ECN CAPITAL

Management Discussion & Analysis

DECEMBER 31, 2023

The following management discussion and analysis ("MD&A") provides information management believes is relevant to an assessment and understanding of the financial condition and results of operations of ECN Capital Corp. (the "Company" or "ECN Capital") as at and for the year ended December 31, 2023 and should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended December 31, 2023 (the "2023 Annual Consolidated Financial Statements") and December 31, 2022 (the "2022 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 21, 2024. 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 and such other risks or factors described from time to time in reports of ECN Capital.

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

ECN CAPITAL

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Overview

ABOUT ECN

ECN Capital Corp. ("ECN Capital" or the "Company") is a leading provider of business services to North American based banks, credit unions, life insurance companies, pension funds and institutional investors (collectively our "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of our Partners, specifically consumer (manufactured housing and RV and marine) loans and commercial (inventory finance and rental) loans. Our Partners are seeking high quality assets to match with their deposits, term insurance or other liabilities. These services are offered through two operating segments: (i) Manufactured Housing Finance, and (ii) Recreational Vehicle and Marine ("RV and Marine") Finance. Headquartered in South Florida and Toronto, the registered office is located at 199 Bay Street, Suite 4000, Toronto, Ontario, Canada. ECN Capital has approximately 620 employees and operates principally in the United States. The Company is a public corporation and trades on the Toronto Stock Exchange ("TSX") 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," our Manufactured Housing Finance business segment), Source One Financial Services, LLC ("Source One") and Intercoastal Financial Group, LLC ("IFG") (collectively, Source One and IFG comprise our RV and Marine business segment). ECN Capital has managed assets[1] of continuing operations of approximately $4.9 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.

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

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in 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 and is licensed in 47 states.

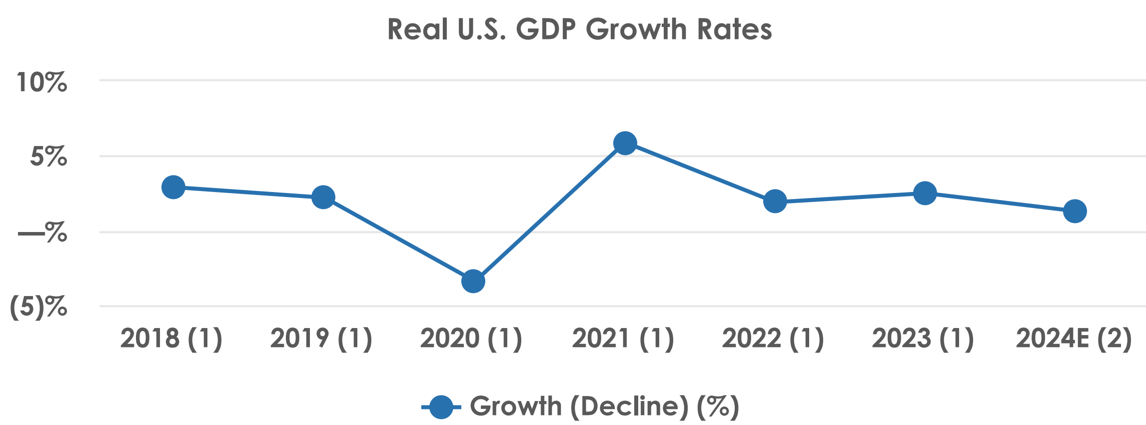
Intercoastal Financial Group

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 Vero Beach, 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 2023, the U.S. economy continued to grow, with GDP increasing 2.5% compared to 1.9% in 2022, despite headwinds of elevated inflation and higher interest rates. While overall growth for 2023 outpaced market expectations, consumer strength began to soften in the second half of the year, as consumer debt outpaced income growth. Economic growth decelerated in the fourth quarter of 2023, which is expected to continue into the first half of 2024. The second half of 2024 is expected to improve as inflation and interest rates are expected to decline and labor markets are expected to remain strong. Based on current consensus estimates, the U.S. economy is expected to grow by approximately 2% in 2024. We remain confident in the strength of our business segments and the credit quality of our target borrowers, and are well-positioned to capture market share and improve profitability in 2024.

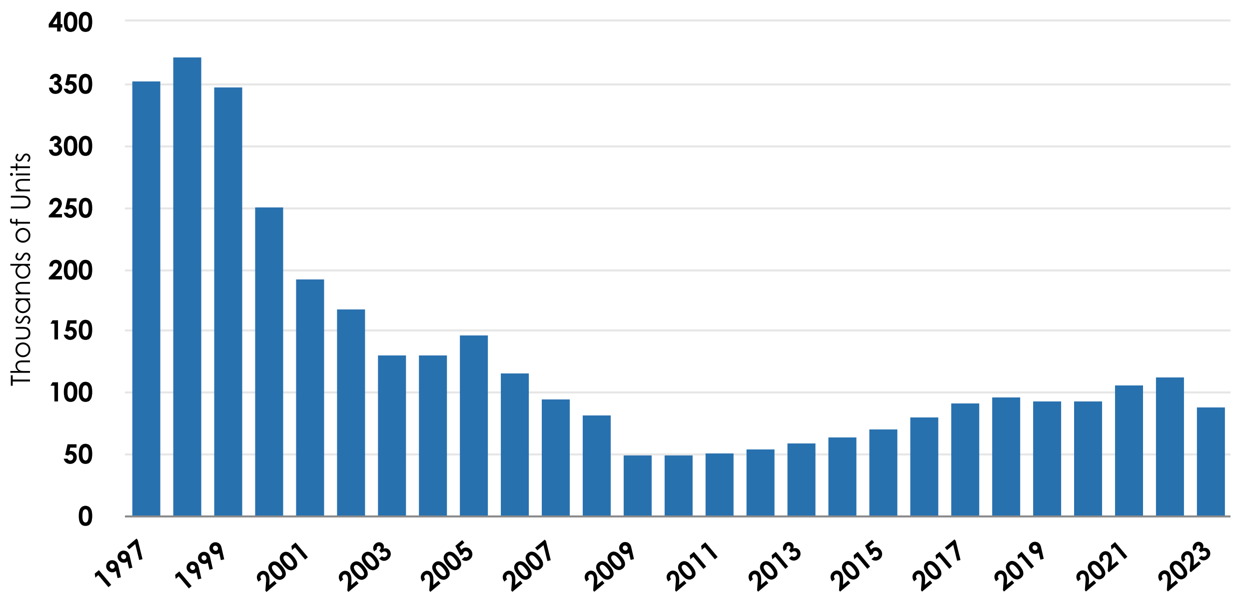


(1) Source: U.S. Bureau of Economic Analysis
(2) Source: The Conference Board

Manufactured Housing Market

Shipments of manufactured homes were down 21% to 89,178 for the trailing 12-months as of December 31, 2023. Despite lower shipments, 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 - 2023 (1)

