ECN CAPITAL

Management Discussion & Analysis

MARCH 31, 2024

The following management discussion and analysis ("MD&A") provides information management believes is relevant to an assessment and understanding of the financial condition and results of operations of ECN Capital Corp. (the "Company" or "ECN Capital") as at and for the three-month period ended March 31, 2024, in comparison to the corresponding prior year period. This MD&A, which has been prepared as of May 9, 2024, is intended to supplement and complement the interim unaudited condensed consolidated financial statements and notes thereto, prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), as at and for the three-month period ended March 31, 2024 (the "interim condensed consolidated financial statements"), which readers are encouraged to read in conjunction with their review of this MD&A. This MD&A should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended December 31, 2023 (the "2023 Annual Consolidated Financial Statements") and December 31, 2022 (the "2022 Annual Consolidated Financial Statements"). Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com and on the Company's website at www.ecncapitalcorp.com.

Certain comparative figures have been reclassified to conform to the current period's presentation. All amounts set forth in this MD&A are in U.S. dollars unless otherwise noted.

Cautionary Statement

This analysis has been prepared taking into consideration information available to May 9, 2024. Certain statements contained in this report constitute "forward-looking statements". When used in this report, the words "may", "would", "could," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect," and similar expressions, as they relate to the company, or its management, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to inherent risks, uncertainties and numerous assumptions, including, without limitation, general economic and industry conditions, reliance on debt financing, dependence on borrowers, dependence on financing its business through funding commitments and the sale of loan portfolios to banks and other financial institutions, inability to recover receivables, competition, interest rates, regulation, demand for financing in the specialty finance sector, insurance, failure of key systems, debt service, future capital needs and such other risks or factors described from time to time in reports of ECN Capital.

By their nature, forward-looking statements involve numerous assumptions, known and unknown, risks and uncertainties, both general and specific, which contribute to the possibility that predictions, forecasts, projections and other forms of forward-looking information may not be achieved. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements and readers are cautioned that the list of factors in the foregoing paragraph is not exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements or interpret or regard forward-looking statements as guarantees of future outcomes. Except as may be required by applicable Canadian securities laws, we do not intend, and disclaim any obligation to update or rewrite any forward-looking statements whether oral or written as a result of new information, future events or otherwise.

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Overview

ABOUT ECN

ECN Capital Corp. ("ECN Capital" or the "Company") is a leading provider of business services to North American based banks, credit unions, life insurance companies, pension funds and institutional investors (collectively our "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of our Partners, specifically consumer (manufactured housing and RV and marine) loans and commercial (inventory finance and rental) loans. Our Partners are seeking high quality assets to match with their deposits, term insurance or other liabilities. These services are offered through two operating segments: (i) Manufactured Housing Finance, and (ii) Recreational Vehicle and Marine ("RV and Marine") Finance. Headquartered in South Florida and Toronto, the registered office is located at 199 Bay Street, Suite 4000, Toronto, Ontario, Canada. ECN Capital has approximately 620 employees and operates principally in the United States. The Company is a public corporation and trades on the Toronto Stock Exchange ("TSX") under the symbol "ECN".

BUSINESS STRATEGY

ECN Business Model

The Company owns a portfolio of operating businesses that operate under a fee-based, asset-light model through which it leverages highly specialized expertise, industry knowledge, regulatory compliance and strategic relationships. This specialized business model provides significant barriers to entry. Our core investor companies are: Triad Financial Services, Inc. ("Triad Financial Services," our Manufactured Housing Finance business segment), Source One Financial Services, LLC ("Source One") and Intercoastal Financial Group, LLC ("IFG") (collectively, Source One and IFG comprise our RV and Marine business segment). ECN Capital has managed assets[1] of continuing operations of approximately $5.2 billion and our customers include more than 100 bank, credit union, insurance company, pension plan and institutional investor partners. ECN Capital partners with these financial institutions rather than competing with them. Specifically, our Partners are the decision makers inside each institution who are looking for appropriate portfolio solutions to match customer deposits, term insurance and other liabilities.

The Company's focus is to drive origination and asset management growth by deepening and broadening our Partner relationships through the marketing of our solutions across our network of 100+ Partners. In pursuit of these objectives: (i) The Company provides its portfolio companies with capital, extensive knowledge and scale to help grow their businesses within their large addressable markets; and (ii) The Company continuously brings new funding relationships and structures to our portfolio companies.

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

The Company's operating businesses have demonstrated each of the following value propositions:

- Significant barriers to entry including long-term relationships with banks, credit unions, insurance companies and institutional investors that are its customers
- Business longevity resulting in favorable regulatory outcomes
- Exclusive/preferred manufacturer and dealer arrangements that drive origination services
- Established originator/manager/adviser of consumer credit assets with a history of strong performance across business cycles
- Superior credit quality across portfolios with a long-term track record of servicing/ management excellence
- Capital-light businesses with solid growth profiles
- Scalable platforms with established operations and proprietary intellectual capital

A description of each of our core business segments is provided below.

Core Business Segments:

Manufactured Housing Finance

Triad Financial Services

Founded in 1959, Triad Financial Services is the oldest manufactured housing finance company in the U.S. Triad Financial Services is a premier portfolio solutions platform focused on originating and managing longer duration secured consumer loan portfolios for 50+ active Partners. These assets are primarily prime and super-prime loans to consumers for the purchase of manufactured homes throughout the U.S. Originations are sourced through a long-established national network of dealers and manufacturers. Triad's Fitch-rated servicing department manages the growing portfolio of manufactured housing loans on behalf of their third-party owners. In addition, Triad Financial Services provides floorplan financing for dealers and manufacturers in the industry. Triad Financial Services is headquartered in Jacksonville, Florida and is licensed in 47 States.

RV and Marine Finance

Source One

Founded in 1999, Source One is a well established provider of consumer lending programs and outsourced finance and insurance solutions to the recreational vehicle and marine industries. Through an established and growing network of dealers covering 40+ states, Source One originates prime and super-prime loans to consumers to facilitate the purchase of recreational and marine vehicles. Source One is headquartered in Lakeville, Minnesota and is licensed in 47 states.

Intercoastal Financial Group

Founded in 1987, Intercoastal Financial Group is a premier provider of consumer lending programs to the recreational vehicle and marine industries. Through an established network of sales representatives nationwide, Intercoastal Financial Group originates prime and super-prime loans to consumers to facilitate the purchase of recreational and marine vehicles. Intercoastal Financial Group is headquartered in Vero Beach, FL.

ECN CAPITAL

Key Business Developments

Information related to the developments in support of the Company's business strategy for the for the three-month period ended March 31, 2024 are outlined below.

