ECN CAPITAL

Interim Condensed Consolidated Financial Statements

JUNE 30, 2024

Interim condensed consolidated statements of financial position

[in thousands of United States dollars]

	June 30, 2024	December 31, 2023
	$	$
Assets		
Cash	**22,440**	23,239
Restricted funds	**301**	34
Finance receivables *[note 4]*	**558,291**	598,225
Accounts receivable	**70,916**	96,034
Taxes receivable	**13,659**	11,136
Other assets *[note 5]*	**27,711**	22,887
Retained reserve interest	**41,240**	38,000
Continuing involvement asset	**70,203**	70,382
Notes receivable *[note 12]*	**21,876**	24,631
Derivative financial instruments *[note 13]*	**232**	—
Leasehold improvements and other equipment *[note 6]*	**17,400**	18,729
Intangible assets	**107,395**	105,049
Deferred tax assets	**8,303**	9,413
Goodwill *[note 7]*	**127,298**	126,837
Assets held-for-sale	**—**	140,237
Total assets	**1,087,265**	1,284,833
Liabilities and shareholders' equity		
Liabilities		
Accounts payable and accrued liabilities *[note 5]*	**36,075**	57,434
Continuing involvement liability	**70,203**	70,382
Derivative financial instruments *[note 13]*	**30,355**	20,017
Borrowings *[note 8]*	**723,764**	900,599
Other liabilities *[note 15]*	**25,889**	26,913
Total liabilities	**886,286**	1,075,345
Shareholders' equity	**200,979**	209,488
	1,087,265	1,284,833

See accompanying notes

On behalf of the Board:

(signed) "William W. Lovatt"
William W. Lovatt
Director

(signed) "Steven K. Hudson"
Steven K. Hudson
Director

Interim condensed consolidated statements of operations

[in thousands of United States dollars, except for per share amounts]

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
	$	$	$	$
Revenues				
Loan origination revenues	**30,676**	13,327	**50,481**	36,001
Servicing revenue	**10,691**	6,902	**19,449**	13,260
Interest income	**15,362**	18,987	**34,215**	38,191
Other revenue (loss) *[note 11]*	**1,281**	(1,286)	**3,471**	(1,679)
	58,010	37,930	**107,616**	85,773
Operating expenses and other				
Compensation and benefits	**17,027**	14,843	**35,128**	31,100
General and administrative expenses	**9,469**	11,163	**19,149**	19,347
Interest expense	**14,944**	20,141	**33,182**	38,362
Depreciation and amortization	**2,060**	1,747	**4,227**	3,450
Share-based compensation *[note 10]*	**3,074**	2,138	**6,149**	6,798
Other expenses *[note 11]*	**2,046**	11,478	**6,141**	27,520
	48,620	61,510	**103,976**	126,577
Income (loss) before income taxes	**9,390**	(23,580)	**3,640**	(40,804)
Provision for income taxes	**1,226**	5,050	**2,648**	7,348
Net income (loss) for the period	**8,164**	(28,630)	**992**	(48,152)
Income (loss) per common share				
Basic *[note 14]*	**0.02**	(0.12)	**(0.01)**	(0.21)
Diluted *[note 14]*	**0.02**	(0.12)	**(0.01)**	(0.21)

See accompanying notes

Interim condensed consolidated statements of comprehensive income (loss)

[in thousands of United States dollars]

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
	$	$	$	$
Net income (loss) for the period	**8,164**	(28,630)	**992**	(48,152)
Other comprehensive (loss) income				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges *[note 13]*	**(2,492)**	32	**(4,664)**	1,025
Net unrealized foreign exchange loss	**(229)**	485	**(743)**	41
	(2,721)	517	**(5,407)**	1,066
Deferred tax expense	**1**	2	**33**	(105)
Total other comprehensive (loss) income	**(2,720)**	519	**(5,374)**	961
Comprehensive income (loss) for the period	**5,444**	(28,111)	**(4,382)**	(47,191)

See accompanying notes

Interim condensed consolidated statements of changes in shareholders' equity

[in thousands of United States dollars]

	Common share capital	Preferred share capital	Contributed surplus	Retained earnings (deficit)	Accumulated other comprehensive loss	Total shareholders' equity
	$	$	$	$	$	$
Balance, December 31, 2022	586,227	67,052	79,013	(504,319)	(34,298)	193,675
Employee stock option expense	—	—	551	—	—	551
Employee restricted stock unit expense	—	—	530	—	—	530
Comprehensive (loss) income for the period	—	—	—	(48,152)	961	(47,191)
Dividends – preferred shares *[note 9]*	—	—	—	(2,748)	—	(2,748)
Dividends – common shares *[note 9]*	—	—	—	(3,684)	—	(3,684)
Balance, June 30, 2023	586,227	67,052	80,094	(558,903)	(33,337)	141,133
Balance, December 31, 2023	656,908	124,012	81,952	(624,836)	(28,548)	209,488
Employee stock options expense	**—**	**—**	**2,132**	**—**	**—**	**2,132**
Employee restricted stock unit expense	**—**	**—**	**156**	**—**	**—**	**156**
Common share issuance *[note 9]*	**1,613**	**—**	**—**	**—**	**—**	**1,613**
Comprehensive income (loss) for the period	**—**	**—**	**—**	**992**	**(5,374)**	**(4,382)**
Dividends – preferred shares *[note 9]*	**—**	**—**	**—**	**(3,923)**	**—**	**(3,923)**
Dividends – common shares *[note 9]*	**—**	**—**	**—**	**(4,105)**	**—**	**(4,105)**
Balance, June 30, 2024	**658,521**	**124,012**	**84,240**	**(631,872)**	**(33,922)**	**200,979**

See accompanying notes

ECN Capital Corp.

