ECN CAPITAL

Management Discussion & Analysis

SEPTEMBER 30, 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 and nine-month periods ended September 30, 2024, in comparison to the corresponding prior year periods. This MD&A, which has been prepared as of November 7, 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 and nine-month periods ended September 30, 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 November 7, 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 institutional investor, insurance company, pension plan, bank and credit union partners (collectively, its "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of its Partners, specifically consumer (manufactured housing and RV and marine) loans and commercial (floorplan 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 680 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" or "Triad," our Manufactured Housing Finance business segment), Source One Financial Services, LLC ("Source One"), Intercoastal Financial Group, LLC ("IFG") and Paramount Capital Holdings, LLC., which operates Paramount Servicing Group ("Paramount") (collectively, Source One, IFG and Paramount comprise our RV and Marine Finance business segment). ECN Capital has managed assets[1] of approximately $6.7 billion and our customers include more than 100 North American-based institutional investor, insurance company, pension plan, bank and credit union 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 seeking optimal 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 institutional investors, insurance companies, pension plans, banks and credit unions 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 and 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 comprised of 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, Source One primarily 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, Florida.

Paramount Servicing Group

Founded in 1997, Paramount Servicing Group is an established end-to-end consumer loan servicing company with private labelling capabilities and a best-in-class technology stack. With a mature compliance management system, Paramount is fully licensed for all facets of consumer loan and installment contract servicing across the U.S. As such, the Company services a large and diverse set of consumer loans and is an approved servicer by the Kroll Bond Rating Agency ("KBRA"). Paramount Servicing Group is headquartered in King of Prussia, Pennsylvania.

Key Business Developments

Information related to the developments in support of the Company's business strategy for the three and nine-month periods ended September 30, 2024 are outlined below.

ACQUISITION OF PARAMOUNT SERVICING GROUP

On August 31, 2024, the Company acquired a 54% majority interest in Paramount Capital Holdings, LLC, which operates Paramount Servicing Group, ("Paramount") a consumer loan servicing company, for total consideration of $5.0 million, including cash consideration of $4.2 million and deferred contingent consideration of $0.8 million, subject to final working capital adjustments. This acquisition executes on the Company's strategic objective to establish servicing capabilities for its RV and Marine Finance segment, which strengthens and diversifies the business.

CORPORATE FINANCE DEVELOPMENTS

Extension of Term Senior Credit Facility

On October 22, 2024, the Company executed an extension of its term senior credit facility which provides for an aggregate of $770 million in revolving funding through October 22, 2027.

Normal Course Issuer Bids

On September 19, 2024, 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 23, 2024. Pursuant to the NCIBs, the Company may repurchase up to an additional 15,472,849 common shares and 371,240 Series C Preferred Shares, representing approximately 10% of the public float of each of the common shares and Series C Preferred Shares. The NCIBs will end on the earlier of September 22, 2025 or the completion of purchases under the applicable NCIB.

During the three and nine-month periods ended September 30, 2024 and September 30, 2023, the Company did not purchase any common shares or Series C Preferred Shares pursuant to the NCIBs.

ECN CAPITAL

Results of Operations

The following tables set forth a summary of the Company's consolidated results and is to be read in conjunction with the Company's interim condensed consolidated financial statements for the same periods.

	For the three-month period ended			For the nine-month period ended	
(in 000's for stated values, except per share amounts)	**September 30, 2024** $	June 30, 2024 $	September 30, 2023 $	**September 30, 2024** $	September 30, 2023 $
Select metrics:					
Originations	**625,692**	622,494	571,537	**1,716,553**	1,658,551
Average earning assets - Owned [(1)]	**518,292**	530,012	560,276	**534,135**	630,626
Average earning assets - Managed [(1)]	**6,223,227**	5,265,945	4,758,760	**5,574,825**	4,635,431
Period end earning assets - Owned [(1)]	**478,292**	558,291	494,601	**478,292**	494,601
Period end earning assets - Managed [(1)]	**6,674,876**	5,317,085	4,804,083	**6,674,876**	4,804,083
Operating results:					
Loan origination revenues	**37,827**	30,676	18,258	**88,308**	54,259
Servicing revenues	**17,492**	10,691	8,461	**36,941**	21,721
Interest income	**11,039**	15,362	17,944	**45,254**	56,135
Other revenue	**78**	1,281	1,027	**3,549**	(652)
Total revenue	**66,436**	58,010	45,690	**174,052**	131,463
Operating expenses	**30,306**	26,496	26,323	**84,583**	76,770
Interest expense	**14,202**	14,944	19,727	**47,384**	58,089
Depreciation & amortization	**2,458**	2,060	2,005	**6,685**	5,455
Other expenses:					
Share-based compensation	**4,091**	3,074	4,825	**10,240**	11,623
Amortization of intangible assets from acquisitions	**1,956**	1,917	1,901	**5,770**	5,685
Accretion of deferred purchase consideration	**5**	129	128	**263**	384
Asset disposal, litigation costs and corporate restructure costs	**—**	—	975	**—**	19,639
Provision for assets held-for-sale	**—**	—	4,000	**—**	4,000
Transaction, corporate development and other costs	**2,374**	—	2,464	**4,443**	7,280
Net income (loss) before income taxes	**11,044**	9,390	(16,658)	**14,684**	(57,462)
Provision for (recovery of) income taxes	**2,895**	1,226	(12,084)	**5,543**	(4,736)
Net income (loss) for the period - 100% basis	**8,149**	8,164	(4,574)	**9,141**	(52,726)
Non-controlling interest	**5**	—	—	**5**	—
Net income (loss) for the period - ECN share	**8,144**	8,164	(4,574)	**9,136**	(52,726)
Cumulative dividends on preferred shares	**1,354**	2,553	1,378	**5,277**	4,126
Net income (loss) for the period attributable to common shareholders	**6,790**	5,611	(5,952)	**3,859**	(56,852)
Weighted Average number of shares outstanding (basic)	**281,120**	281,014	247,008	**280,695**	246,038
Earnings (loss) per share (basic) - attributable to common shareholders	**$0.02**	$0.02	$(0.02)	**$0.01**	$(0.23)

(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.

