goeasy Ltd.

Consolidated Financial Statements

As at and for the years ended
December 31, 2025 and 2024

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, 2025 and 2024, and the consolidated statements of income (loss), consolidated statements of comprehensive income (loss), 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, 2025 and 2024, 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.

Emphasis of matter - Restated comparative information

We draw attention to Note 2 of the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

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 consolidated 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 3 and 7 of the consolidated financial statements, the Company has used expected credit loss (ECL) models to recognize $527.4 million in allowances for credit losses on its consolidated statement of financial position. 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, our audit procedures included, amongst others, 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. We also assessed the adequacy of disclosures related to the allowance for credit losses.

Charge off of late-stage loans

Key audit matter

The Company recorded charge offs of late-stage loans against gross consumer loans receivable of $5.5 billion as at December 31, 2025. Unsecured consumer loans and related interest receivables that are delinquent greater than 90 days are written off against the respective allowance for credit losses. Secured consumer loans and related interest receivables that are delinquent for greater than 180 days, when no further collection measures are deemed practicable, are written off against the respective allowance for credit losses.

Auditing the charge off against consumer loans receivable required the application of auditor judgement and significant auditor attention in assessing the collectability of the loans receivable and in the determination of the timing and amount of charge off to record.

How our audit addressed the key audit matter

To test the charge off against consumer loans receivable during the period, we obtained an understanding of management's collection activities to assess the reasonability of management's expectation of collectability. We also assessed whether the Company's accounting policy complied with IFRS. We tested a sample of loans to underlying support to assess collectability and evaluate if the timing and amount of the charge off recorded was appropriate and consistent with management's accounting policy. We performed analytical procedures at the portfolio level over the migration of loans through delinquency stages throughout the year.

Impairment of the LendCare cash-generating unit (CGU)

Key audit matter

As more fully described in Notes 3 and 12 of the consolidated financial statements, the Company had goodwill of $159.6 million recognized in the LendCare CGU before an impairment charge of $159.6 million was recorded during the fiscal year ended December 31, 2025. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value 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. 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.

Auditing the Company'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. Significant assumptions in the estimate of the recoverable amount included the discount rate and forecasted cash flows, more specifically loan originations, credit losses, interest yields, and funding assumptions, which are affected by expectations about future market or economic conditions.

How our audit addressed the key audit matter

To test management's estimate of the recoverable amount of the CGU, our audit procedures included, amongst others, with the assistance of our Valuation Specialists, assessing the methodologies applied, and testing the significant assumptions and the underlying data used by the Company 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 assessed the historical accuracy of management's prior year forecasts by comparing management's forecasts to actual results. We evaluated the reasonability of the significant assumptions by comparing to historical results and considering our current understanding of the business as well as current economic trends. 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 also assessed the adequacy of the disclosures related to the valuation of goodwill.

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 in this auditor's report. 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 31, 2026

goeasy Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of Canadian dollars)

	As At December 31, 2025	As At December 31, 2024 *Restated (Note 2)*
ASSETS		
Cash (note 5)	**152,661**	247,544
Accounts receivable (note 6)	**42,361**	42,491
Prepaid expenses	**9,159**	9,488
Income taxes recoverable	**90,559**	-
Consumer loans receivable, net (note 7)	**5,155,360**	4,371,347
Investments (note 8)	**29,103**	41,918
Lease assets, net (note 9)	**36,656**	40,973
Derivative financial assets (note 16)	**11,146**	60,675
Deferred income tax assets (note 20)	**22,250**	15,471
Property and equipment, net (note 10)	**30,788**	35,004
Right-of-use assets, net (note 11)	**52,510**	54,224
Intangible assets, net (note 12)	**104,142**	110,979
Goodwill (note 12)	**21,310**	180,923
TOTAL ASSETS	**5,758,005**	5,211,037
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving credit facility (note 15)	**175,052**	21,797
Accounts payable and other liabilities	**107,842**	183,624
Income taxes payable	**-**	22,233
Dividends payable (note 17)	**23,398**	19,519
Unearned revenue	**31,219**	25,864
Accrued interest payable	**68,533**	49,003
Deferred income tax liabilities (note 20)	**5,367**	15,181
Lease liabilities (note 11)	**59,451**	62,164
Secured borrowings (note 14)	**88,783**	120,335
Revolving securitization warehouse facilities (note 13)	**611,015**	1,073,876
Derivative financial liabilities (notes 13 and 16)	**46,107**	21,466
Notes payable (note 16)	**3,690,818**	2,413,795
TOTAL LIABILITIES	**4,907,585**	4,028,857
Shareholders' equity		
Share capital (note 17)	**430,325**	438,302
Contributed surplus (note 18)	**26,782**	26,942
Accumulated other comprehensive loss	**(13,367)**	(56,938)
Retained earnings	**406,680**	773,874
TOTAL SHAREHOLDERS' EQUITY	**850,420**	1,182,180
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,758,005**	5,211,037

See accompanying notes to the consolidated financial statements.

On behalf of the Board:



David Ingram
Director



Karen Basian
Director

goeasy Ltd.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

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

	Year Ended	
	December 31, 2025	**December 31, 2024** *Restated (Note 2)*
REVENUE		
Interest income	**1,278,177**	1,133,406
Lease revenue	**86,171**	95,407
Commissions earned	**306,030**	275,726
Charges and fees	**26,411**	30,334
	1,696,789	1,534,873
OPERATING EXPENSES		
BAD DEBTS (NOTE 7)	**883,789**	505,039
OTHER OPERATING EXPENSES		
Salaries and benefits	**205,660**	201,791
Share-based compensation (note 18)	**8,195**	13,534
Technology costs	**47,500**	38,088
Underwriting and collections	**35,458**	21,251
Advertising and promotion	**31,742**	32,979
Occupancy	**21,818**	20,632
Other expenses	**32,546**	33,698
	382,919	361,973
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets (note 9)	**27,767**	29,482
Amortization of intangible assets (note 12)	**22,540**	22,788
Depreciation of right-of-use assets (note 11)	**21,270**	21,349
Depreciation of property and equipment (note 10)	**10,599**	10,276
	82,176	83,895
IMPAIRMENT OF GOODWILL (NOTE 12)	**159,613**	-
TOTAL OPERATING EXPENSES	**1,508,497**	950,907
OPERATING INCOME	**188,292**	583,966
OTHER INCOME (LOSS) (NOTE 8)	**(12,815)**	3,132
FINANCE COSTS (NOTE 19)	**(356,397)**	(225,492)
INCOME (LOSS) BEFORE INCOME TAXES	**(180,920)**	361,606
INCOME TAX EXPENSE (RECOVERY) (NOTE 20)		
Current	**26,442**	111,036
Deferred	**(28,992)**	(13,657)
	(2,550)	97,379
NET INCOME (LOSS)	**(178,370)**	264,227
BASIC EARNINGS (LOSS) PER SHARE (NOTE 21)	**(10.78)**	15.46
DILUTED EARNINGS (LOSS) PER SHARE (NOTE 21)	**(10.78)**	15.21

See accompanying notes to the consolidated financial statements.

goeasy Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Expressed in thousands of Canadian dollars)

	Year Ended	
	December 31, 2025	**December 31, 2024** *Restated (Note 2)*
Net income (loss)	**(178,370)**	264,227
Other comprehensive income (loss) to be reclassified to the consolidated statement of income (loss) in subsequent periods		
Change in fair value of cash flow hedge, net of taxes	**38,920**	(57,594)
Reclassification of cash flow hedge to the consolidated statement of income (loss), net of taxes	**4,061**	3,982
Change in costs of hedging, net of taxes	**1,575**	6,395
Transfer of realized foreign currency translation gain to the consolidated statement of income (loss)	**(985)**	-
	43,571	(47,217)
Comprehensive income (loss)	**(134,799)**	217,010

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**	**Accumulated Other Comprehensive Income (Loss)**	**Retained Earnings** *Restated (Note 2)*	**Total Shareholders' Equity** *Restated (Note 2)*
Balance, December 31, 2024	**438,302**	**26,942**	**(56,938)**	**773,874**	**1,182,180**
Common shares issued	**10,948**	**(6,292)**	-	-	**4,656**
Share-based compensation (note 18)	-	**8,195**	-	-	**8,195**
Repurchase of equity interest related to deferred share units, net of tax (note 18)	-	**(97)**	-	-	**(97)**
Repurchase of equity interest related to restricted share units, net of tax (note 18)	-	**(1,966)**	-	-	**(1,966)**
Shares purchased for cancellation, including taxes (note 17)	**(18,925)**	-	-	**(94,770)**	**(113,695)**
Comprehensive income (loss)	-	-	**43,571**	**(178,370)**	**(134,799)**
Dividends (note 17)	-	-	-	**(94,054)**	**(94,054)**
Balance, December 31, 2025	**430,325**	**26,782**	**(13,367)**	**406,680**	**850,420**
Balance, December 31, 2023	428,328	24,817	(9,721)	610,653	1,054,077
Common shares issued	14,359	(5,548)	-	-	8,811
Share-based compensation (note 18)	-	13,534	-	-	13,534
Repurchase of equity interest related to deferred share units, net of tax (note 18)	-	(1,190)	-	-	(1,190)
Repurchase of equity interest related to restricted share units, net of tax (note 18)	-	(4,671)	-	-	(4,671)
Shares purchased for cancellation (note 17)	(4,385)	-	-	(22,604)	(26,989)
Comprehensive income (loss)	-	-	(47,217)	264,227	217,010
Dividends (note 17)	-	-	-	(78,402)	(78,402)
Balance, December 31, 2024	438,302	26,942	(56,938)	773,874	1,182,180

See accompanying notes to the consolidated financial statements.

goeasy Ltd.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of Canadian dollars)

	Year Ended	
	December 31 2025	**December 31 2024** *Restated (Note 2)*
OPERATING ACTIVITIES		
Net income (loss)	**(178,370)**	264,227
Add (deduct) items not affecting cash		
Bad debts (note 7)	**883,789**	505,039
Impairment of goodwill (note 12)	**159,613**	-
Fair value change on prepayment options	**59,547**	(13,216)
Depreciation of lease assets (note 9)	**27,767**	29,482
Amortization of intangible assets (note 12)	**22,540**	22,788
Depreciation of right-of-use assets (note 11)	**21,270**	21,349
Other (income) loss (note 8)	**12,815**	(3,132)
Depreciation of property and equipment (note 10)	**10,599**	10,276
Amortization of deferred financing charges	**9,037**	8,457
Share-based compensation (note 18)	**8,195**	13,534
Refinancing costs related to notes payable (note 16)	**-**	8,805
Realized foreign currency translation gain	**(985)**	-
Loss on sale or write off of asset	**-**	322
Discount on the repurchase of notes payable (note 16)	**-**	(1,487)
Amortization of premium and discount on notes payable	**(6,858)**	(3,442)
Deferred income tax recovery (note 20)	**(28,992)**	(13,657)
	999,967	849,345
Net change in other operating assets and liabilities (note 22)	**(163,428)**	131,339
Net issuance of consumer loans receivable	**(1,667,802)**	(1,428,798)
Purchase of lease assets	**(23,355)**	(25,169)
Cash used in operating activities	**(854,618)**	(473,283)
INVESTING ACTIVITIES		
Purchase of property and equipment (note 10)	**(6,493)**	(10,002)
Investments in intangible assets (note 12)	**(15,703)**	(9,158)
Proceeds on sale of investment	**-**	22,678
Cash (used in) provided by investing activities	**(22,196)**	3,518
FINANCING ACTIVITIES		
Issuance of notes payable, net of financing charges (note 16)	**1,346,025**	1,505,807
Advances from revolving credit facilities, net of financing charges	**830,997**	495,737
Advances from revolving securitization warehouse facilities, net of financing charges	**83,303**	128,677
Advances from secured borrowings, net of financing charges	**47,561**	72,685
Issuance of common shares	**2,351**	6,942
Lease incentive received (note 11)	**126**	69
Payment of notes payable (note 16)	**-**	(325,040)
Payment of deferred share units (note 18)	**(195)**	(882)
Payment of restricted share units (note 18)	**(1,996)**	(5,151)
Payment of lease liability (note 11)	**(22,395)**	(22,300)
Payment of loan from secured borrowings	**(79,113)**	(95,551)
Payment of common share dividends	**(87,338)**	(72,772)
Purchase of common shares for cancellation (note 17)	**(113,695)**	(26,989)
Payment of advances from revolving securitization warehouse facilities	**(544,700)**	(422,500)
Payment of advances from revolving credit facilities	**(679,000)**	(666,000)
Cash provided by financing activities	**781,931**	572,732
Net (decrease) increase in cash during the year	**(94,883)**	102,967
Cash, beginning of year	**247,544**	144,577
Cash, end of year	**152,661**	247,544

See accompanying notes to the consolidated financial statements.

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 alternative financial services and leased goods 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 through thousands of merchant partners across Canada.

The Company operates in two reportable segments: easyfinancial and easyhome. As at December 31, 2025, the Company operates 293 easyfinancial locations (including 3 kiosks within easyhome stores and 3 operation centres) and 129 easyhome stores (including 34 franchises).

The consolidated financial statements were authorized for issue by the Board of Directors on March 31, 2026.

