ECN CAPITAL

Management Discussion & Analysis

DECEMBER 31, 2022

The following management discussion and analysis ("MD&A") provides information management believes is relevant to an assessment and understanding of the financial condition and results of operations of ECN Capital Corp. (the "Company" or "ECN Capital") as at and for the year ended December 31, 2022 and should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended December 31, 2022 (the "2022 Annual Consolidated Financial Statements") and December 31, 2021 (the "2021 Annual Consolidated Financial Statements"). Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com and on the Company's website at www.ecncapitalcorp.com.

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

Cautionary Statement

This analysis has been prepared taking into consideration information available to March 22, 2023. Certain statements contained in this report constitute "forward looking statements". When used in this report, the words "may", "would", "could," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect," and similar expressions, as they relate to the company, or its management, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to inherent risks, uncertainties and numerous assumptions, including, without limitation, general economic and industry conditions, reliance on debt financing, dependence on borrowers, dependence on financing its business through funding commitments and the sale of loan portfolios to banks and other financial institutions, inability to recover receivables, competition, interest rates, regulation, demand for financing in the specialty finance sector, insurance, failure of key systems, debt service, future capital needs, the ability of the strategic review to result in the determination to proceed with a specific strategic plan or financial transaction, if any, and such other risks or factors described from time to time in reports of ECN Capital.

By their nature, forward looking statements involve numerous assumptions, known and unknown, risks and uncertainties, both general and specific, which contribute to the possibility that predictions, forecasts, projections and other forms of forward looking information may not be achieved. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking statements and readers are cautioned that the list of factors in the foregoing paragraph is not exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Accordingly, readers are cautioned not to place undue reliance on forward looking statements or interpret or regard forward-looking statements as guarantees of future outcomes. Except as may be required by applicable Canadian securities laws, we do not intend, and disclaim any obligation to update or rewrite any forward-looking statements whether oral or written as a result of new information, future events or otherwise.

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Overview

ABOUT ECN

ECN Capital Corp. ("ECN Capital" or the "Company") is a leading provider of business services to North American based banks, credit unions, life insurance companies, pension funds and institutional investors (collectively our "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of our Partners, specifically consumer (manufactured housing and recreational vehicle and marine) loans and commercial (inventory finance or floorplan) loans. Our Partners are seeking high quality assets to match with their deposits, term insurance or other liabilities. These services are offered through two operating segments: (i) Manufactured Housing Finance, and (ii) Recreational Vehicle and Marine ("RV and Marine") Finance. Headquartered in South Florida and Toronto, the registered office is located at 161 Bay Street, Suite 2800, Toronto, Ontario, Canada. ECN Capital has approximately 560 employees and operates principally in the United States. The Company is a public corporation and trades on the Toronto Stock Exchange under the symbol "ECN".

BUSINESS STRATEGY

ECN Business Model

The Company owns a portfolio of operating businesses that operate under a fee-based, asset-light model through which it leverages highly specialized expertise, industry knowledge, regulatory compliance and strategic relationships. This specialized business model provides significant barriers to entry. Our core investor companies are: Triad Financial Services, Inc. ("Triad Financial Services"), Source One Financial Services, LLC ("Source One") and Intercoastal Financial Group, LLC ("IFG"). ECN Capital has managed assets[1] of continuing operations of approximately $4.4 billion and our customers include more than 100 bank, credit union, insurance company, pension plan and institutional investor partners. ECN Capital partners with these financial institutions rather than competing with them. Specifically, our Partners are the decision makers inside each institution who are looking for appropriate portfolio solutions to match customer deposits, term insurance and other liabilities. We meet our customer needs by offering the following consumer portfolio solutions:

- Manufactured Housing Finance
- RV and Marine Finance

The Company's focus is to drive origination and asset management growth as well as broadening our Partner relationships through the marketing of our solutions across our network of 100+ Partners. In pursuit of these objectives: (i) The Company provides its portfolio companies with capital, extensive knowledge and scale to help grow their businesses within their large addressable markets; and (ii) The Company continuously brings new funding relationships and structures to our investor companies.

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

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

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

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

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

Core Business Segments:

Manufactured Housing Finance

Triad Financial Services

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

RV and Marine Finance

Source One

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

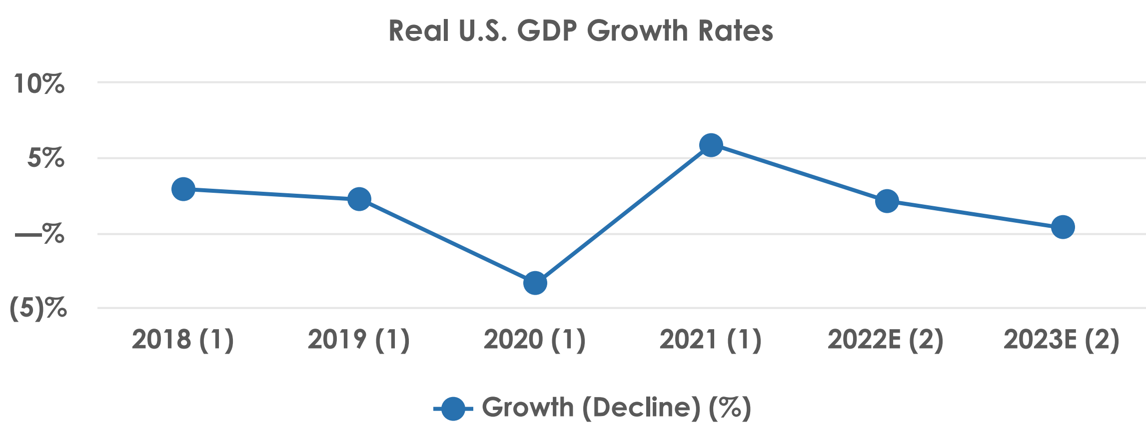
Intercoastal Financial Group

Founded in 1987, Intercoastal Financial Group is a premier provider of consumer lending programs to the recreational vehicle and marine industries. Through an established network of sales representatives nationwide, Intercoastal Financial Group originates prime and super-prime loans to consumers to facilitate the purchase of recreational and marine vehicles. Intercoastal Financial Group is headquartered in Fort Pierce, FL.

MARKET OUTLOOK

The Company's ability to generate earnings and operating cash flow is dependent on the general economic performance of the U.S. economy, and in particular, the financial condition and credit performance of U.S. consumers. The predictions and forecasts in this section are based on information and assumptions from sources we consider reliable. Actual economic outcomes may differ materially from the outlook presented in this section.

During 2022, the U.S. economy continued to grow, but at a slower pace than the recovery from the COVID-19 pandemic experienced in 2021. Despite rising interest rates, continued price inflation, and declines in financial markets, overall consumer spending remained resilient through the year, supported by a continued strong labor market and supply chain improvements. This economic strength began to soften towards the end of the year, with overall consumer spending slowing in the fourth quarter. The deceleration of consumer spending in the fourth quarter of 2022 is expected to continue into 2023, with economic growth forecasted to slow to 0.3% in 2023, based on current consensus estimates, compared to economic growth of 2.1% in 2022. Rising interest rates and moderation of the labor market are expected to tighten consumer credit conditions and pose challenges in 2023. Despite these expected challenges of the U.S. economy, each of our business segments are well-positioned in 2023.

