ECN CAPITAL

Management Discussion & Analysis

JUNE 30, 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 and six-month periods ended June 30, 2023, in comparison to the corresponding prior year periods. This MD&A, which has been prepared as of August 14, 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 and six-month periods ended June 30, 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 August 14, 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.

ECN CAPITAL

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Overview

ABOUT ECN

ECN Capital Corp. ("ECN Capital" or the "Company") is a leading provider of business services to North American based 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 199 Bay Street, Suite 4000, Toronto, Ontario, Canada. ECN Capital has approximately 590 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 $4.8 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 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 and six-month periods ended June 30, 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. The Company retained external financial advisors to assist in the process and reviewed a number of alternatives including: a sale of the Company or one of its business units, various strategic partnerships, as well as strategic funding and capital relationships. The Company has completed its strategic review with respect to Triad, subsequent to the end of the second quarter. On August 14, 2023, the Company entered into a strategic partnership with Skyline Champion, Inc. ("Skyline"), which includes: (i) an acquisition of 19.9% of the voting shares of ECN, including 33,550,000 common shares and 27,450,000 in voting and mandatory convertible preferred shares (the "Strategic Investment"), and ii) the formation of a joint venture captive finance company with Skyline, which will enable Skyline to capture a greater share of economics from financing its product suite, capture competitive market share by offering a comprehensive dealer/customer solution, increase control of and significantly improve the customer experience, and generate higher dealer loyalty and ensure deep access to financing through economic cycles. The joint venture will be 51% owned by Skyline and 49% owned by Triad. The common shares will be issued at C$3.04.

As part of the Strategic Investment, the Company has committed to fully implementing its previously announced expense reduction plan as well as a Board approved corporate simplification plan ("Corporate Simplification Plan").

Pursuant to the Corporate Simplification Plan: (i) ECN will seek approval to change its name to Triad Financial Services Corp., and (ii) ECN corporate overhead will be eliminated or transitioned directly into Triad.

The RV and Marine Finance business remains under review with operational improvements, cost reductions, and strategic alternatives under consideration. The transition to institutional flow funding for the RV and Marine Finance business is also ongoing.

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

The company is dedicated to continuously improving its ESG impact, and the disclosure of these issues to our stakeholders. In 2021, the Company 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 second quarter of 2023, we migrated file storage for Intercoastal Financial Group to the cloud as part of the move to a complete paperless process. This will reduce paper consumption in the interim and serves as an important milestone in becoming completely paperless.

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 second quarter and six-month period ended June 30, 2023, the Company did not purchase any common shares or Series C Preferred Shares pursuant to the NCIBs. During the second quarter and six-month period ended June 30, 2022, the Company purchased 500,000 and 550,200 common shares, respectively, for a total of $2.2 million (C$2.9 million) and $2.5 million (C$3.2 million), respectively, or C$5.84 and C$5.79 per common share, respectively, 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 August 14, 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**

Common shares outstanding pre-buyback	390
Common shares outstanding as at August 14, 2023	246
% common shares repurchased to date	**~37%**

In addition, the Company paid out a special distribution of C$7.50 per share, which represented the net after-tax proceeds from the sale of Service Finance.

CHANGE IN NON-IFRS MEASURE

Beginning in the second quarter of 2023, the Company began using adjusted revenue as a performance measure to assess the businesses' current revenue with historical and future periods. We believe adjusted revenue is a key measure of the Company's operating performance over the long term and provides greater comparability across reporting periods. We define adjusted revenue as revenue excluding the impact of fair value adjustments related to the impact of the change in interest rates and transition to selling loans primarily to institutional buyers from banks and credit unions. Non-IFRS measures are intended to provide additional information only and do not have any standardized meaning prescribed by IFRS, and therefore our definition of adjusted revenue may not be comparable to adjusted revenue presented by other issuers. Please see the Non-IFRS and Other Performance Measures section of this MD&A for further information.

