Everyday People Financial Reports Operational Update, with Strong Financial Results for the Three and Six Months Ended June 30, 2024 and Reduces Long-Term Debt by $2.5 Million

- *Revenue increased by 63% to $30.6 million in the first half of 2024.*
- *Net income before tax increased by 212% to $2.0 million in the first half of 2024.*
- *Adjusted EBITDA increased by 277% to $5.5 million in the first half of 2024.*
- *Net working capital improved by $4.1 million in the first half of 2024.*
- *Reduced long term debt of $2.5 million in the first half of 2024.*

**Edmonton, Alberta – (Newsfile Corp. – August 13, 2024) –** Everyday People Financial Corp. (TSX-V: EPF) ("**Everyday People**" or the "**Company**"), a financial service provider, is pleased to announce its consolidated financial results for the three and six months ended June 30, 2024. All figures are in Canadian dollars unless otherwise stated.

"Our exceptional financial performance in the first half of 2024 highlights our commitment to driving growth through our three business pillars and enhancing shareholder value." said Gordon Reykdal, Executive Chairman of Everyday People. "We are also pleased to report a $2.5 million reduction in our long-term debt in the first half of 2024, with an additional $1.6 million decrease already achieved in Q3 2024 to date. Going forward we anticipate reducing our long-term debt by another $4.9 million by the end of 2024."

## Key Financial Comparable Metrics relative to Q2 2023, respectively

- **Revenue:** increased by 46% to $15.8 million in Q2 2024, and increased by 63% to $30.6 million for year-to-date 2024, representing record performance for both periods.
- **Adjusted EBITDA**[1]: increased by 142% to $2.4 million in Q2 2024, and increased by 277% to $5.5 million for year-to-date 2024.
- **Net income before taxes:** increased by 192% to $0.6 million in Q2 2024, and increased by 212% to $2.0 million for year-to-date 2024.
- **Long-Term Debt**: reduced by $2.0 million in Q2 2024, and by $2.5 million for year-to-date 2024.

## Management Commentary and Financial Results per Business Pillar

Building on a very strong Q1, the Company is pleased to deliver another solid quarter and anticipates a strong close to 2024 with significant milestones being achieved.

With the changes the Company's EP Homes business model, the Company is excited to now have all three business pillars contributing on a non leveraged basis.

The Company's Three Business Pillars

- **Revenue Cycle Management:** continues to produce strong financial results with significant room to grow organically and through self funded acquisitions with a deep pipeline of opportunities in the industry. These are the oldest operating businesses in the Company dating back to 2006.

    - Revenue was $12.2 million Q2 2024 as compared to $8.5 million for the same period in 2023, and $24.4 million as compared to $14.9 million for the six months ending June 30.
    - Direct Costs were $3.3 million Q2 2024 as compared to $2.3 million for the same period in 2023, and $6.4 million as compared to $4.3 million for the six months ending June 30.

- **EP Financial Services:** has now started to contribute in a meaningful way with the introduction of new financial services and prepaid credit card revenues and fees. It is anticipated that this pillar will continue to increase in both top and bottom line in the upcoming quarters, but more significantly with the anticipated rollout and introduction of two new platforms in the fall of 2024 and early 2025.

    - Revenue was $1.2 million Q2 2024 as compared to $0.1 million for the same period in 2023, and $2.4 million as compared to $0.1 million for the six months ending June 30.
    - Direct Costs were $0.1 million Q2 2024 as compared to $0.1 million for the same period in 2023, and $0.2 million as compared to $0.2 million for the six months ending June 30.

- **EP Homes**: shift in business model is anticipated to produce significant improvement to the pre-tax income statement, adjusted EBITDA and the balance sheet. It is also anticipated that EP Homes will have a positive contribution to pre-tax income and adjusted EBITDA for the balance of 2024. EP Homes will primarily earn its income from fees and commissions and no debt. EP Homes will fund all of the borrowed down payments to customers off its balance sheet and incur no debt.

    As part of the Company's strategic shift in the EP Homes' business plan, the Company plans to sell all its EP Homes inventory and pay off all credit facilities associated to the EP Homes inventory within the next 12 months. This is expected to impact the Company positively from a cash flow perspective and allow the Company to reduce its current liabilities, resulting in a net working capital increase.

    - Debt reduction was $2.0 million Q2 2024 and $2.5 million for the six months ending June 30 reducing interest expense annually by $325,000.
    - Projected additional debt reduction in Q3 and Q4 is anticipated to be at $4.0 million, and $2.4 million respectively.
    - Revenue was $2.4 million Q2 2024 as compared to $2.2 million for the same period in 2023, and $3.8 million as compared to $3.8 million for the six months ending June 30.
    - Direct Costs were $2.3 million Q2 2024 as compared to $2.0 million for the same period in 2023, and $3.5 million as compared to $3.2 million for the six months ending June 30.
    - Adjusted EBITDA was a loss of $0.1 million Q2 2024 as compared to a positive contribution $0.2 for the same period in 2023, and $0.03 million as compared to $0.5 million for the six months ending June 30.