ACQUISITION OF FIRST APPROVAL SOURCE, LLC

On March 28, 2024, the Company acquired all of the outstanding membership interests in First Approval Source, LLC ("FAS"), an RV and marine finance company, for total consideration of $0.8 million, including cash consideration of $0.7 million and deferred contingent consideration of $0.1 million. This acquisition: (i) expands the Company's reach in it's RV and Marine Finance segment; and (ii) acquires a front-end and underwriting technology platform.

SALE OF RED OAK RV AND MARINE INVENTORY FINANCE PLATFORM

On February 21, 2024, the Company completed the sale of its Red Oak RV and Marine Inventory Finance platform, which operated through Triad Financial Services, to a third-party investor for cash proceeds of approximately $153 million, subject to final working capital adjustments. Proceeds from the sale of Red Oak were used by the Company to repay amounts owed under its senior credit facility.

CORPORATE FINANCE DEVELOPMENTS

Normal Course Issuer Bids

On September 18, 2023, the TSX approved the renewal of the Company's Normal Course Issuer Bid (the "Common Share Bid") for common shares of the Company and the Company's Normal Course Issuer Bid (the "Preferred Share Bid" and, together with the Common Share Bid, the "NCIBs") for the Company's Series C Preferred Shares for commencement on September 21, 2023. Pursuant to the NCIBs, the Company may repurchase up to an additional 6,329,034 common shares and 371,240 Series C Preferred Shares, representing approximately 5% and 10% of the public float of each of the common shares and Series C Preferred Shares, respectively. The NCIBs will end on the earlier of September 20, 2024 or the completion of purchases under the applicable NCIB.

During the three-month periods ended March 31, 2024 and March 31, 2023, the Company did not purchase any common shares or Series C Preferred Shares pursuant to the NCIBs.

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Results of Operations

The following table sets forth a summary of the Company's consolidated results from continuing operations and is to be read in conjunction with the Company's consolidated financial statements for the same periods.

	For the three-month period ended		
(in 000's for stated values, except per share amounts)	**March 31, 2024** $	December 31, 2023 $	March 31, 2023 $
Select metrics:			
Originations	**468,367**	503,089	465,056
Average earning assets - Owned [(1)]	**549,979**	546,413	700,975
Average earning assets - Managed [(1)]	**5,067,214**	4,861,853	4,512,103
Period end earning assets - Owned [(1)]	**501,732**	598,225	701,442
Period end earning assets - Managed [(1)]	**5,214,804**	4,919,623	4,669,984
Operating results:			
Loan origination revenues	**19,805**	2,764	22,674
Servicing revenues	**8,758**	6,066	6,358
Interest income	**18,853**	18,021	19,204
Other revenue	**2,190**	(1,259)	(393)
Total revenue	**49,606**	25,592	47,843
Operating expenses	**27,781**	34,689	24,441
Interest expense	**18,238**	18,057	18,221
Depreciation & amortization	**2,167**	1,791	1,703
Other expenses:			
Share-based compensation	**3,075**	4,609	4,660
Amortization of intangible assets from acquisitions	**1,897**	1,894	1,887
Accretion of deferred purchase consideration	**129**	128	128
Asset disposal, litigation costs and corporate restructure costs	**—**	4,372	11,361
Transaction, corporate development and strategic review costs	**2,069**	4,240	2,666
Net loss before income taxes	**(5,750)**	(44,188)	(17,224)
Provision for income taxes	**1,422**	9,863	2,298
Net loss for the period	**(7,172)**	(54,051)	(19,522)
Cumulative dividends on preferred shares	**1,370**	1,998	1,364
Net loss for the period attributable to common shareholders	**(8,542)**	(56,049)	(20,886)
Weighted Average number of shares outstanding (basic)	**279,947**	279,947	245,383
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**$(0.03)**	$(0.20)	$(0.09)
Adjusted operating results:			
Adjusted revenue [(1)]:			
Loan originations revenue	**19,805**	17,376	22,674
Servicing revenue	**8,758**	6,066	6,358
Interest income	**18,853**	18,021	19,204
Other revenue	**2,190**	(1,259)	(393)
Total adjusted revenue [(1)]	**49,606**	40,204	47,843
Operating expenses	**27,781**	34,689	24,441
Adjusted EBITDA [(1)]	**21,825**	5,515	23,402
Interest expense	**18,238**	18,057	18,221
Depreciation & amortization	**2,167**	1,791	1,703
Adjusted operating income (loss) before tax [(1)]	**1,420**	(14,333)	3,478
Adjusted net income (loss) [(1)]	**1,051**	(11,467)	2,782
Adjusted net (loss) income applicable to common shareholders [(1)]	**(319)**	(13,465)	1,418
Adjusted net (loss) income per share (basic) [(1)]	**$—**	$(0.04)	$0.01
Adjusted net (loss) income applicable to common shareholders per share (basic) [(1)]	**$—**	$(0.05)	$0.01

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

The following discussion relates to the results of operations for the three-month period ended March 31, 2024 presented on a continuing operations basis.

Q1 2024 vs Q1 2023

The Company reported total revenue of $49.6 million for the quarter ended March 31, 2024, up from $47.8 million for the prior year quarter. The quarter-to-date increase in revenue primarily reflects growth in servicing revenue at our Manufactured Housing Finance segment and higher other revenue partially offset by lower loan origination revenue. Total originations for the quarter ended March 31, 2024 were $468.4 million compared to $465.1 million for the prior year quarter. Manufactured Housing Finance period end managed assets increased 11.7% to $5.2 billion compared to $4.7 billion in the prior year quarter, which drove the increase in servicing revenues. Servicing revenues are also impacted by the estimated fair value of the retained servicing asset as well as bulk portfolio sales on a servicing release basis.

The table below illustrates the Company's operating expenses for the three-month periods ended March 31, 2024 and March 31, 2023:

	For the three-month period ended	
	March 31, 2024	March 31, 2023
(in 000's for stated values)	**$**	$
Manufactured Housing Finance	**21,139**	18,158
RV and Marine Finance	**3,827**	2,965
Business segment operating expenses	**24,966**	21,123
Corporate operating expenses	**2,815**	3,318
Total operating expenses	**27,781**	24,441

Operating expenses were $27.8 million in the current quarter, compared to $24.4 million for the prior year quarter. The increase in business segment operating expenses primarily reflect the continued investment in growth and operational improvement initiatives across our businesses and the growth in managed assets at our Manufactured Housing Finance segment. Corporate operating expenses were $2.8 million in the current quarter compared to $3.3 million in the prior year quarter.

Interest expense was $18.2 million for the quarter ended March 31, 2024, compared to $18.2 million in the prior year quarter.