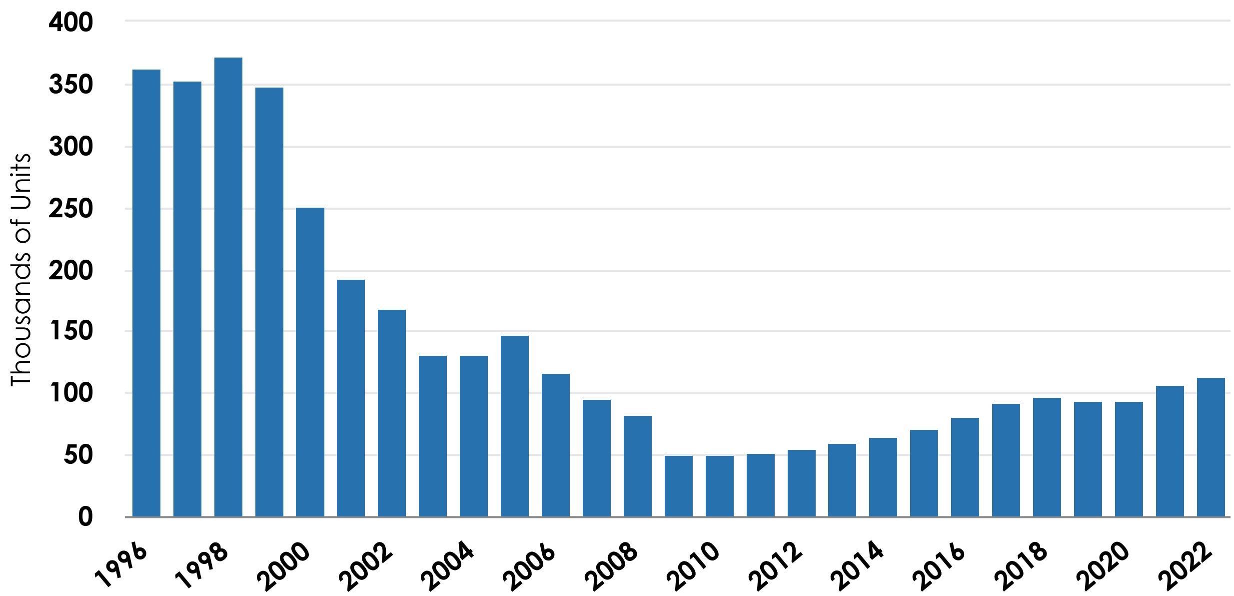


(1) Source: U.S. Bureau of Economic Analysis
(2) Source: The Conference Board

Manufactured Housing Market

Shipments of manufactured homes were up 7% to 112,882 in 2022. Demand remains strong as affordability is a key driving factor for many home buyers. Manufactured homes are also built in a controlled environment to the latest U.S. Department of Housing and Urban Development ("HUD") standards, and as a result manufactured homes shipped today have a useful life of over 55 years. Manufactured homes offer an affordable and durable solution to home ownership. Manufactured homes represent approximately 80% of new home sales priced below $150,000. Triad continues to be positioned to increase market share and benefit from the long-term growth the industry will deliver with its affordable housing positioning.

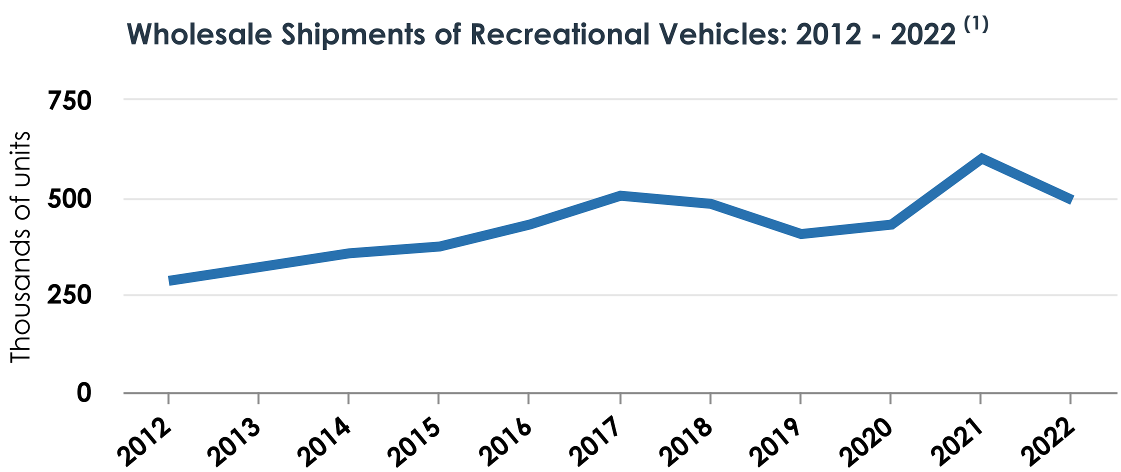
Shipments of New Manufactured Homes: 1996 - 2022 (1)

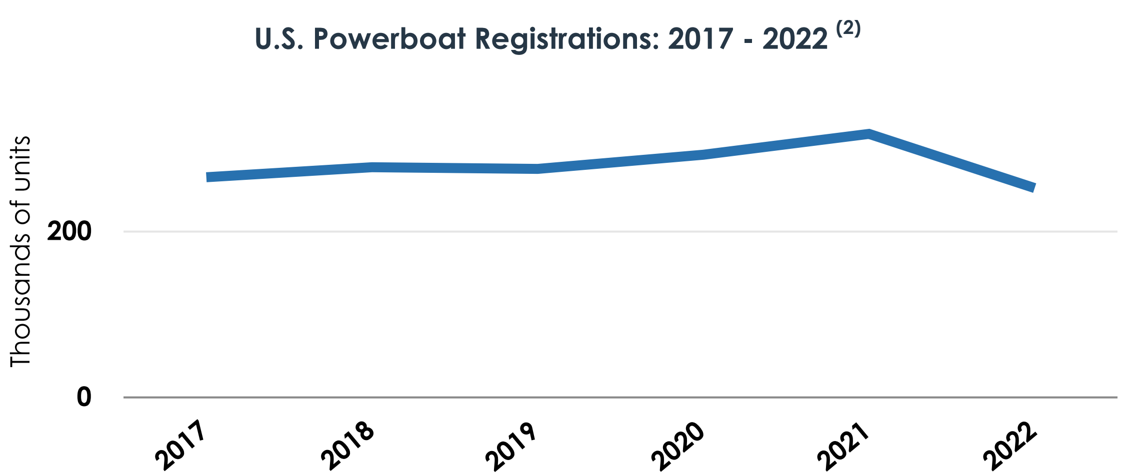


(1) Source: United States Census Bureau

Recreational Vehicle and Marine Market

Demand for recreational and marine vehicles remains healthy for our target consumer, although supply chain and inventory conditions between recreational and marine vehicles remains disparate. RV dealer inventory levels have normalized, but backlogs remain above pre-pandemic levels. On the other hand, while marine inventory levels continue to improve they remain well below normal levels due to ongoing supply chain issues, and are not expected to normalize until late 2023 or early 2024. 2022 wholesale shipments of RVs were 493,268, representing the third-best year on record. 2022 sales of retail boats, while impacted by inventory challenges, remains 25% above long-term averages. Source One and IFG are well positioned to capture additional market share as they expand their lending programs nationwide and continue to execute on stated growth initiatives.





(1) Source: RV Industry Association

(2) Source: National Marine Manufacturers Association

Key Business Developments

Information related to the developments in support of the Company's business strategy for the year ended December 31, 2022 are outlined below.

REVIEW OF STRATEGIC ALTERNATIVES

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

There can be no assurance that this process will result in any specific strategic plan or financial transaction and no timetable has been set for its completion. The Company does not plan to provide updates on the status of the review unless there are material developments to report.

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"), a recreational vehicle 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.

SALE OF KG BUSINESS

On October 4, 2022, the Company completed the sale of all of the issued and outstanding equity interests in ECN Kessler Holdco LLC ("KG"), a wholly-owned, indirect subsidiary of the Company through which ECN operates the KG business, 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.

Operating results attributable to KG are presented as discontinued operations in the Company's consolidated statements of operations for all periods presented.

CORPORATE FINANCE DEVELOPMENTS

Normal Course Issuer Bids

On September 14, 2022, the Toronto Stock Exchange approved the renewal of the Company's Normal Course Issuer Bid (the "Common Share Bid") for common shares of the Company and the Company's notice of intention to commence a Normal Course Issuer Bid (the "Preferred Share Bid" and, together with the Common Share Bid, the "NCIBs") for the Company's Series C Rate Reset Preferred Shares (the "Series C Preferred Shares") for commencement on September 18, 2022. Pursuant to the NCIBs, the Company may repurchase up to an additional 22,170,050 common shares and 371,040 Series C Preferred Shares, representing approximately 10% of the public float of each of the common shares and Series C Preferred Shares. The NCIBs will end on the earlier of September 18, 2023 or the completion of purchases under the applicable NCIB.

During the year ended December 31, 2022, the Company purchased 2,550,200 common shares for a total of $9.9 million (C$13.3 million) or C$5.20 per common share. During the year ended December 31, 2022, the Company did not purchase any of its Series C Preferred Shares.