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			For the six-month period ended	
	June 30, 2023	March 31, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
(in 000's for stated values, except per share amounts)	$	$	$	$	$
Select metrics:					
Originations	**621,958**	465,056	613,020	**1,087,014**	1,010,989
Average earning assets - Owned [1]	**663,697**	700,975	331,673	**675,967**	296,687
Average earning assets - Managed [1]	**4,757,467**	4,512,103	3,503,486	**4,623,052**	3,374,892
Period end earning assets - Owned [1]	**625,952**	701,442	380,516	**625,952**	380,516
Period end earning assets - Managed [1]	**4,844,950**	4,669,984	3,759,117	**4,844,950**	3,759,117
Operating results:					
Loan origination revenues	**13,327**	22,674	38,362	**36,001**	61,958
Servicing revenues	**6,902**	6,358	5,207	**13,260**	9,889
Interest income	**18,987**	19,204	7,864	**38,191**	13,976
Other revenue	**(1,286)**	(393)	2,576	**(1,679)**	2,718
Total revenue	**37,930**	47,843	54,009	**85,773**	88,541
Operating expenses	**26,006**	24,441	28,344	**50,447**	49,237
Interest expense	**20,141**	18,221	8,463	**38,362**	14,689
Depreciation & amortization	**1,747**	1,703	1,646	**3,450**	3,333
Other expenses:					
Share-based compensation	**2,138**	4,660	1,592	**6,798**	6,308
Amortization of intangible assets from acquisitions	**1,897**	1,887	1,100	**3,784**	2,163
Accretion of deferred purchase consideration	**128**	128	—	**256**	—
Asset disposal, litigation costs and corporate restructure costs	**7,303**	11,361	—	**18,664**	—
Transaction and strategic review costs	**2,150**	2,666	5,632	**4,816**	5,632
Net (loss) income before income taxes from continuing operations	**(23,580)**	(17,224)	7,232	**(40,804)**	7,179
Provision for income taxes	**5,050**	2,298	2,601	**7,348**	2,584
Net (loss) income from continuing operations	**(28,630)**	(19,522)	4,631	**(48,152)**	4,595
Net income from discontinued operations	**—**	—	4,610	**—**	10,116
Net (loss) income for the period	**(28,630)**	(19,522)	9,241	**(48,152)**	14,711
Cumulative dividends on preferred shares	**1,384**	1,364	1,124	**2,748**	2,270
Net (loss) income for the period attributable to common shareholders	**(30,014)**	(20,886)	8,117	**(50,900)**	12,441
Weighted Average number of shares outstanding (basic)	**245,727**	245,383	247,224	**245,555**	246,927
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**$(0.12)**	$(0.09)	$0.01	**$(0.21)**	$0.01
Earnings per share (basic) - discontinued operations attributable to common shareholders	**$—**	$—	$0.02	**$—**	$0.04
Adjusted operating results:					
Adjusted revenue [1]:					
Loan originations revenue	**25,857**	22,674	38,362	**48,531**	61,958
Servicing revenue	**6,902**	6,358	5,207	**13,260**	9,889
Interest income	**18,987**	19,204	7,864	**38,191**	13,976
Other revenue	**(1,286)**	(393)	2,576	**(1,679)**	2,718
Total adjusted revenue [1]	**50,460**	47,843	54,009	**98,303**	88,541
Operating expenses	**26,006**	24,441	28,344	**50,447**	49,237
Adjusted EBITDA [1]	**24,454**	23,402	25,665	**47,856**	39,304
Interest expense	**20,141**	18,221	8,463	**38,362**	14,689
Depreciation & amortization	**1,747**	1,703	1,646	**3,450**	3,333
Adjusted operating income before tax [1]	**2,566**	3,478	15,556	**6,044**	21,282
Adjusted net (loss) income [1]	**2,053**	2,782	12,445	**4,835**	17,026
Adjusted net income applicable to common shareholders [1]	**669**	1,418	11,321	**2,087**	14,756
Adjusted net income per share (basic) [1]	**$0.01**	$0.01	$0.05	**$0.02**	$0.07
Adjusted net income applicable to common shareholders per share (basic) [1]	**$—**	$0.01	$0.05	**$0.01**	$0.06

(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 and six-month periods ended June 30, 2023 presented on a continuing operations basis.

Q2 AND Q2 YTD 2023 vs Q2 AND Q2 YTD 2022

The Company reported total revenue of $37.9 million and $85.8 million for the second quarter and six-month periods ended June 30, 2023, compared to $54.0 million and $88.5 million, respectively, for the prior year periods. Excluding the impact of an approximately $12.5 million revenue adjustment recorded in the current quarter due to the rapid increase in benchmark interest rates, the prolonged industry backlog, and the shift in the funding mix from traditional banks and credit unions to institutional asset managers, which resulted in a significant lag between the approval of retail manufactured housing loans, and in particular Land Home retail manufactured housing loans, and the sale of the loans, total adjusted revenue[1] was $50.5 million and $98.3 million for the second quarter and six-month periods ended June 30, 2023, respectively, compared to $54.0 million and $88.5 million, respectively, for the prior year periods. The quarter-to-date decrease in adjusted revenue[1] reflects lower loan origination revenues at our business segments and lower corporate revenues, partially offset by the growth in servicing revenues and interest income at our Manufactured Housing Finance segment. The year-to-date increase in adjusted revenue[1] 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, partially offset by lower loan origination revenues at each of our business segments and lower corporate revenues.

Total originations for the second quarter and six-month periods ended June 30, 2023 were $622.0 million and $1.1 billion, respectively, compared to $613.0 million and $1.0 billion, respectively, for the prior year periods. Manufactured Housing Finance managed assets increased 28.9% to $4.8 billion compared to $3.8 billion in 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 and higher interest rates.

The table below illustrates the Company's operating expenses for the three and six-month periods ended June 30, 2023 and June 30, 2022:

	For the three-month period ended		For the six-month period ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
(in 000's for stated values)	**$**	$	**$**	$
Manufactured Housing Finance	**19,928**	21,665	**38,086**	36,495
RV and Marine Finance	**3,049**	1,955	**6,014**	3,609
Business segment operating expenses	**22,977**	23,620	**44,100**	40,104
Corporate operating expenses	**3,029**	4,724	**6,347**	9,133
Total operating expenses	**26,006**	28,344	**50,447**	49,237

Operating expenses were $26.0 million and $50.4 million for the second quarter and six-month periods ended June 30, 2023, respectively, compared to $28.3 million and $49.2 million for the prior year periods. The quarter-to-date decrease in operating expenses is primarily attributable to lower variable expenses associated with lower originations at our Manufactured Housing Finance segment and lower corporate operating expenses, partially offset by an increase in RV and Marine Finance operating expenses, primarily attributable to the acquisitions of IFG and Wake Lending and the continued investment in growth initiatives across the RV and Marine Finance segment. The year-to-date increase in operating expenses 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, partially offset by lower corporate operating expenses.

