ECN CAPITAL

Interim Condensed Consolidated Financial Statements

MARCH 31, 2025

Interim condensed consolidated statements of financial position

[in thousands of United States dollars]

	March 31, 2025	December 31, 2024
	$	$
Assets		
Cash	**18,257**	15,465
Restricted funds	**1,281**	1,527
Finance receivables *[note 4]*	**418,285**	412,975
Accounts receivable	**48,887**	54,299
Taxes receivable	**5,494**	8,277
Other assets *[note 5]*	**17,582**	18,550
Retained reserve interest	**48,421**	46,284
Continuing involvement asset	**68,945**	72,132
Notes receivable *[note 12]*	**21,731**	21,711
Derivative financial instruments *[note 13]*	**1,268**	2,443
Right-of-use and fixed assets, net *[note 6]*	**16,621**	17,473
Intangible assets, net	**125,416**	123,406
Deferred tax assets	**13,351**	14,688
Goodwill *[note 7]*	**127,925**	127,925
Total assets	**933,464**	937,155
Liabilities and Equity		
Liabilities		
Accounts payable and accrued liabilities *[note 5]*	**54,922**	50,610
Taxes payable	**4**	—
Continuing involvement liability	**68,945**	72,132
Derivative financial instruments *[note 13]*	**32,459**	11,918
Borrowings *[note 8]*	**559,632**	576,540
Lease and other liabilities *[note 15]*	**14,272**	15,053
Total liabilities	**730,234**	726,253
Equity		
Shareholders' equity	**199,840**	207,479
Non-controlling interest	**3,390**	3,423
Total Equity	**203,230**	210,902
	933,464	937,155

See accompanying notes

On behalf of the Board:

(signed) "William W. Lovatt" | (signed)"Steven K. Hudson"

William W. Lovatt | Steven K. Hudson

Director | Director

Interim condensed consolidated statements of operations

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

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
	$	$
Revenues		
Loan origination revenues	**28,456**	19,805
Servicing revenue	**15,245**	8,758
Interest income	**9,983**	18,853
Other revenue *[note 11]*	**2,948**	2,190
	56,632	49,606
Operating expenses and other		
Compensation and benefits	**18,380**	18,101
General and administrative expenses	**10,997**	9,680
Interest expense	**11,155**	18,238
Depreciation and amortization	**2,904**	2,167
Share-based compensation *[note 10]*	**3,781**	3,075
Other expenses *[note 11]*	**8,835**	4,095
	56,052	55,356
Income (loss) before income taxes	**580**	(5,750)
Provision for income taxes	**1,795**	1,422
Net loss for the period	**(1,215)**	(7,172)
Attributable to:		
Shareholders' equity	**(1,182)**	(7,172)
Non-controlling interest	**(33)**	—
	(1,215)	(7,172)
Loss per common share		
Basic *[note 14]*	**(0.01)**	(0.03)
Diluted *[note 14]*	**(0.01)**	(0.03)

See accompanying notes

Interim condensed consolidated statements of comprehensive loss

[in thousands of United States dollars]

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
	$	$
Net loss for the period	**(1,215)**	(7,172)
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges *[note 13]*	**(4,234)**	(2,172)
Net unrealized foreign exchange loss	**(113)**	(514)
	(4,347)	(2,686)
Deferred tax recovery	**627**	32
Total other comprehensive loss	**(3,720)**	(2,654)
Comprehensive loss for the period	**(4,935)**	(9,826)
Attributable to:		
Shareholders' equity	**(4,902)**	(9,826)
Non-controlling interest	**(33)**	—
	(4,935)	(9,826)

See accompanying notes

Interim condensed consolidated statements of changes in equity

[in thousands of United States dollars]

	Common share capital	Preferred share capital	Contributed surplus	Retained earnings (deficit)	Accumulated other comprehensive loss	Total shareholders' equity	Non-controlling interest	Total equity
	$	$	$	$	$	$	$	$
Balance, December 31, 2023	656,908	124,012	81,952	(624,836)	(28,548)	209,488	—	209,488
Employee stock option expense	—	—	1,389	—	—	1,389	—	1,389
Employee restricted stock unit expense	—	—	156	—	—	156	—	156
Comprehensive loss for the period	—	—	—	(7,172)	(2,654)	(9,826)	—	(9,826)
Dividends – preferred shares *[note 9]*	—	—	—	(1,370)	—	(1,370)	—	(1,370)
Dividends – common shares *[note 9]*	—	—	—	(2,060)	—	(2,060)	—	(2,060)
Balance, March 31, 2024	656,908	124,012	83,497	(635,438)	(31,202)	197,777	—	197,777
Balance, December 31, 2024	658,521	124,012	86,269	(633,068)	(28,255)	207,479	3,423	210,902
Employee stock options expense	**—**	**—**	**512**	**—**	**—**	**512**	**—**	**512**
Comprehensive loss for the period	**—**	**—**	**—**	**(1,182)**	**(3,720)**	**(4,902)**	**(33)**	**(4,935)**
Dividends – preferred shares *[note 9]*	**—**	**—**	**—**	**(1,283)**	**—**	**(1,283)**	**—**	**(1,283)**
Dividends – common shares *[note 9]*	**—**	**—**	**—**	**(1,966)**	**—**	**(1,966)**	**—**	**(1,966)**
Balance, March 31, 2025	**658,521**	**124,012**	**86,781**	**(637,499)**	**(31,975)**	**199,840**	**3,390**	**203,230**

See accompanying notes

ECN Capital Corp.