Depreciation and amortization expense was $2.2 million for the quarter ended March 31, 2024, compared to $1.7 million in the prior year quarter.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $7.2 million for the quarter ended March 31, 2024, compared to $20.7 million in the prior year quarter. Share-based compensation expense was $3.1 million for the quarter ended March 31, 2024, compared to $4.7 million for the prior year quarter. Other expenses in the current quarter ended March 31, 2024 include transaction, corporate development and strategic review costs of $2.1 million, related to the acquisition of FAS, other business development initiatives and the Company's review of strategic alternatives, which was completed in the first quarter of 2024.

Adjusted EBITDA[1] was $21.8 million for the quarter ended March 31, 2024, compared to $23.4 million for the prior year quarter. The decrease in adjusted EBITDA[1] in the current quarter primarily reflects higher operating expenses. Adjusted net loss applicable to common shareholders[1] was $0.3 million or nil per share for the quarter ended March 31, 2024, compared to net income of $1.4 million or $0.01 per share for the prior year quarter. The decrease in adjusted net income applicable to common shareholders[1] in the current quarter primarily reflects lower adjusted EBITDA[1] and higher depreciation and amortization.

The Company reported a net loss of $7.2 million for the quarter ended March 31, 2024, compared to a net loss of $19.5 million for the prior year quarter, primarily due to lower other expenses in the current quarter.

1. This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

Business Segment Results

RESULTS OF MANUFACTURED HOUSING FINANCE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Manufactured Housing Finance segment for the three-month periods ended March 31, 2024, December 31, 2023, and March 31, 2023.

	For the three-month period ended		
	March 31, 2024	December 31, 2023	March 31, 2023
(in 000's for stated values)	**$**	$	$
Select metrics:			
Originations	**302,425**	373,817	286,217
Managed assets, period end (1) (2)	**5,214,804**	4,919,623	4,669,984
Managed assets, period average (1) (2)	**5,067,214**	4,861,853	4,512,103
Manufactured housing loans	**199,248**	148,212	467,165
Held-for-trading financial assets	**227,257**	382,478	203,203
Loan originations revenue	**15,738**	23	18,004
Servicing revenue	**8,758**	6,066	6,358
Interest income & other revenue	**18,296**	16,233	18,323
Total revenue	**42,792**	22,322	42,685
Adjusted operating results:			
Adjusted revenue(1):			
Loan originations revenue(1)	**15,738**	14,635	18,004
Servicing revenue	**8,758**	6,066	6,358
Interest income & other revenue	**18,296**	16,233	18,323
Total adjusted revenue (1)	**42,792**	36,934	42,685
Operating expenses	**21,139**	26,546	18,158
Adjusted EBITDA (1)	**21,653**	10,388	24,527
Interest and depreciation expense	**12,578**	9,992	13,359
Adjusted operating income before tax (1)	**9,075**	396	11,168

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.
(2) Managed assets, period end and managed assets, period average for prior periods were originally reported based on estimates. Changes to prior period reported numbers reflect final managed assets balances.

Manufactured Housing Finance originations for the quarter ended March 31, 2024 were $302.4 million up 5.7% from the comparable prior year quarter. Managed assets[1] were $5.2 billion as at March 31, 2024, an increase of 11.7% compared to managed assets[1] of $4.7 billion as at March 31, 2023.

Traditionally, this segment is impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters, which is illustrated in the table below. The manufactured housing market has returned to its customary seasonal trends, which have been muted the past couple of years due to the industry shipment backlog.

Originations (US$ millions)								
Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023	Q1, 2024
287	381	381	323	286	348	361	374	302

Loan originations revenue for the three-month period ended March 31, 2024 was $15.7 million, down 12.6% from the prior year period, which primarily reflects the impact of reduced premiums earned on Land Home bulk loan portfolio sales in the current quarter partially offset by an expanded flow agreement with an existing partner which accelerated loan sales in the first quarter of 2024.

Servicing revenues of $8.8 million for the quarter ended March 31, 2024 were up 37.7% from the prior year quarter, reflecting continued growth in managed assets. Servicing revenues are impacted by the estimated fair value of the retained servicing asset as well as bulk portfolio sales that are done on a servicing released basis.

Interest income and other revenue for the quarter ended March 31, 2024 was $18.3 million compared to $18.3 million for the prior year quarter. Other revenue for the current quarter includes a $0.8 million unrealized gain on an interest rate swap.

Operating expenses for the quarter ended March 31, 2024 were $21.1 million, up 16.4% from the prior year quarter, reflecting the continued investments in growth initiatives.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $21.7 million and $9.1 million, respectively, for the current quarter compared to $24.5 million and $11.2 million, respectively, for the prior year quarter.

Manufactured Housing Finance floorplan loans were $199.2 million as at March 31, 2024, compared to $148.2 million as at December 31, 2023 and $467.2 million as at March 31, 2023 (of which $147.6 million was Red Oak assets). Floorplan loans enable dealers to finance their inventory and support the growth of their businesses. These loans strengthen the relationship with our dealers and manufacturers. The decrease in floorplan loans from the first quarter of 2023 is primarily attributable to the sale of the Company's RV and Marine Inventory Finance platform, which operated through Triad Financial Services, as well as the impact of floorplan loan sales to an institutional funding partner.

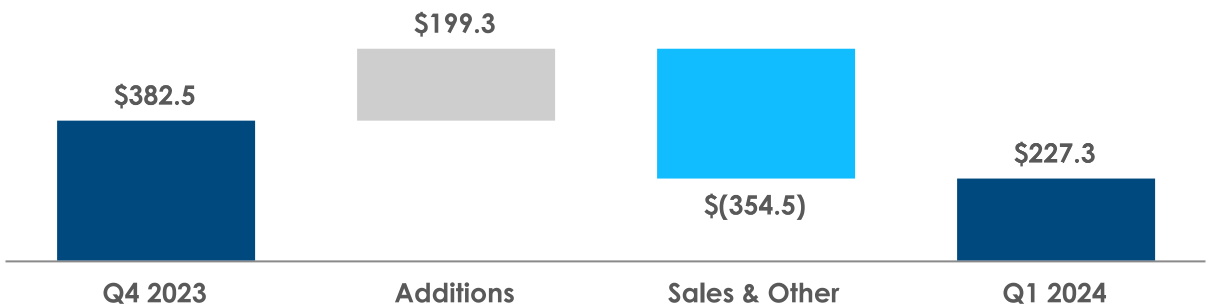
During 2023, Triad entered into an agreement with an existing institutional partner to flow and manage up to $300 million in floorplan loans. With this program in place and subsequent programs currently being negotiated, Triad expects to have significant opportunity to continue to grow its inventory finance business through expanded dealer utilization and added community business through its ongoing rollout. These programs leverage Triad's successful history and track record in the floorplan business over the last 5 years and provide another example of Triad's ability to launch, prove and convert a balance sheet program to an asset light flow program.