Interest expense was $20.1 million and $38.4 million for the second quarter and six-month periods ended June 30, 2023, respectively, compared to $8.5 million and $14.7 million in the prior year periods. The quarter-to-date and year-to-date increases in interest expense reflect 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 and $3.5 million for the second quarter and six-month periods ended June 30, 2023, respectively, compared to $1.6 million and $3.3 million in the prior year periods.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $13.6 million and $34.3 million for the second quarter and six-month periods ended June 30, 2023, respectively, compared to $8.3 million and $14.1 million in the prior year periods. Share-based compensation expense was $2.1 million and $6.8 million for the second quarter and six-month periods ended June 30, 2023, respectively, compared to $1.6 million and $6.3 million for the prior year periods. Other expenses for the second quarter and six-month periods ended June 30, 2023 include asset disposal, litigation, and corporate restructure costs of $7.3 million and $18.7 million, respectively, related to the termination of office leases, disposition of corporate assets and executive head count reductions. 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. Other expenses for the second quarter and six-month periods ended June 30, 2023 also include transaction and strategic review costs of $2.2 million and $4.8 million, respectively, related to the Company's review of strategic alternatives.

Adjusted EBITDA[1] was $24.5 million and $47.9 million for the second quarter and six-month periods ended June 30, 2023, respectively, compared to $25.7 million and $39.3 million for the prior year periods. The decrease in adjusted EBITDA[1] in the current quarter primarily reflects lower corporate revenues, partially offset by lower Manufactured Housing Finance and corporate operating expenses. Adjusted net income applicable to common shareholders[1] was $0.7 million or $0.00 per share and $2.1 million or $0.01 per share for the second quarter and six-month periods ended June 30, 2023, respectively, compared to adjusted net income of $11.3 million or $0.05 per share and $14.8 million or $0.06 per share for the prior year periods. The decrease in adjusted net income applicable to common shareholders[1] in the current quarter primarily reflects lower adjusted EBITDA[1] and higher interest expense.

The Company reported a net loss from continuing operations of $28.6 million and $48.2 million for the second quarter and six-month periods ended June 30, 2023, respectively, compared to net income of $4.6 million and $4.6 million for the prior year periods.

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

Business Segment Results

RESULTS OF MANUFACTURED HOUSING FINANCE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Manufactured Housing Finance segment for the three-month periods ended June 30, 2023, March 31, 2023, and June 30, 2022 and the six-month periods ended June 30, 2023 and June 30, 2022.

	For the three-month period ended			For the six-month period ended	
	June 30, 2023	March 31, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
(in 000's for stated values)	**$**	$	$	**$**	$
Select metrics:					
Originations	**348,051**	286,217	380,677	**634,268**	667,324
Managed assets, period end (1)	**4,844,950**	4,669,984	3,759,117	**4,844,950**	3,759,117
Managed assets, period average (1)	**4,757,467**	4,512,103	3,503,486	**4,623,052**	3,374,892
Manufactured housing loans	**320,465**	467,165	280,266	**320,465**	280,266
Held-for-trading financial assets	**252,610**	203,203	100,250	**252,610**	100,250
Loan originations revenue	**7,107**	18,004	31,084	**25,111**	50,857
Servicing revenue	**6,902**	6,358	5,207	**13,260**	9,889
Interest income & other revenue	**17,513**	18,323	7,784	**35,836**	13,486
Total revenue	**31,522**	42,685	44,075	**74,207**	74,232
Adjusted operating results:					
Adjusted revenue(1):					
Loan originations revenue(1)	**19,637**	18,004	31,084	**37,641**	50,857
Servicing revenue	**6,902**	6,358	5,207	**13,260**	9,889
Interest income & other revenue	**17,513**	18,323	7,784	**35,836**	13,486
Total adjusted revenue (1)	**44,052**	42,685	44,075	**86,737**	74,232
Operating expenses	**19,928**	18,158	21,665	**38,086**	36,495
Adjusted EBITDA (1)	**24,124**	24,527	22,410	**48,651**	37,737
Interest and depreciation expense	**14,383**	13,359	3,448	**27,742**	6,138
Adjusted operating (loss) income before tax (1)	**9,741**	11,168	18,962	**20,909**	31,599

(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 second quarter and six-month periods ended June 30, 2023 were $348.1 million and $634.3 million respectively, down 8.6% and 5% from the comparable prior year periods. Managed assets[1] were $4.8 billion as at June 30, 2023, an increase of 28.9% compared to managed assets[1] of $3.8 billion as at June 30, 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)								
Q2, 2021	Q3, 2021	Q4,2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023	Q2, 2023
262	299	300	287	381	381	323	286	348

Loan originations revenue for the second quarter and six-month periods ended June 30, 2023 was $7.1 million and $25.1 million, respectively. Excluding the impact of an approximately $12.5 million revenue adjustment recorded in the current quarter, adjusted loan originations revenue[1] for the second quarter and six-month periods ended June 30, 2023 of $19.6 million and $37.6 million, respectively, was down 36.8% and 26.0% from the prior year periods, which primarily reflects the impact of fair value adjustments on our held-for-trading portfolio due to the lower premiums earned on portfolio sales to institutional asset managers. Triad's gain on sale was reduced by approximately $5.8 million and $12.1 million for the second quarter and six-month periods ended June 30, 2023 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, 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 be significantly higher in the second half of 2023.

