Everyday People Financial Reports Financial Results for Three and 15 Months Ended December 31, 2022 and Corporate Growth Strategy Update

- *Revenue of $4.8 million for the three months ended December 31, 2022, up 37% compared to $3.5 million for the same period in 2021*
- *Revenue of $22.5 million for the 15 months ended December 31, 2022, up 66% compared to $13.6 million for the 12 months ended September 30, 2021*
- *Everyday People is focusing its strategy to become a global consolidator in the collection services industry by expanding the Revenue Cycle Management business, a recurring revenue with good margins, through accretive acquisitions in Canada and beyond*

Edmonton, Alberta – (Newsfile Corp. – May 2, 2023) – Everyday People Financial Corp. (TSX-V:EPF) ("Everyday People" or the "Company"), a Canadian-based financial services company, is pleased to announce its consolidated annual financial and operational results for the 15 months ended December 31, 2022 and the 12 months ended September 30, 2021. As previously announced, the Company changed its fiscal year-end from September 30 to December 31 to align with all entities in its corporate group. This is the first financial reporting period since adopting the new year-end date; financial statements are therefore consolidated for the 15 months ended December 31, 2022. All figures are in Canadian dollars unless otherwise stated.

"2022 was a milestone year for Everyday People, with the public listing of our common shares on the TSX Venture Exchange, providing the Company with greater access to capital while facilitating future growth objectives," said Barret Reykdal, CEO of Everyday People. "Throughout the year, we expanded our range of products and services, including the launch of the Everyday Health Spending Account and prepaid digital gifting, while accelerating the Bridge to Homeownership™ program. Finally, in the last few months we advanced meaningfully on our strategic and financial objectives through the acquisition of both General Credit Services Inc. ("GCS") and Groupe Solution Collect Solu Inc. ("Groupe"), bolstering our revenue cycle management business segment. With momentum across the board, we are well positioned to continue to create value for our shareholders while striving to provide our clients with the highest quality of service."

Key Financial Highlights for the Three Months Ended December 31, 2022

- Revenue of $4.8 million, up 37% from $3.5 million for the same period in 2021.
- Pro-forma revenue of $8.2 million for the three months ended December 31, 2022. Pro-forma revenue includes the last quarter revenue taken from GCS and Groupe annual audited financials. Refer to the "Non-IFRS Financial Measures Reconciliation" disclosed in the Company's "Management's Discussion and Analysis" report.
- Adjusted EBITDA loss of $1.0 million as compared to adjusted EBITDA loss of $0.6 million for the same period in 2021. Refer to "Non-IFRS Financial Measures" below.
- Net loss of $27.1 million, as compared to net loss of $2.9 million for the same period in 2021. The increase of $24.2 million in net loss primarily includes $23.6 million non-cash one-time impairments of goodwill intangible assets, and investments related to Everyday People Climb Credit Inc.,

Everyday People Homes Inc., Everyday People Investments Inc., and EP Security Capital Inc., and $0.6 million related to deferred tax assets write-off and current tax liability for BPO Collections Limited.

- Pro-forma net loss of $27.8 million for the three months ended December 31, 2022. Pro-forma net loss includes the last quarter net loss taken from GCS and Groupe annual audited financials. Refer to the "Non-IFRS Financial Measures Reconciliation" disclosed in the Company's "Management's Discussion and Analysis" report.

Key Financial Highlights for the 15 Months Ended December 31, 2022

- Revenue of $22.5 million for the 15 months ended December 31, 2022, up 66%, compared to $13.6 million for the 12 months ended September 30, 2021.
- Pro-forma revenue of $37.1 million for the 15 months ended December 31, 2022. Pro-forma revenue includes the last annual revenue taken from GCS and Groupe annual audited financials. Refer to the "Non-IFRS Financial Measures Reconciliation" disclosed in the Company's "Management's Discussion and Analysis" report.
- Adjusted EBITDA loss of $2.6 million for the 15 months ended December 31, 2022, compared to adjusted EBITDA loss of $0.7 million for the 12 months ended September 30, 2021, with the increase primarily related to business expansion and public company expenses. Refer to "Non-IFRS Financial Measures" below.
- Net loss of $45.7 million for the 15 months ended December 31, 2022, as compared to net loss of $4.9 million for the 12 months ended September 30, 2021. The increase of $40.8 million in net loss primarily includes:
    - $30.6 million non-cash one-time impairment expense of goodwill and intangible assets related to Everyday People Homes Inc., Everyday People Investments Inc. and Everyday People Climb Credit Inc.;
    - $3.4 million non-cash listing expenses related to the securities issued upon completion of the qualifying transaction;
    - $3.4 million increase in salaries and benefits primarily for the Revenue Cycle Management segment which is in line with the increase in segment revenue;
    - $2.7 million in legal and professional fees related to qualifying transaction related cost; and
    - $0.7 million increase in depreciation and amortization related to intangibles acquired through acquisition.
- Pro-forma net loss of $46.3 million for the 15 months ended December 31, 2022. Pro-forma net loss includes the last annual net loss taken from GCS and Groupe annual audited financials. Refer to the "Non-IFRS Financial Measures Reconciliation" disclosed in the Company's "Management's Discussion and Analysis" report.
- The main driver of the non-cash one-time write-downs is due to the updated projections and high discount rate applied to the future revenue streams, with no change to the core business.

Business and Operations Highlights

- Commenced trading on the TSX Venture Exchange under the symbol "EPF" on September 8, 2022, providing the Company greater access to capital, thereby facilitating future growth objectives.
- Completed a brokered private placement of 4,684,000 units at a price of $1.00 per unit for aggregate gross proceeds of approximately $4.7 million.

