ECN CAPITAL

Management Discussion & Analysis

DECEMBER 31, 2024

The following management discussion and analysis ("MD&A") provides information management believes is relevant to an assessment and understanding of the financial condition and results of operations of ECN Capital Corp. (the "Company" or "ECN Capital") as at and for the three months and year ended December 31, 2024, in comparison to the corresponding prior year periods and should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended December 31, 2024, (the "2024 Annual Consolidated Financial Statements") and December 31, 2023 (the "2023 Annual Consolidated Financial Statements"). Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR+ at www.sedarplus.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 MD&A has been prepared taking into consideration information available to February 27, 2025. 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. ECN Capital believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

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. Such risks and uncertainties include, but are not limited to, operating performance, regulatory and government decisions, competitive pressures and the ability to retain major customers, rapid technological changes, availability and cost of financing, impacts of weather and natural disasters, availability of labor and management resources, the performance of Partners, contractors and suppliers.

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.

This MD&A and, in particular the information in respect of ECN Capital's prospective originations, revenues, managed and advised portfolio, income, adjusted EBITDA, adjusted operating income before tax, and adjusted operating income before tax - ECN share may contain future oriented financial information ("FOFI") within the meaning of applicable securities laws. Such FOFI has been prepared by management to provide an outlook on ECN Capital's proposed activities and potential results and may not be appropriate for other purposes. The FOFI has been prepared based on a number of assumptions, including the assumptions discussed above, and assumptions with respect to expected originations volumes, including the ability to grow such originations in each of our business segments; 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 funding pipeline commitments from Partners required to meet our anticipated originations levels; continued competitive intensity in the segments in which we *operate; 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; and that the roll-out of anticipated floorplan (including the joint venture with Champion Homes, Inc.) and other products across the recreational vehicle and marine financing businesses continues on their expected timing and progress. ECN Capital and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments; however, the actual results of operations of ECN Capital and the resulting financial results may vary from the amounts set forth herein and such variations may be material. FOFI contained in this MD&A was made as of the date of this MD&A and ECN Capital disclaims any intention or obligation to update or revise any FOFI contained in MD&A analysis, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law.*

Table of Contents

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 recreational vehicle ("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 690 employees and operates principally in the United States. ECN Capital is a reporting issuer in each of the Provinces of Canada. ECN Capital's common shares commenced trading on the Toronto Stock Exchange (the "TSX") under the ticker symbol "ECN" on October 4, 2016.

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 operating 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 Servicing Holdings, LLC. (formerly Paramount Capital Holdings, LLC.) ("Paramount Servicing Holdings"), which operates Paramount Servicing Group ("Paramount") (collectively with, Source One, IFG and Paramount comprise our RV and Marine Finance business segment). ECN Capital has managed assets[1] of approximately $6.9 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 and rental loans to community groups. 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, IFG originates prime and super-prime loans to consumers to facilitate the purchase of recreational and marine vehicles and is headquartered in Vero Beach, Florida.

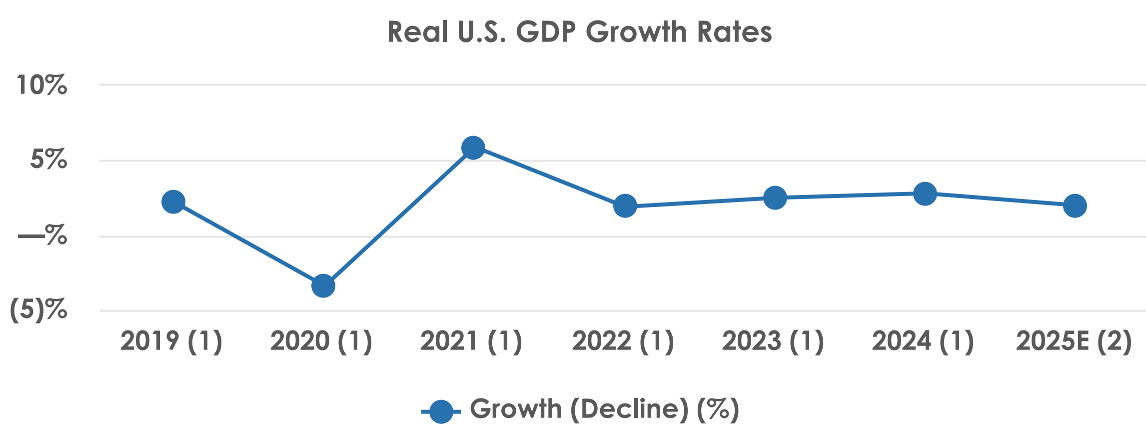
Paramount Servicing Group

Founded in 1997, Paramount 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 able to support all facets of consumer loan and installment contract servicing in 50 states. As such, Paramount services a large and diverse set of consumer loans and is an approved servicer by the Kroll Bond Rating Agency. Paramount Servicing Group is headquartered in King of Prussia, Pennsylvania.

Market Outlook

The Company's ability to generate earnings and operating cash flow is dependent on the general economic performance of the U.S. economy and, in particular, the financial condition and credit performance of U.S. consumers. The predictions and forecasts in this section are based on information and assumptions from sources we consider reliable. Actual economic outcomes may differ materially from the outlook presented in this section.

During 2024, the U.S. economy continued to grow with GDP increasing 2.8% compared to 2.9% in 2023. Overall 2024 growth was driven by a strong labor market and moderating inflation, with consumer spending trends outpacing income growth, despite higher interest rates. Economic growth decelerated in the fourth quarter of 2024 to an annual rate of 2.3%. Based on current consensus estimates, the U.S. economy is expected to grow by approximately 2.3% in 2025, assuming continued labor market strength, stable inflation and potential Federal Reserve interest rate cuts in the latter half of the year. Uncertainty remains around the impacts of governmental policy and fiscal policy on inflation and interest rates. However, we remain confident in the strength and resilience of our business segments and the credit quality of our target prime and super-prime borrowers.

