C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. 500-06-000014-262

SUPERIOR COURT
(Class Action Division)

ALESSANDRO VELLUCCI

Plaintiff

-v-

DAVID INGRAM

- and -

KAREN BASIAN

- and -

DAVID HARRY APPEL

- and -

SEAN MORRISON

- and -

HON. JAMES MOORE

- and -

TARA DEAKIN

- and -

JONATHAN TÉTRAULT

- and -

RADHIKA KAKKAR

- and -

JASON MULLINS

- and -

DAN REES

- and -

PATRICK ENS

- and -

HALIM KHOURI

- and -

FELIX WU

- and -

ALI METEL

- and -

JASON APPEL

- and -

MICHAL EUBANKS

- and -

ERNST & YOUNG LLP

Defendants

SECOND AMENDED REQUEST FOR AUTHORIZATION TO BRING AN ACTION PURSUANT TO SECTION 225.4 OF THE QUÉBEC *SECURITIES ACT* AND APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION AND TO OBTAIN THE STATUS OF REPRESENTATIVE
(Article 225.4 et seq. Québec *Securities Act* and Article 574 et seq. *CCP*)

TO ONE OF THE JUDGES OF THE SUPERIOR COURT OF QUÉBEC, IN SUPPORT OF (…) HIS REQUEST FOR AUTHORIZATION TO BRING AN ACTION PURSUANT TO SECTION 225.4 OF THE QUÉBEC *SECURITIES ACT* AND APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION AND TO OBTAIN THE STATUS OF REPRESENTATIVE, THE PLAINTIFF RESPECTFULLY SUBMITS AS FOLLOWS:

I. DEFINITIONS

1. In this document, in addition to the terms that are defined elsewhere herein, the following terms are defined as follows:

   (a) **"AIFs"** means the FY/2023 and 2024 Goeasy Annual Information Forms filed on SEDAR on February 13, 2024 and February 13, 2025, communicated herein as **Exhibits P-1** and **P-2**;

   (b) "**Annual Financial Statements**" means Goeasy's audited annual financial statements for FY/2023 and FY/2024 and filed on SEDAR on February 13, 2024 and February 13, 2025, communicated herein as **Exhibits P-3** and **P-4**;

   (c) "**Annual CEO Certifications**" means Goeasy's NI 52-109 Certificates signed by Goeasy's CEO for FY/2023, and FY/2024 and filed on SEDAR on February 13, 2024 and February 13, 2025, communicated herein as **Exhibits P-5** and **P-6**;

   (d) **"Annual CFO Certifications**" means Goeasy's NI 52-109 Certificates signed by Goeasy's CFO for FY/2023, and FY/2024 and filed on SEDAR on February 13, 2024 and February 13, 2025, communicated herein as **Exhibits P-7** and **P-8**;

   (e) "**Annual MD&A**" means Goeasy's Management Discussion and Analysis for FY/2023 and FY/2024 and filed on SEDAR on February 13, 2024 and February 13, 2025, communicated herein as **Exhibits P-9** and **P-10**;

   (f) "**Annual Report**" means the Goeasy's Annual Reports for FY/2023 and FY/2024 and filed on SEDAR on May 7, 2024 and May 7, 2025, communicated herein as **Exhibits P-11** and **P-12**;

   (g) **"Board"** means the Board of Directors of Goeasy;

   (h) (…)

   (i) "**Class"** or **"Class Members"** means all persons, other than Excluded Persons, resident in or domiciled in Quebec, who acquired Goeasy securities during the Class Period, and held any of those securities through any of: (a) September 22, 2025, (b) 16:15 pm ET, November 5, 2025; (c) 22:00 ET, December 4, 2025; (d) 08:36 am ET, March 10, 2026; (e) 07:52 ET, March 2, 2026; or (f) 20:23 ET, March 31, 2026; being the timing of the six partial public corrections;

(j) **"Class Period"** means the period from the opening of trading on the TSX on March 17, 2023 to and including 20:23 ET, March 31, 2026;

(k) "**Class Period Financial Statements**" or "**Goeasy's Financial Statements**" means the **Annual Financial Statements** and the **Interim Financial Statements**;

(l) **"CEO"** means Chief Executive Officer;

(m) **"CFO"** means Chief Financial Officer;

(n) (…)

(n.1) **"CRO"** means Chief Risk Officer;

(o) **"CSA"** means Canadian Securities Administrators;

(p) **"DC&P"** means Disclosure Controls and Procedures, as defined in section 1(1) of National Instrument 52-109;

(q) "**Defendants**" means **Goeasy**, the **Individual Defendants**, **VYCO,** and **Ernst & Young**;

(r) **"Ernst & Young"** means Ernst & Young LLP, the auditors of Goeasy throughout the Class Period;

(s) "**Excluded Persons**" means the **Defendants**, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of an **Individual Defendant**;

(t) **"FY/2023**" means the Goeasy 2023 Fiscal Year which covered the 12-month period from January 1, 2023 to December 31, 2023;

(u) **"FY/2024"** means the Goeasy 2024 Fiscal Year which covered the 12-month period from January 1, 2024 to December 31, 2024;

(u.1) **"GAAS"** means generally accepted auditing standards;

(v) "**Goeasy**" or "**Company**" means as the context requires, either the defendant Goeasy Ltd., or Goeasy Ltd. and its affiliates and subsidiaries, collectively;

(w) “**Goeasy Defendants**” means Goeasy and the Individual Defendants;

(w.1) **“IAS”** means International Accounting Standard;

(x) “**IFRS**” means International Financial Reporting Standards;

(y) **“Impugned Documents”** means the **Impugned Core Documents** and the **Impugned Non-Core Documents**;

(z) **“Impugned Core Documents**” means:

i. the AIFs;
ii. the Annual Reports;
iii. the Interim Financial Statements and the Annual Financial Statements;
iv. the Interim MD&A and the Annual MD&A;
v. the Interim CEO Certifications and the Annual CEO Certifications;
vi. the Interim CFO Certifications and the Annual CFO Certifications;
vii. the MIS; and
viii. the Offering Memoranda;

(aa) “**Impugned Non-Core Documents**” means: the Goeasy Press Release dated September 24, 2025 “Goeasy Ltd. Responds to Misleading Short Seller report” and the Interim and Annual CEO and CFO Certifications;

(bb) “**Individual Defendants**” means David Ingram, Donald J. Johnson, Karen Basian, David Appel, Sean Morrison, the Honorable James Moore, Tara Deakin, Jonathan Tetrault, Radhika Kakkar, Jason Mullins, Dan Rees, Patrick Ens, Halim Khouri, Feliz Wu, Ali Metel, Jason Appel, and Michael Eubanks, collectively;

(cc) “**Interim CEO Certifications**” means the Goeasy’s NI 52-109 Certificates signed by Goeasy’s CEO for Q1/2023, Q2/2023, Q3/2023, Q1/2024, Q2/2024, Q3/2024; Q1/2025, Q2/2025, and Q3/2025 and filed on SEDAR on May 9, 2023, August 9, 2023, November 7, 2023, May 7, 2024, August 8, 2024, November 7, 2024, May 7, 2025, August 6, 2025, and November 5, 2025, communicated herein as **Exhibits P-13** to **P-20**;

(dd) “**Interim CFO Certifications**” means Goeasy’s NI 52-109 Certificates signed by Goeasy’s CFO for Q1/2023, Q2/2023, Q3/2023, Q1/2024, Q2/2024, Q3/2024, Q1/2025, Q2/2025, and Q3/2025 and filed on SEDAR on May 9, 2023, August 9, 2023, November 7, 2023, May 7, 2024, August 8, 2024, November 7, 2024, May 7, 2025, August 6, 2025, and November 5, 2025, communicated herein as **Exhibits P-21** to **P-29**;

(ee) “**Interim Financial Statements**” means the unaudited interim Goeasy Interim Financial Reports for Q1/2023, Q2/2023, Q3/2023, Q1/2024, Q2/2024, Q3/2024, Q1/2025, Q2/2025, and Q3/2025 and filed on SEDAR on May 9, 2023, August 9, 2023, November 7, 2023, May 7, 2024, August 8, 2024, November 7, 2024, May 7, 2025, August 6, 2025, and November 5, 2025, communicated herein as **Exhibits P-30** to **P-38**;

(ff) “**Interim MD&As**” means the Goeasy’s MD&A for Q1/2023, Q2/2023, Q3/2023, Q1/2024, Q2/2024, Q3/2024, Q1/2025, Q2/2025, and Q3/2025 and filed on SEDAR on May 9, 2023, August 9, 2023, November 7, 2023, May 7, 2024, August 8, 2024, November 7, 2024, May 7, 2025, August 6, 2025 and November 5, 2025, communicated herein as **Exhibits P-39** to **P-47**;

(ff.1) **“LendCare”** means LendCare Capital Inc.;

(gg) “**Management Information Circulars**” or **“MICs”** means the Goeasy Management Information Circulars filed on SEDAR during the Class Period on April 6, 2023, April 5, 2024, and April 7, 2025, communicated herein as **Exhibits P-48** to **P-50**;

(hh) **“NI 51-102**” means CSA National Instrument 51-102 – *Continuous Disclosure Obligations*;

(ii) “**NI 52-109**” means CSA National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

(jj) “**NI 52-112**” means CSA National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure*;

(jj.1) **“Notes”** means Goeasy’s 4.375% senior unsecured notes due May 1, 2026, 9.250% senior unsecured notes due December 1, 2028, 7.625% senior unsecured notes due August 1, 2029, 6.875% senior unsecured notes due May 15, 2030, 6.000% senior unsecured notes due May 15, 2030, 7.375% notes due October 1, 2030 and 7.375% senior unsecured notes due February 15, 2031;

(kk) “***OBCA***” means the Ontario *Business Corporations Act*, RSO 1990, c B 16, as amended;

(ll) “**Offerings**” means the distribution of Goeasy securities that occurred during the Class Period, namely, the prospectus exempt offerings of senior unsecured notes that occurred on December 7, 2023, March 4, 2024, August 6, 2024, November 14, 2024, April 10, 2025 and August 29, 2025 pursuant to the

Offering Memoranda, these offering documents are communicated herein as **Exhibits P-53 to P-70**;

(mm) "**Offering Memoranda"** or "**OMs**" means the Offering Memoranda by which the Offerings were made by Goeasy throughout the Class Period;

(nn) "**Other Canadian Securities Legislation**" means, collectively, the *Securities Act*, RSA 2000, c S-4, the *Securities Act*, RSBC 1996, c 418, *The Securities Act*, CCSM c S50, the *Securities Act*, SNB 2004, c S-5.5, the *Securities Act*, RSNL 1990, c S-13, the *Securities Act*, SNWT 2008, c 10, the *Securities Act*, RSNS 1989, c 418, the *Securities Act*, S Nu 2008, c 12, the *Securities Act*, RSPEI 1988, c S-3.1, *Securities Act*, RSO 1990, c S.5, *The Securities Act, 1988*, SS 1988-89, c S-42.2, and the *Securities Act*, SY 2007, c 16, all as amended;

(oo) (…)

(pp) "**Public Oral Statements**", means statements further particularized in this statement of claim and made during: The Goeasy Q3/2025 Earnings Call held on November 6, 2025;

(pp.1) **"*QSA*"** means the Québec Securities Act, CQLR c V-1.1, as amended;

(qq) "**Rule 45-501**" means OSC Rule 45-501 – Ontario Prospectus and Registration Exemptions;

(rr) "**S&P Global**" means the American financial information and analytics company S&P Global;

(ss) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

(tt) "**TSX"** means the Toronto Stock Exchange;

(uu) "**VYCO**" means VYCO Ltd., and "influential person" pursuant to section 225.3 of the *QSA*.

II. OVERVIEW

2. Goeasy is a subprime lender which provides "alternate" financial services to consumers who are generally unable to access credit through conventional banks. Because of this, the risks associated with its consumer loan portfolio – assessed using

metrics such as loan loss and delinquency rates – are among the most important factors for investors in assessing whether to buy, hold or sell Goeasy securities.

3. Throughout the Class Period, Goeasy systematically and intentionally distorted these critical metrics by, among other things, minimizing loan loss provisions and delinquencies while simultaneously inflating the value of its receivables. This materially distorted Goeasy's balance sheets to indicate that the value of Goeasy's assets were much higher than they actually were; and also distorted Goeasy's income statements by recognizing revenue on non-performing loans that was not received. These accounting practices were in violation of IFRS – the relevant accounting standards which Goeasy was legally required to follow – and rendered Goeasy's class period financial statements and related public disclosures materially misleading.

4. These misrepresentations artificially inflated the value of Goeasy securities. When the truth gradually emerged in 2025 and 2026 about Goeasy's accounting practices and the true state of Goeasy's business through three partial corrective disclosures, Goeasy shareholders – the Class Members – suffered substantial losses.

5. The first partial public correction occurred on September 22, 2025, when market analyst and short-seller Jehoshaphal Research published a report which was highly critical of Goeasy's accounting of its credit losses and delinquencies in its loan portfolio (**Exhibit P-51)** ("**Short Seller Report**"). Following the release of the Short Seller Report, Goeasy's share price immediately dropped from $204.51 to $174.66, a loss of $29.85 per share or 14.5%.

6. On September 24, 2025, Goeasy issued a press release where it "categorically" denied and refuted "the characterizations and conclusions presented in" the Short Seller Report (**Exhibit P-52**) ("**Goeasy Denial**"). The Goeasy Denial was itself a misrepresentation directed at perpetuating its previous misleading disclosure about loan losses and delinquencies. This misrepresentation partially reinflated the value of Goeasy's shares.

7. The second partial public correction occurred just over one month later, on November 5, 2025, when Goeasy released its Q3/2025 results where Goeasy acknowledged that it was taking a more conservative approach to loan delinquencies and made a $442 million Allowance for Credit Loss ("**ACL**"). The issues highlighted in the Short Seller Report were beginning to manifest themselves as reflected in Q3/2025 loan loss provisions and related metrics. This partial correction caused an immediate drop in, Goeasy's share price from $169.42 at market opening on November 5, 2025, to $134.26 at close on November 6, 2025, a loss of $35.16 per share or 20.7%.

8. The Q3/2025 results and related comments made during the November 6, 2025 earnings call by Goeasy and its CEO, CFO and CRO (**Exhibit P-72**) ("**Earnings Call**") were together misrepresentations, because they failed to fully disclose the nature and effect of Goeasy's misreporting and accounting of loan losses and delinquencies, and the impact that these practices would have on Goeasy's business if Goeasy's stakeholders were fully informed of what was going on. In short, by not coming clean with its shareholders, Goeasy continued to artificially inflate the value of Goeasy's shares and mislead its shareholders and other stakeholders.

8.1 On December 4, 2025, the *Toronto Star* published online an article detailing extensive misconduct at LendCare, including a strategy to suppress loan delinquencies with the ultimate goal of reporting misleading numbers on delinquencies to Goeasy investors (**Exhibit P-73**). This was the third partial public correction. The *Toronto Star* article was republished in its December 6, 2025 edition **(Exhibit P-74)**.

9. The fourth and most devastating partial public correction occurred on March 10, 2026, in anticipation of the release of Goeasy's Q4/2025 earnings, when Goeasy issued a press release (the "**March 10, 2026 Press Release**") announcing, among other things:

   a) that it expected to incur an incremental charge in Q4/2025 of approximately $178 million against gross consumer loans receivable;

   b) that there would be a related write-down of approximately $55 million for loan interest and fees;

   c) a total net charge-off of $331 million for the quarter;

   d) a withdrawal of previously issued Q4/2025 outlook and three-year forecast;

   e) a suspension of quarterly dividend and repurchasing of shares;

   f) that there would be revisions of previously reported financial results, including for FY 2024 and interim reports throughout 2025; and

   g) that "the anticipated incremental net charge offs and increase in loan loss provision is expected to result in the Company not complying with certain financial covenants, as currently formulated, under its syndicated credit facility, securitization facilities and receivables purchase arrangements."

10. The market's reaction to this new news was devastating. Goeasy's share price fell from $115.55 at the close of trading on March 9, 2026 to $35.02 at the close of trading on March 12, 2026, a loss of $80.53 per share or approximately 70%.

11. While all this was going on, there were significant changes within Goeasy's executive management. On September 16, 2025, Goeasy announced that its long time CFO Hal Ghouri would be leaving the Company following completion of the Q3/2025 financial reporting in November 2025. On September 30, 2025, it was announced that Felix Wu was Interim CFO while CFO Ghouri transitioned out of the Company; and on March 10, 2026, coincident with the devastating <u>fourth</u> partial correction, Mr. Wu became the permanent CFO. The significant changes to Goeasy's accounting, which were partially reflected in the <u>third and fourth</u> corrections and the massive losses to Goeasy shareholders, occurred while the critical CFO position changed from long time CFO Khouri to new CFO Wu. Similarly, there were four CEOs of Goeasy from December 2024 to January 2026. As described below, the CFOs and the CEOs played critical roles in misleading the markets regarding the business and affairs of Goeasy.