	For the three-month period ended			For the nine-month period ended	
	September 30, 2024	June 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
(in 000's for stated values, except per share amounts)	$	$	$	$	$
Adjusted operating results:					
Adjusted revenue [1][2]					
Loan originations revenue	**37,827**	30,676	22,951	**88,308**	71,482
Servicing revenue	**17,492**	10,691	8,461	**36,941**	21,721
Interest income	**11,039**	15,362	17,944	**45,254**	56,135
Other revenue	**78**	1,281	1,027	**3,549**	(652)
Total adjusted revenue [1][2]	**66,436**	58,010	50,383	**174,052**	148,686
Operating expenses	**30,306**	26,496	26,323	**84,583**	76,770
Adjusted EBITDA [1]	**36,130**	31,514	24,060	**89,469**	71,916
Interest expense	**14,202**	14,944	19,727	**47,384**	58,089
Depreciation & amortization	**2,458**	2,060	2,005	**6,685**	5,455
Adjusted operating income before tax [1] - 100% basis	**19,470**	14,510	2,328	**35,400**	8,372
Non-controlling interest	**5**	—	—	**5**	—
Adjusted operating income before tax [1] - ECN share	**19,465**	14,510	2,328	**35,395**	8,372
Adjusted net income [1] - ECN share	**14,404**	10,737	1,862	**26,192**	6,698
Adjusted net income applicable to common shareholders [1] - ECN share	**13,050**	8,184	484	**20,915**	2,572
Adjusted net income per share (basic) [1] - ECN share	**$0.05**	$0.04	$0.01	**$0.09**	$0.03
Adjusted net income applicable to common shareholders per share (basic) [1] - ECN share	**$0.05**	$0.03	$—	**$0.07**	$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.
(2) Adjusted revenue is applicable to the comparative three and nine-month periods ended September 30, 2023. There were no adjustments to reported revenue for the current year periods.

The following discussion relates to the results of operations for the three and nine-month periods ended September 30, 2024.

Q3 AND Q3 YTD 2024 vs Q3 AND Q3 YTD 2023

The Company reported total revenue of $66.4 million and $174.1 million for the third quarter and nine-month periods ended September 30, 2024, up from both total revenue of $45.7 million and $131.5 million and total adjusted revenue[1] of $50.4 million and $148.7 million in the prior year periods, respectively, primarily reflecting higher loan origination and servicing revenues, partially offset by lower interest income. Loan origination revenues increased by $14.9 million and $16.8 million on a quarter and year-to-date basis, when compared to adjusted loan originations revenue[1] in the respective prior year periods, primarily due to higher origination revenue margins at our Manufactured Housing Finance segment and higher origination volumes at our RV and Marine Finance segment. Servicing revenues for the third quarter and nine-month periods ended were $17.5 million and $36.9 million, up from $8.5 million and $21.7 million in the prior year periods, which was primarily driven by the increase in Manufactured Housing Finance managed assets[1], which increased 14.9% to $5.5 billion, and the impact of the Paramount acquisition and servicing retained on RV and Marine Finance forward flow sales. Servicing revenues are also impacted by the estimated fair value of the retained servicing asset as well as the timing of bulk portfolio sales and bulk portfolio sales on a servicing release basis. Lower interest income was primarily driven by lower overall on-balance sheet finance assets in 2024.

The table below illustrates the Company's operating expenses for the three and nine-month periods ended September 30, 2024 and September 30, 2023:

	For the three-month period ended		For the nine-month period ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
(in 000's for stated values)	**$**	$	**$**	$
Manufactured Housing Finance	**21,984**	20,291	**62,700**	58,377
RV and Marine Finance	**5,757**	2,932	**14,027**	8,946
Business segment operating expenses	**27,741**	23,223	**76,727**	67,323
Corporate operating expenses	**2,565**	3,100	**7,856**	9,447
Total operating expenses	**30,306**	26,323	**84,583**	76,770

Operating expenses were $30.3 million and $84.6 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $26.3 million and $76.8 million for the prior year periods. The increase in business segment operating expenses primarily reflects the continued investment in growth and operational improvement initiatives across our businesses, the growth in managed assets, and the acquisition of Paramount. Corporate operating expenses were $2.6 million and $7.9 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $3.1 million and $9.4 million in the prior year periods, reflecting planned corporate operating expense reductions.

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.

Interest expense decreased to $14.2 million and $47.4 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $19.7 million and $58.1 million in the prior year periods, primarily due to lower average borrowings in 2024. Total average borrowings on the term senior facility credit for the third quarter and nine-month periods ended September 30, 2024 were $522.2 million and $609.6 million, respectively, compared to $806.3 million and $834.6 million in the prior year periods.

