460
Other (income) loss	**-**	**(1,310)**	-	5,609
Finance costs				
Refinancing costs related to notes payable	**-**	**9,501**	-	-
Fair value change on prepayment options related to 2028 Notes	**-**	**(19,035)**	-	-
Total pre-tax impact of adjusting items	**-**	**(10,713)**	-	26,191
Income tax impact of above adjusting items	**-**	**2,665**	-	(6,148)
After-tax impact of adjusting items	**-**	**(8,048)**	-	20,043
Adjusted net income	**77,009**	**68,961**	30,983	51,026
Multiplied by number of periods in year	**X 4**	**X 4**	X 4	X 4
Average shareholders' equity	**1,033,259**	**1,033,259**	830,820	830,820
Average goodwill	**(180,923)**	**(180,923)**	(180,923)	(180,923)
Average acquired intangible assets[2]	**(97,704)**	**(97,704)**	(110,804)	(110,804)
Average related deferred tax liabilities	**25,892**	**25,892**	29,363	29,363
Divided by average tangible common equity	**780,524**	**780,524**	568,456	568,456
Return on tangible common equity	**39.5%**	**35.3%**	21.8%	35.9%

[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, 2023	DECEMBER 31, 2023 (ADJUSTED)	DECEMBER 31, 2022	DECEMBER 31, 2022 (ADJUSTED)
Net income as stated	**247,898**	**247,898**	140,161	140,161
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	**257,527**	**257,527**	149,790	149,790
Impact of adjusting items[1]				
Other operating expenses				
Contract exit fee	**-**	**934**	-	-
Integration costs	**-**	**608**	-	1,081
Write off of an intangible asset	**-**	**-**	-	20,460
Corporate development costs	**-**	**-**	-	2,314
Other (income) loss	**-**	**(9,771)**	-	28,659
Finance costs				
Finance costs	**-**	**9,501**	-	-
Transaction costs	**-**	**(19,035)**	-	-
Total pre-tax impact of adjusting items	**-**	**(17,763)**	-	52,514
Income tax impact of above adjusting items	**-**	**3,411**	-	(10,043)
After-tax impact of adjusting items	**-**	**(14,352)**	-	42,471
Adjusted net income	**257,527**	**243,175**	149,790	192,261
Average shareholders' equity	**958,322**	**958,322**	794,269	794,269
Average goodwill	**(180,923)**	**(180,923)**	(180,923)	(180,923)
Average acquired intangible assets[2]	**(102,617)**	**(102,617)**	(115,717)	(115,717)
Average related deferred tax liabilities	**27,194**	**27,194**	30,665	30,665
Divided by average tangible common equity	**701,976**	**701,976**	528,294	528,294
Return on tangible common equity	**36.7%**	**34.6%**	28.4%	36.4%

[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, 2023 and 2022.

($ IN 000'S, EXCEPT FOR RATIOS)	DECEMBER 31, 2023	DECEMBER 31, 2022
Consumer loans receivable, net	**3,447,588**	2,627,357
Cash	**144,577**	62,654
Accounts receivable	**30,762**	25,697
Prepaid expenses	**9,462**	8,334
Income taxes recoverable	**-**	2,323
Investments	**61,464**	57,304
Lease assets	**45,187**	48,437
Derivative financial assets	**21,904**	49,444
Property and equipment, net	**35,382**	35,856
Right-of-use assets, net	**61,987**	65,758
Intangible assets, net	**124,931**	138,802
Goodwill	**180,923**	180,923
Total assets	**4,164,167**	3,302,889
Notes payable	**1,120,826**	1,168,997
Revolving securitization warehouse facilities	**1,364,741**	805,825
Revolving credit facility	**190,921**	148,646
Secured borrowings	**143,177**	105,792
External debt	**2,819,665**	2,229,260
Accounts payable and accrued liabilities	**72,409**	51,136
Income taxes payable	**24,691**	-
Dividends payable	**15,960**	14,965
Unearned revenue	**26,965**	28,661
Accrued interest	**12,875**	10,159
Deferred tax liabilities, net	**24,259**	24,692
Lease liabilities	**70,809**	74,328
Derivative financial liabilities	**42,457**	-
Total liabilities	**3,110,090**	2,433,201
Shareholders' equity	**1,054,077**	869,688
Total capitalization (external debt plus total shareholders' equity)	**3,873,742**	3,098,948
Capital management measures		
External debt to shareholders' equity[1]	**2.68**	2.56
Net debt to net capitalization[2]	**0.72**	0.71

[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 $4.16 billion as at December 31, 2023, an increase of $861.3 million or 26.1%, compared to December 31, 2022. The increase was related primarily to an $820.2 million increase in net consumer loans receivable driven by record loan originations and an $81.9 million increase in cash driven by increase in cash held back as a reserve for the Revolving Securitization Warehouse Facilities and Secured Borrowings, partially offset by a $27.5 million decrease in derivative financial assets and the decrease in intangible assets of $13.9 million mainly due to the amortization of intangible asset related to the acquisition of LendCare.

The $861.3 million of growth in total assets was primarily financed by: i) a $590.4 million increase in external debt mainly from Revolving Securitization Warehouse Facilities and Revolving Credit Facility; and ii) a $184.4 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, 2023 and 2022.

	THREE MONTHS ENDED		YEAR ENDED	
($ IN 000'S)	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Cash provided by operating activities before net issuance of consumer loans receivable and purchase of lease assets	**183,338**	141,600	**718,767**	529,528
Net issuance of consumer loans receivable	**(302,947)**	(270,167)	**(1,161,870)**	(1,000,619)
Purchase of lease assets	**(10,175)**	(11,431)	**(30,114)**	(34,790)
Cash used in operating activities	**(129,784)**	(139,998)	**(473,217)**	(505,881)
Cash used in investing activities	**(2,763)**	(32,653)	**(11,749)**	(42,491)
Cash provided by financing activities	**193,062**	161,296	**566,889**	508,547
Net increase (decrease) in cash for the period	**60,515**	(11,355)	**81,923**	(39,825)

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, 2023

Cash used in operating activities for the three-month period ended December 31, 2023 was $129.8 million, compared with $140.0 million in the same period of 2022. Included in cash used in operating activities for the three-month period ended December 31, 2023 were: i) a net issuance of consumer loans receivable of $302.9 million; and ii) the purchase of lease assets of $10.2 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 $183.3 million for the three-month period ended December 31, 2023, up from $141.6 million in the same period of 2022. The increase of $41.7 million was mainly driven by higher earnings.

During the three-month period ended December 31, 2023, cash used in investing activities was $2.8 million, mainly due to purchases of property and equipment and investments in intangible assets, partially offset by the proceeds on sale of investments. During the three-month period ended December 31, 2022, cash used in investing activities was $32.7 million, mainly due to a $25 million increase in the Company's investments, purchases of property and equipment and investments in intangible assets.

During the three-month period ended December 31, 2023, the Company generated $193.1 million in cash flow from financing activities, compared to $161.3 million in the same period of 2022. The increase was mainly from higher net borrowings on the Company's credit facilities in the current period.

Cash Flow Analysis for the Year Ended December 31, 2023

Cash used in operating activities during the year was $473.2 million, compared with $505.9 million in the same period of 2022. Included in cash used in operating activities for the year ended December 31, 2023 were: i) a net issuance of consumer loans receivable of $1.16 billion; and ii) the purchase of $30.1 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 $718.8 million for the year, up from $529.5 million in the same period of 2022. The increase of $189.2 million was mainly driven by higher earnings and favourable changes in working capital. During the year, the Company used $11.7 million in investing activities, mainly due to purchases of property and equipment and investments in intangible assets, partially offset by proceeds from the sale of investments. During the year ended December 31, 2022, the Company used $42.5 million in investing activities, mainly due to the $40 million increase in the Company's investments, purchases of property and equipment and investments in intangible assets, partially offset by $25.4 million proceeds from the sale of investments.

During the year, the Company generated $566.9 million in cash flow from financing activities, compared to $508.5 million in the same period of 2022. The increase was mainly due to repurchases of common shares through the Company's NCIB in the prior period and the higher net borrowings on the Company's credit facilities in the year.

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, 2023, the Company's external debt consisted of 2028 Notes with a net carrying value of $699.9 million, 2026 Notes with a net carrying value of $421 million, $1.37 billion drawn against the Company's Revolving Securitization Warehouse Facilities, $192 million drawn against the Company's Revolving Credit Facility and $143.2 million drawn against the Company's secured borrowings.

