



Interim Condensed Consolidated Financial Statements

JUNE 30, 2025

Interim condensed consolidated statements of financial position

[in thousands of United States dollars]

	June 30, 2025	December 31, 2024
	\$	\$
Assets		
Cash	12,730	15,465
Restricted funds	773	1,527
Finance receivables [note 4]	441,213	412,975
Accounts receivable	47,894	54,299
Taxes receivable	7,206	8,277
Other assets [note 5]	21,363	18,550
Retained reserve interest	49,557	46,284
Continuing involvement asset	67,099	72,132
Notes receivable [note 12]	22,496	21,711
Derivative financial instruments [note 13]	831	2,443
Right-of-use and fixed assets, net [note 6]	15,652	17,473
Intangible assets, net	129,576	123,406
Deferred tax assets	8,837	14,688
Goodwill [note 7]	127,925	127,925
Total assets	953,152	937,155
Liabilities and equity		
Liabilities		
Accounts payable and accrued liabilities [note 5]	78,904	50,610
Continuing involvement liability	67,099	72,132
Derivative financial instruments [note 13]	32,278	11,918
Borrowings [note 8]	557,729	576,540
Lease and other liabilities [note 15]	13,579	15,053
Total liabilities	749,589	726,253
Equity		
Shareholders' equity	200,274	207,479
Non-controlling interest	3,289	3,423
Total equity	203,563	210,902
	953,152	937,155

See accompanying notes

On behalf of the Board:

(signed) "William W. Lovatt"
 William W. Lovatt
 Director

(signed)"Steven K. Hudson"
 Steven K. Hudson
 Director

Interim condensed consolidated statements of income

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

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
	\$	\$	\$	\$
Revenues				
Loan origination revenues	32,430	30,676	60,886	50,481
Servicing revenue	17,843	10,691	33,088	19,449
Interest income	10,184	15,362	20,167	34,215
Other revenue (loss) [note 11]	(225)	1,281	2,723	3,471
	60,232	58,010	116,864	107,616
Operating expenses and other				
Compensation and benefits	19,933	17,027	38,313	35,128
General and administrative expenses	10,728	9,469	21,725	19,149
Interest expense	11,531	14,944	22,686	33,182
Depreciation and amortization	3,090	2,060	5,994	4,227
Share-based compensation [note 10]	6,430	3,074	10,211	6,149
Other expenses [note 11]	3,042	2,046	11,877	6,141
	54,754	48,620	110,806	103,976
Income before income taxes	5,478	9,390	6,058	3,640
Provision for income taxes	3,322	1,226	5,117	2,648
Net income for the period	2,156	8,164	941	992
Attributable to:				
Shareholders' equity	2,257	8,164	1,075	992
Non-controlling interest	(101)	—	(134)	—
	2,156	8,164	941	992
Earnings (loss) per common share				
Basic [note 14]	—	0.02	(0.01)	(0.01)
Diluted [note 14]	—	0.02	(0.01)	(0.01)

See accompanying notes

Interim condensed consolidated statements of comprehensive income (loss)

[in thousands of United States dollars]

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
	\$	\$	\$	\$
Net income for the period	2,156	8,164	941	992
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges income (loss) [note 13]	1,950	(2,492)	(2,284)	(4,664)
Net unrealized foreign exchange income (loss)	885	(229)	772	(743)
	2,835	(2,721)	(1,512)	(5,407)
Deferred tax (expense) recovery	(278)	1	349	33
Total other comprehensive income (loss)	2,557	(2,720)	(1,163)	(5,374)
Comprehensive income (loss) for the period	4,713	5,444	(222)	(4,382)
Attributable to:				
Shareholders' equity	4,814	5,444	(88)	(4,382)
Non-controlling interest	(101)	—	(134)	—
	4,713	5,444	(222)	(4,382)