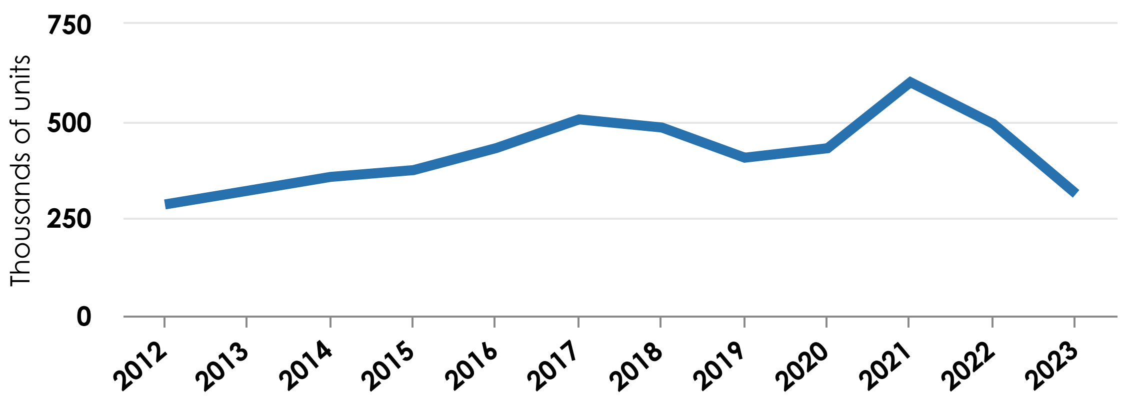


(1) Source: United States Census Bureau

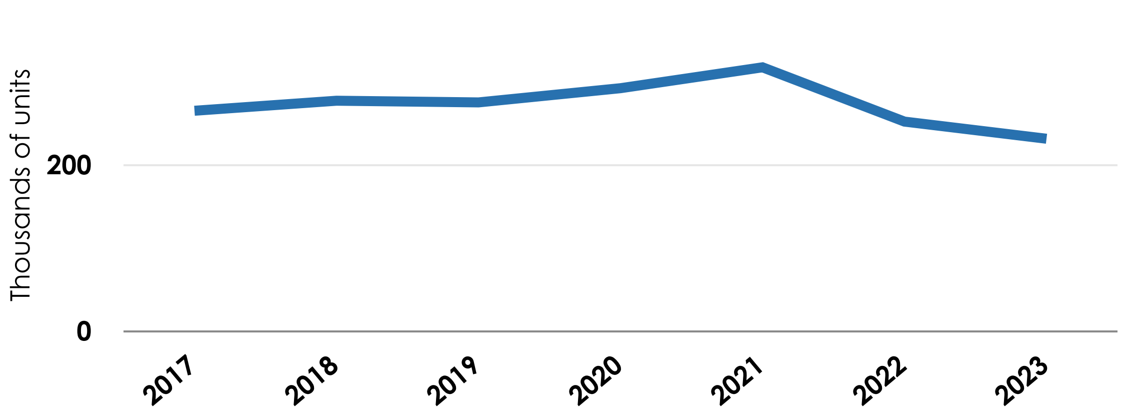
Recreational Vehicle and Marine Market

Consumer interest in recreational and marine vehicles remains healthy, as evidenced by strong tradeshow attendance; however, heading into 2024 consumers continue to adjust to a higher interest rate environment and are funding a higher portion of purchases with cash-on-hand, resulting in a temporary reduction in origination volume. RV inventory and backlog levels have normalized, while marine inventory levels continue to improve as most supply chain issues have been corrected. 2023 wholesale shipments of RV's were 313,174, down 36.5% from 2022 as manufacturers adjusted production after several years of heightened activity. 2023 sales of retail boats were flat year-over-year and remain above long-term averages. After a period of rapid interest rate increases, rates are now expected to decline in the second half of 2024 which we believe will lead to improved origination volumes. Source One and IFG remain well positioned to capture additional market share as they expand their lending programs nationwide and execute stated growth initiatives.

Wholesale Shipments of Recreational Vehicles: 2012 - 2023 (1)



U.S. Powerboat Registrations: 2017 - 2023 (2)



(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, 2023 are outlined below.

REVIEW OF RV AND MARINE FINANCE STRATEGIC ALTERNATIVES

The Company has completed its review of strategic alternatives for its RV and Marine Finance business units, specifically Source One and IFG, which included a comprehensive assessment of a full range of alternatives to determine the best path forward to continue to drive growth and maximize value for shareholders. Following this process, the Company concluded that there is substantial opportunity in these businesses and the best path forward to maximize shareholder value is to continue to execute its business plan for RV and Marine Finance.

Following the conclusion of the review of strategic alternatives, the Company will not pursue its previously announced Board approved corporate simplification plan, pursuant to which (i) ECN would seek approval to change its name to Triad Financial Services Corp., and (ii) ECN corporate overhead would be eliminated or transitioned into Triad.

The Company continues to focus on its growth, operational improvement and cost reduction initiatives, as well as the transition to institutional flow funding in 2024.

SALE OF RED OAK RV AND MARINE INVENTORY FINANCE PLATFORM

On February 21, 2024, the Company completed the sale of its Red Oak RV and Marine Inventory Finance platform, which operates through Triad Financial Services, to a third-party investor for cash proceeds of approximately $153 million, subject to final working capital adjustments. The sale of Red Oak provided capital that the Company used to repay amounts owed under its term senior credit facility. Such capital will be available for the Company to redeploy into its operating businesses to support growth opportunities.

STRATEGIC PARTNERSHIP WITH SKYLINE CHAMPION

On September 26, 2023, the Company completed the previously announced transaction pursuant to which Champion Canada Holdings Inc., a wholly-owned subsidiary of Skyline Champion Corporation ("Skyline Champion"), has made an approximately C$185 million (US$138 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).

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 formation of Champion Financing will enable Skyline to capture a greater share of economics from financing its product suite, capture competitive market share by offering a comprehensive dealer/customer solution, increase control of and significantly improve the customer experience, and generate higher dealer loyalty and ensure deep access to financing through economic cycles.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") UPDATE

The company is dedicated to continuously improving its ESG impact, and the disclosure of these issues to our stakeholders. In 2021, the Company began to explore ways to reduce paper consumption and waste across all business units. We continued this effort in 2022 with a focus on our acquisitions in the RV and Marine segment. In the second quarter of 2023, we migrated file storage for Intercoastal Financial Group to the cloud as part of the transition to a completely paperless process. This will reduce paper consumption in the interim and serves as an important milestone in becoming completely paperless. We continue to make progress with our paperless initiative at Intercoastal Financial Group and expect to be completely paperless in 2024. In the third quarter of 2023, at Source One, we have also developed and implemented processes to reduce the paper consumption of our lender and dealer partners. In the third and fourth quarters of 2023, the Company further reduced its carbon footprint and energy consumption by decommissioning a legacy remote back-up system.

CORPORATE FINANCE DEVELOPMENTS

Normal Course Issuer Bids

On September 18, 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 year ended December 31, 2023, the Company did not purchase any common shares or Series C Preferred Shares pursuant to the NCIBs. 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 pursuant to the Common Share Bid.