This transaction is also consistent with ECN's strategy to actively diversify funding from deposit-taking institutions to large institutional asset managers. These arrangements result in a deeper pool of funding with longer-term commitments that support the growth of ECN's businesses at lower origination fee margins.

Held-for-trading financial assets were $227.3 million as at March 31, 2024, compared to $382.5 million as at December 31, 2023 and $203.2 million as at March 31, 2023. Held-for-trading financial assets consist of loans that are originated on behalf of our Partners with the intention of selling through under bulk loan portfolio sales agreements. The decrease in the current quarter was primarily driven by pooled sales under an expanded flow agreement with an existing partner.

Held-for-Trading Financial Assets

(US$ millions)



Manufactured Housing Finance Segment 2024 Outlook

The Company maintains its 2024 outlook for the Manufactured Housing Finance Segment. Please see table below.

	2024 Forecast Range	
Select Metrics (US$ millions)		
Total originations	1,650	1,850
Floorplan line utilized	150	250
Managed & advised portfolio (period end)	5,900	6,200
Income Statement (US$ millions)		
Adjusted loan origination revenues[1]	95	105
Servicing revenues	34	36
Interest income & other revenue	52	56
Total adjusted revenue	181	197
Adjusted EBITDA [1]	106	118
Adjusted operating income before tax [1]	68	80

The material factors and assumptions used to develop the forward-looking information related to the 2024 outlook for the Manufactured Housing Finance segment include expected originations volumes, including the ability to grow such originations; expectations regarding our ability to attract new Partners, vendor relationships and new customers and develop and maintain relationships with existing Partners, vendors and customers; the continued availability of funding Partner capacity at expected and contracted levels and the growth and/or renewals of existing funding pipeline commitments from Partners required to meet our anticipated originations levels; continued competitive intensity in the manufactured housing segment; no significant legal or regulatory developments, no significant deterioration in economic conditions, or macro changes in the competitive environment affecting our business activities; and key interest rates remaining in line with current market expectations throughout the remainder of 2024.

1. This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

RESULTS OF RV AND MARINE FINANCE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the RV and Marine Finance segment for the three-month periods ended March 31, 2024, December 31, 2023, and March 31, 2023.

	For the three-month period ended		
	March 31, 2024	**December 31, 2023**	**March 31, 2023**
(in 000's for stated values)	**$**	$	$
Select Metrics			
Originations	**165,942**	129,272	178,839
RV and Marine financial assets	**75,227**	67,535	31,074
Operating results			
Originations revenue	**4,067**	2,741	4,670
Interest income & other revenue	**1,716**	1,586	525
Total revenue	**5,783**	4,327	5,195
Operating expenses	**3,827**	2,908	2,965
Adjusted EBITDA (1)	**1,956**	1,419	2,230
Interest and depreciation expense	**1,484**	1,323	487
Adjusted operating income before tax (1)	**472**	96	1,743

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

RV and Marine Finance originations for the quarter ended March 31, 2024 were $165.9 million compared to $178.8 million in the prior year quarter and $129.3 million in the immediately preceding quarter. Origination activity has improved from the fourth quarter of 2023 despite the challenges of the high rate environment and higher percentage of cash buyers.

Traditionally, this segment is impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters, which is illustrated in the table below. In 2023, the RV and marine market has returned to its customary seasonal trends, which became distorted in the years during and immediately following the COVID-19 pandemic.

Originations (US$ millions) (1)								
Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023	Q1, 2024
247	416	306	186	179	274	211	129	166

(1) Includes results from periods prior to the Company's acquisition of IFG on July 1, 2022, Wake Lending on January 31, 2023, and FAS on March 28, 2024.

Loan originations revenue for the quarter ended March 31, 2024 was $4.1 million, down 12.9% from the prior year quarter, which corresponds to the decrease in origination volumes.

Interest income and other revenue for the quarter ended March 31, 2024 was $1.7 million, up from $0.5 million in the prior year quarter, primarily driven by higher average finance asset balances and higher interest rates.

Operating expenses for the quarter ended March 31, 2024 were $3.8 million, up 29.1% from the prior year quarter, reflecting the continued investment in growth initiatives, including sales network expansion across the RV and Marine Finance segment.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $2.0 million and $0.5 million, respectively, for the current quarter and $2.2 million and $1.7 million, respectively, for the prior year quarter.

RV and Marine Finance Segment 2024 Outlook

The Company maintains its 2024 outlook for the RV and Marine Finance segment. Please see the table below.

	2024 Forecast Range	
Select Metrics (US$ millions)		
Total originations	**1,000**	**1,100**
Income Statement (US$ millions)		
Total revenues	**32**	**36**
Adjusted EBITDA (1)	**16**	**20**
Adjusted operating income before tax (1)	**10**	**15**

The material factors and assumptions used to develop the forward-looking information related to the 2024 outlook for the RV and Marine Finance segment include expected originations volumes, including the ability to grow such originations; expectations regarding our ability to attract new Partners, vendor relationships and new customers and develop and maintain relationships with existing Partners, vendors and customers; the continued availability of funding Partner capacity at expected and contracted levels and the growth and/or renewals of existing funding pipeline commitments from Partners required to meet our anticipated originations levels; continued competitive intensity in the segment in the RV and Marine segment; no significant legal or regulatory developments, no significant deterioration in economic conditions, or macro changes in the competitive environment affecting our business activities; key interest rates remaining in line with current market expectations throughout the remainder of 2024; and that the roll-out of products across the RV and Marine Finance business continues on its expected timing and progress.

1. This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

RESULTS OF CORPORATE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Corporate segment for the three-month periods ended March 31, 2024, December 31, 2023, and March 31, 2023.

	For the three-month period ended		
	March 31, 2024	December 31, 2023	March 31, 2023
(in 000's for stated values)	**$**	$	$
Operating results			
Revenues	**1,031**	(1,057)	(37)
Operating expenses	**2,815**	5,235	3,318
Adjusted EBITDA [1]	**(1,784)**	(6,292)	(3,355)
Interest expense	**5,816**	8,133	5,509
Depreciation & amortization	**527**	400	569
Adjusted operating loss before tax [1]	**(8,127)**	(14,825)	(9,433)

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

Corporate revenue (loss) was $1.0 million for the quarter ended March 31, 2024, compared to loss of $0.04 million for the prior year quarter. Revenue primarily consists of gains/losses from legacy corporate investments and gains/losses from foreign currency transactions and related hedge contracts.

