ECN CAPITAL

Interim Condensed Consolidated Financial Statements

SEPTEMBER 30, 2023

Interim condensed consolidated statements of financial position

[in thousands of United States dollars]

	September 30, 2023	December 31, 2022
	$	$
Assets		
Cash	**23,750**	12,715
Restricted funds *[note 9]*	**2,576**	2,577
Finance receivables *[note 5]*	**494,601**	700,509
Accounts receivable	**142,359**	203,385
Taxes receivable	**16,393**	15,875
Other assets *[note 6]*	**19,864**	25,775
Retained reserve interest *[note 17]*	**37,756**	36,479
Continuing involvement asset	**55,743**	70,377
Notes receivable *[note 13]*	**24,162**	31,613
Derivative financial instruments *[note 14]*	**269**	878
Leasehold improvements and other equipment *[note 7]*	**18,818**	69,181
Intangible assets	**106,725**	104,479
Deferred tax assets	**23,378**	17,042
Goodwill *[note 8]*	**126,827**	125,446
Assets held-for-sale *[note 4]*	**140,254**	—
Total assets	**1,233,475**	1,416,331
Liabilities and shareholders' equity		
Liabilities		
Accounts payable and accrued liabilities *[note 6]*	**60,899**	78,344
Continuing involvement liability	**55,743**	70,377
Derivative financial instruments *[note 14]*	**25,020**	26,188
Borrowings *[note 9]*	**800,686**	1,007,998
Other liabilities *[note 16]*	**27,504**	39,749
Total liabilities	**969,852**	1,222,656
Shareholders' equity	**263,623**	193,675
	1,233,475	1,416,331

See accompanying notes

On behalf of the Board:

(signed) *"William W. Lovatt"*	(signed) *"Steven K. Hudson"*
William W. Lovatt	Steven K. Hudson
Director	Director

Interim condensed consolidated statements of operations

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

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2022	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2022
	$	$	$	$
Revenues				
Loan origination revenues	**18,258**	37,695	**54,259**	99,653
Servicing revenue	**8,461**	5,743	**21,721**	15,632
Interest income	**17,944**	11,284	**56,135**	25,260
Other revenue *[note 12]*	**1,027**	3,288	**(652)**	6,006
	45,690	58,010	**131,463**	146,551
Operating expenses and other				
Compensation and benefits	**16,649**	16,676	**47,749**	44,628
General and administrative expenses	**9,674**	9,908	**29,021**	31,193
Interest expense	**19,727**	13,129	**58,089**	27,818
Depreciation and amortization	**2,005**	1,770	**5,455**	5,103
Share-based compensation *[note 11]*	**4,825**	2,392	**11,623**	8,700
Other expenses *[note 12]*	**9,468**	2,008	**36,988**	9,803
	62,348	45,883	**188,925**	127,245
(Loss) income before income taxes from continuing operations	**(16,658)**	12,127	**(57,462)**	19,306
(Recovery of) provision for income taxes	**(12,084)**	4,406	**(4,736)**	6,990
Net (loss) income from continuing operations	**(4,574)**	7,721	**(52,726)**	12,316
Net (loss) income from discontinued operations *[note 4]*	**—**	(1)	**—**	10,115
Net (loss) income for the period	**(4,574)**	7,720	**(52,726)**	22,431
(Loss) earnings per common share - Basic				
Continuing operations *[note 15]*	**(0.02)**	0.03	**(0.23)**	0.03
Discontinued operations *[note 15]*	**—**	—	**—**	0.04
Total basic (loss) earnings per share *[note 15]*	**(0.02)**	0.03	**(0.23)**	0.07
(Loss) earnings per common share - Diluted				
Continuing operations *[note 15]*	**(0.02)**	0.03	**(0.23)**	0.03
Discontinued operations *[note 15]*	**—**	—	**—**	0.04
Total diluted (loss) earnings per share *[note 15]*	**(0.02)**	0.03	**(0.23)**	0.07

See accompanying notes

Interim condensed consolidated statements of comprehensive (loss) income

[in thousands of United States dollars]

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2022	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2022
	$	$	$	$
Net (loss) income for the period	**(4,574)**	7,720	**(52,726)**	22,431
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges *[note 14]*	**1,688**	(4,235)	**2,713**	(8,202)
Net unrealized foreign exchange loss	**(498)**	(13,876)	**(457)**	(15,568)
	1,190	(18,111)	**2,256**	(23,770)
Deferred tax (expense) recovery	**(8)**	188	**(113)**	2,166
Total other comprehensive income (loss)	**1,182**	(17,923)	**2,143**	(21,604)
Comprehensive (loss) income for the period	**(3,392)**	(10,203)	**(50,583)**	827