Interim condensed consolidated statements of cash flows

[in thousands of United States dollars]

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
	$	$
Operating activities		
Net loss for the period	**(1,215)**	(7,172)
Items not affecting cash:		
Share-based compensation *[note 10]*	**3,781**	3,075
Depreciation and amortization	**2,904**	2,167
Amortization of intangible assets	**2,024**	1,897
Accretion of deferred purchase consideration	**31**	129
Fair value adjustment to convertible debt derivative liability *[notes 8 and 13]*	**(1,766)**	—
Accretion of convertible debenture discount *[notes 8 and 13]*	**48**	—
Amortization of deferred financing costs	**1,321**	1,669
	7,128	1,765
Changes in operating assets and liabilities:		
Change in finance receivables, net *[note 4]*	**(5,310)**	97,399
Change in accounts payable *[note 5]*	**1,043**	1,673
Change in accounts receivable, net	**5,412**	20,127
Change in taxes payable/receivable	**2,787**	124
Change in retained servicing rights asset, net	**(5,764)**	(2,794)
Other operating assets and liabilities	**8,129**	(1,795)
Cash provided by operating activities	**13,425**	116,499
Investing activities		
Acquisitions, net of cash acquired *[note 3]*	**—**	(756)
Sale of Red Oak *[note 3]*	**—**	139,331
Purchase of fixed assets	**(167)**	(466)
Decrease in notes receivable	**53**	385
Cash (used in) provided by investing activities	**(114)**	138,494
Financing activities		
Payments of lease liabilities	**(862)**	(893)
Payments of deferred financing costs	**(2,636)**	(39)
Repayments on term senior credit facility, net *[note 8]*	**(64,571)**	(267,319)
Issuance of other borrowings, net *[note 8]*	**8,203**	—
Issuance of convertible senior unsecured debentures *[note 8]*	**52,350**	—
Dividends paid *[note 9]*	**(3,249)**	(1,370)
Cash used in financing activities	**(10,765)**	(269,621)
Net increase (decrease) in cash during the period	**2,546**	(14,628)
Cash and restricted funds, beginning of period	**16,992**	23,273
Cash and restricted funds, end of period	**19,538**	8,645

See accompanying notes

Interim condensed consolidated statements of cash flows (continued)

[in thousands of United States dollars]

Cash and restricted funds reported in the interim condensed consolidated statements of cash flows:	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
	$	$
Cash	**18,257**	8,638
Restricted funds	**1,281**	7
Total	**19,538**	8,645

Supplemental cash flow information:	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
	$	$
Cash taxes paid, net	**1,272**	482
Cash interest paid	**7,123**	19,347
Cash interest received	**9,976**	17,607

See accompanying notes

Notes to interim condensed consolidated financial statements

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

March 31, 2025

1. Corporate Information

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 and marine) loans and commercial (floorplan and rental) loans. Its Partners are seeking high-quality assets to match with their deposits, term insurance or other liabilities. These services are offered through two operating segments: (i) Manufactured Housing Finance, and (ii) Recreational Vehicle and Marine ("RV and Marine") Finance. Headquartered in South Florida and Toronto, the registered office is located at 199 Bay Street, Suite 4000, Toronto, Ontario, Canada. ECN Capital has approximately 670 employees and operates principally in the U.S. The Company is a public corporation and trades on the Toronto Stock Exchange ("TSX") under the symbol "ECN."

2. Basis of Presentation and Summary of Material Accounting Policies

Statement of compliance

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

These interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements. They should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2024, which include information necessary or useful to understanding the Company's business and financial statement presentation.

The accounting policies in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024.

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

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors (the "Board") of the Company on May 8, 2025.

New and amended standards and interpretations

The following amendment to existing IFRS accounting standards became effective for annual periods beginning on January 1, 2025:

- Lack of exchangeability Amendments to IAS 21

Effective January 1, 2025, the Company adopted the IAS 21 amendment regarding non-exchangeable currencies. As a Canadian and U.S. currencies are fully exchangeable, the amendment had no material impact on the Company's interim condensed consolidated financial statements as at March 31, 2025.

Standards issued but not yet effective

New and amended standards and interpretations that are issued but not yet effective are being assessed by the Company to determine the impact on the interim condensed consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

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

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

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

Critical accounting estimates and use of judgments

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

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

Seasonality of operations

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

Comparative figures

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

3. Business Acquisitions and Disposals

Acquisition of Paramount Servicing Group, LLC

On August 31, 2024, the Company acquired a 54% majority interest in Paramount Servicing Group, LLC, which operates Paramount Capital Group, LLC ("Paramount") a consumer loan servicing company, for total consideration of approximately $4.6 million, including cash consideration of $4.2 million and deferred contingent consideration of $478. This acquisition executes on the Company's strategic objective to establish servicing capabilities for its RV and Marine Finance segment, which strengthens and diversifies the business.