CHANGE IN NON-IFRS MEASURE

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

Results of Operations

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

	For the three-month period ended			For the year ended	
	December 31, 2023	September 30, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
(in 000's for stated values, except per share amounts)	$	$	$	$	$
Select metrics:					
Originations	**503,089**	571,537	506,844	**2,161,640**	2,197,325
Average earning assets - Owned (1)	**546,413**	560,276	607,636	**624,145**	421,066
Average earning assets - Managed (1)	**4,861,853**	4,758,760	4,217,705	**4,692,269**	3,712,017
Period end earning assets - Owned (1)	**598,225**	494,601	700,509	**598,225**	700,509
Period end earning assets - Managed (1)	**4,919,623**	4,804,083	4,354,221	**4,919,623**	4,354,221
Operating results:					
Loan origination revenues	**2,764**	18,258	31,178	**57,023**	130,831
Servicing revenues	**6,066**	8,461	4,556	**27,787**	20,188
Interest income	**18,021**	17,944	16,696	**74,156**	41,956
Other revenue	**(1,259)**	1,027	31	**(1,911)**	6,037
Total revenue	**25,592**	45,690	52,461	**157,055**	199,012
Operating expenses	**34,689**	26,323	27,895	**111,459**	103,716
Interest expense	**18,057**	19,727	15,834	**76,146**	43,652
Depreciation & amortization	**1,791**	2,005	1,928	**7,246**	7,031
Other expenses:					
Share-based compensation	**4,609**	4,825	3,489	**16,232**	12,189
Amortization of intangible assets from acquisitions	**1,894**	1,901	1,870	**7,579**	5,913
Accretion of deferred purchase consideration	**128**	128	128	**512**	256
Asset disposal, litigation costs and corporate restructure costs	**4,372**	975	3,044	**24,011**	3,044
Provision for assets held-for-sale	**—**	4,000	—	**4,000**	—
Transaction and strategic review costs	**4,240**	2,464	321	**11,520**	5,953
Net (loss) income before income taxes from continuing operations	**(44,188)**	(16,658)	(2,048)	**(101,650)**	17,258
Provision for (recovery of) income taxes	**9,863**	(12,084)	3,548	**5,127**	10,538
Net (loss) income from continuing operations	**(54,051)**	(4,574)	(5,596)	**(106,777)**	6,720
Net (loss) income from discontinued operations	**—**	—	(944)	**—**	9,171
Net (loss) income for the period	**(54,051)**	(4,574)	(6,540)	**(106,777)**	15,891
Cumulative dividends on preferred shares	**1,998**	1,378	1,357	**6,124**	5,036
Net (loss) income for the period attributable to common shareholders	**(56,049)**	(5,952)	(7,897)	**(112,901)**	10,855
Weighted Average number of shares outstanding (basic)	**279,947**	247,008	245,383	**254,702**	246,497
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**$(0.20)**	$(0.02)	$(0.03)	**$(0.44)**	$0.01
Earnings per share (basic) - discontinued operations attributable to common shareholders	**$—**	$—	$—	**$—**	$0.04
Adjusted operating results:					
Adjusted revenue (1):					
Loan originations revenue	**17,376**	22,951	31,178	**88,858**	130,831
Servicing revenue	**6,066**	8,461	4,556	**27,787**	20,188
Interest income	**18,021**	17,944	16,696	**74,156**	41,956
Other revenue	**(1,259)**	1,027	31	**(1,911)**	6,037
Total adjusted revenue (1)	**40,204**	50,383	52,461	**188,890**	199,012
Operating expenses	**34,689**	26,323	27,895	**111,459**	103,716
Adjusted EBITDA (1)	**5,515**	24,060	24,566	**77,431**	95,296
Interest expense	**18,057**	19,727	15,834	**76,146**	43,652
Depreciation & amortization	**1,791**	2,005	1,928	**7,246**	7,031
Adjusted operating (loss) income before tax (1)	**(14,333)**	2,328	6,804	**(5,961)**	44,613
Adjusted net (loss) income (1)	**(11,467)**	1,862	5,443	**(4,769)**	35,690
Adjusted net (loss) income applicable to common shareholders (1)	**(13,465)**	484	4,086	**(10,893)**	30,654
Adjusted net (loss) income per share (basic) (1)	**$(0.04)**	$0.01	$0.02	**$(0.02)**	$0.14
Adjusted net (loss) income applicable to common shareholders per share (basic) (1)	**$(0.05)**	$—	$0.02	**$(0.04)**	$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, 2023 presented on a continuing operations basis.

Q4 2023 vs Q4 2022

The Company's results for the quarter ended December 31, 2023 were negatively affected by the continued impact of the rapid increase in benchmark interest rates, the prolonged industry backlog, and the shift in funding mix from traditional banks and credit unions to institutional asset managers at our Manufactured Housing Finance segment, which began in late 2022. The prolonged industry backlog resulted in a significant lag between the approval of retail manufactured housing loans and the sale of those loans which, combined with the rise in interest rates and shift to sales to institutional asset managers, resulted in significant losses in our Land Home portfolio.

The Company reported total revenue of $25.6 million for the quarter ended December 31, 2023, down from $52.5 million for the prior year period. Total adjusted revenue[1] excludes the impact of an approximately $14.6 million fair value adjustment related to Land Home, due to the factors described above. Total adjusted revenue[1] was $40.2 million for the quarter ended December 31, 2023 compared to $52.5 million for the prior year period. The quarter-to-date decrease in adjusted revenue[1] primarily reflects lower originations revenue as a result of the impact of lower premiums earned on portfolio sales to institutional asset managers, which was approximately $12.1 million for the current quarter. The decrease in loan origination revenues in the current quarter was partially offset by growth in servicing revenues and interest income.

Total originations for the quarter ended December 31, 2023 were $503.1 million compared to $506.8 million for the prior year period. Manufactured Housing Finance period end managed assets increased 13.0% to $4.9 billion compared to $4.4 billion in the prior year quarter, which drove the increase in servicing revenues. Servicing revenues are also impacted by the estimated fair value of the retained servicing asset as well as bulk portfolio sales on a servicing release basis. Higher interest income in the current year quarter was primarily driven by higher average interest rates.

The table below illustrates the Company’s operating expenses for the fourth quarter and year ended December 31, 2023 and December 31, 2022:

	For the three-month period ended		For the year ended	
	December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
(in 000's for stated values)	**$**	$	**$**	$
Manufactured Housing Finance	**26,546**	21,035	**84,923**	76,977
RV and Marine Finance	**2,908**	2,986	**11,854**	9,390
Business segment operating expenses	**29,454**	24,021	**96,777**	86,367
Corporate operating expenses	**5,235**	3,874	**14,682**	17,349
Total operating expenses	**34,689**	27,895	**111,459**	103,716

Operating expenses were $34.7 million for the current quarter, compared to $27.9 million for the prior year period. The increase in business segment operating expenses primarily reflect the continued investment in growth and operational improvement initiatives across our businesses and the growth in managed assets at our Manufactured Housing Finance segment. Corporate operating expenses were $5.2 million in the current quarter compared to $3.9 million in the prior year quarter. Corporate expenses in the current quarter include the impact of one-time state tax assessment charges of approximately $0.7 million.