Interim condensed consolidated statements of cash flows

[in thousands of United States dollars]

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
	$	$
Operating activities		
Net income (loss) for the period	**992**	(48,152)
Items not affecting cash:		
Share-based compensation *[note 10]*	**6,149**	6,798
Depreciation and amortization	**4,227**	3,450
Amortization of intangible assets	**3,814**	3,784
Accretion of deferred purchase consideration	**258**	256
Amortization of deferred financing costs	**3,375**	2,920
Loss on sale of fixed assets	**—**	2,040
	18,815	**(28,904)**
Changes in operating assets and liabilities:		
Change in finance receivables, net *[note 4]*	**30,883**	74,558
Change in accounts payable *[note 5]*	**(25,355)**	(13,786)
Change in accounts receivable, net	**25,200**	23,337
Change in taxes payable / receivable	**(2,523)**	(210)
Other operating assets and liabilities	**(15,095)**	10,486
Cash provided by operating activities	**31,925**	65,481
Investing activities		
Acquisitions, net of cash acquired *[note 3]*	**(756)**	(2,489)
Sale of Red Oak	**149,288**	—
Purchase of leasehold improvements and other equipment	**(685)**	(16,695)
Proceeds from sale of equipment	**—**	54,000
Decrease in notes receivable	**2,693**	4
Cash provided by investing activities	**150,540**	34,820
Financing activities		
Common shares issuances	**1,613**	—
Payments of lease liabilities	**(1,704)**	(1,654)
Payments of deferred financing costs	**(688)**	(255)
Repayments on term senior credit facility, net	**(174,190)**	(24,050)
Repayment of promissory note	**—**	(33,769)
Dividends paid	**(8,028)**	(6,432)
Cash used in financing activities	**(182,997)**	(66,160)
Net (decrease) increase in cash during the period	**(532)**	34,141
Cash and restricted funds, beginning of period	**23,273**	12,715
Cash and restricted funds, end of period	**22,741**	46,856

See accompanying notes

Interim condensed consolidated statements of cash flows (continued)

[in thousands of United States dollars]

Cash and restricted funds reported in the interim condensed consolidated statements of cash flows:	**Six-month period ended June 30, 2024**	**Six-month period ended June 30, 2023**
	$	$
Cash	**22,440**	46,856
Restricted funds	**301**	—
Total	**22,741**	46,856

Supplemental cash flow information:	**Six-month period ended June 30, 2024**	**Six-month period ended June 30, 2023**
	$	$
Cash taxes paid	**3,526**	4,203
Cash interest paid	**29,812**	35,337
Cash interest received	**32,776**	36,417

See accompanying notes

Notes to interim condensed consolidated financial statements

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

June 30, 2024

1. Corporate Information

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 investment funds (collectively, its "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of its Partners, specifically consumer (manufactured housing and recreational vehicle and marine) loans and commercial (inventory finance and rental) loans. Its 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 580 employees and operates principally in the U.S. The Company is a public corporation and trades on the Toronto Stock Exchange ("TSX") under the symbol "ECN."

2. Basis of Presentation and Summary of Material Accounting Policies

Statement of compliance

These interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

These interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements. They should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2023, which include information necessary or useful to understanding the Company's business and financial statement presentation.

The accounting policies in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2023.

These interim condensed consolidated financial statements are presented in thousands of U.S. dollars, which is the functional currency, except where otherwise noted.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors (the "Board") of the Company on August 7, 2024.

New and amended standards

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 "Presentation and Disclosure in Financial Statements" ("IFRS 18") was issued in April 2024 to be effective for years beginning on January 1, 2027 and to be applied retrospectively for comparative figures. The standard replaces IAS 1 "Presentation of Financial Statements" ("IAS 1") while carrying forward many elements of IAS 1 unchanged. IFRS 18 introduces three sets of new requirements for presentation of financial statements and disclosures within financial statements:

- Introduction of a specific structure for statements of operations, to include three defined categories of income and expenses: operating, investing and financing activities, with defined subtotals including operating profit and income before financing and income taxes,
- Required disclosure of management-defined performance measures ("MPM") with a reconciliation between these measures and totals or subtotals specified by IFRS Accounting Standards. MPMs are defined as subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of the Company's financial performance, and
- Enhanced guidance on organizing information and determining whether to provide the information in the financial statements or in the notes. IFRS 18 also requires enhanced disclosure of operating expenses based on their characteristics, including their nature, function or both.

The Company is assessing the impact of this standard on the Company's consolidated financial statements.

Critical accounting estimates and use of judgements

The preparation of these interim condensed consolidated 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 interim condensed 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 interim condensed 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 the Company, 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.

Seasonality of operations

The Company's business segments are impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters. As a result, higher revenues and operating profits are usually expected during the second and third quarters as compared to the first and fourth quarters.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

3. Business Acquisitions and Disposals

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 $800, including cash consideration of $670 and deferred contingent consideration of $130. This acquisition expands the Company's reach in its RV and Marine Finance segment and acquires a front-end and underwriting technology platform.

The table below presents the final allocation of fair values to the net assets acquired. Adjustments to the preliminary purchase price allocation were not material.

Consideration paid:		
Cash	$	670
Fair value of deferred contingent consideration		130
Total consideration		800
Fair value of identifiable assets and liabilities:		
Cash		44
Accounts receivable		82
Intangible assets		348
Goodwill		461
Accounts payable and other liabilities		(135)
Net assets acquired		800

The Company has agreed to a deferred purchase price earn-out plan that is based on achievement of prescribed origination volumes. The fair value of the contingent purchase consideration of $130 has been recorded as a liability.

The allocation to goodwill of $461 is primarily attributable to senior management's ability to maintain and grow its dealer and funding relationships in support of the continued growth of the business. The Company expects that all of the goodwill will be deductible for tax purposes.