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	—	—	2,132	—	—	2,132	—	2,132
Employee restricted stock unit expense	—	—	156	—	—	156	—	156
Common share issuance [note 9]	1,613	—	—	—	—	1,613	—	1,613
Comprehensive income (loss) for the period	—	—	—	992	(5,374)	(4,382)	—	(4,382)
Dividends – preferred shares [note 9]	—	—	—	(3,923)	—	(3,923)	—	(3,923)
Dividends – common shares [note 9]	—	—	—	(4,105)	—	(4,105)	—	(4,105)
Balance, June 30, 2024	658,521	124,012	84,240	(631,872)	(33,922)	200,979	—	200,979
Balance, December 31, 2024	658,521	124,012	86,269	(633,068)	(28,255)	207,479	3,423	210,902
Employee stock options expense	—	—	761	—	—	761	—	761
Comprehensive income (loss) for the period	—	—	—	1,075	(1,163)	(88)	(134)	(222)
Dividends – preferred shares [note 9]	—	—	—	(3,849)	—	(3,849)	—	(3,849)
Dividends – common shares [note 9]	—	—	—	(4,029)	—	(4,029)	—	(4,029)
Balance, June 30, 2025	658,521	124,012	87,030	(639,871)	(29,418)	200,274	3,289	203,563

See accompanying notes

ECN Capital Corp.

Interim condensed consolidated statements of cash flows

[in thousands of United States dollars]

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
	\$	\$
Operating activities		
Net income for the period	941	992
Items not affecting cash:		
Share-based compensation [note 10]	10,211	6,149
Depreciation and amortization	5,994	4,227
Amortization of intangible assets	4,048	3,814
Amortization of deferred financing costs	2,574	3,375
Accretion of deferred purchase consideration	45	258
Fair value adjustment to convertible debt derivative liability [notes 8 and 13]	174	—
Accretion of convertible debenture discount [notes 8 and 13]	1,052	—
	25,039	18,815
Changes in operating assets and liabilities:		
Change in finance receivables, net [note 4]	(28,238)	30,883
Change in accounts payable [note 5]	18,843	(25,355)
Change in accounts receivable, net	6,405	25,200
Change in taxes payable/receivable	1,071	(2,523)
Change in retained servicing rights asset, net	(13,732)	(8,551)
Other operating assets and liabilities	16,687	(6,544)
Cash provided by operating activities	26,075	31,925
Investing activities		
Acquisitions, net of cash acquired [note 3]	—	(756)
Sale of Red Oak [note 3]	—	149,288
Purchase of fixed assets	(224)	(685)
Repayment of notes receivable	53	2,693
Cash (used in) provided by investing activities	(171)	150,540
Financing activities		
Common shares issuances [note 9]	—	1,613
Payments of lease liabilities	(2,124)	(1,704)
Payments of deferred financing costs	(2,872)	(688)
Repayments on term senior credit facility, net [note 8]	(47,200)	(174,190)
Issuance of other borrowings, net [note 8]	26,767	—
Issuance of convertible senior unsecured debentures [note 8]	57,944	—
Repayment of senior unsecured debentures [note 8]	(54,030)	—
Dividends paid [note 9]	(7,878)	(8,028)
Cash used in financing activities	(29,393)	(182,997)
Net decrease in cash during the period	(3,489)	(532)
Cash and restricted funds, beginning of period	16,992	23,273
Cash and restricted funds, end of period	13,503	22,741

See accompanying notes

ECN Capital Corp.

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:

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
	\$	\$
Cash	12,730	22,440
Restricted funds	773	301
Total	13,503	22,741

Supplemental cash flow information:

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
	\$	\$
Cash taxes (refunded) paid, net	(432)	3,526
Cash interest paid	18,494	29,812
Cash interest received	19,629	32,776

See accompanying notes

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 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 720 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 August 7, 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 International Accounting Standards ("IAS") 21, The Effects of Changes in Foreign Exchange Rates

Notes to interim condensed consolidated financial statements

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

June 30, 2025

Effective January 1, 2025, the Company adopted the IAS 21 amendment regarding non-exchangeable currencies. As 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 June 30, 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 its 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.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 unfavourably 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 historically 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.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 \$2,519 and \$4,946 in total revenues and \$219 and \$292 in net loss for the three and six-month periods ended June 30, 2025, respectively. The minority interest portion of the net loss for the three and six-month periods ended June 30, 2025, of \$101 and \$134, respectively, was a decrease to non-controlling interest and a corresponding increase to net income 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.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 and six-month periods ended June 30, 2025 and June 30, 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 and six-month periods ended June 30, 2024.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