Depreciation and amortization expense was $2.5 million and $6.7 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $2.0 million and $5.5 million in the prior year periods.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $8.4 million and $20.7 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $14.3 million and $48.6 million in the prior year periods. Share-based compensation expense was $4.1 million and $10.2 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $4.8 million and $11.6 million for the prior year periods. Other expenses for the three-month period ended September 30, 2024 include transaction, corporate development and other costs of $2.4 million primarily related to the acquisition of Paramount and business development initiatives. Other expenses for the nine-month period ended September 30, 2024 include transaction, corporate development and other costs of $4.4 million related to the acquisitions of Paramount and FAS, business development initiatives and the Company's review of strategic alternatives, which was completed in the first quarter of 2024.

Adjusted EBITDA[1] was $36.1 million and $89.5 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $24.1 million and $71.9 million for the prior year periods. The increase in adjusted EBITDA[1] primarily reflects higher overall revenue at our business segments. Adjusted net income applicable to common shareholders[1] was $13.1 million or $0.05 per share and $20.9 million or $0.07 per share for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $0.5 million or $0.00 per share and $2.6 million or $0.01 per share for the prior year periods, respectively. The increase in adjusted net income applicable to common shareholders[1] in the current quarter primarily reflects higher adjusted EBITDA[1] and lower interest expense.

The Company reported net income of $8.1 million and $9.1 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to a net loss of $4.6 million and $52.7 million for the prior year periods.

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 September 30, 2024, June 30, 2024, and September 30, 2023 and the nine-month periods ended September 30, 2024 and September 30, 2023.

	For the three-month period ended			For the nine-month period ended	
	September 30, 2024	June 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
(in 000's for stated values)	**$**	$	$	**$**	$
Select metrics:					
Originations	**351,282**	310,933	360,609	**964,640**	994,877
Managed assets, period end (1)(2)	**5,522,202**	5,317,085	4,804,083	**5,522,202**	4,804,083
Managed assets, period average (1)(2)	**5,419,644**	5,265,945	4,758,760	**5,243,429**	4,635,431
Manufactured housing loans	**173,995**	175,549	141,894	**173,995**	141,894
Held-for-trading financial assets	**226,408**	285,258	290,385	**226,408**	290,385
Loan originations revenue	**31,424**	23,414	13,383	**70,576**	38,494
Servicing revenue	**15,318**	10,691	8,461	**34,767**	21,721
Interest income & other revenue	**9,251**	13,765	16,200	**41,312**	52,036
Total revenue	**55,993**	47,870	38,044	**146,655**	112,251
Adjusted operating results:					
Adjusted revenue(1)(3)					
Loan originations revenue(1)	**31,424**	23,414	18,076	**70,576**	55,717
Servicing revenue	**15,318**	10,691	8,461	**34,767**	21,721
Interest income & other revenue	**9,251**	13,765	16,200	**41,312**	52,036
Total adjusted revenue (1)(3)	**55,993**	47,870	42,737	**146,655**	129,474
Operating expenses	**21,984**	19,577	20,291	**62,700**	58,377
Adjusted EBITDA (1)	**34,009**	28,293	22,446	**83,955**	71,097
Interest and depreciation expense	**7,344**	8,072	14,554	**27,994**	42,296
Adjusted operating income before tax (1)	**26,665**	20,221	7,892	**55,961**	28,801

(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.
(3) Adjusted revenue is applicable to the comparative three and nine-month periods ended September 30, 2023. There were no adjustments to reported revenue for the current year periods.

Manufactured Housing Finance originations for the third quarter and nine-month periods ended September 30, 2024 were $351.3 million and $964.6 million, respectively, compared to $360.6 million and $994.9 million, in the prior year periods, which primarily reflects reduced land home and community and rental product originations, offset by strong growth in chattel loan volumes. Managed assets[1] were $5.5 billion as at September 30, 2024, which represents an increase of 14.9% compared to managed assets[1] of $4.8 billion in the prior year.

Traditionally, this segment is impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters.

Originations (US$ millions)								
Q3, 2022	Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023	Q1, 2024	Q2, 2024	Q3, 2024
381	323	286	348	361	374	302	311	351

Loan originations revenue for the third quarter and nine-month periods ended September 30, 2024 was $31.4 million and $70.6 million, respectively, compared to loan originations revenue of $13.4 million and $38.5 million and adjusted loan originations revenue[1] of $18.1 million and $55.7 million in the prior year periods, respectively. Loan originations revenue increased 73.8% and 26.7%, respectively, as compared to adjusted loan originations revenue[1] in the respective prior year periods, primarily reflecting improved origination margins as a result of more favorable product mix.

Servicing revenues for the third quarter and nine-month periods ended were $15.3 million and $34.8 million, respectively, compared to $8.5 million and $21.7 million in the prior year periods, primarily driven by the increase in period end managed assets[1], the impact of the estimated fair value of the retained servicing asset, and the timing of bulk portfolio sales and bulk portfolio sales on a servicing released basis.

Interest income and other revenue for the third quarter and nine-month periods ended September 30, 2024 was $9.3 million and $41.3 million, respectively, down 42.9% and 20.6% from the prior year periods, primarily as the result of lower average finance asset balances in 2024.