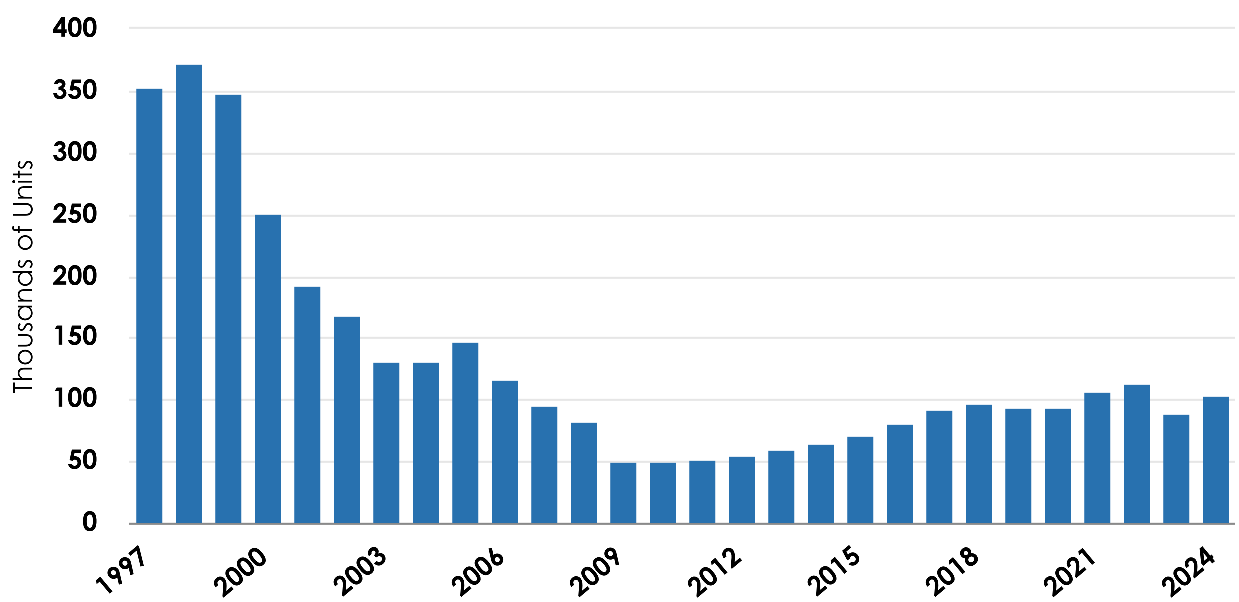


(1) Source: U.S. Bureau of Economic Analysis
(2) Source: The Conference Board

Manufactured Housing Market

Shipments of manufactured homes were up 15.8% to 103,288 year-to-date as of December 31, 2024. Demand remains strong as affordability is a key driving factor for many home buyers. Manufactured homes are also built in a controlled environment to the latest U.S. Department of Housing and Urban Development standards, and as a result manufactured homes shipped today have a useful life of over 55 years. Manufactured homes offer an affordable and durable solution to home ownership. Triad continues to be positioned to benefit from the long-term growth the industry will deliver as an affordable housing solution.

Shipments of New Manufactured Homes: 1997 - 2024 (1)

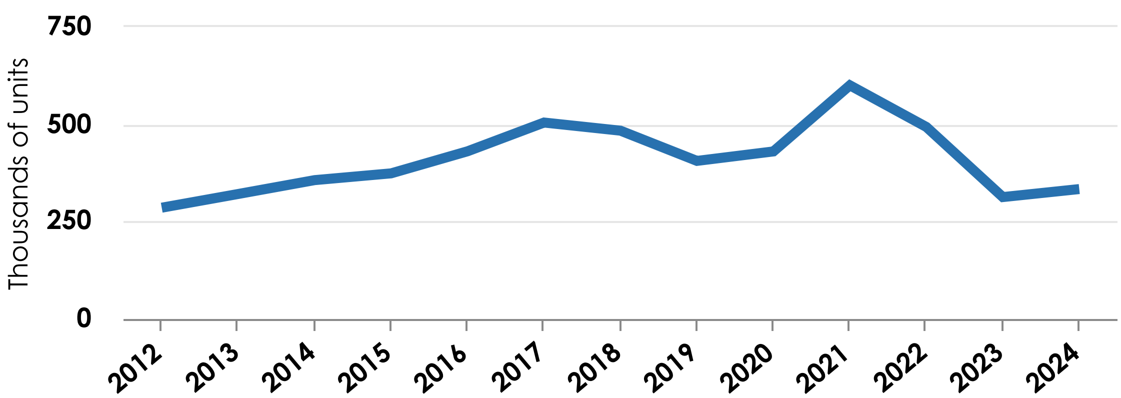


(1) Source: United States Census Bureau

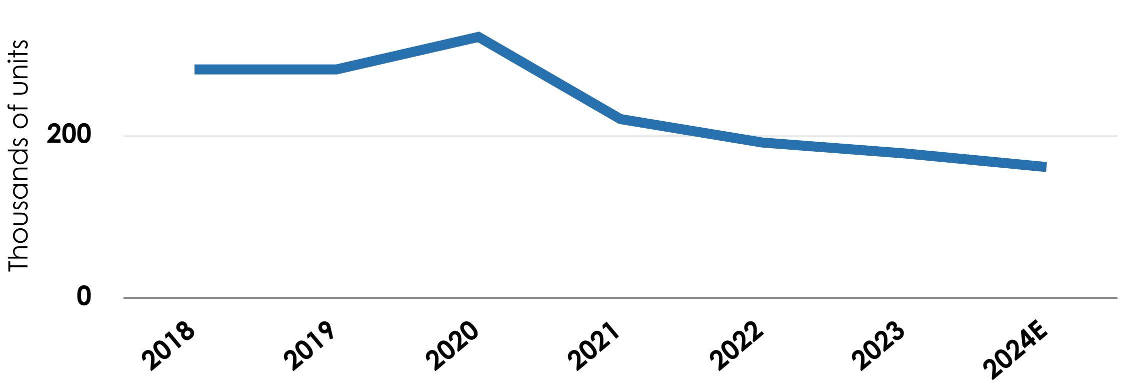
Recreational Vehicle and Marine Market

Consumer interest in recreational and marine vehicles remains healthy, as evidenced by strong tradeshow attendance. Heading into 2025, consumers have adjusted to a higher interest rate environment. RV inventory and backlog levels have normalized, while marine inventory levels continue to normalize as most supply chain issues have been corrected. 2024 wholesale shipments of RV's were 333,733, up 6.6% from 2023 as manufacturers adjusted production after several years of heightened activity. 2024 U.S. retail sales of new powerboats declined by 9.5% year-over-year, reflecting ongoing market normalization after pandemic-driven demand surges and the impact of inflation and rising interest rates. However, 2024 is anticipated to show signs of return to growth driven by innovative new products, changes in U.S. economic policies and consistent consumer demand. Source One and IFG remain well positioned for growth.

Wholesale Shipments of Recreational Vehicles: 2012 - 2024 [1]



U.S. New Powerboat Retail Unit Sales: 2017 - 2023 [2]



(1) Source: RV Industry Association

(2) Source: National Marine Manufacturers Association

Key Business Developments

Information related to the developments in support of the Company's business strategy for the year ended December 31, 2024 are outlined below.

MAJORITY ACQUISITION OF PARAMOUNT SERVICING GROUP

On August 31, 2024, the Company acquired a 54% majority interest in Paramount Servicing Holdings, LLC, which operates Paramount Servicing Group, ("Paramount") a consumer loan servicing company, for total consideration of $4.6 million, including cash consideration of $4.2 million and deferred contingent consideration of $0.5 million. This majority 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 years ended December 31, 2024 and December 31, 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 are to be read in conjunction with the Company's consolidated financial statements for the same periods.