See accompanying notes

Interim condensed consolidated statements of changes in shareholders' 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
	$	$	$	$	$	$
Balance, December 31, 2021	590,501	67,052	77,640	(507,671)	(8,895)	218,627
Employee stock option expense	—	—	702	—	—	702
Employee restricted stock unit expense	—	—	2,323	—	—	2,323
Reclassification to liability for stock option modification	—	—	(2,292)	—	—	(2,292)
Common share issuance *[note 10]*	5,596	—	—	—	—	5,596
Common share repurchases *[note 10]*	(9,870)	—	—	—	—	(9,870)
Comprehensive income for the period	—	—	—	22,431	(21,604)	827
Dividends – preferred shares *[note 10]*	—	—	—	(3,679)	—	(3,679)
Dividends – common shares *[note 10]*	—	—	—	(5,696)	—	(5,696)
Balance, September 30, 2022	586,227	67,052	78,373	(494,615)	(30,499)	206,538
Balance, December 31, 2022	586,227	67,052	79,013	(504,319)	(34,298)	193,675
Employee stock options expense	**—**	**—**	**1,640**	**—**	**—**	**1,640**
Employee restricted stock unit expense	**—**	**—**	**634**	**—**	**—**	**634**
Common share issuance *[note 10]*	**70,818**	**—**	**—**	**—**	**—**	**70,818**
Preferred share issuance Series E *[note 10]*	**—**	**57,073**	**—**	**—**	**—**	**57,073**
Comprehensive loss for the period	**—**	**—**	**—**	**(52,726)**	**2,143**	**(50,583)**
Dividends – preferred shares *[note 10]*	**—**	**—**	**—**	**(4,126)**	**—**	**(4,126)**
Dividends – common shares *[note 10]*	**—**	**—**	**—**	**(5,508)**	**—**	**(5,508)**
Balance, September 30, 2023	**657,045**	**124,125**	**81,287**	**(566,679)**	**(32,155)**	**263,623**

See accompanying notes

ECN Capital Corp.

Interim condensed consolidated statements of cash flows

[in thousands of United States dollars]

	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2022
	$	$
Operating activities		
Net (loss) income for the period from continuing operations	**(52,726)**	12,316
Items not affecting cash:		
Share-based compensation *[note 11]*	**11,623**	8,700
Depreciation and amortization	**5,455**	5,103
Amortization of intangible assets	**5,685**	4,043
Accretion of deferred purchase consideration	**384**	128
Amortization of deferred financing costs	**4,442**	4,128
Loss on sale of fixed assets	**2,040**	—
	(23,097)	34,418
Changes in operating assets and liabilities:		
Change in finance receivables, net *[note 5]*	**65,654**	(288,048)
Change in accounts receivable, net	**61,034**	(84,667)
Change in taxes payable	**—**	(281,887)
Other operating assets and liabilities	**(40,328)**	(56,429)
Cash provided by (used in) operating activities - continuing operations	**63,263**	(676,613)
Investing activities		
Acquisition of Wake Lending, net of cash acquired *[note 3]*	**(2,489)**	—
Acquisition of IFG, net of cash acquired *[note 3]*	**—**	(53,173)
Purchase of property, equipment and leasehold improvements	**(17,209)**	(26,963)
Proceeds from sale of equipment	**61,000**	36,742
Decrease (increase) in notes receivable	**2,234**	(1,547)
Repayment of equipment financing	**—**	(16,377)
Cash provided by (used in) investing activities - continuing operations	**43,536**	(61,318)
Financing activities		
Common share repurchases	**—**	(9,870)
Common shares issuances	**70,818**	5,596
Preferred share issuance	**57,073**	—
Payments of lease liabilities	**(2,555)**	(2,360)
Payments of deferred financing costs	**(996)**	(1,792)
(Repayments) borrowings on term senior credit facility, net	**(176,702)**	697,487
(Repayment) issuance of promissory note	**(33,769)**	35,000
Dividends paid	**(9,634)**	(9,375)
Cash (used in) provided by financing activities - continuing operations	**(95,765)**	714,686
Cash flows from discontinued operations		
Cash used in operating activities - discontinued operations	**—**	(1,637)
Cash used in financing activities - discontinued operations	**—**	(672)
Cash used in discontinued operations *[note 4]*	**—**	(2,309)
Net increase (decrease) in cash during the period	**11,034**	(25,554)
Cash and restricted funds, beginning of period	**15,292**	47,239
Cash and restricted funds, end of period	**26,326**	21,685

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:	**Nine-month period ended September 30, 2023**	**Nine-month period ended September 30, 2022**
	$	$
Cash	**23,750**	19,064
Restricted funds	**2,576**	2,621
Total	**26,326**	21,685

Supplemental cash flow information:	**Nine-month period ended September 30, 2023**	**Nine-month period ended September 30, 2022**
	$	$
Cash taxes paid, net	**4,787**	284,579
Cash interest paid	**50,879**	21,621

See accompanying notes

Notes to interim condensed consolidated financial statements

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

September 30, 2023

1. Corporate Information

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 investment funds (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 (inventory finance or floorplan) 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 520 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 Significant 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, 2022, which include information necessary or useful to understanding the Company's business and financial statement presentation.

These interim condensed consolidated financial statements are presented in thousands of U.S. dollars, 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 November 13, 2023.

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.

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

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

Seasonality of operations

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

3. Business Acquisitions and Disposals

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 total consideration of $2.5 million. This acquisition expands the Company's geographic presence of the RV and Marine Finance segment.

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	$ 2,500
Fair value of identifiable assets and liabilities:	
Cash	11
Accounts receivable	8
Goodwill	1,381
Intangible assets	1,100
Net assets acquired	2,500

The allocation to goodwill of $1.4 million is primarily attributable to senior management's ability to maintain and grow both its dealer and funding relationships in support of the continued growth of the business. The Company expects that all of the goodwill will be deductible for tax purposes.