- Net loss before tax was $0.4 million Q2 2024 as compared to $0.1 million for the same period in 2023, and $0.6 million as compared to $0.1 million for the six months ending June 30.

### [1]Adjusted EBITDA

| | Three months ended June 30, 2024 ($) | Three months ended June 30, 2023 ($) | Six months ended June 30, 2024 ($) | Six months ended June 30, 2023 ($) |
|---|---|---|---|---|
| Adjusted EBITDA reconciliation | | | | |
| **Net income (loss) before tax** | **587,721** | **(641,590)** | **2,054,706** | **(1,834,431)** |
| *Adjustments* | | | | |
| Interest included in direct cost | 6,023 | 35,254 | 7,329 | 52,285 |
| Depreciation and amortization | 804,350 | 627,297 | 1,603,291 | 1,214,707 |
| Acquisition costs | — | 44,832 | 72,477 | 256,982 |
| Share-based compensation | 192,912 | 244,537 | 345,807 | 475,480 |
| Finance costs | 790,560 | 672,740 | 1,687,488 | 1,288,868 |
| Gain on debt settlement | — | — | (286,686) | — |
| **Total adjustments to net income (loss) before tax** | **1,793,845** | **1,624,660** | **3,429,706** | **3,288,322** |
| **Adjusted EBITDA** | **2,381,566** | **983,070** | **5,484,412** | **1,453,891** |
| Less: Finance costs | (790,560) | (672,740) | (1,687,488) | (1,288,868) |
| **Adjusted EBTDA** | **1,591,006** | **310,330** | **3,796,924** | **165,023** |

### Looking Forward

Everyday People had an exceptionally strong start to the year and are confident for the remainder of the year continuing to build on all the Company's three pillars. We have a passionate and experienced team of operators delivering on the Company's vision.

### About Everyday People Financial Corp.

Everyday People is founded on the belief that everyone deserves a second chance to financially reestablish themselves with access to affordable credit products. We are changing the way people manage money by enhancing our client services with our own affordable and specialized financial products and literacy programs. We're helping everyday people rebuild their financial health for generational wealth. Everyday People has a workforce of about 450 people, with operations first established in 2006 in the United Kingdom, Canada, and the United States of America. The company includes three main pillars of business: one pillar, Revenue Cycle Management operates under our Co-CEO RCM, Graham Rankin, and two pillars, Everyday People Financial Services and Everyday People Homes operates under our Co-CEO Financial Services and EP Homes, Barret Reykdal. We stand for creativity and entrepreneurship. Our combination of companies, products and services has been established to ensure we can fulfill consumers' financial needs and service them in a low-cost effective manner.

## Financial Statements & Management's Discussion and Analysis

This news release should be read in conjunction with Everyday People's consolidated financial statements and "Management's Discussion and Analysis" report for the three and six months ended June 30, 2024, which have been posted under the Company's profile on SEDAR+ at www.sedarplus.ca.

## Non-IFRS Financial Measures

This news release makes reference to certain non-IFRS financial measures, including adjusted EBITDA, and adjusted EBTDA.

"Adjusted EBITDA" is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. "EBITDA" means earnings before finance and interest costs, provision for income tax and amortization and depreciation expenses. "Adjusted EBITDA" is calculated as adding back the share-based compensation, depreciation and amortization expenses, other expenses (income) and other non-operating expenses (income) management considers not directly related to operational performance of the period presented.

"Adjusted EBTDA" is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. "EBTDA" means earnings before finance excluding interest costs, provision for income tax and amortization and depreciation expenses. "Adjusted EBTDA" is calculated as adding back the share-based compensation, depreciation and amortization expenses, other expenses (income) and other non-operating expenses (income), and excludes interest costs in the calculation, management considers not directly related to operational performance of the period presented.

Adjusted EBITDA and EBTDA, are used as non-IFRS financial measures to provide investors with a supplemental measure of the Company's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Company's ability to meet its capital expenditure and working capital requirements.

Non-IFRS financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of the Company's results under IFRS. There are a number of limitations related to the use of non-IFRS financial measures versus their nearest IFRS equivalents. Investors are encouraged to review the consolidated financial statements as at and for the three and six months ended June 30, 2024 and June 30, 2023, and disclosures in their entirety and are cautioned not to put undue reliance on any non-IFRS financial measure and view it in conjunction with the most comparable IFRS financial measures. In evaluating these non-IFRS financial measures, please be aware that in the future the Company will continue to have the adjustment similar to those adjusted in the presented period.

For more information visit: www.everydaypeoplefinancial.com.

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*Cautionary Note Regarding Forward-Looking Statements*

*This news release includes certain "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "forward-looking statements") under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to financial performance, results of operations, integration of the acquired businesses, and the business, plans, strategy, and operations of the Company. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to, expectations and assumptions concerning the Company and the acquired businesses as well as other risks and uncertainties, including those described in the documents filed by the Company on SEDAR+ at www.sedarplus.ca. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*