ECN CAPITAL

Management Discussion & Analysis

MARCH 31, 2023

The following management discussion and analysis ("MD&A") provides information management believes is relevant to an assessment and understanding of the financial condition and results of operations of ECN Capital Corp. (the "Company" or "ECN Capital") as at and for the three-month period ended March 31, 2023, in comparison to the corresponding prior year period. This MD&A, which has been prepared as of May 15, 2023, is intended to supplement and complement the interim unaudited condensed consolidated financial statements and notes thereto, prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), as at and for the three-month period ended March 31, 2023 (the "interim 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, 2022 (the "2022 Annual Consolidated Financial Statements") and December 31, 2021 (the "2021 Annual Consolidated Financial Statements"). Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com and on the Company's website at www.ecncapitalcorp.com.

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

Cautionary Statement

This analysis has been prepared taking into consideration information available to May 15, 2023. 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, the ability of the strategic review to result in the determination to proceed with a specific strategic plan or financial transaction, if any, 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.

Table of Contents

Overview	3
Key Business Developments	6
Results of Operations	8
Business Segment Results	11
Financial Position as at March 31, 2023	17
Liquidity and Capital Resources	21
Summary of Quarterly Information	23
Non-IFRS and Other Performance Measures	24
Accounting and Internal Control Matters	28
Updated Share Information	30

ECN CAPITAL

Overview

ABOUT ECN

ECN Capital Corp. ("ECN Capital" or the "Company") is a leading provider of business services to North American based banks, credit unions, life insurance companies, pension funds and institutional investors (collectively our "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of our Partners, specifically consumer (manufactured housing and recreational vehicle and marine) loans and commercial (inventory finance or floorplan) 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 161 Bay Street, Suite 2800, Toronto, Ontario, Canada. ECN Capital has approximately 540 employees and operates principally in the United States. The Company is a public corporation and trades on the Toronto Stock Exchange 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"), Source One Financial Services, LLC ("Source One") and Intercoastal Financial Group, LLC ("IFG"). ECN Capital has managed assets[1] of continuing operations of approximately $4.7 billion and our customers include more than 100 bank, credit union, insurance company, pension plan and institutional investor partners. ECN Capital partners with these financial institutions rather than competing with them. Specifically, our Partners are the decision makers inside each institution who are looking for appropriate portfolio solutions to match customer deposits, term insurance and other liabilities. We meet our customer needs by offering the following consumer portfolio solutions:

- Manufactured Housing Finance
- RV and Marine Finance
- Inventory Finance

The Company's focus is to drive origination and asset management growth as well as 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 the "Non-IFRS and Other Performance Measures" section of this MD&A for a definition and reconciliation of this measure.

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

- Significant barriers to entry including long-term relationships with banks, credit unions, insurance companies and institutional investors that are its customers
- Business longevity resulting in favorable regulatory outcomes; No objection or negative comments from financial services regulators
- Exclusive/preferred manufacturer and dealer arrangements that drive origination services
- Established originator/manager/adviser of consumer credit assets with a history of strong performance across business cycles
- Superior credit quality across portfolios with a long-term track record of servicing/ management excellence
- Capital-light businesses with solid growth profiles
- Scalable platforms with established operations and proprietary intellectual capital

Our intention is to partner with banks, credit unions, insurance companies and other institutional investors, and not to compete with them. If and when our Partners or their competitors look to directly compete with ECN's investor companies, ECN will consider exiting the business on terms acceptable to shareholders.

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

Core Business Segments:

Manufactured Housing Finance

Triad Financial Services

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

RV and Marine Finance

Source One

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

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 Fort Pierce, FL.

Key Business Developments

Information related to the developments in support of the Company's business strategy for the three-month period ended March 31, 2023 are outlined below.

REVIEW OF STRATEGIC ALTERNATIVES

On March 7, 2023, the Company announced that it initiated a review of strategic alternatives to maximize shareholder value. In response to interest that has been received by the Company, ECN will evaluate the full range of alternatives to determine the best path forward to continue to drive growth and maximize value for shareholders. Alternatives could include a sale of the company or one of its business units, strategic funding arrangements and capital relationships as well as other options. ECN has retained external financial advisors to assist in this process.

There can be no assurance that this process will result in any specific strategic plan or financial transaction. The Company will provide an update upon conclusion of the review, which is expected before the Company's second quarter 2023 financial results release.