Servicing revenues of $6.9 million and $13.3 million for the second quarter and six-month periods ended June 30, 2023 were up 32.6% and 34.1%, respectively, from the prior year periods, reflecting growth in managed assets and an increase in full serviced accounts.

Interest income and other revenue for the second quarter and six-month periods ended June 30, 2023 was $17.5 million and $35.8 million, respectively up 125.0% and 165.7% from the prior year periods, primarily driven by higher average floorplan loan balances in 2023.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $24.1 million and $9.7 million, respectively, for the current quarter compared to $22.4 million and $19.0 million, respectively, for the prior year quarter. For the six-month period ended June 30, 2023, adjusted EBITDA[1] and adjusted operating income before tax[1] were $48.7 million and $20.9 million, respectively, compared to $37.7 million and $31.6 million for the prior year period.

Manufactured Housing Finance floorplan loans were $320.5 million as at June 30, 2023, compared to $467.2 million as at March 31, 2023 and $280.3 million as at June 30, 2022. 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. The decrease in Manufactured Housing Finance floorplan loans from the immediately preceding quarter is primarily attributable to an agreement entered into with an existing institutional partner to flow and manage up to $300 million in floorplan loans.

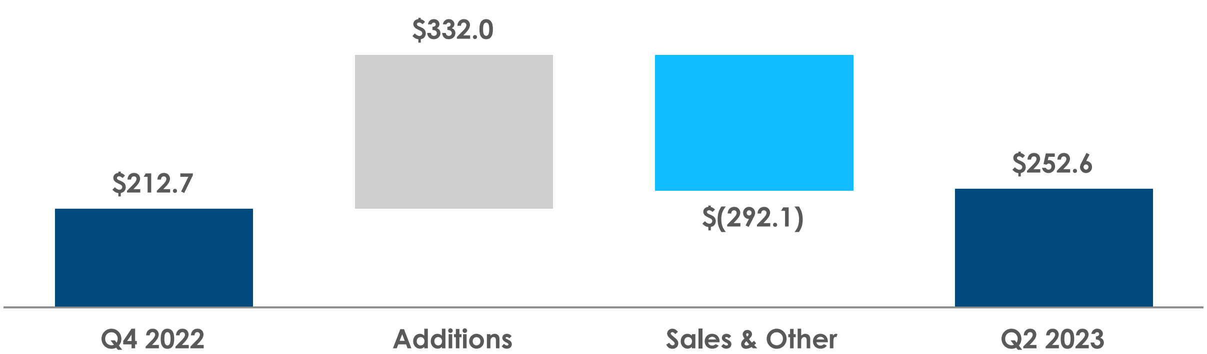
Triad sold approximately $130 million of floorplan loans to this partner during the second quarter and will execute monthly transactions going forward. With this program in place and subsequent programs currently being negotiated, Triad will have significant opportunity to continue to grow its inventory finance business through expanded dealer utilization and added community 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 asset managers. 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 lower origination fee margins.

Held-for-trading financial assets were $252.6 million as at June 30, 2023, compared to $203.2 million as at March 31, 2023 and $100.3 million as at June 30, 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.

Subsequent to the end of the second quarter, Triad entered into an expansion of its long-standing relationship with Blackstone to increase its funding commitment to more than $1.1 billion of high-grade manufactured housing loans (includes $300 million floorplan facility) originated and serviced on the Triad platform. Triad also entered into a new funding relationship with the Carlyle Group for $150 million in high-grade consumer loans, with a further expansion of funding capacity already in process. These expanded relationships enabled Triad to fully replace the reduced funding capacity from its traditional bank and credit union partners in the first half of 2023, and provide Triad access to long-term capital to continue on its growth plan. We estimate the held-for-trading balance at the end of 2023 to be below $200 million as the shift to more strategic investor partners purchasing pooled loan portfolios will result in a higher average balance than prior years.

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



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

Manufactured Housing Finance Segment 2023 Outlook

Based on the performance to date and the originations pipeline for the second half of 2023, the Company is updating its 2023 outlook for Manufactured Housing Finance. Please see the table below for the Company's updated 2023 outlook for the Manufactured Housing Finance Segment, as compared to its original 2023 forecast range.

	Updated 2023 Forecast Range		Original 2023 Forecast Range	
Select Metrics (US$ millions)				
Total originations	1,300	1,400	1,500	1,600
Floorplan line utilized	200	300	400	500
Managed & advised portfolio (period end)	5,200	5,600	5,500	5,900
Income Statement (US$ millions)				
Adjusted loan origination revenues[1]	90	94	115	127
Servicing revenues	28	30	28	30
Interest income & other revenue	66	72	71	75
Total revenues	184	196	214	232
Adjusted EBITDA [1]	105	112	126	140
Adjusted operating income before tax [1]	50	55	77	87

The material factors and assumptions used to develop the forward-looking information related to the 2023 outlook for the Manufactured Housing Finance segment include expected originations volumes, including the ability to grow such originations; expectations regarding our ability to attract new Partners, vendor relationships and new customers and develop and maintain relationships with existing Partners, vendors and customers; the continued availability of funding Partner capacity at expected and contracted levels and the growth and/or renewals of existing funding pipeline commitments from Partners required to meet our anticipated originations levels; continued competitive intensity in the segment in the manufactured housing segment; no significant legal or regulatory developments, no significant deterioration in economic conditions, or macro changes in the competitive environment affecting our business activities; and key interest rates remaining in line with current market expectations throughout the remainder 2023.