<u>11.1. On March 24, 2026, the fifth partial public correction occurred when Goeasy issued a press release announcing definitive agreements with lenders and counterparties that were subject to new conditions. They also announced that Goeasy did not enter into a definitive agreement regarding its auto securitization warehouse facility as the use of the facility was suspended with all amounts outstanding and repaid, and the related loan receivables were transferred back to the company.</u>

<u>11.2. The sixth partial public correction occurred on March 31, 2026, when Goeasy released its AIF, Annual Financial Statements and MD&A for FY/2025. This disclosed that Goeasy had accounting deficiencies that had been present for multiple years prior to Q1 2024 and that their restatement was inadequate. Goeasy's share price fell from $38.23 at the close of trading on March 31, 2026 to $37.36 at the close of trading on April 1, 2026, and continued to fall over the following 10 trading days to $32.90 at the close of trading on April 15, 2026, a decline of 11.9%.</u>

12. During the Class Period Goeasy made six offerings of securities pursuant to Offering Memoranda (<u>the "**Notes**"</u>). The Offering Memoranda incorporated by reference Core and Non-core Documents which included the misrepresentations described below. <u>The public corrections also had a significant negative impact on the price and value of Goeasy's Notes.</u>

13. During the Class Period, Ernst & Young audited Goeasy's FY/2023 and FY/2024 financial statements and failed to detect and comment on Goeasy's improper accounting of loan losses and delinquencies. Instead, Ernst & Young opined that Goeasy's "…consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs)."

These statements by Ernst & Young were materially false and actionable misrepresentations.

14. The undisclosed improper accounting of loan losses and delinquencies spanned FY 2023 to Q1/2025 (when the FY/2024 audit was actually being conducted). Contrary to Ernst & Young's representation in its audit opinions, the FY/2023 and FY/2024 Financial Statements did *not* present fairly, in all material respects, the financial position of Goeasy or its financial performance and cash flows as of December 31, 2023 or December 31, 2024 in conformity with IFRS.

15. In this proposed Class Action, the Plaintiff sues on behalf of a class of non-insider Goeasy security holders for damages arising out of misrepresentations made in Goeasy's required continuous disclosure documents and the Offering Memorandums during the Class Period, pursuant to the *QSA.*

16. The Plaintiff and proposed Class Members were entitled to full, true and plain disclosure about the business and affairs of Goeasy from the Defendants. They did not get it and were damaged thereby.

III. THE PARTIES

1) The Plaintiff and the Class

17. The proposed Class and Class Period in this proceeding are defined as follows:

    a) "**Class"** or **"Class Members"** means all persons, other than Excluded Persons, resident in or domiciled in Quebec, who acquired Goeasy securities during the Class Period, and held any of those securities through any of: (a) September 22, 2025, (b) 16:15 pm ET, November 5, 2025; (…) (c) <u>22:00 ET, December 4, 2025; (d)</u> 08:36 am ET, March 10, 2026; <u>(e) 07:52 ET, March 2, 2026; or (f) 20:23 ET, March 31, 2026</u>; being the timing of the (…) <u>six</u> partial public corrections;

    b) **"Class Period"** means the period from the opening of trading on the TSX on March 17, 2023 to and including <u>20:23 ET, March 31, 2026</u>;

18. The Plaintiff, Alessandro Vellucci, resides in Montreal, Quebec. He purchased 2,200 common shares of Goeasy during the Class Period at an average price of $114.12 and continued to hold all of those shares at the end of the Class Period.

19. The Plaintiff seeks the status of representative for the Class.

20. The Plaintiff also seeks authorization pursuant to section 225.4 of the *QSA* and, if necessary, the concordant provisions of the Other Securities Legislation.

2) The Defendant, Goeasy Ltd.

21. The Defendant Goeasy is a company incorporated under the laws of the Province of Alberta and continued as a corporation in the province of Ontario, having its head office in Mississauga Ontario. Goeasy is a reporting issuer pursuant to the *QSA*; its principal regulator is the Ontario Securities Commission; and its shares trade on the TSX under the ticker symbol "**GSY**". Goeasy also periodically made distributions of Notes pursuant to the Offering Memoranda, which Notes traded over the counter in the secondary market.

22.1 As at December 31, 2024, Goeasy's principal subsidiaries were: RTO Asset Management Inc. ("**RTO**"), easyfinancial Services Inc. ("**easyfinancial**"), and LendCare Capital Inc. ("**LendCare**"). Goeasy and the companies that it controls, including LendCare, easyfinancial, and RTO provide alternative financial services to Canadian consumers. The principal operating activities of (…) Goeasy and its subsidiaries include: i) providing loans and other financial services to consumers; and ii) leasing household products to consumers. Goeasy and its subsidiaries report their financial performance on a consolidated basis.

22. (…)

23. Goeasy's financial year end was and is December 31, and its fiscal quarter ends were and are, respectively: first quarter ("**Q1**") March 31, second quarter ("**Q2**") June 30, third quarter ("**Q3**") September 30, and fourth quarter ("**Q4**"), December 31.

3) The Defendant, VYCO Ltd.

24. VYCO is a company incorporated pursuant to the laws of Ontario. During the Class Period**,** VYCO held approximately 18.1% of Goeasy's issued and outstanding common shares and is the holding company of the family trust of Goeasy director and Chair Emeritus Donald K. Johnson who is a beneficiary of such trust and the president and a director of VYCO. In addition, Goeasy director David Ingram is also a director of VYCO. As such, throughout the Class Period, VYCO was and is an "influential person" pursuant to section 225.3 of the *QSA.*

24.1. VYCO was also an "insider" of Goeasy pursuant to the *QSA* by virtue of its beneficial ownership and/or control over Goeasy securities carrying more than 10% of the voting rights attached to all Goeasy securities.

24.2 VYCO knowingly influenced Goeasy and its directors and officers in the release of the Impugned Documents. In so doing, VYCO acted through Johnson and Ingram who, as Goeasy officers and directors, were centrally involved in the release of the Impugned Documents, including by:

(a) approving Goeasy's Interim and Annual Financial Statements and MD&A (Johnson and Ingram);

(b) signing Goeasy's Interim and Annual Financial Statements (Ingram); and

(c) signing Quarterly and Annual CEO Certifications (Ingram).

4) The Individual Defendants

25. The defendant, Donald K. Johnson, is a resident of Ontario and was and is a member of the Goeasy Board, and the Chair Emeritus during the Class Period. In addition, he is the President, a director, and an indirect beneficial owner of VYCO, which owns approximately 18.1% of the shares of Goeasy.

26. The defendant, David Ingram, is a resident of Ontario and was the Chair of the Goeasy Board throughout the Class Period. From January 1, 2025, until March 3, 2025 he was acting President and CEO of Goeasy when he was succeeded by Defendant Dan Rees. In addition, David Ingram was, at all material times, a director of VYCO.

27. The defendant, Karen Basian, is a resident of Ontario and throughout the Class Period was a member of the Goeasy Board. She was and is the Chair of the Audit Committee of the Goeasy Board which was and is responsible for, among other things, the quality and integrity of Goeasy's financial information, the effectiveness of Goeasy's risk management, internal controls and regulator compliance practices, and reviewing and approving Goeasy's financial information and related documents prior to their required disclosure pursuant to the *QSA.*

28. The defendant, David Appel, is a resident of Ontario and throughout the Class Period was a member of the Goeasy Board and the Audit Committee of the Board. He was and is also a member of the Corporate Governance, Nominating and Risk Committee of the Board.

29. The defendant, Sean Morrison, is a resident of British Columbia, and throughout the Class Period was a member of the Goeasy Board and the Audit Committee of the Board.

30. The defendant, the Honourable James Moore, is a resident of British Columbia and throughout the Class Period was a member of the Goeasy Board and the Audit Committee of the Board. He was and is also a member of the Corporate Governance, Nominating and Risk Committee of the Board.

31. The defendant, Tara Deakin, is a resident of Ontario and throughout the Class Period was a member of the Goeasy Board and the Corporate Governance, Nominating and Risk Committee of the Board.

32. The defendant, Jonathan Tétrault, is a resident of Quebec and throughout the Class Period was a member of the Goeasy Board and the Audit Committee of the Board. He was and is also a member of the Corporate Governance, Nominating and Risk Committee of the Board.

33. The defendant, Radhika Kakkar, is a resident of Ontario and has been a director of Goeasy since September 2024.

34. The defendant, Jason Mullins, is a resident of Ontario and throughout the Class Period was a member of the Goeasy Board. He was also the President and CEO of Goeasy throughout the Class Period until his resignation which was effective on December 31, 2024 when he was succeeded by David Ingram as Interim President and CEO.

35. The defendant, Dan Rees, is a resident of Ontario and was the CEO of Goeasy from March 3, 2025 until January 1, 2026 when he was replaced as CEO by Patrick Ens. After his resignation, Rees continued as Special Advisor to CEO Ens until the end of the Class Period.

36. The defendant, Patrick Ens, is a resident of Ontario and has been an officer of Goeasy since July 2024. Ens was the president of the easyfinancial and easyhome segments of Goeasy and became the CEO of Goeasy on January 1, 2026.

37. The defendant, Halim Khouri, is a resident of Ontario and was the Executive Vice-President and Chief Financial Officer of Goeasy throughout the Class Period until his departure from the Company following the completion of Q3 /2025 financial reporting on November 5, 2025.

38. The defendant, Felix Wu, is a resident of Ontario and was the Interim CFO of Goeasy from September 30, 2025 until he became the permanent CFO on March 10, 2026.

39. The defendant, Ali Metel, is a resident of Ontario and was an officer of Goeasy throughout the Class Period. He was and is the President of the LendCare segment of Goeasy. He co-founded LendCare in 2004 and led that company for over 17 years.

40. The defendant, Jason Appel, is a resident of Ontario, and an officer of Goeasy throughout the Class Period serving as Executive Vice-President and Chief Risk Officer throughout that time.

41. The defendant, Michael Eubanks, is a resident of Ontario and has been an officer of Goeasy throughout the Class Period, serving as the Executive Vice-President and Chief Information Officer throughout that time.

5) The Goeasy Defendants

42. Goeasy controlled the contents of the Impugned Documents as particularized herein. The misrepresentations made in the Impugned Documents were made by Goeasy.

43. Each of the Individual Defendants, as officers and/or directors of Goeasy knew, from the time that he or she accepted a position as an officer and/or director of Goeasy, that Goeasy was a reporting issuer and that, in his or her role as an officer and/or director of Goeasy, that he or she would have responsibility for ensuring the accuracy of Goeasy's public financial disclosure documents.

44. The *QSA*, the Other Canadian Securities Legislation and certain instruments and policies promulgated thereunder imposed specific obligations on the Goeasy Defendants in the preparation of Goeasy's continuous disclosure documents.

45. NI 51-102 requires the board of directors of a reporting issuer to approve each set of financial statements and MD&A released by an issuer prior to the release of those documents. As such, each of the Individual Defendants, who were directors of Goeasy during the Class Period, were required to review and approve Goeasy's AIF, management proxy circular and each set of financial statements and related MD&A prior to their release.

46. Pursuant to NI 52-109 and the Companion Policy thereto, Mullins, Ingram, Rees, and Khouri as Goeasy's CEOs and CFO, were required to certify:

a) the accuracy of Goeasy's annual and interim financial statements and related MD&As and Goeasy's AIFs released during the Class Period;

b) that Goeasy's disclosure documents during the period to which the certification applied, were free from misrepresentation; and

c) that Goeasy's ICFR and DC&P were designed and operating effectively during the reporting period to which such certifications applied.

47. Pursuant to *OBCA* section 134, each of the Individual Defendants, as officers and directors of Goeasy, had an obligation to act honestly and in good faith with a view to the best interests of Goeasy.

48. Each of the Individual Defendants were aware of these statutory duties throughout the Class Period, and accepted these obligations in assuming his or her position as a director and/or officer of Goeasy.

6) The Defendant, Ernst & Young LLP – Goeasy's Auditor

49. The Defendant Ernst & Young, was, (…) as of December 31, 2023**,** December 31, 2024, and December 31, 2025 the auditor of Goeasy. Its Canadian head office is located in Toronto, Ontario, and its Independent Auditor's Reports to the shareholders of Goeasy – in respect of Goeasy's FY/2023 and FY/2024 Annual Financial Statements – were prepared and signed in Earnst & Young's offices in Toronto.

III.I DUTIES OF GOEASY'S AUDIT COMMITTEE

49.1. As members of the Audit Committee of Goeasy's Board, Basian (Chair), David Harry Appel, Moore and Tétrault were mandated to, among other things:

a. oversee:

   i. Goeasy's accounting and financial reporting practices;

   ii. the audits of Goeasy's Annual Financial Statements;

b. assist the Board in its oversight role with respect to:

   i. the quality and integrity of financial information;

   ii. the effectiveness of Goeasy's risk management, internal controls and regulatory compliance practices;

   iii. the external auditor's performance, qualifications and independence;

   iv. reviewing and approving applicable financial information and documents prior to public disclosure;

c. review and recommend to the Board approval of Goeasy's Interim and Annual Financial Statements and MD&As;

d. review and recommend to the Board approval of the financially related information and disclosures contained in Goeasy's Annual Reports, AIFs and MICs prior to public disclosure;

e. review and discuss with management and the external auditor at least annually significant financial reporting issues and judgments made in connection with the preparation and presentation of Interim and Annual Financial Statements, including any significant changes in Goeasy's selection and application of accounting principles, any major issues as to Goeasy's internal controls and any special steps adopted in light of material control deficiencies;

f. review any material change in Goeasy's accounting policies including alternative treatments and their impacts on Interim and Annual Financial Statements as presented by management;

g. review and, if advisable, approve and recommend for Board approval financial disclosure in Goeasy's offering documents, including the Offering Memoranda;

h. review and approve the mandate, plan, budget and staffing of the internal audit department;

i. review management's process for assessing Goeasy's system of ICFR and DC&P;

j. annually consider and review with management and the auditors the effectiveness of, or weaknesses or deficiencies in the design or operation of Goeasy's internal financial and credit controls and accounting, financial and disclosure controls and the impact of any identified weaknesses in internal controls on management's conclusions;

k. review Goeasy's Financial Risk Management practices on an annual basis and make recommendations to the Board regarding any proposed changes;

l. review, on a periodic basis, significant risks inherent in Goeasy's business and ensure appropriate financial risk management techniques are in place; and

m. review the effectiveness of Goeasy's procedures in relation to the prevention, detection, reporting and investigation of fraud that may impact the integrity of financial information, or may expose Goeasy to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting.

III.II GOEASY'S DISCLOSURE OBLIGATIONS

49.2. As a reporting issuer in Quebec, Goeasy was required throughout the Class Period, to issue and file on SEDAR:

(a) within 45 days of the end of each quarter, quarterly interim financial statements prepared in accordance with IFRS that must include a comparative statement to the end of each of the corresponding periods in the previous financial year;

(b) within 90 days of the end of the fiscal year, annual financial statements prepared in accordance with IFRS, including comparative financial statements relating to the period covered by the preceding financial year;

(c) contemporaneously with the filing of each of the interim and annual financial statements, MD&A for each reporting period covered by the financial statements;

(d) within 90 days of the end of its fiscal year, an AIF, including material information about the company and its business at a point in time in the context of its historical and possible future development; and,

(e) where a material change occurs in the affairs of the company, forthwith issue and file a news release authorized by a senior manager disclosing the nature of substance of the change, and file a report of such material change in accordance with the regulations as soon as practicable and in any event within ten days of the date on which the change occurs.

49.3. The *QSA* and Regulation 51-102, the Other Canadian Securities Legislation and certain instruments and policies promulgated thereunder imposed specific obligations on the Goeasy Defendants in the preparation of Goeasy's continuous disclosure documents.

49.4. An MD&A is a narrative explanation, through the eyes of management, of how the company performed during the period covered by the financial statements, and of its financial conditions and future prospects. Among other things, the MD&A is required to:

(a) discuss material information that may not be fully reflected in the financial statements;

(b) discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future; and

(c) provide information about the quality and potential variability of the company's profit, loss or cash flow to assist investors in determining

49.5. In fulfilling its continuous disclosure obligations, Goeasy was prohibited from making a statement that it knew or reasonably ought to have known:

(a) in a material respect and at the time and in the light of the circumstances under which it was made, was misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statement not misleading; and

(b) would reasonably be expected to have a significant effect on the market price or value of its securities.

49.6. Contemporaneously with the filing of the financial statements and MD&A, Goeasy was required to file Certifications signed by the CEO and CFO certifying that, among other things, they have reviewed Goeasy's required reporting period disclosure, and that such disclosure was free from any misrepresentation.

49.7. The Plaintiff pleads and relies on:

(a) the *QSA*, Regulation 51-102, and the concordant provisions of the Other Canadian Securities Legislation;

(b) National Policy 51-201, in particular, ss. 4.1 to 4.5; and

(c) the TSX Company Manual, in particular, ss. 406 to 410.

49.8. Goeasy and the Individual Defendants controlled the contents of its MD&A, financial statements. The other Impugned Documents particularized herein and the misrepresentations made therein were made by Goeasy and the Individual Defendants.

49.9. Each of the Individual Defendants was aware of these statutory duties throughout the Class Period and accepted these obligations in assuming his or her position as a director and/or officer of Goeasy.

III.III INDIVIDUAL DEFENDANTS' ROLE IN DISCLOSURE

49.10. Each of the Individual Defendants, as officers and/or directors of Goeasy, knew from the time that he or she accepted a position as an officer and/or director of Goeasy, that Goeasy was a reporting issuer and that, in his or her role as an officer and/or director of Goeasy, he or she would have responsibility for ensuring the accuracy of Goeasy's public financial disclosure documents.