Operating results attributable to FAS are included in the Company's interim condensed consolidated statements of operations from the date of acquisition and were not material to the Company's consolidated operating results for the three and six-month periods ended June 30, 2024.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

Acquisition of Wake Lending, LLC

On January 31, 2023, the Company acquired all of the outstanding equity interests in Wake Lending, LLC (“Wake Lending”), an RV and marine finance company, for total consideration of $2.5 million. This acquisition expands the Company’s geographic presence of the RV and Marine Finance segment.

The table below presents the final allocation of fair values to the net assets acquired. Adjustments to the preliminary purchase price allocation were not material.

Consideration paid:		
Cash	$	2,500
Fair value of identifiable assets and liabilities:		
Cash		1
Accounts receivable		8
Goodwill		1,391
Intangible assets		1,100
Net assets acquired		2,500

The allocation to goodwill of $1.4 million is primarily attributable to senior management’s ability to maintain and grow both its dealer and funding relationships in support of the continued growth of the business. The Company expects that all of the goodwill will be deductible for tax purposes.

Operating results attributable to Wake Lending are included in the Company’s interim condensed consolidated statements of operations from the date of acquisition and were not material to the Company's consolidated operating results for the three and six-month periods ended June 30, 2024.

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 (“Red Oak”), which operated through Triad Financial Services, to a third-party investor for cash proceeds of $153.3 million, subject to final working capital adjustment. Transaction expenses related to the sale of Red Oak were approximately $4.0 million. For the three and six-month periods ended June 30, 2024, no gain or loss was recorded as the purchase price approximated carrying value. Red Oak did not meet the criteria to be classified as discontinued operations.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

4. Finance Receivables

The following table presents the Company's finance receivables based on the type of contract:

	June 30, 2024	December 31, 2023
	$	$
Floorplan loans	**175,919**	149,696
RV and Marine loans	**8,099**	9,615
Gross finance receivables at amortized cost	**184,018**	159,311
Allowance for credit losses	**(371)**	(1,484)
Net finance receivables at amortized cost	**183,647**	157,827
Held-for-trading financial assets	**374,644**	440,398
Total finance receivables	**558,291**	598,225

Floorplan loans

Floorplan loans are comprised entirely of secured loans issued by Triad Financial Services to finance dealer inventory. Floorplan loans are secured by first priority, fully perfected liens in the underlying units that are financed by Triad Financial Services. Triad Financial Services is also the beneficiary of a manufacturer's repurchase guarantee on each financed unit.

RV and Marine loans

RV and Marine loans are primarily comprised of high-quality retail marine loans that are secured by first priority, fully perfected liens in the underlying financed units.

Held-for-trading financial assets

The loans balance as at June 30, 2024 includes $285.3 million (December 31, 2023 - $382.5 million) in manufactured housing loans and $89.4 million (December 31, 2023 - $57.9 million) in RV and Marine loans, which are classified as held-for-trading. Finance receivables are classified as held-for-trading if the related loans were originated with the intention of selling the instrument in the near term. Held-for-trading finance receivables are measured on the interim condensed consolidated financial statements at fair value through profit or loss. These loans are considered Level 3 assets, and the Company measures the fair value of these loans based on a valuation model using internal inputs. Upon origination, the Company's internal valuation may determine a fair value that is in excess of the origination or transaction value of the loan. In these circumstances, the Company will not recognize such gains until the fair value estimated by the internal model is substantiated by a market-observable event such as an executed sales contract.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

The following table presents the delinquency status of the net investment in finance receivables, by contract balance:

	June 30, 2024		December 31, 2023	
	$	%	$	%
31 - 60 days past due	**—**	**—**	—	—
61 - 90 days past due	**—**	**—**	—	—
Greater than 90 days past due	**667**	**0.36**	1,280	0.80
Total past due	**667**	**0.36**	1,280	0.80
Current	**183,351**	**99.64**	158,031	99.20
Total investment	**184,018**	**100.00**	159,311	100.00

The following table presents the weighted average interest rate of the finance receivables:

	June 30, 2024	December 31, 2023
Net investment	**$184,018**	$159,311
Weighted average interest rate	**10.71 %**	10.61 %

The following tables provide net investments in finance receivables segregated by stage:

	June 30, 2024			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Low risk	**44,297**	**—**	**—**	**44,297**
Medium risk	**139,003**	**—**	**—**	**139,003**
High risk	**51**	**—**	**—**	**51**
Default	**—**	**—**	**667**	**667**
Gross carrying amount	**183,351**	**—**	**667**	**184,018**

	December 31, 2023			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Low risk	50,873	—	—	50,873
Medium risk	106,956	—	—	106,956
High risk	202	—	—	202
Default	—	—	1,280	1,280
Gross carrying amount	158,031	—	1,280	159,311

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

Low risk: Loans that have below average probability of default with credit risk that is lower than the Company's risk appetite and risk tolerance levels. While the Company does originate loans under this category, these loans may have lower yield due to high credit quality.

Medium risk: Loans that have an average probability of default with credit risk that is within the Company's risk appetite and risk tolerance. The Company actively originates loans under this category due to higher yields.

High risk: Loans that were originated within the Company's risk appetite but have subsequently experienced an increase in credit risk that is outside of the Company's typical risk appetite and risk tolerance levels. The Company will generally not originate loans in this category.

Default: Loans that are over 90 days past due or loans for which there is objective evidence of impairment.