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 June 30, 2023, March 31, 2023, and June 30, 2022 and the six-month periods ended June 30, 2023 and June 30, 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			For the six-month period ended	
	June 30, 2023	**March 31, 2023**	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
(in 000's for stated values)	**$**	$	$	**$**	$
Select Metrics					
Originations	**273,907**	178,839	232,343	**452,746**	343,665
RV and Marine loans	**11,972**	12,045	—	**11,972**	—
Held-for-trading financial assets	**40,904**	19,029	—	**40,904**	—
Operating results					
Originations revenue	**6,220**	4,670	7,278	**10,890**	11,101
Interest income & other revenue	**1,007**	525	4	**1,532**	5
Total revenue	**7,227**	5,195	7,282	**12,422**	11,106
Operating expenses	**3,049**	2,965	1,955	**6,014**	3,609
Adjusted EBITDA (1)	**4,178**	2,230	5,327	**6,408**	7,497
Interest and depreciation expense	**866**	487	49	**1,353**	100
Adjusted operating income before tax (1)	**3,312**	1,743	5,278	**5,055**	7,397

(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 three and six-month periods ended June 30, 2023 were $273.9 million and $452.7 million, respectively, compared to $232.3 million and $343.7 million in the prior year periods, 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)								
Q2, 2021	Q3, 2021	Q4,2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023	Q2, 2023
359	252	209	247	416	306	186	179	274

(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 three and six-month periods ended June 30, 2023 were $6.2 million and $10.9 million, down 14.5% and 1.9%, respectively, from prior year periods. Origination activity in the first half 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, 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 three and six-month periods ended June 30, 2023 were $3.0 million and $6.0 million, up 56.0% and 66.6% from the prior year periods, 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 $4.2 million and $3.3 million, respectively, for the current quarter and $6.4 million and $5.1 million, respectively, for the year-to-date period.

RV and Marine Finance Segment 2023 Outlook

Based on the performance to date and the originations pipeline for the second half of 2023, the Company is updating its 2023 outlook for RV and Marine Finance. Please see the table below for the Company's updated 2023 outlook for the RV and Marine Finance Segment, as compared to its original 2023 forecast range.

	Updated 2023 Forecast Range		Original 2023 Forecast Range	
Select Metrics (US$ millions)				
Total originations	800	1,000	1,250	1,350
Income Statement (US$ millions)				
Total revenues	22	26	42	46
Adjusted EBITDA (1)	10	14	28	32
Adjusted operating income before tax (1)	8	10	24	28

The material factors and assumptions used to develop the forward-looking information related to the 2023 outlook for the RV and Marine Finance segment include expected originations volumes, including the ability to grow such originations; expectations regarding our ability to attract new Partners, vendor relationships and new customers and develop and maintain relationships with existing Partners, vendors and customers; the continued availability of funding Partner capacity at expected and contracted levels and the growth and/or renewals of existing funding pipeline commitments from Partners required to meet our anticipated originations levels; continued competitive intensity in the segment in the RV and marine segment; no significant legal or regulatory developments, no significant deterioration in economic conditions, or macro changes in the competitive environment affecting our business activities; key interest rates remaining in line with current market expectations throughout the remainder of 2023; and that the roll-out of anticipated floorplan and other products across the RV and Marine Finance business continues on its expected timing and progress.

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

RESULTS OF CORPORATE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Corporate segment for the three-month periods ended June 30, 2023, March 31, 2023, and June 30, 2022 and the six-month periods ended June 30, 2023 and June 30, 2022.

	For the three-month period ended			For the six-month period ended	
(in 000's for stated values)	**June 30, 2023** **$**	March 31, 2023 $	June 30, 2022 $	**June 30, 2023**	June 30, 2022
Operating results					
Revenues	**(819)**	(37)	2,652	**(856)**	3,203
Operating expenses	**3,029**	3,318	4,724	**6,347**	9,133
Adjusted EBITDA (1)	**(3,848)**	(3,355)	(2,072)	**(7,203)**	(5,930)
Interest expense	**6,100**	5,509	5,639	**11,609**	9,803
Depreciation & amortization	**539**	569	973	**1,108**	1,981
Adjusted operating (loss) income before tax (1)	**(10,487)**	(9,433)	(8,684)	**(19,920)**	(17,714)

(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 $(0.8) million and $(0.9) million for the three and six-month periods ended June 30, 2023, respectively, compared to $2.7 million and $3.2 million for the comparable prior year periods. 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 $3.0 million and $6.3 million for the three and six-month periods ended June 30, 2023, respectively, compared to $4.7 million and $9.1 million for the comparable prior year periods. The Company completed the sale of its legacy corporate aircraft at the end of the second quarter as part of its Board approved corporate simplification and cost reduction program.