Operating results attributable to Wake Lending are included in the Company's consolidated statements of operations from the date of acquisition and were not material to the Company's consolidated operating results for the three and nine-month periods ended September 30, 2023.

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

Acquisition of Intercoastal Financial Group, LLC

On July 1, 2022, the Company acquired all of the outstanding equity interests in Intercoastal Financial Group, LLC ("IFG"), an RV and marine finance company, for total consideration of $74.2 million, including $55.8 million in cash and deferred consideration of $18.3 million to be paid over the next two years. This acquisition expands the Company's geographic presence of the RV and Marine Finance segment. Acquisition-related costs were $2.1 million, including advisory fees, legal, accounting, due diligence, and other transaction-related expenses, and are recorded in general and administrative expenses on the consolidated statements of operations.

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	$	55,814
Fair value of deferred consideration		18,347
Total consideration		74,161
Fair value of identifiable assets and liabilities:		
Cash		2,406
Accounts receivable and other assets		2,646
Intangible assets		38,700
Goodwill		34,725
Accounts payable and other liabilities		(4,316)
Net assets acquired		74,161

The allocation to goodwill of $34.7 million is primarily attributable to senior management's ability to maintain and grow both its dealer and funding relationships in support of the continued growth of the business. The Company expects that all of the goodwill will be deductible for tax purposes.

Operating results attributable to IFG are included in the Company's consolidated statements of operations from the date of acquisition. IFG contributed approximately $2.3 million and $7.1 million in total revenues and $1.1 million and $3.2 million in pre-tax operating income during the three and nine-month periods ended September 30, 2023, respectively.

Sale of Kessler Financial Services

On October 4, 2022, the Company completed the sale of all of the issued and outstanding equity interests in ECN Kessler Holdco LLC, a wholly owned, indirect subsidiary of the Company through which ECN Capital operates the Kessler Financial Services business ("KG"), to funds managed by Stone Point Capital LLC for cash proceeds of approximately $200 million plus approximately $9 million of additional capital returned prior to the closing of the transaction.

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

Operating results attributable to KG are presented as discontinued operations in the Company's consolidated statements of operations for all periods presented. See Note 4, *Discontinued Operations and Assets Held-for-Sale*, for further details.

4. Discontinued Operations and Assets Held-for-Sale

Results of discontinued operations

Discontinued operations for the three and nine-month periods ended September 30, 2022 include the results of KG.

	Three-month period ended September 30, 2022	Nine-month period ended September 30, 2022
	$	$
Revenues	23,963	76,840
Operating expenses and other costs		
Compensation and benefits	10,150	23,250
General and administrative expenses	7,689	20,443
Interest income	(22)	(18)
Depreciation and amortization	267	802
Share-based compensation	2,395	3,588
Amortization of intangibles	2,534	11,103
Accretion of deferred purchase consideration	951	2,351
	23,964	61,519
(Loss) Income from discontinued operations before income taxes	(1)	15,321
Provision for income taxes	—	5,206
Net (loss) income from discontinued operations	(1)	10,115

Assets held-for-sale

During the three-month period ended September 30, 2023, the Company committed to a plan to sell its Red Oak RV & Marine Inventory Finance platform, which operates through Triad Financial Services. Accordingly, the Company has reclassified approximately $140.3 million of assets, primarily consisting of floorplan loans, to assets held-for-sale on its interim condensed consolidated statement of financial position as at September 30, 2023. Upon reclassification, a provision of approximately $4.0 million was recorded, which represents the estimated costs to sell the business. The RV & Marine Inventory Finance platform did not meet the criteria to be classified as discontinued operations.

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

5. Finance Receivables

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

	September 30, 2023	December 31, 2022
	$	$
Floorplan loans	**143,235**	472,199
RV and Marine loans	**9,523**	9,642
Gross finance receivables at amortized cost	**152,758**	481,841
Allowance for credit losses	**(1,341)**	(1,066)
Net finance receivables at amortized cost	**151,417**	480,775
Held-for-trading financial assets	**343,184**	219,734
Total finance receivables	**494,601**	700,509

Floorplan loans

Floorplan loans are comprised entirely of secured loans issued by Triad Financial Services to finance dealer inventory. Floorplan loans are secured by first priority, fully perfected liens in the underlying units that are financed by Triad Financial Services. Triad Financial Services is also the beneficiary of a manufacturer's repurchase guarantee on each financed unit.

RV and Marine loans

RV and Marine loans are primarily comprised of high-quality retail marine loans that are secured by first priority, fully perfected liens in the underlying financed units.

Held-for-trading financial assets

The loans balance as at September 30, 2023 includes $290.4 million (December 31, 2022 - $212.7 million) in manufactured housing loans and $52.8 million (December 31, 2022 - $7.0 million) in RV and Marine loans, that 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. Held-for-trading finance receivables are measured on the consolidated financial statements at fair value through profit or loss. These loans are considered Level 3 assets, and 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.