Allowance for credit losses

The Company's allowance for credit losses is shown in the table below:

	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Balance as at December 31, 2022	1,066	—	—	1,066
Recovery of credit losses	(2)	—	—	(2)
Stage transfers	(1)	1	—	—
Balance as at March 31, 2023	1,063	1	—	1,064
Provision for credit losses	(267)	—	670	403
Stage transfers	(2)	—	2	—
Balance as at June 30, 2023	794	1	672	1,467
Balance as at December 31, 2023	204	—	1,280	1,484
Provision for credit losses	**95**	**36**	**—**	**131**
Charge-offs	**—**	**—**	**(1,280)**	**(1,280)**
Stage transfers	**(2)**	**2**	**—**	**—**
Balance as at March 31, 2024	**297**	**38**	**—**	**335**
Provision for credit losses	**(53)**	**—**	**89**	**36**
Stage transfers	**—**	**(38)**	**38**	**—**
Balance as at June 30, 2024	**244**	**—**	**127**	**371**

During the six-month period ended June 30, 2024, the Company charged off a $1.28 million balance that was fully provisioned in 2023.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

5. Other Assets and Accounts Payable and Accrued Liabilities

The following table presents the assets reported in other assets:

	June 30, 2024	December 31, 2023
	$	$
Investments in securities	**11,768**	11,104
Prepaid expenses and other assets [1]	**15,943**	11,783
Total	**27,711**	22,887

[1] Prepaid expenses and other assets include $1.7 million and $1.3 million of outstanding receivables due from officers of the Company as at June 30, 2024 and December 31, 2023, respectively.

The following table presents the liabilities reported in accounts payable and accrued liabilities:

	June 30, 2024	December 31, 2023
	$	$
Accounts payable and accrued liabilities	**19,780**	28,083
Accrued payroll and share-based compensation liabilities	**16,295**	29,351
Total	**36,075**	57,434

Accounts payable and accrued liabilities of $19,780 as at June 30, 2024 include a provision of $2,594 related to asset disposal, litigation and corporate restructure costs recognized in connection with the Company's previously announced cost reduction program.

6. Leasehold Improvements and Other Equipment

The following table presents the Company's fixed assets and right-of-use assets included in leasehold improvements and other equipment:

	June 30, 2024	December 31, 2023
	$	$
Leasehold improvements and other equipment	**3,820**	3,758
Right-of-use assets	**13,580**	14,971
Total	**17,400**	18,729

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

7. Goodwill

Changes in the Company's goodwill balance for the six-month periods ended June 30, 2024 and June 30, 2023 were as follows:

	June 30, 2024	June 30, 2023
	$	$
Balance, beginning of period	**126,837**	125,446
Additions from acquisitions	**461**	1,381
Balance, end of period	**127,298**	126,827

8. Borrowings

Borrowings consist of the following as at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
	$	$
Term senior credit facility	**565,936**	738,328
Senior unsecured debentures	**157,828**	162,271
Total	**723,764**	900,599

Term senior credit facility

The Company is party to a $800 million term senior credit facility, amended June 27, 2024, which is syndicated to a group of six Canadian, U.S. and international banks with a maturity date of December 6, 2025. The facility bears interest at the prime rate plus 1.0% or one-month bankers' acceptance rate plus 2.0% per annum on outstanding Canadian dollar-denominated balances and U.S. base rate plus 1.0% per annum or one-month secured overnight financing rate plus 2.0% per annum on outstanding U.S. dollar-denominated balances. The term senior credit facility is secured by a general security agreement in favor of the lenders consisting of a first priority interest on all property.

The Company was in compliance with all financial and reporting covenants with all of its lenders as at June 30, 2024.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

The following table summarizes the Company's outstanding balance on its term senior credit facility:

	June 30, 2024		December 31, 2023	
	Balance outstanding	Weighted average interest rate [1]	Balance outstanding	Weighted average interest rate [1]
	$	%	$	%
Term senior credit facility	**574,000**	**7.44**	748,190	7.49
Deferred financing costs	**(8,064)**		(9,862)	
Total secured borrowings	**565,936**		738,328	

[1] Represents the weighted average stated interest rate of outstanding debt at period end, excludes amortization of deferred financing costs, premiums or discounts and stand-by fees.

As at June 30, 2024, the unutilized balance of the facility was $226,000 (December 31, 2023 - $151,810).

Senior unsecured debentures

As at June 30, 2024, the Company had outstanding listed senior unsecured debentures with an aggregate principal of C$221.25 million (the "Debentures"), consisting of C$75.0 million of debentures due December 31, 2025, which bear interest at a rate of 6.0% per annum, C$86.25 million of debentures due December 31, 2026, which bear interest at a rate of 6.0% per annum, and C$60.0 million due December 31, 2027, which bear interest at a rate of 6.25% per annum. The Company has the option to satisfy its obligations to repay the principal and accrued interest of each of the debentures at redemption or maturity by issuing and delivering that number of common shares in the capital of the Company in accordance with the terms of the respective indentures.

The following table summarizes the outstanding balance of the Company's Debentures:

	June 30, 2024	December 31, 2023
	$	$
6.0% senior unsecured debentures due 2025	**54,825**	56,633
6.0% senior unsecured debentures due 2026	**63,049**	65,127
6.25% senior unsecured debentures due 2027	**43,860**	45,306
	161,734	167,066
Deferred financing costs	**(3,906)**	(4,795)
Total unsecured debentures	**157,828**	162,271

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

9. Share Capital

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.

Common shares

The following table summarizes the Company's outstanding common shares:

	Common shares	
	Shares	Amount
	#	$
Balance, December 31, 2022	245,382,585	586,227
Exercise of options	397,410	—
Balance, June 30, 2023	245,779,995	586,227
Balance, December 31, 2023	279,946,742	656,908
Exercise of share units	**1,173,481**	**1,613**
Balance, June 30, 2024	**281,120,223**	**658,521**

Common share dividends

During the three and six-month periods ended June 30, 2024, the Company declared $2,045 and $4,105 or C$0.01 and C$0.02, respectively, per common share in dividends (June 30, 2023 - $1,869 and $3,684 or C$0.01 and C$0.02, respectively, per common share). The Company's common share dividends are designated to be eligible dividends for income tax purposes.