Capital Reinvestment

Under its NCIBs and substantial issuer bids ("SIBs"), ECN has repurchased for cancellation approximately 37% of the total common shares outstanding through March 22, 2023.

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

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

Common shares outstanding pre-buyback	390
Common shares outstanding as at March 22, 2023	245
% common shares repurchased to date	**~37%**

Results of Operations

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

	For the three-month period ended			For the year ended	
	December 31, 2022	September 30, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
(in 000's for stated values, except per share amounts)	$	$	$	$	$
Select metrics:					
Originations	**506,844**	679,492	299,611	**2,197,325**	1,042,878
Average earning assets - Owned [(1)]	**607,636**	447,640	220,518	**421,066**	196,251
Average earning assets - Managed [(1)]	**4,217,705**	3,920,153	3,038,095	**3,712,017**	2,856,522
Period end earning assets - Owned [(1)]	**700,509**	514,763	226,715	**700,509**	226,715
Period end earning assets - Managed [(1)]	**4,354,221**	4,081,188	3,117,704	**4,354,221**	3,117,704
Operating highlights:					
Loan origination revenues	**31,178**	37,695	22,940	**130,831**	77,736
Servicing revenues	**4,556**	5,743	4,962	**20,188**	15,230
Interest income	**16,696**	11,284	5,970	**41,956**	20,539
Other revenue	**31**	3,288	1,021	**6,037**	12,745
Total revenue	**52,461**	58,010	34,893	**199,012**	126,250
Operating expenses	**27,895**	26,584	23,318	**103,716**	84,414
Adjusted EBITDA [(1)]	**24,566**	31,426	11,575	**95,296**	41,836
Interest expense	**15,834**	13,129	6,463	**43,652**	21,072
Depreciation & amortization	**1,928**	1,770	2,838	**7,031**	8,133
Adjusted operating income before tax [(1)]	**6,804**	16,527	2,274	**44,613**	12,631
Adjustments:					
Share-based compensation	**3,489**	2,392	13,299	**12,189**	24,194
Amortization of intangible assets	**1,870**	1,880	310	**5,913**	1,240
Accretion of deferred purchase consideration	**128**	128	(1)	**256**	1,443
Asset disposal and litigation costs	**3,044**	—	—	**3,044**	—
Separation and corporate restructure costs	**—**	—	6,054	**—**	6,054
Transaction costs	**321**	—	3,074	**5,953**	3,074
Total adjustments	**8,852**	4,400	22,736	**27,355**	36,005
Net (loss) income before income taxes from continuing operations	**(2,048)**	12,127	(20,462)	**17,258**	(23,374)
Income tax expense (recovery)	**3,548**	4,406	(6,415)	**10,538**	(7,405)
Net (loss) income from continuing operations	**(5,596)**	7,721	(14,047)	**6,720**	(15,969)
Cumulative dividends on preferred shares	**1,357**	1,409	2,390	**5,036**	9,623
Series A preferred share redemption charge	**—**	—	5,213	**—**	5,213
Net (loss) income from continuing operations attributable to common shareholders	**(6,953)**	6,312	(21,650)	**1,684**	(30,805)
Net (loss) income from discontinued operations	**(944)**	(1)	934,971	**9,171**	985,765
Net (loss) income for the period attributable to common shareholders	**(7,897)**	6,311	913,321	**10,855**	954,960
Weighted Average number of shares outstanding (basic)	**245,383**	246,766	243,625	**246,497**	243,732
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**$(0.03)**	$0.03	(0.09)	**$0.01**	$(0.13)
(Loss) earnings per share (basic) - discontinued operations attributable to common shareholders	**$—**	—	3.84	**$0.04**	$4.04
Non-IFRS Measures					
Adjusted operating results:					
Adjusted EBITDA [(1)]	**24,566**	31,426	11,575	**95,296**	41,836
Adjusted operating income before tax [(1)]	**6,804**	16,527	2,274	**44,613**	12,631
Adjusted net income [(1)]	**5,443**	13,222	1,887	**35,690**	10,484
Adjusted net income (loss) applicable to common shareholders [(1)]	**4,086**	11,813	(503)	**30,654**	861
Adjusted net income per share (basic) [(1)]	**$0.02**	$0.05	$0.01	**$0.14**	$0.04
Adjusted net income applicable to common shareholders per share (basic) [(1)]	**$0.02**	$0.05	$—	**$0.12**	$—

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

The following discussion relates to the results of operations for the year ended December 31, 2022 presented on a continuing operations basis.

Q4 2022 vs Q4 2021

The Company reported total revenue of $52.5 million for the quarter ended December 31, 2022, up from $34.9 million for the prior year quarter. The quarter-to-date increase in revenue reflects the growth in loan originations revenues, servicing revenues, and interest income at our Manufactured Housing Finance segment and the acquisition of Source One and IFG, which together comprise our RV and Marine Finance segment. Total originations for the quarter ended December 31, 2022 were $506.8 million compared to $299.6 million for the prior year quarter, which drove the increase in originations revenues. Manufactured Housing managed assets increased to $4.4 billion compared to $3.1 billion in the prior year quarter, which drove the increase in servicing revenues. Higher interest income in the current year quarter was primarily driven by higher average floorplan loan balances in 2022.

The table below illustrates the Company's operating expenses for the fourth quarter and year ended December 31, 2022 and December 31, 2021:

	For the three-month period ended		**For the year ended**	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
(in 000's for stated values)	**$**	$	**$**	$
Manufactured Housing Finance	**21,035**	17,102	**76,977**	55,440
RV and Marine Finance	**2,986**	—	**9,390**	—
Business segment operating expenses	**24,021**	17,102	**86,367**	55,440
Corporate operating expenses	**3,874**	6,216	**17,349**	28,974
Total operating expenses	**27,895**	23,318	**103,716**	84,414

Operating expenses were $27.9 million in the current quarter, compared to $23.3 million for the prior year quarter. The increase in operating expenses compared to the prior year quarter is primarily attributable to growth in originations and managed assets at our Manufactured Housing Finance segment and the acquisitions within our RV and Marine Finance segment. Corporate operating expenses were $3.9 million in the current quarter compared to $6.2 million in the prior year quarter.

Interest expense was $15.8 million for the quarter ended December 31, 2022, compared to $6.5 million in the prior year quarter. The increase in interest expense reflects higher average borrowings, primarily due to higher average floorplan and held-for-trading financial assets balances in 2022, and a higher average borrowing rate due to the increase in interest rates in 2022.

Depreciation and amortization expense was $1.9 million for the quarter ended December 31, 2022 compared to $2.8 million in the prior year quarter.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $8.9 million for the quarter ended December 31, 2022 and $22.7 million in the prior year quarter. Share-based compensation expense was $3.5 million for the quarter ended December 31, 2022 compared to $13.3 million for the prior year quarter, reflecting lower overall achievement of performance targets and performance of the Company's share price as well as the impact in the prior year quarter of the sale of Service Finance on share-based compensation expense. Other expenses for the current quarter ended December 31, 2022 include $0.3 million of transaction costs related to the pursuit of M&A opportunities and $3.0 million of asset disposal and litigation costs related to ECN's legacy businesses. Other expenses for the prior year quarter include $3.1 million of business acquisition costs related to the acquisition of Source One and $6.1 million of separation and corporate restructure costs.

Adjusted EBITDA[1] increased to $24.6 million for the quarter ended December 31, 2022, compared to $11.6 million for the prior year quarter. The increase in adjusted EBITDA[1] in the current quarter reflects the growth at our Manufactured Housing Finance segment and the acquisitions within our RV and Marine Finance segment. Adjusted net income (loss) applicable to common shareholders[1] was $4.1 million or $0.02 per share for the quarter ended December 31, 2022, compared to $(0.5) million or $0.00 per share for the prior year quarter. The increase in adjusted net income applicable to common shareholders[1] in the current quarter reflects higher operating income from our business segments, partially offset by higher interest expense.

The Company reported a net loss from continuing operations of $5.6 million for the quarter ended December 31, 2022, compared to net loss of $14.0 million for the prior year quarter.