The Company has recognized 100% of the fair value of the net assets acquired in its interim condensed consolidated statements of financial position from the date of acquisition. The 46% minority ownership of Paramount is represented as non-controlling interest as a component of total equity.

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

The table below presents the final allocation of fair values to the net assets acquired.

Consideration:		
Cash	$	4,160
Fair value of deferred contingent consideration		478
Total consideration		4,638
Fair value of identifiable assets and liabilities:		
Cash		257
Restricted cash		1,925
Accounts receivable and other assets		2,594
Intangible assets		6,570
Goodwill		627
Accounts payable and other liabilities		(3,918)
Non-controlling interest		(3,417)
Net assets acquired		4,638

The Company has agreed to a deferred purchase price earn-out plan that is based on achievement of prescribed earnings. The fair value of the contingent purchase consideration of $478 has been recorded as a liability. Acquisition-related costs were $1,924, including advisory fees, legal, accounting, due diligence and other transaction-related expenses. The allocation to goodwill of $627 is primarily attributable to senior management's ability to support the continued growth of the business. The Company expects all of the goodwill will be deductible for tax purposes.

Operating results attributable to Paramount are included in the Company's interim condensed consolidated statements of operations from the date of acquisition, August 31, 2024. Paramount contributed approximately $2,242 in total revenues and $73 in net loss for the three-month period ended March 31, 2025. The minority interest portion of the net loss of Paramount has been recognized as a decrease of $33 to non-controlling interest, and an increase to interim condensed consolidated net loss attributable to shareholders' equity.

Acquisition of First Approval Source, LLC

On March 28, 2024, the Company acquired all of the outstanding equity interests in First Approval Source, LLC ("FAS"), an RV and marine finance company, for total consideration of $800, including cash consideration of $670 and deferred contingent consideration of $130. This acquisition expands the Company's reach in its RV and Marine Finance segment and acquires a front-end and underwriting technology platform.

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

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

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

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

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

Operating results attributable to FAS are included in the Company's interim condensed consolidated statements of operations from the date of acquisition and were not material to the Company's interim condensed consolidated operating results for the three-month periods ended March 31, 2025 and March 31, 2024.

Sale of Red Oak RV and Marine Inventory Finance platform

During the year ended December 31, 2023, the Company committed to a plan to sell its Red Oak RV and Marine Inventory Finance platform ("Red Oak"), which operated through Triad Financial Services, to redeploy capital to its Manufactured Housing Finance business. On February 21, 2024, the Company completed the sale of Red Oak to a third-party investor for cash proceeds of $153.3 million, representing the then-current carrying value of Red Oak. Accordingly, no gain or loss was recorded for the three-month period ended March 31, 2024.

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

4. Finance Receivables

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

	March 31, 2025	December 31, 2024
	$	$
Commercial (floorplan and rental) loans	**200,581**	186,867
RV and Marine loans	**15,642**	9,594
Gross finance receivables at amortized cost	**216,223**	196,461
Allowance for credit losses	**(575)**	(721)
Net finance receivables at amortized cost	**215,648**	195,740
Held-for-trading financial assets	**202,637**	217,235
Total finance receivables	**418,285**	412,975

Commercial (floorplan and rental) loans

Commercial loans are comprised entirely of secured loans issued by Triad Financial Services to finance manufactured housing dealer inventory and community-owned manufactured housing rental units. Floorplan loans to dealers are secured by first priority, fully perfected liens in the underlying units. Triad Financial Services is also the beneficiary of a full manufacturer's repurchase guarantee on each financed unit. Rental loans to communities are also secured by a first priority lien in the underlying unit and Triad Financial Services receives an assignment of each rental contract. Commercial loans are recorded at amortized cost, as the Company originates these loans with no intention to sell.

RV and Marine loans

RV and Marine loans are primarily comprised of high-quality retail RV and Marine loans that are secured by first priority, fully perfected liens in the underlying financed units. These loans include the Company's participating interest in securitized RV and Marine loans as well as loans made to consumers to finance the build of a new marine vessel, for the purpose of expanding the Company's relationships with marine retail loan originators. RV and Marine loans are recorded at amortized cost, as the Company originates these loans with no intention to sell.

Held-for-trading financial assets

The loans balance as at March 31, 2025 includes $159.9 million (December 31, 2024 - $144.0 million) in manufactured housing loans and $42.7 million (December 31, 2024 - $73.3 million) in RV and Marine loans, which are classified as held-for-trading. Finance receivables are classified as held-for-trading if the related loans were originated with the intention of selling the instrument in the near term, which is typically a period of one year or less. The Company's determination of this classification is based on the existence of Partner agreements, or likelihood of entering into a new Partner agreement in the near term, and the Company's experience of selling consumer loans with like characteristics. Held-for-trading finance receivables are measured on the interim condensed consolidated financial statements at fair value through profit or loss. These loans are considered Level 3 assets. The Company measures the fair value of these loans based on a valuation model using internal inputs. Upon origination, the Company's internal valuation may determine a fair value that is in excess of the origination or transaction value of the loan. In these circumstances, the Company will not recognize such gains until the fair value estimated by the internal model is substantiated by a market-observable event such as an executed sales contract. See Note 16, *Fair Value Measurements*, for further details.