Preferred shares

The following tables summarize the Company's outstanding preferred share capital:

	Series C Preferred Shares		Series E Preferred Shares	
	Shares	Amount	Shares	Amount
	#	$	#	$
Balance, December 31, 2022	3,712,400	67,052	—	—
Balance, June 30, 2023	**3,712,400**	**67,052**	**—**	**—**
Balance, December 31, 2023	**3,712,400**	**67,052**	**27,450,000**	**56,960**
Balance, June 30, 2024	**3,712,400**	**67,052**	**27,450,000**	**56,960**

On September 26, 2023, the Company issued 27,450,000 Series E convertible preferred shares ("Series E Preferred Shares") on a private placement basis in connection with the strategic partnership entered into with Skyline Champion. See Note 12. *Related Party Transactions*, for further details.

The Series E Preferred Shares are initially convertible on a one-for-one basis into an aggregate of 27,450,000 common shares based on an initial liquidation preference and conversion price equal to the share issue price, which are subject to customary anti-dilution adjustments. The Series E Preferred Shares are convertible at any time at the option of Skyline Champion, are redeemable at the option of the Company in connection with a change of control of the Company and will automatically convert into common shares on the fifth anniversary of closing of the private placement, in each case subject to a conversion cap in the event that, as a result of any conversion, Skyline Champion would hold in excess of 19.9% of outstanding common shares.

The holder of the Series E Preferred Shares are entitled to receive cumulative cash dividends at a rate of 4.0% per annum on the liquidation preference, payable semi-annually, vote on an as-converted basis for all matters on which holders of common shares vote and will vote together as a single class with the common shares. The Series E Preferred Shares will not be transferable other than to affiliates of Skyline Champion or with the prior approval of the Board of Directors of the Company.

The Company's outstanding Series C convertible preferred shares ("Series C Preferred Shares") are redeemable by the Company in whole or in part at their par value of C$25.00 per share on June 30, 2027 and on June 30 of every fifth year thereafter. Holders of Series C Preferred Shares are entitled to receive a fixed annual cash dividend at a rate of 7.937%.

Preferred share dividends

During the three and six-month periods ended June 30, 2024, the Company declared $1,343 and $2,709 or C$0.4960625 and C$0.9921250, respectively, per Series C Preferred Share, in dividends (June 30, 2023 - $1,384 and $2,748, or C$0.4960625 and C$0.9921250, respectively, per Series C Preferred Share). During the three and six-month periods ended June 30, 2024, the Company declared $1,214 or C$0.0605 dividends per Series E Preferred Share. The Company's preferred share dividends are designated to be eligible dividends for income tax purposes.

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 and six-month periods ended June 30, 2024 and June 30, 2023, the Company did not purchase any of its common shares or Series C Preferred Shares pursuant to the NCIBs.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

10. Share-Based Compensation

Share-based compensation expense consists of the following for the three and six-month periods ended June 30, 2024 and June 30, 2023:

	Three-month period ended		Six-month period ended	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
	$	$	$	$
Performance share units and restricted share units	**1,625**	1,635	**3,642**	5,553
Deferred share units	**706**	253	**375**	694
Stock options	**743**	250	**2,132**	551
Share-based compensation	**3,074**	2,138	**6,149**	6,798

During the three and six-month periods ended June 30, 2024, the Company granted 5,370,142 performance share units ("PSUs") to employees of the Company.

During the three and six-month periods ended June 30, 2024, the Company granted 652,180 deferred share units ("DSUs") to members of the Company's Board of Directors.

During the three-month period ended June 30, 2024, the Company granted 6,795,501 stock options with a weighted average exercise price of C$2.00 per share. During the six-month period ended June 30, 2024, the Company granted 9,712,050 stock options with a weighted average exercise price of C$2.08 per share to employees of the Company.

11. Other Revenue (Loss) and Other Expenses

Other revenue (loss) consists of the following for the three and six-month periods ended June 30, 2024 and June 30, 2023:

	Three-month period ended		Six-month period ended	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
	$	$	$	$
Earnings (loss) on investments	**807**	(475)	**1,421**	(800)
Unrealized gain on interest rate swap	**262**	—	**1,191**	—
Sublease income	**139**	99	**205**	198
Foreign exchange and other	**73**	(910)	**654**	(1,077)
Total other revenue (loss)	**1,281**	(1,286)	**3,471**	(1,679)

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

Other expenses consist of the following for the three and six-month periods ended June 30, 2024 and June 30, 2023:

	Three-month period ended		Six-month period ended	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
	$	$	$	$
Amortization of intangible assets	**1,917**	1,897	**3,814**	3,784
Accretion of deferred purchase consideration	**129**	128	**258**	256
Asset disposal, litigation and corporate restructure costs	**—**	7,303	**—**	18,664
Transaction, corporate development and strategic review costs	**—**	2,150	**2,069**	4,816
Total other expenses	**2,046**	11,478	**6,141**	27,520

Transaction, corporate development and strategic review costs of $2,069 for the six-month period ended June 30, 2024 primarily relate to the acquisition of FAS, business development initiatives and the Company's review of strategic alternatives, which was completed in the first quarter of 2024.

12. Related Party Transactions

Strategic Partnership and Investor Rights Agreement with Skyline Champion Corporation

On September 26, 2023, the Company completed a transaction pursuant to which Champion Canada Holdings Inc., a wholly-owned subsidiary of Skyline Champion, has made an approximately $138 million (C$185 million) equity investment in ECN Capital on a private placement basis (the “Private Placement”) in exchange for 33,550,000 common shares of ECN Capital and 27,450,000 mandatory convertible Series E Preferred Shares of ECN Capital. Following closing, Skyline Champion owns an approximately 19.9% indirect equity interest in ECN Capital (assuming the conversion of all Series E Preferred Shares).