2. RESTATEMENT OF PRIOR PERIOD FINANCIAL INFORMATION

Subsequent to the year ended December 31, 2025, the Company identified an error in the accounting treatment of certain customer payments drawn from customer accounts close to quarter and year-end dates that had not yet settled as of those period-end dates. These payments were credited to the Company's bank account by its banking partner on the transaction date and were recorded by the Company as cash, with the related gross consumer loans receivable, gross interest receivables, and charges and fee receivables considered settled. Pursuant to its banking agreements, the Company noted that although they could access this cash when payments were requested as of the relevant period-end date, the Company remained liable for any subsequent payment reversals and retained the related credit risk until settlement with the customer. As such, the derecognition criteria under International Financial Reporting Standards ("IFRS") 9, *Financial Instruments* ("IFRS 9") were not met. The correction of the error resulted in a decrease in cash for amounts returned on the transaction date, the recognition of a liability to the bank within accounts payable and other liabilities for amounts returned subsequent to the period-end dates noted above, and corresponding increases in gross consumer loans receivable, gross interest receivables, and charges and fee receivables, together with the recognition of an additional allowance for credit losses on the increased gross consumer loans receivable and gross interest receivables balances and the related tax impacts. The correction of the error also resulted in a correction to the disclosures of the Aging of the Gross Consumer Loans Receivable Past Due and the Staging Classification of the Gross Consumer Loans Receivable, and the related allowance for credit losses. The pre-tax impact of the correction of this error had the following effect on the comparative financial information for the year ended December 31, 2024:

- Cash – decrease of $3.8 million
- Accounts receivable – increase of $0.1 million
- Consumer loans receivable, net – increase of $18.3 million
- Accounts payable and other liabilities – increase of $26.7 million
- Interest income – decrease of $8.4 million
- Bad debts expense – increase of $3.7 million

The Company also corrected a presentation error of bad debts on interest receivable on consumer loans in the consolidated statements of income. In prior periods, the bad debts on interest receivable on consumer loans were presented as a reduction of interest income. In accordance with IAS 1, *Presentation of Financial Statements* and IFRS 7, *Financial Instruments: Disclosures*, the changes in allowance for credit losses should be presented as a bad debt expense. The Company has corrected this presentation error by restating the comparative consolidated statement of income to reclassify the bad debts on interest receivable on consumer loans from Interest income to bad debts expense. This reclassification had no impact on net income, diluted earnings per share, the consolidated statement of financial position, the consolidated statement of changes in equity, or the consolidated statement of cash flows. The impact of the correction of this presentation error had the following effect on the comparative financial information for the year ended December 31, 2024:

- Interest income – increase of $27.5 million
- Bad debts expense – increase of $27.5 million

The Company also corrected an error related to the recognition of interest income on Stage 3 consumer loans receivable. In prior periods, interest income on Stage 3 loans was recognized based on the gross carrying amount of the loan, rather than the net carrying amount, as required under IFRS 9. This resulted in an over accrual of interest income on credit impaired loans. While part of the over-accrued interest income had been reflected through Stage 3 bad debts on interest receivable reported within Interest income in prior periods, an additional allowance for credit losses on interest receivable was required and has been recognized, together with related tax impacts. The pre-tax impact of the correction of this error had the following effect on the comparative financial information for the year ended December 31, 2024:

- Consumer loans receivable, net – decrease of $7.5 million
- Interest income – decrease of $7.5 million

The Company also corrected a presentation error related to the offsetting of deferred income tax assets and deferred income tax liabilities. In prior periods, the Company netted deferred income tax assets and liabilities across its subsidiaries in the consolidated statement of financial position. However, in accordance with International Accounting Standards ("IAS") 12, *Income Taxes* ("IAS 12"), deferred income tax assets and liabilities may be offset only when they relate to the same taxable entity and the same taxation authority, and when a legally enforceable right of offset exists. As these conditions were not met, the offsetting criteria under IAS 12 were not satisfied. The Company has corrected this presentation error by presenting deferred income tax assets and deferred income tax liabilities separately in the consolidated statement of financial position. This reclassification had no impact on net income, diluted earnings per share, the consolidated statement of income, the consolidated statement of changes in equity, or the consolidated statement of cash flows. The impact of the correction of this presentation error had the following effect on the comparative financial information for the year ended December 31, 2024:

- Deferred income tax assets – increase of $15.5 million
- Deferred income tax liabilities – increase of $15.5 million

In addition, in connection with the restatement of prior period financial information, the Company determined that it was appropriate to correct certain uncorrected misstatement that was considered immaterial in the prior year, which is related to an understatement of the allowance for credit losses on gross consumer loans receivable resulting from an error in the probability of default assumptions on certain Stage 3 loans used in the Company's expected credit loss models. The Company has corrected this error by recognizing additional allowance for credit losses on gross consumer loans receivable and the related tax impacts in the prior periods. The pre-tax impact of the correction of this error had the following effect on the comparative financial information for the year ended December 31, 2024:

- Consumer loans receivable, net – decrease of $6.0 million
- Bad debts expense – increase of $6.0 million

The above correction of errors resulted in the Company having to restate financial information as at and for the year ended December 31, 2024. The information in the Company's previously issued consolidated financial statements as at and for the year ended December 31, 2024 that has been restated in these financial statements should no longer be relied upon.

The above correction of errors had no material impact on the Company's financial information as at December 31, 2023. Accordingly, the Company did not restate balances as at this date and an opening consolidated statement of financial position has not been presented.

The following tables include the above noted corrections to the financial information previously reported on the Company's consolidated financial statements for the year ended December 31, 2024:

Impact on Consolidated Statements of Financial Position

	As at December 31, 2024		
	As Previously Reported	**Restatement Adjustments**	**As Restated**
Cash	251,381	(3,837)	247,544
Accounts receivable	42,438	53	42,491
Consumer loans receivable, net	4,366,533	4,814	4,371,347
Deferred income tax assets	-	15,471	15,471
TOTAL ASSETS	**5,194,536**	**16,501**	**5,211,037**
Accounts payable and other liabilities	156,903	26,721	183,624
Income taxes payable	24,567	(2,334)	22,233
Deferred income tax liabilities	4,184	10,997	15,181
TOTAL LIABILITIES	**3,993,473**	**35,384**	**4,028,857**
Retained earnings	792,757	(18,883)	773,874
TOTAL SHAREHOLDERS' EQUITY	**1,201,063**	**(18,883)**	**1,182,180**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,194,536**	**16,501**	**5,211,037**

Impact on Consolidated Statements of Income

	Year Ended December 31, 2024		
	As Previously Reported	Restatement Adjustments	As Restated
REVENUE			
Interest income	1,121,822	11,584	1,133,406
TOTAL REVENUE	**1,523,289**	**11,584**	**1,534,873**
OPERATING EXPENSES			
BAD DEBTS	**467,764**	**37,275**	**505,039**
TOTAL OPERATING EXPENSES	**913,632**	**37,275**	**950,907**
OPERATING INCOME (LOSS)	**609,657**	**(25,691)**	**583,966**
INCOME (LOSS) BEFORE INCOME TAXES	**387,297**	**(25,691)**	**361,606**
INCOME TAX EXPENSE (RECOVERY)			
Current	113,370	(2,334)	111,036
Deferred	(9,183)	(4,474)	(13,657)
TOTAL INCOME TAX EXPENSE (RECOVERY)	**104,187**	**(6,808)**	**97,379**
NET INCOME (LOSS)	**283,110**	**(18,883)**	**264,227**
BASIC EARNINGS (LOSS) PER SHARE	**16.56**	**(1.10)**	**15.46**
DILUTED EARNINGS (LOSS) PER SHARE	**16.30**	**(1.09)**	**15.21**

Impact on Consolidated Statements of Changes in Shareholders' Equity

	Year Ended December 31, 2024		
	As Previously Reported	Restatement Adjustments	As Restated
Retained earnings	792,757	(18,883)	773,874
TOTAL SHAREHOLDERS' EQUITY	**1,201,063**	**(18,883)**	**1,182,180**

Impact on Consolidated Statements of Cash Flows

	Year Ended December 31, 2024		
	As Previously Reported	Restatement Adjustments	As Restated
Net income (loss)	**283,110**	**(18,883)**	**264,227**
Add (deduct) items not affecting cash			
Bad debts	467,764	37,275	505,039
Deferred income tax recovery	(9,183)	(4,474)	(13,657)
Net change in other operating assets and liabilities	107,004	24,335	131,339
Net issuance of consumer loans receivable	(1,386,709)	(42,089)	(1,428,798)
Cash used in operating activities	**(469,446)**	**(3,837)**	**(473,283)**
Net increase (decrease) in cash during the year	**106,804**	**(3,837)**	**102,967**
Cash, end of year	**251,381**	**(3,837)**	**247,544**

Impact on the Aging of Gross Consumer Loans Receivable Past Due (Note 7)

	As at December 31, 2024				
	As Previously Reported		Restatement Adjustments	As Restated	
	$	% of Total Loans	$	$	% of Total Loans
1 – 30 days	**123,035**	**2.7%**	**77,994**	**201,029**	**4.4%**
31 – 90 days	**65,440**	**1.4%**	**84,373**	**149,813**	**3.2%**
91 – 180 days	**85,688**	**1.9%**	**47,979**	**133,667**	**2.9%**
181+ days	**71,222**	**1.5%**	**61,043**	**132,265**	**2.9%**
	345,385	**7.5%**	**271,389**	**616,774**	**13.4%**

For the year-ended December 31, 2025, the Company amended the aging buckets used in its past due disclosure to align with how management now monitors delinquent loans and manages its collections strategy. Prior period disclosures were restated to conform to the current year presentation.

Impact on the Changes in the Staging Classification of Gross Consumer Loans Receivable (Note 7)

	Year Ended December 31, 2024 As Previously Reported			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	**3,358,402**	**206,558**	**80,242**	**3,645,202**
Gross loans originated	**3,166,227**	**-**	**-**	**3,166,227**
Principal payments and other adjustments	**(1,753,153)**	**8,478**	**(24,577)**	**(1,769,252)**
Transfers to (from)				
Stage 1	**798,516**	**(639,293)**	**(159,223)**	**-**
Stage 2	**(823,145)**	**846,458**	**(23,313)**	**-**
Stage 3	**(490,050)**	**(190,325)**	**680,375**	**-**
Gross charge offs	**(70,850)**	**(34,705)**	**(340,507)**	**(446,062)**
Net growth in gross consumer loans receivable during the year	**827,545**	**(9,387)**	**132,755**	**950,913**
Balance as at December 31, 2024	**4,185,947**	**197,171**	**212,997**	**4,596,115**
	Restatement Adjustments			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	**-**	**-**	**-**	**-**
Gross loans originated	**-**	**-**	**-**	**-**
Principal payments and other adjustments	**210,137**	**(37,095)**	**(166,720)**	**6,322**
Transfers to (from)				
Stage 1	**(22,895)**	**(600)**	**23,495**	**-**
Stage 2	**(86,733)**	**88,627**	**(1,894)**	**-**
Stage 3	**(317,716)**	**(21,013)**	**338,729**	**-**
Gross charge offs	**-**	**-**	**-**	**-**
Net growth in gross consumer loans receivable during the year	**(217,207)**	**29,919**	**193,610**	**6,322**
Balance as at December 31, 2024	**(217,207)**	**29,919**	**193,610**	**6,322**
	As Restated			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	**3,358,402**	**206,558**	**80,242**	**3,645,202**
Gross loans originated	**3,166,227**	**-**	**-**	**3,166,227**
Principal payments and other adjustments	**(1,543,016)**	**(28,617)**	**(191,297)**	**(1,762,930)**
Transfers to (from)				
Stage 1	**775,621**	**(639,893)**	**(135,728)**	**-**
Stage 2	**(909,878)**	**935,085**	**(25,207)**	**-**
Stage 3	**(807,766)**	**(211,338)**	**1,019,104**	**-**
Gross charge offs	**(70,850)**	**(34,705)**	**(340,507)**	**(446,062)**
Net growth in gross consumer loans receivable during the year	**610,338**	**20,532**	**326,365**	**957,235**
Balance as at December 31, 2024	**3,968,740**	**227,090**	**406,607**	**4,602,437**

Impact on the Changes in the Staging Classification of the Allowance of Credit Losses for Gross Consumer Loans Receivable (Note 7)

	Year Ended December 31, 2024 As Previously Reported			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	**149,860**	**67,304**	**48,195**	**265,359**
Gross loans originated	**133,244**	**-**	**-**	**133,244**
Principal payments and other adjustments	**(65,145)**	**(667)**	**(96,247)**	**(162,059)**
Transfers to (from), including remeasurement				
Stage 1	**154,012**	**(145,826)**	**(89,008)**	**(80,822)**
Stage 2	**(76,738)**	**247,962**	**(15,673)**	**155,551**
Stage 3	**(42,820)**	**(59,484)**	**524,154**	**421,850**
Net charge offs against allowance	**(61,239)**	**(29,981)**	**(292,274)**	**(383,494)**
Balance as at December 31, 2024	**191,174**	**79,308**	**79,147**	**349,629**
	Restatement Adjustments			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	**-**	**-**	**-**	**-**
Gross loans originated	**(6,000)**	**-**	**-**	**(6,000)**
Principal payments and other adjustments	**10,231**	**(10,210)**	**(19,495)**	**(19,474)**
Transfers to (from), including remeasurement				
Stage 1	**(1,086)**	**918**	**12,506**	**12,338**
Stage 2	**(1,628)**	**12,803**	**(339)**	**10,836**
Stage 3	**(29,114)**	**(3,951)**	**45,132**	**12,067**
Net charge offs against allowance	**-**	**-**	**(163)**	**(163)**
Balance as at December 31, 2024	**(27,597)**	**(440)**	**37,641**	**9,604**
	As Restated			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	**149,860**	**67,304**	**48,195**	**265,359**
Gross loans originated	**127,244**	**-**	**-**	**127,244**
Principal payments and other adjustments	**(54,914)**	**(10,877)**	**(115,742)**	**(181,533)**
Transfers to (from), including remeasurement				
Stage 1	**152,926**	**(144,908)**	**(76,502)**	**(68,484)**
Stage 2	**(78,366)**	**260,765**	**(16,012)**	**166,387**
Stage 3	**(71,934)**	**(63,435)**	**569,286**	**433,917**
Net charge offs against allowance	**(61,239)**	**(29,981)**	**(292,437)**	**(383,657)**
Balance as at December 31, 2024	**163,577**	**78,868**	**116,788**	**359,233**

Where applicable, the previously reported balances for the year ended December 31, 2024 have been restated for the correction of the error noted above.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Preparation

The consolidated financial statements of the Company for the year ended December 31, 2025 have been prepared in accordance with 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, 2025.