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

The following table presents the delinquency status of the gross finance receivables at amortized cost by contract balance:

	March 31, 2025		December 31, 2024	
	$	%	$	%
31 - 60 days past due	**192**	**0.09**	—	—
61 - 90 days past due	**12**	**0.01**	—	—
Greater than 90 days past due	**50**	**0.02**	394	0.20
Total past due	**254**	**0.12**	394	0.20
Current	**215,969**	**99.88**	196,067	99.80
Total investment	**216,223**	**100.00**	196,461	100.00

The following table presents the weighted average interest rate of the gross finance receivables at amortized cost:

	March 31, 2025	December 31, 2024
Gross finance receivables at amortized cost	**$216,223**	$196,461
Weighted average interest rate	**9.99 %**	10.30 %

The following tables provide gross finance receivables at amortized cost segregated by stage:

	March 31, 2025			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Low risk	**98,803**	**—**	**—**	**98,803**
Medium risk	**117,309**	**12**	**—**	**117,321**
High risk	**33**	**16**	**—**	**49**
Default	**—**	**—**	**50**	**50**
Gross carrying amount	**216,145**	**28**	**50**	**216,223**

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

	December 31, 2024			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Low risk	86,568	—	—	86,568
Medium risk	109,223	17	—	109,240
High risk	189	70	—	259
Default	—	—	394	394
Gross carrying amount	195,980	87	394	196,461

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

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

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

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

Allowance for credit losses

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

	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Balance as at December 31, 2023	204	—	1,280	1,484
Provision for credit losses	95	36	—	131
Charge-offs, net of recoveries	—	—	(1,280)	(1,280)
Stage transfers	(2)	2	—	—
Balance as at March 31, 2024	297	38	—	335
Balance as at December 31, 2024	325	2	394	721
Provision for credit losses	**40**	**—**	**81**	**121**
Charge-offs, net of recoveries	**—**	**—**	**(267)**	**(267)**
Stage transfers	**1**	**(1)**	**—**	**—**
Balance as at March 31, 2025	**366**	**1**	**208**	**575**

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

5. Other Assets and Accounts Payable and Accrued Liabilities

The following table presents the assets reported in other assets:

	March 31, 2025	December 31, 2024
	$	$
Investments in securities	**2,757**	4,420
Prepaid expenses	**9,033**	9,086
Other assets [1]	**5,792**	5,044
Total	**17,582**	18,550

[1] Other assets include $0.6 million and $0.4 million of outstanding receivables due from officers of the Company as at March 31, 2025 and December 31, 2024, respectively.

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

	March 31, 2025	December 31, 2024
	$	$
Accrued payroll and share-based compensation liabilities	**26,105**	29,798
Accounts payable	**12,626**	11,005
Accrued other liabilities	**16,191**	9,807
Total	**54,922**	50,610

Accrued other liabilities of $16,191 as at March 31, 2025 include a provision of 5,315 related to restructuring costs recognized in connection with the Company's previously announced corporate simplification. Changes in the provision associated with the Company's corporate simplification for the three-month period ended March 31, 2025 were as follows:

	March 31, 2025
	$
Balance, beginning of period	**1,513**
Additions	**6,732**
Settlements	**(2,930)**
Balance, end of period	**5,315**

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

6. Right-of-Use and Fixed Assets

The following table presents the Company's right-of-use and fixed assets:

	March 31, 2025	December 31, 2024
	$	$
Right-of-use assets, net	**11,675**	12,385
Fixed assets, net	**4,946**	5,088
Total	**16,621**	17,473

7. Goodwill

Changes in the Company's goodwill balance for the three-month periods ended March 31, 2025 and December 31, 2024 were as follows:

	March 31, 2025	December 31, 2024
	$	$
Balance, beginning of period	**127,925**	126,837
Additions from acquisitions	**—**	1,088
Balance, end of period	**127,925**	127,925

8. Borrowings

Borrowings consist of the following as at March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
	$	$
Term senior credit facility	**314,513**	378,424
Senior unsecured debentures	**151,157**	150,780
Convertible senior unsecured debentures	**38,346**	—
Other secured borrowings	**55,616**	47,336
Total	**559,632**	576,540

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

Term senior credit facility

The Company is party to a $770 million term senior credit facility, amended October 22, 2024, which is syndicated to a group of six Canadian, U.S. and international banks with a maturity date of October 22, 2027. The facility bears interest at the prime rate plus 1.0% or one-month Canadian Overnight Repo Rate Average ("CORRA") plus 2.0% plus a CORRA adjustment of 0.3% per annum on outstanding Canadian dollar-denominated balances and U.S. base rate plus 1.0% per annum or one-month secured overnight financing rate ("SOFR") plus 2.0% plus a Term SOFR adjustment of 0.10% per annum on outstanding U.S. dollar-denominated balances. The term senior credit facility is secured by a general security agreement in favor of the lenders consisting of a first priority interest on all property.