Upon closing of the Private Placement, a member of the Board of Directors of Skyline Champion was appointed to the Board of Directors and Credit and Risk Committee of ECN Capital. In addition, ECN Capital and Skyline Champion also entered into an investor rights agreement providing for, among other things, customary piggy-back registration rights, preemptive rights, standstill and voting support obligations and certain other rights and restrictions, including a right to match in connection with unsolicited offers to acquire ECN Capital or Triad Financial Services.

In connection with the Private Placement, ECN Capital and Skyline Champion have formed Champion Financing LLC, ("Champion Financing") a captive finance company that is 51% owned by an affiliate of Skyline Champion and 49% owned by Triad Financial Services. Champion Financing provides a tailored retail finance loan program for customers and a new branded floorplan offering for Skyline Champion, its affiliates and their independent retailers in the manufactured home finance space and operates with services by Triad Financial Services. The Company accounts for its investment in Champion Financing under the equity method of accounting.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

Notes receivable

Notes receivable of $21,876 as at June 30, 2024 (December 31, 2023 - $24,631) represent loans to certain employees and officers of the Company granted in order to help finance the purchase of the Company's shares. Interest is accrued on the loans based on applicable U.S. interest rates, and the principal is payable on demand in the event of non-payment of interest. The notes receivable are secured by ECN Capital shares purchased with full recourse to the employee/officer.

The changes in notes receivable for the six-month periods ended June 30, 2024 and June 30, 2023 were as follows:

	June 30, 2024	June 30, 2023
	$	$
Notes receivable, beginning of period	**24,631**	31,613
Interest income	**165**	234
Repayments (interest and principal)	**(2,443)**	(4)
Transfers to other assets [1]	**—**	(3,465)
Foreign exchange	**(477)**	352
Notes receivable, end of period	**21,876**	28,730

[1] These amounts primarily include loans to former employees that are being repaid pursuant to a fixed repayment schedule and remain secured by ECN Capital shares. As at June 30, 2024, $1.9 million of these loans remained outstanding.

Other related party transactions

The Company is party to a five-year lease agreement, expiring September 30, 2027, with a member of management of a subsidiary company to lease office space for use in the normal course of business. Payments under the lease agreement were approximately $175 and $175 for the six-month periods ended June 30, 2024 and June 30, 2023, respectively.

During the six-month period ended June 30, 2024, an officer of the Company purchased $874 of loans from the Company through a participation interest in a flow agreement on the same market terms as a third party investor.

13. Derivative Financial Instruments

In the normal course of business, and consistent with its risk management program, the Company enters into interest rate derivatives to manage interest rate risk, foreign exchange forward agreements to manage foreign currency exposure, and total return swaps to manage the variability in cash flows associated with forecasted future obligations on vesting of DSUs, RSUs and PSUs attributable to changes in the Company's stock price.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

Cash flow hedges

The Company's interest rate cap agreement, foreign exchange forward agreements and total return swaps are designated in hedging relationships and, as such, the gains or losses of the hedging derivative are offset by the gains or losses of the hedged item. There is an economic relationship between the hedged items and the hedging instruments as the terms of the contracts match the terms of the forecasted transactions.

The following table presents the fair value changes related to the cash flow hedges included in the Company's results for the three and six-month periods ended June 30, 2024 and June 30, 2023:

	Three-month period ended		Six-month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	$	$	$	$
Fair value gain (loss) recorded in other revenue	**120**	(1,146)	**780**	(1,317)
Fair value (loss) gain recorded in other comprehensive income (loss)	**(2,492)**	32	**(4,664)**	1,025

Notional amounts and fair values of derivative instruments

The following table summarizes the notional principal and fair values of the derivative financial instruments outstanding:

	June 30, 2024		December 31, 2023	
	Notional principal	Fair value	Notional principal	Fair value
	$	$	$	$
Derivative assets				
Interest rate contracts	**200,000**	**94**	—	—
Foreign exchange agreements	**171,181**	**138**	—	—
	371,181	**232**	—	—
Derivative liabilities				
Interest rate contracts	**25,000**	**237**	25,000	1,362
Foreign exchange agreements	**—**	**—**	170,947	595
Total return swaps	**49,293**	**30,118**	45,383	18,060
	74,293	**30,355**	241,330	20,017

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

14. Earnings (loss) per Share

	Three-month period ended		Six-month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	$	$	$	$
Net income (loss) for the period	**8,164**	(28,630)	**992**	(48,152)
Cumulative dividends on preferred shares	**2,553**	1,384	**3,923**	2,748
Net income (loss) attributable to common shareholders	**5,611**	(30,014)	**(2,931)**	(50,900)
Weighted average number of common shares outstanding - basic	**281,013,543**	245,727,007	**280,471,203**	245,554,796
Basic earnings (loss) per share	**$ 0.02**	$ (0.12)	**$ (0.01)**	$ (0.21)
Total basic earnings (loss) per share	**$ 0.02**	$ (0.12)	**$ (0.01)**	$ (0.21)
Weighted average number of common shares outstanding - diluted	**308,463,543**	245,727,007	**308,428,102**	245,952,205
Diluted earnings (loss) per share	**$ 0.02**	$ (0.12)	**$ (0.01)**	$ (0.21)
Total diluted earnings (loss) per share	**$ 0.02**	$ (0.12)	**$ (0.01)**	$ (0.21)

For the three and six-month periods ended June 30, 2024 and June 30, 2023, 18,126,724 and 3,086,124, respectively, potentially dilutive stock options were excluded from the computation of diluted earnings (loss) per share because their effect would have been anti-dilutive.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

15. Capital Disclosures

The Company's objectives when managing capital are to ensure sufficient liquidity to support its financial objectives and strategic plans, to ensure its financial covenants are met and to maximize shareholder value.