4. Finance Receivables

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

	June 30, 2025	December 31, 2024
	\$	\$
Commercial (floorplan and rental) loans	180,313	186,867
RV and Marine loans	19,187	9,594
Gross finance receivables at amortized cost	199,500	196,461
Allowance for credit losses	(556)	(721)
Net finance receivables at amortized cost	198,944	195,740
Held-for-trading financial assets	242,269	217,235
Total finance receivables	441,213	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.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

Held-for-trading financial assets

The loans balance as at June 30, 2025 includes \$165.1 million (December 31, 2024 - \$144.0 million) in manufactured housing loans and \$77.1 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.

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

	June 30, 2025		December 31, 2024	
	\$	%	\$	%
31 - 60 days past due	207	0.10	—	—
61 - 90 days past due	8	—	—	—
Greater than 90 days past due	13	0.01	394	0.20
Total past due	228	0.11	394	0.20
Current	199,272	99.89	196,067	99.80
Total investment	199,500	100.00	196,461	100.00

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

	June 30, 2025	December 31, 2024
Gross finance receivables at amortized cost	\$199,500	\$196,461
Weighted average interest rate	9.95 %	10.30 %

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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

	June 30, 2025			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	\$	\$	\$	\$
Low risk	88,917	3	—	88,920
Medium risk	110,329	7	—	110,336
High risk	26	205	—	231
Default	—	—	13	13
Gross carrying amount	199,272	215	13	199,500

	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.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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
Provision for credit losses	(53)	—	89	36
Stage transfers	—	(38)	38	—
Balance as at June 30, 2024	244	—	127	371
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
Provision for credit losses	116	60	(168)	8
Charge-offs, net of recoveries	—	—	(27)	(27)
Stage transfers	(1)	1	—	—
Balance as at June 30, 2025	481	62	13	556

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

5. Other Assets and Accounts Payable and Accrued Liabilities

The following table presents the assets reported in other assets:

	June 30, 2025	December 31, 2024
	\$	\$
Investments in securities	2,866	4,420
Prepaid expenses	11,800	9,086
Other assets ^[1]	6,697	5,044
Total	21,363	18,550

[1] Other assets include \$1.3 million and \$0.4 million of outstanding receivables due from officers of the Company as at June 30, 2025 and December 31, 2024, respectively.

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

	June 30, 2025	December 31, 2024
	\$	\$
Accrued payroll and share-based compensation liabilities	26,509	29,798
Accounts payable ^[1]	39,786	11,005
Accrued other liabilities	12,609	9,807
Total	78,904	50,610

[1] Accounts payable as at June 30, 2025 includes \$27.3 million due to Partners under commercial funding agreements.

Accrued other liabilities of \$12,609 as at June 30, 2025 include a provision of \$2,711 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 six-month period ended June 30, 2025 were as follows:

	June 30, 2025
	\$
Balance, beginning of period	1,513
Additions	6,732
Settlements	(5,534)
Balance, end of period	2,711

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

6. Right-of-Use and Fixed Assets

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

	June 30, 2025	December 31, 2024
	\$	\$
Right-of-use assets, net	10,979	12,385
Fixed assets, net	4,673	5,088
Total	15,652	17,473

7. Goodwill

Changes in the Company's goodwill balance for the six-month period ended June 30, 2025 and for the year ended December 31, 2024 were as follows:

	June 30, 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 June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	\$	\$
Term senior credit facility	332,556	378,424
Senior unsecured debentures	105,652	150,780
Convertible senior unsecured debentures	45,455	—
Other secured borrowings	74,066	47,336
Total	557,729	576,540

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 favour 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:

	June 30, 2025		December 31, 2024	
	Balance outstanding	Weighted average interest rate ^[1]	Balance outstanding	Weighted average interest rate ^[1]
	\$	%	\$	%
Term senior credit facility	339,371	6.45	386,571	6.51
Deferred financing costs	(6,815)		(8,147)	
Total term senior credit facility borrowings	332,556		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 June 30, 2025, the unutilized balance of the facility is \$430,629 (December 31, 2024 - \$383,429).