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

The following table presents the delinquency status of the net investment in finance receivables of continuing operations, by contract balance:

	September 30, 2023		December 31, 2022	
	$	%	$	%
31 - 60 days past due	**—**	**—**	—	—
61 - 90 days past due	**—**	**—**	—	—
Greater than 90 days past due	**1,279**	**0.84**	—	—
Total past due	**1,279**	**0.84**	—	—
Current	**151,479**	**99.16**	481,841	100.00
Total investment	**152,758**	**100.00**	481,841	100.00

The following table presents selected characteristics of the finance receivables of continuing operations:

	September 30, 2023	December 31, 2022
Net investment	**$152,758**	$481,841
Weighted average interest rate	**10.80 %**	9.23 %

The following tables provide net investments in finance receivables segregated by stage:

	September 30, 2023			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Low risk	**65,115**	**—**	**—**	**65,115**
Medium risk	**86,084**	**—**	**—**	**86,084**
High risk	**280**	**—**	**1,279**	**1,559**
Default	**—**	**—**	**—**	**—**
Gross carrying amount	**151,479**	**—**	**1,279**	**152,758**

	December 31, 2022			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Low risk	206,431	—	—	206,431
Medium risk	274,613	—	—	274,613
High risk	797	—	—	797
Default	—	—	—	—
Gross carrying amount	481,841	—	—	481,841

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

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 120 days past due or loans for which there is objective evidence of impairment.

Allowance for credit losses

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

	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	$	$	$	$
Balance as at December 31, 2021	527	—	—	527
Provision for credit losses	68	—	—	68
Balance as at March 31, 2022	595	—	—	595
Provision for credit losses	127	—	—	127
Balance as at June 30, 2022	722	—	—	722
Provision for credit losses	189	—	—	189
Balance as at September 30, 2022	911	—	—	911
Balance as at December 31, 2022	1,066	—	—	1,066
Recovery of credit losses	**(2)**	**—**	**—**	**(2)**
Stage transfers	**(1)**	**1**	**—**	**—**
Balance as at March 31, 2023	**1,063**	**1**	**—**	**1,064**
Provision for credit losses	**(267)**	**—**	**670**	**403**
Stage transfers	**(2)**	**—**	**2**	**—**
Balance as at June 30, 2023	**794**	**1**	**672**	**1,467**
Provision for credit losses	**(6)**	**(1)**	**288**	**281**
Transfer to assets held-for-sale	**(407)**	**—**	**—**	**(407)**
Balance as at September 30, 2023	**381**	**—**	**960**	**1,341**

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

6. Other Assets and Accounts Payable and Accrued Liabilities

The following table presents the assets reported in other assets:

	September 30, 2023	December 31, 2022
	$	$
Corporate investments	**10,060**	11,706
Prepaid expenses and other assets	**9,804**	14,069
Total	**19,864**	25,775

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

	September 30, 2023	December 31, 2022
	$	$
Accounts payable and accrued liabilities	**35,921**	39,699
Accrued payroll and share-based compensation liabilities	**24,101**	37,124
Unearned revenue	**877**	1,521
Total	**60,899**	78,344

7. Leasehold Improvements and Other Equipment

The following table presents the Company's fixed assets and right-of-use assets included in leasehold improvements and other equipment:

	September 30, 2023	December 31, 2022
	$	$
Fixed assets	**3,066**	50,083
Right-of-use assets	**15,752**	19,098
Total	**18,818**	69,181

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

8. Goodwill

Changes in the Company's goodwill balance for the nine-month periods ended September 30, 2023 and September 30, 2022 were as follows:

	September 30, 2023	September 30, 2022
	$	$
Balance, beginning of period	**125,446**	230,166
Additions from acquisitions	**1,381**	34,450
Adjustments	**—**	(1,032)
Disposals	**—**	(138,414)
Balance, end of period	**126,827**	125,170

9. Borrowings

Borrowings consist of the following as at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
	$	$
Term senior credit facility	**642,932**	817,734
Senior unsecured debentures	**157,754**	156,763
Other	**—**	33,501
Total	**800,686**	1,007,998

Term senior credit facility

The Company is party to a $900 million term senior credit facility, amended August 11, 2023, which is syndicated to a group of seven Canadian, U.S. and international banks with a maturity date of December 6, 2025. The facility bears interest at the prime rate plus 1.0% or one-month bankers' acceptance rate plus 2.0% 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 plus 2.0% per annum on outstanding U.S.-dollar-denominated balances. The term senior credit facility is secured by a general security agreement in favor of the lenders consisting of a first priority interest on all property.

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

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

	September 30, 2023		December 31, 2022	
	Balance outstanding	Weighted average interest rate [1]	Balance outstanding	Weighted average interest rate [1]
	$	%	$	%
Term senior credit facility	**653,000**	**7.42**	829,703	6.45
Deferred financing costs	**(10,068)**		(11,969)	
Total secured borrowings	**642,932**		817,734	

[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 and includes the effects of hedging.

As at September 30, 2023, the unutilized balance of the facility was $247,000 (December 31, 2022 - $70,297).