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

2022 vs 2021

The Company reported total revenue of $199.0 million for the year ended December 31, 2022, up 57.6% from $126.3 million from the prior year. The year-over-year increase in revenue reflects the growth in loan originations revenue, servicing revenues, and interest income at our Manufactured Housing Finance and the acquisition of Source One and IFG, which together comprise our RV and Marine Finance Segment. Total originations for the year ended December 31, 2022 were $2.2 billion compared to $1.0 billion for the prior year, which drove the increase in originations revenues. Manufactured Housing managed assets increased to $4.4 billion compared to $3.1 billion in the prior year, which drove the increase in servicing revenues. Higher interest income in the current year was primarily driven by higher average floorplan loan balances in 2022.

Operating expenses were $103.7 million in the current year, compared to $84.4 million for the prior year. The increase in operating expenses compared to the prior year is primarily attributable to growth in originations and managed assets at our Manufactured Housing Finance segment and the acquisitions within our RV and Marine Finance segment. Corporate operating expenses were $17.3 million in the current year, down from $29.0 million in the prior year.

Interest expense was $43.7 million for the year ended December 31, 2022 compared to $21.1 million in the prior year. The increase in interest expense reflects higher average borrowings, primarily due to higher average floorplan and held-for-trading financial asset balances in 2022, and a higher average borrowing rate due to the increase in interest rates in 2022.

Depreciation and amortization expense was $7.0 million for the year ended December 31, 2022, compared to $8.1 million in the prior year.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $27.4 million for the year ended December 31, 2022 compared to $36.0 million in the prior year. Share-based compensation expense decreased to $12.2 million in the current year from $24.2 million in the prior year, reflecting lower overall achievement of performance targets and performance of the Company's share price as well as the impact in the prior year of the sale of Service Finance on share-based compensation expense. Other expenses for the current year include $6.0 million of business acquisition costs related to the acquisition of IFG and the pursuit of M&A opportunities and $3.0 million of asset disposal and litigation costs related to ECN's legacy businesses. Other expenses for the prior year include $3.1 million of business acquisition costs related to the acquisition of Source One and $6.1 million of separation and corporate restructure costs.

Adjusted EBITDA[1] increased to $95.3 million for the year ended December 31, 2022, compared to $41.8 million for the prior year. The increase in adjusted EBITDA[1] in the current year reflects the growth at our Manufactured Housing Finance segment and the acquisitions within our RV and Marine Finance segment. Adjusted net income applicable to common shareholders[1] was $30.7 million or $0.12 per share for the for the year ended December 31, 2022, compared to $0.9 million or $0.00 per share for the prior year. The increase in adjusted net income applicable to common shareholders[1] in the current year reflects higher operating income from our business segments, partially offset by higher interest expense.

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

The Company reported net income from continuing operations of $6.7 million for the year ended December 31, 2022, compared to a net loss of $16.0 million for the prior year.

Business Segment Results

RESULTS OF MANUFACTURED HOUSING FINANCE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Manufactured Housing Finance segment for the three-month periods ended December 31, 2022, September 30, 2022, and December 31, 2021 and the years ended December 31, 2022 and December 31, 2021.

	For the three-month period ended			For the year ended	
	December 31, 2022	September 30, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
(in 000's for stated values)	**$**	$	$	**$**	$
Select metrics					
Originations	**323,215**	381,049	299,611	**1,371,588**	1,042,878
Managed assets, period end (1)	**4,354,221**	4,081,188	3,117,704	**4,354,221**	3,117,704
Managed assets, period average (1)	**4,217,705**	3,920,153	3,038,095	**3,712,017**	2,856,522
Manufactured housing loans	**471,133**	355,133	182,344	**471,133**	182,344
Held-for-trading financial assets	**212,729**	157,760	44,371	**212,729**	44,371
Operating results					
Loan originations revenue	**26,757**	29,883	22,940	**107,496**	77,736
Servicing revenue	**4,556**	5,743	4,962	**20,188**	15,230
Interest income & other revenue	**15,827**	11,317	5,489	**40,631**	18,934
Total revenue	**47,140**	46,943	33,391	**168,315**	111,900
Operating expenses	**21,035**	19,446	17,102	**76,977**	55,440
Adjusted EBITDA (1)	**26,105**	27,497	16,289	**91,338**	56,460
Interest and depreciation expense	**10,513**	6,472	2,427	**23,123**	6,205
Adjusted operating income before tax (1)	**15,592**	21,025	13,862	**68,215**	50,255

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

Manufactured Housing Finance originations for the fourth quarter and year ended December 31, 2022 were $323.2 million and $1.4 billion, respectively, up 7.9% and 31.5% from the comparable prior year periods. Managed assets[1] were $4.4 billion as at December 31, 2022, an increase of 39.7% compared to managed assets[1] of $3.1 billion as at December 31, 2021.

Traditionally, this segment is impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters, which is illustrated in the table below. In the fourth quarter of 2022, the manufactured housing market returned to its customary seasonal trends, which have been muted the past couple of years due to the industry shipment backlog.

Originations (US$ millions)								
Q4, 2020	Q1, 2021	Q2, 2021	Q3, 2021	Q4,2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022
197	182	262	299	300	287	381	381	323

Loan originations revenue for the fourth quarter and year ended December 31, 2022 was $26.8 million and $107.5 million, respectively, up 16.6% and 38.3% from the prior year periods, which reflects the year-over-year increase in total originations and the impact of bulk loan portfolio sales.

Servicing revenues were $4.6 million and $20.2 million for the fourth quarter and year ended December 31, 2022 compared to $5.0 million and $15.2 million in the prior year periods, respectively. The decrease in current quarter servicing revenues reflects a lower increase in the retained servicing rights asset, which is correlated with the level and growth rate in quarterly originations as well as market interest rates. The increase in current year servicing revenues reflects growth in managed assets and an increase in full serviced accounts.

Interest income and other revenue for the fourth quarter and year ended December 31, 2022 was $15.8 million and $40.6 million, respectively, up 188.3% and 114.6% from the prior year periods, primarily driven by higher average floorplan loan balances in 2022.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $26.1 million and $15.6 million, respectively, for the current quarter compared to $16.3 million and $13.9 million, respectively, for the prior year quarter. For the year ended December 31, 2022, adjusted EBITDA[1] and adjusted operating income before tax[1] of $91.3 million and $68.2 million represent increases of 61.8% and 35.7% from the prior year periods.

Manufactured housing floorplan loans were $471.1 million as at December 31, 2022, compared to $355.1 million as at September 30, 2022 and $182.3 million as at December 31, 2021. Manufactured housing loans enable dealers to finance their inventory and support the growth of their businesses. These loans strengthen the relationship with our dealers and manufacturers.

Held-for-trading financial assets were $212.7 million as at December 31, 2022, compared to $157.8 million as at September 30, 2022 and $44.4 million as at December 31, 2021. Held-for-trading financial assets consist of loans that are originated on behalf of our Partners with the intention of selling through under bulk loan portfolio sales agreements. Subsequent to year end, Triad Financial Services completed portfolio sales totaling approximately $118 million. Triad continues to expand relationships with non-depository institutional partners with an interest for monthly pooled loan flow.

In March 2023, Triad agreed to terms with an existing institutional partner to flow and manage up to $300 million in floorplan loans. This partnership leveraged Triad's successful history and track record in the floorplan business over the last 5 years. This expanded partnership provides another example of Triad's ability to launch, prove and convert a balance sheet program to an asset light flow program.

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

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

Set out below is a comparison of the actual results of the Manufactured Housing Finance segment for the year ended December 31, 2022 against the Company's updated 2022 forecast range.

	Updated 2022 Forecast Range		Actual 2022 Results
Select Metrics (US$ millions)			
Total Originations	**1,400**	**1,600**	**1,372**
Floorplan line utilized	**300**	**400**	**471**
Managed & advised portfolio (period end)	**3,900**	**4,300**	**4,354**
Income Statement (US$ millions)			
Loan origination revenues	**108**	**114**	**107**
Servicing revenues	**20**	**22**	**20**
Interest income & other revenue	**32**	**34**	**41**
Total revenues	**160**	**170**	**168**
Adjusted EBITDA (1)	**86**	**91**	**91**
Adjusted operating income before tax (1)	**70**	**75**	**68**

Triad's actual results for 2022 total revenues and adjusted EBITDA[1] were within the previously updated forecast range for its 2022 Outlook and total originations and loan origination revenues were minimally below the lower end of the range due to lower than expected originations in November and December. Floorplan line utilized and interest & other income were above the upper end of the range, primarily due to the expansion of the Company's floorplan program in 2022. Adjusted operating income before tax[1] was below the lower end of the range, primarily as a result of higher interest expense related to higher floorplan balances and higher interest rates in 2022.