ACQUISITION OF WAKE LENDING, LLC

On January 31, 2023, the Company acquired all of the outstanding equity interests in Wake Lending, LLC ("Wake Lending"), a recreational vehicle and marine finance company, for cash consideration of $2.5 million. Founded in 2018, Wake Lending originates prime and super-prime loans on behalf of 10+ bank Partners through a network of dealers and premier sales representatives primarily on the western coast of the U.S. This acquisition expands the geographic presence of the Company's RV and Marine Finance segment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") UPDATE

ECN is dedicated to continuously improving its ESG impact, and the disclosure of these issues to our stakeholders. In 2021, ECN began to explore ways to reduce paper consumption and waste across all business units. We continued this effort in 2022 with a focus on our acquisitions in the RV & Marine segment. In the first quarter of 2023, we deployed a new paperless process at Source One which has substantially reduced paper consumption and waste, while materially improving underwriting efficiency.

CORPORATE FINANCE DEVELOPMENTS

Normal Course Issuer Bids

On September 14, 2022, the Toronto Stock Exchange 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 notice of intention to commence a Normal Course Issuer Bid (the "Preferred Share Bid" and, together with the Common Share Bid, the "NCIBs") for the Company's Series C Rate Reset Preferred Shares (the "Series C Preferred Shares") for commencement on September 18, 2022. Pursuant to the NCIBs, the Company may repurchase up to an additional 22,170,050 common shares and 371,040 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 18, 2023 or the completion of purchases under the applicable NCIB.

During the three-month period ended March 31, 2023, the Company did not purchase any common shares or Series C Preferred Shares pursuant to the NCIBs. During the three-month period ended March 31, 2022, the Company purchased 50,200 common shares for a total of $0.2 million (C$0.3 million) or C$5.30 per common share pursuant to the Common Share Bid.

Capital Reinvestment

Under its NCIBs and substantial issuer bids ("SIBs"), ECN has repurchased for cancellation approximately 37% of the total common shares outstanding through May 15, 2023.

The following table sets forth a summary of the Company's capital reinvestment under its common share transactions.

Capital Reinvestment - Common Shares	Shares Retired (millions)	Average Price (C$)	Total Consideration (C$ millions)
NCIB since inception 2017	58.7	$4.13	$242
SIB April 2018	31.9	$3.60	$115
SIB January 2019	70.7	$3.75	$265
Total common shares repurchased for cancellation	**161.3**	**$3.86**	**622.0**

Common shares outstanding pre-buyback	390
Common shares outstanding as at May 15, 2023	246
% common shares repurchased to date	**~37%**

ECN CAPITAL

Results of Operations

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

	For the three-month period ended		
	March 31, 2023	December 31, 2022	March 31, 2022
(in 000’s for stated values, except per share amounts)	$	$	$
Select metrics:			
Originations	**465,056**	506,844	397,970
Average earning assets - Owned [(1)]	**700,975**	607,636	254,772
Average earning assets - Managed [(1)]	**4,512,103**	4,217,705	3,182,779
Period end earning assets - Owned [(1)]	**701,442**	700,509	282,829
Period end earning assets - Managed [(1)]	**4,669,984**	4,354,221	3,247,854
Operating highlights:			
Loan origination revenues	**22,674**	31,178	23,596
Servicing revenues	**6,358**	4,556	4,682
Interest income	**19,204**	16,696	6,112
Other revenue	**(393)**	31	142
Total revenue	**47,843**	52,461	34,532
Operating expenses	**24,441**	27,895	20,893
Adjusted EBITDA [(1)]	**23,402**	24,566	13,639
Interest expense	**18,221**	15,834	6,226
Depreciation & amortization	**1,703**	1,928	1,687
Adjusted operating income before tax [(1)]	**3,478**	6,804	5,726
Adjustments:			
Share-based compensation	**4,660**	3,489	4,716
Amortization of intangible assets	**1,887**	1,870	1,063
Accretion of deferred purchase consideration	**128**	128	—
Asset disposal, litigation and corporate restructure costs	**11,361**	3,044	—
Transaction and strategic review costs	**2,666**	321	—
Total adjustments	**20,702**	8,852	5,779
Net loss before income taxes from continuing operations	**(17,224)**	(2,048)	(53)
Income tax expense (recovery)	**2,298**	3,548	(17)
Net loss from continuing operations	**(19,522)**	(5,596)	(36)
Cumulative dividends on preferred shares	**1,364**	1,357	1,146
Net loss from continuing operations attributable to common shareholders	**(20,886)**	(6,953)	(1,182)
Net (loss) income from discontinued operations	**—**	(944)	5,506
Net (loss) income for the period attributable to common shareholders	**(20,886)**	(7,897)	4,324
Weighted Average number of shares outstanding (basic)	**245,383**	245,383	246,626
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**$(0.09)**	$(0.03)	$—
Earnings per share (basic) - discontinued operations attributable to common shareholders	**$—**	$—	$0.02
Non-IFRS Measures			
Adjusted operating results:			
Adjusted EBITDA [(1)]	**23,402**	24,566	13,639
Adjusted operating income before tax [(1)]	**3,478**	6,804	5,726
Adjusted net income [(1)]	**2,782**	5,443	4,581
Adjusted net income applicable to common shareholders [(1)]	**1,418**	4,086	3,435
Adjusted net income per share (basic) [(1)]	**$0.01**	$0.02	$0.02
Adjusted net income applicable to common shareholders per share (basic) [(1)]	**$0.01**	$0.02	$0.01

