Court File No. CV-26-5487-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

YULUN WANG and CHAO LIANG

Plaintiffs

and

GOEASY LTD., JASON MULLINS, DAN REES, HAL KHOURI, DAVID INGRAM, KAREN BASIAN, ALI METEL, and ERNST & YOUNG LLP

Defendants

Proceeding under the *Class Proceedings Act, 1992*

STATEMENT OF CLAIM

Notice of Action issued on March 12, 2026

I. DEFINED TERMS

1. In addition to capitalized terms that are defined elsewhere in this Statement of Claim, the following capitalized terms used in this Statement of Claim have the following meanings:

(a) "**Annual Financial Statements**" means the **FY 2023 Audited Financial Statements** and the **FY 2024 Audited Financial Statements**;

(b) "**Annual Information Forms**" means **Goeasy**'s Annual Information Form for the year ended December 31, 2023 and Annual Information Form for the year ended December 31, 2024;

(c) "**Annual MD&As**" means the **FY 2023 MD&A** and the **FY 2024 MD&A**;

(d) "**Canadian GAAS**" means generally accepted auditing standards determined with reference to the **Handbook**;

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

(f) "**CEO Certifications**" means the **CEO** certifications for the **Financial Statements** and **MD&As**;

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

(h) "**CFO Certifications**" means the **CFO** certifications for the **Financial Statements** and **MD&As**;

(i) "***CJA***" means the *Courts of Justice Act*, RSO 1990, c C.43, as amended;

(j) "**Class**" and "**Class Members**" means the **Offering Memoranda Class** and the **Secondary Market Class**;

(k) "**Class Period**" means the period from the release of **Goeasy**'s first quarter 2023 financial results on May 9, 2023 to the release of **Goeasy**'s **FY 2025 Financial Disclosures** on March 31, 2026;

(l) "***CPA***" means the *Class Proceedings Act*, *1992*, SO 1992, c 6, as amended;

(m) "**DC&P**" means Disclosure Controls and Procedures;

(n) "**Defendants**" means **Goeasy**, the **Individual Defendants** and **EY**;

(o) "**Excluded Persons**" means **Goeasy**, **EY** and their subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors and assigns, and the **Individual Defendants** and any entity in which any of them has or had during the **Class Period** any legal or *de facto* controlling interest, and any member of their families;

(p) "**EY**" means the defendant Ernst & Young LLP;

(q) "**Financial Statements**" means **Goeasy**'s:

(i) Interim Financial Statements for the three months ended March 31, 2023 ("**Q1 2023 Financial Statements**");

(ii) Interim Financial Statements for the three months ended June 30, 2023 ("**Q2 2023 Financial Statements**");

(iii) Interim Financial Statements for the three months ended September 30, 2023 ("**Q3 2023 Financial Statements**");

(iv) Audited Annual Financial Statements for the year ended December 31, 2023 ("**FY 2023 Audited Financial Statements**");

(v) Interim Financial Statements for the three months ended March 31, 2024 ("**Q1 2024 Financial Statements**");

(vi) Interim Financial Statements for the three months ended June 30, 2024 ("**Q2 2024 Financial Statements**");

(vii) Interim Financial Statements for the three months ended September 30, 2024 ("**Q3 2024 Financial Statements**");

(viii) Audited Annual Financial Statements for the year ended December 31, 2024 ("**FY 2024 Audited Financial Statements**");

(ix) Interim Financial Statements for the three months ended March 31, 2025 ("**Q1 2025 Financial Statements**");

(x) Interim Financial Statements for the three months ended June 30, 2025 ("**Q2 2025 Financial Statements**"); and

(xi) Interim Financial Statements for the three months ended September 30, 2025 ("**Q3 2025 Financial Statements**");

(r) "**FY 2025 Financial Disclosures**" means **Goeasy**'s MD&A, Annual Financial Statements, and related press release for its fiscal year ended December 31, 2025 released on March 31, 2026 and the conference call with analysts held April 1, 2026 before the open of trading on the TSX;

(s) "**Goeasy**" means goeasy Ltd. and includes, as the context may require, its subsidiaries and affiliates;

(t) "**Handbook**" means (a) the Chartered Professional Accountants of Canada Handbook - Accounting, as amended from time to time, and (b) the Chartered

Professional Accountants of Canada Handbook - Assurance, as amended from time to time;

(u) "**ICFR**" means Internal Controls over Financial Reporting;

(v) "**IFRS**" means International Financial Reporting Standards, including, without limitation:

(i) IFRS 9 – *Financial Instruments*, as amended ("**IFRS 9**");

(ii) International Accounting Standard 34 – *Interim Financial Reporting*, as amended ("**IAS 34**");

(w) "**Impugned Documents**" means the:

(i) **Annual Information Forms**;

(ii) Annual Reports for the year ended December 31, 2023 ("**2023 Annual Report**") and December 31, 2024 ("**2024 Annual Report**");

(iii) **CEO Certifications** and **CFO Certifications**;

(iv) **Financial Statements**;

(v) **MD&As**;

(vi) Press Release titled "goeasy Ltd. Responds to Misleading Short Seller Report", dated September 24, 2025; and

(x) Short Form Base Shelf Prospectus, dated December 22, 2023, including the documents incorporated by reference therein ("**Prospectus**");

(y) "**Individual Defendants**" means Jason Mullins, Dan Rees, Hal Khouri, David Ingram, Karen Basian and Ali Metel;

(z) "**Jehoshaphat Short Report**" means the short report on **Goeasy** released by Jehoshaphat Research on September 22, 2025;

(aa) "**LendCare**" means LendCare Holdings Inc., a subsidiary of **Goeasy**;

(bb) "**MD&As**" means **Goeasy**'s:

(i) Management's Discussion and Analysis for the three months ended March 31, 2023 ("**Q1 2023 MD&A**");

(ii) Management's Discussion and Analysis for the three months ended June 30, 2023 ("**Q2 2023 MD&A**");

(iii) Management's Discussion and Analysis for the three months ended September 30, 2023 ("**Q3 2023 MD&A**");

(iv) Management's Discussion and Analysis for the year ended December 31, 2023 ("**FY 2023 MD&A**");

(v) Management's Discussion and Analysis for the three months ended March 31, 2024 ("**Q1 2024 MD&A**");

(vi) Management's Discussion and Analysis for the three months ended June 30, 2024 ("**Q2 2024 MD&A**");

(vii) Management's Discussion and Analysis for the three months ended September 30, 2024 ("**Q3 2024 MD&A**");

(viii) Management's Discussion and Analysis for the year ended December 31, 2024 ("**FY 2024 MD&A**");

(ix) Management's Discussion and Analysis for the quarter ended March 31, 2025 ("**Q1 2025 MD&A**");

(x) Management's Discussion and Analysis for the quarter ended June 30, 2025 ("**Q2 2025 MD&A**"); and

(xi) Management's Discussion and Analysis for the quarter ended September 30, 2025 ("**Q3 2025 MD&A**");

(cc) "**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*, as amended;

(dd) "**NI 52-107**" means National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*, as amended;

(ee) "**NI 52-108**" means National Instrument 52-108 – *Auditor Oversight*, as amended;

(ff) "**NI 52-109**" means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, as amended;

(gg) "**Offering Memoranda**" means the offering memoranda for **Goeasy**'s private placements of (i) 9.25% USD senior unsecured notes due December 1, 2028 that closed on or around November 28, 2023, (ii) 7.625% USD senior unsecured notes due July 1, 2029 that closed on or around February 23, 2024, and (iii) 7.625% USD senior unsecured notes due July 1, 2029 that closed on or around July 25, 2024;

(hh) "**Offering Memoranda Class**" means all persons, other than the **Excluded Persons**, who acquired securities of **Goeasy** offered by the **Offering Memoranda** during the period of distribution in reliance on the "accredited investor" prospectus exemption;

(ii) “***OSA***” means the *Securities Act*, RSO 1990, c S.5, as amended;

(jj) “**Other Canadian Securities Legislation**” means, collectively, the *Securities Act*, RSA 2000, c S-4, as amended; the *Securities Act*, RSBC 1996, c 418, as amended; the *Securities Act*, CCSM c S50, as amended; the *Securities Act*, SNB 2004, c S-5.5, as amended; the *Securities Act*, RSNL 1990, c S-13, as amended; the *Securities Act*, SNWT 2008, c 10, as amended; the *Securities Act*, RSNS 1989, c 418, as amended; the *Securities Act*, S Nu 2008, c 12, as amended; the *Securities Act*, RSPEI 1988, c S-3.1, as amended; the *Securities Act*, *1988*, SS 1988- 89, c S-42.2, as amended; and the *Securities Act*, SY 2007, c 16, as amended; and the *Securities Act*, CQLR C V-1.1, as amended;

(kk) “**Plaintiffs**” mean Yulun Wang and Chao Liang;

(ll) “**Q3 2025 Financial Disclosures**” means **Goeasy**’s **Q3 2025 MD&A**, **Q3 2025 Financial Statements** and accompanying press release dated November 5, 2025;

(mm) “**Secondary Market Class**” means all persons, other than the **Excluded Persons**, who acquired securities of **Goeasy** in the secondary market during the **Class Period**;

(nn) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators; and

(oo) “**TSX**” means the Toronto Stock Exchange.