Operating expenses for the third quarter and nine-month periods ended September 30, 2024 were $22.0 million and $62.7 million, compared to $20.3 million and $58.4 million in the prior year periods, primarily as a result of elevated expenses related to entering into new retail loan and commercial funding agreements compared to the prior year period.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $34.0 million and $26.7 million, respectively, for the current quarter compared to $22.4 million and $7.9 million, respectively, for the prior year quarter. For the nine-month period ended September 30, 2024, adjusted EBITDA[1] and adjusted operating income before tax[1] were $84.0 million and $56.0 million, respectively, compared to $71.1 million and $28.8 million, respectively, for the prior year period.

Manufactured Housing Finance commercial (floorplan and rental) loans were $174.0 million as at September 30, 2024, compared to $175.5 million as at June 30, 2024 and $141.9 million as at September 30, 2023. 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. Rental loans strengthen ties with community groups by providing borrowers with an affordable alternative to homeownership.

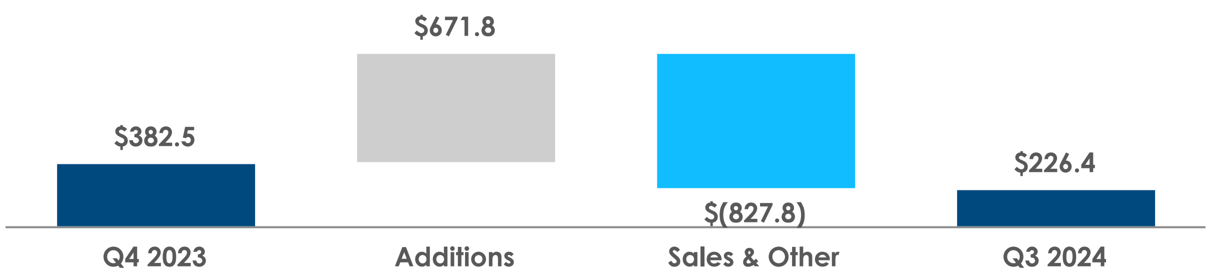
1. This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.

During the second quarter of 2024, Triad entered into an agreement with an institutional partner to flow and manage up to approximately $300 million of rental loans, which provides Triad the opportunity to continue to grow its expanded community business. This is another example of Triad's ability to launch and successfully convert a balance sheet program to an asset light flow program. This transaction is also consistent with ECN's strategy to 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.

Held-for-trading financial assets were $226.4 million as at September 30, 2024, compared to $285.3 million as at June 30, 2024 and $290.4 million as at September 30, 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 timing of bulk portfolio sales.

Held-for-Trading Financial Assets

(US$ millions)



Manufactured Housing Finance Segment 2024 Outlook

Based on the performance to date and the origination pipeline for the remainder of 2024, the Company maintains its previously updated 2024 outlook for the Manufactured Housing Finance Segment. Please see table below.

	2024 Forecast Range	
Select Metrics (US$ millions)		
Total originations	1,400	1,600
Floorplan line utilized	150	250
Managed & advised portfolio (period end)	5,900	6,200
Income Statement (US$ millions)		
Loan origination revenues[1]	95	105
Servicing revenues	34	36
Interest income & other revenue	52	56
Total revenue	181	197
Adjusted EBITDA [1]	106	118
Adjusted operating income before tax [1]	68	80

The Company is issuing its 2025 outlook for the Manufactured Housing Finance segment. Please see the table below.

	2025 Forecast Range	
Select Metrics (US$ millions)		
Total originations	1,700	1,900
Floorplan line utilized	150	250
Managed & advised portfolio (period end)	6,500	7,000
Income Statement (US$ millions)		
Loan origination revenues[1]	110	122
Servicing revenues	52	58
Interest income & other revenue	35	39
Total revenue	197	219
Adjusted EBITDA [1]	110	120
Adjusted operating income before tax [1]	78	90

The material factors and assumptions used to develop the forward-looking information related to the 2024 and 2025 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 and 2025.

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 September 30, 2024, June 30, 2024, and September 30, 2023 and the nine-month periods ended September 30, 2024 and September 30, 2023. Operating results from Paramount are included from August 31, 2024, the date of acquisition.

	For the three-month period ended			For the nine-month period ended	
	September 30, 2024	**June 30, 2024**	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
(in 000's for stated values)	**$**	$	$	**$**	$
Select Metrics					
Originations	**274,410**	311,561	210,928	**751,913**	663,674
Managed assets, period end (1)	**1,152,674**	—	—	**1,152,674**	—
RV and Marine financial assets	**77,889**	97,484	62,322	**77,889**	62,322
Operating results					
Originations revenue	**6,403**	7,262	4,875	**17,732**	15,765
Servicing revenue	**2,174**	—	—	**2,174**	—
Interest income & other revenue	**2,274**	2,132	1,516	**6,122**	3,048
Total revenue	**10,851**	9,394	6,391	**26,028**	18,813
Operating expenses	**5,757**	4,443	2,932	**14,027**	8,946
Adjusted EBITDA (1)	**5,094**	4,951	3,459	**12,001**	9,867
Interest and depreciation expense	**1,795**	1,791	1,148	**5,070**	2,501
Adjusted operating income before tax (1) - 100% basis	**3,299**	3,160	2,311	**6,931**	7,366
Non-controlling interest	**5**	—	—	**5**	—
Adjusted operating income before tax (1) - ECN share	**3,294**	3,160	2,311	**6,926**	7,366