Senior unsecured debentures

As at June 30, 2025, the Company has listed senior unsecured debentures with an aggregate principal of C\$146.25 million (the "Debentures"), consisting of:

- 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 common shares of the Company in accordance with the terms of the respective indentures.

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

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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

	June 30, 2025	December 31, 2024
	\$	\$
6.00% senior unsecured debentures due 2025	—	52,140
6.00% senior unsecured debentures due 2026	63,385	59,961
6.25% senior unsecured debentures due 2027	44,094	41,712
	107,479	153,813
Deferred financing costs	(1,827)	(3,033)
Total senior unsecured debentures	105,652	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 \$8 million (US \$5.6 million) on April 1, 2025, bringing the total proceeds to C\$83.0 million (US\$58.0 million).

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 and six month periods ended June 30, 2025 were \$1,004 and \$1,052, respectively.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

The following table summarizes the outstanding balance of the Company's Convertible Debentures for the six-month period ended June 30, 2025:

	June 30, 2025
	\$
Balance, beginning of period	—
Principal value at issuance	57,944
Fair value of embedded derivative at issuance	(11,770)
Fair value gain on issuance	(858)
Accretion of discount and foreign exchange	2,938
Balance, end of period	48,254
Deferred financing costs	(2,799)
Total convertible senior unsecured debentures	45,455

Other secured borrowings

Other secured borrowings of \$74,066 as at June 30, 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.

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

	June 30, 2025		December 31, 2024	
	Balance outstanding	Weighted average interest rate ^[1]	Balance outstanding	Weighted average interest rate ^[1]
	\$	%	\$	%
Source One facility due December 2026 ^[2]	32,545	5.8	16,005	5.8
Source One facility due March 2027 ^[3]	6,793	6.2	—	N/A
Triad Financial Services facility due July 2028 ^[4]	35,812	6.3	32,378	6.5
Deferred financing costs	(1,084)		(1,047)	
Total other secured borrowings	74,066		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 SOFR plus 1.50%.

[3] Facility bears interest at the CIBC Commercial Paper Note plus 1.65%.

[4] Facility bears interest at the applicable commercial rate plus 1.50%.

As at June 30, 2025, the unutilized balances of the Company's other revolving facilities are \$146,350 (December 31, 2024 - \$180,164).

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

The Company is in compliance with all financial and reporting covenants with all of its lenders as at June 30, 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
Exercise of options and share units	1,173,481	1,613
Balance, June 30, 2024	281,120,223	658,521
Balance, December 31, 2024	281,142,645	658,521
Exercise of options	336,364	—
Balance, June 30, 2025	281,479,009	658,521

Common share dividends

During the three and six-month periods ended June 30, 2025, the Company paid \$2,063 and \$4,029 or C\$0.01 and C\$0.02, respectively, per common share in dividends (June 30, 2024 - \$2,045 and \$4,105 or C\$0.01 and C\$0.02, respectively, 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, June 30, 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, June 30, 2025	3,712,400	67,052	27,450,000	56,960

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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%.

Preferred share dividends

During the three and six-month periods ended June 30, 2025, the Company paid \$1,353 and \$2,636 or C\$0.4960625 and C\$0.9921250, respectively, per Series C Preferred Share in dividends (June 30, 2024 - \$1,343 and \$2,709 or C\$0.4960625 and C\$0.9921250, respectively, per Series C Preferred Share).