49.11. The *QSA*, the Other Canadian Securities Legislation, and National Instruments and Companion Policies promulgated thereunder imposed specific obligations on the Individual Defendants in the preparation of Goeasy's continuous disclosure documents.

49.12. Part 4 of Regulation 51-102 of the *QSA* and the concordant provisions of the Other Canadian Securities Legislation, informed by National Instrument 52-109, required Goeasy's CFO to review, approve and certify the accuracy of Goeasy's Class Period Interim and Annual Financial Statements and MD&A.

49.13. NI 51-102 requires the board of directors of a reporting issuer to approve each set of Interim and Annual Financial Statements and MD&A, AIF and MICs released by an issuer prior to the release of those documents. Accordingly, each Individual Defendant who was a Goeasy director during the Class Period was required to review and approve Goeasy's Interim and Annual Financial Statements and MD&A, AIF and MICs prior to their release.

49.14. Pursuant to NI 52-109 and the Companion Policy thereto, Mullins, Ingram, Rees, and Khouri as Goeasy's CEOs and CFO, were required to certify:

(a) the accuracy of Goeasy's Interim and Annual Financial Statements and MD&A and Goeasy's AIFs released during the Class Period;

(b) that Goeasy's disclosure documents during the period to which the certification applied, were free from misrepresentation; and

(c) that Goeasy's ICFR and DC&P were designed and operating effectively during the reporting period to which such certifications applied.

IV. MISREPRESENTATIONS BY GOEASY DEFENDANTS AND VYCO

50. As summarized above and below, throughout the Class Period, in both its Core and Non-Core Documents, Goeasy made and repeated multiple misrepresentations through both misstatements of material fact and failure to state material facts required to be stated in order to render a statement not misleading.

51. The overarching misrepresentation which is central to his action is that Goeasy, in its Class Period Financial Statements, consistently and materially inflated the value of its assets, most notably the value of receivables from consumer loans which were in default and should have been written off. This material financial misreporting was compounded by Goeasy improperly recognizing revenue from these delinquent loans when no or minimal revenue was being received. Because of these material misstatements in Goeasy's Balance Sheet and Income Statement, virtually every metric used to assess Goeasy's financial performance was materially distorted throughout the Class Period rendering every Interim and Annual Financial Statement materially inaccurate.

52. This material financial misreporting formed the basis of repeated misrepresentations where Goeasy, using identical or virtually identical language throughout the Class Period, represented that its Class Period Interim and Annual Financial Statements presented fairly in all material respects the financial position of Goeasy during the applicable reporting period in conformity with applicable accounting standards including IFRS, when this was not so. Goeasy's Class Period Financial Statements did not present fairly in all material respects the financial position of Goeasy; and they were materially non-compliant with IFRS.

53. The specific and repeated misrepresentations by the Goeasy Defendants and VYCO are summarized in seven categories as described below:

1. First Category of Misrepresentation: Goeasy Misrepresented in its Class Period Financial Statements that they presented fairly in all material respects, the financial position of Goeasy during the applicable reporting period in conformity with applicable accounting standards including IFRS, when this was not so, as its key assets and income were materially overstated

54. In each of its Interim and Annual Financial Statements for the Class Period, Goeasy repeatedly misrepresented that their statutorily required financial reporting was prepared in accordance with IFRS.

55. An example of these misrepresentations appears in the Goeasy 2024 Annual Financial Statements which states at page 105:

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

56. Similarly, Goeasy's 2023 Annual Financial Statements states, at page 108:

> **Accounting Policies**
>
> **Basis of Preparation**
>
> The consolidated financial statements of the Company for the year ended December 31, 2023 have been prepared in accordance with International Financial

Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The policies applied in these consolidated financial statements were based on IFRS issued and outstanding as at December 31, 2023.

57. In addition, Goeasy's Interim Financial Statement for Q3 2024 states at Page 2:

Statement of Compliance with International Financial Reporting Standards ("IFRS")

The unaudited interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2024, were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, using the same accounting policies as those used in the Company's most recent audited annual consolidated financial statements. These unaudited interim condensed consolidated financial statements do not include all the disclosures included in the Company's audited annual consolidated financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read together with the audited annual consolidated financial statements as at and for the year ended December 31, 2023.

58. Every Goeasy Interim and Annual Financial Statement throughout the Class Period makes the same or substantially the same statement. These are material misrepresentations because the financial statements were not prepared in accordance with IFRS for the reasons set out below.

a) Particulars of material IFRS non-compliance and misrepresentations in Class Period Financial Statements

59. Within the IFRS framework, International Accounting Standard ("IAS") 1 "Presentation of Financial Statements", is the foundational presentation standard for annual financial statements. IAS 1 requires, among other things, fair presentation, and an explicit and unreserved statement of compliance with IFRS. IAS 1 also prescribes the structure and minimum content of a complete set of financial statements, including the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, and the accompanying notes.

59.1. In addition to IAS 1, Goeasy's Class Period Interim Financial Statements stated that they were prepared in accordance with IAS 34 "Interim Financial Reporting" which required the interim financial statements to apply the same accounting policies and the same recognition and measurement principles used in the annual financial statements, while disclosing the significant developments and changes since the last annual period.

60. For a subprime lender such as Goeasy, these IFRS reporting obligations included not only the financial statements themselves but also the notes to the financial statements and accompanying MD&As dealing with delinquency, staging, allowance, modifications, collectability, recoveries, and other credit-risk matters by which investors assessed the true condition of Goeasy's loan portfolio and, by extension, Goeasy's business.

60.1. Further, NI 52-112 governed the Company's use of supplementary and non-IFRS measures, including total yield, net charge-off ratios, and similar measures which investors used to assess the true condition of Goeasy's loan portfolio and, by extension, Goeasy's business. Once Goeasy chose to publish these non-IFRS measures, which they did, they still were required to be based on truthful underlying accounting inputs that were IFRS compliant*.*

b) Goeasy failure to properly write off bad loans and follow-on consequences

60.2. Among many of Goeasy's non-IFRS accounting practices included Goeasy improperly keeping loans on their books which should have been written off due to ongoing customer delinquency. This overstated gross receivables, delayed charge-offs, and understated net charge-off ratios. Because those same loans were still being treated as current or collectible for accrual purposes, interest receivable, charges-and-fees receivable, commissions receivable, and the related revenue lines were overstated. Because current-period labour, sales, and acquisition-related costs were deferred and capitalized into deferred acquisition costs rather than recognized when incurred, deferred acquisition costs were overstated, and current operating expenses were understated. This improper practice occurred throughout the Class Period and is reflected in all Class Period Financial Statements

c) Specific Example of Financial Statement Misrepresentation – the FY/2024 Annual, Financial Statements

60.3. The FY/2024 Annual Financial Statements represent how the misstatements flowed into the Goeasy Balance Sheet for all Class Period Financial Statements. At page 99 of the FY/2024 Annual Financial Statement, Goeasy reported consumer loans receivable, net of $4.367 billion on its Consolidated Statements of Financial Position. Note 6 on Page 115 showed how that figure was arrived at: Gross consumer loans receivable of $4.596 billion; plus, Interest Receivable from consumer loans of $96.113 million; plus, Unamortized deferred acquisition costs of $77.885 million; less, Unamortized deferred revenue of $53.951 million; and less, Allowance for credit losses of $349.629 million. These figures were materially false and misleading.

60.4. Gross consumer loan receivables were overstated because loans that should already have been charged off remained on the books. Interest receivables were overstated because interest continued to accrue on loans that were more impaired and less collectible than represented. Deferred acquisition costs were overstated because current-period costs were capitalized rather than recognized. Allowance for credit losses was understated because deterioration, stage migration and expected losses were understated. As a result, Consumer loans receivable, net was materially overstated. (FY/2024 Annual Financial Statements, pp. 99, 115).

60.5. The supporting credit-risk tables in the same Annual Financial Statements are similarly false and materially understated the timing and severity of credit deterioration. The allowance was understated. The disclosed portfolio therefore appeared materially healthier than it actually was. (FY/2024 Annual Financial Statements, pp. 116-118).

60.6. Other balance sheet lines were misstated for the same reasons. At pages 99 and 114, Goeasy reported Accounts receivable of $42.438 million, comprised of Commissions receivable of $20.998 million; Charges and fees receivable of $11.512 million; and other receivables of $9.928 million. These balances were materially overstated because they included commissions, charges, fees, and other receivables tied to accounts whose true delinquency and collectability were not being reported and because part of those balances arose from contracts with customers, the related revenue and receivables were recognized and carried on a false collectability premise. At page 99, Goeasy also reported Retained Earnings of $792.757 million; and Total Shareholders' Equity of $1.201 billion. These balances were materially overstated because overstated receivable assets, understated bad debt expense, and deferred current-period expenses all increased reported net income, which then accumulated in retained earnings and equity. The related tax balances were correspondingly misstated. (FY/2024 Annual Financial Statements, pp. 99, 114, 133).

60.7. The same false inputs flowed directly into the FY/2024 Income Statement. At page 100, Goeasy reported Interest Income of $1.122 billion; Commissions earned of $275.726 million; Charges and fees of $30.334 million; Total Revenue of $1.523 billion; Bad debts of $467.764 million; Salaries and benefits of $201.791 million; Other operating expenses of $361.973 million; Operating income of $609.657 million; Income before income taxes of $387.297 million; and Net income of $283.110 million. These figures were materially false and misleading. Interest income was overstated because the Company continued to accrue interest on loans that were more delinquent, more impaired, and less collectible than represented. Commissions earned were overstated because such revenue was recognized and carried without a proper basis to conclude that collection was probable and that a significant reversal was unlikely. Charges and fees were overstated because fee-related amounts were recognized and carried on accounts whose true credit condition was concealed. Bad debts were understated because stage migration, expected credit losses, and charge-offs were delayed. Salaries and benefits and other operating expenses were understated because labour, sales, and acquisition-related costs were capitalized into deferred acquisition costs rather than recognized when incurred. As a result, Total revenue; Operating income; Income before tax; Net income; and the related earnings-per-share figures were all materially overstated. (FY/2024 Annual Financial Statements, p. 100)

60.8. All Class Period Financial Statements contained the same non-IFRS misleading accounting and the same type of material misstatements, particulars of which are known to the Goeasy Defendants.

60.9. Goeasy's Class Period Financial Statements violated the following accounting standards:

a. *IAS* 1 – *Presentation of Financial Statements*, which required fair presentation, and explicit and unreserved statement of IFRS compliance. As described herein, Goeasy's Class Period Financial Statements <u>were not fairly presented in compliance with IFRS;</u>

b. *IAS 34 – Interim Financial Reporting*, which required the interim financial statements to apply the same accounting policies and the same recognition and measurement principles used in the annual financial statements, while disclosing the significant developments and changes since the last annual period;

c. *IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors,* which governed the correction of prior-period errors and required material prior-period errors to be corrected retrospectively in the first financial statements authorized for issue after discovery, by restating the comparative periods presented;

<u>c.1 *IAS 12 – Income Taxes*, Goeasy netted deferred income tax assets and liabilities across its subsidiaries in the consolidated statement of financial position. However, in accordance with IAS 12, Income Taxes, deferred income tax assets and liabilities can 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, Income Tax were not satisfied;</u>

d. *IFRS 9 – Financial Instruments,* which governed the accounting for the consumer loan portfolio, including amortized-cost measurement, the expected credit loss model, stage migration, modifications, write-offs, and the recognition of interest income on impaired assets;

e. *IFRS 7 – Financial Instruments: Disclosures,* which required the Company to explain, and to quantify accurately, the assumptions, grades, staging, estimation techniques, and other credit-risk disclosures underlying that model. Bad debts on interest receivable on consumer loans were presented by Goeasy as a reduction of interest income. In accordance with IAS 1 and IFRS 7 the changes in allowance for credit losses should have been presented as a bad debt expense;

f. *IFRS 15 – Revenue from Contracts with Customers*, which governed the recognition of commissions, charges and fees arising from contracts with customers, including whether collection was probable, whether revenue was recognized only when or as the relevant performance obligation was satisfied, and whether amounts subject to reversal were appropriately constrained; and

g. Goeasy understated 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.

61. Goeasy's Class Period Financial Statements did not fairly represent, in all material respects, the financial position of Goeasy during the applicable reporting period to which the financial statements applied and they were not prepared in accordance with IFRS.

61.1 These accounting standards misrepresentations were also contained in the Offering Memoranda and Prospectuses or were otherwise incorporated therein by reference.

2) Second Category of Misrepresentation – Interim and Annual CEO and CFO 52-109 Certifications falsely stated that Goeasy's period financial disclosures were free from misrepresentation, and fairly presented in all material respects the financial condition, results of operations and cash flows of Goeasy when this was not so, as its period financial disclosures were not free from misrepresentations and did not present fairly the financial condition of Goeasy

62. Throughout the Class Period, pursuant to NI 52-109, Goeasy was required to have its CEO and CFO – Jason Mullins (CEO from the start of the Class Period to, and including, Q3 2024), David Ingram (CEO from the 2024 annual filings to, and including, Q1 2025), Dan Rees (CEO from Q2 2025 onwards), and Halim Khouri (CFO throughout the Class Period) – certify the following, which they did:

a) **No misrepresentations**: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

b) **Fair presentation**: Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

63. These were misrepresentations and they were repeated in the Interim and Annual CEO and CFO Certifications made by Jason Mullins, David Ingram, Dan Rees and Halim Khouri that were filed by Goeasy throughout the Class Period.

64. The Goeasy Class Period Financial Statements were neither prepared in accordance with IFRS, nor did they fairly present in all material respects the financial condition, results of operations and cash flows of Goeasy as of the date of and for the periods covered by the Interim or Annual Financial Statements.

64.1. 52-109 Certificates were and are required by NI 52-109 for the express purpose of making a reporting issuer's CEO and CFO, as "Certifying Officers", personally accountable for an issuer's legally required interim and annual financial disclosure, and to ensure that they were free from misrepresentation. In this case Goeasy's CEOs and CFO fell far short of what was required of them, as they made the Certifications when the Core and Non-Core Documents were replete with misrepresentations, as particularized in this pleading.

64.2. The Interim and Annual CEO and CFO Certifications were themselves actionable misrepresentations under section 138.3 of the *OSA*.

3) Third Category of Misrepresentation – Interim and Annual CEO and CFO 52-109 Certifications falsely stated that Goeasy's ICFR and DC&P were designed and functioning effectively, when there were serious control failures that resulted in material misrepresentations through massive overstatement of the value of key assets and income in Goeasy's financial statements and related disclosure.

65. The Interim and Annual CEO and CFO Certifications also stated that the CEO and CFO had designed and supervised Goeasy's DC&P and ICFR to provide reasonable assurance that the necessary financial and accounting controls were in place. For example, the Annual CEO and CFO Certifications for 2024 stated that:

i) **Design**: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the financial year end

a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
   i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
   ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS).

66. This was a misrepresentation because Goeasy's ICFR and DC&P were not designed or operating effectively during the period covered by this 52-109 certificate, or at all throughout the Class Period.

67. This misrepresentation was repeated in the Annual and Interim CEO and CFO Certifications filed throughout the Class Period.

68. In both its Annual Reports and AIFs filed throughout the Class Period, Goeasy noted that "[t]he Company is also obligated to comply with the Form 52-109F2 Certification of interim filings and 52-109F1 Certification of annual filings of the Ontario Securities Commission, which requires the Company's CEO and CFO to submit a quarterly and annual certificate of compliance."

69. Further, the Annual CEO and CFO Certifications included a statement that Goeasy's CEO and CFO had evaluated the effectiveness of Goeasy's DC&P and ICFR for the financial year and had included their conclusions in the Annual MD&A. Specifically, the Annual CEO and CFO Certifications, signed by David Ingram and Halim Khouri, respectively, stated that:

Evaluation: The issuer's other certifying officer and I have

a) Evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and

b) Evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation.

70. In its Interim and Annual MD&A released during the Class Period, Goeasy stated that its CEO and CFO had designed and evaluated the companies DC&P and ICFR and concluded that it was effective as of the date of release of the MD&A. Specifically, Goeasy's Annual MD&A for FY-2024 stated that:

> **Disclosure Controls and Procedures ("DC&P")**
> **[…]**
> The Company's management, under supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's DC&P, as required in Canada by National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings". Based on this evaluation, the CEO and CFO have concluded that the design of the system of the Company's disclosure controls and procedures were effective as at December 31, 2024
>
> **[…]**
>
> **Evaluation of ICFR as at December 31, 2024**
>
> As at December 31, 2024, under the direction and supervision of the CEO and CFO, the Company has evaluated the effectiveness of the Company's ICFR. The evaluation included a review of key controls, testing and evaluation of such test results. Based on this evaluation, the CEO and CFO have concluded that the design and operation of the Company's internal controls over financial reporting were effective as at December 31, 2024.

71. These statements were repeated in Goeasy's FY-2023 MD&A and were misrepresentations <u>under the *QSA*</u> because Goeasy's ICFR and DC&P were not effective during FY/2023 or FY/2024.