(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 third quarter and nine-month periods ended September 30, 2024 were $274.4 million and $751.9 million, up 30.1% and 13.3%, respectively, from $210.9 million and $663.7 million in the prior year periods. Originations have increased in 2024 despite the continuing industry challenges and headwinds from the high rate environment as a result of ongoing growth initiatives, including sales network expansion and investments in technology and process improvements. Managed assets[1] of $1.2 billion include managed assets acquired with Paramount and RV and Marine finance assets serviced under an agreement with a new institutional Partner to flow and manage up to $250 million in RV and marine loans. With this program in place, and subsequent programs currently being negotiated, Source One expects to have significant opportunity to grow originations volume. This transaction is also consistent with ECN's strategy to actively diversify funding from deposit-taking institutions to large institutional Partners these arrangements result in a deeper pool of funding with longer-term commitments that support the growth of ECN's business.

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.

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.

Originations (US$ millions) [(1)]								
Q3, 2022	Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023	Q1, 2024	Q2, 2024	Q3, 2024
306	186	179	274	211	129	166	312	274

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

Loan originations revenue for the third quarter and nine-month periods ended September 30, 2024 were $6.4 million and $17.7 million, up 31.3% and 12.5%, respectively, from the prior year periods, which corresponds to the increase in origination volumes.

Servicing revenue for the third quarter and nine-month periods ended September 30, 2024 was $2.2 million up from nil in the prior year periods, driven by the acquisition of Paramount in the current quarter and the launch of a forward flow agreement with an institutional partner at Source One with servicing retained.

Interest income and other revenue for the third quarter and nine-month periods ended September 30, 2024 were $2.3 million and $6.1 million, up 50.0% and 100.9%, respectively, from the prior year periods, primarily driven by higher average finance asset balances.

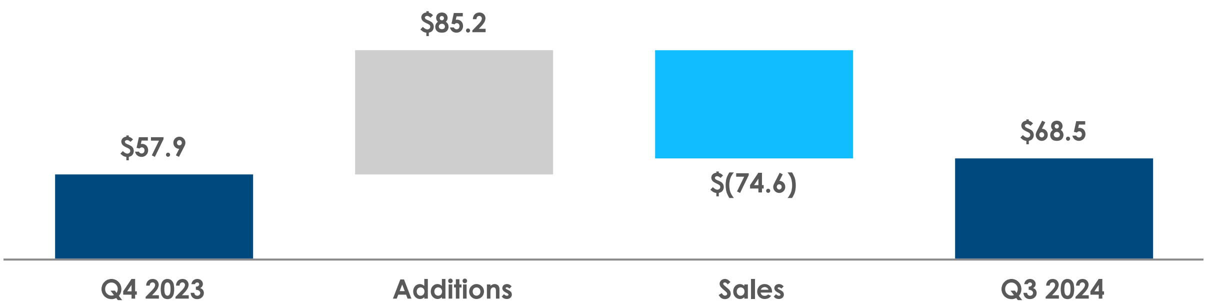
Operating expenses for the third quarter and nine-month periods ended September 30, 2024 were $5.8 million and $14.0 million, up 96.4% and 56.8%, respectively, from the prior year periods, reflecting the continued investment in growth initiatives, including sales network expansion and investments in technology and process improvements and the impact of the acquisition Paramount.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $5.1 million and $3.3 million, respectively, for the current quarter and $3.5 million and $2.3 million, respectively, for the prior year 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.

RV and Marine financial assets were $77.9 million as at September 30, 2024, compared to $97.5 million as at June 30, 2024 and $62.3 million as at September 30, 2023. RV and Marine financial assets primarily consist of loans that are originated with the intention of selling under bulk portfolio sales agreements or forward flow arrangements.

Held-for-Trading Financial Assets
(US$ millions)



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 Company is issuing its 2025 outlook for the RV and Marine Finance segment. Please see the table below.

	2025 Forecast Range	
Select Metrics (US$ millions)		
Total originations	1,200	1,400
Managed Assets	1,500	2,500
Income Statement (US$ millions)		
Loan origination revenues[1]	26	32
Servicing revenues	24	28
Interest income & other revenue	4	6
Total revenues	54	66
Adjusted EBITDA [1]	25	32
Adjusted operating income before tax [1] - 100% basis	18	28
Non-controlling interest	2	2
Adjusted operating income before tax [1] - ECN share	16	26

The material factors and assumptions used to develop the forward-looking information related to the 2024 and 2025 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 2025; 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 September 30, 2024, June 30, 2024, and September 30, 2023 and the nine-month periods ended September 30, 2024 and September 30, 2023.

	For the three-month period ended			For the nine-month period ended	
	September 30, 2024	June 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
(in 000's for stated values)	**$**	**$**	**$**		
Operating results					
Revenues	**(408)**	746	1,255	**1,369**	399
Operating expenses	**2,565**	2,476	3,100	**7,856**	9,447
Adjusted EBITDA (1)	**(2,973)**	(1,730)	(1,845)	**(6,487)**	(9,048)
Interest expense	**7,223**	6,837	5,382	**19,876**	16,991
Depreciation & amortization	**298**	304	648	**1,129**	1,756
Adjusted operating loss before tax (1)	**(10,494)**	(8,871)	(7,875)	**(27,492)**	(27,795)

(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 $(0.4) million and $1.4 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $1.3 million and $0.4 million for the prior year periods. Revenue primarily consists of gains/losses from corporate investments and gains/losses from foreign currency transactions and related hedge contracts.