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

Manufactured Housing Finance Segment 2023 Outlook

Please see the tables below for the Company's 2023 outlook for our Manufactured Housing Finance segment.

	2023 Forecast Range	
Select Metrics (US$ millions)		
Total originations	**1,500**	**1,600**
Floorplan line utilized	**400**	**500**
Managed & advised portfolio (period end)	**5,500**	**5,900**
Income Statement (US$ millions)		
Loan origination revenues	**115**	**127**
Servicing revenues	**28**	**30**
Interest income & other revenue	**71**	**75**
Total revenues	**214**	**232**
Adjusted EBITDA (1)	**126**	**140**
Adjusted operating income before tax (1)	**77**	**87**

The material factors and assumptions used to develop the forward-looking information related to the 2023 outlook for the Manufactured Housing Finance segment include expected originations volumes, including the ability to grow such originations; expectations regarding our ability to attract new Partners, vendor relationships and new customers and develop and maintain relationships with existing Partners, vendors and customers; the continued availability of funding Partner capacity at expected and contracted levels and the growth and/or renewals of existing funding pipeline commitments from Partners required to meet our anticipated originations levels; continued competitive intensity in the segment in the manufactured housing segment consistent with levels experienced in 2022; no significant legal or regulatory developments, no significant deterioration in economic conditions, or macro changes in the competitive environment affecting our business activities; and key interest rates remaining in line with current market expectations throughout 2023.

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

RESULTS OF RV AND MARINE FINANCE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the RV and Marine Finance segment for the three-month periods ended December 31, 2022 and September 30, 2022 and the year ended December 31, 2022. Operating results from IFG are included from July 1, 2022, the date of acquisition.

	For the three-month period ended		For the year ended
	December 31, 2022	**September 30, 2022**	**December 31, 2022**
(in 000's for stated values)	**$**	$	**$**
Select Metrics			
Originations	**183,629**	298,443	**825,737**
Operating results			
Originations revenue	**4,421**	7,812	**23,335**
Interest income & other revenue	**183**	86	**273**
Total revenue	**4,604**	7,898	**23,608**
Operating expenses	**2,986**	2,796	**9,390**
Adjusted EBITDA (1)	**1,618**	5,102	**14,218**
Interest and depreciation expense	**308**	139	**547**
Adjusted operating income before tax (1)	**1,310**	4,963	**13,671**

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

RV and Marine Finance originations for the fourth quarter and year ended December 31, 2022 were $183.6 million and $825.7 million, respectively.

Traditionally, this segment is impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters, which is illustrated in the table below:

Originations (US$ millions) (1)								
Q4, 2020	Q1, 2021	Q2, 2021	Q3, 2021	Q4,2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022
169	199	352	246	206	241	406	298	184

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

Loan originations revenue for the fourth quarter and year ended December 31, 2022 was $4.4 million and $23.3 million, respectively. Current quarter-to-date originations revenue decreased from $7.8 million in the immediately preceding quarter, in line with the decrease in total originations and consistent with historical seasonality trends.

Operating expenses for the fourth quarter and year ended December 31, 2022 were $3.0 million and $9.4 million, respectively. Current quarter-to-date operating expenses were in line with the immediately preceding quarter and reflect the continued investment in growth initiatives at both Source One and IFG.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $1.6 million and $1.3 million, respectively, for the current quarter and $14.2 million and $13.7 million, respectively, for the year ended December 31, 2022.

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

Set out below is a comparison of the actual results of the RV and Marine Finance segment for the year ended December 31, 2022 against the Company's updated 2022 forecast range.

	Updated 2022 Forecast Range (2)		Actual 2022 Results
Select Metrics (US$ millions)			
Total originations	**800**	**900**	**826**
Income Statement (US$ millions)			
Loan origination revenues	**24**	**28**	**23**
Adjusted EBITDA (1)	**17**	**19**	**14**
Adjusted operating income before tax (1)	**17**	**19**	**14**

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of this measure.
(2) Includes results from IFG from July 1, 2022.

Compared to its 2022 Outlook, RV and Marine Finance total originations were within the forecast range and loan origination revenues were minimally below the lower end of the range primarily due to loan mix. Adjusted EBITDA[1] and adjusted operating income before tax[1] were below the lower end of the range, primarily due to lower loan originations revenues and higher operating expenses related to growth initiatives at both Source One and IFG.

RV and Marine Finance Segment 2023 Outlook

Please see the table below for the Company's 2023 outlook for our RV and Marine Finance segment.

	2023 Forecast Range	
Select Metrics (US$ millions)		
Total originations	1,250	1,350
Income Statement (US$ millions)		
Total revenues	42	46
Adjusted EBITDA [1]	28	32
Adjusted operating income before tax [1]	24	28

The material factors and assumptions used to develop the forward-looking information related to the 2023 outlook for the RV and Marine Finance segment include expected originations volumes, including the ability to grow such originations; expectations regarding our ability to attract new Partners, vendor relationships and new customers and develop and maintain relationships with existing Partners, vendors and customers; the continued availability of funding Partner capacity at expected and contracted levels and the growth and/or renewals of existing funding pipeline commitments from Partners required to meet our anticipated originations levels; continued competitive intensity in the segment in the manufactured housing segment consistent with levels experienced in 2022; no significant legal or regulatory developments, no significant deterioration in economic conditions, or macro changes in the competitive environment affecting our business activities; key interest rates remaining in line with current market expectations throughout 2023; and that the roll-out of anticipated floorplan and other products across the RV and Marine Finance business continues on its expected timing and progress.

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

RESULTS OF CORPORATE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Corporate segment for the three-month periods ended December 31, 2022, September 30, 2022, and December 31, 2021 and the years ended December 31, 2022 and December 31, 2021.

	For the three-month period ended			For the year ended	
	December 31, 2022	September 30, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
(in 000's for stated values)	**$**	**$**	**$**	**$**	**$**
Operating results					
Revenues	**717**	3,169	1,502	**7,089**	14,350
Operating expenses	**3,874**	4,342	6,216	**17,349**	28,974
Adjusted EBITDA (1)	**(3,157)**	(1,173)	(4,714)	**(10,260)**	(14,624)
Interest expense	**5,844**	7,312	4,840	**22,959**	16,670
Depreciation & amortization	**1,097**	976	2,034	**4,054**	6,330
Adjusted operating income before tax (1)	**(10,098)**	(9,461)	(11,588)	**(37,273)**	(37,624)

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

Corporate revenue was $0.7 million and $7.1 million for the fourth quarter and year ended December 31, 2022, respectively, compared to $1.5 million and $14.4 million for the comparable prior year periods. Revenue primarily consists of gains/losses from legacy corporate investments and gains/losses from foreign currency transactions and related hedge contracts.

Corporate operating expenses were $3.9 million and $17.3 million for the fourth quarter and year ended December 31, 2022 compared to $6.2 million and $29.0 million in the prior year periods, respectively.

Corporate interest expense was $5.8 million for the current quarter, compared to $7.3 million for the third quarter of 2022 and $4.8 million for the prior year quarter. Average borrowings on the term senior facility credit during the fourth quarter of 2022 were $722.4 million compared to $715.9 million in the preceding quarter.

RESULTS OF DISCONTINUED OPERATIONS

The following table sets forth a summary of the Company's results from discontinued operations for the three-month periods ended December 31, 2022, September 30, 2022, and December 31, 2021 and the years ended December 31, 2022 and December 31, 2021. Discontinued operations for the three-month periods ended December 31, 2022 and September 30, 2022 include the results of KG. Discontinued operations for the three-month period and year ended December 31, 2021 include the results of KG and Service Finance.