Corporate operating expenses were $2.8 million for the quarter ended March 31, 2024, compared to $3.3 million for the prior year quarter and $5.2 million for the three-month period ended December 31, 2023 due to planned corporate operating expense reductions.

Corporate interest expense was $5.8 million for the quarter ended March 31, 2024, compared to $5.5 million for the prior year quarter.

Total average borrowings on the term senior facility credit during the first quarter of 2024 were $739.2 million compared to $707.9 million in the preceding quarter.

Financial Position

The following tables set forth a summary of the Company's balance sheet, including a breakdown by core business segment, as at March 31, 2024, December 31, 2023 and March 31, 2023.

	March 31, 2024			
(in 000's for stated values, except percentage amounts)	Manufactured Housing Finance $	RV & Marine Finance $	Corporate $	Total $
Assets				
Cash	—	8,158	480	**8,638**
Restricted funds	7	—	—	**7**
Accounts Receivable	69,755	4,441	1,793	**75,989**
Finance assets				
Loans receivable	199,248	9,887	—	**209,135**
Held-for-trading financial assets	227,257	65,340	—	**292,597**
Total finance assets	426,505	75,227	—	**501,732**
Retained reserve interest	39,057	—	—	**39,057**
Continuing involvement asset	69,533	—	—	**69,533**
Goodwill and intangible assets	76,561	155,670	716	**232,947**
Deferred tax assets	8,572	—	—	**8,572**
Other assets and investments	21,092	3,348	51,462	**75,902**
Total Assets	**711,082**	**246,844**	**54,451**	**1,012,377**
Liabilities				
Borrowings	293,052	61,403	276,804	**631,259**
Continuing involvement liability	69,533	—	—	**69,533**
Other liabilities	26,848	15,157	71,803	**113,808**
Total Liabilities	389,433	76,560	348,607	**814,600**
Earning Assets - Owned and Managed				
Earning assets - owned (1)	426,505	75,227	—	**501,732**
Earning assets - managed (1)	5,214,804	—	—	**5,214,804**
Total Earning Assets - Owned and Managed (1)	**5,641,309**	**75,227**	**—**	**5,716,536**

Total finance assets from continuing operations were $501.7 million as at March 31, 2024 compared to $598.2 million as at December 31, 2023 and $701.4 million as at March 31, 2023. The decrease compared to the fourth quarter of 2023 primarily reflects a decrease in manufactured housing held-for-trading financial assets, partially offset by an increase in manufactured housing floorplan loans and RV and marine held-for-trading financial assets.

Borrowings from continuing operations were $631.3 million as at March 31, 2024 compared to $900.6 million as at December 31, 2023 and $1.0 billion as at March 31, 2023. The decrease compared to the fourth quarter of 2023 primarily reflects net repayment activity during the quarter driven by proceeds from sales of finance assets and the sale of Red Oak.

Earning assets - managed[1] of $5.2 billion as at March 31, 2024 reflects managed loans at our Manufactured Housing Finance segment.

	December 31, 2023			
	Manufactured Housing Finance	RV & Marine Finance	Corporate	Total
(in 000's for stated values, except percentage amounts)	$	$	$	**$**
Assets				
Cash	13,610	9,239	390	**23,239**
Restricted funds	34	—	—	**34**
Accounts Receivable	90,781	4,234	1,019	**96,034**
Finance assets				
Loans receivable	148,212	9,615	—	**157,827**
Held-for-trading financial assets	382,478	57,920	—	**440,398**
Total finance assets	530,690	67,535	—	**598,225**
Retained reserve interest asset	38,000	—	—	**38,000**
Continuing involvement asset	70,382	—	—	**70,382**
Goodwill and intangible assets	74,790	156,334	762	**231,886**
Deferred tax assets	9,407	—	6	**9,413**
Other assets and investments	21,119	3,352	52,912	**77,383**
Assets held-for-sale	140,237	—	—	**140,237**
Total Assets	**989,050**	**240,694**	**55,089**	**1,284,833**
Liabilities				
Borrowings	589,831	55,653	255,115	**900,599**
Continuing involvement liability	70,382	—	—	**70,382**
Other liabilities	20,466	14,829	69,069	**104,364**
Total Liabilities	680,679	70,482	324,184	**1,075,345**
Earning Assets - Owned and Managed				
Earning assets - owned (1)	530,690	67,535	—	**598,225**
Earning assets - managed (1)	4,919,623	—	—	**4,919,623**
Total Earning Assets - Owned and Managed (1)	**5,450,313**	**67,535**	**—**	**5,517,848**

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

	March 31, 2023			
	Manufactured Housing Finance	RV & Marine Finance	Corporate	Total
(in 000's for stated values, except percentage amounts)	$	$	$	
Assets				
Cash	10,079	10,941	1,489	**22,509**
Restricted funds	—	2,594	—	**2,594**
Accounts Receivable	200,671	2,884	3,093	**206,648**
Loans receivable	467,165	12,045	—	**479,210**
Held-for-trading financial assets	203,203	19,029	—	**222,232**
Total finance assets	670,368	31,074	—	**701,442**
Retained reserve interest	38,863	—	—	**38,863**
Continuing involvement asset	65,254	—	—	**65,254**
Goodwill and intangible assets	71,811	159,682	721	**232,214**
Deferred tax assets	—	—	15,178	**15,178**
Other assets and investments	17,218	2,047	113,945	**133,210**
Total Assets	**1,074,264**	**209,222**	**134,426**	**1,417,912**
Liabilities				
Borrowings	674,831	23,003	333,220	**1,031,054**
Continuing involvement liability	65,254	—	—	**65,254**
Other liabilities	32,046	26,221	90,467	**148,734**
Taxes Payable	820	—	—	**820**
Total Liabilities	772,951	49,224	423,687	**1,245,862**
Earning Assets - Owned and Managed				
Earning assets - owned [(1)]	670,368	31,074	—	**701,442**
Earning assets - managed [(1)]	4,669,984	—	—	**4,669,984**
Total Earning Assets - Owned and Managed [(1)]	**5,340,352**	**31,074**	**—**	**5,371,426**

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

Delinquencies

The contractual delinquency of finance receivables at each reporting period is as follows:

	March 31, 2024		December 31, 2023		March 31, 2023	
	$	**%**	$	%	$	%
Current	**207,752**	**99.18**	158,031	99.20	480,260	100
31-60 days past due	**—**	**—**	—	—	—	—
61-90 days past due	**812**	**0.39**	—	—	—	—
Greater than 90 days past due	**906**	**0.43**	1,280	0.80	14	—
Total continuing operations	**209,470**	**100**	159,311	100	480,274	100

As at March 31, 2024, finance assets 90 days delinquent of approximately $0.9 million is comprised of a single account related to Red Oak, which has been reclassified from assets held-for-sale and is reported at its estimated recoverable value. The balance remains secured by collateral that has been successfully repossessed.