<u>71.1. At all material times during the Class Period, Goeasy had undisclosed material weaknesses in its ICFR, and its DC&P were not effective in respect of the appropriate application of IFRS 9.</u>

<u>71.2. Among other things, Goeasy did not adequately design, maintain or test its ICFR and DC&P to ensure that:</u>

(a) <u>collection practices and tools were appropriately considered in the estimation of the allowance for expected credit losses, that loan level transactions were appropriately reflected on the balance sheet, and that the delinquency status of the loans were appropriately reflected in Goeasy's IFRS 9 disclosures;</u>

(b) <u>interest receivable expected credit loss models received sufficient oversight; and</u>

(c) <u>management's application of its collection practices at the loan level, demonstrating the application of IFRS 9, were appropriately documented.</u>

72. The Goeasy CEOs and CFOs, who were Certifying Officers signing each of the Class Period 52-109 Certificates<u> – namely Mullins, Rees, Ens and Khouri –</u> made these misrepresentations with knowledge at the time that the Certifications were publicly filed, that the Certifications contained the misrepresentations, and at or before the time the Certifications were released to the public, they deliberately avoided acquiring knowledge that the Certifications contained the misrepresentations, and, or through their action or failure to act they were guilty of gross misconduct in connection with the release of the Certifications.

72.1. When it was revealed in the March 10, 2026 Press Release, that Goeasy was suspending its planned quarterly dividend, that it was withdrawing its previous financial forecast, and that it was revising previously reported financial results for 2024 and 2025, this implied not simply a down turn in its business, but a serious breakdown in Goeasy's internal financial controls such that its financial reporting throughout the Class Period was materially misstated and could not be trusted.

72.2. This was compounded by Goeasy's disclosure that the revision to its 2024 and 2025 financial reporting put it offside its critical "financial covenants, as currently formulated, under its syndicated credit facility, securitization facilities and receivables purchase arrangements." This was an acknowledgement that Goeasy's improper non-IFRS compliant Class Period Financial Statements were not just an accounting problem, but an existential threat to Goeasy's business. The loss of approximately 70% of Goeasy's market capitalization after the March 10, 2026 Press Release, partial correction reflected the seriousness of the situation.

<u>72.3. These internal controls misrepresentations were contained in the Offering Memoranda and Prospectuses or were otherwise incorporated therein by reference.</u>

4) Fourth Category of Misrepresentations – Goeasy consistently throughout the Class Period misrepresented that its loan portfolio was performing far better than it was

72.4. Goeasy's Class Period Interim and Annual Financial Statements and MD&A reported:

(a) positive statements about the credit mix of its loan portfolio and its underwriting standards;

(b) Impact on the Aging of Gross Consumer Loans Receivable Past Due;

(c) Impact on the Changes in the Staging Classification of Gross Consumer Loans Receivable;

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

(e) Operating Income;

(f) Net Income; and

(g) Basic Earnings (Loss) Per Share.

72.5. As described below, these material elements of Goeasy's financial statements regarding loan performance were misrepresented throughout the Class Period.

(1) Positive statements about the credit mix of its loan portfolio

72.6. During the Class Period, Goeasy represented in its MD&A that there was continued improvement in the product and credit mix of its loan portfolio and credit and underwriting enhancements, as set out in Schedule "A".

72.7. These were untrue statements of material fact and constituted misrepresentations under the *QSA*

(2) Aging analysis of gross consumer loans receivable past due

72.8. In each of its Interim and Annual Financial Statements, Goeasy disclosed an aging analysis of gross consumer loans receivable past due, as set out in Schedule "B".

72.9. These were untrue statements of material fact and constituted misrepresentations under the *QSA.*

(3) Analysis of changes in the classification of gross consumer loans receivable

72.10. In each of its Interim and Annual Financial Statements, Goeasy disclosed an analysis of changes in classification of gross consumer loans receivable, as set out in Schedule "C".

72.11. These were untrue statements of material fact and constituted misrepresentations under the *QSA*.

(4) Analysis of the changes in the classification for credit losses

72.12. In each of its Interim and Annual Financial Statements, Goeasy disclosed an analysis of the changes in the classification for credit losses, as set out in Schedule D.

72.13. These were untrue statements of material fact and constituted misrepresentations under the *QSA*.

(5) Operating Income

72.14. In each of its Interim and Annual Financial Statements, Goeasy disclosed its operating income, as set out in Schedule "E".

72.15. These were untrue statements of material fact and constituted misrepresentations under the *QSA*.

(6) Net charge offs as a percentage of average gross consumer loans receivable

72.16. In each of its Interim and Annual Financial Statements, Goeasy disclosed net charge offs as a percentage of average gross consumer loans receivable, as set out in Schedule "F".

72.17. These were untrue statements of material fact and constituted misrepresentations under the *QSA*.

(7) Allowance for expected credit losses

72.18. In each of its Interim and Annual Financial Statements, Goeasy disclosed allowance for expected credit losses, as set out in Schedule "G".

72.19. These were untrue statements of material fact and constituted misrepresentations under the *QSA*.

(8) Net Income

72.20. In each of its Interim and Annual Financial Statements, Goeasy disclosed its net income, as set out in Schedule "H".

72.21. These were untrue statements of material fact and constituted misrepresentations under the QSA and the Other Canadian Securities Legislation.

(9) Basic earnings (loss) per share

72.22. In each of its Interim and Annual Financial Statements, Goeasy disclosed its basic earnings (loss) per share, as set out in Schedule “I”.

72.23. These were untrue statements of material fact and constituted misrepresentations under the QSA and the Other Canadian Securities Legislation.

72.24. These loan performance misrepresentations were contained in the Offering Memoranda and Prospectuses or were otherwise incorporated therein by reference.

5) Fifth Category of Misrepresentations – Goeasy consistently throughout the Class Period misrepresented the value of goodwill in its LendCare Operating Segment

72.25. During the Class Period, Goeasy misrepresented the amount of its goodwill related to its LendCare operating segment in all the Impugned Documents that were Interim and Annual Financial Statements and MD&A, as set out in Schedule “J”.

72.26. These were untrue statements of material fact and constituted misrepresentations under the QSA and the Other Canadian Securities Legislation.

72.27. The goodwill misrepresentations were contained in the Offering Memoranda and Prospectuses or were otherwise incorporated therein by reference.

6) Sixth Category of Misrepresentations – Compliance with Debt Covenants

72.28. During the Class Period, Goeasy misrepresented both the risk of non-compliance with its debt covenants and its actual compliance with those covenants.

72.29. Goeasy’s operations during the Class Period were financed through, among other things, a mix of debt instruments, including a revolving credit facility and securitization facilities.

72.30. The credit agreements governing these facilities contained debt covenants requiring Goeasy to maintain a minimum consolidated fixed charge coverage ratio—a financial metric assessing Goeasy’s ability to meet fixed cash outflows (e.g., interest, scheduled principal, and other defined fixed charges) from earnings.

72.31. Goeasy's reported earnings used to calculate its consolidated fixed charge coverage ratios were affected by the quality of its consumer loan portfolio, including the net charge-off rate, bad debt expenses and allowances for credit losses. As described, Goeasy misstated these portfolio metrics during the Class Period.

(1) Misrepresentations relating to risk of covenant breach

72.32. During the Class Period, Goeasy disclosed its fixed charge coverage ratios for each credit facility and compared those ratios to the required minimum consolidated fixed charge coverage ratio.

72.33. Goeasy's reported consolidated fixed charge coverage ratios for its credit facilities were overstated, and those overstatements masked an undisclosed elevated risk of covenant breach.

(2) Misrepresentations relating covenant breach

72.34. During the Class Period, Goeasy affirmatively represented that it was compliance with the financial covenants in its credit facilities and that it met the minimum consolidated fixed charge coverage ratio requirements. Those representations were false as Goeasy failed to satisfy the minimum consolidated fixed charge coverage ratio requirements.

72.35. These were untrue statements of material fact and constituted misrepresentations under the *QSA*.

72.36. These debt covenant misrepresentations were contained in the Offering Memoranda and Prospectuses or were otherwise incorporated therein by reference.

7) Seventh Category of Misrepresentations – Corporate Governance

72.37. Goeasy's MICs stated that "[t]he Corporation's Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation."

72.38. There were untrue statements of material fact and constituted misrepresentations under the *QSA*.

72.39. Goeasy also omitted to state material facts required to be stated or that was necessary to make these disclosures not misleading in light of the circumstances in which they were made, namely, among other things, Goeasy had undisclosed material weaknesses in its ICFR and its DC&P were not effective.

72.40. These corporate governance misrepresentations were made in the Offering Memoranda and Prospectuses or were otherwise incorporated therein by reference

IV.I MISREPRESENTATIONS BY ERNST AND YOUNG

1) Ernst & Young's misrepresentations in its 2023 and 2024 Audit Reports

72.41. Goeasy's 2023 and 2024 Annual Financial Statements contained an Independent Auditor's Report prepared and signed by Ernst & Young in which Ernst & Young represented that:

(a) Ernst & Young audited the consolidated financial statements of Goeasy and its subsidiaries for the years ended December 31, 2023 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information;

(b) in Ernst & Young's opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS;

(c) Ernst & Young conducted its audit in accordance with Canadian GAAS;

(d) as part of an audit in accordance with Canadian GAAS, Ernst & Young exercised professional judgment and maintained professional skepticism throughout the audit; and

(e) Ernst & Young obtained an understanding of internal controls relevant to the audits in order to design audit procedures that are appropriate in the circumstances.

72.42. These were untrue statements of material fact and constituted misrepresentations under the *QSA*.

2) Canadian generally accepted auditing standards and the objective of an audit

72.43. Canadian generally accepted auditing standards (often called Canadian Auditing Standards or CAS) are the professional standards that govern the planning, performance, reporting and documentation of audits of financial statements in Canada.

72.44. The objective of an audit of an entity's financial statements is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the entity in accordance with generally accepted accounting principles, here: IFRS.

72.45. Fundamental requirements include:

(a) Professional skepticism and professional judgment must be applied throughout the audit (e.g., CAS 200);

(b) Risk assessment: obtain an understanding of the entity and its environment, including internal controls, to identify and assess risks of material misstatement (CAS 315);

(c) Responses to assessed risks: design and perform further audit procedures (tests of controls and substantive procedures) proportionate to risk (CAS 330);

(d) Audit evidence: obtain sufficient appropriate evidence to support the auditor's opinion (CAS 500);

(e) Accounting estimates and judgments: apply enhanced procedures for complex or high-risk estimates (CAS 540);

(f) Fraud considerations: address risk of material misstatement due to fraud (CAS 240);

(g) Internal control communication: identify and communicate significant control deficiencies to those charged with governance (CAS 265);

(h) Communicating Key Audit Matters: determine and disclose in the auditor's report those matters of most significance in the audit (CAS 701); and

(i) Documentation: maintain audit working papers documenting the procedures performed, evidence obtained and conclusions reached (CAS 230).

3) Reasonable assurance, professional skepticism and audit evidence

72.46. "Reasonable assurance" is a concept relating to the accumulation of the audit evidence necessary for the auditor to conclude that there are no material misstatements in the financial statements taken as a whole.

72.47. GAAS requires that an auditor must conclude whether sufficient and appropriate audit evidence has been obtained to reduce the risk of material misstatement in the financial statements to an acceptably low level.

72.48. In arriving at an audit opinion, the auditor must apply professional skepticism and consider all relevant audit evidence, regardless of whether it appears to corroborate or contradict management's assertions in the financial statements. Sufficiency is the measure of the quantity of the audit evidence. Appropriateness is the measure of the quality of audit evidence.

72.49. The quantity of audit evidence needed is affected by identification and assessment of the risks of material misstatement (the greater the risk, the more audit evidence is likely to be required) and also by the quality of such audit evidence (the higher the quality, the less may be required). Accordingly, the sufficiency and appropriateness of audit evidence are interrelated. However, merely obtaining more audit evidence may not compensate for its poor quality.

72.50. An auditor is required to plan and perform an audit with an attitude of professional skepticism, recognizing that circumstances may exist that may cause the financial statements to be materially misstated.

72.51. The auditor should make a critical assessment, with a questioning mind, of the sufficiency and appropriateness of the audit evidence obtained and should be alert for evidence that contradicts or brings into question the reliability of documents or representations of management or those charged with governance.

72.52. Professional skepticism includes being alert to, for example:

(a) audit evidence that contradicts other audit evidence obtained;

(b) information that brings into question the reliability of documents and responses to inquiries to be used as audit evidence;

(c) conditions that may indicate possible fraud; and

(d) circumstances that suggest the need for additional audit procedures.

4) Key audit matters

72.53. A key audit matter is a matter communicated in the auditor's report that, in the auditor's professional judgment, was of most significance in the audit of the current period's financial statements

72.54. Key audit matters are selected from matters communicated with those charged with governance and typically relate to areas of higher assessed risk of material misstatement, significant auditor judgment (including related parties and significant transactions), significant events or transactions, or significant estimates and disclosures (e.g., ACL, goodwill, revenue recognition).

72.55. Auditor obligations regarding key audit matters (principally under CAS 701, with interplay from CAS 200, CAS 315, CAS 540, CAS 240 and CAS 265) include:

(a) Identify candidate matters: The auditor must use professional judgment and skepticism to identify matters communicated to those charged with governance that were most significant in the audit. Selection is risk based and focused on matters that required significant auditor attention.

(b) Communicate to governance: Candidate key audit matters must first be communicated in writing to the audit committee, together with the reasons they were considered significant and the auditor's planned or performed responses.

(c) Determine inclusion in the auditor's report: From the communicated matters, decide which are key audit matters to be included in the auditor's report. Not all significant matters will necessarily be key audit matters; the auditor exercises judgment to identify the "most significant" ones.

(d) Describe each key audit matter in the auditor's report: For each key audit matter included, the auditor must: (i) describe why the matter was considered a key audit matter (concise explanation of its significance and related financial statement areas); and (ii) describe how the matter was addressed in the audit—i.e., the principal audit procedures performed and the auditor's rationale for the procedures. The description should be informative but not disclose confidential information or undermine the audit.

(e) Ensure clarity and balance: Descriptions should be clear, avoid technical jargon where possible, and not imply an audit opinion on individual matters.

(f) Document judgment and procedures: The auditor must document the basis for selecting key audit matters, communications with those charged with governance, the procedures performed, and rationale for the descriptions included in the report.

(g) Maintain independence and professional skepticism: Throughout, the auditor must remain independent and apply professional skepticism, ensuring that identified key audit matters and the reported responses reflect sufficient appropriate audit evidence obtained.

72.56. Ernst & Young identified as key audit matters (matters that, in its professional judgment, were of most significance in the audit) allowances for credit losses (2023 and 2024) and goodwill impairment for LendCare (2023).

5) Ernst & Young failed to conduct its audits in accordance with Canadian generally accepted auditing standards

72.57. For its allowance for credit losses, Goeasy relied on expected credit loss models. Ernst & Young:

(a) relied on Goeasy's expected credit loss models as fundamentally sound, despite evidence to the contrary;

(b) failed to uncover evidence that the credit loss models did not reliably estimate appropriate and accurate credit losses for Goeasy's loans;

(c) failed to collect sufficient and appropriate audit evidence to assess key data elements and assumptions included in the credit loss models;

(d) failed to identify that the credit loss models were incapable of appropriately valuing Goeasy's loans, particularly delinquent loans; and

(e) failed to evaluate whether its findings were consistent with other audit evidence gathered and failed to assess whether its work was sufficient and appropriate for audit purposes.

72.58. For its goodwill impairment testing for LendCare, Ernst & Young purported to estimate the recoverable amount of the cash-generating unit. This purported to include:

(a) performing a sensitivity analysis over the significant assumptions to evaluate the changes in the recoverable amount of the cash-generating unit that would result from changes in the assumptions;

(b) assessing the methodologies applied, and testing the significant assumptions discussed above and the underlying data used by Goeasy in its assessment;

(c) obtaining the assistance of its Valuation Specialists, evaluating the discount rate by considering the cost of capital of comparable businesses and other industry factors.

(d) evaluating the reasonability of the forecasted earnings and terminal growth rate by comparing to historical results and its current understanding of the business as well as current economic trends; and

(e) assessing the historical accuracy of management's prior year estimates by performing a comparison of management's prior year projections to actual results.

72.59. For its goodwill impairment testing for LendCare, Ernst & Young failed to perform adequate audit procedures, including:

(a) relying on management's goodwill impairment assessment and the recoverable-amount estimates as fundamentally sound, despite evidence or indicators to the contrary;

(b) failing to obtain sufficient appropriate audit evidence to support the key inputs and significant assumptions (forecasted cash flows, discount rate, terminal growth rate) used to determine the recoverable amount of the LendCare cash-generating unit;

(c) failing to adequately challenge or validate management's forecasts and underlying data (including historical performance, growth assumptions and projections), and did not sufficiently test the reasonableness of those forecasts given market and economic conditions;

(d) failing to appropriately use or supervise its Valuation Specialists or to evaluate their work; and

(e) failing to perform or rely upon adequate sensitivity and back-testing procedures and to evaluate whether sensitivity results and prior-year forecast accuracy were consistent with other audit evidence, and therefore did not assess whether its work was sufficient and appropriate to support the audit opinion.