	For the three-month period ended			For the year ended	
	December 31, 2024	September 30, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
(in 000's for stated values, except per share amounts)	**$**	$	$	**$**	$
Select metrics:					
Originations	**547,576**	625,692	503,089	**2,264,129**	2,161,640
Average earning assets - Owned (1)	**445,634**	518,292	546,413	**509,903**	624,146
Average earning assets - Managed (1)	**6,771,878**	6,223,227	4,861,853	**5,895,529**	4,692,269
Period end earning assets - Owned (1)	**412,975**	478,292	598,225	**412,975**	598,225
Period end earning assets - Managed (1)	**6,868,879**	6,674,876	4,919,623	**6,868,879**	4,919,623
Operating results:					
Loan origination revenues	**23,753**	37,827	2,764	**112,061**	57,023
Servicing revenues	**16,181**	17,492	6,066	**53,122**	27,787
Interest income	**10,181**	11,039	18,021	**55,435**	74,156
Other revenue	**5,075**	78	(1,259)	**8,624**	(1,911)
Total revenue	**55,190**	66,436	25,592	**229,242**	157,055
Operating expenses	**31,122**	30,306	34,689	**115,705**	111,459
Interest expense	**12,192**	14,202	18,057	**59,576**	76,146
Depreciation & amortization	**2,669**	2,458	1,791	**9,354**	7,246
Other expenses:					
Share-based compensation	**3,043**	4,091	4,609	**13,283**	16,232
Amortization of intangible assets from acquisitions	**2,020**	1,956	1,894	**7,790**	7,579
Accretion of deferred purchase consideration	**10**	5	128	**273**	512
Asset disposal, litigation costs and corporate restructure costs	**—**	—	4,372	**—**	24,011
Provision for assets held-for-sale	**—**	—	—	**—**	4,000
Transaction, corporate development and other costs	**2,741**	2,374	4,240	**7,184**	11,520
Net income (loss) before income taxes	**1,393**	11,044	(44,188)	**16,077**	(101,650)
Provision for income taxes	**2,903**	2,895	9,863	**8,446**	5,127
Net (loss) income for the period - 100% basis	**(1,510)**	8,149	(54,051)	**7,631**	(106,777)
Non-controlling interest	**1**	5	—	**6**	—
Net (loss) income for the period - ECN share	**(1,511)**	8,144	(54,051)	**7,625**	(106,777)
Cumulative dividends on preferred shares	**2,436**	1,354	1,998	**7,713**	6,124
Net (loss) income for the period attributable to common shareholders	**(3,947)**	6,790	(56,049)	**(88)**	(112,901)
Weighted Average number of shares outstanding (basic)	**281,132**	281,120	279,947	**280,805**	254,702
(Loss) earnings per share (basic) - attributable to common shareholders	**$(0.01)**	$0.02	$(0.20)	**$—**	$(0.44)

(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 year ended	
	December 31, 2024	September 30, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
(in 000's for stated values, except per share amounts)	$	$	$	$	$
Adjusted operating results:					
Adjusted revenue [1][2]					
Loan originations revenue	**23,753**	37,827	17,376	**112,061**	88,858
Servicing revenue	**16,181**	17,492	6,066	**53,122**	27,787
Interest income	**10,181**	11,039	18,021	**55,435**	74,156
Other revenue	**5,075**	78	(1,259)	**8,624**	(1,911)
Total adjusted revenue [1][2]	**55,190**	66,436	40,204	**229,242**	188,890
Operating expenses	**31,122**	30,306	34,689	**115,705**	111,459
Adjusted EBITDA [1]	**24,068**	36,130	5,515	**113,537**	77,431
Interest expense	**12,192**	14,202	18,057	**59,576**	76,146
Depreciation & amortization	**2,669**	2,458	1,791	**9,354**	7,246
Adjusted operating income (loss) before tax [1] - 100% basis	**9,207**	19,470	(14,333)	**44,607**	(5,961)
Non-controlling interest	**1**	5	—	**6**	—
Adjusted operating income (loss) before tax [1] - ECN share	**9,206**	19,465	(14,333)	**44,601**	(5,961)
Adjusted net income (loss) [1] - ECN share	**6,812**	14,404	(11,467)	**33,005**	(4,769)
Adjusted net income (loss) applicable to common shareholders [1] - ECN share	**4,376**	13,050	(13,465)	**25,292**	(10,893)
Adjusted net income (loss)per share (basic) [1] - ECN share	**$0.02**	$0.05	$(0.04)	**$0.12**	$(0.02)
Adjusted net income (loss) applicable to common shareholders per share (basic) [1] - ECN share	**$0.02**	$0.05	$(0.05)	**$0.09**	$(0.04)

(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 three-month period and year ended December 31, 2023. There were no adjustments to reported revenue for the three months and year ended December 31, 2024.

The following discussion relates to the results of operations for the three months ended December 31, 2024.

Q4 2024 vs Q4 2023

The Company reported total revenue of $55.2 million for the quarter ended December 31, 2024, up from both total revenue of $25.6 million and total adjusted revenue[1] of $40.2 million in the prior year periods, respectively, primarily reflecting higher loan origination, servicing revenues and other revenue, partially offset by lower interest income. Loan origination revenues increased by $6.4 million, when compared to adjusted loan originations revenue[1] in the respective prior year period, 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 revenue for the quarter ended December 31, 2024 was $16.2 million, up from $6.1 million in the prior year period, which was primarily driven by the increase in Manufactured Housing Finance managed assets[1], which increased 13.0% to $5.6 billion, the impact of the acquisition of a majority interest in Paramount and servicing retained on RV and Marine Finance forward flow sales. Servicing revenues are 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 the result of lower overall on-balance sheet finance receivables in 2024.

The table below illustrates the Company's operating expenses for the fourth quarter and year ended December 31, 2024 and December 31, 2023:

	For the three-month period ended		**For the year ended**	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
(in 000's for stated values)	**$**	$	**$**	$
Manufactured Housing Finance	**21,686**	26,546	**84,386**	84,923
RV and Marine Finance	**6,871**	2,908	**20,898**	11,854
Business segment operating expenses	**28,557**	29,454	**105,284**	96,777
Corporate operating expenses	**2,565**	5,235	**10,421**	14,682
Total operating expenses	**31,122**	34,689	**115,705**	111,459

Operating expenses were $31.1 million for the three months ended December 31, 2024, compared to $34.7 million in the prior year period. The comparative period decrease in Manufactured Housing Finance operating expenses primarily reflects improvements in origination processes and operational efficiencies. The increase in RV and Marine Finance operating expenses primarily reflects the continued investment in growth and operational improvement initiatives, the growth in managed assets, and the acquisition of a majority interest in Paramount. Corporate operating expenses were $2.6 million for the three months ended December 31, 2024 compared to $5.2 million in the prior year quarter, reflecting planned corporate operating expense reductions.

Interest expense decreased to $12.2 million for the quarter ended December 31, 2024, compared to $18.1 million in the prior year quarter, primarily due to lower average borrowings in 2024.

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

Depreciation and amortization expense was $2.7 million for the quarter ended December 31, 2024, compared to $1.8 million in the prior year quarter.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $7.8 million for the quarter ended December 31, 2024, compared to $15.2 million in the prior year quarter. Share-based compensation expense was $3.0 million for the quarter ended December 31, 2024, compared to $4.6 million for the prior year quarter. Other expenses for the quarter ended December 31, 2024 include transaction, corporate development and other costs of $2.7 million related to business development initiatives. These initiatives strengthen and diversify the business segments.