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 13) where goeasy Ltd. has control but does not have ownership of a majority of the voting rights.

As at December 31, 2025, the Parent Company's principal subsidiaries are:
- 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.

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 allowance for credit 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 consolidated statements of financial position date, are provided for. The Company assesses and segments its consumer loans receivable, (including interest receivable, thereon) portfolio into performing (Stage 1), under-performing (Stage 2) and non-performing (Stage 3) categories as at each consolidated 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 extending the loan amortization period and reducing rates, for customers that are current or are in arrears as a means to ensure the customer remains able to repay the loan.

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

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

Ultimately, the ECL is calculated based on the probability-weighted expected cash collected shortfall against the carrying value of the loan and considers reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions that may impact the credit profile of the loans. FLI is considered when determining significant increases in credit risk and measuring ECLs. 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 consumer loans and related interest receivables that are delinquent for greater than 90 days are written off against the respective allowance for credit losses.

Secured consumer loans and related interest receivables that are delinquent for greater than 180 days, where no further collection measures are deemed practicable, are written off against the allowance for credit losses.

Consumer loan receivable balances, together with the associated interest receivable and the related credit 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 credit 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. The Company considers a loan as modified only when its amortization period is extended and/or rate reductions are applied. 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 present value of the cash flows under the original and modified terms. Following recognition of a modified loan as a new financial asset, the allowance for credit losses is remeasured at each reporting date. Subsequent deterioration in credit risk may result in further adjustments to the allowance for credit losses.

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

Lease Assets

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

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

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

Depreciation on lease assets is charged to net income (loss) 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 (loss) as repairs and maintenance expenses when incurred.

Depreciation on property and equipment is charged to net income (loss).

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 (loss) 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 (loss) 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 are 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 (loss).

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

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

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

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

Gains or losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amounts of the asset, and are recognized in net income (loss) 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 the expenditure reliably 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 an 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 an 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 is 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's 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 (loss).

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 five years with a long-term growth rate applied after the last 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 an 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 (loss).

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, accounts payable and other liabilities, which incudes liabilities to the bank as described in Note 2, Restatement of prior period financial information.

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

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

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

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 (loss).

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 (loss) at that time.

For host contracts that are financial liabilities, embedded derivatives are separated when their risks differ significantly from the host, and are measured at FVTPL, unless the fair value option is elected for the host contracts. Host contracts are accounted for separately under IFRS 9, and both the host and embedded derivative components are presented together.

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 (loss).

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, carryforward 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 carryforward of unused tax credits and unused tax losses can be utilized.

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

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

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

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

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

iii) Sales Tax

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

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

Share-based Payment Transactions

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

The cost of equity-settled transactions is charged to net income (loss), 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 (loss). No expense is recognized for awards that do not ultimately vest.

Earnings Per Share

Basic earnings per share is calculated by dividing net income (loss) 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 as 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,

The ECL method is applied in determining the allowance for credit losses on gross consumer loans receivable, including interest 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 3, under "Financial Assets".

In addition, consumer loans receivable include accrued interest earned from consumer loans that are 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. The Company recognizes interest income using the effective interest method based on amounts it expects to collect. Where loans become credit-impaired, interest income is recognized on the net carrying amount of the loan, and accrued interest that is not considered collectible is reflected through the allowance for credit losses or charged off against allowance for credit losses accordance with the Company's credit risk management policies.

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 straightline 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 three to five year period, with a long-term growth rate applied after the last year. Key areas of management judgment include the cash flow forecast, the growth rate applied to cash flows subsequent to the last 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 five years, with a long-term growth rate applied after the last year. Key areas of management judgment involve the cash flow forecast, the growth rate applied to cash flows subsequent to the last year and the discount rate.

v) Fair Value of Share-based Compensation

The fair value of equity-settled share-based compensation plan grants is 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 is 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.

viii) Fair Value Measurement of Derivatives and Hedging instruments

The fair value of derivatives is determined using valuation techniques that incorporate observable market inputs where available. Where observable inputs are not available, significant judgment is applied in selecting appropriate models and assumptions.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

ii) Standards Issued but Not Yet Effective

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

IFRS 18, *Presentation and Disclosure in Financial Statements*

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

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

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

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently working to identify all impacts the new standard will have on its consolidated financial statements.

IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, *Financial Instruments: Disclosures*, clarifying the timing of derecognition of financial liabilities and introducing an accounting policy choice for liabilities settled via electronic payment systems.

Under the amended standard, a financial liability is normally derecognized on the settlement date. However, for payments made through qualifying electronic systems, entities may elect to derecognize a liability on the payment initiation date if the following conditions are met:

- The entity has no practical ability to cancel or withdraw the payment instruction;
- The entity no longer has access to the transferred funds;
- The settlement risk is insignificant.

The amendments are effective for reporting periods beginning on or after January 1, 2026, with early adoption permitted for classification of financial assets and related disclosures only. The Company does not anticipate that the amendments will have a material effect on its consolidated financial statements.

5. CASH

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

Cash includes a total of $53.2 million (2024 – $83.5 million) of cash collateral pledged by the Company where access to the cash is restricted.

Cash collateral pledged related to the following:

- Cash pledged to fulfill collateral requirements under its cross-currency swap contracts. As at December 31, 2025, the cash pledged by the Company as cash collateral in respect of its cross-currency swap contracts was $19.5 million (2024 – nil).
- Cash related to its Revolving Securitization Warehouse Facilities and Secured Borrowings, where the Company holds back an amount from the proceeds of loan transfers as a reserve against future customer defaults. As at December 31, 2025, the cash held back as a reserve for the Revolving Securitization Warehouse Facilities and Secured Borrowings were $25.0 million and $8.7 million, respectively (2024 – $57.9 million and $25.6 million, respectively).

6. ACCOUNTS RECEIVABLE

Accounts receivable include the following:

	December 31, 2025	December 31, 2024 *(As restated – Note 2)*
Commissions receivable	**23,638**	20,998
Charges and fees receivable, net of allowance	**13,684**	11,565
Other	**5,039**	9,928
	42,361	42,491

All accounts receivable for the years ended December 31, 2025 and 2024 are due within 12 months.

7. CONSUMER LOANS RECEIVABLE

Consumer loans receivable represent amounts advanced to customers and include both unsecured and secured loans.

	December 31, 2025	December 31, 2024 *(As restated – Note 2)*
Gross consumer loans receivable	**5,513,467**	4,602,437
Gross interest receivable from consumer loans	**163,827**	125,612
Unamortized deferred acquisition costs	**102,907**	77,886
Unamortized deferred revenue	**(64,801)**	(53,946)
Allowance for credit losses on gross consumer loans receivable	**(527,429)**	(359,233)
Allowance for credit losses on interest receivable	**(32,611)**	(21,409)
	5,155,360	4,371,347

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

	December 31, 2025		December 31, 2024 *(As restated – Note 2)*	
	$	% of Total Loans	$	% of Total Loans
Unsecured instalment loans	**2,997,112**	**54.4%**	2,518,179	54.7%
Secured instalment loans	**2,516,355**	**45.6%**	2,084,258	45.3%
	5,513,467	**100.0%**	4,602,437	100.0%

The scheduled principal repayment aging analyses of the gross consumer loans receivable portfolio as at December 31, 2025 and 2024 are as follows:

	December 31, 2025		December 31, 2024 *(As restated – Note 2)*	
	$	**% of Total Loans**	**$**	**% of Total Loans**
0 – 6 months	**394,471**	**7.2%**	299,657	6.5%
6 – 12 months	**238,966**	**4.3%**	201,681	4.4%
1 – 2 years	**502,493**	**9.1%**	428,643	9.3%
2 – 3 years	**626,163**	**11.4%**	550,591	12.0%
3 – 4 years	**801,971**	**14.5%**	683,034	14.8%
4 – 5 years	**873,633**	**15.8%**	771,124	16.8%
5 – 6 years	**888,489**	**16.1%**	706,809	15.4%
6 – 7 years	**667,751**	**12.1%**	561,015	12.2%
7 years +	**519,530**	**9.5%**	399,883	8.6%
	5,513,467	**100.0%**	4,602,437	100.0%

The gross consumer loans receivable portfolio, categorized by the contractual time to maturity as at December 31, 2025 and 2024 are summarized as follows:

	December 31, 2025		December 31, 2024 *(As restated – Note 2)*	
	$	**% of Total Loans**	**$**	**% of Total Loans**
0 – 1 year	**112,889**	**2.0%**	91,074	2.0%
1 – 2 years	**188,633**	**3.4%**	162,983	3.5%
2 – 3 years	**260,973**	**4.7%**	244,775	5.3%
3 – 4 years	**522,710**	**9.5%**	487,725	10.6%
4 – 5 years	**798,268**	**14.5%**	671,529	14.6%
5 – 6 years	**1,071,756**	**19.4%**	895,158	19.4%
6 – 7 years	**1,426,657**	**25.9%**	1,151,694	25.0%
7 years +	**1,131,581**	**20.6%**	897,499	19.6%
	5,513,467	**100.0%**	4,602,437	100.0%

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

	December 31, 2025		December 31, 2024 *(As restated – Note 2)*	
	$	**% of Total Loans**	**$**	**% of Total Loans**
1 – 30 days	**309,334**	**5.6%**	201,029	4.4%
31 – 90 days	**193,380**	**3.5%**	149,813	3.2%
91 – 180 days	**142,715**	**2.6%**	133,667	2.9%
181+ days	**28,588**	**0.5%**	132,265	2.9%
	674,017	**12.2%**	616,774	13.4%

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 behavioural 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 in addition to 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, 2025				
	Median TransUnion Risk Score	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Low risk	**625**	**3,231,219**	**6,646**	**686**	**3,238,551**
Normal risk	**550**	**1,199,877**	**15,163**	**2,876**	**1,217,916**
High risk	**502**	**411,134**	**277,428**	**368,438**	**1,057,000**
	579	**4,842,230**	**299,237**	**372,000**	**5,513,467**

	As at December 31, 2024 *(As restated – Note 2)*				
	Median TransUnion Risk Score	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Low risk	628	2,735,167	7,846	137	2,743,150
Normal risk	550	944,851	20,534	222	965,607
High risk	491	288,722	198,710	406,248	893,680
	584	3,968,740	227,090	406,607	4,602,437

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

	Year Ended December 31, 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2025, as restated	**3,968,740**	**227,090**	**406,607**	**4,602,437**
Gross loans originated	**3,477,754**	**-**	**-**	**3,477,754**
Principal payments and other adjustments	**(1,601,314)**	**(80,231)**	**(171,069)**	**(1,852,614)**
Transfers to (from)				
Stage 1	**1,397,655**	**(869,225)**	**(528,430)**	**-**
Stage 2	**(1,260,836)**	**1,306,693**	**(45,857)**	**-**
Stage 3	**(1,085,098)**	**(259,960)**	**1,345,058**	**-**
Gross charge offs	**(54,671)**	**(25,130)**	**(634,309)**	**(714,110)**
Net growth in gross consumer loans receivable during the year	**873,490**	**72,147**	**(34,607)**	**911,030**
Balance as at December 31, 2025	**4,842,230**	**299,237**	**372,000**	**5,513,467**

	Year Ended December 31, 2024 *(As restated – Note 2)*			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	3,358,402	206,558	80,242	3,645,202
Gross loans originated	3,166,227	-	-	3,166,227
Principal payments and other adjustments	(1,543,016)	(28,617)	(191,297)	(1,762,930)
Transfers to (from)				
Stage 1	775,621	(639,893)	(135,728)	-
Stage 2	(909,878)	935,085	(25,207)	-
Stage 3	(807,766)	(211,338)	1,019,104	-
Gross charge offs	(70,850)	(34,705)	(340,507)	(446,062)
Net growth in gross consumer loans receivable during the year	610,338	20,532	326,365	957,235
Balance as at December 31, 2024	3,968,740	227,090	406,607	4,602,437

Customers who make partial payments of more than 51% of their payment for unsecured loans and more than 81% of their secured loan payment, are not considered past due as they have been deemed to have made a minimum payment. Customer payment behaviours, including partial payments, are a key component of determining a customer's risk profile and is used in the Company's internal risk score assessment, which is the basis for the estimation of the IFRS 9 ECL calculation and loan staging.