Interest expense was $18.1 million for the quarter ended December 31, 2023, compared to $15.8 million in the prior year period. The increase in interest expense was primarily driven by a higher average borrowing rate.

Depreciation and amortization expense was $1.8 million for the quarter ended December 31, 2023, compared to $1.9 million in the prior year quarter.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $15.2 million for the quarter ended December 31, 2023, compared to $8.9 million in the prior year quarter. Share-based compensation expense was $4.6 million for the quarter ended December 31, 2023, compared to $3.5 million for the prior year quarter, reflecting the impact of new grants in 2023 and higher costs associated with our hedge programs, which was partially offset by no payments related to units vesting in 2023. Other expenses for the current quarter ended December 31, 2023 include asset disposal, litigation, and corporate restructure costs of $4.4 million, primarily driven by severance arrangements, and $4.2 million of legal, accounting, advisory and other costs related to the Company's review of strategic alternatives. The Company's strategic review of alternatives was completed in the first quarter of 2024.

Adjusted EBITDA[1] was $5.5 million for the current quarter ended December 31, 2023, compared to $24.6 million for the prior year quarter. The decrease in adjusted EBITDA[1] in the current quarter primarily reflects lower origination revenues at our business segments and lower corporate revenues, as well as higher operating expenses. Adjusted net loss applicable to common shareholders[1] was $13.5 million or $0.05 per share for the current quarter ended December 31, 2023, compared to net income of $4.1 million or $0.02 per share for the prior year quarter. The decrease in adjusted net (loss) income applicable to common shareholders[1] in the current quarter primarily reflects lower adjusted EBITDA[1] and higher interest expense.

The Company reported a net loss from continuing operations of $54.1 million for the quarter ended December 31, 2023, compared to net loss of $5.6 million for the prior year quarter, primarily due to lower loan originations revenue and higher other expenses in 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.

2023 vs 2022

The Company's results for the year ended December 31, 2023 were negatively affected by the impact of the rapid increase in benchmark interest rates, the prolonged industry backlog, and the shift in funding mix from traditional banks and credit unions to institutional asset managers at our Manufactured Housing Finance segment, which began in late 2022. The prolonged industry backlog resulted in a significant lag between the approval of retail manufactured housing loans and the sale of those loans which, combined with the rise in interest rates and shift to sales to institutional asset managers, resulted in significant losses in our Land Home portfolio.

The Company reported total revenue of $157.1 million for the year ended December 31, 2023, down 21.1% from $199.0 million in the prior year. Total adjusted revenue[1] excludes the impact of an approximately $31.8 million fair value adjustment related to Land Home, due to the factors described above. Total adjusted revenue[1]was $188.9 million for the year ended December 31, 2023, compared to $199.0 million, for the prior year. The year-over-year decrease in adjusted revenue[1] primarily reflects lower loan origination revenues as a result of the impact of lower premiums earned on portfolio sales to institutional asset managers, which was approximately $34.5 million for the current year. The decrease in loan originations revenue was partially offset by the growth in servicing revenues and interest income.

Total originations for the year ended December 31, 2023 were $2.2 billion compared to $2.2 billion for the prior year. Manufactured Housing managed assets average increased to $4.7 billion compared to $3.7 billion in the prior year, which drove the increase in servicing revenues. Higher interest income in the current year was primarily driven by higher interest rates in 2023 and higher average finance asset balances outstanding in 2023.

Operating expenses were $111.5 million in the current year, compared to $103.7 million for the prior year. The increase in operating expenses compared to the prior year is primarily attributable to the growth in managed assets at our Manufactured Housing Finance segment and the acquisitions within our RV and Marine Finance segment. Corporate operating expenses were $14.7 million in the current year, down from $17.3 million in the prior year.

Interest expense was $76.1 million for the year ended December 31, 2023, compared to $43.7 million in the prior year. The increase in interest expense is primarily due to higher average finance asset balances and a higher average borrowing rate in 2023.

Depreciation and amortization expense was $7.2 million for the year ended December 31, 2023, compared to $7.0 million in the prior year.

Other expenses, which include share-based compensation, amortization of intangible assets and other items, were $63.9 million for the year ended December 31, 2023 compared to $27.4 million in the prior year. Share-based compensation expense increased to $16.2 million in the current year from $12.2 million in the prior year, reflecting the impact of new grants in 2023 and higher costs associated with our hedge programs, which was partially offset by no payments related to units vesting in 2023. Other expenses for the current year ended December 31, 2023 include asset disposal, litigation, and corporate restructure costs of $24.0 million, related to the termination of office leases, disposition of corporate assets and executive headcount reductions. These initiatives will result in expense reductions of approximately $6.0 million. Other expenses for the year ended December 31, 2023 also include $11.5 million of legal, accounting, advisory and other costs of related to the Company's review of various strategic alternatives in 2023 and a $4.0 million provision which represents expected selling costs associated with assets-held-for-sale as a result of the Company's sale its RV and Marine Inventory Finance platform, which was completed in the first quarter of 2024. The Company's strategic review was completed in the first quarter of 2024.

Adjusted EBITDA[1] decreased to $77.4 million for the year ended December 31, 2023, compared to $95.3 million for the prior year. The decrease in adjusted EBITDA[1] in the current year reflects the lower origination revenues at our business segments and lower corporate revenues, as well as higher operating expenses. Adjusted net loss applicable to common shareholders[1] was $10.9 million or $0.04 per share for the for the year ended December 31, 2023, compared to net income of $30.7 million or $0.12 per share for the prior year. The decrease in adjusted net (loss) income applicable to common shareholders[1] in the current year reflects lower operating income from our business segments and higher interest expense.

The company reported net (loss) from continuing operations of $106.8 million for the year ended December 31, 2023, compared to net income of $6.7 million for the prior year.

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

Business Segment Results

RESULTS OF MANUFACTURED HOUSING FINANCE SEGMENT

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

	For the three-month period ended			For the year ended	
	December 31, 2023	September 30, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
(in 000's for stated values)	**$**	$	$	**$**	$
Select metrics:					
Originations	**373,817**	360,609	323,215	**1,368,694**	1,371,588
Managed assets, period end (1) (2)	**4,919,623**	4,804,083	4,354,221	**4,919,623**	4,354,221
Managed assets, period average (1) (2)	**4,861,853**	4,758,760	4,217,705	**4,692,269**	3,712,017
Manufactured housing loans	**148,212**	141,894	471,133	**148,212**	471,133
Held-for-trading financial assets	**382,478**	290,385	212,729	**382,478**	212,729
Loan originations revenue	**23**	13,383	26,757	**38,517**	107,496
Servicing revenue	**6,066**	8,461	4,556	**27,787**	20,188
Interest income & other revenue	**16,233**	16,200	15,827	**68,269**	40,631
Total revenue	**22,322**	38,044	47,140	**134,573**	168,315
Adjusted operating results:					
Adjusted revenue(1):					
Loan originations revenue(1)	**14,635**	18,076	26,757	**70,352**	107,496
Servicing revenue	**6,066**	8,461	4,556	**27,787**	20,188
Interest income & other revenue	**16,233**	16,200	15,827	**68,269**	40,631
Total adjusted revenue (1)	**36,934**	42,737	47,140	**166,408**	168,315
Operating expenses	**26,546**	20,291	21,035	**84,923**	76,977
Adjusted EBITDA (1)	**10,388**	22,446	26,105	**81,485**	91,338
Interest and depreciation expense	**9,992**	14,554	10,513	**52,288**	23,123
Adjusted operating income before tax (1)	**396**	7,892	15,592	**29,197**	68,215

(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) Managed assets, period end and managed assets, period average for prior periods were originally reported based on estimates. Changes to prior period reported numbers reflect final managed assets balances.