During the three and six-month periods ended June 30, 2025 and June 30, 2024, the Company paid \$1,213 or C\$0.0603 dividends per Series E Preferred Share. During the three and six-month periods ended June 30, 2024 the Company declared \$1,214 or C\$0.0605 dividends per Series E Preferred Share. The Company's preferred share dividends are designated to be eligible dividends for income tax purposes.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 and six-month periods ended June 30, 2025 and June 30, 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 and six-month periods ended June 30, 2025 and June 30, 2024:

	Three-month period ended		Six-month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
Performance share units and restricted share units ("PSUs and RSUs")	3,394	1,625	6,078	3,642
Deferred share units ("DSUs")	565	706	1,148	375
Stock options	247	743	761	2,132
Foreign exchange loss ^[1]	2,224	—	2,224	—
Share-based compensation	6,430	3,074	10,211	6,149

[1] In comparative periods, foreign exchange gains of \$414 and \$1,244 for the three and six-month periods ended June 30, 2024, respectively, were recorded in Other Revenue.

The following table summarizes equity award units granted for the three and six-month periods ended June 30, 2025:

	Three-month period ended	Six-month period ended
	June 30, 2025	June 30, 2025
	#	#
PSUs and RSUs	86,349	2,991,874
DSUs	80,390	412,614
Total	166,739	3,404,488

Notes to interim condensed consolidated financial statements

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

June 30, 2025

11. Other Revenue and Other Expenses

Other revenue consists of the following for the three and six-month periods ended June 30, 2025 and June 30, 2024:

	Three-month period ended		Six-month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
Income on investments, net	2,206	807	3,649	1,421
Unrealized gain on interest rate swap	—	262	—	1,191
Fair value adjustment of convertible debenture derivative liability	(1,940)	—	(174)	—
Foreign exchange and other (loss) revenue	(491)	212	(752)	859
Total other revenue	(225)	1,281	2,723	3,471

Other expenses consist of the following for the three and six-month periods ended June 30, 2025 and June 30, 2024:

	Three-month period ended		Six-month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
Amortization of intangible assets	2,024	1,917	4,048	3,814
Accretion of convertible debenture discount	1,004	—	1,052	—
Accretion of deferred purchase consideration	14	129	45	258
Restructuring costs	—	—	6,732	—
Transaction, corporate development and other costs	—	—	—	2,069
Total other expenses	3,042	2,046	11,877	6,141

Restructuring costs of \$6,732 for the six-month period ended June 30, 2025 relate to the Company's previously announced corporate simplification plan. Transaction, corporate development and other costs of \$2,069 for the six-month period ended June 30, 2024 primarily reflect costs related to the acquisition of FAS, other business development initiatives and the Company's review of strategic alternatives.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 \$22,496 as at June 30, 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 six-month periods ended June 30, 2025 and June 30, 2024 were as follows:

	June 30, 2025	June 30, 2024
	\$	\$
Notes receivable, beginning of period	21,711	24,631
Interest income	155	165
Repayments (interest and principal)	(53)	(2,443)
Foreign exchange	683	(477)
Notes receivable, end of period	22,496	21,876

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 \$175 and \$175 for the six-month periods ended June 30, 2025 and June 30, 2024, respectively.

As at June 30, 2025, an officer of the Company held a portfolio of \$1,396 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 and six-month periods ended June 30, 2025 and June 30, 2024:

	Three-month period ended		Six-month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
Fair value loss recorded in loan origination revenues	(1,415)	—	(4,237)	—
Fair value income (loss) recorded in other comprehensive loss	1,950	(2,492)	(2,284)	(4,664)

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 and six-month periods ended June 30, 2025, the fair value loss of these non-designated economic hedging instruments was \$595 and \$711, respectively.