II. RELIEF SOUGHT

2. The Plaintiffs claim on their behalf and on behalf of the other Class Members:

(a) leave to pursue the rights of action set out in section 138.3 of the *OSA* and, if necessary, the concordant sections of the Other Canadian Securities Legislation;

(b) an order pursuant to the *CPA* certifying this action as a class proceeding and appointing the Plaintiffs as the representative plaintiffs for the Class or such other class as may be certified by the Court;

(c) a declaration that the Offering Memoranda and the Impugned Documents contained one or more of the misrepresentations alleged herein, and that, when made, those misrepresentations constituted misrepresentations, both at law and within the meaning of the *OSA* and, if necessary, the Other Canadian Securities Legislation;

(d) a declaration that throughout the Class Period, the Individual Defendants, or some of them, authorized, permitted, or acquiesced in the release of documents that contained misrepresentations;

(e) a declaration that EY is an expert and provided reports, statements or opinions in the FY 2023 Audited Financial Statements and FY 2024 Audited Financial Statements that contained misrepresentations and that EY consented to the use of its reports, statements or opinions in those documents;

(f) a declaration that Goeasy, Hal Khouri, Jason Mullins, Dan Rees, and David Ingram made some or all the misrepresentations negligently;

(d) a declaration that Goeasy is vicariously liable for the acts and/or omissions of the Individual Defendants and its other officers, directors, employees, agents and representatives;

(e) a declaration that EY is vicariously liable for the acts and/or omissions of its partners, officers, directors, employees, agents and representatives;

(f) general and special damages of $1.3 billion or in such amount as this Court finds appropriate at the trial of the common issues or at a reference or references;

(g) on behalf of the Offering Memoranda Class, rescission of their purchases of the securities offered by the Offering Memoranda against Goeasy;

(h) an order directing a reference or giving such other directions as may be necessary to determine issues not determined at the trial of the common issues;

(i) prejudgment and/or postjudgment interest pursuant to the *CJA*;

(j) costs of this action on a substantial indemnity basis, in an amount that provides full indemnity or in amount that provides partial indemnity plus, pursuant to section 26(9) of the *CPA*, the costs of notice and of administering the plan of distribution of the recovery in this action plus applicable taxes; and

(k) such further and other relief as this Honourable Court may deem just.

III. OVERVIEW

3. This is a proposed securities misrepresentation class action against Goeasy, its officers and directors, and Goeasy's auditor EY. The action is brought by the Plaintiffs on their own behalf and on behalf of other Class Members who acquired Goeasy securities on the secondary market during the Class Period or in the private placements to which the

Offering Memoranda related. The Plaintiffs and Class Members suffered significant losses because of the Defendants' misrepresentations.

4. Goeasy is an alternative lender to non-prime consumers, including point-of-sale lending in the auto and powersport space through its wholly-owned subsidiary LendCare.

5. Goeasy's primary source of revenue is from interest and other fees or charges related to its consumer loans. As a result, the accuracy of Goeasy's disclosures related to its consumer loans, including delinquencies (*i.e.* loans receivable past due), credit allowances, charge-offs, and receipt of customer payments were of paramount importance to the Plaintiffs and Class Members.

6. Throughout the Class Period, Goeasy's net consumer loans receivable ballooned from roughly $2.8 billion at the end of the first quarter of 2023 to over $5.1 billion at the end of the third quarter of 2025, with quarterly revenues increasing from $273 million to $440 million during that time.

7. At the same time, Goeasy's delinquency rates on its loans were purportedly among the lowest of any North American subprime lender even though its average borrower credit score was also among the lowest. Even as inflation rose and macroeconomic conditions worsened, Goeasy purported to maintain net charge-off rates on its loans (*i.e.* write offs of bad loans) within their long-term target range of 8-10%.

8. In its public disclosures, Goeasy attributed its impressive results to a robust collections infrastructure, highly disciplined account management strategies, and sophisticated custom credit models that predicted the default risk of individual borrowers, allowing the company to balance loan volumes and credit losses.

9. However, the Goeasy success story disclosed to investors was false. As particularized below, in the Impugned Documents Goeasy and the Individual Defendants:

(a) materially understated Goeasy's consumer loan delinquencies and its under-performing (Stage 2) and non-performing (Stage 3) loans (while overstating its Stage 1 performing loans);

(b) materially understated the size of Goeasy's loan losses, thereby overstating profit metrics;

(c) materially overstated the goodwill attributable to the LendCare cash generating unit ("**CGU**") by $159.6 million;

(d) misrepresented that Goeasy's financial statements complied with IFRS;

(e) misrepresented the strength of the LendCare business and LendCare's credit risk practices; and

(f) failed to disclose the material weaknesses in Goeasy's ICFR and the significant weaknesses in its DC&P.

10. The Defendant, EY, misrepresented that it had complied with Canadian GAAS in auditing Goeasy's annual financial statements and that Goeasy's financial statements complied with IFRS.

11. The Plaintiffs and Class Members suffered significant losses because of the Defendants' misrepresentations. The Plaintiffs, on behalf of the Class, seek to recover their losses suffered because of the Defendants' misrepresentations.

IV. THE PARTIES

A. Plaintiffs

12. The Plaintiff, Yulun Wang, is a pharmacist who resides in Nova Scotia. She acquired common shares of Goeasy on the TSX during the Class Period and sold her shares after the release of Goeasy's March 10, 2026 press release.

13. The Plaintiff, Chao Liang, is a financial planner who resides in Nova Scotia. He acquired common shares of Goeasy on the TSX during the Class Period and sold his shares after the release of Goeasy's March 10, 2026 press release.

B. Defendants

i. Goeasy

14. Goeasy is a publicly traded company incorporated under Ontario's *Business Corporations Act*. It is headquartered in Mississauga, Ontario.

15. Goeasy provides non-prime lending services through its easyhome, easyfinancial and LendCare operating divisions. The financial results for LendCare are reported in Goeasy's easyfinancial reporting segment.

16. Goeasy's common shares trade on the TSX under ticker symbol "GSY".

17. Goeasy also had senior unsecured notes that traded during the Class Period, including: 9.25% USD senior unsecured notes due on December 1, 2028; 7.625% USD senior unsecured notes due on July 1, 2029; 6% CAD senior unsecured notes due on May 15, 2030; 6.875% USD senior unsecured notes due on May 15, 2030; 7.375% USD senior unsecured notes due on October 1, 2030; and 6.875% USD senior unsecured notes due on February 15, 2031.

18. The Ontario Securities Commission is Goeasy's principal Canadian securities regulator.

19. At all relevant times during the Class Period, Goeasy was a responsible issuer within the meaning of Part XXIII.1 of the *OSA* and the equivalent provisions of the Other Canadian Securities Legislation.

20. Pursuant to Canadian securities laws, Goeasy was required throughout the Class Period to issue and file on SEDAR certain documents, including:

(a) within 45 days of the end of each quarter, interim financial statements;

(b) within 90 days of the end of each fiscal year, annual financial statements;

(c) Management's Discussion & Analysis contemporaneously with each of the interim and annual financial statements. This is a narrative explanation of how the company performed during the period covered by the financial statements, and of the company's financial condition and future prospects. Management's Discussion & Analysis must 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

(d) within 90 days of the end of each fiscal year, an annual information form. An annual information form provides material information about the company and its business at a point in time in the context of its historical and possible future developments.

21. Goeasy controlled the contents of its Annual Information Forms, MD&As, Financial Statements, and the other documents particularized herein.