- Completed a non-brokered private placement of 12% unsecured medium-term notes for an aggregate principal amount of $2.65 million.
- Launched a "Healthcare Spending Account Program" with Smart Employee Benefits Inc., now a subsidiary of Co-operators Financial Services Limited, which was the first integrated employee health spending account and credit card program to enter the Canadian market.
- Secured a $15.0 million revolving line of credit with KV Capital Inc. to support the Company's ability to execute on its EP Homes' plan.
- Secured third-party mezzanine funding for EP Homes' expanded rollout plan.
- On December 30, 2022, the Company acquired 100% of the issued and outstanding shares of GCS. Subsequent to December 31, 2022, on March 31, 2023, the Company acquired 100% of the issued and outstanding shares of Groupe.
- Announced the appointment of Gordon Reykdal as Executive Chairman of the Board of Directors.

Acquisition Highlights

- GCS, one of Canada's premier providers of accounts receivable management services, adds large enterprise clients and access to a significant base of consumers that could benefit from Everyday People's alternative credit products and credit education programs.
- Groupe, one of Canada's leading providers of revenue cycle management services, adds enterprise clients, including banks and other financial institutions, telecom and utility companies, property management and construction firms, governments, healthcare providers, transportation, logistics businesses, and more.
- On closing of the two acquisitions, Everyday People paid a combined total of approximately $8.8 million in cash and issued a total of 1.8 million common shares of Everyday People.
    - The Company may issue an additional combined total of approximately 3.2 million common shares pursuant to the earnout provisions, subject to GCS and Groupe achieving approximately $1.8 million and approximately $1.1 million in annual EBITDA, respectively, issued at a deemed price of $1.00 per share, pursuant to the earnout provisions set forth in the respective purchase agreements.
    - The Company issued a promissory note in the principal amount of $800,000, of which:
        - (A) an amount of $700,000 shall be payable on the date that is six months from the closing of the Groupe acquisition either in cash or by the issuance of 700,000 common shares in the capital of the Company issued at a deemed price of $1.00 per share; and
        - (B) an amount of $100,000 shall be payable in cash without interest on or before the date that is 18 months following the closing date.

Business Strategy Update

- During the fourth quarter of 2022, Everyday People evaluated its business model and strategy to maximize the long-term value creation for its shareholders.
- Based on the Company's research and analysis, beginning in Q1 2023, the Company began focusing its strategy and efforts on building and expanding its Revenue Cycle Management business, a recurring revenue with good margins.

- This decision is in line with the strategic objectives of the Company, to be a global consolidator in the collection services business, which has a total addressable market of $30.2 billion globally[1,2].
- The two recent acquisitions, GCS and Groupe, support the new strategic direction of the Company, adding an estimated $14.6 million to the Revenue Cycle Management business segment based on the combined historical revenues of the acquired businesses in 2022.
- The Revenue Cycle Management business segment is the main revenue contributor in the Company, followed by EP Homes, EP Care and EP Financial Services.
- Everyday People plans to continue to add accretive acquisitions in the Company's Revenue Cycle Management business segment throughout 2023 and 2024, leveraging the Company's experience as disciplined operators to drive profitability.

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 15 months ended December 31, 2022, which have been posted on SEDAR at www.sedar.com.

Non-IFRS Financial Measures

This news release makes reference to certain non-IFRS financial measures, including Pro-forma revenue, Adjusted EBITDA, and Pro-forma net income (loss).

"Pro-forma revenue" in respect of a period means revenue for that period plus the Company's estimate of the additional revenue that it would have recorded if it had acquired GCS and Groupe on the first day of that period, calculated in accordance with the methodology described in the "Non-IFRS Financial Measures Reconciliation" disclosed in the Company's "Management's Discussion and Analysis" report. Given the Company's acquisition strategy, Pro-forma revenue is more reflective of our expected run-rate. The Company considers the entity year end and respective quarter based on pre acquisition year end of the acquired company to calculate Pro-forma revenue. The most comparable IFRS measure to Pro-forma revenue is revenue, for which a reconciliation is provided in "Non-IFRS Financial Measures Reconciliation" disclosed in the Company's "Management's Discussion and Analysis" report.

"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, impairment loss on goodwill, other expenses (income) and other non-operating expenses (income) management considers not directly related to operational performance of the period presented.

"Pro-forma net income (loss)" in respect of a period means net income (loss) for that period plus the Company's estimate of the additional revenue that it would have recorded if it had acquired each of the business on the first day of that period, calculated in accordance with the methodology described in the "Non-IFRS Financial Measures Reconciliation" disclosed in the Company's "Management's Discussion and Analysis" report. Given the Company's acquisition strategy, Pro-forma net loss (income) is more reflective

[1] https://www.factmr.com/report/debt-collection-services-market
[2] https://www.ibisworld.com/united-states/market-research-reports/debt-collection-agencies-industry/

of the expected run-rate. The Company considers the entity year end and respective quarter based on pre acquisition year end of the acquired company to calculate Pro-forma net income (loss). The most comparable IFRS measure to Pro-forma net income (loss) is net income (loss), for which a reconciliation is provided in "Non-IFRS Financial Measures Reconciliation" table below the "Selected Annual Information" disclosed in the Company's "Management's Discussion and Analysis" report.

Pro-forma revenue, Adjusted EBITDA, and Pro-forma net income (loss) 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 15 months ended December 31, 2022, and the 12 months ended September 30, 2021, 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.

About Everyday People Financial Corp.

Everyday People is a financial services company founded on the belief that everyone deserves access to affordable credit and the opportunity for homeownership. Through its technology driven ecosystem and specialty credit solutions, the Company offers credit and prepaid card programs, homeownership facilitation and payment management services. The Company's mission is to help its clients be their best financial selves with credit products and services that help everyday people add value to their everyday lives.

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.sedar.com. 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.