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

	March 31, 2025		December 31, 2024	
	Balance outstanding	Weighted average interest rate [1]	Balance outstanding	Weighted average interest rate [1]
	$	%	$	%
Term senior credit facility	**322,000**	**6.42**	386,571	6.51
Deferred financing costs	**(7,487)**		(8,147)	
Total term senior credit facility borrowings	**314,513**		378,424	

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

As at March 31, 2025, the unutilized balance of the facility is $448,000 (December 31, 2024 - $383,429).

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

Senior unsecured debentures

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

The following table summarizes the Company's outstanding balance of its senior unsecured debentures:

	March 31, 2025	December 31, 2024
	$	$
6.00% senior unsecured debentures due 2025	**52,125**	52,140
6.00% senior unsecured debentures due 2026	**59,944**	59,961
6.25% senior unsecured debentures due 2027	**41,700**	41,712
	153,769	153,813
Deferred financing costs	**(2,612)**	(3,033)
Total senior unsecured debentures	**151,157**	150,780

Convertible senior unsecured debentures

On March 19, 2025, the Company issued C$75.0 million (US$52.4 million) aggregate principal amount of listed convertible senior unsecured debentures due April 30, 2030 (the "Convertible Debentures") at a price of C$1,000 per debenture. The Convertible Debentures bear interest at a rate of 6.50% per annum, payable semi-annually in arrears on April 30 and October 31 of each year, commencing October 31, 2025. The Company also granted the syndicate of underwriters, on the same terms and conditions, an option to purchase up to an additional C$11.25 million aggregate principal amount of Convertible Debentures for a period of 30 days following the issue date, which was exercised in part for C$8.0 million (US$5.6 million) on April 1, 2025. See Note 18, *Subsequent Events*, for further details.

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

The Convertible Debentures are convertible at the option of the holder into common shares of the Company at an initial conversion price of C$3.77 per common share, being a conversion ratio of approximately 265.2520 common shares for each C$1,000 principal amount of debentures, subject to adjustment in certain circumstances. The Company has the option to satisfy its obligations to repay the principal and accrued interest of the Convertible Debentures at redemption or maturity by issuing and delivering that number of common shares in the capital of the Company in accordance with the terms of the respective indentures.

The Convertible Debentures are comprised of a debt host liability and a conversion option relating to an embedded derivative liability. The conversion option associated with the Convertible Debentures was determined to be an embedded derivative as the value of the conversion option changes in response to foreign exchange movements. The embedded derivative liability is a financial liability measured at its estimated fair value with changes in value being recorded in the interim condensed consolidated statements of operations. See Note 13, *Derivative Financial Instruments*, for further details. The embedded derivative was recognized as a discount to the debt host liability upon issuance. The discount is accreted through the effective interest method over the term of the debt host liability. Total accretion recognized for the three-month period ended March 31, 2025 was $48.

The following table summarizes the outstanding balance of the Company's Convertible Debentures for the three-month period ended March 31, 2025:

	March 31, 2025
	$
Balance, beginning of period	—
Principal value at issuance	52,350
Fair value of embedded derivative	(10,617)
Fair value gain on issuance	(786)
Accretion of discount and foreign exchange	(129)
Balance, end of period	40,818
Deferred financing costs	(2,472)
Total convertible senior unsecured debentures	38,346

Other secured borrowings

Other secured borrowings of $55,616 as at March 31, 2025 consist of revolving credit facilities at Triad Financial Services and Source One used to purchase participating interests in manufactured housing commercial loans and RV and marine retail loans, and to fund the warehousing of RV and marine retail loans. These facilities are secured by either pledged loans or the Company's participating interest in securitized loans.

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

The following table summarizes the Company's outstanding balances on its other secured borrowings:

	March 31, 2025		December 31, 2024	
	Balance outstanding	Weighted average interest rate [1]	Balance outstanding	Weighted average interest rate [1]
	$	%	$	%
Triad Financial Services facility due May 2025 [2]	**33,551**	**6.4**	32,378	6.5
Source One facility due December 2026 [3]	**19,644**	**5.8**	16,005	5.8
Source One facility due March 2027 [4]	**3,391**	**6.2**	—	N/A
Deferred financing costs	**(970)**		(1,047)	
Total other secured borrowings	**55,616**		47,336	

[1] Represents the weighted average stated interest rate of outstanding debt at period end, excludes amortization of deferred financing costs, premiums or discounts and stand-by fees.
[2] Facility bears interest at the applicable commercial rate plus 1.85%.
[3] Facility bears interest at the SOFR plus 1.50%.
[4] Facility bears interest at the CIBC Commercial Paper Note plus 1.65%.

As at March 31, 2025, the unutilized balances of the Company’s other revolving facilities are $174,914 (December 31, 2024 - $180,164).

The Company is in compliance with all financial and reporting covenants with all of its lenders as at March 31, 2025.

9. Share Capital

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

Common shares

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

	Common shares	
	Shares	Amount
	#	$
Balance, December 31, 2023	279,946,742	656,908
Balance, March 31, 2024	**279,946,742**	**656,908**
Balance, December 31, 2024	281,142,645	658,521
Exercise of options and share units	**276,225**	**—**
Balance, March 31, 2025	**281,418,870**	**658,521**

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

Common share dividends

During the three-month period ended March 31, 2025, the Company paid $1,966 or C$0.01 per common share in dividends (March 31, 2024 - $2,060 or C$0.01 per common share). The Company's common share dividends are designated to be eligible dividends for income tax purposes.