22. In releasing those documents, Goeasy was prohibited from making a statement that:

(a) was, in a material respect and at the time and in the light of the circumstances under which it was made, 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.

23. Goeasy was required to present its Financial Statements in accordance with IFRS, including IFRS 9 and IAS 34. Unbeknownst to the Plaintiffs and the Class at the relevant times, Goeasy failed to do so.

24. Goeasy, and its management, were required to design, implement and maintain effective ICFR and DC&P to provide reasonable assurance as to the reliability of its disclosures and financial reports. Unbeknownst to the Plaintiffs and Class at the relevant times, Goeasy and its management failed to do so.

ii. The Individual Defendants

25. Jason Mullins ("**Mullins**") was President and CEO of Goeasy from January 2019 until December 2024. He has been a director of Goeasy since 2021. During the time Mullins was President and CEO, he was required to and did certify each of the Impugned Documents released during that period that were quarterly and annual disclosures. In his capacity as a director of Goeasy, Mullins approved each of the Impugned Documents prior to their release.

26. Dan Rees ("**Rees**") joined Goeasy in March 2025. Rees was CEO of Goeasy from May 2025 to January 1, 2026. Following his tenure as CEO, Rees was to serve as a special

advisor to Goeasy until June 30, 2026. During the time Rees was CEO, he was required to and did certify each of the Impugned Documents that were released during that period that were quarterly and annual disclosures.

27. David Ingram ("**Ingram**") has been a director of Goeasy since December 2000. Ingram served as Goeasy's CEO from 2001 until January 2019. Ingram was appointed interim CEO from January 1, 2025 until Rees' appointment as CEO in May 2025. Ingram has been Goeasy's executive chair since January 2019. During the time Ingram was interim CEO, he was required to and did certify each of the Impugned Documents that were released during that period and were quarterly and annual disclosures. In his capacity as a director of Goeasy, Ingram approved each of the Impugned Documents prior to their release.

28. Hal Khouri ("**Khouri**") was an executive vice president and the CFO of Goeasy from August 2019 until on or about November 6, 2025. During the time Khouri was CFO, he was required to and did certify each of the Impugned Documents that were released during that period and were quarterly and annual disclosures.

29. Karen Basian ("**Basian**") has been a director of Goeasy since November 2014. Basian has been the Lead Director of Goeasy since February 13, 2024. Basian was the Chair of Goeasy's Audit Committee during the entire Class Period. Basian is also a member of the Human Resources Committee. In her capacity as a director of Goeasy, Basian approved each of the Impugned Documents prior to their release.

30. Ali Metel ("**Metel**") was an officer of Goeasy from May 2022 until on or about January 1, 2026. Metel co-founded LendCare in 2004. Prior to Goeasy's acquisition of LendCare, he was its CEO and President. After Goeasy acquired LendCare, Metel was President and a director of LendCare until on or about January 1, 2026. In his position as an officer of

Goeasy and as President and a director of LendCare, Metel had responsibility for overseeing the reporting of LendCare's financial and other information to Goeasy. Metel understood that Goeasy was a reporting issuer and that LendCare's financial and other information would be incorporated into Goeasy's public disclosures.

31. Each of the Individual Defendants understood, from the time that they accepted their positions, that Goeasy was a reporting issuer and that they would have direct responsibility for ensuring the accuracy and reliability of some or all of its disclosure documents, including the Impugned Documents.

iii. EY

32. During the Class Period, EY was Goeasy's external auditor and issued an audit opinion and report to Goeasy's shareholders in respect of Goeasy's FY 2023 Audited Financial Statements and FY 2024 Audited Financial Statements.

33. EY was, by its own election, the auditor of Goeasy and an "expert" of Goeasy for purposes of the *OSA* and the Other Canadian Securities Legislation. The *OSA*, the Other Canadian Securities Legislation, NI 51-102, NI 52-107, and NI 52-108 imposed specific obligations on EY for the discharge of its audit engagement with Goeasy.

34. Furthermore, in performing its audits for Goeasy, EY was governed by and was obligated to comply with Canadian GAAS.

35. EY accepted and acknowledged the obligations imposed upon it by the aforementioned laws, national instruments and professional standards in standing for election at the annual general meeting of shareholders and accepting its appointment by Goeasy's shareholders, including Class Members, as Goeasy's auditor.

36. EY issued an unqualified audit report to Goeasy's shareholders and its board of directors on Goeasy's FY 2023 Audited Financial Statements and FY 2024 Audited Financial Statements. As particularized below, EY's audit report contained misrepresentations within the meaning of the *OSA* and Other Canadian Securities Legislation, if necessary.

V. BACKGROUND

A. The transformational LendCare acquisition

37. In April 2021, Goeasy announced the transformational acquisition of LendCare, which is a point-of-sale consumer finance company that provides non-prime consumer loan services primarily in auto and powersports.

38. After the acquisition of LendCare, Goeasy's strategy was to grow LendCare's secured loan book through merchant point-of-sale channels. This had a major impact on the makeup of Goeasy's loan book. Prior to LendCare's acquisition, secured loans made up less than 13% of Goeasy's gross loans receivable. By the end of 2021, Goeasy's gross loans receivable consisted of over 32% secured loans, driven by growth in LendCare's auto and powersports secured lending. In the years that followed, the growth of LendCare outpaced the growth in other areas of its business, such that by the third quarter of 2025 nearly 48% of Goeasy's loans were secured.

B. The growth of Goeasy's consumer loans receivable

39. Before Goeasy's acquisition of LendCare in 2021, it had consumer loans receivable of approximately $1.2 billion. Consumer loans receivable subsequently ballooned to over $5.1 billion at the end of Q3 2025. Consistent with this loan growth, Goeasy's quarterly

revenues increased from $170 million before it acquired LendCare to $440 million at the end of Q3 2025.

40. All the while, Goeasy's delinquency rates on its loans were purportedly among the lowest of any North American subprime lender even though its average borrower credit score was among the lowest. Even as inflation rose and macroeconomic conditions worsened, Goeasy continued to maintain purported net charge-off rates on its loans (*i.e.* write offs of bad loans) within their long-term target range of 8-10%.

C. The importance of credit risk management to Goeasy's profitability

41. The accuracy of Goeasy's disclosures related to loan growth, delinquencies, credit allowances, charge-offs, credit risk management and lending practices, and receipt of customer payments, were of paramount importance to the Plaintiffs and Class. Goeasy's strong earnings per share growth and profitability were driven by loan growth. Net charge-offs and increases in allowances for credit losses had the greatest potential to negatively impact those metrics.

42. Goeasy told investors its credit risk management was strong. For instance, in its 2024 Annual Report, Goeasy stated: "goeasy has established ourselves as one of Canada's most disciplined lenders. At the heart of our long-term success lies a robust credit adjudication framework, advanced risk analytics, and a data-driven culture that prioritizes prudent lending without compromising growth. We have consistently demonstrated our ability to balance strong loan originations with sound underwriting practices, resulting in consistent performance and resilient portfolio quality."

D. Goeasy's undisclosed improper and inadequate consumer loan practices

43. While Goeasy was touting its strong credit risk management and growth story to investors, it was overusing borrower assistance tactics to delay reporting delinquencies on its consumer loans, had ineffective collection practices and tools, and had weak credit risk management on its consumer loans. This resulted in Goeasy concealing the true amount of its consumer loan delinquencies, uncollectible loans and/or loans with a high risk of non-collection. In turn, this improperly inflated Goeasy's reported earnings per share and other profitability metrics.

44. *First*, LendCare recorded certain customer payments as having been received when they had not yet been settled. The impact of this practice was to keep Goeasy's delinquency rates artificially low and lower the credit risk on its loans.

45. In some instances, LendCare charged unexpected payments to the bank accounts of borrowers. In many cases where these accounts lacked sufficient funds to reconcile the charge, Goeasy nonetheless recorded these payments as received for the purposes of their delinquency reporting.

46. *Second*, LendCare's consumer loans were restructured or rewritten entirely (and interest incurred to date waived) to avoid properly reporting those loans as delinquent and accounting for the increased credit risk those loans faced. For some borrowers, loans were restructured or rewritten multiple times even though there was no chance or very little chance of the borrower making their required payments under the restructured or rewritten loan terms.

47. In some instances, the loans were restructured or rewritten with borrower approval. In other cases, borrower approval for the restructured or rewritten loans was not obtained.