	For the three-month period ended			For the year ended	
	December 31, 2022	September 30, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
(in 000's for stated values)	**$**	$	$	**$**	$
Operating results					
KG					
Revenues	**—**	23,963	34,579	**76,840**	95,126
Operating expenses	**—**	17,839	17,375	**43,693**	39,197
Adjusted EBITDA (1)	**—**	6,124	17,204	**33,147**	55,929
Service Finance					
Revenues	**—**	—	23,433	**—**	136,509
Operating expenses	**—**	—	10,369	**—**	53,969
Adjusted EBITDA (1)	**—**	—	13,064	**—**	82,540
Adjusted EBITDA - KG and Service Finance (1)	**—**	6,124	30,268	**33,147**	138,469
Depreciation & amortization	**—**	267	70	**802**	3,988
Interest (income) expense	**—**	(22)	3,071	**(18)**	7,283
Adjusted operating income before tax (1)	**—**	5,879	27,127	**32,363**	127,198
Adjustments:					
Share-based compensation	**—**	2,395	(11,335)	**3,588**	(2,177)
Amortization of intangible assets	**—**	2,534	4,285	**11,103**	26,497
Accretion of deferred purchase consideration	**—**	951	(11,193)	**2,351**	(9,693)
Loss on sale of KG	**2,048**	—	—	**2,048**	—
Impairment of assets	**—**	—	28,390	**—**	28,390
Loss on sale of rail assets	**—**	—	11,050	**—**	11,050
Gain on sale of Service Finance	**—**	—	(1,251,903)	**—**	(1,251,903)
Net (loss) income before income taxes from discontinued operations	**(2,048)**	(1)	1,257,833	**13,273**	1,325,034
(Recovery of) provision for income taxes	**(1,104)**	—	322,862	**4,102**	339,269
Net (loss) income from discontinued operations	**(944)**	(1)	934,971	**9,171**	985,765

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

Discontinued Operations

Revenue from KG was $76.8 million for the year ended December 31, 2022, compared to $95.1 million in the prior year, reflecting a partial current year period as a result of the closing of the sale of KG on October 4, 2022. Operating expenses were $43.7 million for the year ended December 31, 2022, compared to $39.2 million in the prior year. As a result of the sale of KG, the Company recorded a net loss of approximately $0.9 million in the year ended December 31, 2022.

Net income from discontinued operations was $9.2 million for the year ended December 31, 2022, compared to net income from discontinued operations of $985.8 million for the prior year.

Financial Position

The following tables set forth a summary of the Company's balance sheet, including a breakdown by core business segment, as at December 31, 2022, September 30, 2022 and December 31, 2021.

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

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

Total finance assets from continuing operations were $700.5 million as at December 31, 2022 compared to $514.8 million as at September 30, 2022 and $226.7 million at December 31, 2021. The increase compared to the preceding quarter primarily reflects an increase in manufactured housing floorplan loans, RV and marine loans and held-for-trading financial assets.

Borrowings from continuing operations of $1.0 billion increased by $14.4 million compared to September 30, 2022, primarily reflecting the increased investment in finance assets, offset by the impact of the sale of the KG business.

Earning assets - managed[1] of $4.4 billion as at December 31, 2022 reflects managed loans at our Manufactured Housing Finance segment.

(in 000's for stated values, except percentage amounts)	Manufactured Housing Finance $	RV & Marine Finance $	Corporate $	Continuing Operations $	Discontinued Operations $	Total $
			September 30, 2022			
Assets						
Cash	1,788	14,563	2,713	**19,064**	—	**19,064**
Restricted funds	—	2,621	—	**2,621**	—	**2,621**
Accounts Receivable	168,631	6,944	6,658	**182,233**	—	**182,233**
Finance assets						
Loans receivable	355,133	—	—	**355,133**	—	**355,133**
Held-for-trading financial assets	157,760	1,870	—	**159,630**	—	**159,630**
Total finance assets	512,893	1,870	—	**514,763**	—	**514,763**
Retained reserve interest	36,269	—	—	**36,269**	—	**36,269**
Continuing involvement asset	77,556	—	—	**77,556**	—	**77,556**
Goodwill and intangible assets	70,383	159,075	751	**230,209**	—	**230,209**
Deferred tax assets	—	—	30,318	**30,318**	—	**30,318**
Other assets and investments	15,705	1,547	133,894	**151,146**	—	**151,146**
Assets held-for-sale	—	—	—	**—**	270,218	**270,218**
Total Assets	**883,225**	**186,620**	**174,334**	**1,244,179**	**270,218**	**1,514,397**
Liabilities						
Borrowings	496,140	2,000	495,455	**993,595**	—	**993,595**
Continuing involvement liability	77,556	—	—	**77,556**	—	**77,556**
Other liabilities	35,789	27,551	76,024	**139,364**	—	**139,364**
Taxes Payable	3,641	—	8,095	**11,736**	—	**11,736**
Liabilities held for sale	—	—	—	**—**	85,608	**85,608**
Total Liabilities	613,126	29,551	579,574	**1,222,251**	85,608	**1,307,859**
Earning Assets - Owned and Managed						
Earning assets - owned [1]	512,893	1,870	—	**514,763**	—	**514,763**
Earning assets - managed [1]	4,081,188	—	—	**4,081,188**	—	**4,081,188**
Total Earning Assets - Owned and Managed [1]	**4,594,081**	**1,870**	**—**	**4,595,951**	**—**	**4,595,951**

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

(in 000's for stated values, except percentage amounts)	Manufactured Housing Finance $	Corporate $	Continuing Operations $	Discontinued Operations $	Total $
			December 31, 2021		
Assets					
Cash	27,384	3,697	**31,081**	**13,960**	**45,041**
Restricted funds	2,198	—	**2,198**	**—**	**2,198**
Accounts Receivable	90,420	12,715	**103,135**	**45,767**	**148,902**
Finance assets					
Finance receivables	182,344	—	**182,344**	**—**	**182,344**
Held-for-trading financial assets	44,371	—	**44,371**	**—**	**44,371**
Total finance assets	226,715	—	**226,715**	**—**	**226,715**
Retained reserve interest asset	32,767	—	**32,767**	**—**	**32,767**
Continuing involvement asset	103,592	—	**103,592**	**—**	**103,592**
Goodwill and intangible assets	155,246	876	**156,122**	**212,468**	**368,590**
Deferred tax assets	—	38,898	**38,898**	**—**	**38,898**
Other assets and investments	15,352	154,765	**170,117**	**9,295**	**179,412**
Total Assets	**653,674**	**210,951**	**864,625**	**281,490**	**1,146,115**
Liabilities					
Borrowings	212,022	62,575	**274,597**	**—**	**274,597**
Continuing involvement liability	103,592	—	**103,592**	**—**	**103,592**
Other liabilities	27,958	125,202	**153,160**	**102,516**	**255,676**
Taxes Payable	1,092	292,531	**293,623**	**—**	**293,623**
Total Liabilities	**344,664**	**480,308**	**824,972**	**102,516**	**927,488**

Delinquencies

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

	December 31, 2022		September 30, 2022		December 31, 2021	
	$	%	$	%	$	%
Current	**481,841**	**100**	356,044	100	182,556	100
31-60 days past due	**—**	**—**	—	—	—	—
61-90 days past due	**—**	**—**	—	—	—	—
Greater than 90 days past due	**—**	**—**	—	—	—	—
Total continuing operations	**481,841**	**100**	356,044	100	182,556	100

Allowance for Credit Losses

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

(in 000's except percentage amounts)	**Year ended December 31, 2022** **$**	Year ended December 31, 2021 $
Allowance for credit losses, beginning of period	**527**	868
Provision for credit losses	**539**	429
Charge-offs, net of recoveries, and other	**—**	(70)
Disposals	**—**	(700)
Allowance for credit losses, end of period	**1,066**	527

The Company's allowance for credit losses was $1.1 million as at December 31, 2022, compared to $0.5 million at December 31, 2021. The allowance for credit losses of $1.1 million as at December 31, 2022 is in line with management's expectation of losses from the business segments and the current mix of assets.

Liquidity & Capital Resources

An important liquidity measure for the Company is its ability to maintain diversified funding sources to support its operations. The Company's primary sources of liquidity are: (i) cash flows from operating activities; (ii) borrowings on our term senior credit facility and proceeds from the issuance of our senior unsecured debentures; (iii) funding commitments from our Partners; and (iv) equity. The Company's primary use of cash is the funding of its capital allocation priorities, including funding organic growth initiatives for our new businesses, acquisition opportunities and returning capital to shareholders. The Company manages its capital resources by utilizing the financial leverage available under its senior credit facilities, selling loans that we originate to our Partners and, when additional capital is required, the Company has access to capital through the issuance of convertible debt, preferred or common shares.