72.60. Ernst & Young inappropriately failed to identify goodwill as a key audit matter for 2024.

72.61. Ernst & Young failed to perform fundamental audit procedures over the most critical aspects of Goeasy's financial statements and failed to obtain sufficient audit evidence to support the audit opinions that it issued, including:

(a) a failure to obtain sufficient appropriate audit evidence as to the value and staging of Goeasy's consumer loans;

(b) a failure to conduct its audit work with an adequate degree of professional skepticism;

(c) a failure to challenge and validate audit evidence that it gathered;

(d) a failure to subject Goeasy management's judgments and estimates to effective scrutiny, even when they appeared unreasonable and suggested potential management bias;

(e) a failure to consider the audit implications of evidence that methodologies used by Goeasy to value and stage its loans were unreliable, that the value of the loans could be materially overstated and that the staging of the loans materially understated delinquencies;

(f) a failure to obtain an adequate understanding of Goeasy's internal controls relevant to its audit in order to design audit procedures that were appropriate in the circumstances; and

(g) Ernst & Young's testing of Goeasy loans was inadequate and insufficiently rigorous, and it failed to adequately respond to evidence and indicators of loan impairment.

72.62 CAS 315 and CAS 265 required Ernst & Young to understand ICFR, evaluate control deficiencies, and communicate significant deficiencies to those charged with governance. Ernst & Young was required to consider whether ICFR weakness was a key audit matter. Ernst & Young did not report ICFR weaknesses as a key audit matter, inconsistent with the auditor's responsibility to obtain an understanding of the entity's internal control relevant to the audit so they can identify and assess the risks of material misstatement and design effective further audit procedures.

72.63. The conduct described above violated Canadian GAAS. Ernst & Young failed to comply with the following CAS:

(a) CAS 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards;

(b) CAS 230, Audit Documentation;

(c) CAS 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements;

(d) CAS 265, Communicating Deficiencies in Internal Control to Those Charged with Governance and Management;

(e) CAS 315, Identifying and Assessing the Risks of Material Misstatement;

(f) CAS 320, Materiality in Planning and Performing an Audit;

(g) CAS 330, The Auditor's Responses to Assessed Risks;

(h) CAS 450, Evaluation of Misstatements Identified During the Audit;

(i) CAS 500, Audit Evidence;

(j) CAS 530, Audit Sampling;

(k) CAS 540, Auditing Accounting Estimates and Related Disclosures;

(l) CAS 560, Subsequent Events; and

(m) CAS 701, Communicating Key Audit Matters in the Independent Auditor's Report.

V. NOTE OFFERINGS

73. On November 28, 2023, Goeasy made a distribution of senior unsecured notes in the aggregate principal amount of US$550 million paying 9.250% due December 1, 2028. This offering was made pursuant to an offering memorandum as required by s. 5.1(a) of NI 45-50, Rule 45-501 or other offering document. The offering document incorporated by reference the misrepresentations in the Impugned Core Documents.

74. On February 23, 2024, Goeasy made a distribution of senior unsecured notes in the aggregate principal amount of US$400 million paying 7.625% due July 1, 2029. This offering was made pursuant to an offering memorandum as required by s. 5.1, Rule 45-501 or other offering document. The offering document incorporated by reference the misrepresentations in the Impugned Core Documents.

75. On July 25, 2024, Goeasy made a distribution of senior unsecured notes in the aggregate principal amount of US$200 million paying 7.625% due July 1, 2029. This offering was made pursuant to an offering memorandum as required by s. 5.1, Rule 45-501 or other offering document. The offering document incorporated by reference the misrepresentations in the Impugned Core Documents.

76. On November 4, 2024, Goeasy made two distributions of senior unsecured notes in the (i) aggregate principal amount of US$400 million paying 6.875% due May 15, 2030, and (ii) in the aggregate principal amount of CA$150 million paying 6.0% due May 15, 2020. These offerings were made pursuant to offering memoranda as

required by s. 5.1, Rule 45-501 or other offering documents. The offering documents incorporated by reference the misrepresentations in the Impugned Core Documents.

77. On April 1, 2025, Goeasy made a distribution of senior unsecured notes in the aggregate principal amount of US$400 million paying 7.375% due October 1, 2030. This offering was made pursuant to an offering memorandum as required by s. 5.1, Rule 45-501 or other offering document. The offering document incorporated by reference the misrepresentations in the Impugned Core Documents.

78. On August 20, 2025, Goeasy made two distributions of senior unsecured notes in the (i) aggregate principal amount of US$450 million paying 6.875% due February 15, 2031, and (ii) in the aggregate principal amount of CAD$175 million paying 6.000% due May 20, 2030. These offerings were made pursuant to offering memorandum as required by s. 5.1, Rule 45-501 or other offering documents. The offering documents incorporated by reference the misrepresentations in the Impugned Core Documents.

78.1 After the March 10, 2026 Press Release, S&P Global downgraded Goeasy's credit rating from BB- to B-, which included downgrading the rating of their senior unsecured Notes, which were distributed during the Claims Period.

V.I THE MISCONDUCT GIVING RISE TO GOEASY'S MISREPRESENTATIONS

1) Goeasy's 2021 acquisition of LendCare

78.2. Goeasy announced the acquisition of LendCare on April 30, 2021. The cost to Goeasy was $320 million (excluding closing adjustments), paid in cash and $10 million of common shares to LendCare's founders. At the time, Goeasy stated that the acquisition would accelerate its growth in the consumer credit market by expanding product offerings and point-of-sale distribution.

2) LendCare's culture change leading to the application of weak underwriting standards and the manipulation of loan status

78.3. After the acquisition, LendCare employees were pressured to originate new loans and to manipulate loan status to suppress reported delinquencies and write-offs.

a) Loan origination

78.4. Significant pressure was placed on LendCare's sales team to originate loans at the expense of the company's credit standards.

78.5. LendCare used a credit scorecard—statistical model that converts borrower information into a single numeric score to predict the likelihood of delinquency and default and to guide origination decisions.

78.6. LendCare's credit scorecard system had significant flaws that led to approval of loans that suffered from inappropriate credit and default risk:

(a) The scorecard had limited scenario coverage: it was not designed to handle a wide range of real-world applicant types, product variations or changing economic conditions. It also had weak red-flag detection and did not adequately surface or weight warning signals such as inconsistent income, employment discrepancies or other indicators of fraud and high default risk.

(b) The scorecard did not rely on physical adjudicators. Instead, the scorecard auto-approved files that hit the "go" line, *i.e.*, a numeric approval cutoff whereby any application whose score met or exceeded that threshold was automatically approved by the system without additional checks or manual review.

78.7. Additionally, LendCare prioritized new loans over adherence to scorecards, lowering underwriting standards to attract new business. For example, there was no routine income or affordability checks. "A-line" customers with credit scores over 700 would automatically receive loans up to $15,000 with no affordability validation. Average credit scores in the retail and health lines were around 590, which was very poor. Nor were there routine address checks, significantly impairing future attempts at collections.

78.8. LendCare's automobile lending unit was particularly aggressive. It pursued higher originations and larger loan amounts by using inflated used-vehicle valuations rather than conservative market values, relying on outdated valuation guides or selectively used premium "extra cle an" Canadian Black Book values that overstate typical resale prices.

78.9. As a result of the foregoing, LendCare routinely approved loans for applicants who should not have qualified. This even included individuals whose credit files reported multiple repossessions and multiple bankruptcies and very poor credit histories.

78.10. By systematically applying weak underwriting standards to book new loans, LendCare was able to significantly grow its originations. But because of these weak underwriting standards, LendCare's growth was increasingly fueled by loans with higher default risk, even resulting in large first-payment defaults.

b) Goeasy merchants

78.11. Goeasy customers could purchase goods from merchants and obtain credit financing from Goeasy. Vendors began to recognize LendCare's loose credit standards described above, and Goeasy developed a reputation among vendors that a LendCare loan meant that the customer would not have to pay. This led significant growth LendCare's loans as vendors directed their customers to Goeasy to obtain financing.

c) Loan manipulation

78.12. A charge off is an accounting write-off taken when the loan is deemed unlikely to be collected. Before and throughout the Class Period, Goeasy reported that unsecured customer loan balances that were delinquent (*i.e.*, the borrower has missed a required loan payment and the account is past its schedule due date) greater than 90 days and secured customer loan balances that were delinquent greater than 180 days were charged off.

78.13. As at YE 2024, Goeasy changed its disclosure, now reporting that unsecured customer loan balances that were delinquent greater than 90 days and secured customer loan balances that were delinquent greater than 180 days where no further collection measures are deemed practicable were written off against the allowance for loan losses.

78.14. Goeasy's Interim and Annual MD&A reported an aging analysis of gross consumer loans receivable at the end of each quarter, classifying loans as "current", or alternatively into a "days past due" category (i.e., 1-30 days, 31-44 days, 45-60 days, 61-90 days, 91-120 days, 121-150 days or 151-180 days). It also reported charge off rates as a percentage of its average gross consumer loans receivable.

78.15. LendCare began to systematically manipulate loan status to maximize classifying loans as current and to minimize loans falling in past-due categories and net charge offs.

78.16. This was facilitated by a collections workforce that was relatively vulnerable. It included many recent immigrants in low-paid, entry-level roles which discouraged internal challenge of directives.

78.17. LendCare's loan-status manipulation took multiple forms but produced the same result: loans that were delinquent or charge-off candidates were reported as current or the extent of their "days past due" was minimized.

i. The "re-process"

78.18. At month-end, LendCare ran a program referred to as the "re-process", executed by LendCare's Business Development.

78.19. The "re-process" aimed to produce month- and quarter-end snapshots showing loans as current by temporarily drawing payments from past due accounts; approximately $220 million in loan principals was processed monthly through this program.

78.20. The "re-process" involved processing payments from accounts lacking funds, including accounts that were 180+ days past due and even from deceased and bankrupted borrowers.

78.21. Many of these payments were reversed the next day through stop payments, NSFs or bank returns. On average, only a small percentage cleared. Nonetheless, the month- and quarter-end effect was an inflated reporting of current loans versus past due.

78.22. The "re-process" harmed customers: banks imposed on customers NSF, overdraft and returned-item fees, and drawing payments that were ultimately returned impacted their credit scores.

ii. Re-writing of delinquent loans

78.23. LendCare permitted loans to be re-written up to four times, allowing delinquent accounts to be reset and reported as current. This meant that, as a result of multiple re-writes, some loans appeared current despite no payments for extended periods (*e.g.*, up to ~2.5 years), thereby suppressing charge-offs.

iii. Loan modifications

78.24. Loans approaching 180+ days delinquent were often modified with lengthy deferrals (up to 90 days) that reset delinquency to 0 days. In some cases, customers received $1,000 cash advances capitalized into the loan rather than applied to arrears.

iv. Deferral "rewind" and handling of NSFs

78.25. For some customers, if a third payment returned NSF after two prior payments, LendCare would rewrite the loan, apply prior payments to past due balances, and delete the NSF invoice so the account appeared current.

v. Use of large payments

78.26. For some customers that made large payments more than the amount due, LendCare held excess funds as a reserve for future missed payments rather than applying them to principal; interest continued to accrue as if the payment had not been applied.

vi. Improper use of proceeds from repossession

78.27. Proceeds from repossession of secured-loan collateral were used to bring accounts current rather than to write off loans; if proceeds were insufficient, loans were re-written to appear current, sometimes without customer consent.

vii. Re-aging

78.28. In some cases, loans reaching 180 days delinquent were re-aged back to 90 days.

d) The commission structure strongly incentivized and rewarded originations and loan manipulation

78.29. In the sales department, very large commissions were paid to salespersons, in some cases reaching $50,000 per month.

78.30. This was also true in the collections department, with typical monthly commissions averaging $2,800, reaching upward of $25,000 per month. This included, for example, a $100 commission paid for getting charged-off or near-charged off borrowers to agree to restructure their loans. It also included a bonus structure based on amounts collected within delinquency bands (*i.e.*, 0-30 days, 30-60 days etc.).

78.31. The large, outcome-based commissions created strong incentives to prioritize loan origination over underwriting quality and honest accurate reporting of delinquency.

e) Whistleblowers were routinely ignored

78.32. Many whistleblowers raised concerns with senior Goeasy management during the Class Period about LendCare's underwriting and collections practices during the Class Period. Examples include:

(a) an employee raised formal concerns in June 2025 to Farhan Ali Khan, who was at the time LendCare's recently appointed Executive Vice President and Chief Revenue Officer;

(b) Tanya Flocari, a Senior Manager in Montreal, escalated concerns about LendCare collections to senior management;

(c) <u>JP Chartrand, Goeasy Director of Indirect Lending and then LendCare Vice President, Business Initiatives, reported concerns about LendCare collections to Internal Audit and Jason Appel;</u>

(d) <u>Anthony Wicklum, LendCare Director of Legal, reported concerns about LendCare collections to corporate counsel.</u>

<u>78.33. The concerns identified by whistleblowers were ignored, and LendCare continued with the practices described above.</u>

<u>f) Impact of loan underwriting practices on critical Goeasy disclosure</u>

<u>78.34. The manipulative practices described above allowed Goeasy to artificially grow its gross consumer loans receivable and revenue while maintaining stable net charge offs as a percentage of average gross consumer loans receivables.</u>

<u>78.35. This created an illusion that Goeasy's consumer loan portfolio was performing far better than it was.</u>

VI. PARTIAL CORRECTIVE DISCLOSURES OF THE MISREPRESENTATIONS

79. The truth about Goeasy's misleading accounting practices and the precarious state of its consumer loan portfolio was hidden from Class Members.

80. The truth was revealed through <u>six</u> partial public corrections, which were first initiated not by Goeasy itself, but by the publication of an investigative report by a market analyst and short-seller.

1) First Partial Correction – September 22, 2025 <u>Jehoshaphat Research Report</u>

81. The first partial public correction occurred on September 22, 2025, when market analyst and short-seller Jehoshaphat Research published the Short Seller Report which was highly critical of Goeasy's accounting of its credit losses and delinquencies in its loan portfolio, such that its consumer loan portfolio was significantly overvalued. Following the release of the Short Seller Report, Goeasy's share price dropped from \$204.51 to \$174.66, a loss of \$29.85 per share or 14.5%.

82. On September 24, 2025, Goeasy issued the Goeasy Denial, a press release where it "categorically" denied and refuted "the characterizations and conclusions presented in" the Short Seller Report. The Goeasy Denial was itself a misrepresentation directed at perpetuating its previous misleading disclosure about loan losses and delinquencies and the value of its key assets and income. This misrepresentation partially reinflated the value of Goeasy's shares.

83. (…)

2) Second Partial Correction – November 5, 2025 Release of Goeasy Q3 2025 Results

84. The second partial public correction occurred just over one month later, on November 5, 2025, when Goeasy released its Q3/2025 results and implicitly acknowledged that it was taking a more conservative approach to loan delinquencies and recorded a $442 million ACL and a net charge-off of $118.765 million. The issues highlighted in the Short Seller Report were beginning to manifest themselves as reflected in Q3/2025 loan loss provisions and related metrics. With this partial correction, Goeasy's share price dropped from $169.42 at market opening on November 5, 2025, to $134.26 at close on November 6, 2025, a loss of $35.16 per share or 20.7%.

85. The Q3/2025 results and related comments during the Earnings Call by Goeasy and its CEO, CFO and CRO were together only partially corrective, because they failed to fully disclose the nature, extent, and effect of Goeasy's misreporting and accounting of loan losses and delinquencies, and the anticipated impact that these practices would have on Goeasy's business if Goeasy's stakeholders were fully informed as to the breadth and impact of these misrepresentations.

86. In short, by not coming clean with its security holders, Goeasy continued to artificially inflate the value of Goeasy's securities and mislead its investors.

3) Third Partial Correction – (…) December 4, 2025 *Toronto Star* article

86.1. The third public correction occurred on December 4, 2025, when the Toronto Star published an article entitled, "Blinded Borrowers", authored by Frédérik Plante and Ana Pereira. The article chronicled extensive misconduct at LendCare, including a strategy to suppress loan delinquencies whose ultimate goal was to report misleading numbers on delinquencies to Goeasy investors. The article reported that, among other things:

(a) collections staff pulled additional, surprise payments from past-due accounts and restructured loans over and over again in an effort to make them appear in good standing on paper;

(b) there was pushback within the company against the strategy to no avail;

(c) amounts drawn from overdue loans came from accounts that lacked funds, resulting in NSF fees and additional penalties in the form of more fees and interest rate increases;

(d) LendCare tried to process payments on accounts previously settled with customers, in cases where loans were entirely paid off or borrowers had agreed to another arrangement within the company;

(e) LendCare's actual delinquency rate was more than 20%, significantly higher than its publicly-reported delinquency rate;

(f) in circumstances where a borrower has not made any payments, LendCare would try to bring delinquent loans back into good standing by adding missed payments to principal and changing the terms of the loan entirely;

(g) LendCare would restructure loans where it no longer had current banking information allowing it to process payments;

(h) there were monetary incentives for team members to restructure loans.