Preferred shares

The following table summarizes the Company's outstanding preferred share capital:

	Series C Preferred Shares		Series E Preferred Shares	
	Shares #	Amount $	Shares #	Amount $
Balance, December 31, 2023	3,712,400	67,052	27,450,000	56,960
Balance, March 31, 2024	3,712,400	67,052	27,450,000	56,960
Balance, December 31, 2024	3,712,400	67,052	27,450,000	56,960
Balance, March 31, 2025	**3,712,400**	**67,052**	**27,450,000**	**56,960**

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

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

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

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

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

Preferred share dividends

During the three-month period ended March 31, 2025, the Company paid $1,283 or C$0.4960625 per Series C Preferred Share in dividends (March 31, 2024 - $1,370 or C$0.4960625 per Series C Preferred Share). During the three-month periods ended March 31, 2025 and March 31, 2024, the Company did not pay any dividends per Series E Preferred Share. The Company's preferred share dividends are designated to be eligible dividends for income tax purposes.

Normal Course Issuer Bids

On September 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, respectively. The NCIBs will end on the earlier of September 22, 2025 or the completion of purchases under the applicable NCIB.

During the three-month periods ended March 31, 2025 and March 31, 2024, the Company did not purchase any of its common shares or Series C Preferred Shares pursuant to the NCIBs.

10. Share-Based Compensation

Share-based compensation expense consists of the following for the three-month periods ended March 31, 2025 and March 31, 2024:

	Three-month period ended	
	March 31, 2025	**March 31, 2024**
	$	$
Performance share units and restricted share units ("PSUs and RSUs")	**2,686**	2,017
Deferred share units ("DSUs")	**583**	(331)
Stock options	**512**	1,389
Share-based compensation	**3,781**	3,075

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

11. Other Revenue and Other Expenses

Other revenue consists of the following for the three-month periods ended March 31, 2025 and March 31, 2024:

	Three-month period ended	
	March 31, 2025	March 31, 2024
	$	$
Income on investments, net	**1,443**	528
Unrealized gain on interest rate swap	**—**	878
Fair value adjustment of convertible debenture derivative liability	**1,766**	—
Sublease income	**—**	49
Foreign exchange and other (loss) revenue	**(261)**	735
Total other revenue	**2,948**	2,190

Other expenses consist of the following for the three-month periods ended March 31, 2025 and March 31, 2024:

	Three-month period ended	
	March 31, 2025	March 31, 2024
	$	$
Amortization of intangible assets	**2,024**	1,897
Accretion of convertible debenture discount	**48**	—
Accretion of deferred purchase consideration	**31**	129
Restructuring costs	**6,732**	—
Transaction, corporate development and other costs	**—**	2,069
Total other expenses	**8,835**	4,095

Restructuring costs of $6,732 for the three-month period ended March 31, 2025, relates to the Company's previously announced corporate simplification plan. Transaction, corporate development and other costs of $2,069 for the three-month period ended March 31, 2024 primarily reflect costs related to the acquisition of FAS, other business development initiatives and the Company's review of strategic alternatives.

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

12. Related Party Transactions

Strategic partnership and investor rights agreement with Champion Homes

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

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

Notes receivable

Notes receivable of $21,731 as at March 31, 2025 (December 31, 2024 - $21,711) represent loans to certain employees and officers of the Company granted in order to help finance the purchase of the Company's shares. Interest is accrued on the loans based on applicable U.S. interest rates, and the principal is payable on demand in the event of non-payment of interest. The notes receivable are secured by ECN Capital shares purchased with full recourse to the employee/officer.

The changes in notes receivable for the three-month periods ended March 31, 2025 and March 31, 2024 were as follows:

	March 31, 2025	March 31, 2024
	$	$
Notes receivable, beginning of period	**21,711**	24,631
Interest income	**76**	88
Repayments (interest and principal)	**(53)**	(385)
Foreign exchange	**(3)**	(337)
Notes receivable, end of period	**21,731**	23,997

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

Other related party transactions

The Company is party to a five-year lease agreement, expiring September 30, 2027, with a member of management of a subsidiary company to lease office space for use in the normal course of business. Payments under the lease agreement were approximately $88 and $88 for the three-month periods ended March 31, 2025 and March 31, 2024, respectively.

During the three-month period ended March 31, 2025, an officer of the Company held a portfolio of $732k of loans from the Company through a participation interest in a flow agreement on the same market terms as a third-party investor.

13. Derivative Financial Instruments

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

The Company also has outstanding Convertible Debentures, which are hybrid financial instruments consisting of a debt host liability and a conversion option which is an embedded derivative. See Note 8, *Borrowings*, for further details.

Cash flow hedges

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

The following table presents the fair value changes related to the cash flow hedges included in the Company's results for the three-month periods ended March 31, 2025 and March 31, 2024:

	Three-month period ended	
	March 31, 2025	**March 31, 2024**
	$	$
Fair value loss recorded in loan origination revenues	**(2,938)**	—
Fair value loss recorded in other comprehensive loss	**(4,234)**	(2,172)

In addition to the designated hedging instruments disclosed above, the Company enters into derivative contracts that serve as economic hedges but are not designated in a qualifying hedge accounting relationship. Consequently, changes in the fair value of these instruments are recognized directly in the interim condensed consolidated statements of operations in the period in which they arise. During the three-month periods ended March 31, 2025 and March 31, 2024, the fair value gain of these non-designated economic hedging instruments was $140 and $661, respectively.