48. *Third*, LendCare allowed non-paying borrowers to skip multiple payments or gave them multiple extensions on their payments. Such borrowers have a significantly higher risk of non-payment. Nevertheless, many of these delinquent borrowers were reported as current in Goeasy's financial disclosures.

49. *Fourth*, LendCare recorded borrowers that made partial payments as current (*i.e.* non-delinquent). The impact of this practice was to keep Goeasy's delinquency rates artificially low and lower the credit risk on its loans.

50. *Fifth*, Goeasy did not incorporate available data into its assessment, modelling and/or estimation of the collectability of its loans.

51. *Sixth*, Goeasy deemed collection of loans practicable in circumstances where it was not, including where it had not yet seized collateral on delinquent secured loans over 180 days past due.

52. *Seventh*, Goeasy had ineffective underwriting and collection procedures and practices for its consumer loans.

53. *Eighth*, LendCare sold loan products, including insurance and warranty products, to borrowers without those borrowers' consent or knowledge, and otherwise sold these products while failing to disclose key details such as the interest rate charged. The impact of this practice was to artificially inflate Goeasy's outstanding loans and interest receivable.

54. In some instances, these loan products were sold through merchants who similarly failed to disclose the terms of the loan, and in some cases charged unknowing borrowers for

goods or services and financed those goods or services through LendCare, with borrowers only learning that they had been charged after the fact, in some cases years later.

55. *Ninth*, LendCare sold loan products, including insurance products, to borrowers who did not qualify for those products. This practice had the impact of increasing the aggregate credit risk of Goeasy's loan book without disclosure or proper accounting of these risks.

56. *Tenth*, LendCare was over-reliant on point-of-sale merchants to make loans (in the auto and powersport space in particular), resulting in low lending standards. This resulted in an undisclosed increase to the risk profile of Goeasy's consumer loans receivable.

VI. MISREPRESENTATIONS IN THE IMPUGNED DOCUMENTS

A. Misrepresented delinquency and staging note disclosures

57. In its Financial Statements, MD&As and Prospectus, Goeasy misrepresented its delinquencies (*i.e.* consumer loans receivable past due) and its staging note disclosures, including for the reasons set out at paragraphs 43 to 56. In those documents, Goeasy:

(a) materially understated its delinquencies; and

(b) materially understated the amount of its loans properly categorized as under-performing (Stage 2) and/or non-performing (Stage 3).

58. At the end of the Class Period, Goeasy restated its delinquencies (*i.e.* consumer loans receivable past due) as follows:

Reporting Period	**Original Delinquency Disclosure ($ 000's)**	**Restated Delinquency Disclosure ($ 000's)**	**$ Change ($ 000's)**	**% Change**
Q1 2024	$243,815	$262,865	$19,050	7.81%
Q2 2024	$321,045	$329,570	$8,525	2.66%
Q3 2024	$320,405	$330,168	$9,763	3.05%
Q4 2024	$345,385	$616,774	$271,389	78.58%
Q1 2025	$331,630	$572,406	$240,776	72.60%
Q2 2025	$399,980	$657,443	$257,463	64.37%
Q3 2025	$397,152	$816,562	$419,410	105.60%

59. At the end of the Class Period, Goeasy restated its staging note disclosures as follows:

Reporting Period	**Stage**	**Original ($ 000's)**	**Restated ($ 000's)**	**$ Change ($ 000's)**	**% Change**
Q1 2024					
	Stage 1	$3,526,795	$3,509,577	$(17,218)	-0.49%
	Stage 2	$215,182	$223,270	$8,088	3.76%
	Stage 3	$110,102	$119,813	$9,711	8.82%
Q2 2024					
	Stage 1	$3,740,191	$3,648,605	$(91,586)	-2.45%
	Stage 2	$202,519	$220,109	$17,590	8.69%
	Stage 3	$195,445	$270,979	$75,534	38.65%
Q3 2024					
	Stage 1	$3,988,316	$3,928,345	$(59,971)	-1.50%
	Stage 2	$196,552	$216,238	$19,686	10.02%
	Stage 3	$208,485	$249,102	$40,617	19.48%
Q4 2024					
	Stage 1	$4,185,947	$3,968,740	$(217,207)	-5.19%
	Stage 2	$197,171	$227,090	$29,919	15.17%
	Stage 3	$212,997	$406,607	$193,610	90.90%

Reporting Period	Stage	Original ($ 000's)	Restated ($ 000's)	$ Change ($ 000's)	% Change
Q1 2025					
	Stage 1	$4,347,725	$4,171,918	$(175,807)	-4.04%
	Stage 2	$213,008	$247,447	$34,439	16.17%
	Stage 3	$225,792	$376,023	$150,231	66.54%
Q2 2025					
	Stage 1	$4,658,257	$4,424,240	$(234,017)	-5.02%
	Stage 2	$221,150	$267,073	$45,923	20.77%
	Stage 3	220,319	$416,335	$196,016	88.97%
Q3 2025					
	Stage 1	$4,939,035	$4,614,232	$(324,803)	-6.58%
	Stage 2	$249,077	$299,493	$50,416	20.24%
	Stage 3	$247,365	$531,257	$283,892	114.77%

60. Although Goeasy only restated its delinquency and staging disclosures for 2024 and 2025, the delinquency and staging note disclosure misrepresentations extend to the beginning of the Class Period.

B. Loan loss misrepresentations

i. Charge-offs

61. Goeasy's Financial Statements, MD&As and Prospectus disclosed Goeasy's net charge-offs on consumer loans receivable. Goeasy's MD&As and Prospectus disclosed Goeasy's net charge-offs as a percentage of average gross consumer loans receivable. Goeasy's Class Period disclosures of these metrics are set out at **Schedule "A"**.

62. Goeasy's net charge-offs on consumer loans receivable, net charge-offs as a percentage of average gross consumer loans receivable and interest receivable from consumer loans disclosed during the Class Period were materially understated and, therefore, were misrepresentations.

63. These disclosures were misrepresented because, contrary to reporting standards, Goeasy failed to charge off consumer loans and related interest that had no reasonable expectation of recovery, including because:

(a) no further collection measures were practicable based on available information and data, including information and data arising from the items described at paragraphs 43 to 56;

(b) it was likely or very likely that no further collection measures were practicable based on available information and data, including information and data arising from the items described at paragraphs 43 to 56;

(c) loans were delinquent and/or in default based on available information and data, including information and data arising from the items described at paragraphs 43 to 56; and/or

(d) it was likely or very likely that the loans would become delinquent and/or fall into default based on available information, including information and data arising from the items described at paragraphs 43 to 56.

ii. Allowance for expected credit losses

64. Goeasy's Financial Statements, MD&As and Prospectus disclosed allowances for credit losses on Goeasy's loans, including its consumer loans. Goeasy's MD&As and Prospectus also disclosed the net change in allowance for credit loss, and the allowance for credit losses as a percentage of the ending gross consumer loans receivable. Goeasy's Class Period disclosures of these metrics are set out in **Schedule "B"**.

65. Goeasy's reported allowance for credit loss, net change in allowance for credit loss and allowance for credit losses as a percentage of gross consumer loans receivable were materially understated in these documents and, therefore, misrepresentations. Contrary to reporting standards, Goeasy's allowances for credit losses:

(a) did not appropriately consider the lending and collection practices and tools used, including those described at paragraphs 43 to 56;

(b) did not accurately account for the risk of default and actual defaults on Goeasy's consumer loans based on the information and data available to it at the time, including information and data arising from items set out at paragraphs 43 to 56;

(c) did not accurately account for the risk of loan delinquencies and actual consumer loan delinquencies based on the information and data available to Goeasy at the time, including information and data arising from the items set out at paragraphs 43 to 56;

(d) was based on internally developed models that did not accurately factor in probability of default, exposure to default and other relevant risk factors based on the information and data available to Goeasy at the time, including information and data arising from the items set out at paragraphs 43 to 56;

(e) did not accurately account for credit impaired consumer loans based on the information and data available to Goeasy at the time, including the information and data arising from the items set out at paragraphs 43 to 56;

(f) were based on data stating that certain consumer payments had been settled when, in fact, they had not been;

(g) relied on unsupportable information in calculating credit allowances; and/or

(h) failed to identify increased credit risks based on available information.

iii. Impact on other financial metrics and Goeasy's business

66. As a result of the misrepresentations related to allowances for expected credit losses and/or charge-offs described above, other key financial metrics in Goeasy's Financial Statements, MD&As and Prospectus were overstated. They include:

(a) earnings per share (MD&As, Financial Statements and Prospectus);

(b) bad debt[1] (MD&As, Financial Statements and Prospectus);

(c) net consumer loans receivable (MD&As, Financial Statements and Prospectus);

(d) interest receivable on consumer loans (Financial Statements and Prospectus).