The Company's capitalization is as follows:

	June 30, 2024	December 31, 2023
	$	$
Borrowings on term senior credit facility	**565,936**	738,328
Accounts payable and accrued liabilities	**36,075**	57,434
Other liabilities [1]	**25,889**	26,913
	627,900	822,675
Senior unsecured debentures [2]	**157,828**	162,271
Shareholders' equity	**200,979**	209,488
	986,707	1,194,434

[1] Other liabilities primarily include a $10.1 million (December 31, 2023 - $9.7 million) deferred purchase consideration liability related to the acquisition of IFG and FAS, and a $15.8 million (December 31, 2023 - $17.1 million) lease liability.

[2] In accordance with the terms of the indentures, the Company has the option to satisfy its obligations to repay the principal and interest of its senior unsecured debentures by issuing common shares in the capital of the Company.

16. Fair Value Measurements

IFRS 13, *Fair Value Measurement*, requires disclosure of a three-level hierarchy for fair value measurement based upon transparency of inputs used in the valuation of an asset or liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in an active market for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs other than quoted prices that are observable for the asset or liability. Level 3 inputs are not based on observable market data.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

(a) Assets and liabilities measured at fair value on a recurring basis

The following tables present the level within the fair value hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis:

	June 30, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	$	$	$
Cash	**22,440**	**—**	**—**	**22,440**
Restricted funds	**301**	**—**	**—**	**301**
Held-for-trading financial assets	**—**	**—**	**374,644**	**374,644**
Corporate investments	**—**	**11,768**	**—**	**11,768**
Retained reserve interest	**—**	**—**	**41,240**	**41,240**
Derivative financial instruments, net	**—**	**(30,123)**	**—**	**(30,123)**
Total	**22,741**	**(18,355)**	**415,884**	**420,270**

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	$	$	$
Cash	23,239	—	—	23,239
Restricted funds	34	—	—	34
Held-for-trading financial assets	—	—	440,398	440,398
Corporate investments	—	11,104	—	11,104
Retained reserve interest	—	—	38,000	38,000
Derivative financial instruments, net	—	(20,017)	—	(20,017)
Total	23,273	(8,913)	478,398	492,758

Transfers between levels of the fair value hierarchy are recognized at the date of the event that caused the transfer. There were no transfers between levels of the fair value hierarchy for the periods presented.

Retained reserve interest

The fair value of the retained reserve interest asset represents the present value of the amount the Company expects to recover from the amounts placed on deposit in a reserve account with respect to loans sold by Triad Financial Services. The Company estimates the fair values using a discounted cash flow approach using assumptions for loan loss and prepayment rates and discount rates, which are all Level 3 inputs. A significant increase or decrease in loan loss assumptions, prepayment rates, or discount rates would result in a lower or higher, respectively, fair value measurement of the retained reserve interest asset.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

The following table presents the estimated impact of a change in each of these key assumptions on the fair value of the retained reserve interest asset as at June 30, 2024.

	June 30, 2024	
Assumption	**Change**	**Amount**
	basis points	$
Charge-off rate	**5**	**2,700**
Prepayment rate	**100**	**1,500**
Discount rate	**100**	**3,000**

Held-for-trading financial assets

The fair value of held-for-trading financial assets is estimated to approximate carrying value. These finance receivables are classified as Level 3 financial instruments, whereby fair value is determined using valuation techniques and inputs not based on observable market data.

The assertion that the carrying value of held-for-trading financial assets approximates fair value requires the use of estimates and significant judgment. The underlying assets are credit-scored and/or valued based on internal models that are not necessarily used in market transactions. The fair value of any of these balances would be affected by a potential buyer's assessment of the transaction's credit quality, payment history, yield, term, documents and other legal matters and other subjective considerations. The value received in a fair market sale transaction would be based on the terms of the sale, the buyer's views of the economic and industry conditions, the Company's and the buyer's tax considerations and other factors.

The fair value of finance receivables classified as assets held-for-trading is determined based on bids received on these loans in a private market. A significant increase or decrease in market interest rates and/or yields on comparable finance assets would result in a lower or higher, respectively, fair value measurement of held-for-trading financial assets. Based on its exposure as at June 30, 2024, the Company estimates that a hypothetical 50 basis point increase in interest rates may result in a decrease of approximately $1.8 million in the carrying value of its held-for-trading financial assets.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

(b) Reconciliation of Level 3 fair value measurements of financial instruments

The changes in the Company's Level 3 assets measured at fair value on a recurring basis for the six-month periods ended June 30, 2024 and June 30, 2023 were as follows:

	Held-for-trading financial assets	Retained reserve interest
	$	$
Balance, December 31, 2022	219,734	36,479
Issues	369,302	6,937
Sales	(283,296)	—
Settlements	(3,405)	(6,604)
Change in fair value included in earnings	(8,821)	—
Balance, June 30, 2023	293,514	36,812
Balance, December 31, 2023	440,398	38,000
Issues	**613,642**	**5,198**
Sales	**(667,354)**	**—**
Settlements	**(12,042)**	**(1,958)**
Balance, June 30, 2024	**374,644**	**41,240**

(c) Assets measured at fair value on a non-recurring basis

As at June 30, 2023, the Company did not have any assets or liabilities measured at fair value on a non-recurring basis.

As at December 31, 2023, the Company assessed the fair value of the assets held-for-sale related to its Red Oak RV and Marine Inventory Finance platform, which the Company entered into an agreement to sell subsequent to December 31, 2023. Fair value less costs to sell as at December 31, 2023 was measured based on the related sale contract value and estimated costs associated with the sale. As a result of the assessment, a provision of approximately $4.0 million was recorded, which primarily represents estimated costs to sell the business. No impairment loss was recorded related to the underlying loan portfolio, as the carrying value approximated fair value. The Company completed the sale transaction on February 21, 2024. See Note 3, *Business Acquisitions and Disposals*, for further details.