Allowance for Credit Losses

Credit losses and provisions as at and for each of the respective periods are as follows:

	Three-month period ended March 31, 2024	**Three-month period ended December 31, 2023**	**Three-month period ended March 31, 2023**
(in 000's except percentage amounts)	**$**	$	$
Allowance for credit losses, beginning of period	**1,484**	1,341	1,066
Provision for credit losses	**131**	143	(2)
Charge offs	**(1,280)**	—	—
Allowance for credit losses, end of period	**335**	1,484	1,064

The Company's allowance for credit losses was $0.3 million as at March 31, 2024, compared to $1.5 million as at December 31, 2023. The allowance for credit losses of $0.3 million as at March 31, 2024 is in line with management's expectation of losses from the business segments and the current mix of assets.

During the first quarter of 2024, the Company charged off a $1.28 million balance that was fully provisioned in 2023.

Liquidity & Capital Resources

An important liquidity measure for the Company is its ability to maintain diversified funding sources to support its operations. The Company's primary sources of liquidity are: (i) cash flows from operating activities; (ii) borrowings on our term senior credit facility and proceeds from the issuance of our senior unsecured debentures; (iii) funding commitments from our Partners; and (iv) equity. The Company's primary use of cash is the funding of its capital allocation priorities, including funding organic growth initiatives for our new businesses, acquisition opportunities and returning capital to shareholders. The Company manages its capital resources by utilizing the financial leverage available under its senior credit facilities, selling loans that we originate to our Partners and, when additional capital is required, the Company has access to capital through the issuance of convertible debt, preferred or common shares.

The Company's capitalization and key leverage ratios are as follows:

			As at	
		March 31, 2024	December 31, 2023	March 31, 2023
(in 000's for stated values, except for percentage amounts)		**$**	$	$
Total debt, including borrowings on term senior credit facility and senior unsecured debentures	**(a)**	**631,259**	900,599	1,031,054
Shareholders' equity	**(b)**	**197,777**	209,488	172,050
Debt to equity ratio	**(a)/(b)**	**3.19**	4.30	5.99

As at March 31, 2024, the Company's debt to equity ratio was 3.19:1.

Finance receivables are securitized or sold to third-party funding counterparties on a regular basis to ensure cash is available to fund new transactions. Cash levels are also monitored by management. In addition, the Company adheres to a strict policy of matching the maturities of owned finance assets and the related debt as closely as possible in order to manage its liquidity position.

The Company's available sources of financing are as follows:

		As at	
	March 31, 2024	December 31, 2023	March 31, 2023
(in 000's)	**$**	$	$
Cash and cash equivalents	**8,638**	23,239	22,509
Senior Facilities			
Facilities	**900,000**	900,000	900,000
Utilized against Facility	**480,871**	748,190	851,535
Unutilized Borrowing Facilities (i.e., excl. Cash & Equiv.)	**419,129**	151,810	48,465
Total available sources of capital, end of period	**427,767**	175,049	70,974

As at March 31, 2024, the unutilized balance of the borrowing facility was approximately $419.1 million compared to $151.8 million at December 31, 2023 and $48.5 million at March 31, 2023. This $419.1 million in unutilized borrowings is in addition to the commitments in place to fund loan originations from our business segments for 2024. Management believes the available liquidity from its cash and equivalents, unutilized borrowing capacity and the funding commitments in place at its business segments is sufficient to fund operations and internal growth initiatives.

The Company was in compliance with all financial and reporting covenants with all of its lenders as at March 31, 2024.

ECN CAPITAL

Summary of Quarterly Information

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended as at March 31, 2024. The information should be read in conjunction with ECN Capital's audited and interim unaudited consolidated financial statements, the notes thereto and the related management discussion and analysis for the relevant periods.

Key factors that account for the fluctuation in the Company's quarterly results include the year-over-year growth in originations at Triad Financial Services and the seasonality of our businesses from period to period. ECN acquired Triad Financial Services on December 29, 2017, Source One on December 21, 2021, Intercoastal Financial Group on July 1, 2022, and Wake Lending on January 31, 2023.

(in $ 000's for stated values, except ratio and per share amounts)	**Q1, 2024**	Q4, 2023	Q3, 2023	Q2, 2023	Q1, 2023	Q4, 2022	Q3, 2022	Q2, 2022
Adjusted operating income before tax [(1)]	**1,420**	(14,333)	2,328	2,566	3,478	6,804	16,527	15,556
Amortization of intangibles	**1,897**	1,894	1,901	1,897	1,887	1,870	1,880	1,100
Accretion of deferred purchase consideration	**129**	128	128	128	128	128	128	—
Share based compensation	**3,075**	4,609	4,825	2,138	4,660	3,489	2,392	1,592
Asset disposal, litigation and corporate restructure costs	**—**	4,372	975	7,303	11,361	3,044	—	—
Transaction, corporate development and strategic review costs	**2,069**	4,240	2,464	2,150	2,666	321	—	5,632
Fair value adjustment	**—**	14,612	4,693	12,530	—	—	—	—
Provision for assets held-for-sale	**—**	—	4,000	—	—	—	—	—
Net (loss) income before income taxes	**(5,750)**	(44,188)	(16,658)	(23,580)	(17,224)	(2,048)	12,127	7,232
Net (loss) income from continuing operations	**(7,172)**	(54,051)	(4,574)	(28,630)	(19,522)	(5,596)	7,721	4,631
Net income (loss) from discontinued operations	**—**	—	—	—	—	(944)	(1)	4,610
Net (loss) income - total	**(7,172)**	(54,051)	(4,574)	(28,630)	(19,522)	(6,540)	7,720	9,241
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**($0.03)**	($0.20)	($0.02)	($0.12)	($0.09)	($0.03)	$0.03	$0.01
Adjusted net income [(1)]	**1,051**	(11,467)	1,862	2,053	2,782	5,443	13,222	12,445
Adjusted net income per share (basic) [(1)]	**$—**	($0.04)	$0.01	$0.01	$0.01	$0.02	$0.05	$0.05
Adjusted net income applicable to common shareholders per share (basic) [(1)]	**$—**	($0.05)	$0.00	$0.00	$0.01	$0.02	$0.05	$0.05
Originations	**468,367**	503,089	571,537	621,958	465,056	506,844	679,492	613,020
Period end earning assets - owned	**501,732**	598,225	494,601	625,952	701,442	700,509	514,763	380,516
Period end earning assets - managed	**5,214,804**	4,919,623	4,804,083	4,713,436	4,669,984	4,354,221	4,081,188	3,759,117
Period end earning assets - total	**5,716,536**	5,517,848	5,298,684	5,339,388	5,371,426	5,054,730	4,595,951	4,139,633
Allowance for credit losses	**335**	1,484	1,341	1,467	1,064	1,066	911	722
Allowance % of finance receivables [(1)]	**0.07 %**	0.25 %	0.27 %	0.23 %	0.15 %	0.15 %	0.18 %	0.19 %
Term senior credit facility & other	**472,188**	738,328	642,932	795,254	873,427	851,235	840,479	653,880
Senior unsecured debentures	**159,071**	162,271	157,754	161,440	157,627	156,763	153,116	164,458
Total debt	**631,259**	900,599	800,686	956,694	1,031,054	1,007,998	993,595	818,338
Shareholders' equity	**197,777**	209,488	263,623	141,133	172,050	193,675	206,538	228,855