(e) revenue, including interest income and charges and fees (MD&As, Financial Statements and Prospectus);

(f) yield on consumer loans as a percentage of average gross consumer receivables (MD&As only); and

(g) operating margin (MD&As only).

67. These overstated financial metrics are set out at **Schedule "C"**.

68. Goeasy's Financial Statements also disclosed the requirements for compliance with its financial covenants, including a maximum net charge-off ratio and maximum consolidated leverage ratio, and that Goeasy complied with those financial covenants, including by

[1] Goeasy's bad debt is calculated based, in part, on the charge-offs on consumer loans that Goeasy takes and increases in its allowance for credit losses. Goeasy's failure to charge off loans for which there was no reasonable expectation of recovery resulted in its bad debt being materially understated and, therefore, misrepresented.

disclosing its actual maximum net charge-off ratio and maximum consolidated ratio during the particular reporting period. As a result of understated credit losses, Goeasy was not in compliance with those financial covenants, which would, when belatedly disclosed, have adverse impacts on its borrowing costs and access to credit.

C. Misrepresentation of goodwill attributable to LendCare

69. Goeasy's Financial Statements and Prospectus represented that the LendCare CGU had goodwill attributable to it of $159.6 million.

70. The goodwill attributable to the LendCare CGU was misrepresented. The entirety of the LendCare goodwill ought to have been impaired in its entirety at the time it was disclosed in the Financial Statements due to elevated credit losses, the significant risk of future credit losses and the resulting necessary reductions in future loan originations.

71. Goeasy belatedly impaired the goodwill attributable to the LendCare CGU in its entirety in its FY 2025 Financial Disclosures.

D. Misrepresentations about Goeasy's compliance with IFRS

72. Goeasy's FY 2023 Audited Financial Statements and FY 2024 Audited Financial Statements represented that they had been prepared in accordance with IFRS.

73. Goeasy's Q1 2023 Financial Statements, Q2 2023 Financial Statements, Q3 2023 Financial Statements, Q1 2024 Financial Statements, Q2 2024 Financial Statements, Q3 2024 Financial Statements, Q1 2025 Financial Statements, Q2 2025 Financial Statements and Q3 2025 Financial Statements all represented that they had been prepared in accordance with IFRS, including IAS 34.

74. Goeasy's MD&As represented that the financial information presented in the respective documents had been prepared in accordance with IFRS unless otherwise noted.

75. The representations about Goeasy's compliance with IFRS were misrepresentations. Goeasy's Financial Statements and the financial information presented in its MD&As (that were not otherwise noted to be non-IFRS metrics) were not presented accurately or in conformity with IFRS because:

(a) there were misrepresentations in the Financial Statements and MD&As as described above;

(b) Goeasy deducted bad debts on interest receivable from interest income instead of reporting bad debts on interest receivable as an expense. As a result, Goeasy's bad debts expense and interest income for 2024 were understated by $27.5 million;

(c) Goeasy recognized interest income on the gross carrying amount of its non-performing (Stage 3) loans instead of recognizing interest income for its non-performing (Stage 3) loans on the net carrying amount. As a result, Goeasy's consumer loans receivable and interest income for 2024 were overstated by $7.5 million;

(d) Goeasy improperly offset its deferred income tax liabilities from its deferred income tax assets across separate subsidiaries. As a result, Goeasy's reported deferred income tax assets and liabilities for 2024 were both overstated by $15.5 million; and

(e) Goeasy understated the allowance for credit losses on gross loans receivable due to an error in the probability of default assessment on certain of its Stage 3 loans used in its expected credit loss models. As a result, Goeasy's net consumer loans receivable and bad debt expense for 2024 were understated by $6.0 million.

E. Misrepresentations about the strength of Goeasy's business and credit risk practices

76. Throughout the Class Period, Goeasy represented that it had strong credit risk management practices.

77. Goeasy's Annual MD&As, Annual Information Forms, and Prospectus (and the Annual Information Form for the year ended December 31, 2022 and MD&A for the year ended December 31, 2022 incorporated by reference in the Prospectus) stated that Goeasy used custom models that improved the accuracy of its prediction of default risk for its non-prime customer loans. Through the use of those custom models, and its relationships with customers at branch locations, Goeasy stated that it had "found an optimal balance between growth and prudent risk management and underwriting". Those documents also stated that Goeasy's credit risk management was "enhanced by industry leading underwriting practices" and that Goeasy had "created processes and procedures to identify, measure, monitor and mitigate significant credit risks."

78. Goeasy's 2023 Annual Report stated that Goeasy's decreasing net charge-off rate demonstrated "the impact of disciplined credit risk management, pro-active credit adjustments and the benefit of a shift in product mix."

79. Goeasy's 2024 Annual Report stated that Goeasy had "established ourselves as one of Canada's most disciplined lenders. At the heart of our long-term success lies a robust credit adjudication framework, advanced risk analytics, and a data-driven culture that prioritizes prudent lending without compromising growth. We have consistently demonstrated our

ability to balance strong loan originations with sound underwriting practices, resulting in consistent performance and resilient portfolio quality." Goeasy further stated that its "ability to manage credit is further underpinned by a robust collections infrastructure and highly disciplined account management strategies", and that the company had made "significant investments in technology, enabling real-time monitoring of credit performance and early identification of potential delinquencies."

80. The above statements were misrepresentations by omission or commission. Goeasy's credit risk management practices were materially deficient. Goeasy, among other things: (i) engaged in the practices described at paragraphs 43 to 56; and (ii) had material weakness in its ICFR and weaknesses that were significant in its DC&P related to its credit risk management practices, as described at paragraphs 84 to 86.

F. Misrepresentations about the effectiveness of Goeasy's ICFR and DC&P

81. Maintaining strong governance practices and internal controls was essential to the effective and sustainable operation of Goeasy's business.

82. Goeasy's MD&As all represented that Goeasy's CEO and CFO concluded that Goeasy's ICFR was designed and operating effectively, and that the design of Goeasy's DC&P was effective.

83. The CEO Certifications and CFO Certifications represented that the CEO and CFO had:

(a) designed Goeasy's DC&P, or caused it to be designed under their supervision, to ensure that material information related to Goeasy and its subsidiaries, was made known to them by others within those entities, particularly during the period in which the applicable reports were being prepared; and

(b) designed Goeasy's ICFR, or caused the ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

84. The above representations about the effectiveness of Goeasy's ICFR and DC&P were misrepresentations. Goeasy had material weaknesses in its ICFR and significant weaknesses in its DC&P. Among other things, Goeasy did not design and maintain effective controls to ensure:

(a) 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 was appropriately reflected in Goeasy's IFRS 9 disclosures;

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

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

85. The material weaknesses in ICFR and significant weaknesses in DC&P contributed to the material misstatements in Goeasy's financial disclosures described herein.

86. Goeasy and its management have now, belatedly, implemented numerous remedial measures to rectify these material weaknesses.

87. Goeasy and the Individual Defendants' failure to identify and describe the material weaknesses in ICFR and significant weaknesses in DC&P in Goeasy's MD&As was an omission to state material facts that were required to be stated and/or that were necessary

to make the representations about Goeasy's ICFR and DC&P not misleading in the circumstances in which those representations were made.

G. EY's IFRS misrepresentations

88. In EY's Independent Auditor's Reports in the FY 2023 Audited Financial Statements and the FY 2024 Audited Financial Statements, EY expressed an unqualified audit opinion that the respective Audited Financial Statements presented fairly, in all material respects, the financial position of Goeasy and its financial performance and cash flows, in accordance with IFRS.

89. EY's representations were misrepresentations. The FY 2023 Audited Financial Statements and the FY 2024 Audited Financial Statements did not present fairly, in all material respects, the financial position of Goeasy and its financial performance and cash flows, in accordance with IFRS.

90. EY's representations were also misrepresentations because they omitted to state a material fact that was necessary to make the representations not misleading in the light of the circumstances in which they were made. The material fact EY omitted was that there was no reasonable basis for its opinion that the FY 2023 Audited Financial Statements and the FY 2024 Audited Financial Statements presented fairly, in all material respects, the financial position of Goeasy and its financial performance and cash flows, in accordance with IFRS because EY did not comply with Canadian GAAS, as set out at paragraph 92 below.