Adjusted EBITDA[1] was $24.1 million for the quarter ended December 31, 2024, compared to $5.5 million in the prior year quarter. The increase in adjusted EBITDA[1] primarily reflects higher overall revenue at our business segments. Adjusted net income applicable to common shareholders[1] was $4.4 million or $0.02 per share for the quarter ended December 31, 2024, compared to loss of $13.5 million or $(0.05) per share for the prior year quarter. The increase in adjusted net income applicable to common shareholders[1] for the three months ended December 31, 2024 primarily reflects higher adjusted EBITDA[1] and lower interest expense.

Provision for income taxes of $2.9 million for the quarter ended December 31, 2024 was impacted by approximately $5.2 million of interest and penalties resulting from amended prior year state tax returns.

The Company reported a net loss of $1.5 million for the quarter ended December 31, 2024, compared to a net loss of $54.1 million 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.

The following discussion relates to the results of operations for the year ended December 31, 2024.

2024 vs 2023

The Company reported total revenue of $229.2 million for the year ended December 31, 2024, up from both total revenue of $157.1 million and total adjusted revenue[1] of $188.9 million in the prior year, primarily reflecting higher loan origination, servicing revenues and other revenue, partially offset by lower interest income. Loan origination revenues increased by $23.2 million when compared to adjusted loan originations revenue[1] in the prior year, primarily due to higher origination revenue margins. Servicing revenue for the year ended December 31, 2024 was $53.1 million, up from $27.8 million in the prior year, which was primarily driven by the increase in Manufactured Housing Finance managed assets[1], which increased 13.0% to $5.6 billion, the acquisition of a majority interest in Paramount and servicing retained on RV and Marine Finance forward flow sales. Servicing revenues are 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 the result of lower overall on-balance sheet finance receivables in 2024.

Operating expenses were $115.7 million for the year ended December 31, 2024, compared to $111.5 million for the prior year, which primarily reflects an increase in operating expenses at our RV and Marine Finance segment. RV and Marine Finance operating expenses increased as a result of the continued investment in growth and operational improvement initiatives, the growth in managed assets and the acquisition of a majority interest in Paramount. This increase was partially offset by a decrease in operating expenses in our Corporate segment, reflecting planned corporate operating expense reductions.

Interest expense was $59.6 million for the year ended December 31, 2024, compared to $76.1 million in the prior year. The decrease in interest expense is primarily due to lower average borrowings in 2024. Total average borrowings on the term senior credit facility for the year ended December 31, 2024 were $573.8 million compared to $802.7 million in the prior year.

Depreciation and amortization expense was $9.4 million for the year ended December 31, 2024, compared to $7.2 million in the prior year.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $28.5 million for the year ended December 31, 2024 compared to $63.9 million in the prior year. Share-based compensation expense was $13.3 million for the year ended December 31, 2024, compared to $16.2 million for the prior year. Other expenses for the year ended December 31, 2024 also included transaction, corporate development and other costs of $7.2 million primarily related to the acquisition of a majority interest in Paramount and the acquisition of First Approval Source, LLC, business development initiatives and the Company's review of strategic alternatives, which was completed in the first quarter of 2024. These initiatives strengthen and diversify the business segments and executed on the Company's strategic objective to establish servicing capabilities for its RV and Marine Finance segment.

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.

Adjusted EBITDA[1] was $113.5 million for the year ended December 31, 2024, compared to $77.4 million in the prior year. The increase in adjusted EBITDA[1] primarily reflects higher overall revenue at our business segments. Adjusted net income applicable to common shareholders[1] was $25.3 million or $0.09 per share for the year ended December 31, 2024, compared to net loss of $10.9 million or $(0.04) per share for the prior year. The increase in adjusted net income applicable to common shareholders[1] for the year ended December 31, 2024 primarily reflects higher adjusted EBITDA[1] and lower interest expense.

Provision for income taxes of $8.4 million for the year ended December 31, 2024 was impacted by approximately $5.2 million of interest and penalties resulting from amended prior year state tax returns.

The Company reported net income of $7.6 million for the year ended December 31, 2024, compared to a net loss of $106.8 million for the prior year.

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 December 31, 2024, September 30, 2024, and December 31, 2023 and the years ended December 31, 2024 and December 31, 2023.

	For the three-month period ended			For the year ended	
	December 31, 2024	September 30, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
(in 000's for stated values)	**$**	$	$	**$**	$
Select metrics:					
Originations	**348,516**	351,282	373,817	**1,313,156**	1,368,694
Managed assets, period end (1)(2)	**5,558,080**	5,522,202	4,919,623	**5,558,080**	4,919,623
Managed assets, period average (1)(2)	**5,540,141**	5,419,644	4,861,853	**5,306,359**	4,692,269
Manufactured housing loans	**186,146**	173,995	148,212	**186,146**	148,212
Held-for-trading financial assets	**143,960**	226,408	382,478	**143,960**	382,478
Loan originations revenue	**19,840**	31,424	23	**90,416**	38,517
Servicing revenue	**13,259**	15,318	6,066	**48,026**	27,787
Interest income & other revenue	**12,275**	9,251	16,233	**53,587**	68,269
Total revenue	**45,374**	55,993	22,322	**192,029**	134,573
Adjusted operating results:					
Adjusted revenue(1)(3)					
Loan originations revenue(1)	**19,840**	31,424	14,635	**90,416**	70,352
Servicing revenue	**13,259**	15,318	6,066	**48,026**	27,787
Interest income & other revenue	**12,275**	9,251	16,233	**53,587**	68,269
Total adjusted revenue (1)(3)	**45,374**	55,993	36,934	**192,029**	166,408
Operating expenses	**21,686**	21,984	26,546	**84,386**	84,923
Adjusted EBITDA (1)	**23,688**	34,009	10,388	**107,643**	81,485
Interest and depreciation expense	**6,501**	7,344	9,992	**34,495**	52,288
Adjusted operating income before tax (1)	**17,187**	26,665	396	**73,148**	29,197

(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 three-month period and year ended December 31, 2023. There were no adjustments to reported revenue for the three months and year ended December 31, 2024.

Manufactured Housing Finance originations for the fourth quarter and year ended December 31, 2024 were $348.5 million and $1.3 billion, respectively, compared to $373.8 million and $1.4 billion, in the prior year periods, which primarily reflects reduced land home and community and rental product originations, offset by growth in chattel loan volumes.

Managed assets[1] were $5.6 billion as at December 31, 2024, which represents an increase of 13.0% compared to managed assets[1] of $4.9 billion in the prior year. The growth in Manufactured Housing Finance managed assets[1] provides stable, recurring revenue and fosters deeper Partner relationships.

Traditionally, this segment is impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters. Originations for the fourth quarter ended December 31, 2024 were impacted by flooding and other severe weather disruptions related to Hurricanes Helene and Milton, which temporarily delayed home completions.