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

Convertible Debentures conversion option

The conversion option of the Company's Convertible Debentures is a derivative liability measured at fair value through profit or loss. Changes in respect of the fair value of the derivative liability for the three-month period ended March 31, 2025 were as follows:

	Three-month period ended March 31, 2025
	$
Balance, December 31, 2024	**—**
Issuances	**10,617**
Change in fair value included in earnings	**(990)**
Balance, March 31, 2025	**9,627**

Notional amounts and fair values of derivative instruments

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

	March 31, 2025		December 31, 2024	
	Notional principal	Fair value [1]	Notional principal	Fair value
	$	$	$	$
Derivative assets				
Interest rate contracts	**305,992**	**1,195**	297,900	2,432
Foreign exchange agreements	**52,087**	**73**	78,637	11
	358,079	**1,268**	376,537	2,443
Derivative liabilities				
Interest rate contracts	**235,900**	**3,399**	25,000	21
Foreign exchange agreements	**164,775**	**1,210**	81,489	57
Total return swaps	**46,866**	**18,223**	46,879	11,840
	447,541	**22,832**	153,368	11,918

[1] The $22,832 in the table above excludes the Convertible Debentures conversion option of $9,627, which does not have a separate notional principal amount as it is not a hedging instrument.

Notes to interim condensed consolidated financial statements
[in thousands of U.S. dollars, except where otherwise noted and per share amounts]

March 31, 2025

14. Loss per Share

	Three-month period ended	
	March 31, 2025	March 31, 2024
	$	$
Basic:		
Net loss for the period	**(1,215)**	(7,172)
Cumulative dividends on preferred shares	**1,283**	1,370
Net loss attributable to common shareholders for basic earnings	**(2,498)**	(8,542)
Weighted average number of common shares outstanding - basic	**281,211,278**	279,946,742
Basic loss per share	**$ (0.01)**	$ (0.03)
Weighted average number of common shares outstanding - diluted [1]	**281,211,278**	279,946,742
Diluted loss per share	**$ (0.01)**	$ (0.03)

[1] Potentially dilutive stock options of 3,235,943 and 1,013,798, potentially dilutive preferred shares of 27,450,000 and 27,450,000, and potentially dilutive Convertible Debenture common shares of 2,652,520 and nil were excluded from the computation of diluted loss per share because their effect would have been anti-dilutive for the three-month periods ended March 31, 2025 and March 31, 2024, respectively.

15. Capital Disclosures

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

The Company's capitalization is as follows:

	March 31, 2025	December 31, 2024
	$	$
Borrowings on term senior credit facility and other	**370,129**	425,760
Accounts payable and accrued liabilities	**54,922**	50,610
Taxes payable	**4**	—
Lease and other liabilities [1]	**14,272**	15,053
	439,327	491,423
Senior unsecured debentures [2]	**189,503**	150,780
Total equity	**203,230**	210,902
	832,060	853,105

[1] Other liabilities primarily include a $605 (December 31, 2024 - $691) deferred purchase consideration liability related to the acquisition of Paramount and FAS, and a $13.7 million (December 31, 2024 - $14.4 million) lease liability.
[2] In accordance with the terms of the indentures, the Company has the option to satisfy its obligations to repay the principal and interest of its senior unsecured debentures by issuing common shares in the capital of the Company.

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

16. Fair Value Measurements

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

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

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

	March 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	$	$	$
Cash	**18,257**	**—**	**—**	**18,257**
Restricted funds	**1,281**	**—**	**—**	**1,281**
Held-for-trading financial assets	**—**	**—**	**202,637**	**202,637**
Investments in securities	**—**	**2,757**	**—**	**2,757**
Retained reserve interest	**—**	**—**	**48,421**	**48,421**
Derivative financial instruments, net	**—**	**(31,191)**	**—**	**(31,191)**
Total	**19,538**	**(28,434)**	**251,058**	**242,162**

	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	$	$	$
Cash	15,465	—	—	15,465
Restricted funds	1,527	—	—	1,527
Held-for-trading financial assets	—	—	217,235	217,235
Investments in securities	—	4,420	—	4,420
Retained reserve interest	—	—	46,284	46,284
Derivative financial instruments, net	—	(9,475)	—	(9,475)
Total	16,992	(5,055)	263,519	275,456

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

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

Retained reserve interest

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

The following table presents the estimated impact of a change in each of these key assumptions on the fair value of the retained reserve interest asset as at March 31, 2025.

	March 31, 2025	
Assumption	**Change**	**Amount**
	basis points	$
Charge-off rate	**5**	**3,800**
Prepayment rate	**100**	**5,900**
Discount rate	**100**	**3,800**

Held-for-trading financial assets

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

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

The fair value of finance receivables classified as assets held-for-trading is determined based on bids received on these loans in a private market. A significant increase or decrease in market interest rates and/or yields on comparable finance assets would result in a lower or higher, respectively, fair value measurement of held-for-trading financial assets. Based on its exposure as at March 31, 2025, the Company estimates that a hypothetical 50 basis point increase in interest rates may result in an increase of approximately $0.2 million in the carrying value of its held-for-trading financial assets.