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

	Year Ended December 31, 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2025, as restated	**75,961**	**13,109**	**36,542**	**125,612**
Accrued interest	**1,260,779**	**57,760**	**95,380**	**1,413,919**
Interest received	**(1,131,396)**	**(68,764)**	**(134,843)**	**(1,335,003)**
Transfers to (from)				
Stage 1	**29,409**	**(22,967)**	**(6,442)**	**-**
Stage 2	**(72,665)**	**77,417**	**(4,752)**	**-**
Stage 3	**(48,638)**	**(27,167)**	**75,805**	**-**
Charge offs	**(6,955)**	**(3,086)**	**(30,660)**	**(40,701)**
Balance as at December 31, 2025	**106,495**	**26,302**	**31,030**	**163,827**

	Year Ended December 31, 2024 *(As restated – Note 2)*			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	55,460	8,764	10,935	75,159
Accrued interest	1,069,949	52,730	80,067	1,202,746
Interest received	(973,624)	(57,118)	(93,838)	(1,124,580)
Transfers to (from)				
Stage 1	18,774	(14,031)	(4,743)	-
Stage 2	(30,330)	32,114	(1,784)	-
Stage 3	(54,648)	(5,505)	60,153	-
Charge offs	(9,620)	(3,845)	(14,248)	(27,713)
Balance as at December 31, 2024	75,961	13,109	36,542	125,612

Bad debts expense for the years ended December 31, 2025 and 2024 are as follows:

	Year Ended December 31, 2025	**Year Ended December 31, 2024** *(As restated – Note 2)*
Bad debts expense on gross consumer loans receivable	**831,886**	477,531
Bad debts expense on interest receivable	**51,903**	27,508
	883,789	505,039

The changes in the allowance for credit losses for gross consumer loans receivable are summarized below:

	Year Ended December 31, 2025	Year Ended December 31, 2024 *(As restated – Note 2)*
Allowance for credit losses, beginning of year	**359,233**	265,359
Net charge offs on gross consumer loans receivable	**(663,690)**	(383,657)
Bad debts expense on gross consumer loans receivable	**831,886**	477,531
Allowance for credit losses, end of year	**527,429**	359,233

An analysis of the changes in the classification of the allowance for credit losses for gross consumer loans receivable is as follows:

	Year Ended December 31, 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2025, as restated	**163,577**	**78,868**	**116,788**	**359,233**
Gross loans originated	**155,360**	**-**	**-**	**155,360**
Principal payments and other adjustments	**(61,080)**	**(11,784)**	**(24,398)**	**(97,262)**
Transfers to (from), including remeasurement				
Stage 1	**259,970**	**(212,926)**	**(148,620)**	**(101,576)**
Stage 2	**(110,752)**	**359,607**	**(21,537)**	**227,318**
Stage 3	**(120,010)**	**(77,138)**	**845,194**	**648,046**
Charge offs	**(49,943)**	**(22,904)**	**(590,843)**	**(663,690)**
Balance as at December 31, 2025	**237,122**	**113,723**	**176,584**	**527,429**

	Year Ended December 31, 2024 *(As restated – Note 2)*			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	149,860	67,304	48,195	265,359
Gross loans originated	127,244	-	-	127,244
Principal payments and other adjustments	(54,914)	(10,877)	(115,742)	(181,533)
Transfers to (from), including remeasurement				
Stage 1	152,926	(144,908)	(76,502)	(68,484)
Stage 2	(78,366)	260,765	(16,012)	166,387
Stage 3	(71,934)	(63,435)	569,286	433,917
Charge offs	(61,239)	(29,981)	(292,437)	(383,657)
Balance as at December 31, 2024	163,577	78,868	116,788	359,233

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

	Year Ended December 31, 2025	Year Ended December 31, 2024 *(As restated – Note 2)*
Allowance for credit losses, beginning of year	**21,409**	21,614
Net charge offs on interest receivable	**(40,701)**	(27,713)
Bad debts on interest receivable	**51,903**	27,508
Allowance for credit losses, end of year	**32,611**	21,409

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

	Year Ended December 31, 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2025, as restated	**8,042**	**5,169**	**8,198**	**21,409**
Provision on new accrued interest	**19,875**	**(2,123)**	**30,018**	**47,770**
Transfers to (from), including remeasurement				
Stage 1	**3,866**	**(11,490)**	**(1,552)**	**(9,176)**
Stage 2	**(6,165)**	**26,236**	**(1,201)**	**18,870**
Stage 3	**(4,455)**	**(5,529)**	**4,423**	**(5,561)**
Charge offs	**(6,955)**	**(3,086)**	**(30,660)**	**(40,701)**
Balance as at December 31, 2025	**14,208**	**9,177**	**9,226**	**32,611**

	Year Ended December 31, 2024 *(As restated – Note 2)*			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance as at January 1, 2024	13,099	3,961	4,554	21,614
Provision on new accrued interest	8,267	686	(9,104)	(151)
Transfers to (from), including remeasurement				
Stage 1	2,070	(6,901)	(2,182)	(7,013)
Stage 2	(2,631)	13,946	(553)	10,762
Stage 3	(3,143)	(2,678)	29,731	23,910
Charge offs	(9,620)	(3,845)	(14,248)	(27,713)
Balance as at December 31, 2024	8,042	5,169	8,198	21,409

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, namely, unemployment rates, GDP growth rates, inflation growth rates and oil prices. Management judgment is then applied to the recommended probability weightings to these scenarios to determine a probability-weighted allowance for credit losses.

The following table shows the key macroeconomic variables used in the determination of the probability-weighted allowance during the forecast periods as at December 31, 2025 and 2024, respectively:

12-Month Forward-Looking Macroeconomic Variables (Average Annual)	**Forecast Scenarios**				
	Neutral	**Moderately Optimistic**	**Extremely Optimistic**	**Moderately Pessimistic**	**Extremely Pessimistic**
December 31, 2025					
Unemployment rate[1]	**7.00%**	**6.46%**	**5.84%**	**8.80%**	**9.60%**
GDP growth rate[2]	**0.07%**	**1.66%**	**3.60%**	**(3.54%)**	**(5.16%)**
Inflation growth rate[3]	**2.16%**	**2.47%**	**2.64%**	**2.40%**	**2.42%**
Oil prices[4]	**$61.09**	**$65.99**	**$67.84**	**$45.15**	**$36.84**
December 31, 2024					
Unemployment rate[1]	6.79%	6.54%	6.29%	8.51%	9.12%
GDP growth rate[2]	1.33%	2.16%	2.94%	(1.96%)	(3.27%)
Inflation growth rate[3]	2.05%	2.35%	2.55%	2.64%	2.88%
Oil prices[4]	$72.66	$77.32	$79.28	$56.99	$48.10

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

Historically, the rates of inflation and unemployment are positively correlated with the Company's loss rates, while oil prices and the rate of GDP growth are negatively correlated. The assignment of the probability weighting for the various scenarios using these variables involves management's judgment to arrive at a collective view of the likelihood of each scenario, taking into account current economic conditions and implications for near-term macroeconomic performance. If management were to assign 100% probability to the extremely pessimistic scenario forecast, the allowance for credit losses on gross consumer loans receivable would have been $608.2 million, $80.8 million or 15.3% higher than the reported allowance for credit losses as at December 31, 2025 (2024, as restated – Note 2, – $409.0 million, $55.8 million or 15.8% 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.

8. INVESTMENTS

Investments as at December 31, 2025 include investments in unlisted companies amounting to $29.1 million (2024 – $41.9 million).

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

	Fair Value, Beginning of Year	Additions	Sales/ Settlements	Net Investment Income (Loss)	Fair Value, End of Year
For the year ended December 31, 2025					
Unlisted companies	**41,918**	**-**	**-**	**(12,815)**	**29,103**
For the year ended December 31, 2024					
Unlisted companies	41,918	-	-	-	41,918
Listed and actively traded companies	19,546	-	(22,678)	3,132	-
	61,464	-	(22,678)	3,132	41,918

Unlisted Companies

The Company's investments in unlisted companies were classified at initial recognition at FVTPL. For the year ended December 31, 2025, the Company had reported a net unrealized investment loss of $12.8 million (2024 – nil) from its investments in unlisted companies.

Valuations of unlisted investments are prepared by management using internally developed models with key assumptions reviewed by senior management each reporting period. Set out below are the significant unobservable inputs to valuation as at December 31, 2025:

	Valuation Techniques	Significant Unobservable Inputs	Range	Sensitivity of the Input to Fair Value
Unlisted companies	Public company comparables	Revenue multiples	1.7x – 16.2x	0.5x increase (decrease) in the revenue multiples would result in an increase (decrease) in fair value by $0.8 million
	Public company comparables	Enterprise value to gross profit multiples	3.2x – 14.4x	0.7x increase (decrease) in the enterprise value to gross profit multiples would result in an increase (decrease) in fair value by $0.7 million
	Recent transactions	Price per share	Not applicable	Valuation was based on private recent transactions

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.

The Company sold all investments in listed and actively traded companies in the fourth quarter of 2024. For the year ended December 31, 2024, the Company had recognized net investment income on its investments in listed and actively traded companies of $3.1 million, included in other income (loss) in the consolidated statements of income (loss).

9. LEASE ASSETS

	December 31, 2025	December 31, 2024
Cost		
Balance, beginning of year	**47,666**	56,390
Additions	**23,450**	25,268
Disposals	**(31,834)**	(33,992)
Balance, end of year	**39,282**	47,666
Accumulated Depreciation		
Balance, beginning of year	**(6,693)**	(11,203)
Depreciation	**(27,767)**	(29,482)
Disposals	**31,834**	33,992
Balance, end of year	**(2,626)**	(6,693)
Net book value	**36,656**	40,973

During the years ended December 31, 2025 and 2024, the net book value of the lease assets sold or disposed of was nil.

10. PROPERTY AND EQUIPMENT

	Furniture and Fixtures	Computer and Office Equipment	Signage	Leasehold Improvements	Total
Cost					
December 31, 2023	12,629	17,364	5,201	51,336	86,530
Additions	2,100	3,194	300	4,410	10,004
Disposals	(410)	(121)	(239)	(970)	(1,740)
December 31, 2024	**14,319**	**20,437**	**5,262**	**54,776**	**94,794**
Additions	**316**	**2,548**	**86**	**3,543**	**6,493**
Disposals	**(588)**	**(125)**	**(247)**	**(1,522)**	**(2,482)**
December 31, 2025	**14,047**	**22,860**	**5,101**	**56,797**	**98,805**
Accumulated Depreciation					
December 31, 2023	(8,491)	(10,826)	(3,481)	(28,350)	(51,148)
Depreciation	(970)	(2,278)	(459)	(6,569)	(10,276)
Disposals	390	111	223	910	1,634
December 31, 2024	**(9,071)**	**(12,993)**	**(3,717)**	**(34,009)**	**(59,790)**
Depreciation	**(943)**	**(2,622)**	**(413)**	**(6,621)**	**(10,599)**
Disposals	**555**	**115**	**217**	**1,485**	**2,372**
December 31, 2025	**(9,459)**	**(15,500)**	**(3,913)**	**(39,145)**	**(68,017)**
Net Book Value					
December 31, 2024	5,248	7,444	1,545	20,767	35,004
December 31, 2025	**4,588**	**7,360**	**1,188**	**17,652**	**30,788**

As at December 31, 2025, the amount of property and equipment classified as under construction or development and not being depreciated was $1.7 million (2024 – $2.9 million).

For the year ended December 31, 2025, it was determined that there were indicators of impairment that would require an impairment test on property and equipment. The Company performed an impairment test at the CGU level and determined that no impairment was required for property and equipment.

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

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Right-of-use Assets			
	Premises	**Vehicles**	**Total**	**Lease Liabilities**
December 31, 2023	59,805	2,182	61,987	70,809
Additions	13,045	541	13,586	13,586
Depreciation	(20,635)	(714)	(21,349)	-
Interest	-	-	-	3,617
Interest payment	-	-	-	(3,617)
Lease inducement received	-	-	-	69
Principal payment	-	-	-	(22,300)
December 31, 2024	**52,215**	**2,009**	**54,224**	**62,164**
Additions	**18,614**	**942**	**19,556**	**19,556**
Depreciation	**(20,536)**	**(734)**	**(21,270)**	**-**
Interest	**-**	**-**	**-**	**3,526**
Interest payment	**-**	**-**	**-**	**(3,526)**
Lease inducement received	**-**	**-**	**-**	**126**
Principal payment	**-**	**-**	**-**	**(22,395)**
December 31, 2025	**50,293**	**2,217**	**52,510**	**59,451**

For the year ended December 31, 2025, the Company recognized rent expense from short-term leases of $2.4 million (2024 – $2.2 million) and variable lease payments of $15.9 million (2024 – $15.0 million).

For the year ended December 31, 2025, it was determined that there were indicators of impairment that would require an impairment test on right-of-use assets. The Company performed an impairment test at the CGU level and determined that no impairment was required for right-of-use assets.