Originations (US$ millions)								
Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023	Q1, 2024	Q2, 2024	Q3, 2024	Q4, 2024
323	286	348	361	374	302	311	351	349

Loan originations revenue for the fourth quarter and year ended December 31, 2024 was $19.8 million and $90.4 million, respectively, compared to loan originations revenue of $0.0 million and $38.5 million and adjusted loan originations revenue[1] of $14.6 million and $70.4 million in the prior year periods, respectively. Loan originations revenue increased 35.6% and 28.5%, 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 revenue for the fourth quarter and year ended was $13.3 million and $48.0 million, respectively, compared to $6.1 million and $27.8 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 fourth quarter and year ended December 31, 2024 was $12.3 million and $53.6 million, respectively, down 24.4% and 21.5% from the prior year periods, primarily as the result of lower average finance receivable balances in 2024. Interest income and other revenue for the fourth quarter and year ended December 31, 2024 includes $2.8 million of unrealized gains on interest rate hedge contracts.

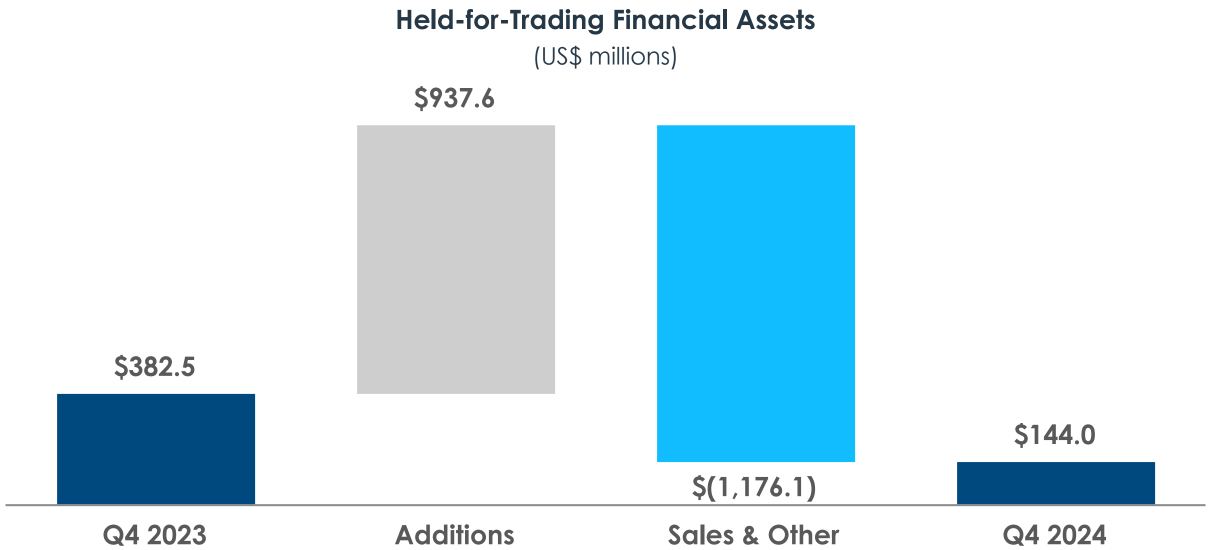
Operating expenses for the fourth quarter and year ended December 31, 2024 were $21.7 million and $84.4 million, compared to $26.5 million and $84.9 million in the prior year periods. The quarter-to-date decrease primarily reflects improvements in origination processes and operational efficiencies.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $23.7 million and $17.2 million, respectively, for the three months ended December 31, 2024 compared to $10.4 million and $0.4 million, respectively, for the prior year quarter. For the year ended December 31, 2024, adjusted EBITDA[1] and adjusted operating income before tax[1] were $107.6 million and $73.1 million, respectively, compared to $81.5 million and $29.2 million, respectively, for the prior year period.

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.

Manufactured Housing Finance commercial (floorplan and rental) loans were $186.1 million as at December 31, 2024, compared to $174.0 million as at September 30, 2024 and $148.2 million as at December 31, 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.

Held-for-trading financial assets were $144.0 million as at December 31, 2024, compared to $226.4 million as at September 30, 2024 and $382.5 million as at December 31, 2023. Held-for-trading financial assets consist of loans that are originated on behalf of our Partners with the intention of selling through under bulk loan portfolio sales agreements. The decrease in the three months ended December 31, 2024 was primarily driven by bulk portfolio sales.



Set out below is a comparison of the actual results of the Manufactured Housing Finance segment for the year ended December 31, 2024 against the Company's 2024 forecast range.

	2024 Forecast Range		Actual 2024 Results
Select Metrics (US$ millions)			
Total originations	**1,400**	**1,600**	**1,313**
Floorplan line utilized	**150**	**250**	**186**
Managed & advised portfolio (period end)	**5,900**	**6,200**	**5,558**
Income Statement (US$ millions)			
Loan origination revenues(1)	**95**	**105**	**90**
Servicing revenues	**34**	**36**	**48**
Interest income & other revenue	**52**	**56**	**54**
Total revenue	**181**	**197**	**192**
Adjusted EBITDA (1)	**106**	**118**	**108**
Adjusted operating income before tax (1)	**68**	**80**	**73**

Manufactured Housing Finance results for 2024 total revenue, adjusted EBITDA[1] and adjusted operating income before tax[1] were within the forecast range for its 2024 Outlook. Total originations and loan origination revenues were below the lower end of the range due to reduced land home and community and rental product originations. Servicing revenues were above the upper end of the range primarily due to the impact of the estimated fair value of the retained services asset, and the timing of bulk portfolio sales and bulk portfolio sales on a servicing released basis.

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.

Manufactured Housing Finance Segment 2025 Outlook

The Manufactured Housing Finance segment continues to pursue a strategy of (i) growing originations, particularly chattel originations, which earn a higher originations revenue margin, through operational enhancements and expanded product offerings, (ii) diversifying revenue with stable, recurring servicing revenue from its managed and advised portfolio and (iii) expanding funding partnerships. As such, the Company expects growth in originations and its managed and advised portfolio to drive increased revenue, EBITDA and adjusted operating income before tax in 2025.

Please see the tables below for the Company's 2025 outlook for its Manufactured Housing Finance segment.

	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 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; 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 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 December 31, 2024, September 30, 2024, and December 31, 2023 and the years ended December 31, 2024 and December 31, 2023. Operating results from Paramount are included from August 31, 2024, the date of acquisition.

	For the three-month period ended			For the year ended	
	December 31, 2024	**September 30, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
(in 000's for stated values)	**$**	$	$	**$**	$
Select Metrics					
Originations	**199,060**	274,410	129,272	**950,973**	792,946
Managed assets, period end [(1)]	**1,310,799**	1,152,674	—	**1,310,799**	—
Managed assets, period average [(1)]	**1,231,737**	1,138,955	—	**1,221,829**	—
RV and Marine loans	**9,594**	9,372	9,615	**9,594**	9,615
Held-for-trading financial assets	**73,275**	68,517	57,920	**73,275**	57,920
Operating results					
Originations revenue	**3,913**	6,403	2,741	**21,645**	18,506
Servicing revenue	**2,922**	2,174	—	**5,096**	—
Interest income & other revenue	**2,394**	2,274	1,586	**8,516**	4,634
Total revenue	**9,229**	10,851	4,327	**35,257**	23,140
Operating expenses	**6,871**	5,757	2,908	**20,898**	11,854
Adjusted EBITDA [(1)]	**2,358**	5,094	1,419	**14,359**	11,286
Interest and depreciation expense	**2,224**	1,795	1,323	**7,294**	3,824
Adjusted operating income before tax [(1)] - 100% basis	**134**	3,299	96	**7,065**	7,462
Non-controlling interest	**1**	5	—	**6**	—
Adjusted operating income before tax [(1)] - ECN share	**133**	3,294	96	**7,059**	7,462

(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 fourth quarter and year ended December 31, 2024 were $199.1 million and $951.0 million, up 54.0% and 19.9%, respectively, from $129.3 million and $792.9 million in the prior year periods. Despite headwinds from a higher interest rate environment, originations in 2024 increased as a direct result of the Company's growth initiatives, including sales network expansion, an increased focus on dealer relationships, investments in technology and a focus on process improvements. These strategic accomplishments create shareholder value and strengthens the RV and Marine Finance segment.