Corporate operating expenses were $2.6 million and $7.9 million for the third quarter and nine-month periods ended September 30, 2024, respectively, compared to $3.1 million and $9.4 million for the prior year periods due to planned corporate operating expense reductions.

Corporate interest expense was $7.2 million for the current quarter, compared to $5.4 million for the comparable prior year 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 September 30, 2024, June 30, 2024 and September 30, 2023.

	September 30, 2024			
(in 000's for stated values, except percentage amounts)	**Manufactured Housing Finance** $	**RV & Marine Finance** $	**Corporate** $	**Total** $
Assets				
Cash	13,819	5,701	777	**20,297**
Restricted funds	7	1,873	—	**1,880**
Accounts Receivable	45,825	5,883	2,712	**54,420**
Finance assets				
Loans receivable	173,995	9,372	—	**183,367**
Held-for-trading financial assets	226,408	68,517	—	**294,925**
Total finance assets	400,403	77,889	—	**478,292**
Retained reserve interest	41,974	—	—	**41,974**
Continuing involvement asset	71,844	—	—	**71,844**
Goodwill and intangible assets	86,939	162,171	580	**249,690**
Deferred tax assets	3,788	—	2,454	**6,242**
Other assets and investments	22,590	5,372	50,564	**78,526**
Total Assets	**687,189**	**258,889**	**57,087**	**1,003,165**
Liabilities				
Borrowings	253,931	63,049	308,777	**625,757**
Continuing involvement liability	71,844	—	—	**71,844**
Other liabilities	23,562	10,649	55,932	**90,143**
Total Liabilities	349,337	73,698	364,709	**787,744**
Earning Assets - Owned and Managed				
Earning assets - owned (1)	400,403	77,889	—	**478,292**
Earning assets - managed (1)	5,522,202	1,152,674	—	**6,674,876**
Total Earning Assets - Owned and Managed (1)	**5,922,605**	**1,230,563**	**—**	**7,153,168**

(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.

Total finance assets were $478.3 million as at September 30, 2024 compared to $558.3 million as at June 30, 2024 and $494.6 million as at September 30, 2023. The decrease compared to the second quarter of 2024 primarily reflects a decrease in Manufactured Housing Finance and RV and Marine Finance held-for-trading financial assets.

Borrowings were $625.8 million as at September 30, 2024 compared to $723.8 million as at June 30, 2024 and $800.7 million as at September 30, 2023. The decrease compared to the preceding quarter primarily reflects net repayment activity during the quarter driven by proceeds from sales of finance assets.

Earning assets - managed[1] of $6.7 billion as at September 30, 2024 reflects managed loans of $5.5 billion at our Manufactured Housing Finance segment and $1.2 billion at our RV and Marine Finance segment.

	June 30, 2024			
	Manufactured Housing Finance	**RV & Marine Finance**	**Corporate**	**Total**
(in 000's for stated values, except percentage amounts)	$	$	$	**$**
Assets				
Cash	12,429	8,273	1,738	**22,440**
Restricted funds	301	—	—	**301**
Accounts Receivable	63,373	6,410	1,133	**70,916**
Finance assets				
Loans receivable	175,549	8,099	—	**183,648**
Held-for-trading financial assets	285,258	89,385	—	**374,643**
Total finance assets	460,807	97,484	—	**558,291**
Retained reserve interest asset	41,240	—	—	**41,240**
Continuing involvement asset	70,203	—	—	**70,203**
Goodwill and intangible assets	80,104	153,941	648	**234,693**
Deferred tax assets	6,357	—	1,946	**8,303**
Other assets and investments	22,212	3,299	55,367	**80,878**
Total Assets	**757,026**	**269,407**	**60,832**	**1,087,265**
Liabilities				
Borrowings	325,852	82,653	315,259	**723,764**
Continuing involvement liability	70,203	—	—	**70,203**
Other liabilities	19,542	13,837	58,940	**92,319**
Total Liabilities	415,597	96,490	374,199	**886,286**
Earning Assets - Owned and Managed				
Earning assets - owned (1)	460,807	97,484	—	**558,291**
Earning assets - managed (1)	5,317,085	—	—	**5,317,085**
Total Earning Assets - Owned and Managed (1)	**5,777,892**	**97,484**	**—**	**5,875,376**

(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.

	September 30, 2023			
	Manufactured Housing Finance	RV & Marine Finance	Corporate	Total
(in 000's for stated values, except percentage amounts)	$	$	$	
Assets				
Cash	10,588	11,588	1,574	**23,750**
Restricted funds	—	2,576	—	**2,576**
Accounts Receivable	136,719	3,671	1,969	**142,359**
Finance assets				
Loans receivable	141,894	9,523	—	**151,417**
Held-for-trading financial assets	290,385	52,799	—	**343,184**
Total finance assets	432,279	62,322	—	**494,601**
Retained reserve interest	37,756	—	—	**37,756**
Continuing involvement asset	55,743	—	—	**55,743**
Goodwill and intangible assets	75,296	157,545	711	**233,552**
Deferred tax assets	5,229	—	18,149	**23,378**
Other assets and investments	21,184	2,892	55,430	**79,506**
Assets held-for-sale	140,254	—	—	**140,254**
Total Assets	**915,048**	**240,594**	**77,833**	**1,233,475**
Liabilities				
Borrowings	624,831	52,402	123,453	**800,686**
Continuing involvement liability	55,743	—	—	**55,743**
Other liabilities	19,621	16,510	77,292	**113,423**
Total Liabilities	700,195	68,912	200,745	**969,852**
Earning Assets - Owned and Managed				
Earning assets - owned [(1)]	432,279	62,322	—	**494,601**
Earning assets - managed [(1)]	4,804,083	—	—	**4,804,083**
Total Earning Assets - Owned and Managed [(1)]	**5,236,362**	**62,322**	**—**	**5,298,684**