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

12. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

	Merchant Network	Software	Other	Total
Cost				
December 31, 2023	131,000	73,977	3,342	208,319
Additions	-	9,158	-	9,158
Disposals or write off	-	(322)	-	(322)
December 31, 2024	**131,000**	**82,813**	**3,342**	**217,155**
Additions	**-**	**15,703**	**-**	**15,703**
December 31, 2025	**131,000**	**98,516**	**3,342**	**232,858**
Accumulated Amortization				
December 31, 2023	(34,933)	(45,172)	(3,283)	(83,388)
Amortization	(13,100)	(9,686)	(2)	(22,788)
December 31, 2024	**(48,033)**	**(54,858)**	**(3,285)**	**(106,176)**
Amortization	**(13,083)**	**(9,457)**	**-**	**(22,540)**
December 31, 2025	**(61,116)**	**(64,315)**	**(3,285)**	**(128,716)**
Net Book Value				
December 31, 2024	82,967	27,955	57	110,979
December 31, 2025	**69,884**	**34,201**	**57**	**104,142**

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, 2025 were $15.7 million (2024 – $9.2 million) of internally developed software application and website development costs.

For the year ended December 31, 2025, it was determined that there were indicators of impairment that would require an impairment test on intangible assets. The Company performed an impairment test at the CGU level and determined that no impairment was required for intangible assets.

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

Goodwill

As at December 31, 2024, the Company's goodwill consisted of $21.3 million related to its easyhome CGU and $159.6 million related to the LendCare CGU. As at December 31, 2025, the Company's goodwill consists of $21.3 million related to its easyhome CGU. Goodwill and indefinite-life intangible assets are attributed to the group of CGUs to which they relate.

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 the 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 based on the Company's internal operating budget that is discounted using an appropriate pre-tax discount rate. The following were the key assumptions applied in the goodwill impairment testing:

Discount rate
The pre-tax discount rates of 13.3% - 21.8% (2024 – 15.3% - 22.5%) reflect current market assessments of the time value of money and the risks specific to the CGU.

Forecasted cash flows
The forecasted cash flows included in the goodwill impairment testing for each group of CGUs were based on the Company's actual operating results and internal operating plan, which projects expected cash flows over the next five years for easyhome, and over the next ten years for LendCare, which more closely aligns with the long-term strategic growth plan for the LendCare business.

Terminal growth rates
Beyond the Company's forecasted cash flows, cash flows were assumed to grow at a steady terminal growth rate of 1.0% for easyhome (2024 – 1.0%) and 2.0% for LendCare (2024 – 2.0%).

For the year ended December 31, 2025, the recoverable amount of the LendCare CGU was $123.4 million, which was below the carrying value and as a result, the Company recognized a goodwill impairment charge of $159.6 million. The impairment was primarily driven by a meaningful reduction in expected loan originations and elevated credit losses in the LendCare CGU over the near-term, which resulted in lower forecasted cash flows used in the value in use calculation. No impairment charges of goodwill or indefinite-life intangible assets were recorded for the year ended December 31, 2024.

In considering the sensitivity of the key assumptions discussed above, management determined that a reasonable change in any of the above would not result in the recoverable amount of easy home to be less than its carrying amount.

13. 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 had 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 were sold from easyfinancial Services Inc. and LendCare into Trust I. As the economic exposure associated with the rights related to these consumer loans is controlled by easyfinancial Services Inc. and LendCare, these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position.

On October 31, 2025, the Company renewed the facility and extended the maturity date from October 31, 2025, to October 30, 2026. The facility continues to be underwritten by the same syndicate of lenders.

Interest was equal to the rate of the daily compounded Canadian Overnight Repo Rate Average ("CORRA") plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 195 bps prior to October 31, 2025 and 210 bps from November 1, 2025; provided further that the interest rate would not fall below 195 bps prior to October 31, 2025 and 210 bps from November 1, 2025.

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 the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps.

goeasy Securitization Trust II

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

The primary purpose of Trust II is to provide the Company with funding for automotive consumer loans. Trust II had a $700 million revolving securitization warehouse facility (the "Revolving Securitization Warehouse Facility II") (the Revolving Securitization Warehouse Facility I and Revolving Securitization Warehouse Facility II are collectively referred to as "Revolving Securitization Warehouse Facilities") with a syndicate of lenders, and as collateral for the drawn amount, automotive consumer loans could be sold from easyfinancial Services Inc. and LendCare 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, these consumer loans do not qualify for derecognition in the Company's consolidated statements of financial position.

Interest was equal to the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 185 bps; provided further that the interest rate would not fall below 185 bps.

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 the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps.

On December 17, 2025, the Company repaid all of its outstanding drawn amounts from the Revolving Securitization Warehouse Facility II and as a result there were no consumer loans pledged as collateral as at December 31, 2025. In addition, the Company de-designated interest rate swap as cash flow hedges and immediately unwound them. As a result of repaying this facility and unwinding the interest rate swap, the Company has written off the $1.0 million remaining unamortized deferred financing costs and reclassified the net change in cash flow hedge from OCI to the consolidated statements of income (loss), resulting in a $4.1 million derivative loss.

The following table summarizes the details of the Revolving Securitization Warehouse Facilities as at December 31, 2025 and 2024:

	December 31, 2025			December 31, 2024		
	Revolving Securitization Warehouse Facility I	**Revolving Securitization Warehouse Facility II**	**Total**	**Revolving Securitization Warehouse Facility I**	**Revolving Securitization Warehouse Facility II**	**Total**
Drawn amount	**612,800**	**-**	**612,800**	826,000	251,500	1,077,500
Unamortized deferred finance costs	**(1,785)**	**-**	**(1,785)**	(1,839)	(1,785)	(3,624)
	611,015	**-**	**611,015**	824,161	249,715	1,073,876

As at December 31, 2025, $1.25 billion (2024 – $1.54 billion) of consumer loans receivable were pledged by the Company as collateral against its Revolving Securitization Warehouse Facility I.

As at December 31, 2025, the Company had nil loans pledged as collateral against its Revolving Securitization Warehouse Facility II. As at December 31, 2024, $598.5 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, 2025**	**December 31, 2024** *(As restated – Note 2)*
Minimum consolidated fixed charge coverage ratio	**> 2.0**	**1.39**	2.72

In the absence of the consent and waiver obtained by the Company pursuant to the amendments entered into in March 2026, as described in Note 30, the Company would not have been in compliance with its financial covenant under the Revolving Securitization Warehouse Facility I as at December 31, 2025. This facility was in compliance with its financial covenant as at December 31, 2024.

As at December 31, 2025, no financial covenant applied to the Revolving Securitization Warehouse Facility II, and this facility was in compliance with its financial covenant as at December 31, 2024.

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 (loss) for the years ended December 31, 2025 and 2024.

For the year ended December 31, 2025 and 2024, the Revolving Securitization Warehouse Facilities and their related interest rate swaps were in effective hedging relationships, and changes in the fair value of the related interest rate swaps were recorded in OCI and, subsequently, reclassified into net income (loss) 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, 2025	December 31, 2024
Derivative financial liabilities		
Revolving Securitization Warehouse Facility I	**(10,676)**	(15,705)
Revolving Securitization Warehouse Facility II	**-**	(5,761)

The Revolving Securitization Warehouse Facilities were further amended in March 2026, as described in Note 30.

14. SECURED BORROWINGS

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

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

i. 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.

ii. 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. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

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

On May 28, 2024, the Company further amended this securitization facility to provide for $125 million of incremental funding ("$125 million Securitization Facility I"), bearing an interest equal to an interpolated GOCB rate plus an initial spread of 310 bps. The loan sale agreement to sell loans into the facility expired on May 31, 2025. The balance of the loans that were sold into the facility will amortize down based on their contractual time to maturity.

On August 31, 2025, the Company further amended this securitization facility to provide for $125 million of incremental funding ("$125 million Securitization Facility II") through the sale of consumer loans until August 31, 2026. The facility continues to bear an interest equal to an interpolated GOCB rate plus an initial spread of 310 bps.

As at December 31, 2025, $88.8 million (2024 – $120.3 million) was drawn against the Secured Borrowings and $215.0 million (2024 – $233.7 million) of consumer loans receivable were pledged by the Company as collateral for these Secured Borrowings. As at December 31, 2025, the Company had a borrowing capacity of $98.5 million (2024 – $74.6 million) from the Secured Borrowings.

As at December 31, 2025 and 2024, the Company was in compliance with its financial covenants for the $105 million Securitization Facility, which are based on loss and delinquency ratios and the tangible net worth of the LendCare legal entity.

In the absence of the amendments entered into in March 2026, as described in Note 30, the Company would not have been in compliance with some of its financial covenants for the $85 million Securitization Facility, $150 million Securitization Facility, $125 million Securitization Facility I, and $125 million Securitization Facility II as at December 31, 2025, which are based on the Company's tangible net worth and leverage ratio.

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

The $85 million Securitization Facility, $150 million Securitization Facility, $125 million Securitization Facility I, and $125 million Securitization Facility II were further amended in March 2026, as described in Note 30.

15. REVOLVING CREDIT FACILITY

The Company's Revolving Credit Facility consists of a $550 million senior secured revolving credit facility that is scheduled to mature on July 18, 2027. The Company also had the ability to exercise the accordion feature under its Revolving Credit Facility to add an additional $150 million in borrowing capacity. The Revolving Credit Facility is provided by a syndicate of banks.

Interest on advances was payable, at the option of the Company at either the lender's prime rate plus 75 bps, or 225 bps plus either (i) the forward-looking Term CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three-month interest period; or (ii) the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three-month interest period; provided further that the interest rate would not fall below 225 bps.

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

	December 31, 2025	**December 31, 2024**
Drawn amount	**177,000**	25,000
Unamortized deferred financing costs	**(1,948)**	(3,203)
	175,052	21,797

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

Financial Covenants	Requirements as at December 31, 2025	December 31, 2025	Requirements as at December 31, 2024	December 31, 2024 *(As restated – Note 2)*
Maximum consolidated leverage ratio	**< 5.00**	**6.45**	< 4.50	3.99
Minimum consolidated fixed charge coverage ratio	**> 1.25**	**0.71**	> 1.25	1.77
Minimum consolidated asset coverage ratio	**> 1.75**	**11.15**	> 1.75	16.70
Maximum net charge off ratio	**< 15.0%**	**12.9%**	< 15.0%	9.2%

In the absence of the amendments entered into in March 2026, as described in Note 30, the Company would not have been in compliance with some of its financial covenants under its Revolving Credit Facility agreement as at December 31, 2025.

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

The Revolving Credit Facility was further amended in March 2026, as described in Note 30.

16. NOTES PAYABLE

The following table summarizes the details of the senior unsecured notes ("Notes Payable"):

	December 31, 2025								
	Interest Rate	Maturity Date	Notes in CAD at Issuance	Foreign Exchange Movement Since Issuance	Fair Value of Prepayment Options at Issuance	Change in Fair Value of Prepayment Options Since Issuance	Unamortized Premium and Discount	Unamortized Deferred Finance Costs	Total
2026 Notes[1]	4.375%	May 1, 2026	**80,700**	**7,908**	**-**	**-**	**-**	**(90)**	**88,518**
2028 Notes[2]	9.250%	December 1, 2028	**760,760**	**(5,830)**	**(7,469)**	**(1,045)**	**4,751**	**(6,444)**	**744,723**
2029 Notes[3]	7.625%	July 1, 2029	**541,200**	**7,840**	**(7,934)**	**6,325**	**5,528**	**(4,989)**	**547,970**
Additional 2029 Notes[3]	7.625%	July 1, 2029	**275,160**	**(640)**	**(4,130)**	**3,326**	**6,820**	**(2,776)**	**277,760**
May 2030 USD Notes[4]	6.875%	May 15, 2030	**553,720**	**(4,680)**	**(7,750)**	**7,085**	**6,339**	**(5,890)**	**548,824**
May 2030 CAD Notes[5]	6.000%	May 15, 2030	**150,000**	**-**	**(1,140)**	**986**	**933**	**(1,625)**	**149,154**
Additional May 2030 CAD Notes[5]	6.000%	May 15, 2030	**175,000**	**-**	**(908)**	**728**	**439**	**(2,152)**	**173,107**
October 2030 Notes[6]	7.375%	October 1, 2030	**571,360**	**(22,320)**	**(6,847)**	**5,946**	**6,044**	**(7,023)**	**547,160**
February 2031 Notes[7]	6.875%	February 15, 2031	**620,640**	**(2,970)**	**(4,560)**	**3,946**	**4,305**	**(7,759)**	**613,602**
			3,728,540	**(20,692)**	**(40,738)**	**27,297**	**35,159**	**(38,748)**	**3,690,818**

	December 31, 2024								
	Interest Rate	Maturity Date	Notes in CAD at Issuance	Foreign Exchange Movement Since Issuance	Fair Value of Prepayment Options at Issuance	Change in Fair Value of Prepayment Options Since Issuance	Unamortized Premium	Unamortized Deferred Finance Costs	Total
2026 Notes[1]	4.375%	May 1, 2026	80,700	12,124	-	-	-	(363)	92,461
2028 Notes[2]	9.250%	December 1, 2028	760,760	30,085	(7,469)	(32,360)	6,114	(8,295)	748,835
2029 Notes[3]	7.625%	July 1, 2029	541,200	33,960	(7,935)	(62)	6,864	(6,194)	567,833
Additional 2029 Notes[3]	7.625%	July 1, 2029	275,160	12,420	(4,130)	132	8,494	(3,450)	288,626
May 2030 USD Notes[4]	6.875%	May 15, 2030	553,720	21,440	(7,750)	127	7,558	(7,013)	568,082
May 2030 CAD Notes[5]	6.000%	May 15, 2030	150,000	-	(1,140)	(87)	1,111	(1,926)	147,958
			2,361,540	110,029	(28,424)	(32,250)	30,141	(27,241)	2,413,795

[1] On April 29, 2021, the Company issued US$320 million senior unsecured notes (the "2026 Notes") with interest payable semi-annually on May 1 and November 1 of each year. On October 21, 2024, the Company announced its commencement of a cash tender offer to repurchase any and all of its outstanding 2026 Notes. The tender offer expired on October 30, 2024. On November 4, 2024, the Company partially extinguished a total of US$255.4 million of 2026 Notes that were validly tendered and accepted for repurchase at a price of US$999.58 per US$1,000 principal amount, resulting in a $1.5 million discount recognized in finance costs in the consolidated statements of income (loss). In addition, the Company de-designated US$255.4 million of 2026 cross-currency swaps as cash flow hedges and immediately unwound them. Following the partial extinguishment, the Company held US$64.6 million of 2026 Notes in issue. As a result of repurchasing these notes and the unwinding of the related 2026 cross-currency swaps, the Company incurred tender offer fees, recognized the remaining unamortized deferred financing costs related to these notes, realized derivative loss, and reclassified the net change in cash flow hedge from OCI to the consolidated statements of income (loss) resulting in a total refinancing cost of $9.4 million recognized in finance costs in the consolidated statements of income (loss).