Borrowings under the 2026 Notes bore a US$ coupon rate of 4.375%. Through a cross-currency swap agreement arranged concurrently with the US$320 million offering of the 2026 Notes in April 2021, 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 2028 Notes bore a US$ coupon rate of 9.250%. Through a cross-currency swap agreement arranged concurrently with the US$550 million offering of the 2028 Notes in November 2023, 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%. These 2028 Notes mature on December 1, 2028.

Borrowings under the Company's Revolving Securitization Warehouse Facility I bear interest at the rate of 1-month CDOR plus 195 bps and has a maturity date of October 31, 2025. Borrowings under the Company's Revolving Securitization Warehouse Facility II bear interest at the rate of 1-month CDOR plus 185 bps and has a maturity date of December 16, 2025. 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 1-month CDOR.

Borrowings under the Company's Revolving Credit Facility bear interest at either the BA rate plus 225 bps or Prime plus 75 bps, at the option of the Company.

The Company has two secured borrowing facilities as follows:

- 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; and
- 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. The loan sale agreement to sell loans into the facility expired on November 30, 2021. On April 30, 2023, the Company amended this securitization facility to provide for $150 million funding ("$150 million Securitization Facility") through the sale of consumer loans until April 30, 2024, but can be extended to a specified period agreed by both parties. The facility bears 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, 2023 was 6.4%, up from 5.2% as at December 31, 2022.

Including the cash position of $144.6 million, the Company's total liquidity as at December 31, 2023 was $900.6 million.

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, 2023					
Accounts payable and accrued liabilities	**72,409**	**-**	**-**	**-**	**72,409**
Accrued interest	**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**
December 31, 2022					
Accounts payable and accrued liabilities	51,136	-	-	-	51,136
Accrued interest	10,159	-	-	-	10,159
Revolving credit facility	-	150,000	-	-	150,000
Revolving securitization warehouse facilities	-	810,000	-	-	810,000
Secured borrowings	30,901	53,996	16,205	4,690	105,792
Notes payable	-	745,195	433,568	-	1,178,763

Outstanding Shares and Dividends

As at February 13, 2024, there were 16,627,755 Common Shares, 345,043 Board deferred share units, 241,521 share options, 294,308 restricted share units, 94,636 Executive deferred share units and no warrants outstanding.

Normal Course Issuer Bid

On December 19, 2023, the Company announced the acceptance by the TSX of the Company's Notice of Intention to make an 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 of December 13, 2023. 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 2023 NCIB, daily purchases will be 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 will terminate on December 20, 2024, or on such earlier date as the Company may complete its purchases pursuant to the 2023 NCIB. The 2023 NCIB will be conducted through facilities of the TSX or alternative trading systems, if eligible and will conform to their regulations. Purchases under the 2023 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, 2023, the Company has not purchased and cancelled any common shares, under the 2023 NCIB.

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 of December 9, 2022. 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 2022 NCIB, daily purchases will be 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. For the year ended December 31, 2023, the Company has not purchased and cancelled any common shares, under the 2022 NCIB.

On December 14, 2021, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make an NCIB (the "2021 NCIB"). Pursuant to the 2021 NCIB, the Company proposed to purchase, from time to time, if considered advisable, up to an aggregate of 1,243,781 Common Shares being approximately 10% of goeasy's public float as of December 7, 2021. As at December 7, 2021, goeasy had 16,254,135 Common Shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2021, was 62,825. Under the 2021 NCIB, daily purchases were limited to 15,706 Common Shares, representing 25% of the average daily trading volume, other than block purchase exemptions. Purchases were permitted to commence on December 21, 2021, and terminated on December 20, 2022. The purchases made by goeasy pursuant to the 2021 NCIB were effected through facilities of the TSX, as well as alternative trading systems and in accordance with the rules of the TSX. The price the Company paid for repurchased Common Shares was the market price of such shares at the time of acquisition. The Company did not purchase any Common Shares other than by open-market purchases. For the year ended December 31, 2022, the Company completed the purchase for cancellation through the facilities of the TSX of 450,058 of its Common Shares for a total cost of $61.0 million, under the 2021 NCIB.

Dividends

During the quarter ended December 31, 2023, the Company declared a $0.96 per share quarterly dividend on outstanding Common Shares. This dividend was paid on January 12, 2024.

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 14, 2024, the Company increased the quarterly dividend rate by 21.9% from $0.96 to $1.17 per share. 2024 marks the 20th consecutive year of paying a dividend to shareholders and the 10th consecutive year of an increase in the dividend rate per share to shareholders.

In February 2020, the Company was added to the S&P/TSX Canadian Dividend Aristocrats Index with a 42% compound annual growth rate in the dividend over the prior 5 years.

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

	2023	2022	2021	2020	2019	2018	2017
Quarterly dividend per share	**$0.960**	$0.910	$0.660	$0.450	$0.310	$0.225	$0.180
Percentage increase	**5.5%**	37.9%	46.7%	45.2%	37.8%	25.0%	44.0%

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, 2023, 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	**23,610**	**47,251**	**5,928**
Technology commitments	**20,289**	**30,646**	**-**
Vehicles	**607**	**965**	**-**
Total contractual obligations	**44,506**	**78,862**	**5,928**

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 and 2028 Notes maturing on May 1, 2026 and December 1, 2028, respectively, have fixed rates of interest.

The Revolving Securitization Warehouse Facility I and Revolving Securitization Warehouse Facility II have variable interest rates at 1-month CDOR plus 195 bps and at 1-month CDOR plus 185 bps, respectively. 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 1-month CDOR. 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 bears 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, 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 and 2028 Notes are United States dollar denominated. In connection with the offering of these notes, 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 over the expected term that the Company expects it to be at risk of changes in the foreign currency exchange rate.

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 $217.9 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 change to the maximum allowable rate of interest in Canada may impact the competitiveness of the Canadian non-prime market in the near term.

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.

The Company may be unable to compete effectively with new and existing competitors, which could adversely affect its revenues and results of operations. In addition, investments required to adjust to changing market conditions may adversely affect the Company's business and 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. 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, 2023. 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 and 2028 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 2023, the Company extended the term of its Revolving Securitization Warehouse Facility I to October 2025 and added an additional major bank to the Revolving Securitization Warehouse II, extended its term to December 2025, and increased the size of such facility from $200 million to $500 million. The Company also exercised the accordion facility under its Revolving Credit Facility, increasing the size of such facility from $270 million to $370 million. In addition, the Company amended its securitization facility with a leading Canadian insurance company, to provide for $150 million of funding through the sale of consumer loans. 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 2026 Notes and 2028 Notes. Any credit ratings applied to the 2026 Notes and 2028 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 the 2026 Notes and 2028 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 the 2026 Notes and 2028 Notes may have an adverse effect on the market price or value and the liquidity of the 2026 Notes and 2028 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 macro-economic 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 alternative 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, internet 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's information security 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 store network and corporate administrative offices, including centralized operations, 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 in 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 sixty 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 the changes announced by the federal government in March of 2023 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. Customer's 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, Revolving Securitization Warehouse Facilities, secured borrowings, derivative financial instruments and accounts payable and accrued 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 accrued liabilities, are subsequently carried at the amount owing.

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, 2023 notes to the consolidated financial statements.

Changes in Accounting Policy and Disclosures

(a) 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.

(b) Standards issued but not yet effective

There are no new standards issued but not yet effective as at January 1, 2023 that have a material impact on 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, 2023.

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) 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 2023

No changes were made in the Company's internal controls over financial reporting during the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of ICFR as at December 31, 2023

As at December 31, 2023, 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, 2023.

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, 2023, 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.

Jason Mullins
President & Chief Executive Officer

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, 2023 and 2022, 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, 2023 and 2022, 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 $265.4 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.

Goodwill impairment for LendCare

Key audit matter

As more fully described in Notes 2 and 11 of the consolidated financial statements, goeasy has recognized $180.9 million in goodwill as a result of past business combinations, of which $159.6 million relates to the LendCare cash-generating unit (CGU). Goodwill is tested, at least annually, for impairment. Goodwill is also required to be tested for impairment whenever there are indicators that it may be impaired. Goodwill is tested by comparing the recoverable amount of the CGU to which it has been allocated, with the carrying amount of the total CGU. The recoverable amount of a CGU is defined as the higher of its estimated fair value less costs to sell and its value in use.

Auditing goeasy's goodwill impairment test for the LendCare CGU was complex, required the application of auditor judgement and involved the use of our Valuation Specialists due to the significant estimation required to determine the recoverable amount of the CGU. In particular, the estimate of recoverable amount is sensitive to significant assumptions, such as forecasted growth rates, discount rate, and terminal growth rate, which are affected by expectations about future market or economic conditions.