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

17. Segmented Information

Operating segments

ECN Capital's operating results of continuing operations are categorized into two core operating segments and a Corporate segment. The Company's core operating segments consist of: (i) Manufactured Housing Finance; and (ii) RV and Marine Finance. The Company's Chief Operating Decision Maker, the CEO, reviews the operating results, assesses performance and makes capital allocation decisions at the business segment level. Therefore, each of the Company's business segments is an operating and reporting segment for financial reporting purposes.

The financial reporting of ECN Capital's two core business segments is consistent with the manner in which management currently evaluates the operating segment performance.

The interim condensed consolidated statements of operations by segment for the three and six-month periods ended June 30, 2024 and June 30, 2023 are shown in the following tables:

	For the three-month period ended June 30, 2024			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	$	$	$	$
Revenues				
Loan origination revenues	**23,414**	**7,262**	**—**	**30,676**
Servicing revenue	**10,691**	**—**	**—**	**10,691**
Interest income and other revenue	**13,765**	**2,132**	**746**	**16,643**
Total revenue	**47,870**	**9,394**	**746**	**58,010**
Operating expenses and other				
Compensation and benefits	**12,694**	**3,207**	**1,126**	**17,027**
General and administrative expenses	**6,883**	**1,236**	**1,350**	**9,469**
Interest expense	**6,763**	**1,344**	**6,837**	**14,944**
Depreciation and amortization	**1,309**	**447**	**304**	**2,060**
Share-based compensation	**1,263**	**327**	**1,484**	**3,074**
Other expenses	**310**	**1,736**	**—**	**2,046**
	29,222	**8,297**	**11,101**	**48,620**
Income (loss) before income taxes	**18,648**	**1,097**	**(10,355)**	**9,390**

Notes to interim condensed consolidated financial statements

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

June 30, 2024

	For the six-month period ended June 30, 2024			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	$	$	$	$
Revenues				
Loan origination revenues	**39,152**	**11,329**	**—**	**50,481**
Servicing revenue	**19,449**	**—**	**—**	**19,449**
Interest income and other revenue	**32,061**	**3,848**	**1,777**	**37,686**
Total revenue	**90,662**	**15,177**	**1,777**	**107,616**
Operating expenses and other				
Compensation and benefits	**27,285**	**5,953**	**1,890**	**35,128**
General and administrative expenses	**13,431**	**2,317**	**3,401**	**19,149**
Interest expense	**18,105**	**2,424**	**12,653**	**33,182**
Depreciation and amortization	**2,545**	**851**	**831**	**4,227**
Share-based compensation	**1,648**	**1,008**	**3,493**	**6,149**
Other expenses	**620**	**3,452**	**2,069**	**6,141**
	63,634	**16,005**	**24,337**	**103,976**
Income (loss) before income taxes	**27,028**	**(828)**	**(22,560)**	**3,640**

	For the three-month period ended June 30, 2023			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	$	$	$	$
Revenues				
Loan origination revenues	7,107	6,220	—	13,327
Servicing revenue	6,902	—	—	6,902
Interest income and other revenue (loss)	17,513	1,007	(819)	17,701
Total revenue	31,522	7,227	(819)	37,930
Operating expenses and other				
Compensation and benefits	11,013	2,246	1,584	14,843
General and administrative expenses	8,915	803	1,445	11,163
Interest expense	13,420	621	6,100	20,141
Depreciation and amortization	963	245	539	1,747
Share-based compensation	413	241	1,484	2,138
Other expenses	310	1,715	9,453	11,478
	35,034	5,871	20,605	61,510
(Loss) income before income taxes	(3,512)	1,356	(21,424)	(23,580)

[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

	For the six-month period ended June 30, 2023			
	Manufactured Housing Finance	**RV and Marine Finance**	**Corporate**	**Total continuing operations**
	$	$	$	$
Revenues				
Loan origination revenues	25,111	10,890	—	36,001
Servicing revenue	13,260	—	—	13,260
Interest income and other revenue (loss)	35,836	1,532	(856)	36,512
Total revenue	74,207	12,422	(856)	85,773
Operating expenses and other				
Compensation and benefits	23,367	4,641	3,092	31,100
General and administrative expenses	14,719	1,373	3,255	19,347
Interest expense	25,892	861	11,609	38,362
Depreciation and amortization	1,850	492	1,108	3,450
Share-based compensation	2,051	541	4,206	6,798
Other expenses	620	3,420	23,480	27,520
	68,499	11,328	46,750	126,577
Income (loss) before income taxes	5,708	1,094	(47,606)	(40,804)

Total assets and total liabilities by segment as at June 30, 2024 and December 31, 2023 are shown in the following tables:

	June 30, 2024			
	Manufactured Housing Finance	**RV and Marine Finance**	**Corporate**	**Total**
	$	$	$	$
Total assets	**757,026**	**269,407**	**60,832**	**1,087,265**
Total liabilities	**415,597**	**96,490**	**374,199**	**886,286**

	December 31, 2023			
	Manufactured Housing Finance	**Marine and RV Finance**	**Corporate**	**Total**
	$	$	$	$
Total assets	989,050	240,694	55,089	1,284,833
Total liabilities	680,679	70,482	324,184	1,075,345

18. Subsequent Event

Acquisition of Paramount Capital Holdings, LLC

On July 24, 2024, the Company entered into a definitive agreement to acquire a 54% majority interest in Paramount Capital Holdings, LLC, which operates Paramount Capital Group, LLC, a consumer finance loan servicing company, for total consideration of $5.4 million, including cash consideration of $4.5 million and deferred contingent consideration of $0.9 million, subject to final working capital adjustments. This acquisition accelerates the Company's strategic objective to establish servicing capabilities for its RV and Marine Finance operating segment and is expected to close in the third quarter of 2024, subject to receipt of required state regulatory approvals.

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