Managed assets[1] of $1.3 billion include both managed assets acquired with Paramount and RV and Marine finance receivables 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 Capital's strategy to actively diversify funding from deposit-taking institutions to large institutional Partners, which result in a deeper pool of funding with longer-term commitments that support the growth of ECN Capital'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)								
Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023	Q1, 2024	Q2, 2024	Q3, 2024	Q4, 2024
186	179	274	211	129	166	312	274	199

(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 fourth quarter and year ended December 31, 2024 was $3.9 million and $21.6 million, up 42.8% and 17.0%, respectively, from the prior year periods, which corresponds to the increase in origination volumes.

Servicing revenue for the fourth quarter and year ended December 31, 2024 was $2.9 million and $5.1 million, respectively, up from nil in the prior year periods, driven by the acquisition of a majority interest in Paramount and the launch of a forward flow agreement with an institutional partner at Source One with servicing retained. The launch of servicing capabilities through Paramount is expected to provide stable, recurring revenue and foster deep Partner relationships at the RV and Marine Finance segment.

Interest income and other revenue for the fourth quarter and year ended December 31, 2024 was $2.4 million and $8.5 million, up 50.9% and 83.8%, respectively, from the prior year periods, primarily driven by higher average finance receivable balances.

Operating expenses for the fourth quarter and year ended December 31, 2024 were $6.9 million and $20.9 million, up 136.3% and 76.3%, 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 of a majority interest in Paramount.

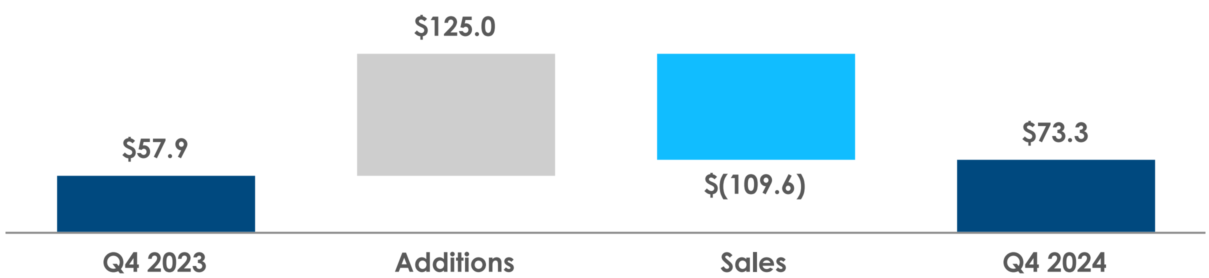
Adjusted EBITDA[1] and adjusted operating income before tax[1] were $2.4 million and $0.1 million, respectively, for the three months ended December 31, 2024 and $1.4 million and $0.1 million, respectively, for the prior year quarter. For the year ended December 31, 2024, adjusted EBITDA[1] and adjusted operating income before tax[1] were $14.4 million and $7.1 million, respectively, compared to $11.3 million and $7.5 million, respectively, for the prior year period.

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.

Held-for-trading financial assets were $73.3 million as at December 31, 2024, compared to $68.5 million as at September 30, 2024 and $57.9 million as at December 31, 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)



Set out below is a comparison of the actual results of the RV and Marine Finance segment for the year ended December 31, 2024 against the Company's 2024 forecast range.

	2024 Forecast Range		Actual 2024 Results
Select Metrics (US$ millions)			
Total originations	**1,000**	**1,100**	**951**
Income Statement (US$ millions)			
Total revenues	**32**	**36**	**35**
Adjusted EBITDA [(1)]	**16**	**20**	**14**
Adjusted operating income before tax [(1)]	**10**	**15**	**7**

Compared to its 2024 Outlook, RV and Marine Finance originations were minimally below the lower end of the forecast range. However, total revenue was within the forecast range. Adjusted EBITDA[1] and adjusted operating income before tax[1] were below the lower end of the forecast range due to higher operating expenses primarily associated with our investment in growth initiatives including sales network expansion, an increased focus on dealer relationships, investments in technology and a focus on process improvements.

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.

ECN CAPITAL

RV and Marine Finance Segment 2025 Outlook

The RV and Marine Finance segment continues to pursue a strategy of (i) growing originations through operational enhancements and expanded product offerings, (ii) diversifying revenue with stable, recurring servicing revenue from managed assets, and (iii) expanding funding partnerships. As such, the Company expects growth in originations and its managed assets to drive increased revenue, EBITDA and adjusted operating income before tax in 2025.

Please see the tables below for the Company's 2025 outlook for its RV and Marine Finance segment.

	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 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 ability to successfully execute on 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; sales network expansion, an increased focus on dealer relationships, investments in technology and a focus on process improvements; 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 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 December 31, 2024, September 30, 2024, and December 31, 2023 and the years ended December 31, 2024 and December 31, 2023.

	For the three-month period ended			For the year ended	
	December 31, 2024	September 30, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
(in 000's for stated values)	**$**	**$**	**$**		
Operating results					
Revenues	**587**	(408)	(1,057)	**1,956**	(658)
Operating expenses	**2,565**	2,565	5,235	**10,421**	14,682
Adjusted EBITDA [1]	**(1,978)**	(2,973)	(6,292)	**(8,465)**	(15,340)
Interest expense	**5,880**	7,223	8,133	**25,756**	25,124
Depreciation & amortization	**256**	298	400	**1,385**	2,156
Adjusted operating loss before tax [1]	**(8,114)**	(10,494)	(14,825)	**(35,606)**	(42,620)

(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 was $0.6 million and $2.0 million for the fourth quarter and year ended December 31, 2024, respectively, compared to losses of $1.1 million and $0.7 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 $10.4 million for the fourth quarter and year ended December 31, 2024, respectively, compared to $5.2 million and $14.7 million for the prior year periods due to planned corporate operating expense reductions.

Corporate interest expense was $5.9 million for the three months ended December 31, 2024, compared to $8.1 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 December 31, 2024, September 30, 2024 and December 31, 2023.