How our audit addressed the key audit matter

With the assistance of our Valuation Specialists, we tested management's estimate of the recoverable amount of the CGU. We performed a sensitivity analysis over the significant assumptions to evaluate the changes in the recoverable amount of the CGU that would result from changes in the assumptions. We performed audit procedures that included, among others, assessing the methodologies applied, and testing the significant assumptions discussed above and the underlying data used by goeasy in its assessment. With the assistance of our Valuation Specialists, we evaluated the discount rate by considering the cost of capital of comparable businesses and other industry factors. We evaluated the reasonability of the forecasted earnings and terminal growth rate by comparing to historical results and our current understanding of the business as well as current economic trends. We assessed the historical accuracy of management's prior year estimates by performing a comparison of management's prior year projections to actual results.

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 David Tedesco.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 13, 2024

Audited Consolidated Financial Statements

For the years ended
December 31, 2023 and 2022

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

	AS AT DECEMBER 31, 2023	AS AT DECEMBER 31, 2022
ASSETS		
Cash (note 4)	**144,577**	62,654
Accounts receivable (note 5)	**30,762**	25,697
Prepaid expenses	**9,462**	8,334
Income taxes recoverable	**-**	2,323
Consumer loans receivable, net (note 6)	**3,447,588**	2,627,357
Investments (note 7)	**61,464**	57,304
Lease assets (note 8)	**45,187**	48,437
Derivative financial assets (note 15)	**21,904**	49,444
Property and equipment, net (note 9)	**35,382**	35,856
Right-of-use assets, net (note 10)	**61,987**	65,758
Intangible assets, net (note 11)	**124,931**	138,802
Goodwill (note 11)	**180,923**	180,923
TOTAL ASSETS	**4,164,167**	3,302,889
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Revolving credit facility (note 14)	**190,921**	148,646
Accounts payable and accrued liabilities	**72,409**	51,136
Income taxes payable	**24,691**	-
Dividends payable (note 16)	**15,960**	14,965
Unearned revenue	**26,965**	28,661
Accrued interest	**12,875**	10,159
Deferred income tax liabilities, net (note 20)	**24,259**	24,692
Lease liabilities (note 10)	**70,809**	74,328
Secured borrowings (note 13)	**143,177**	105,792
Revolving securitization warehouse facilities (note 12)	**1,364,741**	805,825
Derivative financial liabilities (notes 12 and 15)	**42,457**	-
Notes payable (note 15)	**1,120,826**	1,168,997
TOTAL LIABILITIES	**3,110,090**	2,433,201
SHAREHOLDERS' EQUITY		
Share capital (note 16)	**428,328**	419,046
Contributed surplus (note 17)	**24,817**	21,499
Accumulated other comprehensive (loss) income	**(9,721)**	2,776
Retained earnings	**610,653**	426,367
TOTAL SHAREHOLDERS' EQUITY	**1,054,077**	869,688
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,164,167**	3,302,889

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, 2023	**DECEMBER 31, 2022**
REVENUE		
Interest income	**888,928**	698,150
Lease revenue	**99,848**	103,414
Commissions earned	**234,485**	197,159
Charges and fees	**26,808**	20,613
	1,250,069	1,019,336
OPERATING EXPENSES		
BAD DEBTS (NOTE 6)	**341,639**	272,893
OTHER OPERATING EXPENSES		
Salaries and benefits	**200,917**	174,236
Share-based compensation (note 17)	**12,938**	10,053
Advertising and promotion	**31,020**	34,069
Occupancy	**25,405**	25,234
Technology costs	**28,402**	23,463
Underwriting and collections	**16,564**	13,930
Loss on sale or write off of assets (note 11)	**-**	20,549
Other expenses (note 18)	**30,335**	31,196
	345,581	332,730
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets (note 8)	**33,535**	33,547
Amortization of intangible assets (note 11)	**21,999**	18,406
Depreciation of right-of-use assets (note 10)	**21,260**	20,160
Depreciation of property and equipment (note 9)	**9,537**	9,193
	86,331	81,306
TOTAL OPERATING EXPENSES	**773,551**	686,929
OPERATING INCOME	**476,518**	332,407
OTHER INCOME (LOSS) (NOTE 7)	**9,771**	(28,659)
FINANCE COSTS (NOTE 19)	**(149,334)**	(107,972)
INCOME BEFORE INCOME TAXES	**336,955**	195,776
INCOME TAX EXPENSE (RECOVERY) (NOTE 20)		
Current	**90,809**	65,659
Deferred	**(1,752)**	(10,044)
	89,057	55,615
NET INCOME	**247,898**	140,161
BASIC EARNINGS PER SHARE (NOTE 21)	**14.70**	8.61
DILUTED EARNINGS PER SHARE (NOTE 21)	**14.48**	8.42

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income

(Expressed in thousands of Canadian dollars)

	YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022
Net income	**247,898**	140,161
Other comprehensive income (loss) to be reclassified to the consolidated statement of income in subsequent periods		
Reclassification of cash flow hedge to the consolidated statement of income, net of taxes	**4,188**	-
Change in costs of hedging, net of taxes	**2,440**	2,055
Change in fair value of cash flow hedge, net of taxes	**(19,125)**	(7,842)
Change in foreign currency translation reserve	**-**	(4)
	(12,497)	(5,791)
Comprehensive income	**235,401**	134,370

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, 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	**-**	**-**	**-**	**(63,612)**	**-**	**(63,612)**
Balance, December 31, 2023	**428,328**	**24,817**	**453,145**	**610,653**	**(9,721)**	**1,054,077**
Balance, December 31, 2021	363,514	22,583	386,097	395,249	8,567	789,913
Common shares issued	65,828	(2,532)	63,296	-	-	63,296
Share-based compensation (note 17)	-	10,053	10,053	-	-	10,053
Repurchase of equity interest related to restricted share units, net of tax (note 17)	-	(8,605)	(8,605)	-	-	(8,605)
Shares purchased for cancellation (note 16)	(10,296)	-	(10,296)	(50,703)	-	(60,999)
Comprehensive income (loss)	-	-	-	140,161	(5,791)	134,370
Dividends	-	-	-	(58,340)	-	(58,340)
Balance, December 31, 2022	419,046	21,499	440,545	426,367	2,776	869,688

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

	YEAR ENDED DECEMBER 31, 2023	DECEMBER 31, 2022
OPERATING ACTIVITIES		
Net income	**247,898**	140,161
Add (deduct) items not affecting cash		
Bad debts (note 6)	**341,639**	272,893
Depreciation of lease assets (note 8)	**33,535**	33,547
Amortization of intangible assets (note 11)	**21,999**	18,406
Depreciation of right-of-use assets (note 10)	**21,260**	20,160
Share-based compensation (note 17)	**12,938**	10,053
Depreciation of property and equipment (note 9)	**9,537**	9,193
Refinancing costs related to notes payable (note 15)	**9,501**	-
Amortization of deferred financing charges	**7,543**	6,202
Loss on sale or write off of assets (note 11)	**-**	20,549
Deferred income tax recovery (note 20)	**(1,752)**	(10,044)
Other (income) loss (note 7)	**(9,771)**	28,659
Fair value change on prepayment options (note 15)	**(19,035)**	-
	675,292	549,779
Net change in other operating assets and liabilities (note 22)	**43,475**	(20,251)
Net issuance of consumer loans receivable	**(1,161,870)**	(1,000,619)
Purchase of lease assets	**(30,114)**	(34,790)
Cash used in operating activities	**(473,217)**	(505,881)
INVESTING ACTIVITIES		
Proceeds on sale of investment	**5,611**	25,395
Investments in intangible assets	**(8,128)**	(18,015)
Purchase of property and equipment	**(9,232)**	(9,871)
Purchase of investments	**-**	(40,000)
Cash used in investing activities	**(11,749)**	(42,491)
FINANCING ACTIVITIES		
Issuance of notes payable, net of finance charges (note 15)	**751,797**	-
Advances from revolving securitization warehouse facilities, net of financing charges	**616,218**	511,468
Advances from revolving credit facilities, net of financing charges	**563,347**	514,840
Advances from secured borrowings	**98,008**	-
Issuance of common shares, net of issuance costs (note 16)	**5,703**	60,564
Lease incentive received (note 10)	**873**	888
Payment of restricted share units (note 17)	**(8,691)**	(10,692)
Payment of lease liability (note 10)	**(21,881)**	(20,945)
Payment of advances from revolving securitization warehouse facilities	**(60,000)**	-
Payment of loan from secured borrowings	**(60,654)**	(68,167)
Payment of common share dividends (note 16)	**(60,946)**	(51,610)
Payment of advances from revolving credit facilities	**(522,000)**	(366,800)
Payment of notes payable (note 15)	**(734,885)**	-
Purchase of common shares for cancellation	**-**	(60,999)
Cash provided by financing activities	**566,889**	508,547
Net increase (decrease) in cash during the year	**81,923**	(39,825)
Cash, beginning of year	**62,654**	102,479
Cash, end of year	**144,577**	62,654

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, 2023 and 2022

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, over 400 locations across Canada, and point-of-sale financing offered in the retail, powersports, automotive, home improvement and healthcare verticals, through over 9,500 merchant partners across Canada.