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

The following discussion relates to the results of operations for the three-month period ended March 31, 2023 presented on a continuing operations basis.

Q1 2023 vs Q1 2022

The Company reported total revenue of $47.8 million for the quarter ended March 31, 2023, up from $34.5 million for the prior year quarter. The quarter-to-date increase in revenue reflects the growth in servicing revenues and interest income at our Manufactured Housing Finance segment and the acquisitions within our RV and Marine Finance segment. Total originations for the quarter ended March 31, 2023 were $465.1 million compared to $398.0 million for the prior year quarter. Manufactured Housing managed assets increased 43.8% to $4.7 billion compared to the prior year quarter, which drove the increase in servicing revenues. Higher interest income in the current year quarter was primarily driven by higher average floorplan loan balances in 2023.

The table below illustrates the Company's operating expenses for the three-month periods ended March 31, 2023 and March 31, 2022:

	For the three-month period ended	
	March 31, 2023	March 31, 2022
(in 000's for stated values)	**$**	$
Manufactured Housing Finance	**18,158**	14,831
RV and Marine Finance	**2,965**	1,653
Business segment operating expenses	**21,123**	16,484
Corporate operating expenses	**3,318**	4,409
Total operating expenses	**24,441**	20,893

Operating expenses were $24.4 million in the current quarter, compared to $20.9 million for the prior year quarter. The increase in operating expenses compared to the prior year quarter is primarily attributable to growth in originations and managed assets at our Manufactured Housing Finance segment and the acquisitions within our RV and Marine Finance segment. Corporate operating expenses were $3.3 million in the current quarter compared to $4.4 million in the prior year quarter.

Interest expense was $18.2 million for the quarter ended March 31, 2023, compared to $6.2 million in the prior year quarter. The increase in interest expense reflects higher average borrowings, primarily due to higher average floorplan and held-for-trading financial assets balances in 2023, and a higher average borrowing rate.

Depreciation and amortization expense was $1.7 million for the quarter ended March 31, 2023 compared to $1.7 million in the prior year quarter.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $20.7 million for the quarter ended March 31, 2023 and $5.8 million in the prior year quarter. Share-based compensation expense was $4.7 million for the quarter ended March 31, 2023 compared to $4.7 million for the prior year quarter. Other expenses for the current quarter ended March 31, 2023 include $11.4 million of asset disposal, litigation, and corporate restructure costs and $2.7 million of transaction and strategic review costs related to the Company's review of strategic alternatives and the pursuit of M&A opportunities. The $11.4 million in asset disposal, litigation, and corporate restructure costs include costs related to the termination of office leases, disposition of corporate assets and executive head count reductions in connection with the previously announced cost reduction program. These initiatives will result in operating cost, depreciation expense and interest expense reductions of approximately $10 million to $13 million on an annualized basis once fully implemented in the third quarter of 2023.

Adjusted EBITDA[1] increased to $23.4 million for the quarter ended March 31, 2023, compared to $13.6 million for the prior year quarter. The increase in adjusted EBITDA[1] in the current quarter reflects the growth at our Manufactured Housing Finance segment and the acquisitions within our RV and Marine Finance segment. Adjusted net income applicable to common shareholders[1] was $1.4 million or $0.01 per share for the quarter ended March 31, 2023, compared to adjusted net income of $3.4 million or $0.01 per share for the prior year quarter. The decrease in adjusted net income applicable to common shareholders[1] in the current quarter reflects higher adjusted EBITDA[1] from our business segments, which was more than offset by higher interest expense.

The Company reported a net loss from continuing operations of $19.5 million for the quarter ended March 31, 2023, compared to net loss of $0.04 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.

Business Segment Results

RESULTS OF MANUFACTURED HOUSING FINANCE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Manufactured Housing Finance segment for the three-month periods ended March 31, 2023, December 31, 2022, and March 31, 2022.