	December 31, 2024			
(in 000's for stated values, except percentage amounts)	**Manufactured Housing Finance** $	**RV & Marine Finance** $	**Corporate** $	**Total** $
Assets				
Cash	8,211	6,851	403	**15,465**
Restricted funds	7	1,520	—	**1,527**
Accounts Receivable	46,439	6,007	1,853	**54,299**
Finance receivables				
Finance receivables at amortized cost	186,146	9,594	—	**195,740**
Held-for-trading financial assets	143,960	73,275	—	**217,235**
Total finance receivables	330,106	82,869	—	**412,975**
Retained reserve interest	46,284	—	—	**46,284**
Continuing involvement asset	72,132	—	—	**72,132**
Goodwill and intangible assets	90,958	159,809	564	**251,331**
Deferred tax assets	200	—	14,488	**14,688**
Other assets and investments	23,854	5,595	39,005	**68,454**
Total Assets	**618,191**	**262,651**	**56,313**	**937,155**
Liabilities				
Borrowings	201,207	84,280	291,053	**576,540**
Continuing involvement liability	72,132	—	—	**72,132**
Lease and other liabilities	25,273	10,618	41,690	**77,581**
Total Liabilities	298,612	94,898	332,743	**726,253**
Earning Assets - Owned and Managed				
Earning assets - owned [1]	330,106	82,869	—	**412,975**
Earning assets - managed [1]	5,558,080	1,310,799	—	**6,868,879**
Total Earning Assets - Owned and Managed [1]	**5,888,186**	**1,393,668**	**—**	**7,281,854**

(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 receivables were $413.0 million as at December 31, 2024 compared to $478.3 million as at September 30, 2024 and $598.2 million as at December 31, 2023. The decrease compared to the third quarter of 2024 and the fourth quarter of 2023 primarily reflects a decrease in Manufactured Housing Finance held-for-trading financial assets.

Borrowings were $576.5 million as at December 31, 2024 compared to $625.8 million as at September 30, 2024 and $900.6 million as at December 31, 2023. The decrease compared to the preceding quarter primarily reflects net repayment activity during the quarter driven by proceeds from sales of finance receivables.

Earning assets - managed[1] of $6.9 billion as at December 31, 2024 reflects managed loans of $5.6 billion at our Manufactured Housing Finance segment and $1.3 billion at our RV and Marine Finance segment.

	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 receivables				
Finance receivables at amortized cost	173,995	9,372	—	**183,367**
Held-for-trading financial assets	226,408	68,517	—	**294,925**
Total finance receivables	400,403	77,889	—	**478,292**
Retained reserve interest asset	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**
Lease and 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.

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

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

Delinquencies

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

	December 31, 2024		September 30, 2024		December 31, 2023	
	$	**%**	$	%	$	%
Current	**196,067**	**99.80**	181,855	98.87	158,031	99.20
31-60 days past due	**—**	**—**	89	0.05	—	—
61-90 days past due	**—**	**—**	—	—	—	—
Greater than 90 days past due	**394**	**0.20**	1,995	1.08	1,280	0.80
Total	**196,461**	**100**	183,939	100	159,311	100

During the year ended December 31, 2024, the Company charged off a $1.3 million balance that was fully provisioned in 2023.

Allowance for Credit Losses

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

	Year ended December 31, 2024	**Year ended December 31, 2023**
(in 000's except percentage amounts)	**$**	$
Allowance for credit losses, beginning of period	**1,484**	1,066
Provision for credit losses	**517**	825
Charge-offs, net of recoveries	**(1,280)**	—
Transfer to assets held-for-sale	**—**	(407)
Allowance for credit losses, end of period	**721**	1,484

The Company's allowance for credit losses was $0.7 million as at December 31, 2024, compared to $1.5 million as at December 31, 2023. The allowance for credit losses of $0.7 million as at December 31, 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, other secured facilities 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 operating 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 also has access to capital through the issuance of convertible debt, preferred or common shares. For further discussion of risks associated with our financial instruments, please refer to note 20 of the 2024 Annual Consolidated Financial Statements.

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

			As at	
		December 31, 2024	September 30, 2024	December 31, 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 secured facilities	**(a)**	**576,540**	625,757	900,599
Total equity	**(b)**	**210,902**	215,421	209,488
Debt to equity ratio	**(a)/(b)**	**2.73**	2.90	4.30

As at December 31, 2024, the Company's debt to equity ratio was 2.73:1.

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 receivables 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		
	December 31, 2024	September 30, 2024	December 31, 2023
(in 000's)	**$**	$	$
Cash and cash equivalents	**15,465**	20,297	23,239
Term Senior Credit Facility			
Facility	**770,000**	800,000	900,000
Utilized against Facility	**(386,571)**	(440,283)	(748,190)
Other Secured Facilities			
Facilities	**227,500**	—	—
Utilized against Facilities	**(47,336)**	—	—
Unutilized Borrowing Facilities (i.e., excl. Cash & Equiv.)	**563,593**	359,717	151,810
Total available sources of capital, end of period	**579,058**	380,014	175,049

As at December 31, 2024, the unutilized balance of the the Company's borrowing facilities was approximately $563.6 million compared to $359.7 million at September 30, 2024 and $151.8 million at December 31, 2023. This $563.6 million in unutilized borrowings is in addition to the commitments in place to fund loan originations from our business segments. Management believes the available liquidity from its cash and equivalents, unutilized borrowing capacity and the funding commitments in place at its business segments is sufficient to fund operations and internal growth initiatives.

The Company was in compliance with all financial and reporting covenants with all of its lenders as at December 31, 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 December 31, 2024. The information should be read in conjunction with ECN Capital's audited 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 Capital acquired Triad Financial Services on December 29, 2017, Source One on December 21, 2021, IFG on July 1, 2022 and a majority interest in Paramount on August 31, 2024.