H. EY's misrepresentations that it complied with Canadian GAAS

91. In EY's Independent Auditor's Reports in Goeasy's FY 2023 Audited Financial Statements and the FY 2024 Audited Financial Statements, EY represented that it had audited Goeasy's consolidated financial statements in accordance with Canadian GAAS. Those representations gave investors (false) confidence in the accuracy of the FY 2023 Audited Financial Statements and FY 2024 Audited Financial Statements.

92. In Canada, Canadian Auditing Standards ("**CAS**") constitute Canadian GAAS. EY did not comply with Canadian Auditing Standards, including:

(a) CAS 315 – *Identifying and Assessing the Risks of Material Misstatement*: risks relating to, among other things, payment recognition, delinquency reporting, credit allowances and/or charge-offs were not properly identified and assessed;

(b) CAS 330 – *The Auditor's Responses to Assessed Risks*: audit procedures were not properly designed or performed to detect that recorded payments had not actually been received, delinquencies, deficient credit allowances and/or inadequate charge-offs;

(c) CAS 500 – *Audit Evidence*: EY relied on internal data without sufficient validation against independent evidence with respect to payment recognition, delinquency reporting, credit allowances and/or charge-offs;

(d) CAS 540 – *Auditing Accounting Estimates and Related Disclosures*: key estimates, including expected credit losses and goodwill, relied on inadequately tested data;

(e) CAS 265 – *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*: improper evaluation, identification and communication of control deficiencies to management in core reporting processes existent throughout the Class Period; and/or

(f) CAS 200 – *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards*: professional skepticism was not applied or was inadequately applied in a high-risk environment, including with respect to payment recognition before they were settled with customers, delinquency reporting, credit allowances and/or charge-offs.

93. As a result, EY's representations about its compliance with Canadian GAAS were misrepresentations.

VII. PUBLIC CORRECTION

A. The September 22, 2025 Jehoshaphat Short Report

94. On September 22, 2025, the Jehoshaphat Short Report was released.

95. Among other things, the Jehoshaphat Short Report stated that: (i) Goeasy's credit losses were understated by approximately $300 million and that recognizing these credit losses would devastate Goeasy's earnings; (ii) Goeasy hid its credit losses by using tactics that improperly suppressed reported consumer loan delinquencies, including by not properly accounting for payment skips, partial payments and rewrites of customer agreements in its disclosures to investors; (iii) Goeasy's return on equity and return on assets were overstated and declining; and (iv) Goeasy had been adding riskier loans to its consumer loan portfolio.

96. After the Jehoshaphat Short Report was released on September 22, 2025, on abnormally high trading volume, Goeasy's share price closed on the TSX at $184.33, a decline of 9.87% from the closing price on the previous trading day (September 19, 2025). Over the

10 trading days following the release of the Jehoshaphat Short Report, Goeasy's share price declined further, closing on the TSX at $165.12 on October 3, 2025, a decline of 19.26% from the close of trading on September 19, 2025.

97. The Jehoshaphat Short Report revealed facts that were contrary to the misrepresentations alleged herein.

98. Further, or in the alternative, the Jehoshaphat Short Report partially corrected the misrepresentations alleged herein and was a public correction within the meaning of the *OSA*.

99. On September 24, 2025, shortly after the release of the Jehoshaphat Short Report, Goeasy issued a press release "categorically" denying and refuting the content of the Jehoshaphat Short Report. These statements were misrepresentations for the reasons set out at paragraphs 57 to 87.

B. The Q3 2025 Financial Disclosures

100. On November 5, 2025, after the close of trading on the TSX, Goeasy released its Q3 2025 Financial Disclosures. Those disclosures reported:

(a) a $38.3 million net change in allowance for credit losses driven by elevated use of borrower assistance programs and higher early stage delinquencies;

(b) a lower than anticipated earnings per share of $2.01, driven by higher credit losses;

(c) net charge-offs on consumer loans receivable of $118.8 million; and

(d) higher early-stage delinquencies and that 7.3% of all consumer loans were past due, which was an increase compared to previous quarters.

101. Following the Q3 2025 Financial Disclosures, on abnormally high volume, Goeasy's share price fell from $161.76 at the close of trading on the TSX on November 5, 2025 to $134.26 at the close of trading on the TSX on November 6, 2025, a decline of 17%. Over the 10 trading days following the release of the Q3 2025 Financial Disclosures, Goeasy's share price declined further, closing at $119.69 on the TSX on November 19, 2025, a decline of 26.01% from the close of trading on the TSX November 5, 2025.

102. The Q3 2025 Financial Disclosures revealed facts that were contrary to the misrepresentations alleged herein.

103. Further, or in the alternative, the Q3 2025 Financial Disclosures partially corrected the misrepresentations alleged herein and were a public correction within the meaning of the *OSA*.

C. Goeasy's March 10, 2026 Press Release

104. On March 10, 2026, Goeasy issued a press release disclosing that:

(a) it would correct an improper historical LendCare reporting practice that recorded some customer payments as received when they had not been. As a result, prior period 2024 and 2025 figures, including delinquency and staging note disclosures, would be revised in Goeasy's FY 2025 Financial Disclosures;

(b) Goeasy expected to take an incremental charge-off of about $178 million on certain LendCare loans in Q4 2025, plus a related $55 million write-down of loan interest and fees, contributing to total quarterly net charge-offs of about $331 million;

(c) Goeasy would increase its allowance for credit losses by about $86 million compared to the amount previously disclosed in its Q3 2025 Financial Statements;

(d) the incremental charge-offs and higher provisions were expected to cause non-compliance with certain financial covenants in the syndicated credit facility, securitizations and receivables purchase arrangements;

(e) Goeasy's management expected credit performance to be worse. There would be a net charge-off rate of 12.9% for 2025, which would increase to the mid-teens in 2026 (compared to 9.2% for 2024);

(f) Goeasy was withdrawing its previously issued Q4 2025 outlook and three-year forecast;

(g) Goeasy was suspending share repurchases under its Normal Course Issuer Bid and its quarterly dividend until further notice; and

(h) Goeasy was implementing several remedial measures, including reducing LendCare's auto and powersport loan originations, focusing on easyfinancial's unsecured and home equity lending, and strengthening leadership at LendCare.

105. S&P Global Ratings lowered Goeasy's credit rating to "B-" from "BB-" and Goeasy was removed from the S&P/TSX Canadian Dividend Aristocrats Index.

106. Goeasy's share price declined significantly following the March 10, 2026 press release. On abnormally high trading volume, Goeasy's share price closed on the TSX at $49.72, a decline of 56.97% from the closing price on the TSX on the previous trading day. Over the 10 trading days following the release of the March 10, 2026 press release, Goeasy's share price declined further still, closing on the TSX at $38.82 on March 23, 2026, a decline of 66.4% from the closing price on March 9, 2026.

107. The March 10, 2026 press release revealed facts that were contrary to the misrepresentations alleged herein.

108. Further, or in the alternative, the Q3 2025 Financial Disclosures fully or partially corrected the misrepresentations alleged herein and was a public correction within the meaning of the *OSA*.

D. FY 2025 Financial Disclosures

109. On March 31, 2026, after the close of trading on the TSX, Goeasy released an MD&A, Annual Financial Statements and a press release for its year ended December 31, 2025. Before trading on the TSX commenced the next day (April 1, 2026), Goeasy held a conference call with investors to discuss its financial disclosures.