Manufactured Housing Finance originations for the fourth quarter and year ended December 31, 2023 were $373.8 million and $1.4 billion respectively, up 15.7% and down 0.2% from the comparable prior year periods, respectively. Managed assets[1] were $4.9 billion as at December 31, 2023, an increase of 13.0% compared to managed assets[1] of $4.4 billion as at December 31, 2022.

Traditionally, this segment is impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters, which is illustrated in the table below. In 2023, the manufactured housing market has returned to its customary seasonal trends, which have been muted the past couple of years due to the industry shipment backlog.

Originations (US$ millions)								
Q4,2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023
300	287	381	381	323	286	348	361	374

Manufactured Housing Finance results for the fourth quarter and year ended December 31, 2023 were negatively affected by the continued impact of the rapid increase in benchmark interest rates, the prolonged industry backlog, and the shift in funding mix from traditional banks and credit unions to institutional asset managers, which began in late 2022. The prolonged industry backlog resulted in a significant lag between the approval of retail manufactured housing loans and the sale of those loans which, combined with the rise in interest rates and shift to sales to institutional asset managers, resulted in significant losses in our Land Home portfolio.

Loan originations revenue for the fourth quarter and year ended December 31, 2023 was $0.0 million and $38.5 million, respectively. Adjusted originations revenue[1], which excludes the impact of fair value adjustments related to Land Home, due to the factors described above, of approximately $14.6 million and $31.8 million recorded for the fourth quarter and year ended December 31, 2023, respectively, was $14.6 million and $70.4 million, respectively, compared to $26.8 million and $107.5 million in the respective prior year periods. The decrease in adjusted originations revenue[1] primarily reflects the impact of lower premiums earned on portfolio sales to institutional asset managers, which was approximately $12.1 million and $34.5 million for the fourth quarter and year ended December 31, 2023, respectively.

Servicing revenues of $6.1 million and $27.8 million for the fourth quarter and year ended December 31, 2023 were up 33.1% and 37.6%, respectively, compared to $4.6 million and $20.2 million in the prior year periods, respectively, reflecting growth in managed assets and an increase in full serviced accounts. Servicing revenues are impacted by the estimated fair value of the retained servicing asset as well as bulk portfolio sales on a servicing release basis.

Interest income and other revenue for the fourth quarter and year ended December 31, 2023 was $16.2 million and $68.3 million, respectively up 2.6% and 68.0% from the prior year periods, primarily driven by higher average finance asset balances and higher interest rates in 2023.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $10.4 million and $0.4 million, respectively, for the current quarter compared to $26.1 million and $15.6 million, respectively, for the prior year quarter. For the year ended December 31, 2023, adjusted EBITDA[1] and adjusted operating income before tax[1] were $81.5 million and $29.2 million, respectively, compared to $91.3 million and $68.2 million for the prior year period.

Manufactured Housing Finance floorplan loans were $148.2 million as at December 31, 2023, compared to $141.9 million as at September 30, 2023 and $471.1 million as at December 31, 2022. Floorplan loans enable dealers to finance their inventory and support the growth of their businesses. These loans strengthen the relationship with our dealers and manufacturers. The decrease in floorplan loans from the prior year is primarily attributable to the reclassification of approximately $140.3 million of floorplan loans to assets held-for-sale as a result of the Company's plan to sell its RV and Marine Inventory Finance platform, which operates through Triad Financial Services, as well as the impact of floorplan loans that were sold to an institutional funding partner starting in the second quarter of 2023.

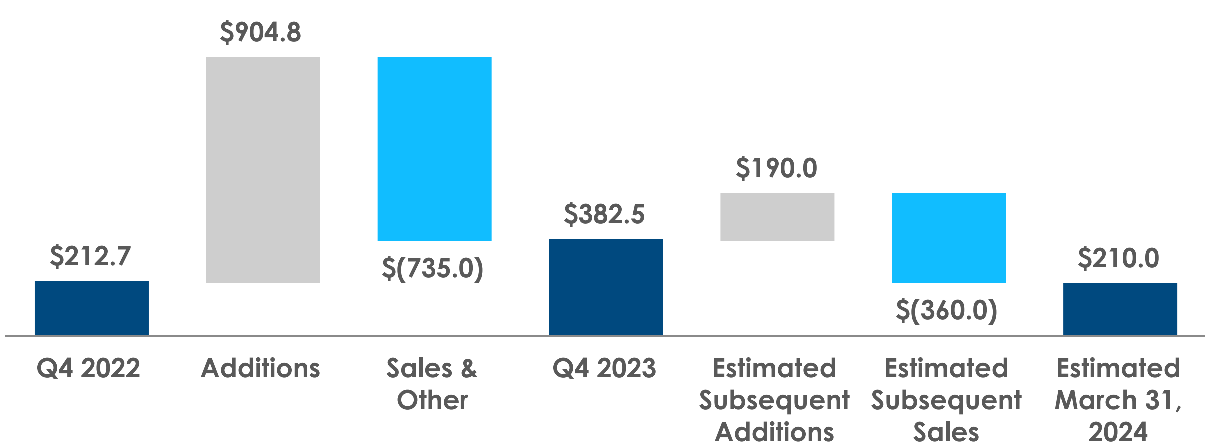
During 2023, Triad entered into an agreement with an existing institutional partner to flow and manage up to $300 million in floorplan loans. With this program in place and subsequent programs currently being negotiated, Triad will have significant opportunity to continue to grow its inventory finance business through expanded dealer utilization and added community business through its ongoing rollout. These programs leverage Triad's successful history and track record in the floorplan business over the last 5 years and provide another example of Triad's ability to launch, prove and convert a balance sheet program to an asset light flow program.

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

Held-for-trading financial assets were $382.5 million as at December 31, 2023, compared to $290.4 million as at September 30, 2023 and $212.7 million as at December 31, 2022. Held-for-trading financial assets consist of loans that are originated on behalf of our Partners with the intention of selling through under bulk loan portfolio sales agreements. The increase during the current quarter was primarily driven by timing of bulk portfolio sales which were deferred to the first quarter of 2024. The Company expects the held-for-trading financial assets balance to be approximately $210.0 million as at March 31, 2024.

Held-for-Trading Financial Assets

(US$ millions)



Set out below is a comparison of the actual results of the Manufactured Housing Finance segment for the year ended December 31, 2023 against the Company's 2023 updated forecast range.