The Company operates in two reportable segments: easyfinancial and easyhome. As at December 31, 2023, the Company operated 300 easyfinancial locations (including 2 kiosks within easyhome stores and 3 operation centres) and 144 easyhome stores (including 34 franchises). As at December 31, 2022, the Company operated 302 easyfinancial locations (including 2 kiosks within easyhome stores and 3 operation centres) and 154 easyhome stores (including 34 franchises).

The consolidated financial statements were authorized for issue by the Board of Directors on February 13, 2024.

2. Accounting Policies

Basis of Preparation

The consolidated financial statements of the Company for the year ended December 31, 2023 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, 2023.

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, 2023, 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 statements 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 and extending the loan amortization period, 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. Forward-looking information 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 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 at each financial year-end. 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. The residual value of lease assets is nominal.

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 to 10 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.

ii) 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 accrued 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 accrued 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 amounts receivable or accounts payable and accrued 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 include 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

(a) 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.

(b) Standards issued but not yet effective

There are no new standards issued but not yet effective as at January 1, 2023 that have a material impact on 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, 2023, the fair value of the cash pledged by the Company as cash collateral in respect of its cross-currency swap contracts was $24.2 million (2022 – $30.2 million cash pledged by the counterparties).

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, 2023, the cash held back as a reserve for the Revolving Securitization Warehouse Facilities and Secured Borrowings were $52.3 million and $15.2 million, respectively (2022 – $26.2 million and $13.5 million, respectively).

5. Accounts Receivable

	DECEMBER 31, 2023	DECEMBER 31, 2022
Commissions receivable	**18,754**	18,266
Charges and fees receivable	**6,311**	3,303
Vendor rebates receivable	**430**	613
Due from franchisees	**281**	282
Other	**4,986**	3,233
	30,762	25,697

All accounts receivable for the years ended December 31, 2023 and 2022 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 3.5 to 10 years.

	DECEMBER 31, 2023	DECEMBER 31, 2022
Gross consumer loans receivable	**3,645,202**	2,794,694
Interest receivable from consumer loans	**53,545**	32,457
Unamortized deferred acquisition costs	**50,342**	33,026
Unamortized deferred revenue	**(36,142)**	(19,779)
Allowance for credit losses	**(265,359)**	(213,041)
	3,447,588	2,627,357

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

	DECEMBER 31, 2023		DECEMBER 31, 2022	
	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
Unsecured instalment loans	**2,116,869**	**58.1%**	1,703,593	61.0%
Secured instalment loans	**1,528,333**	**41.9%**	1,091,101	39.0%
	3,645,202	**100.0%**	2,794,694	100.0%

The scheduled principal repayment aging analyses of the gross consumer loans receivable portfolio as at December 31, 2023 and 2022 are as follows:

	DECEMBER 31, 2023		DECEMBER 31, 2022	
	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
0 - 6 months	**273,572**	**7.5%**	236,026	8.4%
6 - 12 months	**172,645**	**4.7%**	161,441	5.8%
12 - 24 months	**380,715**	**10.4%**	363,437	13.0%
24 - 36 months	**510,311**	**14.0%**	433,895	15.5%
36 - 48 months	**567,582**	**15.6%**	480,990	17.2%
48 - 60 months	**557,254**	**15.3%**	346,560	12.4%
60 months +	**1,183,123**	**32.5%**	772,345	27.7%
	3,645,202	**100.0%**	2,794,694	100.0%

The gross consumer loans receivable portfolio categorized by the contractual time to maturity as at December 31, 2023 and 2022 are summarized as follows:

	DECEMBER 31, 2023		DECEMBER 31, 2022	
	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
0 - 1 year	**72,892**	**2.0%**	65,485	2.3%
1 - 2 years	**144,303**	**4.0%**	139,143	5.0%
2 - 3 years	**277,715**	**7.6%**	312,612	11.2%
3 - 4 years	**529,764**	**14.5%**	573,567	20.5%
4 - 5 years	**554,585**	**15.2%**	493,336	17.7%
5 years +	**2,065,943**	**56.7%**	1,210,551	43.3%
	3,645,202	**100.0%**	2,794,694	100.0%

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

	DECEMBER 31, 2023		DECEMBER 31, 2022	
	$	% OF TOTAL LOANS	$	% OF TOTAL LOANS
1 - 30 days	**125,229**	**3.4%**	86,687	3.1%
31 - 44 days	**24,280**	**0.7%**	22,027	0.8%
45 - 60 days	**20,354**	**0.6%**	18,245	0.6%
61 - 90 days	**22,797**	**0.6%**	25,285	0.9%
91 - 120 days	**7,687**	**0.2%**	6,157	0.2%
121 - 150 days	**6,422**	**0.2%**	5,020	0.2%
151 - 180 days	**4,043**	**0.1%**	2,389	0.1%
	210,812	**5.8%**	165,810	5.9%

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, 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**
Total	**580**	**3,358,402**	**206,558**	**80,242**	**3,645,202**

	AS AT DECEMBER 31, 2022				
	MEDIAN TRANSUNION RISK SCORE	STAGE 1 (PERFORMING)	STAGE 2 (UNDER-PERFORMING)	STAGE 3 (NON-PERFORMING)	TOTAL
Low Risk	634	1,531,982	1,471	239	1,533,692
Normal Risk	551	814,108	8,032	679	822,819
High Risk	498	217,305	145,032	75,846	438,183
Total	579	2,563,395	154,535	76,764	2,794,694

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

	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**

	YEAR ENDED DECEMBER 31, 2022			
	STAGE 1 (PERFORMING)	STAGE 2 (UNDER-PERFORMING)	STAGE 3 (NON-PERFORMING)	TOTAL
Balance as at January 1, 2022	1,868,306	112,810	49,223	2,030,339
Gross loans originated	2,377,606	-	-	2,377,606
Principal payments and other adjustments	(1,350,018)	24,141	(33,790)	(1,359,667)
Transfers to (from)				
Stage 1 (Performing)	391,106	(314,537)	(76,569)	-
Stage 2 (Under-Performing)	(478,115)	501,668	(23,553)	-
Stage 3 (Non-Performing)	(197,577)	(147,010)	344,587	-
Gross charge-offs	(47,913)	(22,537)	(183,134)	(253,584)
Net growth in gross consumer loans receivable during the year	695,089	41,725	27,541	764,355
Balance as at December 31, 2022	2,563,395	154,535	76,764	2,794,694

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

	DECEMBER 31, 2023	DECEMBER 31, 2022
Balance, beginning of year	**213,041**	159,762
Net charge offs against allowance	**(289,321)**	(219,614)
Increase due to lending and collection activities	**341,639**	272,893
Balance, end of year	**265,359**	213,041

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

	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**

	Year ended December 31, 2022			
	STAGE 1 (PERFORMING)	**STAGE 2 (UNDER-PERFORMING)**	**STAGE 3 (NON-PERFORMING)**	**TOTAL**
Balance as at January 1, 2022	89,665	40,680	29,417	159,762
Gross loans originated	93,821	-	-	93,821
Principal payments and other adjustments	(44,689)	2,922	(44,134)	(85,901)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	92,536	(68,338)	(46,353)	(22,155)
Stage 2 (Under-Performing)	(47,003)	141,948	(16,672)	78,273
Stage 3 (Non-Performing)	(22,817)	(42,875)	274,547	208,855
Net charge offs against allowance	(44,544)	(20,956)	(154,114)	(219,614)
Balance as at December 31, 2022	116,969	53,381	42,691	213,041

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, to determine a probability weighted allowance. 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, 2023 and 2022, respectively:

	Forecast Scenarios				
12-MONTH FORWARD-LOOKING MACROECONOMIC VARIABLES (AVERAGE ANNUAL)	**NEUTRAL**	**MODERATELY OPTIMISTIC**	**EXTREMELY OPTIMISTIC**	**MODERATELY PESSIMISTIC**	**EXTREMELY PESSIMISTIC**
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**
December 31, 2022					
Unemployment rate[1]	6.07%	5.28%	4.59%	8.30%	9.72%
GDP growth rate[2]	0.15%	1.20%	2.08%	(1.88%)	(3.08%)
Inflation growth rate[3]	4.08%	3.78%	3.46%	4.95%	5.31%
Oil prices[4]	$86.85	$89.40	$91.49	$71.65	$60.58