(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:

	September 30, 2024		June 30, 2024		September 30, 2023	
	$	%	$	%	$	%
Current	**181,855**	**98.87**	183,351	99.64	151,479	99.62
31-60 days past due	**89**	**0.05**	—	—	—	—
61-90 days past due	**—**	**—**	—	—	—	—
Greater than 90 days past due	**1,995**	**1.08**	667	0.36	1,279	0.84
Total investment	**183,939**	**100**	184,018	100	152,758	100

Allowance for Credit Losses

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

	Three-month period ended September 30, 2024	**Three-month period ended December 31, 2023**	**Three-month period ended September 30, 2023**
(in 000's except percentage amounts)	$	$	$
Allowance for credit losses, beginning of period	**371**	1,341	1,467
Provision for credit losses	**201**	143	281
Transfer to assets held-for-sale	**—**	—	(407)
Allowance for credit losses, end of period	**572**	1,484	1,341

The Company's allowance for credit losses was $0.6 million as at September 30, 2024, compared to $1.5 million as at December 31, 2023. The allowance for credit losses of $0.6 million as at September 30, 2024 is in line with management's expectation of losses from the business segments and the current mix of assets.

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	
		September 30, 2024	June 30, 2024	September 30, 2023
(in 000's for stated values, except for percentage amounts)		**$**	$	$
Total debt, including borrowings on term senior credit facility, senior unsecured debentures and other	**(a)**	**625,757**	723,764	800,686
Total equity	**(b)**	**215,421**	200,979	263,623
Debt to equity ratio	**(a)/(b)**	**2.90**	3.60	3.04

As at September 30, 2024, the Company's debt to equity ratio was 2.90:1.

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	
	September 30, 2024	June 30, 2024	September 30, 2023
(in 000's)	**$**	$	$
Cash and cash equivalents	**20,297**	22,440	23,750
Senior Facilities			
Facilities	**800,000**	800,000	900,000
Utilized against Facility	**440,283**	574,000	653,000
Unutilized Borrowing Facilities (i.e., excl. Cash & Equiv.)	**359,717**	226,000	247,000
Total available sources of capital, end of period	**380,014**	248,440	270,750

As at September 30, 2024, the unutilized balance of the borrowing facility was approximately $359.7 million compared to $226.0 million at June 30, 2024 and $247.0 million at September 30, 2023. This $359.7 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.

On October 22, 2024, the Company executed an extension of its term senior credit facility which provides for an aggregate of $770 million in revolving funding through October 22, 2027.

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

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 September 30, 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 Paramount on August 31, 2024.

(in $ 000's for stated values, except ratio and per share amounts)	**Q3, 2024**	Q2, 2024	Q1, 2024	Q4, 2023	Q3, 2023	Q2, 2023	Q1, 2023	Q4, 2022
Adjusted operating income before tax [1]	**19,470**	14,510	1,420	(14,333)	2,328	2,566	3,478	6,804
Amortization of intangibles	**1,956**	1,917	1,897	1,894	1,901	1,897	1,887	1,870
Accretion of deferred purchase consideration	**5**	129	129	128	128	128	128	128
Share based compensation	**4,091**	3,074	3,075	4,609	4,825	2,138	4,660	3,489
Asset disposal, litigation and corporate restructure costs	**—**	—	—	4,372	975	7,303	11,361	3,044
Transaction, corporate development and other costs	**2,374**	—	2,069	4,240	2,464	2,150	2,666	321
Fair value adjustment	**—**	—	—	14,612	4,693	12,530	—	—
Provision for assets held-for-sale	**—**	—	—	—	4,000	—	—	—
Net income (loss) before income taxes	**11,044**	9,390	(5,750)	(44,188)	(16,658)	(23,580)	(17,224)	(2,048)
Net income (loss) from continuing operations	**8,149**	8,164	(7,172)	(54,051)	(4,574)	(28,630)	(19,522)	(5,596)
Net loss from discontinued operations	**—**		—	—	—	—	—	(944)
Net income (loss) - 100% basis	**8,149**	8,164	(7,172)	(54,051)	(4,574)	(28,630)	(19,522)	(6,540)
Non-controlling interest	**5**	—	—	—	—	—	—	—
Net income (loss) - ECN share	**8,144**	8,164	(7,172)	(54,051)	(4,574)	(28,630)	(19,522)	(6,540)
Earnings (loss) per share (basic) - continuing operations attributable to common shareholders	**$0.02**	$0.02	($0.03)	($0.20)	($0.02)	($0.12)	($0.09)	($0.03)
Adjusted net income (loss) [1] - ECN share	**14,404**	10,737	1,051	(11,467)	1,862	2,053	2,782	5,443
Adjusted net income (loss) per share (basic) [1] - ECN share	**$0.05**	$0.04	$—	($0.04)	$0.01	$0.01	$0.01	$0.02
Adjusted net income (loss) applicable to common shareholders per share (basic) [1] - ECN share	**$0.05**	$0.03	$—	($0.05)	$0.00	$0.00	$0.01	$0.02
Originations	**625,692**	622,494	468,367	503,089	571,537	621,958	465,056	506,844
Period end earning assets - owned	**478,292**	558,291	501,732	598,225	494,601	625,952	701,442	700,509
Period end earning assets - managed	**6,674,876**	5,317,085	5,214,804	4,919,623	4,804,083	4,713,436	4,669,984	4,354,221
Period end earning assets - total	**7,153,168**	5,875,376	5,716,536	5,517,848	5,298,684	5,339,388	5,371,426	5,054,730
Allowance for credit losses	**572**	371	335	1,484	1,341	1,467	1,064	1,066
Allowance % of finance receivables [1]	**0.12 %**	0.07 %	0.07 %	0.25 %	0.27 %	0.23 %	0.15 %	0.15 %
Term senior credit facility & other	**465,653**	565,936	472,188	738,328	642,932	795,254	873,427	851,235
Senior unsecured debentures	**160,104**	157,828	159,071	162,271	157,754	161,440	157,627	156,763
Total debt	**625,757**	723,764	631,259	900,599	800,686	956,694	1,031,054	1,007,998
Total equity	**215,421**	200,979	197,777	209,488	263,623	141,133	172,050	193,675