Senior unsecured debentures

As at September 30, 2023, the Company had outstanding listed senior unsecured debentures with an aggregate principal of C$221.25 million (the "Debentures"), consisting of C$75.0 million of debentures due December 31, 2025, which bear interest at a rate of 6.0% per annum, C$86.25 million of debentures due December 31, 2026, which bear interest at a rate of 6.0% per annum, and C$60.0 million due December 31, 2027, which bear interest at a rate of 6.25% per annum. The Company has the option to satisfy its obligations to repay the principal and accrued interest of each of the debentures at redemption or maturity by issuing and delivering that number of common shares in the capital of the Company in accordance with the terms of the respective indentures.

The following table summarizes the outstanding balance of the Company's Debentures:

	September 30, 2023	December 31, 2022
	$	$
6.0% senior unsecured debentures due 2025	**55,238**	55,335
6.0% senior unsecured debentures due 2026	**63,523**	63,635
6.25% senior unsecured debentures due 2027	**44,190**	44,268
	162,951	163,238
Deferred financing costs	**(5,197)**	(6,475)
Total unsecured debentures	**157,754**	156,763

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

Other

Other borrowings of $33,501 as at December 31, 2022 is comprised of a secured promissory note, which was repaid in full during the nine-month period ended September 30, 2023.

Restricted funds

Restricted funds as at September 30, 2023 of $2,576 (December 31, 2022 - $2,577) represent cash deposits that are reserved in accordance with the Company's agreements with its Partners, and are not available for general corporate purposes.

10. 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, 2021	246,118,555	590,501
Common share repurchases	(2,550,200)	(9,870)
Common share issuance [1]	1,416,395	5,596
Exercise of options	397,835	—
Balance, September 30, 2022	245,382,585	586,227
Balance, December 31, 2022	245,382,585	586,227
Common share issuance [2]	**33,550,000**	**69,756**
Exercise of options and share units	**1,014,157**	**1,062**
Balance, September 30, 2023	**279,946,742**	**657,045**

On September 26, 2023, the Company issued 33,550,000 common shares on a private placement basis at a price of C$3.04 per common share for gross proceeds of $75.7 million (C$102.0 million) in connection with the strategic partnership entered into with Skyline Champion Corporation ("Skyline Champion"). The common share issuance included transaction costs of $6.0 million. See Note 13, *Related Party Transactions*, for further details.

During the nine-month period ended September 30, 2022, the Company issued $5.6 million (C$4.5 million), or 1,416,395 common shares, on a private placement basis to members of senior management.

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

Common share dividends

During the three and nine-month periods ended September 30, 2023, the Company paid $1,825 and $5,508 or C$0.01 and C$0.03, respectively, per common share in dividends (September 30, 2022 - $1,804 and $5,696 or C$0.01 and C$0.03, respectively, per common share). The Company's common share dividends are designated to be eligible dividends for income tax purposes.

Preferred shares

The following tables summarize the Company's outstanding preferred share capital:

	Series C Preferred Shares		Series E Preferred Shares	
	Shares #	Amount $	Shares #	Amount $
Balance, December 31, 2021	3,712,400	67,052	—	—
Balance, September 30, 2022	**3,712,400**	**67,052**	**—**	**—**
Balance, December 31, 2022	**3,712,400**	**67,052**	**—**	**—**
Preferred share issuance	**—**	**—**	**27,450,000**	**57,073**
Balance, September 30, 2023	**3,712,400**	**67,052**	**27,450,000**	**57,073**

On September 26, 2023, the Company issued 27,450,000 Series E convertible preferred shares ("Series E Preferred Shares") on a private placement basis at a price of C$3.04 per common share for gross proceeds of $61.9 million (C$83.4 million) in connection with the strategic partnership entered into with Skyline Champion. The Series E Preferred Share issuance included transaction costs of $4.9 million. See Note 13, *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 Skyline Champion, 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, Skyline Champion would hold in excess of 19.9% of outstanding common shares.

The holder of the Series E Preferred Shares are 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 Skyline Champion or with the prior approval of the Board of Directors of the Company.

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

The 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 nine-month periods ended September 30, 2023, the Company paid $1,378 and $4,126 or C$0.4960625 and C$1.4881875, respectively, per Series C Preferred Share, in dividends (September 30, 2022 - $1,409 and $3,679, or C$0.4960625 and C$1.2773125, respectively, per Series C Preferred Share). The Company's preferred share dividends are designated to be eligible dividends for income tax purposes.

Normal Course Issuer Bids

On September 19, 2023, 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 21, 2023. Pursuant to the NCIBs, the Company may repurchase up to an additional 6,329,034 common shares and 371,240 Series C Preferred Shares, representing approximately 5% and 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 20, 2024 or the completion of purchases under the applicable NCIB.

During the three and nine-month periods ended September 30, 2023, the Company did not purchase any of its common shares or Series C Preferred Shares pursuant to the NCIBs. During the nine-month period ended September 30, 2022, the Company purchased 550,200 common shares for a total of $2.5 million (C$3.2 million) or C$5.04 per common share pursuant to the Common Share Bid.

11. Share-Based Compensation

Share-based compensation expense consists of the following for the three and nine-month periods ended September 30, 2023 and September 30, 2022:

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2022	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2022
	$	$	$	$
Performance share units and restricted share units	**3,662**	2,098	**9,215**	6,695
Stock options	**1,090**	135	**1,641**	701
Deferred share units	**73**	159	**767**	1,304
Share-based compensation - continuing operations	**4,825**	2,392	**11,623**	8,700

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

During the three and nine-month periods ended September 30, 2023, the Company granted 86,159 and 567,921 deferred share units ("DSUs"), respectively, to members of the Company's Board of Directors.