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

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

The changes in the Company's Level 3 assets measured at fair value on a recurring basis for the three-month periods ended March 31, 2025 and March 31, 2024 were as follows:

	Held-for-trading financial assets	Retained reserve interest
	$	$
Balance, December 31, 2023	440,398	38,000
Issues	208,571	1,859
Sales	(350,370)	—
Settlements	(6,002)	(802)
Balance, March 31, 2024	292,597	39,057
Balance, December 31, 2024	217,235	46,284
Issues	**282,327**	**3,980**
Sales	**(298,176)**	**—**
Settlements	**(4,268)**	**(3,410)**
Change in fair value included in earnings	**5,519**	**1,567**
Balance, March 31, 2025	**202,637**	**48,421**

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

Retained servicing rights

The fair value of the Company's retained servicing rights intangible asset represents the present value of the amount the Company expects to earn from servicing loans it has originated and sold to Partners with servicing rights retained. The Company estimates the fair value of its retained servicing rights using a discounted cash flow approach using assumptions for loan loss charge-off rates, prepayment rates, discount rates and annual market cost to service per loan, which are all Level 3 inputs.

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

17. Segmented Information

Operating segments

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

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

During the three-month period ended March 31, 2025, the Company has allocated all corporate revenues and expenses, with the exception of revenue and expenses related to the senior unsecured debentures, to the Manufactured Housing Finance and RV and Marine Finance segments. These allocations, as compared to the comparable three-month period ended March 31, 2024, align with the Company's previously announced corporate simplification. See Note 11, *Other Revenue and Other Expenses*, for further details.

The interim condensed consolidated statements of operations by segment for the three-month periods ended March 31, 2025 and March 31, 2024 are shown in the following tables:

	For the three-month period ended March 31, 2025			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	$	$	$	$
Revenues				
Loan origination revenues	**23,251**	**5,205**	**—**	**28,456**
Servicing revenue	**11,919**	**3,326**	**—**	**15,245**
Interest income	**7,735**	**2,248**	**—**	**9,983**
Other revenue	**1,134**	**48**	**1,766**	**2,948**
Total revenue	**44,039**	**10,827**	**1,766**	**56,632**
Operating expenses and other				
Compensation and benefits	**13,993**	**4,387**	**—**	**18,380**
General and administrative expenses	**8,383**	**2,614**	**—**	**10,997**
Interest expense	**6,430**	**1,813**	**2,912**	**11,155**
Depreciation and amortization	**2,103**	**801**	**—**	**2,904**
Share-based compensation	**2,559**	**1,222**	**—**	**3,781**
Other expenses	**6,280**	**2,507**	**48**	**8,835**
	39,748	**13,344**	**2,960**	**56,052**
Income (loss) before income taxes	**4,291**	**(2,517)**	**(1,194)**	**580**

Notes to interim condensed consolidated financial statements

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

March 31, 2025

	For the three-month period ended March 31, 2024			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	$	$	$	$
Revenues				
Loan origination revenues	15,738	4,067	—	19,805
Servicing revenue	8,758	—	—	8,758
Interest income	16,836	1,682	335	18,853
Other revenue	1,460	34	696	2,190
Total revenue	42,792	5,783	1,031	49,606
Operating expenses and other				
Compensation and benefits	14,591	2,746	764	18,101
General and administrative expenses	6,548	1,081	2,051	9,680
Interest expense	11,342	1,080	5,816	18,238
Depreciation and amortization	1,236	404	527	2,167
Share-based compensation	385	681	2,009	3,075
Other expenses	310	1,716	2,069	4,095
	34,412	7,708	13,236	55,356
Income (loss) before income taxes	8,380	(1,925)	(12,205)	(5,750)

Total assets and total liabilities by segment as at March 31, 2025 and December 31, 2024 are shown in the following tables:

	March 31, 2025			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	$	$	$	$
Total assets	**700,002**	**233,462**	**—**	**933,464**
Total liabilities	**465,185**	**65,919**	**199,130**	**730,234**

	December 31, 2024			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	$	$	$	$
Total assets	618,191	262,651	56,313	937,155
Total liabilities	298,612	94,898	332,743	726,253

18. Subsequent Events

Issuance of C$8.0 million Convertible Debentures pursuant to over-allotment option

In connection with the issuance of the Convertible Debentures, the Company also granted the syndicate of underwriters, on the same terms and conditions, an option to purchase up to an additional C$11.25 million aggregate principal amount of Convertible Debentures for a period of 30 days following the issue date, which was exercised in part for C$8.0 million (US$5.6 million) on April 1, 2025, resulting in total proceeds of C$83.0 million (US$58.0 million).

Redemption of C$75.0 million senior unsecured debentures due December 31, 2025

On April 25, 2025, the Company used the proceeds from the issuance of the Convertible Debentures to redeem in full its C$75.0 million of senior unsecured debentures due December 31, 2025.