Corporate interest expense was $6.1 million for the current quarter, compared to $5.6 million for the prior year quarter.

Total average borrowings on the term senior facility credit during the second quarter of 2023 were $849.1 million compared to $848.9 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 June 30, 2023, March 31, 2023 and June 30, 2022.

	June 30, 2023			
(in 000's for stated values, except percentage amounts)	**Manufactured Housing Finance** $	**RV & Marine Finance** $	**Corporate** $	**Total** $
Assets				
Cash	35,537	10,387	932	**46,856**
Restricted funds	—	2,597	—	**2,597**
Accounts Receivable	172,399	4,459	3,198	**180,056**
Finance assets				
Loans receivable	320,465	11,972	—	**332,437**
Held-for-trading financial assets	252,610	40,904	—	**293,514**
Total finance assets	573,075	52,876	—	**625,951**
Retained reserve interest	36,812	—	—	**36,812**
Continuing involvement asset	59,982	—	—	**59,982**
Goodwill and intangible assets	73,006	159,419	765	**233,190**
Deferred tax assets	6,405	—	4,508	**10,913**
Other assets and investments	18,668	2,597	73,432	**94,697**
Total Assets	**975,884**	**232,335**	**82,835**	**1,291,054**
Liabilities				
Borrowings	674,831	42,753	239,110	**956,694**
Continuing involvement liability	59,982		—	**59,982**
Other liabilities	29,206	26,087	77,952	**133,245**
Total Liabilities	764,019	68,840	317,062	**1,149,921**
Earning Assets - Owned and Managed				
Earning assets - owned [1]	573,075	52,876	—	**625,951**
Earning assets - managed [1]	4,844,950	—	—	**4,844,950**
Total Earning Assets - Owned and Managed [1]	**5,418,025**	**52,876**	**—**	**5,470,901**

Total finance assets from continuing operations were $626.0 million as at June 30, 2023 compared to $701.4 million as at March 31, 2023 and $380.5 million as at June 30, 2022. The decrease compared to the first quarter of 2023 primarily reflects a decrease in manufactured housing floorplan loans due to the approximately $130.0 million in balances that were placed on flow with an institution partner, partially offset by an increase in held-for-trading financial assets. 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 $956.7 million as at June 30, 2023 compared to $1.03 billion as at March 31, 2023 and $818.3 million as at June 30, 2022. The decrease compared to March 31, 2023 primarily reflects net repayment activity during the quarter driven by proceeds from sales of finance assets and other assets. 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 $4.8 billion as at June 30, 2023 reflects managed loans at our Manufactured Housing Finance segment.

	March 31, 2023			
	Manufactured Housing Finance	RV & Marine Finance	Corporate	Total
(in 000's for stated values, except percentage amounts)	$	$	$	$
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**

(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.

(in 000's for stated values, except percentage amounts)	Manufactured Housing Finance $	RV & Marine Finance $	Corporate $	Continuing Operations $	Discontinued Operations	Total
	June 30, 2022					
Assets						
Cash	8,097	6,183	63,472	**77,752**	6,080	**83,832**
Restricted funds	—	2,514	—	**2,514**	—	**2,514**
Accounts Receivable	140,390	5,655	5,267	**151,312**	59,138	**210,450**
Finance assets						
Loans receivable	280,266	—	—	**280,266**	—	**280,266**
Held-for-trading financial assets	100,250	—	—	**100,250**	—	**100,250**
Total finance assets	380,516	—	—	**380,516**	—	**380,516**
Retained reserve interest	34,056	—	—	**34,056**	—	**34,056**
Continuing involvement asset	87,227	—	—	**87,227**	—	**87,227**
Goodwill and intangible assets	68,928	87,222	708	**156,858**	203,923	**360,781**
Deferred tax assets	—	—	34,653	**34,653**	—	**34,653**
Other assets and investments	15,503	572	137,549	**153,624**	5,659	**159,283**
Total Assets	**734,717**	**102,146**	**241,649**	**1,078,512**	**274,800**	**1,353,312**
Liabilities						
Borrowings	367,740	—	450,598	**818,338**	—	**818,338**
Continuing involvement liability	87,227	—	—	**87,227**	—	**87,227**
Other liabilities	27,761	5,146	84,217	**117,124**	90,475	**207,599**
Taxes Payable	2,605	—	8,688	**11,293**	—	**11,293**
Total Liabilities	485,333	5,146	543,503	**1,033,982**	90,475	**1,124,457**
Earning Assets - Owned and Managed						
Earning assets - owned (1)	380,516	—	—	**380,516**	—	**380,516**
Earning assets - managed (1)	3,759,117	—	—	**3,759,117**	28,019,924	**31,779,041**
Total Earning Assets - Owned and Managed (1)	**4,139,633**	**—**	**—**	**4,139,633**	**28,019,924**	**32,159,557**

(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:

	June 30, 2023		March 31, 2023		June 30, 2022	
	$	%	$	%	$	%
Current	**332,615**	**99.62**	480,260	100	280,988	100
31-60 days past due	**—**	**—**	—	—	—	—
61-90 days past due	**1,279**	**0.38**	—	—	—	—
Greater than 90 days past due	**10**	**—**	14	—	—	—
Total continuing operations	**333,904**	**100**	480,274	100	280,988	100