	For the three-month period ended		
	March 31, 2023	December 31, 2022	March 31, 2022
(in 000's for stated values)	**$**	$	$
Select metrics			
Originations	**286,217**	323,215	286,648
Managed assets, period end (1)	**4,669,984**	4,354,221	3,247,854
Managed assets, period average (1)	**4,512,103**	4,217,705	3,182,779
Manufactured housing loans	**467,165**	471,133	220,630
Held-for-trading financial assets	**203,203**	212,729	62,199
Operating results			
Loan originations revenue	**18,004**	26,757	19,774
Servicing revenue	**6,358**	4,556	4,682
Interest income & other revenue	**18,323**	15,827	5,702
Total revenue	**42,685**	47,140	30,158
Operating expenses	**18,158**	21,035	14,831
Adjusted EBITDA (1)	**24,527**	26,105	15,327
Interest and depreciation expense	**13,359**	10,513	2,690
Adjusted operating income before tax (1)	**11,168**	15,592	12,637

(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 originations for the quarter ended March 31, 2023 were $286.2 million, compared to originations of $286.6 million in the prior year period. Adjusting for a one-time portfolio purchase of $28.6 million in the first quarter of 2022, originations were up 11.1% compared to the prior year quarter. Managed assets[1] were $4.7 billion as at March 31, 2023, an increase of 43.8% compared to managed assets[1] of $3.2 billion as at March 31, 2022.

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

Originations (US$ millions)								
Q1, 2021	Q2, 2021	Q3, 2021	Q4,2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023
182	262	299	300	287	381	381	323	286

Loan originations revenue for the three-month period ended March 31, 2023 was $18.0 million, down 9.0% from the prior year period, which primarily reflects the impact of reduced premiums earned on bulk loan portfolio sales in the quarter. Triad's gain on sale was reduced by approximately $6.3 million on the sale of approximately $134 million of assets in the quarter primarily due to the rapid increase in interest rates in 2022 and the extended industry backlog resulting in an extended period between loan approvals and funding. Based on the higher rates and improved terms of loans currently being originated by Triad, the reduction in long-term Treasury rates, reduced industry backlogs resulting in a faster close time between loan approval and funding and additional institutional funding relationships, Triad anticipates loan origination revenue margins will return to historical levels in the second half of 2023.

Servicing revenues of $6.4 million for the quarter ended March 31, 2023 were up 35.8% from the prior year quarter. The increase in current quarter servicing revenues reflects growth in managed assets and an increase in full serviced accounts.

Interest income and other revenue for the quarter ended March 31, 2023 was $18.3 million, up 221.3% from the prior year quarter, primarily driven by higher average floorplan loan balances in 2023.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $24.5 million and $11.2 million, respectively, for the current quarter compared to $15.3 million and $12.6 million, respectively, for the prior year quarter.

Manufactured Housing Finance floorplan loans were $467.2 million as at March 31, 2023, compared to $471.1 million as at December 31, 2022 and $220.6 million as at March 31, 2022, a year over year increase of approximately 112%. 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.

On May 12, 2023, Triad entered into an agreement with an existing institutional partner to flow and manage up to $300 million in floorplan loans. Triad will sell approximately $110 million of floorplan loans to this partner during the second quarter and will execute monthly transactions thereafter. With this program in place and subsequent programs currently being negotiated, Triad will have significant opportunity to continue to grow its inventory finance business through expanded dealer utilization, added community business and growth in the RV and Marine floorplan business through its ongoing rollout. These programs leverage Triad's successful history and track record in the floorplan business over the last 5 years and provide another example of Triad's ability to launch, prove and convert a balance sheet program to an asset light flow program.

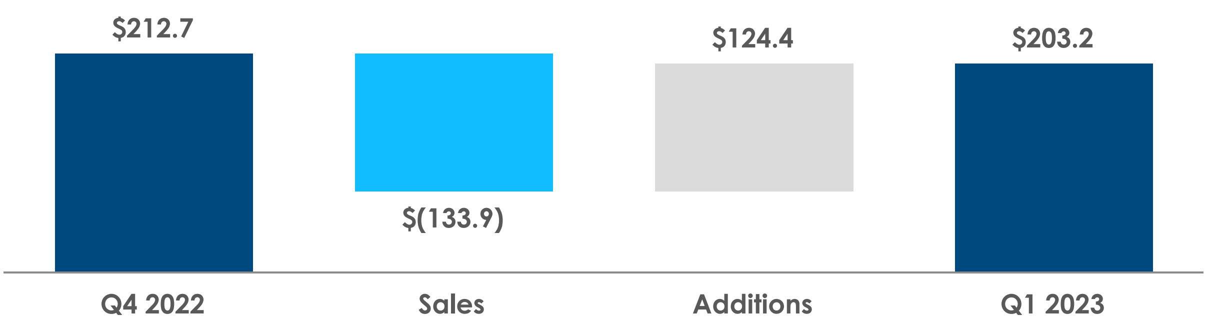
This transaction is also consistent with ECN's strategy to actively diversify funding from deposit-taking institutions to large institutional credit investors. These arrangements result in a deeper pool of funding with longer term commitments that support the growth of ECN's businesses, at the expense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