[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 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 $295.2 million, $29.8 million or 11.2% higher than the reported allowance for credit losses as at December 31, 2023 (2022 – $244.4 million, $31.4 million or 14.7% 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, 2023	DECEMBER 31, 2022
Listed and actively traded companies	**19,546**	6,226
Unlisted companies	**41,918**	51,078
	61,464	57,304

Changes in the holdings, fair values of investments and the related total return swaps ("TRS"), and investment income (loss) recorded in other income (loss) (including interest income and 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, 2023					
Listed and actively traded companies	**6,226**	**-**	**(5,556)**	**18,876**	**19,546**
Unlisted companies	**51,078**	**-**	**(55)**	**(9,105)**	**41,918**
Investments	**57,304**	**-**	**(5,611)**	**9,771**	**61,464**
For the year ended December 31, 2022					
Listed and actively traded companies	53,941	-	-	(47,715)	6,226
Unlisted companies	10,500	40,000	-	578	51,078
Investments	64,441	40,000	-	(47,137)	57,304
Total return swaps	6,979	-	(25,395)	18,416	-
Investments including total return swaps	71,420	40,000	(25,395)	(28,721)	57,304

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, 2023, the Company sold certain investments in listed and actively traded companies with a total consideration of $5.6 million (2022 – nil) and realized a fair value gain of $1.2 million (2022 – nil) included in other income (loss) in the consolidated statements of income.

For the year ended December 31, 2023, the Company has recognized an investment income on its investments in listed and actively traded companies of $18.9 million (2022 – investment loss of $47.7 million), included in other income (loss) in the consolidated statements of income.

The Company had TRS agreements to partially hedge its market exposure related to its investment in a listed and actively traded company. The TRS were settled in June 2022 for $25.4 million. For the year ended December 31, 2022, the Company recognized an investment income on TRS on listed and actively traded companies of $18.4 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, 2023, the Company has recognized an investment loss on its investments in unlisted companies of $9.1 million (2022 – investment income of $0.6 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, 2023:

	VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE	SENSITIVITY OF THE INPUT TO FAIR VALUE
Unlisted companies	Public company comparables	Revenue multiples	1.2x – 4.9x	0.3x increase (decrease) in the revenue multiples would result in an increase (decrease) in fair value by $1.2 million
	Public company comparables	Enterprise value to gross profit multiples	3.5x – 26.6x	1x increase (decrease) in the enterprise value to gross profit multiples would result in an increase (decrease) in fair value by $1.9 million
	Recent transactions	Price per share	Not applicable	Not applicable

8. Lease Assets

	DECEMBER 31, 2023	DECEMBER 31, 2022
Cost		
Balance, beginning of year	**58,508**	47,712
Additions	**30,285**	34,802
Disposals	**(32,403)**	(24,006)
Balance, end of year	**56,390**	58,508
Accumulated Depreciation		
Balance, beginning of year	**(10,071)**	(530)
Depreciation	**(33,535)**	(33,547)
Disposals	**32,403**	24,006
Balance, end of year	**(11,203)**	(10,071)
Net book value	**45,187**	48,437

During the years ended December 31, 2023 and 2022, 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, 2021	11,825	13,878	4,589	39,498	69,790
Additions	521	1,844	475	7,031	9,871
Disposals	(95)	(59)	(38)	(200)	(392)
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**
Accumulated Depreciation					
December 31, 2021	(7,077)	(6,737)	(2,832)	(17,859)	(34,505)
Depreciation	(1,084)	(2,246)	(442)	(5,421)	(9,193)
Disposals	88	50	36	111	285
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)**
Net Book Value					
December 31, 2022	4,178	6,730	1,788	23,160	35,856
December 31, 2023	**4,138**	**6,538**	**1,720**	**22,986**	**35,382**

As at December 31, 2023, the amount of property and equipment classified as under construction or development and not being depreciated was $1.4 million (2022 – $3.8 million).

Regarding the easyhome group of CGUs, various impairment indicators were used to determine the need to test the CGU for impairment. Examples of impairment indicators include a significant decline in revenue, performance significantly below budget and expectations of negative CGU operating income. Where these impairment indicators exist, the carrying value of the assets within a CGU was compared with its estimated recoverable value, which was generally considered to be the CGU's value in use. 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 1% (2022 – 1%) long-term growth rate. The pre-tax discount rate used on the forecasted cash flows was 15.3% (2022 – 15.3%). As at December 31, 2023 and 2022, no impairment on property and equipment was recognized.

For the easyfinancial and LendCare CGUs, it was determined that no indicators of impairment existed that would require an impairment test on property and equipment.

For the years ended December 31, 2023 and 2022, no net impairment of property and equipment was recognized by the Company.

10. Right-Of-Use Assets And Lease Liabilities

	RIGHT-OF-USE ASSETS			
	PREMISES	VEHICLES	TOTAL	LEASE LIABILITIES
December 31, 2021	55,304	1,836	57,140	65,607
Additions	27,935	843	28,778	28,778
Depreciation	(19,450)	(710)	(20,160)	-
Interest	-	-	-	3,577
Interest payment	-	-	-	(3,577)
Lease inducement received	-	-	-	888
Principal payment	-	-	-	(20,945)
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**

For the year ended December 31, 2023, the Company recognized rent expense from short-term leases of $1,996 (2022 – $2,485) and variable lease payments of $14,719 (2022 – $13,694).

For the year ended December 31, 2023 and 2022, 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, 2021	131,000	68,292	3,342	202,634
Additions	-	18,015	-	18,015
Disposals or write off	-	(20,458)	-	(20,458)
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**
Accumulated Amortization				
December 31, 2021	(8,733)	(31,125)	(3,125)	(42,983)
Amortization	(13,089)	(5,206)	(111)	(18,406)
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)**
Net Book Value				
December 31, 2022	109,178	29,518	106	138,802
December 31, 2023	**96,067**	**28,805**	**59**	**124,931**

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, 2023 were $8.1 million (2022 – $18.0 million) of internally developed software application and website development costs.

During the fourth quarter of 2022, the Company decided to terminate its agreement with a third-party technology provider that was contracted in 2020 to develop a new loan management system. After careful evaluation, the Company determined that the performance to date was unsatisfactory, and the additional investment necessary to complete the development was no longer economical, relative to the anticipated business value and other available options. As such, the Company elected to write off capitalized software costs in 2022 in the amount of $20.5 million, associated with this loan management system being developed by the third party.

For the year ended December 31, 2023 and 2022, 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, 2023 and 2022. Goodwill and indefinite-life intangible assets are attributed to the group of CGUs to which they relate. As at December 31, 2023 and 2022, 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, 2023 and 2022. 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 1.0% for easyhome (2022 – 1.0%) and 2.0% for LendCare (2022 – 3.0%). The pre-tax discount rate used on the forecasted cash flows was 15.3% (2022 – 15.3%) for easyhome and 22.5% (2022 – 24.0%) for LendCare.

No impairment charges of goodwill or indefinite-life intangible assets were recorded in the years ended December 31, 2023 and 2022.

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 bears interest equal to the 1-month Canadian Dollar Offered Rate ("CDOR") plus 185 basis points ("bps") and had a maturity date of August 30, 2024.

On June 15, 2023, the Company amended its Revolving Securitization Warehouse Facility I to extend the maturity date to October 31, 2025, and the applicable interest rate on advances was changed from 1-month CDOR plus 185 bps to 1-month CDOR plus 195 bps, an increase of 10 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 1-month CDOR.

The following table summarizes the details of the Revolving Securitization Warehouse Facility I:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Drawn amount	**1,125,000**	810,000
Unamortized deferred financing costs	**(3,968)**	(4,175)
	1,121,032	805,825

As at December 31, 2023, $1.81 billion (2022 – $1.34 billion) of consumer loans receivable were pledged by the Company as collateral against its Revolving Securitization Warehouse Facility I.

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. On December 16, 2022, Trust II entered into a $200 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") and as collateral for the drawn amount, automotive consumer loans are 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, 2024 and bears interest equal to the 1-month CDOR plus 185 bps.

On September 28, 2023, the Company increased its Revolving Securitization Warehouse Facility II to $375 million and continued to be underwritten by the same lender, with the addition of a new lender to the syndicate.

On December 20, 2023, the Company further increased its Revolving Securitization Warehouse Facility II to $500 million and extended the maturity date to December 16, 2025. The facility continues to be underwritten by the same syndicate of lenders.

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 1-month CDOR.