	Updated 2023 Forecast Range		Actual 2023 Results
Select Metrics (US$ millions)			
Total originations	**1,300**	**1,400**	**1,369**
Floorplan line utilized	**150**	**200**	**148**
Managed & advised portfolio (period end)	**5,000**	**5,200**	**4,920**
Income Statement (US$ millions)			
Adjusted loan origination revenues(1)	**72**	**76**	**70**
Servicing revenues	**28**	**30**	**28**
Interest income & other revenue	**67**	**71**	**68**
Total adjusted revenue	**167**	**177**	**166**
Adjusted EBITDA (1)	**90**	**96**	**81**
Adjusted operating income before tax (1)	**35**	**39**	**29**

Triad's actual results for 2023 total originations were within the previously updated forecast range for its 2023 Outlook. Adjusted loan origination revenues and total adjusted revenue were minimally below the lower end of the range due to lower than expected premiums earned on portfolio sales to institutional asset managers, primarily due to the impact of bulk portfolio sales. Adjusted EBITDA[1] and Adjusted operating income before tax[1] were below the lower end of the range primarily due to higher than expected operating expenses as a result of operational improvement initiatives. Floorplan line utilized was minimally below the lower end of the range.

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 2024 Outlook

Please see the tables below for the Company's 2024 outlook for our Manufactured Housing Finance segment.

	2024 Forecast Range	
Select Metrics (US$ millions)		
Total originations	**1,650**	**1,850**
Floorplan line utilized	**150**	**250**
Managed & advised portfolio (period end)	**5,900**	**6,200**
Income Statement (US$ millions)		
Adjusted loan origination revenues(1)	**95**	**105**
Servicing revenues	**34**	**36**
Interest income & other revenue	**52**	**56**
Total adjusted revenue	**181**	**197**
Adjusted EBITDA (1)	**106**	**118**
Adjusted operating income before tax (1)	**68**	**80**

The material factors and assumptions used to develop the forward-looking information related to the 2024 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 manufactured housing segment; no significant legal or regulatory developments, no significant deterioration in economic conditions, or macro changes in the competitive environment affecting our business activities; and key interest rates remaining in line with current market expectations in 2024.

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, 2023, September 30, 2023, and December 31, 2022 and the years ended December 31, 2023 and December 31, 2022. Operating results from IFG and Wake Lending are included from their respective dates of acquisition. IFG was acquired on July 1, 2022 and Wake Lending was acquired on January 31, 2023.

	For the three-month period ended			For the year ended	
	December 31, 2023	September 30, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
(in 000's for stated values)	**$**	$	$	**$**	$
Select Metrics					
Originations	**129,272**	210,928	183,629	**792,946**	825,737
RV and Marine financial assets	**67,535**	62,322	16,646	**67,535**	16,646
Operating results					
Originations revenue	**2,741**	4,875	4,421	**18,506**	23,335
Interest income & other revenue	**1,586**	1,516	183	**4,634**	273
Total revenue	**4,327**	6,391	4,604	**23,140**	23,608
Operating expenses	**2,908**	2,932	2,986	**11,854**	9,390
Adjusted EBITDA (1)	**1,419**	3,459	1,618	**11,286**	14,218
Interest and depreciation expense	**1,323**	1,148	308	**3,824**	547
Adjusted operating income before tax (1)	**96**	2,311	1,310	**7,462**	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 for the fourth quarter and year ended December 31, 2023 were $129.3 million and $792.9 million, respectively, compared to $183.6 million and $825.7 million in the prior year periods, primarily reflecting the acquisitions of IFG and Wake Lending. Origination activity in 2023 has slowed relative to comparable periods in 2022 as consumers adjust shopping behaviors to the higher rate environment and economic uncertainty, normalizing inventory levels, a higher percentage of cash buyers, and a return to historical buying patterns.

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 2023, the RV and marine market has returned to its customary seasonal trends, which became distorted in the years during and immediately following the COVID-19 pandemic.

Originations (US$ millions) (1)								
Q4,2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023
209	247	416	306	186	179	274	211	129

(1) Includes results from periods prior to the Company's acquisition of Source One on December 21, 2021, IFG on July 1, 2022, and Wake Lending on January 31, 2023.

Loan originations revenue for the fourth quarter and year ended December 31, 2023 were $2.7 million and $18.5 million, down 38.0% and 20.7%, from prior year periods, respectively. Originations revenue declined due to the decrease in originations at both Source One and IFG, as well as the lower margin profile of the loans originated through IFG.

Interest income and other revenue for the fourth quarter and year ended was $1.6 million and $4.6 million, respectively up 766.7% and 1597.4% from the prior year periods, primarily driven by higher average loan balances and higher interest rates in 2023.

Operating expenses for the for the fourth quarter and year ended December 31, 2023 were $2.9 million and $11.9 million, respectively. Current quarter-to-date operating expenses were in line with the immediately preceding quarter and reflect the continued investment in growth initiatives across the RV and Marine Finance segment. Current year-to-date operating expenses reflect the impact of the acquisitions of IFG and Wake Lending.

Adjusted EBITDA[1] and adjusted operating income before tax[1] were $1.4 million and $0.1 million, respectively, for the current quarter and $11.3 million and $7.5 million, respectively, for the year-to-date periods.

Set out below is a comparison of the actual results of the RV and Marine Finance segment for the year ended December 31, 2023 against the Company's updated 2023 forecast range.

	Updated 2023 Forecast Range		Actual 2023 Results
Select Metrics (US$ millions)			
Total originations	**800**	**1,000**	793
Income Statement (US$ millions)			
Origination revenue	**22**	**26**	19
Adjusted EBITDA (1)	**10**	**14**	11
Adjusted operating income before tax (1)	**8**	**10**	7

(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, and Wake Lending from January 31, 2023.

Compared to its 2023 Outlook, RV and Marine Finance originations were minimally below the lower end of the forecast range primarily due to lower than expected originations in November and December. Origination revenue was below the lower end of the forecast range primarily due to loan mix. Adjusted operating income before tax[1] was minimally below the lower end of the forecast range primarily due to lower origination revenue and higher than expected interest expense. Adjusted EBITDA[1] was within the forecast range. Total originations, origination revenue and adjusted operating income before tax[1] were minimally below the lower end of the range primarily due to lower originations and higher operating expenses related to growth initiatives at both Source One and IFG.

RV and Marine Finance Segment 2024 Outlook

The Company maintains its previously updated 2024 outlook for RV and Marine Finance. Please see the table below for the Company's updated 2024 outlook for the RV and Marine Finance Segment, as compared to its original 2023 forecast range.

	2024 Forecast Range	
Select Metrics (US$ millions)		
Total originations	**1,000**	**1,100**
Income Statement (US$ millions)		
Total revenues	**32**	**36**
Adjusted EBITDA [1]	**16**	**20**
Adjusted operating income before tax [1]	**10**	**15**

The material factors and assumptions used to develop the forward-looking information related to the 2024 outlook for the RV and Marine Finance segment include expected originations volumes, including the ability to grow such originations; expectations regarding our ability to attract new Partners, vendor relationships and new customers and develop and maintain relationships with existing Partners, vendors and customers; the continued availability of funding Partner capacity at expected and contracted levels and the growth and/or renewals of existing funding pipeline commitments from Partners required to meet our anticipated originations levels; continued competitive intensity in the segment in the RV and Marine segment; no significant legal or regulatory developments, no significant deterioration in economic conditions, or macro changes in the competitive environment affecting our business activities; key interest rates remaining in line with current market expectations in 2024; and that the roll-out of 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, 2023, September 30, 2023, and December 31, 2022 and the years ended December 31, 2023 and December 31, 2022.