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

[3] On February 23, 2024, the Company issued US$400 million of senior unsecured notes (the "2029 Notes") and on July 25, 2024, the Company issued an additional US$200 million senior unsecured notes (the "Additional 2029 Notes") at a price of US$1,018.75 per US$1,000 principal amount with interest payable semi-annually on January 1 and July 1 of each year.

[4] On November 4, 2024, the Company issued US$400 million of senior unsecured notes (the "May 2030 USD Notes") with interest payable semi-annually on May 15 and November 15 of each year.

[5] On November 4, 2024, the Company issued $150 million of senior unsecured notes (the "May 2030 CAD Notes") and on August 20, 2025, the Company issued an additional $175 million of senior unsecured notes (the "Additional May 2030 CAD Notes") at a price of $997.50 per $1,000 principal amount with interest payable semi-annually on May 15 and November 15 of each year.

[6] On April 1, 2025, the Company issued US$400 million of senior unsecured notes (the "October 2030 Notes") with interest payable semi-annually on April 1 and October 1 of each year.

[7] On August 20, 2025, the Company issued US$450 million of senior unsecured notes (the "February 2031 Notes") with interest payable semi-annually on February 15 and August 15 of each year.

These Notes Payable include certain prepayment options, which are derivatives embedded in the notes. These embedded derivatives are presented within the Notes Payable and are measured at FVTPL with changes in fair value recognized in finance costs in the condensed consolidated statements of income (loss). The inputs and assumptions used in the valuation of embedded derivatives are disclosed in Note 27.

Concurrent with the issuance of the Notes Payable in USD, the Company entered into derivative financial instruments (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 these Notes Payable until the respective cross-currency swaps maturity.

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 (loss) for the years ended December 31, 2025 and 2024.

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 (loss) to offset the effect of foreign currency exchange rates related to the Notes Payable recognized in net income (loss).

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, 2025		December 31, 2024	
	Hedged Notes Payable	Foreign Exchange Rate (USD/CAD)	Fixed Interest Rate (CAD)	Maturity Date	Derivative Financial Assets	Derivative Financial Liabilities	Derivative Financial Assets	Derivative Financial Liabilities
2026 cross-currency swaps	2026 Notes	1.2501	4.818%	May 1, 2026	**7,529**	-	10,754	-
2027 cross-currency swaps	2028 Notes	1.3832	8.790%	December 1, 2027	-	**(13,748)**	11,718	-
2028 cross-currency swaps	2029 Notes	1.3530	7.195%	July 1, 2028	**3,617**	-	20,157	-
Additional 2028 cross-currency swaps	Additional 2029 Notes	1.3758	6.936%	July 1, 2028	-	**(1,363)**	7,196	-
May 2029 cross-currency swaps	May 2030 USD Notes	1.3843	5.977%	May 15, 2029	-	**(3,699)**	10,850	-
October 2029 cross-currency swaps	October 2030 Notes	1.4284	6.030%	October 1, 2029	-	**(13,670)**	-	-
February 2030 cross-currency swaps	February 2031 Notes	1.3792	6.106%	February 15, 2030	-	**(2,951)**	-	-
					11,146	**(35,431)**	60,675	-

As at December 31, 2025, the fair value of the cash pledged by the counterparties as cash collateral in respect of its cross-currency swap contracts was nil (2024 – $69.3 million). This balance is recognized under Accounts payable and other liabilities.

17. 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 shareholder's 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, 2025		December 31, 2024	
	# of Shares (in 000s)	$	# of Shares (in 000s)	$
Balance, beginning of year	**16,646**	**438,302**	16,625	428,328
Exercise of restricted share units	**44**	**5,310**	31	3,491
Exercise of share options	**19**	**3,173**	137	9,016
Dividend reinvestment plan	**18**	**2,838**	12	2,070
Exercise of executive deferred share units	**1**	**160**	-	-
Shares purchased for cancellation	**(702)**	**(18,926)**	(163)	(4,385)
Exercise of board deferred share units	**-**	**-**	4	309
Other	**-**	**(532)**	-	(527)
Balance, end of year	**16,026**	**430,325**	16,646	438,302

Dividends on Common Shares

For the year ended December 31, 2025, the Company declared dividends of $94.1 million (2024 – $78.4 million) or $5.84 per share (2024 – $4.68 per share). On November 5, 2025, the Company declared a quarterly dividend of $1.46 per share or $23.4 million to shareholders of record on December 26, 2025 payable on January 9, 2026.

Shares Purchased for Cancellation

On December 19, 2023, the Company announced the acceptance by the TSX of the Company's notice of intention to renew its normal course issuer bid ("NCIB"), which allowed for a total purchase of up to 1,270,245 common shares (the "2023 NCIB") and expired on December 20, 2024.

On December 19, 2024, the Company renewed its NCIB, which allowed for a total purchase of up to 1,293,283 common shares (the "2024 NCIB") and expired on December 22, 2025.

On December 19, 2025, the Company renewed its NCIB, which allows for a total purchase of up to 1,235,151 common shares (the "2025 NCIB") and expires on December 22, 2026.

For the year ended December 31, 2025, the Company purchased and cancelled 701,658 of its common shares on the open market at an average price of $159.20 per share, for a total cost of $111.7 million ($113.7 million, including taxes). For the year ended December 31, 2024, the Company purchased and cancelled 163,061 of its common shares on the open market at an average price of $165.51 per share, for a total cost of $27.0 million.

18. SHARE-BASED COMPENSATION

Share Option Plan

Under the Company's share option plan, options to purchase common shares may be granted by the Board of Directors to officers and employees. Options are generally granted at exercise prices equal to the fair market value at the grant date, vest at the end of a three-year period based on achieving long-term financial targets and have exercise lives of two to four years from the date of vesting.

	December 31, 2025		December 31, 2024	
	# of Options (in 000s)	Weighted Average Exercise Price $	# of Options (in 000s)	Weighted Average Exercise Price $
Outstanding balance, beginning of year	**111**	**145.13**	244	88.66
Options granted	**52**	**165.83**	36	159.46
Options exercised	**(19)**	**121.82**	(137)	50.75
Options forfeited or expired	**(42)**	**156.35**	(32)	134.65
Outstanding balance, end of year	**102**	**155.32**	111	145.13
Exercisable balance, end of year	**15**	**160.86**	23	127.03

Outstanding share options as at December 31, 2025 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 $
100.00 – 149.99	**27**	**4.32**	**142.35**	**-**	**-**
150.00 – 191.79	**75**	**4.83**	**175.68**	**15**	**160.86**
100.00 – 191.79	**102**	**4.70**	**166.92**	**15**	**160.86**

The Company uses the fair value method of accounting for share options granted to employees. During the year ended December 31, 2025, the Company recorded a reversal of expense of $0.3 million (2024 – $1.0 million, expense) in share-based compensation expense related to its share option plan in the consolidated statements of income (loss), with a corresponding adjustment to contributed surplus.

Options granted in 2025 and 2024 were determined using the Black-Scholes option pricing model with the following assumptions:

	2025	2024
Risk-free interest rate (% per annum)	**2.82**	3.50
Expected hold period to exercise (years)	**4.34**	4.62
Volatility in the price of the Company's shares (%)	**37.93**	52.65
Dividend yield (%)	**3.50**	2.99

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, 2025		December 31, 2024	
	# 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	**260**	**149.78**	293	134.25
RSUs granted	**83**	**166.38**	94	166.22
RSU dividend reinvestments	**10**	**161.13**	7	173.02
RSUs exercised	**(54)**	**126.98**	(60)	126.54
RSUs forfeited	**(157)**	**143.50**	(74)	130.10
Outstanding balance, end of year	**142**	**175.85**	260	149.78

For the year ended December 31, 2025, the Company repurchased the equity interest related to a portion of fully vested RSUs amounting to $2.0 million (2024 – $5.2 million).

For the year ended December 31, 2025, the Company recorded an expense of $0.3 million (2024 – $7.4 million) in share-based compensation expense related to the Company's RSUs in the consolidated statements of income (loss), 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, 2025		December 31, 2024	
	# 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	**68**	**171.79**	92	125.17
Executive DSUs granted	**49**	**166.42**	27	160.93
Executive DSU dividend reinvestments	**3**	**161.23**	3	173.41
Executive DSU exercised	**(3)**	**163.13**	-	-
Executive DSU forfeited	**(56)**	**151.03**	(54)	87.27
Outstanding balance, end of year	**61**	**186.20**	68	171.79

For the year ended December 31, 2025, the Company recorded an expense of $2.9 million (2024 – $1.3 million) in share-based compensation expense related to the Company's Executive DSUs in the consolidated statements of income (loss), 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, 2025, the Company granted 20,019 Board DSUs (2024 - 13,565) to Board Directors under its DSU Plan. Additionally, for the year ended December 31, 2025, an additional 12,552 Board DSUs (2024 – 8,825) were granted for dividends announced during the period.

For the year ended December 31, 2025, nil Board DSUs were settled (2024 - 9,064 were settled, of which 4,212 Board DSUs were settled in shares and the Company repurchased the equity interest related to the remaining 4,852 Board DSUs, amounting to $1.2 million).

For the year ended December 31, 2025, $5.3 million (2024 – $3.8 million) was recorded as share-based compensation expense under the Board DSU Plan in the consolidated statements of income (loss), with a corresponding adjustment to contributed surplus.

Share-based Compensation Expense

Share-based compensation expense for the year ended December 31, 2025 was $8.2 million (2024 – $13.5 million).

Contributed Surplus

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

	December 31, 2025	December 31, 2024
Contributed surplus, beginning of year	**26,942**	24,817
Equity-settled share-based compensation expense (reversal)		
Restricted share units	**326**	7,466
Board deferred share units	**5,278**	3,782
Share options	**(331)**	995
Executive deferred share units	**2,922**	1,291
Reductions due to exercise in shares of share-based compensation		
Restricted share units	**(5,305)**	(3,474)
Share options	**(827)**	(2,074)
Executive deferred share units	**(160)**	-
Repurchase of equity interest related to restricted share units, net of tax	**(1,966)**	(4,671)
Repurchase of equity interest related to executive deferred share units, net of tax	**(97)**	-
Repurchase of equity interest related to board deferred share units, net of tax	**-**	(1,190)
Contributed surplus, end of year	**26,782**	26,942

19. FINANCE COSTS

Finance costs include the following:

	December 31, 2025	December 31, 2024
Interest expense		
Notes Payable	**214,015**	132,439
Revolving securitization warehouse facilities	**64,311**	81,645
Secured borrowings	**6,546**	8,884
Revolving credit facility	**5,897**	6,344
Fair value change on prepayment options	**59,547**	(13,216)
Amortization of deferred financing costs and accretion expenses	**11,376**	8,435
Realized derivative loss (note 13)	**4,061**	-
Interest expense on lease liabilities (note 11)	**3,526**	3,617
Write-off of unamortized deferred financing costs (note 13)	**1,007**	-
Refinancing costs related to Notes Payable (note 16)	**-**	9,429
Discount on the repurchase of 2026 Notes (note 16)	**-**	(1,487)
Amortization of premium and discount on Notes Payable	**(6,858)**	(3,442)
Interest income on cash in bank, net	**(7,031)**	(7,156)
	356,397	225,492

20. INCOME TAXES

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

	December 31 2025	December 31, 2024 *(As restated – Note 2)*
Combined basic federal and provincial income tax rates	**26.5%**	26.5%
Expected income tax expense (recovery)	**(47,945)**	95,825
Non-deductible impairment of goodwill	**42,297**	-
Non-deductible expenses	**2,251**	1,846
Effect of capital losses on sale of assets and investments	**3,129**	(153)
Adjustments in respect of prior years	**336**	(242)
Other	**(2,618)**	103
	(2,550)	97,379

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

	December 31, 2025	December 31, 2024 *(As restated – Note 2)*
Current income tax		
Current income tax charge	**73,463**	112,586
Adjustments in respect of prior years and other	**(47,021)**	(1,550)
	26,442	111,036
Deferred income tax		
Relating to the origination and reversal of temporary differences	**(28,809)**	(15,675)
Adjustments in respect of prior years and other	**(183)**	2,018
	(28,992)	(13,657)
	(2,550)	97,379

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

	December 31, 2025	December 31, 2024
Change in fair value of cash flow hedge	**(11,413)**	13,480
Change in costs of hedging	**(582)**	(1,951)
Reclassification of cash flow hedge to the consolidated statements of income (loss)	**-**	(608)
Deferred income tax expense (recovery) charged to OCI	**(11,995)**	10,921

The changes in deferred income tax assets (liabilities) are as follows:

	December 31, 2025	**December 31, 2024** *(As restated – Note 2)*
Balance, beginning of year	**290**	(24,259)
Tax recovery during the year recognized in profit or loss	**28,992**	13,657
Tax recovery (expense) during the year recognized in OCI	**(11,995)**	10,921
Tax expense during the year recognized in equity	**(404)**	(29)
Balance, end of year	**16,883**	290
Deferred income tax assets	**22,250**	15,471
Deferred income tax liabilities	**(5,367)**	(15,181)

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

	December 31, 2025	**December 31, 2024** *(As restated – Note 2)*
Accounts receivable and allowance for credit losses	**32,332**	23,148
Fair value change on prepayment options	**7,228**	(8,523)
Loss carryforwards	**4,888**	3,010
Right-of-use assets, net of lease liabilities	**1,345**	1,427
Share-based compensation	**984**	2,706
Revaluation of notes payable and derivative financial instruments	**902**	12,897
Unrealized fair value change on investments	**(1,166)**	(1,433)
Financing fees	**(1,498)**	819
Lease assets and property and equipment	**(9,857)**	(11,992)
Intangible asset arising from business acquisition	**(18,515)**	(21,986)
Other	**240**	217
	16,883	290

21. EARNINGS PER SHARE

Basic Earnings (Loss) Per Share

Basic earnings (loss) per share amounts were calculated by dividing the net income (loss) for the year by the weighted average number of outstanding common shares and vested Board and Executive DSUs. Board DSUs granted to Board Directors are included in the calculation of the weighted average number of common shares outstanding as they vest upon grant. Executive DSUs granted to officers generally vest at the end of a three-year period based on achieving long-term financial targets.