86.2. The December 4, 2025, Toronto Star article constituted a public correction under the *QSA.*

4) **Fourth Partial Correction – March 10, 2026: Goeasy Press Release**

87. The third and most devastating partial public correction occurred on March 10, 2026, when in anticipation of the release of their Q4/2025 earnings, Goeasy issued the March 10, 2026 Press Release at 8:36 am ET, prior to the opening of trading, announcing, among other things:

a) that it expected to incur an incremental charge in Q4/2025 of approximately $178 million against gross consumer loans receivable;

b) that there would be a related write-down of approximately $55 million for loan interest and fees;

c) a total net charge-off of $331 million for the quarter;

d) a withdrawal of previously issued Q4/2025 outlook and three-year forecast;

e) a suspension of quarterly dividend and repurchasing of shares;

f) that there would be revisions of previously reported financial results, including for FY/2024 and interim reports throughout 2025; and

g) that "the anticipated incremental net charge offs and increase in loan loss provision is expected to result in the Company not complying with certain financial covenants, as currently formulated, under its syndicated credit facility, securitization facilities and receivables purchase arrangements."

87.1 The revelation that Goeasy was suspending its planned quarterly dividend, withdrawing its previous financial forecast, and revising previously reported financial results for 2024 and 2025 implied not simply a downturn in its business, but a serious breakdown in Goeasy's internal financial controls such that its financial reporting throughout the Class Period could not be trusted.

87.2 Goeasy's further disclosure that the revision to its 2024 and 2025 financial reporting put it offside its critical "financial covenants, as currently formulated, under its syndicated credit facility, securitization facilities and receivables purchase arrangements" compounded the situation and was an acknowledgement that Goeasy's improper financial reporting was not just an accounting problem, but an existential threat to its business.

88. This was reflected in the market's severe reaction to this news. Goeasy's share price fell from $115.55 at the close of trading on March 9, 2026 to $35.02 at the close of trading on March 12, 2026, a loss of $80.53 per share or approximately 70%.

5) <u>Fifth Partial Correction – March 24, 2026 Goeasy Press Release</u>

<u>88.1. The fifth public correction occurred on March 24, 2026 when Goeasy issued a press release announcing, among other things:</u>

(a) <u>definitive agreements with lenders and counterparties under its syndicated revolving credit facility, consumer securitization warehouse facility and loan purchase and sale agreement;</u>

(b) <u>the definitive agreements were subject to new conditions, including a borrowing-base test, certain advance rates, and eligibility requirements that exclude loan receivables originated at LendCare, and the spread applicable to interest on advances significantly increased; and</u>

(c) that Goeasy did not enter into a definitive agreement with respect to its auto securitization warehouse facility as the company had previously agreed to suspend the use of the facility with all amounts outstanding and repaid and the related loan receivables transferred to the company.

88.2. Goeasy's March 24, 2025 press release constituted a public correction under the *QSA*.

6) Sixth Partial Correction – March 31, 2026 Goeasy Release of YE/2025 Annual Financial Statements, MD&A and AIF

88.3. The sixth public correction occurred on March 31, 2026 when Goeasy released its AIF, Annual Financial Statements and MD&A for YE/2025.

88.4. Among other things, Goeasy disclosed:

(a) the identification of errors in its prior period accounting treatment of customer payments;

(b) a failure to comply with IFRS for prior period financial statements dating back to Q1 2024;

(c) the impact of its prior period errors on certain aspects of its prior period financial statements dating back to Q1 2024;

(d) the consequent requirement to restate prior period financial information;

(e) a write-down of goodwill associated with LendCare;

(f) **Goeasy's ICFR was not effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS because of a material weakness primarily relating to the appropriate application of IFRS 9;**

(g) to the existence of the material weakness in ICFR, DC&P were not effective;

(h) the material weakness contributed to the misstatements that led to the restatement of Goeasy's prior period results;

(i) as it pertains to the LendCare subsidiary, Goeasy did not design and maintain effective controls to ensure that:

(i) collection practices and tools were appropriately considered in the estimation of the allowance for expected credit losses, that loan level transactions were appropriately reflected on the balance sheet, and that the delinquency status of the loans were appropriately reflected in the Company's IFRS 9 disclosures;

(ii) interest receivable expected credit loss models received sufficient oversight; and

(iii) management's application of its collection practices at the loan level, demonstrating the application of IFRS 9, were appropriately documented;

(j) Goeasy had a remediation plan that intended to implement as follows:

(i) updating LendCare and harmonizing written policies and operating procedures on management's application of its collection practices and their respective impacts on the disclosure and estimation of the allowance for expected credit loss;

(ii) implementing, monitoring, and testing of the design and operating effectiveness of new controls at LendCare which the Company has already begun to implement to ensure that collection practices are appropriately considered in the estimation of the allowance for expected credit losses, and that the delinquency status of loans is appropriately reflected in the Company's IFRS 9 disclosures;

(iii) enhancing management oversight and approval over the modeling and quarterly estimation of the allowance for expected credit losses, including the impact of the allowance for interest receivable; and

(iv) providing continuous training programs for accounting, finance and risk personnel to enhance their knowledge of relevant policies and accounting standards used in the preparation of the Company's consolidated financial statements and IFRS 9.

88.5. Goeasy's MD&A described the purported basis for the restatement, which is reproduced at Schedule "K".

88.6. While Goeasy restated its financial statements back to Q1 2024, that restatement did not fully reflect the true timing of losses.

88.7. Most of the charges arising from LendCare's inappropriate collection practices and from flawed assumptions in the company's expected credit-loss model were recognized in Q4 2025.

88.8. Among other things, under IAS 8 and IFRS requirements for prior-period adjustments, the economic events and measurement errors that gave rise to those charges should have been evaluated for recognition in the earlier periods in which the losses were incurred. The concentration of those charges in Q4 2025 therefore indicates the restatement failed to allocate appropriate amounts to prior quarters, and thus was not an appropriate application of IFRS.

88.9. Goeasy's March 31, 2026 disclosures show that the accounting deficiencies, including LendCare's collection practices and the inappropriate expected credit-loss assumptions, were present for multiple years prior to Q1 2024. Accordingly, Goeasy ought to have restated its financial statements back to Q1 2021. Goeasy's failure to do so was not an appropriate application of IFRS.

88.10. The reported post-restatement LendCare net charge off rates illustrate the timing issue. Post-restatement LendCare net charge-offs are 6.5% for FY 2024, 15.9% for FY 2025, and 40.6% for Q4 2025. Portfolios do not normally deteriorate from 6.5% to 40.6% in a single quarter absent prior deterioration being unrecognized. The real explanation—supported by the magnitude and concentration of Q4 write offs—is that loans already impaired in earlier quarters were only written off in Q4 2025. Those write offs therefore should have been reflected, at least in part, in earlier periods, which the restatement did not accomplish; accordingly, the restated net charge off rates remain misstated for earlier periods.

88.11. The related provisioning metrics confirm the inconsistency. Post restatement bad debt expense as a percentage of gross loans is 10.4% for 2024 versus 15.1% for 2025, and the allowance for expected credit losses rose from 7.81% at YE2024 to 9.57% at YE2025. If credit deterioration was evident in 2024, the expectation of higher losses should have been incorporated into the 2024 allowance and bad debt expense. The restatement, however, reflects materially higher loss measures only in 2025, indicating that the estimation procedures applied for 2025 were not applied retroactively to 2024 as required where prior period estimates were in error.

88.12. The reclassification of $193.6 million of loans into Stage 3 further demonstrates the understatement of prior allowances. Before reclassification, Goeasy's allowance on Stage 3 balances equaled approximately 37% of those balances; after reclassification, the incremental allowance on the newly reclassified Stage 3 loans represented only about 19% of those balances. The same type of non performing loans therefore carried materially different reserve rates depending on whether they had been previously classified as Stage 3 or were newly reclassified—an inconsistency with no plausible accounting rationale. This discrepancy indicates the

2024 allowance remained understated and that a portion of the Q4 2025 bad debt expense ought to have been recognized in earlier reporting years.

88.13. Goeasy's AIF, Annual Financial Statements and MD&A for YE/2025 disclosed on March 31, 2026 constituted a public correction under the *QSA*.

88.14. Goeasy's share price fell from $38.23 at the close of trading on March 31, 2026 to $37.36 at the close of trading on April 1, 2026, and continued to fall over the following 10 trading days to $32.90 at the close of trading on April 15, 2026, a decline of 11.9%.

VI.I IMPACT ON THE PRICE AND VALUE OF GOEASY'S NOTES

88.15. The public corrections had a significant negative impact on the price and value of Goeasy's Notes:

Notes	**Last price prior to September 22, 2025**	**First price after March 31, 2026**	**Decline (%)**
9.250% senior unsecured notes due 2024	$105.241	$94.567	-10.14%
7.625% Senior unsecured Notes due 2029	$103.18	$89.679	-13.08%
6.875% senior unsecured notes due 2030	$102.25	$82.731	-19.09%
6.000% senior unsecured notes due 2030	$100.468	$82.13	-18.25%
7.375% senior unsecured notes due 2030	$102.455	$83.612	-18.39%
6.875% senior unsecured notes due 2031	$99.785	$80.796	-19.03%

VII. THE DEFENDANTS' RELATIONSHIP TO THE CLASS

89. By virtue of their purported accounting, financial and/or managerial acumen and qualifications, and by virtue of their having assumed, voluntarily and for profit, their respective roles in Ontario's capital markets, the Defendants had a duty, informed by the *QSA* and the Other Canadian Securities Legislation and/or the *OBCA*, to exercise care and diligence to ensure that the Impugned Core Documents were free from misrepresentation.

90. Goeasy, as a reporting issuer in Quebec, had an obligation to make timely, full, true and plain disclosure of all material facts and changes with respect to its business and affairs, and to ensure that the Impugned Documents were free from misrepresentation before they were publicly disclosed.

91. The Individual Defendants, by virtue of their positions as senior officers and/or directors of Goeasy, owed a duty to the Class Members to ensure that public statements on behalf of Goeasy were not untrue, inaccurate or misleading and were free from misrepresentation.

92. The *QSA* and Other Canadian Securities Legislation required Goeasy to prepare and disclose Interim and Annual Financial Statements and accompanying MD&A and AIFs free from misrepresentation. These documents included the Impugned Core Documents and were intended by Goeasy and its officers and directors, including the Individual Defendants, to be read and relied upon by Goeasy shareholders, including the Class Members, in making decisions as to whether to buy, hold, or sell Goeasy securities.

93. The Offering Memoranda were prepared to affect the Offerings and provide all material information necessary for prospective investors, including Class Members, to determine whether they would acquire Goeasy securities offered by the Offering Memoranda during the period of distribution or during distribution to the public.

94. The defendants Jason Mullins, David Ingram, Dan Rees and Patrick Ens, who were Goeasy CEOs at various times during the Class Period, and the defendants Halim Khouri and Feliz Wu as Goeasy CFOs during the Class Period had statutory duties and obligations under the *QSA* and Other Canadian Securities Legislation to ensure the accuracy of disclosure documents and provided the 52-109 Certifications, on behalf of Goeasy in respect of the Annual and Interim Financial Statements and related MD&A and AIFs during the Class Period.

95. The Individual Defendants, as Goeasy officers and/or directors during the Class Period, had statutory duties and obligations under the *OBCA* to conduct themselves

as officers and directors of Goeasy and in compliance with the *OBCA*, honestly and in good faith with a view to the best interests of the Company and to exercise the care diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

96. Ernst & Young acted as Goeasy's auditors and provided independent auditor's reports (the "**Ernst & Young Reports**") in connection with Goeasy's FY/2023 and FY-2024 Annual Financial Statements. The Ernst & Young Reports stated that Ernst & Young had audited the accompanying consolidated financial statements of Goeasy and its subsidiaries, and that in its opinion, the,

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

97. These statements by Ernst & Young in the Ernst & Young Reports were materially false statements and actionable misrepresentations. The Goeasy audited Annual Financial Statements did not present fairly in all material respects the financial position of Goeasy and were not prepared in accordance with IFRS. Ernst & Young knew and intended that Class Members would rely on the Ernst & Young Reports, Goeasy's audited Annual Financial Statements and assurances about the material accuracy of the audited Annual Financial Statements.

VIII. THE RELATIONSHIP BETWEEN GOEASY DISCLOSURES AND THE PRICE OF GOEASY SECURITIES

98. The price of Goeasy's securities was directly affected during the Class Period by the issuance of the Impugned Documents containing the misrepresentations as particularized herein. The Defendants were aware at all material times of the effect of Goeasy's public disclosures upon the price of its securities.

99. The Impugned Documents were filed, among other places, with SEDAR and the TSX and thereby became immediately available to, and were reproduced for inspection by, the Class Members, other members of the investing public, financial analysts and the financial press.

100. Goeasy regularly communicated with the public investors and financial analysts via established market communication mechanisms, including through regular disseminations of their disclosure documents, earnings calls, published transcripts of earnings calls, press releases on newswire services in Canada, the United States

and elsewhere. Each time Goeasy communicated that new material information about Goeasy's financial results or transactions entered into by Goeasy to the public, the price of Goeasy's securities was directly affected.

101. Goeasy was the subject of analysts' reports that incorporated certain of the information contained in the disclosure documents and on analysts calls, with the effect that any recommendations to purchase Goeasy's securities in such reports during the Class Period were based, in whole or in part, upon that information.

102. Goeasy's securities were and are traded, among other places, on the TSX which is an efficient and automated market. The price at which Goeasy's securities traded promptly incorporated material information from Goeasy's disclosure documents and earnings calls about Goeasy's business and affairs, including the misrepresentations alleged herein, which was disseminated to the public through the documents and communications referred to above and distributed by Goeasy, as well as by other means.

IX. THE PLAINTIFF'S RIGHTS OF ACTION

103. The Plaintiff asserts three rights of action against Defendants:

a) A statutory right of action for misrepresentation in a secondary market (s. 225.4 *et seq.* of the *QSA*);

b) A statutory right of action for failure to disclose a material change pursuant to s. 73 e*t seq.* of the *QSA*; and

c) A statutory right of action for misrepresentation in a primary market (s. 217 *et seq.* of the *QSA*).

1) Liability for Secondary Market Disclosure

104. The Plaintiff claims damages against all Defendants pursuant to QSA section 225.8, et seq and, if necessary, concordant provisions of Other Canadian Securities Legislation.

105. Goeasy is a reporting issuer in Quebec. Under s. 68 of the QSA, as appears from an extract from the AMF's Reporting Issuers List, attached herewith as Exhibit P-71.

106. The Individual Defendants were, at the material time, directors and/or officers of Goeasy.

107. VYCO was and is an "influential person" pursuant to section 225.3 of the QSA.

108. Each of the Impugned Documents contained one or more misrepresentations as particularized above. Such misrepresentations are misrepresentations for the purposes of the QSA.

109. Each of the Individual Defendants, as an officer and/or director of Goeasy at all material times, authorized, permitted or acquiesced in the release of some or all of the Impugned Documents while knowing that some or all of the Impugned Documents contained misrepresentations as particularized above.

110. VYCO was and is an "influential person" within the meaning of section 225.3 of the *QSA*, because, throughout the Class Period, it had beneficial ownership of or control or direction over, directly or indirectly, securities of Goeasy carrying more than 10 per cent of the voting rights attached to all Goeasy's outstanding voting securities. VYCO, through its President and director Donald K. Johnson (who was also a Goeasy director) and its director David Ingram (who was also a director of Goeasy) knowingly influenced Goeasy to release the Impugned Documents.

111. Ernst & Young is an expert within the meaning of section 225.3 of the *QSA*. Ernst & Young consented to the use of its statements particularized above, including the Ernst & Young Reports, in the Impugned Documents.

112. At all material times, each of Goeasy, VYCO, Ernst & Young and the Individual Defendants knew at the time that the Impugned Documents were released that they contained misrepresentations, or in the alterative, deliberately avoided acquiring knowledge that the Impugned Documents contained misrepresentations or, in the alternative – through act or failure to act – was guilty of gross misconduct in connection with the release of the Impugned Documents that contained misrepresentations which are particularized above.

113. The Plaintiff and the other Class Members are entitled to damages calculated under the provisions of the *QSA.*

2) Liability for Failure to Disclose a Material Change

114. Pursuant to s. 73 of the *QSA* and Part 7 of *Regulation 51-102*, Goeasy was required to immediately issue and file a news release, authorized by an executive officer, disclosing any material change in its business, operations or capital, including the nature of such change. It was also required to file a material change report as soon as practicable and, in any event, within 10 days of the date on which the change occurred.

115. On March 10, 2026, Goeasy issued a press release disclosing that the Company had not been in compliance with "certain financial covenants" under its syndicated credit

facility, securitization facilities and receivables purchase arrangements and, as a result, the company had entered into an accommodation agreement with the lenders under its syndicated credit facility. Goeasy disclosed the following:

> Although the anticipated incremental net charge offs and increase in loan loss provision is expected to result in the Company not complying with certain financial covenants, as currently formulated, under its syndicated credit facility, securitization facilities and receivables purchase arrangements, the Company has entered into an accommodation agreement with the lenders under its syndicated credit facility and is in active discussions with these lenders as well as with the counterparties under its securitization facilities and receivables purchase agreements. The Company anticipates entering into an amendment, waiver or other appropriate agreement with each of these parties on or before its Q4 2025 reporting. The Company remains in compliance with all the covenants under its senior unsecured notes. The Company has sufficient liquidity to meet its obligations and does not anticipate any shortfall in liquidity while normalization discussions with its lenders are being finalized.