	For the three-month period ended			For the year ended	
	December 31, 2023	September 30, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
(in 000's for stated values)	**$**	$	$		
Operating results					
Revenues	**(1,057)**	1,255	717	**(658)**	7,089
Operating expenses	**5,235**	3,100	3,874	**14,682**	17,349
Adjusted EBITDA (1)	**(6,292)**	(1,845)	(3,157)	**(15,340)**	(10,260)
Interest expense	**8,133**	5,382	5,844	**25,124**	22,959
Depreciation & amortization	**400**	648	1,097	**2,156**	4,054
Adjusted operating loss before tax (1)	**(14,825)**	(7,875)	(10,098)	**(42,620)**	(37,273)

(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 $(1.1) million and $(0.7) million for the for the fourth quarter and year ended December 31, 2023, respectively, compared to revenue of $0.7 million and $7.1 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 $5.2 million and $14.7 million for the for the fourth quarter and year ended December 31, 2023, respectively, compared to $3.9 million and $17.3 million for the comparable prior year periods. The increase in quarter-to-date corporate operating expenses was primarily attributable to one-time state tax assessment charges of $0.7 million.

Corporate interest expense was $8.1 million and $25.1 million for the fourth quarter and year ended December 31, 2023, compared to $5.8 million and $23.0 million for the comparable prior year periods. The increase in quarter-to-date corporate interest expense was primarily attributable to a reallocation of intercompany debt between our Manufactured Housing Finance and corporate segments.

Total average borrowings on the term senior facility credit during the fourth quarter of 2023 were $707.9 million compared to $806.3 million in the preceding quarter.

Financial Position

The following tables set forth a summary of the Company's balance sheet, including a breakdown by core business segment, as at December 31, 2023, September 30, 2023 and December 31, 2022.

	December 31, 2023			
(in 000's for stated values, except percentage amounts)	**Manufactured Housing Finance** $	**RV & Marine Finance** $	**Corporate** $	**Total** $
Assets				
Cash	13,610	9,239	390	**23,239**
Restricted funds	34	—	—	**34**
Accounts Receivable	90,781	4,234	1,019	**96,034**
Finance assets				
Loans receivable	148,212	9,615	—	**157,827**
Held-for-trading financial assets	382,478	57,920	—	**440,398**
Total finance assets	530,690	67,535	—	**598,225**
Retained reserve interest	38,000	—	—	**38,000**
Continuing involvement asset	70,382	—	—	**70,382**
Goodwill and intangible assets	74,790	156,334	762	**231,886**
Deferred tax assets	9,407	—	6	**9,413**
Other assets and investments	21,119	3,352	52,912	**77,383**
Assets held-for-sale	140,237	—	—	**140,237**
Total Assets	**989,050**	**240,694**	**55,089**	**1,284,833**
Liabilities				
Borrowings	589,831	55,653	255,115	**900,599**
Continuing involvement liability	70,382	—	—	**70,382**
Other liabilities	20,466	14,829	69,069	**104,364**
Total Liabilities	680,679	70,482	324,184	**1,075,345**
Earning Assets - Owned and Managed				
Earning assets - owned (1)	530,690	67,535	—	**598,225**
Earning assets - managed (1)	4,919,623	—	—	**4,919,623**
Total Earning Assets - Owned and Managed (1)	**5,450,313**	**67,535**	**—**	**5,517,848**

Total finance assets from continuing operations were $598.2 million as at December 31, 2023 compared to $494.6 million as at September 30, 2023 and $700.5 million as at December 31, 2022. The increase compared to the preceding quarter primarily reflects an increase in manufactured housing and RV and Marine held-for-trading financial assets.

Borrowings from continuing operations were $900.6 million as at December 31, 2023 compared to $800.7 million as at September 30, 2023 and $1.0 billion as at December 31, 2022. The increase compared to the preceding quarter primarily reflects the increased investment in finance assets.

Earning assets - managed[1] of $4.9 billion as at December 31, 2023 reflects managed loans at our Manufactured Housing Finance segment.

	September 30, 2023			
	Manufactured Housing Finance	RV & Marine Finance	Corporate	Total
(in 000's for stated values, except percentage amounts)	$	$	$	$
Assets				
Cash	10,588	11,588	1,574	**23,750**
Accounts Receivable	136,719	4,713	1,969	**143,401**
Finance assets				
Loans receivable	141,894	9,523	—	**151,417**
Held-for-trading financial assets	290,385	52,799	—	**343,184**
Total finance assets	432,279	62,322	—	**494,601**
Retained reserve interest asset	37,756	—	—	**37,756**
Continuing involvement asset	55,743	—	—	**55,743**
Goodwill and intangible assets	75,296	157,545	711	**233,552**
Deferred tax assets	5,229	—	18,149	**23,378**
Other assets and investments	21,184	2,892	55,430	**79,506**
Assets held-for-sale	140,254	—	—	**140,254**
Total Assets	**915,048**	**239,060**	**77,833**	**1,231,941**
Liabilities				
Borrowings	624,831	52,402	123,453	**800,686**
Continuing involvement liability	55,743	—	—	**55,743**
Other liabilities	19,621	14,976	77,292	**111,889**
Total Liabilities	700,195	67,378	200,745	**968,318**
Earning Assets - Owned and Managed				
Earning assets - owned (1)	432,279	62,322	—	**494,601**
Earning assets - managed (1)	4,804,083	—	—	**4,804,083**
Total Earning Assets - Owned and Managed (1)	**5,236,362**	**62,322**	**—**	**5,298,684**

(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.

	December 31, 2022			
	Manufactured Housing Finance	RV & Marine Finance	Corporate	Total
(in 000's for stated values, except percentage amounts)	$	$	$	
Assets				
Cash	691	10,027	1,997	**12,715**
Accounts Receivable	195,631	2,452	4,989	**203,072**
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**	**189,911**	**149,644**	**1,413,441**
Liabilities				
Borrowings	679,831	7,803	320,364	**1,007,998**
Continuing involvement liability	70,377	—	—	**70,377**
Other liabilities	31,607	25,037	84,747	**141,391**
Total Liabilities	781,815	32,840	405,111	**1,219,766**
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.

Delinquencies

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

	December 31, 2023		September 30, 2023		December 31, 2022	
	$	**%**	$	%	$	%
Current	**158,031**	**99.20**	151,479	99.16	481,481	100
31-60 days past due	**—**	**—**	—	—	—	—
61-90 days past due	**—**	**—**	1,279	0.84	—	—
Greater than 90 days past due	**1,280**	**0.80**	—	—	—	—
Total continuing operations	**159,311**	**100**	152,758	100	481,481	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, 2023**	Year ended December 31, 2022
	$	$
Allowance for credit losses, beginning of period	**1,066**	527
Provision for credit losses	**825**	539
Transfer to assets held-for-sale	**(407)**	—
Allowance for credit losses, end of period	**1,484**	1,066

The Company's allowance for credit losses was $1.5 million as at December 31, 2023, compared to $1.1 million as at December 31, 2022. The allowance for credit losses of $1.5 million as at December 31, 2023 is in line with management's expectation of losses from the business segments and the current mix of assets.