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 $203.2 million as at March 31, 2023, compared to $212.7 million as at December 31, 2022 and $62.2 million as at March 31, 2022. 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. Triad continues to expand relationships with non-depository institutional partners with an interest for monthly pooled loan flow. These expanded relationships will enable Triad reach to its target balance of $100 million in the second half of 2023.

Held-for-Trading Financial Assets

(US$ millions)



The Company will update its 2023 outlook for the Manufactured Housing Finance segment following the conclusion of the ongoing strategic review.

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

RESULTS OF RV AND MARINE FINANCE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the RV and Marine Finance segment for the three-month periods ended March 31, 2023, December 31, 2022, and March 31, 2022. Operating results from IFG and Wake Lending are included from their respective dates of acquisition. IFG was acquired on July 1, 2022 and Wake Lending was acquired on January 31, 2023.

	For the three-month period ended		
	March 31, 2023	**December 31, 2022**	**March 31, 2022**
(in 000's for stated values)	**$**	$	**$**
Select Metrics			
Originations	**178,839**	183,629	**111,322**
Operating results			
Originations revenue	**4,670**	4,421	**3,822**
Interest income & other revenue	**525**	183	**1**
Total revenue	**5,195**	4,604	**3,823**
Operating expenses	**2,965**	2,986	**1,653**
Adjusted EBITDA (1)	**2,230**	1,618	**2,170**
Interest and depreciation expense	**487**	308	**51**
Adjusted operating income before tax (1)	**1,743**	1,310	**2,119**

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

RV and Marine Finance originations for the quarter ended March 31, 2023 were $178.8 million compared to $111.3 million in the prior year quarter, primarily reflecting the acquisitions of IFG and Wake Lending.

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)								
Q1, 2021	Q2, 2021	Q3, 2021	Q4,2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023
205	359	252	209	247	416	306	186	179

(1) Includes results from periods prior to the Company's acquisition of Source One on December 21, 2021, IFG on July 1, 2022, and Wake Lending on January 31, 2023.

Loan originations revenue for the quarter ended March 31, 2023 was $4.7 million, up 22.2% from prior year quarter, reflecting the acquisitions of IFG and Wake Lending and loan mix. Origination activity in the first quarter of 2023 slowed relative to comparable periods in 2022 and 2021 as consumers adjust shopping behaviors to the higher rate environment and improving inventory levels, a higher percentage of cash buyers emerging given higher interest rates, and a normalization of seasonal buying patterns which became distorted in the years during and immediately following the COVID-19 pandemic.

Operating expenses for the quarter ended March 31, 2023 were $3.0 million, up 79.4% from the prior year quarter, reflecting the acquisitions of IFG and Wake Lending and the continued investment in growth initiatives across the RV and Marine Finance segment.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $2.2 million and $1.7 million, respectively, for the current quarter and $2.2 million and $2.1 million, respectively, for the prior year quarter.

The Company will update its 2023 outlook for the RV & Marine Finance segment following the conclusion of the ongoing strategic review.

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

RESULTS OF CORPORATE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Corporate segment for the three-month periods ended March 31, 2023, December 31, 2022, and March 31, 2022.

	For the three-month period ended		
	March 31, 2023	December 31, 2022	March 31, 2022
(in 000's for stated values)	**$**	$	$
Operating results			
Revenues	**(37)**	717	551
Operating expenses	**3,318**	3,874	4,409
Adjusted EBITDA (1)	**(3,355)**	(3,157)	(3,858)
Interest expense	**5,509**	5,844	4,164
Depreciation & amortization	**569**	1,097	1,008
Adjusted operating (loss) income before tax (1)	**(9,433)**	(10,098)	(9,030)

(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 (expense) was $(0.04) million for the quarter ended March 31, 2023, compared to $0.6 million revenue for the prior year period. Revenue primarily consists of gains/ losses from legacy corporate investments and gains/losses from foreign currency transactions and related hedge contracts.

Corporate operating expenses were $3.3 million in the first quarter of 2023 compared to $4.4 million in the prior year quarter.