The following table summarizes the details of the Revolving Securitization Warehouse Facility II:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Drawn amount	**245,000**	-
Unamortized deferred finance costs	**(1,291)**	-
	243,709	-

As at December 31, 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, 2023	DECEMBER 31, 2022
Minimum consolidated fixed charge coverage ratio	> 2.0	**3.81**	4.11

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

The following table summarizes the total carrying value of the Revolving Securitization Warehouse Facilities:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Revolving Credit Warehouse Facility I	**1,121,032**	805,825
Revolving Credit Warehouse Facility II	**243,709**	-
	1,364,741	805,825

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, 2023 and 2022.

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, 2023	DECEMBER 31, 2022
Derivative financial (liabilities) assets		
Revolving Credit Warehouse Facility I	**(2,496)**	10,894
Revolving Credit Warehouse Facility II	**(1,670)**	-
	(4,166)	10,894

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 are 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; and

- 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. On April 30, 2023, the Company amended this securitization facility to provide for $150 million funding ("$150 million Securitization Facility") through the sale of consumer loans until April 30, 2024, but can be extended to a specified period agreed by both parties. The facility bears interest equal to an interpolated GOCB rate plus an initial spread of 310 bps.

As at December 31, 2023, the drawn amount against the Secured Borrowings was $143.2 million (2022 – $105.8 million).

As at December 31, 2023, $216.9 million (2022 – $126.5 million) of consumer loans receivable were pledged by the Company as collateral for these Secured Borrowings.

As at December 31, 2023 and 2022, the Company was in compliance with its financial covenants for the $105 million Securitization Facility, which are based on the tangible net worth and leverage ratio of the LendCare Capital Inc. legal entity.

As at December 31, 2023, the Company was in compliance with its financial covenants for the $150 million Securitization Facility, which are based on the Company's tangible net worth and leverage ratio. As at December 31, 2022, the Company was in compliance with its financial covenants for the $85 million Securitization Facility, which are based on the tangible net worth and leverage ratio of the LendCare Capital Inc. legal entity.

14. Revolving Credit Facility

The Company's Revolving Credit Facility consisted of a $270 million senior secured revolving credit facility that matures on January 27, 2025. The Revolving Credit Facility was provided by a syndicate of banks. The Company also had the ability to exercise the accordion feature under its Revolving Credit Facility to add an additional $100 million in borrowing capacity. Interest on advances is payable at either the BA plus 225 bps or the lender's prime rate ("Prime") plus 75 bps, at the option of the Company.

In March 2023, the Company exercised the accordion feature under its Revolving Credit Facility and increased the maximum borrowing capacity by $100 million to $370 million.

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

	DECEMBER 31, 2023	DECEMBER 31, 2022
Drawn amount	**192,000**	150,000
Unamortized deferred financing costs	**(1,079)**	(1,354)
	190,921	148,646

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

FINANCIAL COVENANT	REQUIREMENTS AS AT DECEMBER 31, 2023 AND 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
Maximum consolidated leverage ratio	**< 4.50**	**3.72**	3.87
Minimum consolidated fixed charge coverage ratio	**> 1.25**	**2.27**	2.08
Minimum consolidated asset coverage ratio	**> 1.75**	**3.03**	4.68
Maximum net charge off ratio	**< 15.0%**	**8.9%**	9.2%

As at December 31, 2023 and 2022, the Company was in compliance with all of its financial covenants under its Revolving Credit Facility agreement.

15. Notes Payable

On November 27, 2019, the Company issued US$550.0 million of 5.375% senior unsecured notes payable (the "2024 Notes") with interest payable semi-annually on June 1 and December 1 of each year. The 2024 Notes would have matured on December 1, 2024 and include certain prepayment features.

Concurrent with the issuance of the 2024 Notes, the Company entered into derivative financial instruments (the "2024 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 2024 Notes at a fixed exchange rate of US$1.000 = CAD1.3242, thereby fully hedging the US$550.0 million 2024 Notes at a CAD interest rate of 5.65%. The 2024 cross-currency swaps fully hedge the obligation under the 2024 Notes.

On December 1, 2023, the Company extinguished its 2024 Notes and unwound the related 2024 cross-currency swap. As a result of repaying these notes, the Company recognized the remaining unamortized deferred financing costs related to these notes, realized derivative loss on the settlement of the 2024 cross-currency swaps, and reclassified the net change in cash flow hedge from OCI to the consolidated statements of income resulting in a total refinancing cost of $9.5 million.

The following table summarizes the details of the 2024 Notes:

	DECEMBER 31, 2023	DECEMBER 31, 2022
2024 Notes in CAD at issuance	**-**	728,310
Change in fair value of the 2024 Notes since the issuance date due to changes in the foreign exchange rate	**-**	16,885
	-	745,195
Unamortized deferred financing costs	**-**	(5,454)
	-	739,741

On April 29, 2021, the Company issued US$320.0 million of 4.375% senior unsecured notes payable ("2026 Notes") with interest payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2021. The 2026 Notes mature on May 1, 2026 and 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$320.0 million 2026 Notes at a CAD interest rate of 4.818%. The 2026 cross-currency swaps fully hedge the obligation under the 2026 Notes.

The following table summarizes the details of the 2026 Notes:

	DECEMBER 31, 2023	DECEMBER 31, 2022
2026 Notes in CAD at issuance	**400,032**	400,032
Change in fair value of the 2026 Notes since the issuance date due to changes in the foreign exchange rate	**24,032**	33,536
	424,064	433,568
Unamortized deferred financing costs	**(3,094)**	(4,312)
	420,970	429,256

On November 28, 2023, the Company issued US$550.0 million of 9.250% senior unsecured notes payable (the "2028 Notes") (the 2024 Notes, 2026 Notes and 2028 Notes are collectively referred to as "Notes Payable") with interest payable semi-annually on June 1 and December 1 of each year and mature on December 1, 2028. The proceeds of the 2028 Notes was used to extinguish the Company's 2024 Notes.

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 rate swaps") (the 2024 cross-currency swaps, 2026 cross-currency swaps and 2027 cross-currency swaps are collectively referred to as the "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$550.0 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, 2023
2028 Notes in CAD at issuance	**760,760**
Change in fair value of prepayment options	**(19,035)**
Change in fair value of the 2028 Notes since the issuance date due to changes in the foreign exchange rate	**(31,900)**
	709,825
Unamortized deferred financing costs	**(9,969)**
	699,856

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

	DECEMBER 31, 2023	DECEMBER 31, 2022
2024 Notes	-	739,741
2026 Notes	**420,970**	429,256
2028 Notes	**699,856**	-
	1,120,826	1,168,997

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, 2023 and 2022.

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, 2023	DECEMBER 31, 2022
Derivative financial assets (liabilities)		
2024 cross-currency swaps	**-**	7,872
2026 cross-currency swaps	**21,904**	30,678
2027 cross-currency swaps	**(38,291)**	-

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, 2023		DECEMBER 31, 2022	
	# OF SHARES (IN 000S)	$	# OF SHARES (IN 000S)	$
Balance, beginning of year	**16,445**	**419,046**	16,199	363,514
Exercise of share options	**143**	**7,227**	161	6,821
Dividend reinvestment plan	**15**	**1,673**	21	2,457
Exercise of restricted share units	**22**	**923**	25	1,096
Share issuance	**-**	**-**	489	57,917
Share issuance costs, net of tax	**-**	**-**	-	(2,014)
Shares purchased for cancellation	**-**	**-**	(450)	(10,296)
Other	**-**	**(541)**	-	(449)
Balance, end of year	**16,625**	**428,328**	16,445	419,046

$57.9 Million Bought Deal Equity Offering

On November 21, 2022, the Company issued 488,750 common shares including 63,750 common shares issued pursuant to the exercise in full by the syndicate of underwriters of the over-allotment option granted by the Company, at a price of $118.50 per common share, for gross aggregate proceeds of $57.9 million. The Company used the net proceeds to support the growth of the Company's consumer loan portfolio and for general corporate purposes.

Dividends on Common Shares

For the year ended December 31, 2023, the Company paid cash dividends of $60.9 million (2022 - $51.6 million) or $3.79 per share (2022 – $3.39 per share). On November 7, 2023, the Company declared a dividend of $0.96 per share to shareholders of record on December 29, 2023, payable on January 12, 2024. The dividend paid on January 12, 2024 was $16.0 million.

Shares Purchased for Cancellation

On December 14, 2021, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make a Normal Course Issuer Bid ("NCIB") (the "2021 NCIB") and expired on December 20, 2022. For the year ended December 31, 2022, the Company purchased and cancelled 450,058 of its common shares on the open market at an average price of $135.52 per share, for a total cost of $61.0 million, pursuant to the 2021 NCIB.