116. Goeasy's non-compliance with its financial covenants, as disclosed on March 10, 2026, amounts to a "change" in the company's business, operations, or capital. This non-compliance goes directly to the core of Goeasy's business, operations, and capital as, without the syndicated credit facility, securitization facilities and receivables purchase arrangements, Goeasy would be severely restricted in its ability to access capital to lend money to its customers due to the effect of the misrepresentations in net charge offs and loan loss provision.

117. This change in the business, operations, or capital of Goeasy was material, as it would have been reasonably expected to have a significant effect on the market price or value of the securities of Goeasy. In fact, upon release of the March 10, 2026 Press Release, the price of Goeasy's securities declined substantially by approximately 70%.

118. Goeasy's non-compliance with its financial covenants, which was finally disclosed on March 10, 2026, pre-dated the commencement of the Class Period and should have been disclosed forthwith, and by March 17, 2023, at the latest. As a result of Goeasy's failure to disclose this material change in its business, operations or capital, the Plaintiffs and Class Members claim against Goeasy, the Individual Defendants and VYCO pursuant to s. 225.3 of the *QSA*.

119. Each of the Individual Defendants, as a director and, or officer of Goeasy authorized, permitted or acquiesced in the failure to make timely disclosure of the material change.

120. VYCO, as an influential person, knowingly influenced Goeasy and/or any person acting on behalf of Goeasy in the failure to make timely disclosure of the material change.

3) Liability for Primary Market Offering Memorandum Misrepresentations

121. The Plaintiff asserts a cause of action under section 221 of the *QSA* on behalf of those Class Members who purchased Goeasy securities offered by the Offering Memoranda during the period of distribution or during distribution to the public ("**OM Purchasers**").

122. Goeasy issued the OM Disclosure, which, along with the Goeasy disclosure documents incorporated therein by reference, contained the misrepresentations that are alleged above.

123. Goeasy is liable to the OM Purchasers for the damages suffered by them as a result of their misrepresentations in the OM Disclosure.

X. DAMAGES

124. The price of Goeasy's securities was directly affected during the Class Period by the issuance of the Core and Non-Core Documents containing the misrepresentations as described above. The Defendants were aware at all material times of the effect of Goeasy's disclosure documents upon the price of its securities.

125. The Core Documents containing misrepresentations described above were filed, among other places, with SEDAR and the TSX and thereby became immediately available to, and were reproduced for inspection by, the Class Members, other members of the investing public, financial analysts, and the financial press.

126. Goeasy regularly communicated with public investors and financial analysts *via* established market communication mechanisms, including through regular disseminations of their disclosure documents, including press releases on newswire services in Canada, the United States and elsewhere. Each time Goeasy communicated that new material information about Goeasy's financial results or transactions entered into by Goeasy to the public, the price of Goeasy's securities was directly affected.

127. Goeasy was the subject of analysts' reports that incorporated certain of the information contained in the disclosure documents, with the effect that any

recommendations to purchase Goeasy's securities and price targets in such reports during the Class Period were based, in whole or in part, upon that information.

128. Goeasy's securities were and are traded, among other places, on the TSX which is an efficient and automated market. The price at which Goeasy's securities traded promptly incorporated material information from Goeasy disclosure documents about Goeasy's business and affairs, including the misrepresentations alleged above, which was disseminated to the public through the documents referred to above and distributed by Goeasy, as well as by other means.

129. The price of Goeasy's securities was artificially inflated during the Class Period as a result of the Defendants' false and misleading representations and omissions of material facts relating to, among other things, Goeasy's accounting of its loan portfolios including loan losses and delinquencies, Goeasy's ICFR, DC&P and 52-109 Certifications; Goeasy's Interim and Annual Financial Statements and their compliance with IFRS and their fair presentation of Goeasy's financial performance and its consolidated cash flows throughout the Class Period, all as particularized above.

130. The Defendants knew that the public correction of these material misrepresentations would cause the price of Goeasy's securities to decline.

131. The partial public corrective disclosures of the misrepresentation pleaded caused the price of Goeasy's securities to significantly decline from pre-correction values, which resulted in significant damages to the Plaintiff and Class Members.

XI. THE CLASS ACTION AUTHORIZATION CRITERIA OF ARTICLE 575 CCP

1) The claims of the Class Members raise identical, similar or related questions of law or fact

132. The claims of the Class Members raise the following identical, similar or related questions of fact or law, which the Plaintiff seek to have decided collectively: (…)

a) Did the Goeasy Class Period Financial Statements and related disclosures contain one or more misrepresentations within the meaning of the *QSA* and, if necessary, the Other Securities Legislation? If so, which documents contained which misrepresentations?

b) Are any of the Defendants liable to the Plaintiff and the Class, or any of them, under Title VIII, Chapter II, Division II of the *QSA*? If so, which Defendants are liable and to whom?

c) Are the Plaintiff and the Class entitled to damages and, if so, in what amount?

2) The facts alleged appear to justify the conclusions sought

133. As detailed above, the Defendants made misrepresentations to the Class in Goeasy Class Period Financial Statements and related disclosures, all within the meaning of the *QSA* and the Other Securities Legislation, supporting the Plaintiff's and the Class Members' claims.

134. Class Members seek compensation for financial losses directly caused by the Defendants' misrepresentations, for which the Defendants are liable.

3) The composition of the Class makes it difficult or impracticable to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings

135. Goeasy is a Canadian public company whose shares are publicly traded on the TSX, throughout Canada, including Quebec. Goeasy has approximately 16,739,000 issued and outstanding shares.

136. There are hundreds, if not thousands, of investors located in Quebec, who could be members of the putative Class.

4) The Plaintiff is in a position to properly represent the Class Members

137. The Plaintiff has instituted these proceedings in good faith. The Plaintiff has a good understanding of the case, understands the time and dedication required of their role, and is prepared to devote the necessary resources to advance this proposed class action on behalf of the Class.

138. The Plaintiff purchased Goeasy shares during the Class Period and held them through the end of the Class Period, as such, the Plaintiff is a member of the Class. The Plaintiff also suffered a financial loss because of the Defendants' wrongdoing.

139. The Plaintiff has no conflict of interest with other members of the Class and is represented by counsel with experience litigating shareholder claims in class actions against national corporations with securities listed on a stock exchange. The Plaintiff undertakes to cooperate fully with counsel.

XII. JURISDICTION

140. The Plaintiff and Class Members are residents of Quebec, acquired their securities of Goeasy in Quebec and were damaged while residing in Quebec.

141. The Plaintiff requests that the class action be instituted in the judicial district of Montréal.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present <u>*Second*</u> *Amended Request for Authorization to Bring an Action Pursuant to Section 225.4 of the Québec Securities Act and Application for Authorization to Institute a Class Action and to Obtain the Status of Representative*;

AUTHORIZE these class action proceedings under section 225.4 of the *QSA*;

AUTHORIZE the Class as described herein:

"**Class" of "Class Members"** "**Class"** or **"Class Members"** means all persons, other than Excluded Persons, resident in or domiciled in Quebec, who acquired Goeasy securities during the Class Period, and held any of those securities through any of: (a) September 22, 2025, (b) 16:15 pm ET, November 5, 2025; (c) <u>22:00 ET, December 4, 2025; (d)</u> 08:36 am ET, March 10, 2026; <u>(e) 07:52 ET, March 2, 2026; or (f) 20:23 ET, March 31, 2026;</u>

"Class Period" means the period from the opening of trading on the TSX on March 17, 2023 to and including <u>20:23 ET, March 31, 2026</u>;

"**Excluded Persons**" means the **Defendants**, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of an **Individual Defendant**;

GRANT the status of representative to Alessandro Vellucci;

IDENTIFY the following questions of fact and law be dealt with collectively:

(a) Did the Goeasy Class Period Financial Statements and related disclosures contain one or more misrepresentations within the meaning of the *QSA* and, if necessary, the Other Securities Legislation? If so, which documents contained which misrepresentations?

(b) Are any of the Defendants liable to the Plaintiff and the Class, or any of them, under Title VIII, Chapter II, Division II of the *QSA*? If so, which Defendants are liable and to whom?

(c) Are the Plaintiff and the Class entitled to damages and, if so, in what amount?

IDENTIFY the conclusions sought by the class action proceedings as:

> **GRANT** this class action on behalf of the Class against the Defendants;
>
> **GRANT** the Plaintiff's action against the Defendants in respect of the rights of action asserted against the Defendants under Title VIII, Chapter II, Division II of the *QSA*;
>
> **CONDEMN** the Defendants to pay to the Plaintiff and the Class compensatory damages for all monetary losses, the whole with interest and the additional indemnity provided for by law;
>
> **ORDER** collective recovery of Class Members' claims in accordance with articles 595 to 598 *CCP*;

THE WHOLE with legal costs, including the costs of all reports, experts, publication of notices, and fees relating to administering the plan of distribution of the recovery in this class action;

APPROVE the notice to Class Members in the form to be submitted to the Court;

ORDER the publication of the notice to Class Members no later than thirty (30) days after the date of the judgment authorizing the class proceedings;

ORDER that the deadline for a Class Member to exclude themselves from the class action shall be sixty (60) days from the publication of the notice to the Class Members;

DECLARE that any member of the Class who has not requested their exclusion from the Class will be bound by any judgment on the class action;

REFER the file to the Chief Justice so that she may determine the district in which the class action is to be filed and the Judge before whom the proceedings will be heard;

THE WHOLE WITH LEGAL COSTS, including the costs of all publication of notices and experts' fees.

Toronto, July 8, 2026

ROCHON GENOVA
Counsel for Plaintiffs

Montreal, July 8, 2026

Woods s.e.n.c.r.l./LLP

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Schedule "A" – Credit Mix and Underwriting

Q1 2023 MD&A, p. 5.	"The stable credit performance reflects the improved credit quality and product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021."
Q2 2023 MD&A, p. 4.	"The decrease in the net charge off rate reflects the improved product and credit mix of the loan portfolio and the continued credit and underwriting enhancements throughout 2021 and 2022 to improve the long-term credit quality of the loan portfolio."
Q3 2024 MD&A, pp. 4, 16.	"The provision rate for the three-month period ended September 30, 2023 decreased to 7.37% from 7.42% in the second quarter of 2023, primarily due to continued improvement in the product and credit mix of the loan portfolio." "The stable credit performance reflects the resilience of the non-prime consumer, coupled with improved product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021."
2024 Annual MD&A, pp. 12, 17.	"The provision rate for the year decreased to 7.28% from 7.62% in 2022, primarily due to the continued improvement in the product and credit mix of the loan portfolio." "The stable credit performance reflects the resilience of the non-prime consumer, coupled with improved product mix of the loan portfolio and the proactive credit and underwriting enhancements made since the fourth quarter of 2021."
Q1 2025 MD&A, p. 13.	"Adjusted return on assets, adjusted return on equity and adjusted return on tangible common equity increased in prior quarters due to the increased earnings generated by the business, lower in the current quarter due to the continued shift in credit and product mix to higher credit quality borrowers and lower rates on its loans, and a slight increase in loan loss provision rate."
Q2 2025 MD&A, p. 21.	"Adjusted return on assets, adjusted return on equity and adjusted return on tangible common equity increased in

	prior quarters due to the increased earnings generated by the business, lower in recent quarters due to continued shift in credit and product mix to higher credit quality borrowers and lower rates on its loans.”
Q3 2025 MD&A, p. 19.	“Adjusted return on assets, adjusted return on equity and adjusted return on tangible common equity increased in prior quarters due to increasing earnings generated by the business, declining in recent quarters due to the continued shift in credit and product mix to higher credit quality borrowers and lower rates on its loans and higher level of assets and shareholders’ equity.”
2024 Annual MD&A, p. 21.	“Adjusted return on receivables, adjusted return on assets, adjusted return on equity and adjusted return of tangible common equity decreased over the past years, driven by a continued shift in credit and product mix toward higher-credit-quality borrowers, lower loan rates, and a higher level of assets and shareholders' equity.”
Q1 2025 MD&A, pp. 4, 5.	“Net charge offs for the three-month period ended March 31, 2025, as an annualized percentage of average gross consumer loans receivable were 8.9%, down from 9.1% in the same period of 2024, primarily due to the improved credit and product mix of the loan portfolio, as well as credit and underwriting enhancements.” “The decrease in adjusted net income was primarily driven by: i) the decline in total annualized yield on consumer loans (including ancillary products) due to continued shift in product mix toward secured loans, tighter credit & underwriting practices and the impact of the new maximum allowable rate of interest…”
Q2 2025 MD&A, p. 4.	“Net charge offs for the three-month period ended June 30, 2025, as an annualized percentage of average gross consumer loans receivable were 8.8%, down from 9.3% in the same period of 2024, primarily due to the improved credit and product mix of the loan portfolio, as well as credit and underwriting enhancements.”
Q3 2025 MD&A, p. 5.	“Adjusted net income and adjusted diluted earnings per share decreased by 8.2% and 4.6%, respectively, when compared to the same period of 2024. The decrease in adjusted net income was primarily driven by: i) the decline in total annualized yield on consumer loans (including

	<u>ancillary products) due to a continued shift in product mix toward secured loans, tighter credit and underwriting practices and the impact of the new maximum allowable rate of interest…"</u>

Schedule "B" – Aging Analysis of Gross Consumer Loans Receivable Past Due (Excerpts of the Interim and Annual Financial Statements)

Q1 2023

	March 31, 2023	
	$	% of total loans
1 – 30 days	71,500	2.4%
31 – 44 days	19,128	0.6%
45 – 60 days	15,452	0.5%
61 – 90 days	19,639	0.7%
91 – 120 days	4,918	0.2%
121 – 150 days	3,991	0.1%
151 – 180 days	2,808	0.1%
	137,436	4.6%

Q2 2023

	June 30, 2023	
	$	% of total loans
1 – 30 days	83,229	2.6%
31 – 44 days	21,925	0.7%
45 – 60 days	18,308	0.6%
61 – 90 days	25,071	0.8%
91 – 120 days	7,050	0.2%
121 – 150 days	4,722	0.1%
151 – 180 days	3,562	0.1%
	163,867	5.1%

Q3 2023

	September 30, 2023	
	$	% of total loans
1 – 30 days	107,577	3.1%
31 – 44 days	21,050	0.6%
45 – 60 days	13,351	0.4%
61 – 90 days	21,036	0.6%
91 – 120 days	6,335	0.2%
121 – 150 days	4,868	0.1%
151 – 180 days	2,372	0.1%
	176,589	5.1%

YE 2023		December 31, 2023	
		$	% of Total Loans
	1 – 30 days	125,229	3.4%
	31 – 44 days	24,280	0.7%
	45 – 60 days	20,354	0.6%
	61 – 90 days	22,797	0.6%
	91 – 120 days	7,687	0.2%
	121 – 150 days	6,422	0.2%
	151 – 180 days	4,043	0.1%
		210,812	5.8%
Q1 2024		March 31, 2024	
		$	% of Total Loans
	1 – 30 days	128,568	3.3%
	31 – 44 days	27,321	0.7%
	45 – 60 days	24,733	0.6%
	61 – 90 days	30,091	0.8%
	91 – 120 days	10,127	0.3%
	121 – 150 days	10,758	0.3%
	151 – 180 days	12,216	0.3%
		243,814	6.3%
Q2 2024		June 30, 2024	
		$	% of Total Loans
	1 – 30 days	124,626	3.0%
	31 – 44 days	38,340	0.9%
	45 – 60 days	42,602	1.0%
	61 – 90 days	52,848	1.3%
	91 – 120 days	27,431	0.7%
	121 – 150 days	21,383	0.5%
	151 – 180 days	13,815	0.3%
		321,045	7.7%

Q3 2024

	September 30, 2024	
	$	% of Total Loans
1 – 30 days	110,348	2.5%
31 – 44 days	34,796	0.8%
45 – 60 days	37,803	0.9%
61 – 90 days	47,334	1.1%
91 – 120 days	32,290	0.7%
121 – 150 days	31,066	0.7%
151 – 180 days	31,118	0.7%
	324,755	7.4%

YE 2024

	December 31, 2024	
	$	% of Total Loans
1 – 30 days	123,035	2.7%
31 – 44 days	21,379	0.5%
45 – 60 days	21,447	0.5%
61 – 90 days	22,614	0.5%
91 – 120 days	16,499	0.3%
121 – 150 days	35,244	0.7%
151+ days	105,167	2.3%
	345,385	7.5%

Q1 2025

	March 31, 2025	
	$	% of Total Loans
1 – 30 days	101,478	2.1%
31 – 44 days	23,626	0.5%
45 – 60 days	23,157	0.5%
61 – 90 days	22,549	0.5%
91 – 120 days	8,608	0.2%
121 – 150 days	50,279	1.0%
151+ days	101,933	2.1%
	331,630	6.9%

<table>
<tr><td>Q2 2025</td><td>

	June 30, 2025	
	$	% of Total Loans
1 – 30 days	122,125	2.5%
31 – 44 days	25,981	0.5%
45 – 60 days	22,025	0.4%
61 – 90 days	26,655	0.5%
91 – 120 days	12,674	0.3%
121 – 150 days	21,425	0.4%
151+ days	109,095	2.1%
	399,980	6.7%

</td></tr>
<tr><td>Q3 2025</td><td>

	September 30, 2025	
	$	% of Total Loans
1 – 30 days	150,744	2.9%
31 – 44 days	29,179	0.5%
45 – 60 days	29,254	0.5%
61 – 90 days	34,915	0.6%
91 – 120 days	20,357	0.4%
121 – 150 days	18,147	0.3%
151+ days	114,556	2.1%
	397,152	7.3%