During the three and nine-month periods ended September 30, 2023, the Company granted 5,064,273 performance share units ("PSUs") to senior executives and employees of the Company.

During the three and nine-month periods ended September 30, 2023, the Company granted 6,659,569 stock options to employees with a weighted average exercise price of C$2.38 per share.

12. Other Revenue and Other Expenses

Other revenue consists of the following for the three and nine-month periods ended September 30, 2023 and September 30, 2022:

	Three-month period ended September 30, 2023	**Three-month period ended September 30, 2022**	**Nine-month period ended September 30, 2023**	**Nine-month period ended September 30, 2022**
	$	$	$	$
Foreign exchange	**903**	3,440	**(414)**	2,842
Loss on corporate investments	**(28)**	(140)	**(838)**	(52)
Other fees	**152**	(17)	**600**	46
Loss on sale of equipment	**—**	(2)	**—**	(334)
Other	**—**	7	**—**	3,504
Total other revenue - continuing operations	**1,027**	3,288	**(652)**	6,006

Other expenses consist of the following for the three and nine-month periods ended September 30, 2023 and September 30, 2022:

	Three-month period ended September 30, 2023	**Three-month period ended September 30, 2022**	**Nine-month period ended September 30, 2023**	**Nine-month period ended September 30, 2022**
	$	$	$	$
Amortization of intangible assets	**1,901**	1,880	**5,685**	4,043
Accretion of deferred purchase consideration	**128**	128	**384**	128
Asset disposal, litigation and corporate restructure costs	**975**	—	**19,639**	—
Provision for assets held-for-sale	**4,000**	—	**4,000**	—
Transaction and strategic review costs	**2,464**	—	**7,280**	5,632
Total other expenses - continuing operations	**9,468**	2,008	**36,988**	9,803

Asset disposal, litigation and corporate restructure costs of $1.0 million and $19.6 million for the three and nine-month periods ended September 30, 2023, respectively, primarily reflect costs related to the termination of office leases, disposition of corporate assets and executive head count reductions in connection with the previously announced cost reduction program. Transaction and strategic review costs of $2.5 million and $7.3 million for the three and nine-month periods ended September 30, 2023, respectively, primarily reflect costs related to the Company's review of strategic alternatives.

During the nine-month period ended September 30, 2023, the Company settled a legal matter related to a claim against a former subsidiary for approximately $4.9 million, of which approximately $3.0 million was accrued as at December 31, 2022 and approximately $1.9 million was accrued during the nine-month period ended September 30, 2023 and recorded in asset disposal, litigation and corporate restructure costs in the table above.

13. Related Party Transactions

Strategic Partnership and Investor Rights Agreement with Skyline Champion Corporation

On September 26, 2023, the Company completed a transaction pursuant to which Champion Canada Holdings Inc., a wholly-owned subsidiary of Skyline Champion, 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 ("Series E Preferred Shares"). Following closing, Skyline Champion owns an approximately 19.9% indirect equity interest in ECN Capital (assuming the conversion of all Series E Preferred Shares).

Upon closing of the Private Placement, a member of the Board of Directors of Skyline Champion was appointed to the Board of Directors and Credit and Risk Committee of ECN Capital. In addition, ECN Capital and Skyline Champion also entered into an investor rights agreement providing for, among other things, customary piggy-back registration rights, preemptive rights, standstill and voting support obligations and certain other rights and restrictions, including a right to match in connection with unsolicited offers to acquire ECN Capital or Triad Financial Services.

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

As at September 30, 2023, Triad Financial Services had outstanding floorplan loan balances of approximately $15.9 million receivable from Skyline Champion.

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

Notes receivable

Notes receivable of $24,162 as at September 30, 2023 (December 31, 2022 - $31,613) 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 nine-month periods ended September 30, 2023 and September 30, 2022 were as follows:

	September 30, 2023	September 30, 2022
	$	$
Notes receivable, beginning of period	**31,613**	29,656
Additions	**—**	9,793
Interest income	**334**	435
Repayments (interest and principal)	**(4,291)**	(5,520)
Transfers out [1]	**(3,465)**	(1,802)
Foreign exchange	**(29)**	(1,359)
Notes receivable, end of period	**24,162**	31,203

[1] These amounts primarily include loans to former employees that are being repaid pursuant to a fixed repayment schedule and remain secured by ECN Capital shares. As at September 30, 2023, $1.8 million of these loans remained outstanding.

Other related party transactions

The Company is party to a five-year lease agreement, expiring September 30, 2027, with a member of management of a subsidiary company to lease office space for use in the normal course of business. Payments under the lease agreement were approximately $88 and $263 for the three and nine-month periods ended September 30, 2023, respectively.

14. 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.