Allowance for Credit Losses

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

(in 000's except percentage amounts)	**Three-month period ended June 30, 2023**	Year ended December 31, 2022 $	Three-month period ended June 30, 2022 $
Allowance for credit losses, beginning of period	**1,064**	527	595
Provision for credit losses	**403**	539	127
Allowance for credit losses, end of period	**1,467**	1,066	722

The Company's allowance for credit losses was $1.5 million as at June 30, 2023, compared to $1.1 million as at December 31, 2022. The allowance for credit losses of $1.5 million as at June 30, 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)		**June 30, 2023** **$**	March 31, 2023 $	June 30, 2022 $
Total debt, including borrowings on term senior credit facility and senior unsecured debentures	**(a)**	**956,694**	1,031,054	818,338
Shareholders' equity	**(b)**	**141,133**	172,050	228,855
Debt to equity ratio	**(a)/(b)**	**6.78**	5.99	3.58

As at June 30, 2023, the Company's debt to equity ratio was 6.78:1.

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)	**June 30, 2023** **$**	March 31, 2023 $	June 30, 2022 $
Cash and cash equivalents	**46,856**	22,509	83,832
Senior Facilities			
Facilities	**900,000**	900,000	700,000
Utilized against Facility	**805,652**	851,535	639,103
Unutilized Borrowing Facilities (i.e., excl. Cash & Equiv.)	**94,348**	48,465	60,897
Total available sources of capital, end of period	**141,204**	70,974	144,729

As at June 30, 2023, the unutilized balance of the borrowing facility was approximately $94.3 million compared to $48.5 million at March 31, 2023 and $60.9 million at June 30, 2022. This $94.3 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.

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 June 30, 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)	**Q2, 2023**	Q1, 2023	Q4, 2022	Q3, 2022	Q2, 2022	Q1, 2022	Q4, 2021	Q3, 2021
Adjusted operating income before tax [1]	**2,566**	3,478	6,804	16,527	15,556	5,726	2,274	7,140
Amortization of intangibles	**1,897**	1,887	1,870	1,880	1,100	1,063	310	310
Accretion of deferred purchase consideration	**128**	128	128	128	—	—	(1)	462
Unrealized gain on foreign currency forward contract	**—**	—	—	—	—	—	—	(2,856)
Share based compensation	**2,138**	4,660	3,489	2,392	1,592	4,716	13,299	3,933
Asset disposal, litigation and corporate restructure costs	**7,303**	11,361	3,044	—	—	—	6,054	—
Transaction and strategic review costs	**2,150**	2,666	321	—	5,632	—	3,074	—
Fair value adjustment	**12,530**	—	—	—	—	—	—	—
Net (loss) income before income taxes	**(23,580)**	(17,224)	(2,048)	12,127	7,232	(53)	(20,462)	5,291
Net (loss) income from continuing operations	**(28,630)**	(19,522)	(5,596)	7,721	4,631	(36)	(14,047)	4,605
Net income (loss) from discontinued operations	**—**	—	(944)	(1)	4,610	5,506	934,971	18,565
Net (loss) income - total	**(28,630)**	(19,522)	(6,540)	7,720	9,241	5,470	920,924	23,170
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**($0.12)**	($0.09)	($0.03)	$0.03	$0.01	$0.00	($0.09)	$0.01
Adjusted net income [1]	**2,053**	2,782	5,443	13,222	12,445	4,581	1,887	5,926
Adjusted net income per share (basic) [1]	**$0.01**	$0.01	$0.02	$0.05	$0.05	$0.02	$0.01	$0.02
Adjusted net income applicable to common shareholders per share (basic) [1]	**$0.00**	$0.01	$0.02	$0.05	$0.05	$0.01	$0.00	$0.01
Originations	**621,958**	465,056	506,844	679,492	613,020	397,970	299,611	298,992
Period end earning assets - owned	**625,952**	701,442	700,509	514,763	380,516	282,829	226,715	214,320
Period end earning assets - managed	**4,844,950**	4,669,984	4,354,221	4,081,188	3,759,117	3,247,854	3,117,704	2,958,485
Period end earning assets - total	**5,470,902**	5,371,426	5,054,730	4,595,951	4,139,633	3,530,683	3,344,419	3,172,805
Allowance for credit losses	**1,467**	1,064	1,066	911	722	595	527	266
Allowance % of finance receivables [1]	**0.23 %**	0.15 %	0.15 %	0.18 %	0.19 %	0.21 %	0.23 %	0.11 %
Term senior credit facility & other	**795,254**	873,427	851,235	840,479	653,880	196,245	107,664	458,639
Senior unsecured debentures	**161,440**	157,627	156,763	153,116	164,458	168,997	166,933	55,848
Total debt	**956,694**	1,031,054	1,007,998	993,595	818,338	365,242	274,597	514,487
Shareholders' equity	**141,133**	172,050	193,675	206,538	228,855	230,308	218,627	823,535

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

Non-IFRS and Other Performance Measures

DESCRIPTION OF NON-IFRS MEASURES

The Company uses certain measures to assess our financial performance that are not generally accepted accounting principles measures under IFRS ("Non-IFRS measures"). The Company believes the non-IFRS measures described below are more reflective of our ongoing operating results and provide readers with a better understanding of the Company's operating performance through the eyes of management. Non-IFRS measures are intended to provide additional information only and do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should not be considered in isolation or as a substitute for measures of performance determined under IFRS.