(1) For additional information, see "Non-IFRS and Other Performance Measures" section.

Non-IFRS and Other Performance Measures

DESCRIPTION OF NON-IFRS MEASURES

The Company uses certain measures to assess our financial performance that are not generally accepted accounting principles measures under IFRS ("Non-IFRS measures"). The Company believes the non-IFRS measures described below are more reflective of our ongoing operating results and provide readers with a better understanding of the Company's operating performance through the eyes of management. Non-IFRS measures are intended to provide additional information only and do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should not be considered in isolation or as a substitute for measures of performance determined under IFRS.

The following discussion describes the non-IFRS measures we use in evaluating our operating results.

Adjusted Revenue

We define adjusted revenue as revenue excluding the impact of fair value adjustments related to the impact of the change in interest rates and transition to selling loans primarily to institutional buyers from banks and credit unions. Management believes it is appropriate to adjust for these items because they are not considered reflective of recurring business operating results, and the exclusion of these items provides greater comparability across reporting periods. We believe adjusted revenue is a key measure of the Company's operating performance over the long term and provides greater comparability across reporting periods. For a reconciliation of adjusted revenue to revenue, being the most directly comparable IFRS measure, please see "Reconciliation of non-IFRS to IFRS measures" below.

Adjusted Earnings before interest expense, taxes, depreciation and amortization ("adjusted EBITDA")

We define adjusted EBITDA as net income before interest expense, income tax expense, depreciation and amortization, adjusted to exclude the impact of share-based compensation, amortization of intangible assets acquired in business combinations, accretion of deferred purchase consideration, corporate restructuring costs, transaction costs, asset disposal and litigation costs, cumulative dividends on preferred shares, income tax, and certain non-recurring items. Management believes it is appropriate to adjust for these items because share-based compensation and amortization of intangible assets are primarily non-cash in nature, accretion of deferred purchase consideration is considered part of the purchase price consideration for business acquisitions notwithstanding the accounting treatment which views all or a portion of the related payments to be an operating expense, corporate restructuring, transaction costs, and asset disposal and litigation costs do not relate to continuing operating activities, dividends on preferred shares are a financing cost not related to operating activities, and income tax is managed at a corporate level and is a function of the jurisdictions in which the Company operates and not the underlying performance of our business segments. We believe adjusted EBITDA is a key measure of the Company's operating performance over the long term and is a useful measure of the Company's ability to generate cash from operations to maintain and grow its core business. Investors and analysts also use adjusted EBITDA as a measure to compare the operating performance of different businesses in the business services sector and to assess the enterprise value of a business as adjusted EBITDA eliminates the impact of financing decisions. For a reconciliation of adjusted EBITDA to net income (loss) from continuing operations, being the most directly comparable IFRS measure, please see “Reconciliation of non-IFRS to IFRS measures” below.

Adjusted operating income before tax

Adjusted operating income before tax is net income excluding the impact of share-based compensation, amortization of intangible assets acquired in business combinations, accretion of deferred purchase consideration, corporate restructuring costs, transaction costs, asset disposal and litigation costs, cumulative dividends on preferred shares, income tax, and certain non-recurring items. Management believes it is appropriate to adjust for these items because share-based compensation and amortization of intangible assets are primarily non-cash in nature, accretion of deferred purchase consideration is considered part of the purchase price consideration for business acquisitions notwithstanding the accounting treatment which views all or a portion of the related payments to be an operating expense, corporate restructuring, transaction costs, and asset disposal and litigation costs do not relate to continuing operating activities, dividends on preferred shares are a financing cost not related to operating activities, and income tax is managed at a corporate level and is a function of the jurisdictions in which the Company operates and not the underlying performance of our business segments. Adjusted operating income before tax is a key operating measure used by management to assess the underlying operating performance of the Company’s business segments, including the determination of amounts to be paid out pursuant to deferred purchase consideration plans and Performance Share Unit (PSU) plans. Management also uses this measure to prepare the internal budgets and forecasts that support the Company’s public guidance. The presentation of this measure enables investors and analysts to better understand the underlying performance of our business segments. For a reconciliation of adjusted operating income before tax to net income (loss) from continuing operations, being the most directly comparable IFRS measure, please see “Reconciliation of non-IFRS to IFRS measures” below.

Adjusted net income and Adjusted net income applicable to common shareholders

Adjusted net income is net income excluding the impact of share-based compensation, amortization of intangible assets acquired in business combinations, accretion of deferred purchase consideration, corporate restructuring costs, transaction costs, asset disposal and litigation costs, and certain non-recurring items, less the applicable provision for income taxes excluding the tax impact of these adjustments. Management believes it is appropriate to adjust for these items because share-based compensation and amortization of intangible assets are primarily non-cash in nature, accretion of deferred purchase consideration is considered part of the purchase price consideration for business acquisitions notwithstanding the accounting treatment which views all or a portion of the related payments to be an operating expense, and corporate restructuring, transaction costs, and asset disposal and litigation costs do not relate to continuing operating activities. Adjusted net income applicable to common shareholders is computed as adjusted net income less cumulative preferred share dividends. Adjusted net income provides a consolidated view of the Company’s underlying financial performance attributable to the common shareholders. The presentation of this measure enables investors and analysts to better understand the underlying performance of our business segments. For a reconciliation of adjusted net income to net income (loss) from continuing operations, being the most directly comparable IFRS measure, please see “Reconciliation of non-IFRS to IFRS measure” below.