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

Cash flow hedges

The Company's 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. The following table presents the fair value changes related to the cash flow hedges included in the Company's results for the three and nine-month periods ended September 30, 2023 and September 30, 2022:

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2022	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2022
	$	$	$	$
Foreign exchange agreements recorded in other revenue	**903**	3,440	**(414)**	2,842
Fair value gain recorded in other comprehensive income	**1,688**	(4,235)	**2,713**	(8,202)

Notional amounts and fair values of derivative instruments

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

	September 30, 2023		December 31, 2022	
	Notional principal	Fair value	Notional principal	Fair value
	$	$	$	$
Derivative assets				
Interest rate contracts	**50,000**	**269**	—	—
Foreign exchange agreements	**—**	**—**	331,846	878
	50,000	**269**	331,846	878
Derivative liabilities				
Foreign exchange agreements	**166,216**	**1,186**	—	—
Total return swaps	**44,265**	**23,834**	63,291	26,188
	210,481	**25,020**	63,291	26,188

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

15. Earnings per Share

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2022	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2022
	$	$	$	$
Net (loss) income from continuing operations	**(4,574)**	7,721	**(52,726)**	12,316
Cumulative dividends on preferred shares	**1,378**	1,409	**4,126**	3,679
Net (loss) income from continuing operations attributable to common shareholders	**(5,952)**	6,312	**(56,852)**	8,637
Net (loss) income from discontinued operations attributable to common shareholders	**—**	(1)	**—**	10,115
Total net (loss) income attributable to common shareholders	**(5,952)**	6,311	**(56,852)**	18,752
Weighted average number of common shares outstanding - basic	**247,007,972**	246,765,989	**246,038,232**	246,872,447
Basic (loss) earnings per share from continuing operations	**$ (0.02)**	$ 0.03	**$ (0.23)**	$ 0.03
Basic earnings per share from discontinued operations	**$ —**	$ —	**$ —**	$ 0.04
Total basic (loss) earnings per share	**$ (0.02)**	$ 0.03	**$ (0.23)**	$ 0.07
Weighted average number of common shares outstanding - diluted	**247,922,972**	247,299,078	**246,474,577**	248,080,545
Diluted (loss) earnings per share from continuing operations	**$ (0.02)**	$ 0.03	**$ (0.23)**	$ 0.03
Diluted earnings per share from discontinued operations	**$ —**	$ —	**$ —**	$ 0.04
Total diluted (loss) earnings per share	**$ (0.02)**	$ 0.03	**$ (0.23)**	$ 0.07

For the three and nine-month periods ended September 30, 2023, 4,758,442 and 3,643,563, respectively, potentially dilutive stock options were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive. There were no potentially dilutive instruments excluded from the computation of diluted earnings per share for the three and nine-month periods ended September 30, 2022.

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

16. 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:

	September 30, 2023	December 31, 2022
	$	$
Borrowings on term senior credit facility and other	**642,932**	851,235
Accounts payable and accrued liabilities	**60,899**	78,344
Other liabilities [1]	**27,504**	39,749
	731,335	969,328
Senior unsecured debentures [2]	**157,754**	156,763
Shareholders' equity	**263,623**	193,675
	1,152,712	1,319,766

[1] Other liabilities primarily include a $9.6 million (December 31, 2022 - $18.6 million) deferred purchase consideration liability related to the acquisition of IFG, and a $17.9 million (December 31, 2022 - $21.1 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.

17. 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.

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

(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:

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	**23,750**	**—**	**—**	**23,750**
Restricted funds	**2,576**	**—**	**—**	**2,576**
Held-for-trading financial assets	**—**	**—**	**343,184**	**343,184**
Corporate investments	**—**	**10,060**	**—**	**10,060**
Retained reserve interest	**—**	**—**	**37,756**	**37,756**
Derivative financial instruments, net	**—**	**(24,751)**	**—**	**(24,751)**
Total	**26,326**	**(14,691)**	**380,940**	**392,575**

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	12,715	—	—	12,715
Restricted funds	2,577	—	—	2,577
Held-for-trading financial assets	—	—	219,734	219,734
Corporate investments	—	11,706	—	11,706
Retained reserve interest	—	—	36,479	36,479
Derivative financial instruments, net	—	(25,310)	—	(25,310)
Total	15,292	(13,604)	256,213	257,901

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 years 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 present 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.

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

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 September 30, 2023.

	September 30, 2023	
Assumption	**Change**	**Amount**
	basis points	$
Charge-off rate	**5**	**2,700**
Prepayment rate	**100**	**3,500**
Discount rate	**100**	**2,800**

Held-for-trading financial assets

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

The assertion that the carrying value of held-for-trading financial assets approximates fair value requires the use of estimates and significant judgment. The underlying assets are credit-scored and/or valued based on internal models that are not necessarily used in market transactions. The fair value of any of these balances would be affected by a potential buyer's assessment of the transaction's credit quality, payment history, yield, term, documents and other legal matters and other subjective considerations. 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 September 30, 2023, the Company estimates that a hypothetical 50 basis point increase in interest rates may result in a decrease of approximately $6.6 million in the carrying value of its held-for-trading financial assets.