On December 16, 2022, the Company renewed its NCIB, which allows for a total purchase of up to 1,252,730 common shares (the "2022 NCIB") and expired on December 20, 2023. For the year ended December 31, 2023, the Company has not purchased and cancelled any common shares, pursuant to the 2022 NCIB.

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

17. Stock-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 earnings per share targets and have exercise lives of two to four years from the date of vesting.

	DECEMBER 31, 2022		DECEMBER 31, 2021	
	# OF OPTIONS (IN 000s)	WEIGHTED AVERAGE EXERCISE PRICE $	# OF OPTIONS (IN 000s)	WEIGHTED AVERAGE EXERCISE PRICE $
Outstanding balance, beginning of year	**345**	**63.35**	477	47.20
Options granted	**42**	**130.22**	29	163.13
Options exercised	**(143)**	**39.92**	(161)	33.42
Outstanding balance, end of year	**244**	**88.66**	345	63.35
Exercisable balance, end of year	**113**	**37.98**	70	40.55

Outstanding options to officers and employees as at December 31, 2023 were as follows:

	OUTSTANDING			EXERCISABLE	
RANGE OF EXERCISE PRICES $	# OF OPTIONS (IN 000s)	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	WEIGHTED AVERAGE EXERCISE PRICE $	# OF OPTIONS (IN 000s)	WEIGHTED AVERAGE EXERCISE PRICE $
33.56 – 49.99	**111**	**1.14**	**37.46**	**111**	**37.46**
50.00 – 99.99	**2**	**1.12**	**64.07**	**2**	**64.07**
100.00 – 149.99	**92**	**3.99**	**120.29**	**-**	**-**
150.00 – 163.13	**39**	**2.97**	**161.44**	**-**	**-**
33.56 – 163.13	**244**	**2.50**	**88.66**	**113**	**37.98**

The Company uses the fair value method of accounting for share options granted to employees. During the year ended December 31, 2023, the Company recorded an expense of $1.3 million (2022 – $1.6 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 2023 and 2022 were determined using the Black-Scholes option pricing model with the following assumptions:

	2023	2022
Risk-free interest rate (% per annum)	**3.70**	1.59
Expected hold period to exercise (years)	**4.40**	4.55
Volatility in the price of the Company's shares (%)	**53.54**	51.62
Dividend yield (%)	**2.95**	2.00

Executive Share Unit Plan

Under the terms of the ESU Plan, the Company's Board of Directors may grant RSUs and 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, 2023		DECEMBER 31, 2022	
	# 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	**316**	**108.94**	263	76.33
RSUs granted	**65**	**129.98**	150	123.32
RSU dividend reinvestments	**8**	**108.11**	5	119.02
RSUs exercised	**(90)**	**40.95**	(92)	42.59
RSUs forfeited	**(6)**	**119.54**	(10)	82.23
Outstanding balance, end of year	**293**	**134.25**	316	108.94

For the year ended December 31, 2023, the Company repurchased the equity interest related to a portion of fully vested RSUs amounting to $8.7 million or $7.2 million, net of tax (2022 – $10.7 million or $8.6 million, net of tax).

For the year ended December 31, 2023, the Company recorded an expense of $6.1 million (2022 – $4.8 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, 2023		DECEMBER 31, 2022	
	# 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	**60**	**124.73**	-	-
Executive DSUs granted	**30**	**127.24**	59	124.74
Executive DSU dividend reinvestments	**2**	**107.94**	1	110.00
Outstanding balance, end of year	**92**	**125.17**	60	124.73

For the year ended December 31, 2023, the Company recorded an expense of $2.0 million (2022 – $0.4 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, 2023, the Company granted 20,715 Board DSUs (2022 – 16,274 Board DSUs) to Board Directors under its DSU Plan. Additionally, for the year ended December 31, 2023, an additional 11,236 Board DSUs (2022 – 8,395 Board DSUs) were granted for dividends announced during the year. For the year ended December 31, 2023 and 2022, no Board DSUs were settled.

For the year ended December 31, 2023, $3.5 million (2022 – $3.3 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, 2023 was $12.9 million (2022 – $10.1 million).

Contributed Surplus

The following is a continuity of the activity in the contributed surplus account:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Contributed surplus, beginning of year	**21,499**	22,583
Equity-settled share-based compensation expense		
Restricted share units	**6,157**	4,771
Board deferred share units	**3,477**	3,291
Share options	**1,316**	1,619
Executive deferred share units	**1,988**	372
Reductions due to exercise in shares of stock-based compensation		
Restricted share units	**(923)**	(1,097)
Share options	**(1,523)**	(1,435)
Repurchase of equity interest related to restricted share units, net of tax	**(7,174)**	(8,605)
Contributed surplus, end of year	**24,817**	21,499

18. Other Expenses

In 2022, the Company incurred corporate development costs of $2.3 million, including advisory, consulting, and legal costs, in connection with the exploration of a strategic acquisition opportunity, which the Company elected to not pursue. These corporate development costs were reported under other expenses in the consolidated statements of income.

19. Finance Costs

Finance costs include the following:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Interest expense		
Notes payable	**62,659**	60,423
Revolving securitization warehouse facilities	**64,800**	27,194
Revolving credit facility	**17,144**	5,955
Secured borrowings	**6,105**	6,144
Amortization of deferred financing costs and accretion expense	**7,543**	6,234
Refinancing costs related to notes payable (note 15)	**9,501**	-
Interest expense on lease liabilities	**3,822**	3,577
Interest income on cash in bank, net	**(3,205)**	(1,555)
Fair value change on prepayment options (note 15)	**(19,035)**	-
	149,334	107,972

20. Income Taxes

The Company's income tax expense was determined as follows:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Combined basic federal and provincial income tax rates	**26.5%**	26.5%
Expected income tax expense	**89,294**	51,881
Non-deductible expenses	**1,949**	1,607
Effect of capital (gains) losses on sale of assets and investments	**(1,371)**	3,874
Adjustments in respect of prior years	**(319)**	(1,202)
Other	**(496)**	(545)
	89,057	55,615

The significant components of the Company's income tax expense are as follows:

	DECEMBER 31, 2023	DECEMBER 31, 202
Current income tax:		
Current income tax charge	**91,699**	68,609
Adjustments in respect of prior years and other	**(890)**	(2,950)
	90,809	65,659
Deferred income tax:		
Relating to origination and reversal of temporary differences	**(2,323)**	(11,792)
Adjustments in respect of prior years and other	**571**	1,748
	(1,752)	(10,044)
	89,057	55,615

Deferred income tax related to items recognized in OCI during the year are summarized below:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Change in fair value of cash flow hedge	**(1,516)**	(4,168)
Change in costs of hedging	**797**	533
Reclassification of cash flow hedge to the consolidated statements of income	**1,510**	-
Deferred income tax expense (recovery) charged to OCI	**791**	(3,635)

The changes in deferred income tax liabilities are as follows:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Balance, beginning of year	**(24,692)**	(38,648)
Tax recovery during the year recognized in profit or loss	**1,752**	10,044
Tax (expense) recovery during the year recognized in OCI	**(791)**	3,635
Tax on share issuance costs	**(528)**	277
Balance, end of year	**(24,259)**	(24,692)

The significant components of the Company's deferred income tax liabilities are as follows:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Accounts receivable and allowance for credit losses	**13,096**	7,660
Share-based compensation	**2,746**	2,107
Revaluation of notes payable and derivative financial instruments	**1,976**	2,767
Right-of-use assets, net of lease liabilities	**1,424**	1,303
Financing fees	**1,222**	1,640
Loss carry forwards	**623**	-
Unrealized fair value change on investments	**(827)**	233
Fair value change on prepayment options	**(5,044)**	-
Lease assets and property and equipment	**(14,359)**	(11,974)
Intangible asset arising from business acquisition	**(25,458)**	(28,929)
Other	**342**	501
	(24,259)	(24,692)

As at December 31, 2023 and 2022, there were no recognized deferred income tax liabilities for taxes that would be payable on the undistributed earnings of the Company's subsidiaries.

21. Earnings Per Share

Basic Earnings Per Share

Basic earnings per share amounts were calculated by dividing the net income for the year by the weighted average number of outstanding common shares and Board 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.