(in $ 000's for stated values, except ratio and per share amounts)	**Q4, 2024**	Q3, 2024	Q2, 2024	Q1, 2024	Q4, 2023	Q3, 2023	Q2, 2023	Q1, 2023
Adjusted operating income before tax [1]	**9,207**	19,470	14,510	1,420	(14,333)	2,328	2,566	3,478
Amortization of intangibles	**2,020**	1,956	1,917	1,897	1,894	1,901	1,897	1,887
Accretion of deferred purchase consideration	**10**	5	129	129	128	128	128	128
Share based compensation	**3,043**	4,091	3,074	3,075	4,609	4,825	2,138	4,660
Asset disposal, litigation and corporate restructure costs	**—**	—	—	—	4,372	975	7,303	11,361
Transaction, corporate development and other costs	**2,741**	2,374	—	2,069	4,240	2,464	2,150	2,666
Fair value adjustment	**—**	—	—	—	14,612	4,693	12,530	—
Provision for assets held-for-sale	**—**	—	—	—	—	4,000	—	—
Net income (loss) before income taxes	**1,393**	11,044	9,390	(5,750)	(44,188)	(16,658)	(23,580)	(17,224)
Net (loss) income - 100% basis	**(1,510)**	8,149	8,164	(7,172)	(54,051)	(4,574)	(28,630)	(19,522)
Non-controlling interest	**1**	5	—	—	—	—	—	—
Net (loss) income - ECN share	**(1,511)**	8,144	8,164	(7,172)	(54,051)	(4,574)	(28,630)	(19,522)
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**($0.01)**	$0.02	$0.02	($0.03)	($0.20)	($0.02)	($0.12)	($0.09)
(Loss) earnings per share (diluted) - continuing operations attributable to common shareholders	**($0.01)**	$0.02	$0.02	($0.03)	($0.20)	($0.02)	($0.12)	($0.09)
Adjusted net income (loss) [1] - ECN share	**6,812**	14,404	10,737	1,051	(11,467)	1,862	2,053	2,782
Adjusted net income (loss) per share (basic) [1] - ECN share	**$0.02**	$0.05	$0.04	$—	($0.04)	$0.01	$0.01	$0.01
Adjusted net income (loss) applicable to common shareholders per share (basic) [1] - ECN share	**$0.02**	$0.05	$0.03	$—	($0.05)	$0.00	$0.00	$0.01
Total revenue	**55,190**	66,436	58,010	49,606	25,592	45,690	37,930	47,843
Originations	**547,576**	625,692	622,494	468,367	503,089	571,537	621,958	465,056
Period end earning assets - owned	**412,975**	478,292	558,291	501,732	598,225	494,601	625,952	701,442
Period end earning assets - managed	**6,868,879**	6,674,876	5,317,085	5,214,804	4,919,623	4,804,083	4,713,436	4,669,984
Period end earning assets - total	**7,281,854**	7,153,168	5,875,376	5,716,536	5,517,848	5,298,684	5,339,388	5,371,426
Allowance for credit losses	**721**	572	371	335	1,484	1,341	1,467	1,064
Allowance % of finance receivables [1]	**0.17 %**	0.12 %	0.07 %	0.07 %	0.25 %	0.27 %	0.23 %	0.15 %
Term senior credit facility & other	**425,760**	465,653	565,936	472,188	738,328	642,932	795,254	873,427
Senior unsecured debentures	**150,780**	160,104	157,828	159,071	162,271	157,754	161,440	157,627
Total debt	**576,540**	625,757	723,764	631,259	900,599	800,686	956,694	1,031,054
Total equity	**210,902**	215,421	200,979	197,777	209,488	263,623	141,133	172,050

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

Other Disclosures

RELATED PARTY TRANSACTIONS

For a discussion of the Company's related party transactions, please refer to note 16 of the 2024 Annual Consolidated Financial Statements.

FINANCIAL AND OTHER INSTRUMENTS

For a discussion of the Company's financial and other instruments, please refer to note 2 of the 2024 Annual Consolidated Financial Statements.

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 measures" 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 finance receivables at amortized cost and held-for-trading financial assets.

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.

ECN CAPITAL

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 December 31, 2024, September 30, 2024, and December 31, 2023 and the years ended December 31, 2024 and December 31, 2023.

	For the three-month period ended			For the year ended	
	December 31, 2024	September 30, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Reconciliation of adjusted operating income before tax:					
Net income (loss)	**(1,510)**	8,149	(54,051)	**7,631**	(106,777)
Adjustments:					
Share-based compensation	**3,043**	4,091	4,609	**13,283**	16,232
Amortization of intangible assets	**2,020**	1,956	1,894	**7,790**	7,579
Accretion of deferred purchase consideration	**10**	5	128	**273**	512
Asset disposal, litigation and corporate restructure costs	**—**	—	4,372	**—**	24,011
Provision for assets held-for-sale	**—**	—	—	**—**	4,000
Transaction, corporate development and other costs	**2,741**	2,374	4,240	**7,184**	11,520
Fair value adjustment	**—**	—	14,612	**—**	31,835
Provision for income taxes	**2,903**	2,895	9,863	**8,446**	5,127
Adjusted operating income (loss) before tax	**9,207**	19,470	(14,333)	**44,607**	(5,961)
Non-controlling interest	**1**	5	—	**6**	—
Adjusted operating income (loss) before tax - ECN share	**9,206**	19,465	(14,333)	**44,601**	(5,961)
Adjusted operating income (loss) before tax comprised of:					
Manufactured Housing Finance Segment	**17,187**	26,665	396	**73,148**	29,197
RV and Marine Finance Segment	**133**	3,294	96	**7,059**	7,462
Corporate	**(8,114)**	(10,494)	(14,825)	**(35,606)**	(42,620)
	9,206	19,465	(14,333)	**44,601**	(5,961)
Reconciliation of adjusted EBITDA:					
Adjusted operating income (loss) before tax	**9,207**	19,470	(14,333)	**44,607**	(5,961)
Interest expense	**12,192**	14,202	18,057	**59,576**	76,146
Depreciation & amortization	**2,669**	2,458	1,791	**9,354**	7,246
Adjusted EBITDA	**24,068**	36,130	5,515	**113,537**	77,431
Reconciliation of adjusted revenue:					
Total revenue	**55,190**	66,436	25,592	**229,242**	157,055
Fair value adjustment	**—**	—	14,612	**—**	31,835
Adjusted revenue	**55,190**	66,436	40,204	**229,242**	188,890
Reconciliation of adjusted net income - ECN share and adjusted net income attributable to common shareholders:					
Adjusted operating income (loss) before tax - ECN share	**9,206**	19,465	(14,333)	**44,601**	(5,961)
Provision for taxes applicable to adjusted operating income (loss) (1)	**2,394**	5,061	(2,866)	**11,596**	(1,192)
Adjusted net income (loss) - ECN share	**6,812**	14,404	(11,467)	**33,005**	(4,769)
Cumulative preferred share dividends during the period	**2,436**	1,354	1,998	**7,713**	6,124
Adjusted net income (loss) attributable to common shareholders - ECN share	**4,376**	13,050	(13,465)	**25,292**	(10,893)
Per share information					
Weighted average number of shares outstanding (basic)	**281,132**	281,120	279,947	**280,805**	254,702
Adjusted net income (loss) per share (basic) - ECN share	**$0.02**	$0.05	($0.04)	**$0.12**	($0.02)
Adjusted net income (loss) applicable to common shareholders per share (basic) - ECN share	**$0.02**	$0.05	($0.05)	**$0.09**	($0.04)

(1) Provision for taxes applicable to adjusted operating income reflects an effective tax rate of 26.0% for the three-month periods ended December 31, 2024 and September 30, 2024 and the year ended December 31, 2024, and 20.% for the three-month period and year ended December 31, 2023.

Accounting and Internal Control Matters

Critical Accounting Policies and Estimates and Use of Judgments

The Company's material accounting policies are described in note 2 of our 2024 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 material accounting judgments, estimates and assumptions relate to allowances for credit losses, income taxes, goodwill, derecognition of financial assets, fair value of retained servicing rights, fair value of held-for-trading 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 material accounting policies, judgments, estimates and assumptions. Please refer to notes 2 and 3 of our 2024 Annual Consolidated Financial Statements for a description of each of our material 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, from time to time, 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 February 27, 2025, the Company had 281,142,645 common shares, 18,852,092 options to purchase common shares, 3,712,400 Series C preferred shares, and 27,450,000 Series E preferred shares (which are convertible into common shares on a one-for-one basis based on an initial liquidation preference and conversion price and subject to adjustment in accordance with their terms), issued and outstanding.