	December 31, 2025	**December 31, 2024** *(As restated – Note 2)*
Net income (loss)	**(178,370)**	264,227
Weighted average number of common shares outstanding (in 000s)	**16,540**	17,094
Basic earnings (loss) per common share	**(10.78)**	15.46

For the year ended December 31, 2025, 380,531 vested Board and Executive DSUs (2024 – 349,878 Board and Executive DSUs) were included in the weighted average number of common shares outstanding.

Diluted Earnings (Loss) Per Share

Diluted earnings (loss) per share reflect the potential dilutive effect that could occur if additional common shares were assumed to be issued under securities or instruments that may entitle their holders to obtain common shares in the future. Dilution could occur through the exercise of share options, RSUs, or Executive DSUs. The number of additional shares for inclusion in the diluted earnings per share calculation was determined using the treasury share method.

	December 31, 2025	**December 31, 2024** *(As restated – Note 2)*
Net income (loss)	**(178,370)**	264,227
Weighted average number of common shares outstanding (in 000s)	**16,540**	17,094
Dilutive effect of share-based compensation (in 000s)	**-**	272
Weighted average number of diluted shares outstanding (in 000s)	**16,540**	17,366
Diluted earnings (loss) per common share	**(10.78)**	15.21

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 (loss) per share:

	December 31, 2025	**December 31, 2024**
Share options (in 000s)	**102**	56
Restricted share units (in 000s)	**141**	37
Executive deferred share units (in 000s)	**65**	4
	308	97

22. NET CHANGE IN OTHER OPERATING ASSETS AND LIABILITIES

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

	December 31, 2025	**December 31, 2024** *(As restated – Note 2)*
Accounts receivable	**129**	(11,729)
Prepaid expenses	**329**	(26)
Accounts payable and other liabilities	**(75,980)**	110,524
Income taxes recoverable/payable	**(112,792)**	(2,458)
Unearned revenue	**5,356**	(1,101)
Accrued interest payable	**19,530**	36,129
	(163,428)	131,339

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

	December 31, 2025	**December 31, 2024** *(As restated – Note 2)*
Income taxes paid	**144,905**	118,580
Income taxes refunded	**3,689**	5,086
Interest paid	**271,224**	194,586
Interest received on consumer loans receivable (note 7)	**1,335,003**	1,124,580

23. COMMITMENTS AND GUARANTEES

The Company has entered into commercial leases and other contracts pertaining to premises, vehicles and technology services. 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, 2025, no extension option for lease contracts for premises is expected to be exercised.

The following table presents a summary of the undiscounted future payments of the Company's contractual obligations:

	Within 1 Year	After 1 Year, But Not More Than 5 Years	More Than 5 Years
Premises	**22,070**	**40,763**	**1,408**
Technology commitments	**24,877**	**37,235**	**-**
Vehicles	**786**	**1,217**	**-**
	47,733	**79,215**	**1,408**

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.

In accordance with its by-laws and agreements, 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.

Subsequent to the year ended December 31, 2025, the Company had knowledge of certain proposed class action proceedings as disclosed in Note 30.

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. 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, 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 has externally imposed leverage 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.

In the absence of the amendments entered into in March 2026, as described in Note 30, the Company would not have been in compliance with some of its externally imposed financial covenants as at December 31, 2025.

For the year ended December 31, 2024, 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 markets and economic conditions 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 Company actively manages this risk through ongoing monitoring of loan portfolio performance and has the ability to moderate or constrain loan originations and amounts within specific products, channels or verticals that exhibit elevated credit risk, thereby allowing the Company to control growth in response to changing credit conditions.

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, 2025 and 2024, 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 7 for additional details on the allowance for credit losses. As at December 31, 2025, the Company's gross consumer loans receivable portfolio was $5.51 billion (2024, as restated per Note 2 – $4.60 billion).

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, 2025, the Company's lease assets were $36.7 million (2024 – $41.0 million).

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 counterparties, performs ongoing credit evaluations of consumers, and creates an allowance for uncollectible amounts when deemed 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 on hand plus unused contractual borrowing capacity together with cash flows generated from its business operations will be sufficient to meet operational requirements, purchase lease assets, meet capital spending requirements, and to continue executing on its priorities.

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

December 31, 2025	**Less Than 1 Year**	**1 to 3 Years**	**4 to 5 Years**	**5 Years +**	**Total**
Accounts payable and other liabilities	**107,842**	**-**	**-**	**-**	**107,842**
Accrued interest payable	**68,533**	**-**	**-**	**-**	**68,533**
Revolving credit facility	**-**	**177,000**	**-**	**-**	**177,000**
Revolving securitization warehouse facility	**612,800**	**-**	**-**	**-**	**612,800**
Secured borrowings	**41,064**	**25,799**	**21,788**	**132**	**88,783**
Derivative financial liabilities	**10,676**	**15,111**	**20,320**	**-**	**46,107**
Notes payable	**88,608**	**751,167**	**2,268,429**	**621,362**	**3,729,566**

December 31, 2024 *(As restated – Note 2)*	**Less Than 1 Year**	**1 to 3 Years**	**4 to 5 Years**	**5 Years +**	**Total**
Accounts payable and other liabilities	183,624	-	-	-	183,624
Accrued interest payable	49,003	-	-	-	49,003
Revolving credit facility	-	25,000	-	-	25,000
Revolving securitization warehouse facilities	-	1,077,500	-	-	1,077,500
Secured borrowings	65,471	32,813	21,772	279	120,335
Derivative financial liabilities	-	21,466	-	-	21,466
Notes payable	-	849,954	1,441,198	149,884	2,441,036

Interest Rate Risk

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

The 2026 Notes, 2028 Notes, 2029 Notes, Additional 2029 Notes, May 2030 Notes, Additional May 2030 Notes, October 2030 Notes and February 2031 Notes maturing on May 1, 2026, December 1, 2028, July 1, 2029, July 1, 2029, May 15, 2030, May 15, 2030, October 1, 2030 and February 15, 2031, respectively, have fixed rates of interest.

The Revolving Credit Facility had variable interest rates at either the lender's prime rate plus 75 bps or 225 bps plus either (i) the forward-looking Term CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three-month interest period; or (ii) the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of 29.547 bps; provided further that the interest rate would not fall below 225 bps. The Company does not hedge interest rates on the Revolving Credit Facility. Accordingly, future changes in interest rates will affect the amount of interest expense payable by the Company to the extent draws are made on the variable rate Revolving Credit Facility. As at December 31, 2025, the Company has drawn $177 million (2024 - $25 million) against its $550 million Revolving Credit Facility.

The Revolving Securitization Warehouse Facility I had variable interest rates at the rate of the daily compounded CORRA plus (a) a market standard CORRA spread adjustment of 29.547 bps, and (b) 195 bps prior to October 31, 2025 and 210 bps from November 1, 2025; provided further that the interest rate would not fall below 195 bps prior to October 31, 2025 and 210 bps from November 1, 2025. 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 a variable rate equivalent to the daily compounded CORRA plus a market standard CORRA spread adjustment of 29.547 bps. As such, each incremental swap that is taken on has a hedge implemented that results in interest rates becoming fixed for the duration of that swap.

The $105 million Securitization Facility bears interest at the GOCB rate (with a floor rate of 0.95%) plus 395 bps and the $85 million Securitization Facility bears interest at the GOCB (with a floor rate of 0.25%) plus 325 bps. The loan sale agreements to sell loans into these facilities expired in 2021. The $150 million Securitization Facility and $125 million Securitization Facility I bear interest at an interpolated GOCB rate plus 310 bps. The loan sale agreements to sell loans into the $150 million Securitization Facility expired on April 30, 2024 and the $125 million Securitization Facility I on May 31, 2025. The balance of the loans that were sold into these facilities will amortize down based on their contractual time to maturity. The $125 million Securitization Facility II 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, 2025, 96% (2024 – 99%) of the Company's drawn debt balances effectively bear fixed rates due to the type of debt and the aforementioned interest rate swap agreement on the Revolving Securitization Warehouse Facilities.

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

Currency Risk

Currency risk measures the Company's risk of financial loss due to adverse movements in currency exchange rates.

The 2026 Notes, 2028 Notes, 2029 Notes, Additional 2029 Notes, May 2030 USD Notes, October 2030 Notes and February 2031 Notes were issued in USD. Concurrent with these offerings, the Company entered into cross-currency swap agreements to hedge the risk of changes in the foreign exchange rate for the proceeds from the offerings and for payments of principal and interest under these notes effectively hedging the obligation. The hedge is designed to match the cash flow obligations of the Company under the Notes Payable, covering either full or partial term.

The Company sources some of its merchandise and services out of the United States and other nations, with prices often set in USD. As a result, the Company has both foreign exchange transaction and translation risk. These purchases are funded using the spot rate prevailing at the date of payment. Pricing to customers can generally 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, 2025	December 31, 2024 *(As restated – Note 2)*
Cash	Fair value	**152,661**	247,544
Accounts receivable	Amortized cost	**42,361**	42,491
Consumer loans receivable, net	Amortized cost	**5,155,360**	4,371,347
Investments	Fair value	**29,103**	41,918
Derivative financial assets	Fair value	**11,146**	60,675
Revolving credit facility	Amortized cost	**175,052**	21,797
Accounts payable and other liabilities	Amortized cost	**107,842**	183,624
Accrued interest payable	Amortized cost	**68,533**	49,003
Secured borrowings	Amortized cost	**88,783**	120,335
Revolving securitization warehouse facilities	Amortized cost	**611,015**	1,073,876
Derivative financial liabilities	Fair value	**46,107**	21,466
Notes payable	Amortized cost	**3,690,818**	2,413,795

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, 2025 and 2024:

December 31, 2025	**Total**	**Level 1**	**Level 2**	**Level 3[1]**
Cash	**152,661**	**152,661**	**-**	-
Accounts receivable	**42,361**	**-**	**-**	**42,361**
Consumer loans receivable, net	**5,155,360**	**-**	**-**	**5,155,360**
Investments	**29,103**	**-**	**-**	**29,103**
Derivative financial assets	**11,146**	**-**	**11,146**	**-**
Revolving credit facility	**175,052**	**-**	**-**	**175,052**
Accounts payable and other liabilities	**107,842**	**-**	**-**	**107,842**
Accrued interest payable	**68,533**	**-**	**-**	**68,533**
Secured borrowings	**88,783**	**-**	**-**	**88,783**
Revolving securitization warehouse facility	**611,015**	**-**	**-**	**611,015**
Derivative financial liabilities	**46,107**	**-**	**46,107**	**-**
Notes payable	**3,690,818**	**-**	**-**	**3,690,818**

December 31, 2024 *(As restated – Note 2)*	**Total**	**Level 1**	**Level 2**	**Level 3[1]**
Cash	247,544	247,544	-	-
Accounts receivable	42,491	-	-	42,491
Consumer loans receivable, net	4,371,347	-	-	4,371,347
Investments	41,918	-	-	41,918
Derivative financial assets	60,675	-	60,675	-
Revolving credit facility	21,797	-	-	21,797
Accounts payable and other liabilities	183,624	-	-	183,624
Accrued interest payable	49,003	-	-	49,003
Secured borrowings	120,335	-	-	120,335
Revolving securitization warehouse facilities	1,073,876	-	-	1,073,876
Derivative financial liabilities	21,466	-	21,466	-
Notes payable	2,413,795	-	-	2,413,795

[1] Level 3 classification reflects the use of significant unobservable inputs in the valuation of embedded derivatives within Notes Payable and unlisted equity investments; all other financial instruments approximate fair value based on their carrying amounts.