	DECEMBER 31, 2023	DECEMBER 31, 2022
Net income	**247,898**	140,161
Weighted average number of common shares outstanding (in 000s)	**16,867**	16,275
Basic earnings per common share	**14.70**	8.61

For the year ended December 31, 2023, 325,493 Board DSUs (2022 – 294,025 Board 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, the exercise of RSUs, or the exercise of unvested 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, 2023	DECEMBER 31, 2022
Net income	**247,898**	140,161
Weighted average number of common shares outstanding (in 000s)	**16,867**	16,275
Dilutive effect of share-based compensation (in 000s)	**250**	375
Weighted average number of diluted shares outstanding (in 000s)	**17,117**	16,650
Dilutive earnings per common share	**14.48**	8.42

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, 2023	DECEMBER 31, 2022
Share options (in 000s)	**131**	88
Restricted share units (in 000s)	**68**	150
Executive deferred share units (in 000s)	**28**	60
	227	298

22. Net Change In Other Operating Assets And Liabilities

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

	DECEMBER 31, 2023	DECEMBER 31, 2022
Accounts receivable	**(5,065)**	(4,866)
Prepaid expenses	**(1,128)**	(316)
Accounts payable and accrued liabilities	**20,115**	(6,304)
Income taxes recoverable (payable)	**28,533**	(28,096)
Unearned revenue	**(1,696)**	17,307
Accrued interest	**2,716**	2,024
	43,475	(20,251)

Supplemental disclosures in respect of the consolidated statements of cash flows consist of the following:

	DECEMBER 31, 2023	DECEMBER 31, 2022
Income taxes paid	**70,478**	95,592
Income taxes refunded	**8,202**	1,837
Interest paid	**147,990**	97,697
Interest received	**882,192**	690,779

23. 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, 2023, 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	**23,610**	**47,251**	**5,928**
Technology commitments	**20,289**	**30,646**	**-**
Vehicles	**607**	**965**	**-**
	44,506	**78,862**	**5,928**

24. 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.

25. 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, 2023 and 2022, the Company was in compliance with all of its externally imposed financial covenants.

26. 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, 2023 and 2022, 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, 2023, the Company's gross consumer loans receivable portfolio was $3.65 billion (2022 – $2.79 billion). Net charge offs expressed as a percentage of the average loan book were 8.9% for the year ended December 31, 2023 (2022 – 9.1%).

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, 2023, the Company's lease assets were $45.2 million (2022 – $48.4 million). Lease asset losses for the year ended December 31, 2023 represented 3.4% (2022 – 3.2%) 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, 2023	LESS THAN 1 YEAR	1 TO 3 YEARS	4 TO 5 YEARS	5 YEARS +	TOTAL
Accounts payable and accrued liabilities	**72,409**	**-**	**-**	**-**	**72,409**
Accrued interest	**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**

DECEMBER 31, 2022	LESS THAN 1 YEAR	1 TO 3 YEARS	4 TO 5 YEARS	5 YEARS +	TOTAL
Accounts payable and accrued liabilities	51,136	-	-	-	51,136
Accrued interest	10,159	-	-	-	10,159
Revolving credit facility	-	150,000	-	-	150,000
Revolving securitization warehouse facilities	-	810,000	-	-	810,000
Secured borrowings	30,901	53,996	16,205	4,690	105,792
Notes payable	-	745,195	433,568	-	1,178,763

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 and 2028 Notes maturing on May 1, 2026 and December 1, 2028, respectively, have fixed rates of interest.

The Revolving Credit Facility has variable interest rates at either the BA rate plus 225 bps or the Prime rate plus 75 bps, at the option of the Company. 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, 2023, the Company's has drawn $192 million against its $370 million Revolving Credit Facility.

The Revolving Securitization Warehouse Facility I and Revolving Securitization Warehouse Facility II have variable interest rates at 1-month CDOR plus 195 bps and at 1-month CDOR plus 185 bps, respectively. 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 1-month CDOR. 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 bears 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, 2023, 93% (2022 – 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.

On April 29, 2021, the Company issued the 2026 Notes with a USD coupon rate of 4.375% and on November 13, 2023, the Company issued the 2028 Notes with a USD coupon rate of 9.250%. 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 all required 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 U.S. 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.

27. Financial Instruments

Recognition and Measurement of Financial Instruments

The Company classified its financial instruments as follows:

FINANCIAL INSTRUMENTS	MEASUREMENT	DECEMBER 31, 2023	DECEMBER 31, 2022
Cash	Fair value	**144,577**	62,654
Accounts receivable	Amortized cost	**30,762**	25,697
Consumer loans receivable, net	Amortized cost	**3,447,588**	2,627,357
Investments	Fair value	**61,464**	57,304
Derivative financial assets	Fair value	**21,904**	49,444
Revolving credit facility	Amortized cost	**190,921**	148,646
Accounts payable and accrued liabilities	Amortized cost	**72,409**	51,136
Accrued interest	Amortized cost	**12,875**	10,159
Secured borrowings	Amortized cost	**143,177**	105,792
Revolving securitization warehouse facilities	Amortized cost	**1,364,741**	805,825
Derivative financial liabilities	Fair value	**42,457**	-
Notes payable	Amortized cost	**1,120,826**	1,168,997

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, 2023 and 2022:

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 accrued liabilities	**72,409**	**-**	**-**	**72,409**
Accrued interest	**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**

DECEMBER 31, 2022	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Cash	62,654	62,654	-	-
Accounts receivable	25,697	-	-	25,697
Consumer loans receivable, net	2,627,357	-	-	2,627,357
Investments	57,304	6,226	-	51,078
Derivative financial assets	49,444	-	49,444	-
Revolving credit facility	148,646	-	-	148,646
Accounts payable and accrued liabilities	51,136	-	-	51,136
Accrued interest	10,159	-	-	10,159
Secured borrowings	105,792	-	-	105,792
Revolving securitization warehouse facilities	805,825	-	-	805,825
Notes payable	1,168,997	-	-	1,168,997

There were no transfers between Level 1, Level 2, or Level 3 for the years ended December 31, 2023 and 2022.

28. 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, 2023	DECEMBER 31, 2022
Short-term employee benefits including salaries	**6,362**	6,642
Share-based payment transactions	**9,135**	6,880
	15,497	13,522

29. 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 legislations 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 years ended December 31, 2023 and 2022:

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

YEAR ENDED DECEMBER 31, 2022	EASYFINANCIAL	EASYHOME	CORPORATE	TOTAL
Revenue				
Interest income	668,779	29,371	-	698,150
Lease revenue	-	103,414	-	103,414
Commissions earned	184,013	13,146	-	197,159
Charges and fees	16,736	3,877	-	20,613
	869,528	149,808	-	1,019,336
Operating expenses				
Bad debts	261,997	10,896	-	272,893
Other operating expenses	180,867	61,748	90,115	332,730
Depreciation and amortization	32,668	42,586	6,052	81,306
	475,532	115,230	96,167	686,929
Segment operating income (loss)	393,996	34,578	(96,167)	332,407
Other loss				(28,659)
Finance costs				(107,972)
Income before income taxes				195,776

As at December 31, 2023 and 2022, the Company's goodwill was comprised 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 $11.0 million for the year ended December 31, 2023 (2022 - $11.8 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, 2023 and 2022 were as follows:

	DECEMBER 31, 2023 (%)	DECEMBER 31, 2022 (%)
Furniture	**41**	40
Electronics	**33**	34
Appliances	**16**	15
Computers	**10**	11
	100	100

Corporate Information

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Wells Fargo Canada
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Canadian Imperial Bank
of Commerce
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Royal Bank of Canada
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The Toronto-Dominion Bank
Toronto, Ontario

National Bank of Canada
Toronto, Ontario

Transfer Agent
TSX Trust Company
Toronto, Ontario

Listed
Toronto Stock Exchange
Trading Symbol: GSY

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Board of Directors

David Ingram
Executive Chairman of the Board

Donald K. Johnson
Chairman Emeritus

Karen Basian
Lead Director

David Appel
Corporate Director

Susan Doniz
Corporate Director

Sean Morrison
Corporate Director

Honourable James Moore
Corporate Director

Tara Deakin
Corporate Director

Jason Mullins
Corporate Director

Jonathan Tétrault
Corporate Director

Corporate Officers

Jason Mullins
President & Chief Executive Officer

Hal Khouri
Executive Vice-President & Chief Financial Officer

Ali Metel
President, LendCare

Jason Appel
Executive Vice-President & Chief Risk Officer

Andrea Fiederer
Executive Vice-President & Chief Marketing Officer

Jackie Foo
Executive Vice-President & Chief Operating Officer

Mark Schell
Chief Operating Officer, LendCare

David Cooper
Senior Vice-President & Chief Talent Officer

Sabrina Anzini
Senior Vice-President & Chief Legal Officer

Michael Eubanks
Senior Vice-President & Chief Information Officer

Farhan Ali Khan
Senior Vice-President & Chief Corporate Development Officer