Corporate interest expense was $5.5 million for the current quarter, compared to $4.2 million for the prior year quarter.

Total average borrowings on the term senior facility credit during the first quarter of 2023 were $848.9 million compared to $722.4 million in the preceding quarter.

Financial Position

The following tables set forth a summary of the Company's balance sheet, including a breakdown by core business segment, as at March 31, 2023, December 31, 2022 and March 31, 2022.

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

Total finance assets from continuing operations were $701.4 million as at March 31, 2023 compared to $700.5 million as at December 31, 2022 and $282.8 million as at March 31, 2022. The increase compared to the prior year quarter primarily reflects an increase in manufactured housing floorplan loans, RV and marine loans and held-for-trading financial assets.

Borrowings from continuing operations were $1.0 billion as at March 31, 2023 compared to $1.0 billion as at December 31, 2022 and $365.2 million as at March 31, 2022. The increase compared to the prior year quarter primarily reflects the increased investments in finance assets, the acquisitions of IFG and Wake Lending, and increased corporate borrowings.

Earning assets - managed[1] of $4.7 billion as at March 31, 2023 reflects managed loans at our Manufactured Housing Finance segment.

	December 31, 2022			
	Manufactured Housing Finance	RV & Marine Finance	Corporate	Total
(in 000's for stated values, except percentage amounts)	$	$	$	**$**
Assets				
Cash	691	10,027	1,997	**12,715**
Restricted funds	—	2,577	—	**2,577**
Accounts Receivable	195,631	2,765	4,989	**203,385**
Finance assets				
Loans receivable	471,133	9,642	—	**480,775**
Held-for-trading financial assets	212,729	7,005	—	**219,734**
Total finance assets	683,862	16,647	—	**700,509**
Retained reserve interest	36,479	—	—	**36,479**
Continuing involvement asset	70,377	—	—	**70,377**
Goodwill and intangible assets	70,402	158,764	759	**229,925**
Deferred tax assets	—	—	17,042	**17,042**
Other assets and investments	16,444	2,021	124,857	**143,322**
Total Assets	**1,073,886**	**192,801**	**149,644**	**1,416,331**
Liabilities				
Borrowings	679,831	7,803	320,364	**1,007,998**
Continuing involvement liability	70,377	—	—	**70,377**
Other liabilities	31,607	27,927	84,747	**144,281**
Total Liabilities	781,815	35,730	405,111	**1,222,656**
Earning Assets - Owned and Managed				
Earning assets - owned (1)	683,862	16,647	—	**700,509**
Earning assets - managed (1)	4,354,221	—	—	**4,354,221**
Total Earning Assets - Owned and Managed (1)	**5,038,083**	**16,647**	**—**	**5,054,730**

(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

(in 000's for stated values, except percentage amounts)	Manufactured Housing Finance $	RV & Marine Finance $	Corporate $	Continuing Operations $	Discontinued Operations	Total
	March 31, 2022					
Assets						
Cash	5,633	2,979	5,972	**14,584**	19,954	**34,538**
Restricted funds	—	2,043	—	**2,043**	—	**2,043**
Accounts Receivable	103,905	3,217	877	**107,999**	48,865	**156,864**
Finance assets						
Loans receivable	220,630	—	—	**220,630**	—	**220,630**
Held-for-trading financial assets	62,199	—	—	**62,199**	—	**62,199**
Total finance assets	282,829	—	—	**282,829**	—	**282,829**
Retained reserve interest	34,066	—	—	**34,066**	—	**34,066**
Continuing involvement asset	94,344	—	—	**94,344**	—	**94,344**
Goodwill and intangible assets	67,487	87,725	772	**155,984**	208,241	**364,225**
Deferred tax assets	—	—	38,969	**38,969**	—	**38,969**
Other assets and investments	15,357	775	162,924	**179,056**	5,411	**184,467**
Total Assets	**603,621**	**96,739**	**209,514**	**909,874**	**282,471**	**1,192,345**
Liabilities						
Borrowings	251,733	—	113,509	**365,242**	—	**365,242**
Continuing involvement liability	94,344	—	—	**94,344**	—	**94,344**
Other liabilities	27,878	3,449	91,737	**123,064**	85,201	**208,265**
Taxes Payable	1,824	—	292,362	**294,186**	—	**294,186**
Total Liabilities	375,779	3,449	497,608	**876,836**	85,201	**962,037**
Earning Assets - Owned and Managed						
Earning assets - owned [(1)]	282,829	—	—	**282,829**	—	**282,829**
Earning assets - managed [(1)]	3,247,854	—	—	**3,247,854**	28,002,532	**31,250,386**
Total Earning Assets - Owned and Managed [(1)]	**3,530,683**	**—**	**—**	**3,530,683**	**28,002,532**	**31,533,215**