There were no transfers between Level 1, Level 2 or Level 3 for the years ended December 31, 2025 and 2024.

Unlisted equity investments:
The valuation techniques, significant unobservable inputs used in measuring the fair value of unlisted equity investments and their sensitivity are disclosed in Note 8.

Embedded prepayment options for Notes payable:
Embedded derivatives related to prepayment options within Notes Payable are measured at fair value using valuation models with a significant unobservable and observable inputs and are classified as Level 3. The fair value is determined using an option pricing model valuation technique. Inputs from observable markets are used where possible, including traded bond price, risk-free rate, short rate volatility and mean reversion constant. These inputs require management judgment, and changes in assumptions may significantly impact the resulting fair values.

The following table presents quantitative information about the significant inputs used in the fair value measurement of embedded derivatives as at December 31, 2025 and 2024:

Significant observable and unobservable inputs	December 31, 2025	December 31, 2024
Time to maturity	2.92 – 5.13 years[1]	3.98 – 5.44 years[1]
Coupon rate	6.00% - 9.25%[1]	6.00% - 9.25%[1]
Risk free rate	USD SOFR & CAS OIS	USD SOFR & CAS OIS
Short rate volatility	0.81% - 0.96%	0.90% - 1.32%
Mean conversion constant	1.71% - 6.72%	2.82% - 6.81%
Credit spread	4.25% - 4.80%	1.71% - 2.89%
Redemption prices	100.00% - 108.48%[1]	100.00% - 107.96%[1]

[1]Based on the contractual terms of the notes payable

A change in significant unobservable input, namely the credit spread, will result in the following changes in fair value as at December 31, 2025:

		Sensitivity of significant unobservable input to Fair Value
Credit spread	Increased by 1%	1% increase in the credit spread would result in a decrease in fair value of the prepayment option by $8.1 million
	Decreased by 1%	1% decrease in the credit spread would result in an increase in fair value of the prepayment option by $16.6 million

The following table presents a reconciliation of the opening and closing balances of financial instruments measured at fair value and categorised within Level 3 of the fair value hierarchy:

	December 31, 2025		December 31, 2024	
	Prepayment options – Notes payable	**Unlisted equity investments**	Prepayment options – Notes payable	Unlisted equity investments
Balance at beginning of the year	60,675	41,918	26,504	41,918
Total gains (losses) recognized in statements of income (loss)	(59,547)	(12,815)	13,216	-
Total gains (losses) recognized in other comprehensive income	-	-	-	-
Issuances	12,314	-	20,955	-
Settlements	-	-	-	-
Transfers into Level 3	-	-	-	-
Transfers out of Level 3	-	-	-	-
Balance at end of the year	13,442	29,103	60,675	41,918

For the year ended December 31, 2025, unrealized losses of $59.5 million (2024: unrealized gains of $13.2 million) relating to prepayment options within Notes Payable held at the reporting date were recognised in Finance costs.

28. RELATED PARTY TRANSACTIONS

Key management personnel include all Board Directors and corporate officers. The following summarizes the expenses related to key management personnel during the year.

	December 31, 2025	**December 31, 2024**
Short-term employee benefits, including salaries	**6,310**	9,872
Share-based payment transactions	**7,809**	8,143
	14,119	18,015

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. 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"), who has been determined by the Company to be the Chief Executive Officer, utilizes the same key performance indicators to allocate resources and assess the performance of the operating segments. The CODM uses several metrics to evaluate the performance of the operating segments, including, but not limited to, the volume of consumer loan originations and the risk-adjusted margin of the businesses (comprising the yield on the consumer loan portfolios net of the annualized loss rates). These key financial and performance indicators, which are used to assess results, manage trends and allocate resources to each of the operating segments, have been, and are expected to remain, similar. In addition, the Company has centralized some of the common functions such as finance and human resources.

  Customers served by the easyfinancial and LendCare operating segments are Canadian consumers, the majority of whom are classified as non-prime borrowers and seeking alternative financial solutions to those of a traditional bank. These consumers actively use a wide range of financial products and will migrate across the products offered in each segment. Furthermore, the nature of products sold by each of the operating segments and the distribution methods of those products are similar. Both the easyfinancial and LendCare operating segments offer unsecured and secured instalment loans, which are offered through a retail network of branches or merchant partnerships and complemented by an online digital platform. In addition, both operating segments are subject to the same federal and provincial legislation and regulations applicable to the consumer lending industry.

- The easyhome reportable segment provides leasing services for household furniture, appliances and electronics and unsecured lending products to retail consumers.

The Company's business units generate revenue in four main categories: i) interest generated on the Company's gross consumer loans receivable portfolio; ii) lease payments generated by easyhome lease agreements; iii) commissions and other revenues generated by the sale of various ancillary products; and iv) charges and fees.

General and administrative expenses directly related to the Company's business segments were included as operating expenses for those segments. All other general and administrative expenses were reported separately as part of the Corporate segment. Management assesses performance based on segment operating income (loss).

The following tables summarize the relevant information for the years ended December 31, 2025 and 2024:

Year Ended December 31, 2025	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	**1,232,334**	**45,843**	**-**	**1,278,177**
Lease revenue	**-**	**86,171**	**-**	**86,171**
Commissions earned	**290,376**	**15,654**	**-**	**306,030**
Charges and fees	**23,470**	**2,941**	**-**	**26,411**
	1,546,180	**150,609**	**-**	**1,696,789**
Operating expenses				
Bad debts	**859,241**	**24,548**	**-**	**883,789**
Other operating expenses	**255,139**	**52,945**	**74,835**	**382,919**
Depreciation and amortization	**39,621**	**35,940**	**6,615**	**82,176**
Impairment of goodwill	**159,613**	**-**	**-**	**159,613**
	1,313,614	**113,433**	**81,450**	**1,508,497**
Segment operating income (loss)	**232,566**	**37,176**	**(81,450)**	**188,292**
Other loss				**(12,815)**
Finance costs				**(356,397)**
Loss before income taxes				**(180,920)**
Assets				
Gross consumer loans receivable	**5,346,688**	**166,779**	**-**	**5,513,467**
Lease assets	**-**	**36,656**	**-**	**36,656**

Year Ended December 31, 2024 *(As restated – Note 2)*	**easyfinancial**	**easyhome**	**Corporate**	**Total**
Revenue				
Interest income	1,093,427	39,979	-	1,133,406
Lease revenue	-	95,407	-	95,407
Commissions earned	261,630	14,096	-	275,726
Charges and fees	26,941	3,393	-	30,334
	1,381,998	152,875	-	1,534,873
Operating expenses				
Bad debts	489,833	15,206	-	505,039
Other operating expenses	212,451	54,987	94,535	361,973
Depreciation and amortization	38,995	38,096	6,804	83,895
	741,279	108,289	101,339	950,907
Segment operating income (loss)	640,719	44,586	(101,339)	583,966
Other income				3,132
Finance costs				(225,492)
Income before income taxes				361,606
Assets				
Gross consumer loans receivable	4,486,262	116,175	-	4,602,437
Lease assets	-	40,973	-	40,973

As at December 31, 2024, the Company's goodwill consisted of $21.3 million related to its easyhome CGU and $159.6 million related to the LendCare CGU. As at December 31, 2025, the Company's goodwill consists of $21.3 million related to its easyhome CGU.

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 $9.4 million for the year ended December 31, 2025 (2024 - $10.3 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, 2025 and 2024 is as follows:

	December 31, 2025 (%)	**December 31, 2024 (%)**
Furniture	**42**	42
Electronics	**31**	31
Appliances	**17**	17
Computers	**10**	10
	100	100

30. SUBSEQUENT EVENTS

On March 12, 2026, Moody's downgraded the Notes Payable to B1 (from Ba3 (stable)), with this new rating being under review as Moody's assessed the Company's anticipated breach of financial covenants on its credit facilities and the Company's ability to reach an agreement with its creditors. On March 12, 2026, S&P downgraded Notes Payable to B- (negative) (from BB- (stable)), with the negative rating outlook indicating the likelihood of a downgrade by one or more notches if the Company is unable to negotiate waivers, amendments, or similar agreements with its creditors.

Also in March 2026, the Company entered into definitive agreements with the lenders and other counterparties under its Revolving Securitization Warehouse Facilities, Secured Borrowings and Revolving Credit Facility.

Amendments to Revolving Securitization Warehouse Facilities (Note 13)

Effective March 24, 2026, the Company amended certain agreements governing the $1.40 billion Revolving Securitization Warehouse Facility I. These amendments reduced the capacity of the facility to $1.12 billion, imposed revised eligibility criteria that exclude loan receivables originated at LendCare, and increased variable interest rates to 310 bps plus the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of 29.547 bps; provided further that the interest rate shall not fall below 310 bps. The financial covenants under the facility were adjusted for the remaining term of the facility so that the calculation of and limits applicable to the minimum consolidated fixed charge coverage ratio are aligned with those of the Revolving Credit Facility as described below. Pursuant to the amendments and a consent dated March 24, 2026, the Company's compliance with certain financial covenants under the facility in respect of the fourth quarter of 2025 was waived, with the result that Company was in compliance with all of the financial and other covenants under the facility as of the date of the amendments and remains in compliance as of the date hereof; and amounts outstanding as of the date of the amendments were permitted to remain outstanding, provided that additional draws would not be permitted until the parties have transitioned to a new backup servicer and a satisfactory audit in respect of the Revolving Securitization Facility I is completed in respect of the quarter ended March 31, 2026.

On March 25, 2026, the Company terminated the Revolving Securitization Warehouse Facility II. No amounts were outstanding thereunder, and no loan receivables were held in the related trust, at the time of termination.

Amendments to Secured Borrowings (Note 14)

On March 20, 2026, the counterparty with respect to the Company's primary loan purchase and sale agreements for the $85 million Securitization Facility, $150 million Securitization Facility, $125 million Securitization Facility I and $125 million Securitization Facility II agreed to waive any existing event of termination thereunder and to allow the loans sold into these facilities to remain in, and to continue to amortize in accordance with the terms of, the facilities. Additional loans may not be sold into the $125 million Securitization Facility II at this time.

Amendments to Revolving Credit Facility (Note 15)

On March 24, 2026, the Company amended the agreement governing its $550 million Revolving Credit Facility. These amendments provided that the size of the syndicated revolving credit facility would remain $550 million, provided that availability will be subject to a borrowing-base test, certain advance rates, and eligibility requirements that exclude loan receivables originated at LendCare, and may not exceed $440 million without lender consent. Pursuant to the amendments, the financial covenants under the facility were amended to take into account the impact of certain charge offs, write downs and other items expected to adversely impact the Company's results for the fourth quarter of 2025. The amendments also included an increase in the variable interest rates to either the lender's prime rate plus 175 bps, or 325 bps plus either (i) the forward-looking Term CORRA for the applicable period plus a market standard CORRA spread adjustment of (a) 29.547 bps for a one-month interest period, or (b) 32.138 bps for a three month interest period; or (ii) the daily compounded CORRA for the applicable period plus a market standard CORRA spread adjustment of 29.547 bps; provided further that the interest rate shall not fall below 325 bps. Pursuant to the amendments, the Company's compliance with certain financial covenants under the facility in respect of the fourth quarter of 2025 was waived, with the result that Company was in compliance with all of the financial and other covenants under the facility as of the date of the amendments and remains in compliance as of the date hereof; and amounts outstanding as of the date of the amendments were permitted to remain outstanding, provided that additional draws would not be permitted until July 1, 2026. The amendments also removed the existing $150 million accordion feature.

After giving effect to the amendments, the financial covenants under the facility were as follows:

- Maximum consolidated leverage ratio: <= 7.25 at March 31, 2026, gradually stepping down each quarter to <= 6.10 at June 30, 2027;
- Minimum consolidated fixed charge coverage ratio: waived prior to March 31, 2027; >= 1.0 at March 31, 2027; >= 1.25 at June 30, 2027;
- Minimum adjusted trailing twelve months Earnings before Interest and Tax: >= $220 million at March 31, 2026, >= $185 million at June 30, 2026, >= $139 million at September 30, 2026 and >= $280 million at December 31, 2026;
- Minimum liquidity: at all times >= $175 million (or, following repayment of the Company's senior notes due May 1, 2026, and in certain other limited circumstances, >= $125 million); and
- Maximum net charge off ratio: <= 20% at March 31, 2026, stepping down to <= 17.5% at December 31, 2026.

In March 2026, the Company completed a workforce reduction exercise and recorded an expense in its Consolidated Statements of Income for the three-month period ended March 31, 2026 of $2.6 million, which is expected to be paid within the next 12 months. The Company also announced its decision to suspend the regular quarterly dividend on the Company's common shares and to suspend share repurchases under its 2025 NCIB on an indefinite basis.

As at March 31, 2026, the Company had knowledge of certain proposed class action proceedings commenced in Ontario and Quebec on and after March 12, 2026 against the Company, certain current and former officers and directors of the Company, and its external auditor. The proposed proceedings allege, among other things, misrepresentations in the Company's public disclosures between various dates in 2023 and 2024 and March 10, 2026, the date the Company provided a financial and operational update ahead of releasing its earnings for the quarter and year ended December 31, 2025. The Company intends to defend any claims made against it and its directors and officers, and does not currently have sufficient information to assess the impact of any such claims. In addition to the proposed proceedings, other plaintiff-side law firms announced investigations into the Company's public disclosures following the Company's March 10, 2026 update, and the Company expects to face additional class and individual claims.