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

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

The changes in the Company's Level 3 assets measured at fair value on a recurring basis for the nine-month periods ended September 30, 2023 and September 30, 2022 were as follows:

	Held-for-trading financial assets	Retained reserve interest
	$	$
Balance, December 31, 2021	44,686	32,767
Issues	263,370	8,145
Sales	(145,741)	—
Settlements	(1,962)	(4,643)
Change in fair value included in earnings	(723)	—
Balance, September 30, 2022	159,630	36,269
Balance, December 31, 2022	219,734	36,479
Issues	**658,826**	**8,333**
Sales	**(516,065)**	**—**
Settlements	**(6,428)**	**(7,056)**
Change in fair value included in earnings	**(12,883)**	**—**
Balance, September 30, 2023	**343,184**	**37,756**

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

As at September 30, 2023, the Company assessed the assets held-for-sale related to its Red Oak RV & Marine Inventory Finance platform to determine their fair value less costs to sell under current market conditions. Fair value less costs to sell is measured using various valuation techniques, including comparable market transactions and future cash flow analysis based on the underlying loan portfolio, which are considered Level 3 inputs in the fair value hierarchy. As a result of the assessment, a provision of approximately $4.0 million was recorded, which represents estimated costs to sell. The carrying value of the underlying loan portfolio is estimated to approximate fair value.

As at December 31, 2022, the Company did not have any assets or liabilities measured at fair value on a non-recurring basis.

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

18. 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.

The interim condensed consolidated statements of operations by segment for the three and nine-month periods ended September 30, 2023 and September 30, 2022 are shown in the following tables:

	For the three-month period ended September 30, 2023			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	$	$	$	$
Revenues				
Loan origination revenues	13,383	4,875	—	18,258
Servicing revenue	8,461	—	—	8,461
Interest income and other revenue	16,200	1,516	1,255	18,971
Total revenue	38,044	6,391	1,255	45,690
Operating expenses and other				
Compensation and benefits	12,850	2,186	1,613	16,649
General and administrative expenses	7,441	746	1,487	9,674
Interest expense	13,391	954	5,382	19,727
Depreciation and amortization	1,163	194	648	2,005
Share-based compensation	1,021	177	3,627	4,825
Other expenses	4,310	1,719	3,439	9,468
	40,176	5,976	16,196	62,348
(Loss) income before income taxes from continuing operations	(2,132)	415	(14,941)	(16,658)

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

	For the nine-month period ended September 30, 2023			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	$	$	$	$
Revenues				
Loan origination revenues	**38,494**	**15,765**	**—**	**54,259**
Servicing revenue	**21,721**	**—**	**—**	**21,721**
Interest income and other revenue	**52,036**	**3,048**	**399**	**55,483**
Total revenue	**112,251**	**18,813**	**399**	**131,463**
Operating expenses and other				
Compensation and benefits	**36,217**	**6,827**	**4,705**	**47,749**
General and administrative expenses	**22,160**	**2,119**	**4,742**	**29,021**
Interest expense	**39,283**	**1,815**	**16,991**	**58,089**
Depreciation and amortization	**3,013**	**686**	**1,756**	**5,455**
Share-based compensation	**3,072**	**718**	**7,833**	**11,623**
Other expenses	**4,930**	**5,139**	**26,919**	**36,988**
	108,675	**17,304**	**62,946**	**188,925**
Income (loss) before income taxes from continuing operations	**3,576**	**1,509**	**(62,547)**	**(57,462)**

	For the three-month period ended September 30, 2022			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	$	$	$	$
Revenues				
Loan origination revenues	29,883	7,812	—	37,695
Servicing revenue	5,743	—	—	5,743
Interest income and other revenue	11,317	86	3,169	14,572
Total revenue	46,943	7,898	3,169	58,010
Operating expenses and other				
Compensation and benefits	12,722	2,215	1,739	16,676
General and administrative expenses	6,724	581	2,603	9,908
Interest expense	5,755	62	7,312	13,129
Depreciation and amortization	717	77	976	1,770
Share-based compensation	(243)	881	1,754	2,392
Other expenses	310	1,698	—	2,008
	25,985	5,514	14,384	45,883
Income (loss) before income taxes from continuing operations	20,958	2,384	(11,215)	12,127

Notes to interim condensed consolidated financial statements

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

September 30, 2023

	For the nine-month period ended September 30, 2022			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total continuing operations
	$	$	$	$
Revenues				
Loan origination revenues	80,739	18,914	—	99,653
Servicing revenue	15,632	—	—	15,632
Interest income and other revenue	24,804	90	6,372	31,266
Total revenue	121,175	19,004	6,372	146,551
Operating expenses and other				
Compensation and benefits	34,333	4,983	5,312	44,628
General and administrative expenses	21,609	1,421	8,163	31,193
Interest expense	10,632	71	17,115	27,818
Depreciation and amortization	1,978	168	2,957	5,103
Share-based compensation	3,087	1,738	3,875	8,700
Other expenses	930	3,241	5,632	9,803
	72,569	11,622	43,054	127,245
Income (loss) before income taxes from continuing operations	48,606	7,382	(36,682)	19,306

Total assets and total liabilities by segment as at September 30, 2023 and December 31, 2022 are shown in the following tables:

	September 30, 2023			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	$	$	$	$
Total assets	**915,048**	**240,594**	**77,833**	**1,233,475**
Total liabilities	**700,195**	**68,912**	**200,745**	**969,852**

	December 31, 2022			
	Manufactured Housing Finance	Marine and RV Finance	Corporate	Total
	$	$	$	$
Total assets	1,073,886	192,801	149,644	1,416,331
Total liabilities	781,815	35,730	405,111	1,222,656

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