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Schedule "C" – Analysis of Changes in the Classification of Gross Consumer Loans Receivable

Q1 2023

	Three Months Ended March 31, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at January 1, 2023	2,563,395	154,535	76,764	2,794,694
Gross loans originated	615,619	-	-	615,619
Principal payments and other adjustments	(343,344)	9,658	(11,455)	(345,141)
Transfers to (from)				
Stage 1 (Performing)	119,867	(93,124)	(26,743)	-
Stage 2 (Under-Performing)	(130,476)	135,060	(4,584)	-
Stage 3 (Non-Performing)	(59,147)	(35,379)	94,526	-
Gross charge offs	(13,168)	(6,697)	(54,621)	(74,486)
Net growth in gross consumer loans receivable during the period	189,351	9,518	(2,877)	195,992
Balance as at March 31, 2023	**2,752,746**	**164,053**	**73,887**	**2,990,686**

Q2 2023

	Three Months Ended June 30, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at April 1, 2023	2,752,746	164,053	73,887	2,990,686
Gross loans originated	666,783	-	-	666,783
Principal payments and other adjustments	(367,414)	6,324	(15,483)	(376,573)
Transfers to (from)				
Stage 1 (Performing)	118,403	(96,444)	(21,959)	-
Stage 2 (Under-Performing)	(144,203)	149,272	(5,069)	-
Stage 3 (Non-Performing)	(71,681)	(35,507)	107,188	-
Gross charge offs	(15,716)	(7,230)	(57,737)	(80,683)
Net growth in gross consumer loans receivable during the period	186,172	16,415	6,940	209,527
Balance as at June 30, 2023	**2,938,918**	**180,468**	**80,827**	**3,200,213**

Q3 2023

	Three Months Ended September 30, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at July 1, 2023	2,938,918	180,468	80,827	3,200,213
Gross loans originated	721,917	-	-	721,917
Principal payments and other adjustments	(405,710)	7,998	(10,105)	(407,817)
Transfers to (from)				
Stage 1 (Performing)	146,237	(111,708)	(34,529)	-
Stage 2 (Under-Performing)	(155,897)	160,839	(4,942)	-
Stage 3 (Non-Performing)	(63,638)	(35,761)	99,399	-
Gross charge offs	(15,024)	(8,167)	(60,846)	(84,037)
Net growth in gross consumer loans receivable during the period	227,885	13,201	(11,023)	230,063
Balance as at September 30, 2023	**3,166,803**	**193,669**	**69,804**	**3,430,276**

YE 2023

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

Q1 2024

	Three Months Ended March 31, 2024			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at January 1, 2024	3,358,402	206,558	80,242	3,645,202
Gross loans originated	686,433	-	-	686,433
Principal payments and other adjustments	(385,491)	6,287	(1,282)	(380,486)
Transfers to (from)				
Stage 1 (Performing)	159,219	(125,257)	(33,962)	-
Stage 2 (Under-Performing)	(175,276)	181,755	(6,479)	-
Stage 3 (Non-Performing)	(97,820)	(45,429)	143,249	-
Gross charge offs	(18,672)	(8,732)	(71,666)	(99,070)
Net growth in gross consumer loans receivable during the period	168,393	8,624	29,860	206,877
Balance as at March 31, 2024	**3,526,795**	**215,182**	**110,102**	**3,852,079**

Q2 2024

	Three Months Ended June 30, 2024			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at April 1, 2024	3,526,795	215,182	110,102	3,852,079
Gross loans originated	826,659	-	-	826,659
Principal payments and other adjustments	(419,734)	655	(10,294)	(429,373)
Transfers to (from)				
Stage 1 (Performing)	202,668	(173,225)	(29,443)	-
Stage 2 (Under-Performing)	(205,769)	212,303	(6,534)	-
Stage 3 (Non-Performing)	(173,047)	(43,573)	216,620	-
Gross charge offs	(17,381)	(8,823)	(85,006)	(111,210)
Net growth in gross consumer loans receivable during the period	213,396	(12,663)	85,343	286,076
Balance as at June 30, 2024	**3,740,191**	**202,519**	**195,445**	**4,138,155**

Q3 2024

	Three Months Ended September 30, 2024			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at July 1, 2024	3,740,191	202,519	195,445	4,138,155
Gross loans originated	839,446	-	-	839,446
Principal payments and other adjustments	(456,066)	1,923	(12,733)	(466,876)
Transfers to (from)				
Stage 1 (Performing)	211,232	(169,842)	(41,390)	-
Stage 2 (Under-Performing)	(219,521)	224,918	(5,397)	-
Stage 3 (Non-Performing)	(112,336)	(55,126)	167,462	-
Gross charge offs	(14,630)	(7,840)	(94,902)	(117,372)
Net growth in gross consumer loans receivable during the period	248,125	(5,967)	13,040	255,198
Balance as at September 30, 2024	3,988,316	196,552	208,485	4,393,353

YE 2024

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

Q1 2025

	Three Months Ended March 31, 2025			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at January 1, 2025	4,185,947	197,171	212,997	4,596,115
Gross loans originated	676,769	-	-	676,769
Principal payments and other adjustments	(339,671)	(7,988)	(20,550)	(368,209)
Transfers to (from)				
Stage 1 (Performing)	214,913	(176,962)	(37,951)	-
Stage 2 (Under-Performing)	(237,019)	243,662	(6,643)	-
Stage 3 (Non-Performing)	(136,468)	(36,120)	172,588	-
Gross charge offs	(16,746)	(6,755)	(94,649)	(118,150)
Net growth in gross consumer loans receivable during the period	161,778	15,837	12,795	190,410
Balance as at March 31, 2025	4,347,725	213,008	225,792	4,786,525

Q2 2025

	Three Months Ended June 30, 2025			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at April 1, 2025	4,347,725	213,008	225,792	4,786,525
Gross loans originated	903,719	-	-	903,719
Principal payments and other adjustments	(444,697)	(11,099)	(13,498)	(469,294)
Transfers to (from)				
Stage 1 (Performing)	235,153	(189,677)	(45,476)	-
Stage 2 (Under-Performing)	(253,329)	262,294	(8,965)	-
Stage 3 (Non-Performing)	(114,052)	(45,882)	159,934	-
Gross charge offs	(16,262)	(7,494)	(97,468)	(121,224)
Net growth in gross consumer loans receivable during the period	310,532	8,142	(5,473)	313,201
Balance as at June 30, 2025	4,658,257	221,150	220,319	5,099,726

Q3 2025

	Three Months Ended September 30, 2025			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at July 1, 2025	4,658,257	221,150	220,319	5,099,726
Gross loans originated	945,730	-	-	945,730
Principal payments and other adjustments	(459,661)	(11,520)	(10,823)	(482,004)
Transfers to (from)				
Stage 1 (Performing)	258,055	(214,320)	(43,735)	-
Stage 2 (Under-Performing)	(310,054)	320,351	(10,297)	-
Stage 3 (Non-Performing)	(137,734)	(58,994)	196,728	-
Gross charge offs	(15,558)	(7,590)	(104,827)	(127,975)
Net growth in gross consumer loans receivable during the period	280,778	27,927	27,046	335,751
Balance as at September 30, 2025	4,939,035	249,077	247,365	5,435,477

SCHEDULE "D" – ANALYSIS OF THE CHANGES IN THE CLASSIFICATION OF THE ALLOWANCE FOR CREDIT LOSSES FOR GROSS CONSUMER LOANS RECEIVABLE

Q1 2023

	Three months ended March 31, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at January 1, 2023	116,969	53,381	42,691	213,041
Gross loans originated	21,308	-	-	21,308
Principal payments and other adjustments	(8,106)	989	(12,046)	(19,163)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	26,756	(20,546)	(15,318)	(9,108)
Stage 2 (Under-Performing)	(11,979)	36,246	(3,310)	20,957
Stage 3 (Non-Performing)	(6,770)	(10,187)	78,859	61,902
Net charge offs against allowance	(11,516)	(5,857)	(47,724)	(65,097)
Balance as at March 31, 2023	**126,662**	**54,026**	**43,152**	**223,840**

Q2 2023

	Three months ended June 30, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at April 1, 2023	126,662	54,026	43,152	223,840
Gross loans originated	29,322	-	-	29,322
Principal payments and other adjustments	(16,493)	(625)	(16,421)	(33,539)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	30,037	(20,397)	(12,554)	(2,914)
Stage 2 (Under-Performing)	(13,278)	39,298	(3,641)	22,379
Stage 3 (Non-Performing)	(7,380)	(10,051)	86,817	69,386
Net charge offs against allowance	(13,620)	(6,266)	(51,278)	(71,164)
Balance as at June 30, 2023	**135,250**	**55,985**	**46,075**	**237,310**

Q3 2023

	Three Months Ended September 30, 2023			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at July 1, 2023	135,250	55,985	46,075	237,310
Gross loans originated	33,406	-	-	33,406
Principal payments and other adjustments	(17,751)	23	(15,518)	(33,246)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	32,606	(21,340)	(17,693)	(6,427)
Stage 2 (Under-Performing)	(13,903)	43,295	(3,280)	26,112
Stage 3 (Non-Performing)	(6,870)	(9,711)	86,275	69,694
Net charge offs against allowance	(13,026)	(7,081)	(53,947)	(74,054)
Balance as at September 30, 2023	**149,712**	**61,171**	**41,912**	**252,795**

YE 2023

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

Q1 2024

	Three Months Ended March 31, 2024			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at January 1, 2024	149,860	67,304	48,195	265,359
Gross loans originated	31,916	-	-	31,916
Principal payments and other adjustments	(17,589)	(189)	(23,370)	(41,148)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	39,921	(27,171)	(19,732)	(6,982)
Stage 2 (Under-Performing)	(16,857)	51,513	(4,552)	30,104
Stage 3 (Non-Performing)	(9,154)	(13,004)	113,463	91,305
Net charge offs against allowance	(16,426)	(7,682)	(62,219)	(86,327)
Balance as at March 31, 2024	**161,671**	**70,771**	**51,785**	**284,227**

Q2 2024

	Three Months Ended June 30, 2024			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at April 1, 2024	161,671	70,771	51,785	284,227
Gross loans originated	35,412	-	-	35,412
Principal payments and other adjustments	(4,468)	(1,738)	(47,024)	(53,230)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	26,246	(38,887)	(16,999)	(29,640)
Stage 2 (Under-Performing)	(20,315)	59,872	(4,433)	35,124
Stage 3 (Non-Performing)	(11,391)	(12,690)	148,914	124,833
Net charge offs against allowance	(15,205)	(7,718)	(71,137)	(94,060)
Balance as at June 30, 2024	**171,950**	**69,610**	**61,106**	**302,666**

Q3 2024

	Three Months Ended September 30, 2024			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Balance as at July 1, 2024	171,950	69,610	61,106	302,666
Gross loans originated	31,774	-	-	31,774
Principal payments and other adjustments	(24,367)	1,551	(68,314)	(91,130)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	38,370	(40,417)	(22,856)	(24,903)
Stage 2 (Under-Performing)	(19,674)	66,493	(3,500)	43,319
Stage 3 (Non-Performing)	(11,467)	(18,258)	191,757	162,032
Net charge offs against allowance	(12,239)	(6,560)	(80,560)	(99,359)
Balance as at September 30, 2024	**174,347**	**72,419**	**77,633**	**324,399**

YE 2024

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

Q1 2025

	Three Months Ended March 31, 2025			
	Stage 1 (Performing)	**Stage 2 (Under-Performing)**	**Stage 3 (Non-Performing)**	**Total**
Balance as at January 1, 2025	191,174	79,308	79,147	349,629
Gross loans originated	31,069	-	-	31,069
Principal payments and other adjustments	(11,527)	(3,916)	(19,389)	(34,832)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	47,180	(41,192)	(23,361)	(17,373)
Stage 2 (Under-Performing)	(21,806)	69,921	(4,148)	43,967
Stage 3 (Non-Performing)	(12,644)	(12,985)	133,821	108,192
Net charge offs against allowance	(14,376)	(5,799)	(84,253)	(104,428)
Balance as at March 31, 2025	**209,070**	**85,337**	**81,817**	**376,224**

Q2 2025

	Three Months Ended June 30, 2025			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at April 1, 2025	209,070	85,337	81,817	376,224
Gross loans originated	38,546	-	-	38,546
Principal payments and other adjustments	(18,689)	(2,843)	(2,171)	(23,703)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	40,870	(48,967)	(23,169)	(31,266)
Stage 2 (Under-Performing)	(24,277)	76,666	(4,954)	47,435
Stage 3 (Non-Performing)	(12,648)	(15,563)	133,582	105,371
Net charge offs against allowance	(16,259)	(7,493)	(85,151)	(108,903)
Balance as at June 30, 2025	216,613	87,137	99,954	403,704

Q3 2025

	Three Months Ended September 30, 2025			
	Stage 1 (Performing)	Stage 2 (Under-Performing)	Stage 3 (Non-Performing)	Total
Balance as at July 1, 2025	216,613	87,137	99,954	403,704
Gross loans originated	43,329	-	-	43,329
Principal payments and other adjustments	(21,624)	(2,146)	(19,550)	(43,320)
Transfers to (from) including remeasurement				
Stage 1 (Performing)	53,619	(56,110)	(23,158)	(25,649)
Stage 2 (Under-Performing)	(30,406)	96,762	(5,649)	60,707
Stage 3 (Non-Performing)	(14,385)	(19,719)	156,199	122,095
Net charge offs against allowance	(15,555)	(7,589)	(95,621)	(118,765)
Balance as at September 30, 2025	231,591	98,335	112,175	442,101

SCHEDULE "E" – OPERATING INCOME (THOUSANDS)

Q1 2023	102,067
Q2 2023	110,651
Q3 2023	126,563
YE 2023	476,518
Q1 2024	137,711
Q2 2024	147,210
Q3 2024	159,681
YE 2024	609,657
Q1 2025	144,990
Q2 2025	161,062
Q3 2025	166,191

SCHEDULE "F" - NET CHARGE OFFS AS A PERCENTAGE OF AVERAGE GROSS CONSUMER LOANS RECEIVABLE

Q1 2023	9.1%
Q2 2023	8.9%
Q3 2023	9.1%
YE 2023	8.8%
Q1 2024	8.9%
Q2 2024	9.1%
Q3 2024	9.3%
YE 2024	9.2%
Q1 2025	9.2%
Q2 2025	8.9%
Q3 2025	8.8%

SCHEDULE "G" – ALLOWANCE FOR EXPECTED CREDIT LOSSES (THOUSANDS)

Q1 2023	(223,840)
Q2 2023	(237,310)
Q3 2023	(252,795)
YE 2023	(265,359)
Q1 2024	(284,227)
Q2 2024	(302,666)
Q3 2024	(324,399)
YE 2024	(349,629)
Q1 2025	(376,224)
Q2 2025	(403,704)
Q3 2025	(442,101)

SCHEDULE "H" – NET INCOME (THOUSANDS)

Q1 2023	51,436
Q2 2023	55,550
Q3 2023	66,310
YE 2023	247,898
Q1 2024	58,944
Q2 2024	65,401
Q3 2024	159,681
YE 2024	283,110
Q1 2025	39,399
Q2 2025	86,543
Q3 2025	33,090

SCHEDULE "I" – BASIC EARNINGS (LOSS) PER SHARE

Q1 2023	3.06
Q2 2023	3.29
Q3 2023	3.87
YE 2023	14.70
Q1 2024	3.46
Q2 2024	3.82
Q3 2024	4.95
YE 2024	16.56
Q1 2025	2.35
Q2 2025	5.25
Q3 2025	2.01

SCHEDULE "J" – GOODWILL FOR LENDCARE

Q1 2023	$159.6 million
Q2 2023	$159.6 million
Q3 2023	$159.6 million
YE 2023	$159.6 million
Q1 2024	$159.6 million
Q2 2024	$159.6 million
Q3 2024	$159.6 million
YE 2024	$159.6 million
Q1 2025	$159.6 million
Q2 2025	$159.6 million
Q3 2025	$159.6 million

SCHEDULE "K" – EXCERPT FROM 2025 ANNUAL MD&A

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 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 its consolidated financial information as at and for the three months and year ended December 31, 2024, for the interim periods ended March 31, June 30 and September 30, 2024, and for the interim periods ended March 31, June 30 and September 30, 2025. All such corrected information is superseded by the restated financial information set out in the Company's consolidated financial statements as at and for the year ended December 31, 2025 and in this MD&A in this "Restatement of Prior Period Financial Information" section and in the "Restatement Impact on Interim Financial Information" and 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.

No. 500-06-000014-262

SUPERIOR COURT
(Class Action Division)
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

ALESSANDRO VELLUCCI

Plaintiff

-v-

GOEASY LTD. ET AL

Defendants

SECOND AMENDED REQUEST FOR AUTHORIZATION TO BRING AN ACTION PURSUANT TO SECTION 225.4 OF THE QUÉBEC *SECURITIES ACT* AND APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION AND TO OBTAIN THE STATUS OF REPRESENTATIVE (Article 225.4 et seq. Québec *Securities Act* and Article 574 et seq. *CCP*)

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