The Company's capitalization and key leverage ratios are as follows:

			As at	
(in 000's for stated values, except for percentage amounts)		**December 31, 2022** **$**	September 30, 2022 $	December 31, 2021 $
Total debt, including borrowings on term senior credit facility and senior unsecured debentures	**(a)**	**1,007,998**	993,595	274,597
Shareholders' equity	**(b)**	**193,675**	206,538	218,627
Debt to equity ratio	**(a)/(b)**	**5.20**	4.81	1.26

As at December 31, 2022, the Company's debt to equity ratio was 5.20:1. The increase in total debt compared to the third quarter of 2022 primarily reflects the increased investment in finance assets at our Manufactured Housing Finance segment during the quarter.

Finance receivables are securitized or sold to third party funding counterparties on a regular basis to ensure cash is available to fund new transactions. Cash levels are also monitored by management. In addition, the Company adheres to a strict policy of matching the maturities of owned finance assets and the related debt as closely as possible in order to manage its liquidity position.

The Company's available sources of financing are as follows:

	As at		
	December 31, 2022	September 30, 2022	December 31, 2021
(in 000's)	**$**	$	$
Cash and cash equivalents	**12,715**	19,064	45,041
Senior Facilities			
Facilities	**900,000**	900,000	700,000
Utilized against Facility	**829,703**	819,487	122,000
Unutilized Borrowing Facilities (i.e., excl. Cash & Equiv.)	**70,297**	80,513	578,000
Total available sources of capital, end of period	**83,012**	99,577	623,041

As at December 31, 2022, the unutilized balance of the borrowing facility was approximately $70 million compared to $81 million at September 30, 2022 and $578 million at December 31, 2021. This $70 million in unutilized borrowings is in addition to the commitments in place to fund loan originations from our business segments for 2023. Management believes the available liquidity from its cash and equivalents, unutilized borrowing capacity and the funding commitments in place at its business segments is sufficient to fund operations and internal growth initiatives.

ECN CAPITAL

Summary of Quarterly Information

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended as at December 31, 2022. The information should be read in conjunction with ECN Capital's audited and interim unaudited consolidated financial statements, the notes thereto and the related management discussion and analysis for the relevant periods.

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

(in $ 000's for stated values, except ratio and per share amounts)	**Q4, 2022**	Q3, 2022	Q2, 2022	Q1, 2022	Q4, 2021	Q3, 2021	Q2, 2021	Q1, 2021
Adjusted operating income before tax [1]	**6,804**	16,527	15,556	5,726	2,274	7,140	3,028	(2,667)
Amortization of intangibles	**1,870**	1,880	1,100	1,063	310	310	310	310
Accretion of deferred purchase consideration	**128**	128	—	—	(1)	462	520	462
Unrealized gain on foreign currency forward contract	**—**	—	—	—	—	(2,856)	—	—
Share based compensation	**3,489**	2,392	1,592	4,716	13,299	3,933	3,520	3,442
Asset disposal and litigation costs	**3,044**	—	—	—	—	—	—	—
Separation and corporate restructure costs	**—**	—	—	—	6,054	—	—	—
Transaction costs	**321**	—	5,632	—	3,074	—	—	—
Net income (loss) before income taxes	**(2,048)**	12,127	7,232	(53)	(20,462)	5,291	(1,322)	(6,881)
Net income (loss) from continuing operations	**(5,596)**	7,721	4,631	(36)	(14,047)	4,605	(995)	(5,532)
Net income (loss) from discontinued operations	**(944)**	(1)	4,610	5,506	934,971	18,565	18,391	13,838
Net income (loss) - total	**(6,540)**	7,720	9,241	5,470	920,924	23,170	17,396	8,306
Earnings per share (basic) - continuing operations attributable to common shareholders	**($0.03)**	$0.03	$0.01	$0.00	($0.09)	$0.01	($0.01)	($0.03)
Adjusted net income [1]	**5,443**	13,222	12,445	4,581	1,887	5,926	2,513	(2,214)
Adjusted net income per share (basic) [1]	**$0.02**	$0.05	$0.05	$0.02	$0.01	$0.02	$0.01	($0.01)
Adjusted net income applicable to common shareholders per share (basic) [1]	**$0.02**	$0.05	$0.05	$0.01	$0.00	$0.01	$0.00	($0.02)
Originations	**506,844**	679,492	613,020	397,970	299,611	298,992	262,052	182,223
Period end earning assets - owned	**700,509**	514,763	380,516	282,829	226,715	214,320	187,524	181,994
Period end earning assets - managed	**4,354,221**	4,081,188	3,759,117	3,247,854	3,117,704	2,958,485	2,836,163	2,731,645
Period end earning assets - total	**5,054,730**	4,595,951	4,139,633	3,530,683	3,344,419	3,172,805	3,023,687	2,913,639
Allowance for credit losses	**1,066**	911	722	595	527	266	1,032	894
Allowance % of finance receivables [1]	**0.15 %**	0.18 %	0.19 %	0.21 %	0.23 %	0.11 %	0.23 %	0.20 %
Term senior credit facility & other	**851,235**	840,479	653,880	196,245	107,664	458,639	547,757	505,684
Senior unsecured debentures	**156,763**	153,116	164,458	168,997	166,933	55,848	56,960	56,036
Total debt	**1,007,998**	993,595	818,338	365,242	274,597	514,487	604,717	561,720
Shareholders' equity	**193,675**	206,538	228,855	230,308	218,627	823,535	823,713	817,607

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

Non-IFRS and Other Performance Measures

DESCRIPTION OF NON-IFRS MEASURES

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

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

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

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

Adjusted operating income before tax

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

Adjusted net income and Adjusted net income applicable to common shareholders

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

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

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

Earning assets - owned

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

Managed assets

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

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

Allowance for credit losses as a percentage of finance receivables

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

Finance assets or total finance assets

Finance assets are the sum of the total finance receivables.

Debt to equity ratio

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

RECONCILIATION OF NON-IFRS TO IFRS MEASURES

The following table provides a reconciliation of non-IFRS to IFRS measures related to the Company's consolidated continuing results of operations for the three-month periods ended December 31, 2022, September 30, 2022, and December 31, 2021 and the years ended December 31, 2022 and December 31, 2021.

	For the three-month period ended			For the year ended	
	December 31, 2022	September 30, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Reconciliation of adjusted operating income before tax:					
Net (loss) income from continuing operations	**(5,596)**	7,721	(14,047)	**6,720**	(15,969)
Adjustments:					
Share-based compensation	**3,489**	2,392	13,299	**12,189**	24,194
Amortization of intangible assets	**1,870**	1,880	310	**5,913**	1,240
Accretion of deferred purchase consideration	**128**	128	(1)	**256**	1,443
Asset disposal and litigation costs	**3,044**	—	—	**3,044**	—
Separation and corporate restructure costs	**—**	—	6,054	**—**	6,054
Transaction costs	**321**	—	3,074	**5,953**	3,074
Provision for (recovery of) income taxes	**3,548**	4,406	(6,415)	**10,538**	(7,405)
Adjusted operating income before tax	**6,804**	16,527	2,274	**44,613**	12,631
Adjusted operating income before tax comprised of:					
Manufactured Housing Finance Segment	**15,592**	21,025	13,862	**68,215**	50,255
Recreational Vehicles and Marine Finance Segment	**1,310**	4,963	—	**13,671**	—
Corporate	**(10,098)**	(9,461)	(11,588)	**(37,273)**	(37,624)
	6,804	16,527	2,274	**44,613**	12,631
Reconciliation of adjusted EBITDA:					
Adjusted operating income before tax	**6,804**	16,527	2,274	**44,613**	12,631
Interest expense	**15,834**	13,129	6,463	**43,652**	21,072
Depreciation & amortization	**1,928**	1,770	2,838	**7,031**	8,133
Adjusted EBITDA	**24,566**	31,426	11,575	**95,296**	41,836
Reconciliation of adjusted net income and adjusted net income attributable to common shareholders:					
Adjusted operating income before tax	**6,804**	16,527	2,274	**44,613**	12,631
Provision for taxes applicable to adjusted operating income (1)	**1,361**	3,305	387	**8,923**	2,147
Adjusted net income	**5,443**	13,222	1,887	**35,690**	10,484
Cumulative preferred share dividends during the period	**1,357**	1,409	2,390	**5,036**	9,623
Adjusted net income attributable to common shareholders	**4,086**	11,813	(503)	**30,654**	861
Per share information					
Weighted average number of shares outstanding (basic)	**245,383**	246,766	243,625	**246,497**	243,732
Adjusted net income per share (basic)	**$0.02**	$0.05	$0.01	**$0.14**	$0.04
Adjusted net income applicable to common shareholders per share (basic)	**$0.02**	$0.05	$—	**$0.12**	$—

(1) Provision for taxes applicable to adjusted operating income reflects an effective tax rate of 20.0% for the three-month periods ended December 31, 2022 and September 30, 2022 and the year ended December 31, 2022, and 17.0% for the three-month period and year ended December 31, 2021.