110. In the FY 2025 Financial Disclosures, Goeasy, among other things:

(a) restated information in its financial statements from Q1 2024 to Q3 2025, including, but not limited to, delinquencies on its consumer loans, staging note disclosures, earnings per share, cash, revenue, and consumer loans receivable;

(b) stated that the information in its financial disclosures from Q1 2024 to Q3 2025 that had been corrected "should no longer be relied upon";

(c) reported a net change in allowance for credit losses of $71.9 million, an incremental charge-off of $177.9 million on consumer loans receivable, and a charge-off of $54.6 million on interest receivable on those consumer loans;

(d) disclosed net charge-offs as a percentage of average gross consumer loans receivable of 23.8% for Q4 2025 and 12.9% for full year 2025, which was significantly worse than 2024 and previous guidance. For LendCare specifically, net charge-offs as a percentage of average gross consumer loans receivable were 40.6% in Q4 2025 (compared to 6.4% for Q4 2024);

(e) provided guidance on net charge-offs as a percentage of average gross consumer loans receivable of 17.5% to 18.5% for 2026 (compared to guidance of 7.7% to 9.75% in 2025);

(f) reported operating margins and return on equity for 2025 that were significantly below previous guidance;

(g) reported a diluted loss per share of $20.49 for Q4 2025 and a diluted loss per share of $10.78 for full year 2025;

(h) impaired the goodwill in the LendCare CGU ($159.6 million) in its entirety;

(i) reported material weaknesses in Goeasy's ICFR and related significant weaknesses in its DC&P because 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) disclosed steps that were being taken to remediate the material weaknesses in ICFR and significant weaknesses in DC&P, including:

(i) updating and harmonizing LendCare's 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 losses;

(ii) implementing, monitoring and testing new controls at LendCare to ensure that collection practices are appropriately considered in the estimation of the allowance for credit losses and that the delinquency status of loans is appropriately reflected in Goeasy's IFRS 9 disclosures;

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

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

(k) reported that Goeasy had changed its practices with respect to the delinquent loans it considers uncollectable;

(l) disclosed that certain of Goeasy's credit facilities had been amended to exclude loans receivable originated at LendCare; and

(m) stated that Goeasy reduced loan originations in LendCare and tightened its credit standards. It specifically reduced LendCare exposure in auto and powersports lending, both of which had collections challenges. Goeasy was instead focusing on its direct-to-consumer easyfinancial business where its credit performance is better.

111. Goeasy's share price declined following the release of the FY 2025 Financial Disclosures, closing at $37.36 on the TSX on April 1, 2025, a decline of 2.28% from the closing price on the TSX on the previous trading day. Over the 8 trading days following the release of the FY 2025 Financial Disclosures, Goeasy's share price declined further, closing at $31.37 on the TSX on April 10, 2026, a decline of 17.9% from the closing price on the TSX on March 31, 2026.

112. The FY 2025 Financial Disclosures revealed facts that were contrary to the misrepresentations alleged herein.

113. Further, or in the alternative, the FY 2025 Financial Disclosures partially or fully corrected the misrepresentations alleged herein and was a public correction within the meaning of the *OSA*.

VIII. RIGHTS OF ACTION

A. Part XXIII.1 of the *OSA – Secondary Market Liability*

114. On behalf of the Secondary Market Class, the Plaintiffs assert the right of action in Part XXIII.1 of the *OSA* with leave of the Court and, if necessary, the equivalent sections of the Other Canadian Securities Legislation, against all the Defendants.

115. Each of the Impugned Documents contained one or more of the misrepresentations alleged herein. These misrepresentations were "misrepresentations" within the meaning of the *OSA* and Other Canadian Securities Legislation, if necessary.

116. Goeasy is a “reporting issuer” and a “responsible issuer” within the meaning of the *OSA* and the Other Canadian Securities Legislation, if necessary. It released the Impugned Documents which contained the misrepresentations alleged herein.

117. Each of Mullins, Rees, Khouri and Metel was an “officer” of Goeasy within the meaning of the *OSA* and Other Canadian Securities Legislation, if necessary. Each authorized, permitted or acquiesced in the release of some or all of the Impugned Documents.

118. Each of Mullins, Ingram and Basian was a “director” of Goeasy within the meaning of the *OSA* and Other Canadian Securities Legislation, if necessary. Each was a “director” at the time some or all of the Impugned Documents were released.

119. EY was Goeasy’s auditor and therefore an “expert” within the meaning of the *OSA* and Other Canadian Securities Legislation, if necessary. EY provided audit reports, statements or opinions that contained misrepresentations. EY consented to the use of its audit reports, statements or opinions in FY 2023 Audited Financial Statements and FY 2024 Audited Financial Statements.

120. For each of the documents that is a “non-core document”, the Defendants: knew at the time the Impugned Document was released that it contained a misrepresentation; at or before the time the Impugned Document was released, deliberately avoided acquiring knowledge that the Impugned Document contained a misrepresentation; or, through action or failure to act, were guilty of gross misconduct in connection with the release of the Impugned Document.

121. The Individual Defendants authorized, permitted or acquiesced in making some or all the misrepresentations in the Impugned Documents alleged herein while knowing it to be a

misrepresentation and/or influenced the making of some or all of the misrepresentations in the Impugned Documents while knowing that it was a misrepresentation.

122. EY authorized, permitted or acquiesced in making the misrepresentations in the FY 2023 Audited Financial Statements and FY 2024 Audited Financial Statements 2023, as set out above, while knowing they were misrepresentations and/or influenced the making of the misrepresentations in the FY 2023 Audited Financial Statements and FY 2024 Audited Financial Statements while knowing they were misrepresentations.

123. The Plaintiffs and Class Members acquired Goeasy's securities following the release of one or more of the Impugned Documents and before the misrepresentations were publicly corrected as alleged herein.

B. *OSA* Part XXIII – *Liability for Misrepresentations in the Offering Memoranda*

124. As against Goeasy, and on behalf of the Offering Memoranda Class, the Plaintiffs assert the right of action under section 130.1(1) of the *OSA* and, if necessary, the equivalent provisions of the Other Canadian Securities Legislation.

125. Goeasy was the issuer of thfe securities under the Offering Memoranda.

126. All or some of the misrepresentations set out at paragraphs 57 to 93 were contained in the Offering Memoranda or incorporated by reference into the Offering Memoranda.

127. For these reasons, Goeasy is liable under section 130.1(1) of the *OSA* and, if necessary, the corresponding provisions of the Other Canadian Securities Legislation for the misrepresentations in the Offering Memoranda.

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C. Negligent misrepresentation

128. On their own behalf and on behalf of the Secondary Market Class, the Plaintiffs plead negligent misrepresentation against Goeasy and Khouri for misrepresentations in all the Impugned Documents, and against Mullins, Rees and Ingram for misrepresentations in the Impugned Documents released while they were CEO (or interim CEO) of Goeasy.

129. The Impugned Documents were prepared, in part, for the purpose of attracting investment and inducing members of the investing public to purchase Goeasy's securities. Goeasy filed the Impugned Documents on SEDAR+ for the benefit of the market and the Secondary Market Class Members and communicated those documents to the public.

130. Goeasy and the Individual Defendants knew and intended that the Secondary Market Class Members would reasonably rely, to their detriment, upon such documents and the representations contained therein in making the decision to purchase Goeasy's securities.

131. Goeasy and the Individual Defendants were in a relationship of proximity with the Secondary Market Class Members. It was reasonably foreseeable that any misrepresentations in the Impugned Documents could cause damage to the Secondary Market Class Members.

132. Goeasy and the Individual Defendants had responsibility for the preparation of the Impugned Documents and undertook to do so, for the benefit of, and to be relied upon by, Secondary Market Class Members. They had a duty of care at common law to exercise due care and diligence to ensure that the Impugned Documents fairly and accurately disclosed all material information. They breached that duty by making the misrepresentations alleged

herein and failing to exercise due care in the creation and dissemination of the Impugned Documents.

133. The Secondary Market Class Members read and reasonably relied on the Impugned Documents for the purpose for which they were prepared.

IX. DAMAGES

134. The Plaintiffs and the other Class Members suffered damages as a result of the Defendants' breach of their duties at law by making the misrepresentations particularized herein.

135. The Secondary Market Class Members who acquired Goeasy's securities on the secondary market are entitled to the damages prescribed under Part XXIII.1 of the *OSA* or Other Canadian Securities Legislation, if necessary.

136. The Offering Memoranda Class Members who purchased Goeasy securities under the Offering Memoranda are entitled to damages or to exercise the right of rescission.

137. Further, the Plaintiffs and the other Class Members suffered damages equivalent to the inflation in the price of the securities they acquired during the Class Period which was related to the misrepresentations alleged herein. If the Defendants had not breached their duties and made the misrepresentations described above, Goeasy's securities would not have traded or been sold at artificially high levels that Class Members paid for them, and the Class Members would not have suffered the losses alleged.

X. THE RELATIONSHIP BETWEEN THE MISREPRESENTATIONS AND PRICE OF GOEASY'S SECURITIES

138. The price of Goeasy's common shares and other securities were directly affected during the Class Period by the issuance of the Impugned Documents. The Defendants were aware

at all relevant times of the effect of Goeasy's disclosure documents on the price of Goeasy's securities.