Convertible Debentures Derivative Liability

The conversion option of the Company's Convertible Senior Debentures is a derivative liability measured at fair value through profit or loss. Changes in respect of the fair value of the convertible debentures derivative liability for the six-month period ended June 30, 2025 was as follows:

	June 30, 2025
	\$
Balance, beginning of period	—
Issuances	11,770
Change in fair value included in earnings	1,033
Foreign currency	554
Balance, end of period	13,357

Notional amounts and fair values of derivative instruments

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

	June 30, 2025		December 31, 2024	
	Notional principal	Fair value ^[1]	Notional principal	Fair value
	\$	\$	\$	\$
Derivative assets				
Interest rate contracts	266,992	115	297,900	2,432
Foreign exchange agreements	172,265	716	78,637	11
	439,257	831	376,537	2,443
Derivative liabilities				
Interest rate contracts	261,400	2,032	25,000	21
Foreign exchange agreements	—	—	81,489	57
Total return swaps	38,782	16,889	46,879	11,840
	300,182	18,921	153,368	11,918

[1] The table above excludes the convertible debentures derivative liability of \$13,357.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

14. Earnings (loss) per Share

	Three-month period ended		Six-month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
Basic:				
Net Income attributable to common shareholders	2,257	8,164	1,075	992
Cumulative dividends on preferred shares	2,566	2,553	3,849	3,923
Net (loss) income attributable to common shareholders for basic earnings	(309)	5,611	(2,774)	(2,931)
Weighted average number of common shares outstanding - basic	281,444,930	281,013,543	281,329,257	280,471,203
Basic earnings (loss) per share	\$ —	\$ 0.02	\$ (0.01)	\$ (0.01)
Diluted:				
Net (loss) income attributable to common shareholders for diluted earnings	(309)	5,611	(2,774)	(2,931)
Weighted average number of common shares outstanding - diluted ⁽¹⁾	281,444,930	281,013,543	281,329,257	280,471,203
Diluted earnings (loss) per share	\$ —	\$ 0.02	\$ (0.01)	\$ (0.01)

[1] Potentially dilutive stock options of 3,034,004 and nil, preferred shares of 27,450,000 and 27,450,000 and Convertible Debenture common shares of 21,992,595 and nil were excluded from the computation of diluted loss per share as their effect would have been anti-dilutive for the three-month periods ended June 30, 2025 and 2024, respectively.

Potentially dilutive stock options of 3,537,425 and 506,899 preferred shares of 27,450,000 and 27,450,000 and Convertible Debenture common shares of 12,375,983 and nil were excluded from the computation of diluted loss per share as their effect would have been anti-dilutive for the six-month periods ended June 30, 2025 and 2024, respectively.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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:

	June 30, 2025	December 31, 2024
	\$	\$
Borrowings on term senior credit facility and other	406,622	425,760
Accounts payable and accrued liabilities	78,904	50,610
Lease and other liabilities ^[1]	13,579	15,053
	499,105	491,423
Senior unsecured debentures ^[2]	105,652	150,780
Convertible senior unsecured debentures	45,455	—
Total equity	203,563	210,902
	853,775	853,105

[1] Other liabilities primarily include a \$591 (December 31, 2024 - \$691) deferred purchase consideration liability related to the acquisition of Paramount and FAS, and a \$13.0 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.

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.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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:

June 30, 2025				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	12,730	—	—	12,730
Restricted funds	773	—	—	773
Held-for-trading financial assets	—	—	242,269	242,269
Investments in securities	—	2,866	—	2,866
Retained reserve interest	—	—	49,557	49,557
Derivative financial instruments, net	—	(31,447)	—	(31,447)
Total	13,503	(28,581)	291,826	276,748

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.

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.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 June 30, 2025.

Assumption	June 30, 2025	
	Change	Amount
	basis points	\$
Charge-off rate	5	3,880
Prepayment rate	100	5,247
Discount rate	100	3,858

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 June 30, 2025, the Company estimates that a hypothetical 50 basis point increase in interest rates may result in an decrease of approximately \$1.8 million in the carrying value of its held-for-trading financial assets.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

(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 six-month periods ended June 30, 2025 and June 30, 2024 were as follows:

	Held-for-trading financial assets	Retained reserve interest
	\$	\$
Balance, December 31, 2023	440,398	38,000
Issues	613,641	5,198
Sales	(667,354)	—
Settlements	(12,042)	(1,958)
Balance, June 30, 2024	374,643	41,240
 Balance, December 31, 2024	 217,235	 46,284
Issues	719,649	6,095
Sales	(692,475)	—
Settlements	(5,412)	(4,389)
Change in fair value included in earnings	3,272	1,567
Balance, June 30, 2025	242,269	49,557

(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.