The following discussion describes the non-IFRS measures we use in evaluating our operating results.

Adjusted Revenue

We define adjusted revenue as revenue excluding the impact of fair value adjustments related to the impact of the change in interest rates and transition to selling loans primarily to institutional buyers from banks and credit unions. Management believes it is appropriate to adjust for these items because they are not considered reflective of recurring business operating results, and the exclusion of these items provides greater comparability across reporting periods. We believe adjusted revenue is a key measure of the Company's operating performance over the long term and provides greater comparability across reporting periods. For a reconciliation of adjusted revenue to revenue, being the most directly comparable IFRS measure, please see "Reconciliation of non-IFRS to IFRS measures" below.

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

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

Adjusted net income per share and Adjusted net income per share applicable to common shareholders

Adjusted net income per share is a non-IFRS ratio and is computed as adjusted net income divided by the basic weighted average number of common shares outstanding during the period. Adjusted net income per share applicable to common shareholders is a non-IFRS ratio and is computed as adjusted net income applicable to common shareholders divided by the basic weighted average number of common shares outstanding during the period.

Earning assets - owned

Earning assets - owned are the finance receivables from continuing operations held on our balance sheet.

Managed assets

Managed assets are the asset portfolios from continuing operations that the Company manages or services on behalf of its Partners.

In addition, the Company utilizes the following performance measures, which are derived from amounts calculated in accordance with IFRS to assess performance:

Allowance for credit losses as a percentage of finance receivables

Allowance for credit losses as a percentage of finance receivables is the allowance for credit losses at the end of the period divided by the finance receivables (gross of the allowance for credit losses) at the end of the period.

Finance assets or total finance assets

Finance assets are the sum of the total finance receivables.

Debt to equity ratio

Debt to equity ratio is calculated as total debt (borrowings) outstanding at the end of the period, divided by total 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 June 30, 2023, March 31, 2023, and June 30, 2022 and the six-month periods ended June 30, 2023 and June 30, 2022.

	For the three-month period ended			For the six-month period ended	
	June 30, 2023	March 31, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Reconciliation of adjusted operating income before tax:					
Net (loss) income from continuing operations	**(28,630)**	(19,522)	4,631	**(48,152)**	4,595
Adjustments:					
Share-based compensation	**2,138**	4,660	1,592	**6,798**	6,308
Amortization of intangible assets	**1,897**	1,887	1,100	**3,784**	2,163
Accretion of deferred purchase consideration	**128**	128	—	**256**	—
Asset disposal, litigation and corporate restructure costs	**7,303**	11,361	—	**18,664**	—
Transaction and strategic review costs	**2,150**	2,666	5,632	**4,816**	5,632
Fair value adjustment	**12,530**	—	—	**12,530**	—
Provision for income taxes	**5,050**	2,298	2,601	**7,348**	2,584
Adjusted operating income before tax	**2,566**	3,478	15,556	**6,044**	21,282
Adjusted operating income before tax comprised of:					
Manufactured Housing Finance Segment	**9,741**	11,168	18,962	**20,909**	31,599
Recreational Vehicles and Marine Finance Segment	**3,312**	1,743	5,278	**5,055**	7,397
Corporate	**(10,487)**	(9,433)	(8,684)	**(19,920)**	(17,714)
	2,566	3,478	15,556	**6,044**	21,282
Reconciliation of adjusted EBITDA:					
Adjusted operating income before tax	**2,566**	3,478	15,556	**6,044**	21,282
Interest expense	**20,141**	18,221	8,463	**38,362**	14,689
Depreciation & amortization	**1,747**	1,703	1,646	**3,450**	3,333
Adjusted EBITDA	**24,454**	23,402	25,665	**47,856**	39,304
Reconciliation of adjusted revenue:					
Total revenue	**37,930**	47,843	54,009	**85,773**	88,541
Fair value adjustment	**12,530**	—	—	**12,530**	—
Adjusted revenue	**50,460**	47,843	54,009	**98,303**	88,541
Reconciliation of adjusted net income and adjusted net income attributable to common shareholders:					
Adjusted operating income before tax	**2,566**	3,478	15,556	**6,044**	21,282
Provision for taxes applicable to adjusted operating income (1)	**513**	696	3,111	**1,209**	4,256
Adjusted net income	**2,053**	2,782	12,445	**4,835**	17,026
Cumulative preferred share dividends during the period	**1,384**	1,364	1,124	**2,748**	2,270
Adjusted net income attributable to common shareholders	**669**	1,418	11,321	**2,087**	14,756
Per share information					
Weighted average number of shares outstanding (basic)	**245,727**	245,383	247,224	**245,555**	246,927
Adjusted net income per share (basic)	**$0.01**	$0.01	$0.05	**$0.02**	$0.07
Adjusted net income applicable to common shareholders per share (basic)	**$0.00**	$0.01	$0.05	**$0.01**	$0.06

(1) Provision for taxes applicable to adjusted operating income reflects an effective tax rate of 20.0% for all periods presented.

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 August 14, 2023, the Company had 245,779,995 common shares, 2,538,586 options and 3,712,400 Series C preferred shares issued and outstanding.

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