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

Delinquencies

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

	March 31, 2023		December 31, 2022		March 31, 2022	
	$	**%**	$	%	$	%
Current	**480,260**	**100**	481,841	100	220,630	100
31-60 days past due	**—**	**—**	—	—	—	—
61-90 days past due	**—**	**—**	—	—	—	—
Greater than 90 days past due	**14**	**—**	—	—	—	—
Total continuing operations	**480,274**	**100**	481,841	100	220,630	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 March 31, 2023	Year ended December 31, 2022	Three-month period ended March 31, 2022
(in 000's except percentage amounts)		$	$
Allowance for credit losses, beginning of period	**1,066**	527	527
Provision for credit losses	**(2)**	539	68
Charge-offs, net of recoveries, and other	**—**	—	—
Disposals	**—**	—	—
Allowance for credit losses, end of period	**1,064**	1,066	595

The Company's allowance for credit losses was $1.1 million as at March 31, 2023, compared to $1.1 million as at December 31, 2022. The allowance for credit losses of $1.1 million as at March 31, 2023 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	
(in 000's for stated values, except for percentage amounts)		**March 31, 2023** **$**	December 31, 2022 $	March 31, 2022 $
Total debt, including borrowings on term senior credit facility and senior unsecured debentures	**(a)**	**1,031,054**	1,007,998	365,242
Shareholders' equity	**(b)**	**172,050**	193,675	230,308
Debt to equity ratio	**(a)/(b)**	**5.99**	5.20	1.59

As at March 31, 2023, the Company's debt to equity ratio was 5.99:1.

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	
(in 000's)	**March 31, 2023** **$**	December 31, 2022 $	March 31, 2022 $
Cash and cash equivalents	**22,509**	12,715	34,538
Senior Facilities			
Facilities	**900,000**	900,000	700,000
Utilized against Facility	**851,535**	829,703	182,000
Unutilized Borrowing Facilities (i.e., excl. Cash & Equiv.)	**48,465**	70,297	518,000
Total available sources of capital, end of period	**70,974**	83,012	552,538

As at March 31, 2023, the unutilized balance of the borrowing facility was approximately $48.5 million compared to $70.3 million at December 31, 2022 and $518.0 million at March 31, 2022. This $48.5 million in unutilized borrowings is in addition to the commitments in place to fund loan originations from our business segments for 2023. 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.

ECN CAPITAL

Summary of Quarterly Information

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended as at March 31, 2023. The information should be read in conjunction with ECN Capital's audited and interim unaudited consolidated financial statements, the notes thereto and the related management discussion and analysis for the relevant periods.

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

(in $ 000's for stated values, except ratio and per share amounts)	**Q1, 2023**	Q4, 2022	Q3, 2022	Q2, 2022	Q1, 2022	Q4, 2021	Q3, 2021	Q2, 2021
Adjusted operating income before tax [1]	**3,478**	6,804	16,527	15,556	5,726	2,274	7,140	3,028
Amortization of intangibles	**1,887**	1,870	1,880	1,100	1,063	310	310	310
Accretion of deferred purchase consideration	**128**	128	128	—	—	(1)	462	520
Unrealized gain on foreign currency forward contract	**—**	—	—	—	—	—	(2,856)	—
Share based compensation	**4,660**	3,489	2,392	1,592	4,716	13,299	3,933	3,520
Asset disposal, litigation and corporate restructure costs	**11,361**	3,044	—	—	—	6,054	—	—
Transaction and special review costs	**2,666**	321	—	5,632	—	3,074	—	—
Net income (loss) before income taxes	**(17,224)**	(2,048)	12,127	7,232	(53)	(20,462)	5,291	(1,322)
Net income (loss) from continuing operations	**(19,522)**	(5,596)	7,721	4,631	(36)	(14,047)	4,605	(995)
Net income (loss) from discontinued operations	**—**	(944)	(1)	4,610	5,506	934,971	18,565	18,391
Net income (loss) - total	**(19,522)**	(6,540)	7,720	9,241	5,470	920,924	23,170	17,396
Earnings per share (basic) - continuing operations attributable to common shareholders	**($0.09)**	($0.03)	$0.03	$0.01	$0.00	($0.09)	$0.01	($0.01)
Adjusted net income [1]	**2,782**	5,443	13,222	12,445	4,581	1,887	5,926	2,513
Adjusted net income per share (basic) [1]	**$0.01**	$0.02	$0.05	$0.05	$0.02	$0.01	$0.02	$0.01
Adjusted net income applicable to common shareholders per share (basic) [1]	**$0.01**	$0.02	$0.05	$0.05	$0.01	$0.00	$0.01	$0.00
Originations	**465,056**	506,844	679,492	613,020	397,970	299,611	298,992	262,052
Period end earning assets - owned	**701,442**	700,509	514,763	380,516	282,829	226,715	214,320	187,524
Period end earning assets - managed	**4,669,984**	4,354,221	4,081,188	3,759,117	3,247,854	3,117,704	2,958,485	2,836,163
Period end earning assets - total	**5,371,426**	5,054,730	4,595,951	4,139,633	3,530,683	3,344,419	3,172,805	3,023,687
Allowance for credit losses	**1,064**	1,066	911	722	595	527	266	1,032
Allowance % of finance receivables [1]	**0.15 %**	0.15 %	0.18 %	0.19 %	0.21 %	0.23 %	0.11 %	0.23 %
Term senior credit facility & other	**873,427**	851,235	840,479	653,880	196,245	107,664	458,639	547,757
Senior unsecured debentures	**157,627**	156,763	153,116	164,458	168,997	166,933	55,848	56,960
Total debt	**1,031,054**	1,007,998	993,595	818,338	365,242	274,597	514,487	604,717
Shareholders' equity	**172,050**	193,675	206,538	228,855	230,308	218,627	823,535	823,713