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

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 and six-month periods ended June 30, 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 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 and six-month periods ended June 30, 2025 and June 30, 2024 are shown in the following tables:

	For the three-month period ended June 30, 2025			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	\$	\$	\$	\$
Revenues				
Loan origination revenues	25,134	7,296	—	32,430
Servicing revenue	14,090	3,753	—	17,843
Interest income	7,901	2,283	—	10,184
Other revenue (expense)	1,466	249	(1,940)	(225)
Total revenue	48,591	13,581	(1,940)	60,232
Operating expenses and other				
Compensation and benefits	14,918	5,015	—	19,933
General and administrative expenses	7,794	2,934	—	10,728
Interest expense	6,428	1,840	3,263	11,531
Depreciation and amortization	2,264	826	—	3,090
Share-based compensation	4,604	1,826	—	6,430
Other expenses	310	1,728	1,004	3,042
	36,318	14,169	4,267	54,754
Income (loss) before income taxes	12,273	(588)	(6,207)	5,478

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

	For the six-month period ended June 30, 2025			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	\$	\$	\$	\$
Revenues				
Loan origination revenues	48,385	12,501	—	60,886
Servicing revenue	26,009	7,079	—	33,088
Interest income	15,636	4,531	—	20,167
Other revenue (expense)	2,600	297	(174)	2,723
Total revenue	92,630	24,408	(174)	116,864
Operating expenses and other				
Compensation and benefits	28,911	9,402	—	38,313
General and administrative expenses	16,177	5,548	—	21,725
Interest expense	12,858	3,653	6,175	22,686
Depreciation and amortization	4,367	1,627	—	5,994
Share-based compensation	7,163	3,048	—	10,211
Other expenses	6,590	4,235	1,052	11,877
	76,066	27,513	7,227	110,806
Income (loss) before income taxes	16,564	(3,105)	(7,401)	6,058

	For the three-month period ended June 30, 2024			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	\$	\$	\$	\$
Revenues				
Loan origination revenues	23,414	7,262	—	30,676
Servicing revenue	10,691	—	—	10,691
Interest income	12,937	2,113	250	15,300
Other revenue	828	19	496	1,343
Total revenue	47,870	9,394	746	58,010
Operating expenses and other				
Compensation and benefits	12,694	3,207	1,126	17,027
General and administrative expenses	6,883	1,236	1,350	9,469
Interest expense	6,763	1,344	6,837	14,944
Depreciation and amortization	1,309	447	304	2,060
Share-based compensation	1,263	327	1,484	3,074
Other expenses	310	1,736	—	2,046
	29,222	8,297	11,101	48,620
Income (loss) before income taxes	18,648	1,097	(10,355)	9,390

ECN Capital Corp.

Notes to interim condensed consolidated financial statements

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

June 30, 2025

	For the six-month period ended June 30, 2024			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	\$	\$	\$	\$
Revenues				
Loan origination revenues	39,152	11,329	—	50,481
Servicing revenue	19,449	—	—	19,449
Interest income	29,773	3,795	585	34,153
Other revenue	2,288	53	1,192	3,533
Total revenue	90,662	15,177	1,777	107,616
Operating expenses and other				
Compensation and benefits	27,285	5,953	1,890	35,128
General and administrative expenses	13,431	2,317	3,401	19,149
Interest expense	18,105	2,424	12,653	33,182
Depreciation and amortization	2,545	851	831	4,227
Share-based compensation	1,648	1,008	3,493	6,149
Other expenses	620	3,452	2,069	6,141
	63,634	16,005	24,337	103,976
Income (loss) before income taxes	27,028	(828)	(22,560)	3,640

Total assets and total liabilities by segment as at June 30, 2025 and December 31, 2024 are shown in the following tables:

	June 30, 2025			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	\$	\$	\$	\$
Total assets	680,471	272,681	—	953,152
Total liabilities	479,186	105,938	164,465	749,589

	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



ecncapitalcorp.com