Adjusted net income per share and Adjusted net income per share applicable to common shareholders

Adjusted net income per share is a non-IFRS ratio and is computed as adjusted net income divided by the basic weighted average number of common shares outstanding during the period. Adjusted net income per share applicable to common shareholders is a non-IFRS ratio and is computed as adjusted net income applicable to common shareholders divided by the basic weighted average number of common shares outstanding during the period.

Earning assets - owned

Earning assets - owned are the finance receivables from continuing operations held on our balance sheet.

Managed assets

Managed assets are the asset portfolios from continuing operations that the Company manages or services on behalf of its Partners.

In addition, the Company utilizes the following performance measures, which are derived from amounts calculated in accordance with IFRS to assess performance:

Allowance for credit losses as a percentage of finance receivables

Allowance for credit losses as a percentage of finance receivables is the allowance for credit losses at the end of the period divided by the finance receivables (gross of the allowance for credit losses) at the end of the period.

Finance assets or total finance assets

Finance assets are the sum of the total finance receivables.

Debt to equity ratio

Debt to equity ratio is calculated as total debt (borrowings) outstanding at the end of the period, divided by total shareholders' equity outstanding at the end of the period. Debt to equity refers to the use of debt to acquire/finance additional finance receivables and other assets and provides an indication of future potential ability to increase the level of debt when compared to specific industry-standard and/or existing debt covenants.

RECONCILIATION OF NON-IFRS TO IFRS MEASURES

The following table provides a reconciliation of non-IFRS to IFRS measures related to the Company's consolidated continuing results of operations for the three-month periods ended March 31, 2024, December 31, 2023, and March 31, 2023.

	For the three-month period ended		
	March 31, 2024	December 31, 2023	March 31, 2023
(in 000's for stated values, except percent amounts)	**$**	$	$
Reconciliation of adjusted operating income before tax:			
Net (loss) income from continuing operations	**(7,172)**	(54,051)	(19,522)
Adjustments:			
Share-based compensation	**3,075**	4,609	4,660
Amortization of intangible assets	**1,897**	1,894	1,887
Accretion of deferred purchase consideration	**129**	128	128
Asset disposal, litigation and corporate restructure costs	**—**	4,372	11,361
Transaction, corporate development and strategic review costs	**2,069**	4,240	2,666
Fair value adjustment	**—**	14,612	—
Provision for income taxes	**1,422**	9,863	2,298
Adjusted operating income (loss) before tax	**1,420**	(14,333)	3,478
Adjusted operating income before tax comprised of:			
Manufactured Housing Finance Segment	**9,075**	396	11,168
RV and Marine Finance Segment	**472**	96	1,743
Corporate	**(8,127)**	(14,825)	(9,433)
	1,420	(14,333)	3,478
Reconciliation of adjusted EBITDA:			
Adjusted operating (loss) income before tax	**1,420**	(14,333)	3,478
Interest expense	**18,238**	18,057	18,221
Depreciation & amortization	**2,167**	1,791	1,703
Adjusted EBITDA	**21,825**	5,515	23,402
Reconciliation of adjusted revenue:			
Total revenue	**49,606**	25,592	47,843
Fair value adjustment	**—**	14,612	—
Adjusted revenue	**49,606**	40,204	47,843
Reconciliation of adjusted net income and adjusted net income attributable to common shareholders:			
Adjusted operating income (loss) before tax	**1,420**	(14,333)	3,478
Provision for taxes applicable to adjusted operating income (1)	**369**	(2,866)	696
Adjusted net income (loss)	**1,051**	(11,467)	2,782
Cumulative preferred share dividends during the period	**1,370**	1,998	1,364
Adjusted net (loss) income attributable to common shareholders	**(319)**	(13,465)	1,418
Per share information			
Weighted average number of shares outstanding (basic)	**279,947**	279,947	245,383
Adjusted net (loss) income per share (basic)	**$0.00**	($0.04)	$0.01
Adjusted net (loss) income applicable to common shareholders per share (basic)	**$0.00**	($0.05)	$0.01

(1) Provision for taxes applicable to adjusted operating income reflects an effective tax rate of 26.0% for the three-month period ended March 31, 2024 and 20.% for the three-month periods ended December 31, 2023 and March 31, 2023.

Accounting and Internal Control Matters

Critical Accounting Policies and Estimates and Use of Judgments

The Company's significant accounting policies are described in note 2 of our 2023 Annual Consolidated Financial Statements. Certain of these policies, and related estimates and judgments have been identified as "critical" to the presentation of our financial condition and results of operations because they require us to make subjective and/or complex judgments about matters that are inherently uncertain; or there is a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates. Our significant accounting judgments, estimates and assumptions relate to inventory, allowances for credit losses, income taxes, useful lives and residual values of equipment under operating leases, goodwill and intangible assets, derecognition of financial assets, and the outcome of contingencies such as lawsuits, claims or proceedings incident to the operation of our businesses. Our critical accounting policies and estimates have been reviewed and approved by our Audit Committee, in consultation with management, as part of their review and approval of our significant accounting policies, judgments, estimates and assumptions. Please refer to note 2 of our 2023 Annual Consolidated Financial Statements for a description of each of our significant accounting judgments, estimates and assumptions.

The preparation of financial statements in accordance with IFRS requires management to make estimates and exercise judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates and judgments are made based on information available as at the date the consolidated financial statements are issued.

The Company is involved in various lawsuits, claims and proceedings incident to the operation of its businesses. Although the outcome of litigation cannot be predicted with certainty and some lawsuits, claims or proceedings may be disposed of unfavorably to us, it is management's opinion that none of these will have a material adverse effect on the Company's financial position, results of operations or cash flows. Costs related to such matters were not material to the periods presented.

Internal Control over Financial Reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for designing disclosure controls and procedures to ensure that material information is being recorded, processed, summarized, and reported to senior management, including the certifying officers and other members of the Board of Directors, on a timely basis, so that appropriate decisions can be made regarding public disclosure. In addition, the CEO and CFO are responsible to design, or cause to be designed under their supervision, internal controls over financial reporting to a standard that provides reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

It should be noted that while the Company's CEO and CFO believe that the Company's internal control system and disclosure controls and procedures provide a reasonable level of assurance that the objectives of the control systems are met, they do not expect that the Company's control systems will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurances that any designs will succeed in achieving its stated goals under all potential conditions.

The Company has an established process in place to ensure the effectiveness of the disclosure controls and internal controls over financial reporting.

Updated Share Information

The Company is currently authorized to issue (i) an unlimited number of common shares without nominal or par value and (ii) an unlimited number of preferred shares, issuable in series.

As at May 9, 2024, the Company had 281,120,223 common shares, 18,186,249 options, 3,712,400 Series C preferred shares, and 27,450,000 Series E preferred shares issued and outstanding.

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