139. The Impugned Documents were filed on SEDAR+, and were otherwise made available to the public, 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.

140. Goeasy routinely transmitted the documents referred to above to the financial press, financial analysts and certain prospective and actual holders of Goeasy securities. Goeasy either provided copies of the above referenced documents or links thereto on its website.

141. 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 and elsewhere. Each time Goeasy communicated new relevant information about its financial results to the public, the price of Goeasy's securities was directly affected.

142. Goeasy was the subject of analyst reports that incorporated certain of the material information contained in the Impugned Documents, 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.

143. At all relevant times during the Class Period, Goeasy's securities were traded, among other places, on the TSX, which are efficient and automated markets. The price at which Goeasy's securities traded promptly incorporated relevant information from Goeasy's disclosure documents about Goeasy's business and affairs, including the

misrepresentations particularized herein, which were disseminated to the public through the documents referred to above and distributed by Goeasy, as well as by other means.

XI. VICARIOUS LIABILITY

144. In addition to its direct liability, Goeasy is vicariously liable for the acts and/or omissions of the Individual Defendants and its other officers, directors, and employees. Their acts and omissions with respect to the misrepresentations were carried out while they were engaged in the management, direction and control of the business and affairs of Goeasy.

145. In addition to its direct liability, EY is vicariously liable for the acts and/or omissions of its officers, directors, partners and employees. Their acts and omissions with respect to the misrepresentations were carried out while they were engaged in the management, direction and control of the business and affairs of EY.

XII. REAL AND SUBSTANTIAL CONNECTION WITH ONTARIO

146. This action has a real and substantial connection with Ontario because, among other things:

(a) Goeasy is a reporting issuer in Ontario;

(b) Goeasy's principal securities regulator is the Ontario Securities Commission;

(c) the shares of Goeasy trade on the TSX, which is located in Ontario;

(d) Goeasy is headquartered in Ontario;

(e) Goeasy, directly and/or through its subsidiaries, conducts business in Ontario;

(f) EY is an Ontario limited liability partnership;

(g) the EY partner(s) and/or employees performing the EY audit of Goeasy's financial statements were primarily based out of EY's Toronto offices;

(h) a substantial proportion of the Class Members reside in Ontario; and

(i) a substantial portion of the damages sustained by Class Members were sustained in Ontario.

XIII. RELEVANT LEGISLATION

147. The Plaintiffs plead and rely on the *CJA*, the *CPA*, the *OSA* and the Other Canadian Securities Legislation, all as amended, and NI 51-102, NI 52-107, NI 52-108 and NI 52-109.

XIV. SERVICE OUTSIDE ONTARIO WITHOUT LEAVE

148. The Plaintiffs plead and rely on rule 17.02(g), (n), and (p) of the *Rules of Civil Procedure* to serve this claim outside Ontario without leave.

149. The Plaintiffs propose that this action be tried at Toronto, Ontario.

Schedule "A" – Charge-Off (Mis)Representations

Reporting Period	Net Charge-Offs on Consumer Loans Receivable	Net Charge-Off as a Percentage of Average Gross Consumer Loans Receivable (Annualized)
Q1 2023	$65,097,000	8.9%
Q2 2023	$71,164,000	9.1%
Q3 2023	$74,054,000	8.8%
Q4 2023	$79,006,000	8.8%
FY 2023	$289,321,000	8.9%
Q1 2024	$86,327,000	9.1%
Q2 2024	$94,060,000	9.3%
Q3 2024	$99,359,000	9.2%
Q4 2024	$103,748,000	9.1%
FY 2024	$383,494,000	9.2%
Q1 2025	$104,428,000	8.9%
Q2 2025	$108,903,000	8.8%
Q3 2025	$118,765,000	8.9%

Schedule "B" – Allowance for Expected Credit Losses (Mis)Representations

Reporting Period	Allowance for Credit Loss at Quarter End	Net Change in Allowance for Credit Loss	Allowance for credit losses as a percentage of the ending gross consumer loans receivable
Q1 2023	$223,840,000	$10,799,000	7.48%
Q2 2023	$237,310,00	$13,470,000	7.42%
Q3 2023	$252,795,000	$15,485,000	7.37%
Q4 2023	$265,359,000	$12,564,000	7.28%
Q1 2024	$284,227,000	$18,868,000	7.38%
Q2 2024	$302,666,000	$18,439,000	7.31%
Q3 2024	$324,399,000	$21,733,000	7.38%
Q4 2024	$349,629,000	$25,230,000	7.61%
Q1 2025	$376,224,000	$26,595,000	7.86%
Q2 2025	$403,704,000	$27,480,000	7.92%
Q3 2025	$442,101,000	$38,297,000	8.13%

Schedule "C" – Other Key Financial Metric Representations

<table>
<tr><th>Reporting Period</th><th>Earnings Per Share (basic)</th><th>Bad Debt (000's)</th><th>Consumer Loans Receivable (net) (000's)</th><th>Interest receivable from consumer loans (000's)</th><th>Interest Income (000's)</th><th>Charges and Fees (000's)</th><th>Yield on Consumer Loans</th><th>Operating Margin</th></tr>
<tr><td>Q1 2023</td><td>$3.06</td><td>$75,896</td><td>$2,815,696</td><td>$34,498</td><td>$201,428</td><td>$6,388</td><td>35.6%</td><td>35.5%</td></tr>
<tr><td>Q2 2023</td><td>$3.29</td><td>$84,634</td><td>$3,014,883</td><td>$37,149</td><td>$213,563</td><td>$6,781</td><td>35.5%</td><td>36.5%</td></tr>
<tr><td>Q3 2023</td><td>$3.93</td><td>$89,539</td><td>$3,236,211</td><td>$43,654</td><td>$229,269</td><td>$6,396</td><td>35.3%</td><td>39.3%</td></tr>
<tr><td>Q4 2023</td><td>$4.41</td><td>$91,570</td><td rowspan="2">$3,447,588</td><td rowspan="2">$53,545</td><td>$244,668</td><td>$7,243</td><td>34.9%</td><td>40.6%</td></tr>
<tr><td>FY 2023</td><td>$14.70</td><td>$341,639</td><td>$888,928</td><td>$26,808</td><td>35.3%</td><td>38.1%</td></tr>
<tr><td>Q1 2024</td><td>$3.46</td><td>$105,195</td><td>$3,653,437</td><td>$71,047</td><td>$260,072</td><td>$8,337</td><td>35.0%</td><td>38.6%</td></tr>
<tr><td>Q2 2024</td><td>$3.82</td><td>$112,499</td><td>$3,917,944</td><td>$71,320</td><td>$274,722</td><td>$8,092</td><td>34.9%</td><td>39.0%</td></tr>
<tr><td>Q3 2024</td><td>$4.95</td><td>$121,092</td><td>$4,179,169</td><td>$91,971</td><td>$282,665</td><td>$7,388</td><td>34.3%</td><td>41.7%</td></tr>
<tr><td>Q4 2024</td><td>$4.32</td><td>$128,978</td><td rowspan="2">$4,366,533</td><td rowspan="2">$96,113</td><td>$304,363</td><td>$6,517</td><td>33.6%</td><td>40.7%</td></tr>
<tr><td>FY 2024</td><td>$16.56</td><td>$467,764</td><td>$1,121,822</td><td>$30,334</td><td>34.1%</td><td>40.0%</td></tr>
<tr><td>Q1 2025</td><td>$2.35</td><td>$131,023</td><td>$4,555,358</td><td>$116,473</td><td>$295,829</td><td>$5,603</td><td>31.3%</td><td>37.0%</td></tr>
<tr><td>Q2 2025</td><td>$5.25</td><td>$136,383</td><td>$4,858,147</td><td>$131,383</td><td>$315,485</td><td>$7,383</td><td>31.8%</td><td>38.5%</td></tr>
<tr><td>Q3 2025</td><td>$2.01</td><td>$157,162</td><td>$5,169,753</td><td>$141,927</td><td>$328,045</td><td>$11,548</td><td>31.4%</td><td>37.8%</td></tr>
</table>

April 13, 2026

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Court File No./N° du dossier du greffe: CV-26-00005487-00CP

YULUN WANG et al
Plaintiffs

-and-

GOEASY LTD., et al
Defendants

Court File No. 26-5487-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

STATEMENT OF CLAIM

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