Risk Management

RISK MANAGEMENT APPROACH

ECN Capital's various business segments are subject to numerous and substantial risks. Management believes that effective risk management is of primary importance to the achievement of the Company's strategic objectives, including the delivery of superior risk-adjusted returns to shareholders. We have risk management policies in place to monitor, evaluate and manage the principal risks we assume in conducting our activities. We seek to monitor and control our risk exposure through a variety of separate, but complementary financial, credit, and operational processes under the oversight of the Board of Directors, and in particular, the Audit, Credit and Risk, and Compensation and Governance Committees of the Board. Management oversight is a fundamental element of our risk management processes. The principal risks are discussed in further detail below.

PRINCIPAL RISKS

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers and counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties on loans and financial derivatives. Counterparty limits are established by the use of both external and internal credit risk classification systems, which assign each counterparty a risk rating.

The Company manages its counterparty credit risk in respect to cash and cash equivalents by financing its operations through a syndicate of Canadian and U.S. banks.

The Company limits its exposure to counterparty credit risk in respect to the use of financial derivatives by transacting only with highly rated financial institutions. The Company's financial derivatives portfolio is spread across financial institutions that are at least dual-rated and have a credit rating in the "A" category or better.

The Company's maximum exposure to credit risk with respect to its consolidated statements of financial position as at December 31, 2022 and December 31, 2021 is the carrying amounts as disclosed on the statements of financial position.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company manages its liquidity risk by monitoring its operating and growth requirements. The Company prepares forecasts to ensure it has sufficient liquidity to fulfill its obligations and operating plans and actively pursues new funding sources to meet future liquidity requirements.

The most significant exposure to liquidity risk relates to the funding of loan originations at Triad Financial Services by our Partners. The Company mitigates this risk by maintaining a diversified group of Partners, including banks, credit unions, insurance companies, pension funds and investment funds, as well as maintaining excess funding capacity for the following twelve months. The Company also maintains access to liquidity through its term senior credit facility. The Company ensures it has excess borrowing capacity under the facility by closely monitoring its covenants and managing the cash flows generated by its operating subsidiaries.

Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is limited to the unhedged portion of debt under the senior credit facility after consideration of floating rate finance receivables. Based on its exposure as at December 31, 2022, the Company estimates that a hypothetical 100 basis point increase in interest rates would decrease net income before taxes by approximately $3.6 million.

The Company does experience short-term interest rate risk on its finance receivables during the period between fixing the contractual rate under the finance contracts with its customers and locking the interest rate under its funding facilities or when the Company can sell the finance contracts through to third party financial institutions. Based on its exposure as at December 31, 2022, the Company estimates that a hypothetical 50 basis point increase in interest rates may result in a decrease approximately $1.0 million in the carrying value of its held-for-trading financial assets.

Foreign currency risk

Foreign currency risk is the risk of exposure to foreign currency movements associated with certain existing assets and liabilities denominated in Canadian dollars, whereby there is a risk that the exchange rates will be materially different when an asset or liability is remeasured for accounting purposes or matures. The Company typically mitigates and manages this risk by entering into foreign exchange forward contracts to reduce or hedge its exposure to foreign currency risk. As at December 31, 2022, the Company did not have a significant unhedged exposure to this type of foreign currency risk.

The Company is also exposed to foreign currency risk related to net income generated from foreign currency denominated assets and operations. This risk represents the impact of fluctuations to the average U.S. and foreign currency exchange rate used to translate the Company's foreign currency denominated net income into U.S. dollar equivalent during each period. The Company may mitigate and manage this type of foreign currency risk by entering into foreign currency forward contracts or other hedging instruments to reduce or hedge this exposure to foreign currency risk.

Taxes

ECN Capital is a Canadian corporation which operates in multiple jurisdictions. As a result, it is subject to the tax laws and regulations of Canadian federal, provincial and local governments and of the governments of foreign jurisdictions in which ECN Capital operates, as well as to any income tax treaties between Canada and any such jurisdictions, and to the risk that those tax laws, regulations and treaties may change in the future. Any such changes could adversely affect the taxes payable, including withholding taxes, and the effective tax rate in the jurisdictions in which ECN Capital operates.

The determination of ECN Capital's provision for income taxes in Canada and elsewhere, including current and deferred tax assets and liabilities on ECN Capital's financial statements, require estimates, interpretation and significant judgment. Various internal and external factors may have favorable or unfavorable effects on future provisions for income taxes and ECN Capital's effective income tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, results of audits by tax authorities, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, and changes in overall levels of income before taxes. Furthermore, new accounting pronouncements or new interpretation of existing accounting pronouncements can have a material impact on ECN Capital's effective income tax rate.

ECN Capital could be impacted by certain tax treatment for various revenue streams in different tax jurisdictions. If a tax authority has a different interpretation from ECN Capital's, it could potentially impose additional taxes, penalties or fines. This would potentially reduce the amounts of revenue, ultimately received by ECN Capital.

ECN Capital, from time to time, has executed or may execute reorganization transactions impacting its tax structure, including the tax-deferred spin-off from Element Financial Corporation on October 3, 2016. If a tax authority has a different interpretation from ECN Capital's, it could potentially impose additional taxes, penalties or fines.

Business Environment

The Company's business segments operate in a competitive business environment. This creates a risk from the potential impact of current and former competitors. There can be no assurance that the Company will be able to compete successfully against its competitors or that such competition will not have a material adverse effect on the Company's financial condition and operations. In addition, the Company's performance is strongly correlated to the overall economic environment in the U.S. Any adverse changes in the general economic environment in the U.S. could have a material impact on the Company's operating performance.

Potential Acquisitions and Investments

As the Company seeks to acquire or invest in businesses that complement or expand its business, there is a risk if the Company commits significant financial or other resources that results in a material adverse effect on the Company's financial condition and operations.

Environmental, Social and Governance Risk

Environmental, Social and Governance ("ESG") risk is the risk to the Company as stakeholders demand greater accountability and transparency on how the Company approaches environmental issues, attends to the well-being of employees, customers and Partners, and governs in an ethical manner. A company that ignores these risks or commits a misstep could incur significant economic costs that jeopardize its ability to earn long-term, sustainable profits.

To mitigate ESG risk, the Company established an ESG Management Committee which reports directly to the Board of Directors. The ESG Management Committee is working with all stakeholders to evolve and enhance our ESG disclosure, and address material ESG risks across the Company and its subsidiaries.

Accounting and Internal Control Matters

Critical Accounting Policies and Estimates and Use of Judgments

The Company's significant accounting policies are described in note 2 of our 2022 Annual Consolidated Financial Statements. Certain of these policies, and related estimates and judgments have been identified as "critical" to the presentation of our financial condition and results of operations because they require us to make subjective and/or complex judgments about matters that are inherently uncertain; or there is a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates. Our significant accounting judgments, estimates and assumptions relate to inventory, allowances for credit losses, income taxes, useful lives and residual values of equipment under operating leases, goodwill and intangible assets, derecognition of financial assets, and the outcome of contingencies such as lawsuits, claims or proceedings incident to the operation of our businesses. Our critical accounting policies and estimates have been reviewed and approved by our Audit Committee, in consultation with management, as part of their review and approval of our significant accounting policies, judgments, estimates and assumptions. Please refer to note 2 of our 2022 Annual Consolidated Financial Statements for a description of each of our significant accounting judgments, estimates and assumptions.

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

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

Internal Control over Financial Reporting

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

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

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

Updated Share Information

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

As at March 22, 2023, the Company had 245,382,585 common shares, 3,376,549 options and 3,712,400 Series C preferred shares issued and outstanding.

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