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

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

Adjusted operating income before tax

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

Adjusted net income and Adjusted net income applicable to common shareholders

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

Debt to equity ratio

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

RECONCILIATION OF NON-IFRS TO IFRS MEASURES

The following table provides a reconciliation of non-IFRS to IFRS measures related to the Company's consolidated continuing results of operations for the three-month periods ended March 31, 2023, December 31, 2022, and March 31, 2022.

	For the three-month period ended		
	March 31, 2023	December 31, 2022	March 31, 2022
(in 000's for stated values, except percent amounts)	**$**	**$**	**$**
Reconciliation of adjusted operating income before tax:			
Net loss from continuing operations	**(19,522)**	(5,596)	(36)
Adjustments:			
Share-based compensation	**4,660**	3,489	4,716
Amortization of intangible assets	**1,887**	1,870	1,063
Accretion of deferred purchase consideration	**128**	128	—
Asset disposal, litigation and corporate restructure costs	**11,361**	3,044	—
Transaction and special review costs	**2,666**	321	—
Provision for (recovery of) income taxes	**2,298**	3,548	(17)
Adjusted operating income before tax	**3,478**	6,804	5,726
Adjusted operating income before tax comprised of:			
Manufactured Housing Finance Segment	**11,168**	15,592	12,637
Recreational Vehicles and Marine Finance Segment	**1,743**	1,310	2,119
Corporate	**(9,433)**	(10,098)	(9,030)
	3,478	6,804	5,726
Reconciliation of adjusted EBITDA:			
Adjusted operating income before tax	**3,478**	6,804	5,726
Interest expense	**18,221**	15,834	6,226
Depreciation & amortization	**1,703**	1,928	1,687
Adjusted EBITDA	**23,402**	24,566	13,639
Reconciliation of adjusted net (loss) income and adjusted net (loss) income attributable to common shareholders:			
Adjusted operating income before tax	**3,478**	6,804	5,726
Provision for taxes applicable to adjusted operating income (1)	**696**	1,361	1,145
Adjusted net income	**2,782**	5,443	4,581
Cumulative preferred share dividends during the period	**1,364**	1,357	1,146
Adjusted net income attributable to common shareholders	**1,418**	4,086	3,435
Per share information			
Weighted average number of shares outstanding (basic)	**245,383**	245,383	246,626
Adjusted net income per share (basic)	**$0.01**	$0.02	$0.02
Adjusted net (loss) income applicable to common shareholders per share (basic)	**$0.01**	$0.02	$0.01

(1) Provision for taxes applicable to adjusted operating income reflects an effective tax rate of 20.0% for the three-month periods ended March 31, 2023, December 31, 2022, and March 31, 2022.

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 2022 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 2022 Annual Consolidated Financial Statements for a description of each of our significant accounting judgments, estimates and assumptions.

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

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

Internal Control over Financial Reporting

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

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

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

Updated Share Information

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

As at May 15, 2023, the Company had 245,779,995 common shares, 3,086,124 options and 3,712,400 Series C preferred shares issued and outstanding.

ecncapitalcorp.com