(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), 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 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), 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 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), 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 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 September 30, 2024, June 30, 2024, and September 30, 2023 and the nine-month periods ended September 30, 2024 and September 30, 2023.

	For the three-month period ended			For the nine-month period ended	
	September 30, 2024	June 30, 2024	Septembe r 30, 2023	**September 30, 2024**	Septembe r 30, 2023
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Reconciliation of adjusted operating income before tax:					
Net income (loss)	**8,149**	8,164	(4,574)	**9,141**	(52,726)
Adjustments:					
Share-based compensation	**4,091**	3,074	4,825	**10,240**	11,623
Amortization of intangible assets	**1,956**	1,917	1,901	**5,770**	5,685
Accretion of deferred purchase consideration	**5**	129	128	**263**	384
Asset disposal, litigation and corporate restructure costs	**—**	—	975	**—**	19,639
Provision for assets held-for-sale	**—**	—	4,000	**—**	4,000
Transaction, corporate development and other costs	**2,374**	—	2,464	**4,443**	7,280
Fair value adjustment	**—**	—	4,693	**—**	17,223
Provision for income taxes	**2,895**	1,226	(12,084)	**5,543**	(4,736)
Adjusted operating income before tax	**19,470**	14,510	2,328	**35,400**	8,372
Non-controlling interest	**5**	—	—	**5**	—
Adjusted operating income before tax - ECN share	**19,465**	14,510	2,328	**35,395**	8,372
Adjusted operating income before tax comprised of:					
Manufactured Housing Finance Segment	**26,665**	20,221	7,892	**55,961**	28,801
RV and Marine Finance Segment	**3,294**	3,160	2,311	**6,926**	7,366
Corporate	**(10,494)**	(8,871)	(7,875)	**(27,492)**	(27,795)
	19,465	14,510	2,328	**35,395**	8,372
Reconciliation of adjusted EBITDA:					
Adjusted operating income before tax	**19,470**	14,510	2,328	**35,400**	8,372
Interest expense	**14,202**	14,944	19,727	**47,384**	58,089
Depreciation & amortization	**2,458**	2,060	2,005	**6,685**	5,455
Adjusted EBITDA	**36,130**	31,514	24,060	**89,469**	71,916
Reconciliation of adjusted revenue:					
Total revenue	**66,436**	58,010	45,690	**174,052**	131,463
Fair value adjustment	**—**	—	4,693	**—**	17,223
Adjusted revenue	**66,436**	58,010	50,383	**174,052**	148,686
Reconciliation of adjusted net income - ECN share and adjusted net income attributable to common shareholders:					
Adjusted operating income before tax - ECN share	**19,465**	14,510	2,328	**35,395**	8,372
Provision for taxes applicable to adjusted operating income (1)	**5,061**	3,773	466	**9,203**	1,674
Adjusted net income - ECN share	**14,404**	10,737	1,862	**26,192**	6,698
Cumulative preferred share dividends during the period	**1,354**	2,553	1,378	**5,277**	4,126
Adjusted net income attributable to common shareholders - ECN share	**13,050**	8,184	484	**20,915**	2,572
Per share information					
Weighted average number of shares outstanding (basic)	**281,120**	281,014	247,008	**280,695**	246,038
Adjusted net income per share (basic) - ECN share	**$0.05**	$0.04	$0.01	**$0.09**	$0.03
Adjusted net income applicable to common shareholders per share (basic) - ECN share	**$0.05**	$0.03	$—	**$0.07**	$0.01

(1) Provision for taxes applicable to adjusted operating income reflects an effective tax rate of 26.0% for the three-month periods ended September 30, 2024 and June 30, 2024 and the nine-month period ended September 30, 2024, and 20.% for the three and nine-month periods ended September 30, 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 November 7, 2024, the Company had 281,120,223 common shares, 19,066,381 options, 3,712,400 Series C preferred shares, and 27,450,000 Series E preferred shares issued and outstanding.

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