ECN CAPITAL

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, 2023** **$**	September 30, 2023 $	December 31, 2022 $
Total debt, including borrowings on term senior credit facility and senior unsecured debentures	**(a)**	**900,599**	800,686	1,007,998
Shareholders' equity	**(b)**	**209,488**	263,623	193,675
Debt to equity ratio	**(a)/(b)**	**4.30**	3.04	5.20

As at December 31, 2023, the Company's debt to equity ratio was 4.30:1.

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

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

	As at		
(in 000's)	**December 31, 2023** **$**	September 30, 2023 $	44926 $
Cash and cash equivalents	**23,239**	23,750	12,715
Senior Facilities			
Facilities	**900,000**	900,000	900,000
Utilized against Facility	**748,190**	653,000	829,703
Unutilized Borrowing Facilities (i.e., excl. Cash & Equiv.)	**151,810**	247,000	70,297
Total available sources of capital, end of period	**175,049**	270,750	83,012

As at December 31, 2023, the unutilized balance of the borrowing facility was approximately $151.8 million compared to $247.0 million at September 30, 2023 and $70.3 million at December 31, 2022. This $151.8 million in unutilized borrowings is in addition to the commitments in place to fund loan originations from our business segments for 2023. Management believes the available liquidity from its cash and equivalents, unutilized borrowing capacity and the funding commitments in place at its business segments is sufficient to fund operations and internal growth initiatives.

Summary of Quarterly Information

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended as at December 31, 2023. The information should be read in conjunction with ECN Capital's audited and interim unaudited consolidated financial statements, the notes thereto and the related management discussion and analysis for the relevant periods.

Key factors that account for the fluctuation in the Company's quarterly results include the year-over-year growth in originations at Triad Financial Services and the seasonality of our businesses from period to period. ECN acquired Triad Financial Services on December 29, 2017, Source One on December 21, 2021, Intercoastal Financial Group on July 1, 2022 and Wake Lending on January 31, 2023.

(in $ 000's for stated values, except ratio and per share amounts)	**Q4, 2023**	Q3, 2023	Q2, 2023	Q1, 2023	Q4, 2022	Q3, 2022	Q2, 2022	Q1, 2022
Adjusted operating income before tax [1]	**(14,333)**	2,328	2,566	3,478	6,804	16,527	15,556	5,726
Amortization of intangibles	**1,894**	1,901	1,897	1,887	1,870	1,880	1,100	1,063
Accretion of deferred purchase consideration	**128**	128	128	128	128	128	—	—
Share based compensation	**4,609**	4,825	2,138	4,660	3,489	2,392	1,592	4,716
Asset disposal, litigation and corporate restructure costs	**4,372**	975	7,303	11,361	3,044	—	—	—
Transaction and strategic review costs	**4,240**	2,464	2,150	2,666	321	—	5,632	—
Fair value adjustment	**14,612**	4,693	12,530	—	—	—	—	—
Provision for assets held-for-sale	**—**	4,000	—	—	—	—	—	—
Net (loss) income before income taxes	**(44,188)**	(16,658)	(23,580)	(17,224)	(2,048)	12,127	7,232	(53)
Net (loss) income from continuing operations	**(54,051)**	(4,574)	(28,630)	(19,522)	(5,596)	7,721	4,631	(36)
Net income (loss) from discontinued operations	**—**	—	—	—	(944)	(1)	4,610	5,506
Net (loss) income - total	**(54,051)**	(4,574)	(28,630)	(19,522)	(6,540)	7,720	9,241	5,470
(Loss) earnings per share (basic) - continuing operations attributable to common shareholders	**($0.20)**	($0.02)	($0.12)	($0.09)	($0.03)	$0.03	$0.01	$0.00
Adjusted net income [1]	**(11,467)**	1,862	2,053	2,782	5,443	13,222	12,445	4,581
Adjusted net income per share (basic) [1]	**($0.04)**	$0.01	$0.01	$0.01	$0.02	$0.05	$0.05	$0.02
Adjusted net income applicable to common shareholders per share (basic) [1]	**($0.05)**	$0.00	$0.00	$0.01	$0.02	$0.05	$0.05	$0.01
Originations	**503,089**	571,537	621,958	465,056	506,844	679,492	613,020	397,970
Period end earning assets - owned	**598,225**	494,601	625,952	701,442	700,509	514,763	380,516	282,829
Period end earning assets - managed	**4,919,623**	4,804,083	4,713,436	4,669,984	4,354,221	4,081,188	3,759,117	3,247,854
Period end earning assets - total	**5,517,848**	5,298,684	5,339,388	5,371,426	5,054,730	4,595,951	4,139,633	3,530,683
Allowance for credit losses	**1,484**	1,341	1,467	1,064	1,066	911	722	595
Allowance % of finance receivables [1]	**0.25 %**	0.27 %	0.23 %	0.15 %	0.15 %	0.18 %	0.19 %	0.21 %
Term senior credit facility & other	**738,328**	642,932	795,254	873,427	851,235	840,479	653,880	196,245
Senior unsecured debentures	**162,271**	157,754	161,440	157,627	156,763	153,116	164,458	168,997
Total debt	**900,599**	800,686	956,694	1,031,054	1,007,998	993,595	818,338	365,242
Shareholders' equity	**209,488**	263,623	141,133	172,050	193,675	206,538	228,855	230,308

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

Non-IFRS and Other Performance Measures

DESCRIPTION OF NON-IFRS MEASURES

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

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

Adjusted Revenue

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

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

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

Adjusted operating income before tax

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

Adjusted net income and Adjusted net income applicable to common shareholders

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

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

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

Earning assets - owned

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

Managed assets

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

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

Allowance for credit losses as a percentage of finance receivables

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

Finance assets or total finance assets

Finance assets are the sum of the total finance receivables.

Debt to equity ratio

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

RECONCILIATION OF NON-IFRS TO IFRS MEASURES

The following table provides a reconciliation of non-IFRS to IFRS measures related to the Company's consolidated continuing results of operations for the three-month periods ended December 31, 2023, September 30, 2023, and December 31, 2022 and the nine-month periods ended December 31, 2023 and December 31, 2022.

	For the three-month period ended			For the year ended	
	December 31, 2023	September 30, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Reconciliation of adjusted operating income before tax:					
Net (loss) income from continuing operations	**(54,051)**	(4,574)	(5,596)	**(106,777)**	6,720
Adjustments:					
Share-based compensation	**4,609**	4,825	3,489	**16,232**	12,189
Amortization of intangible assets	**1,894**	1,901	1,870	**7,579**	5,913
Accretion of deferred purchase consideration	**128**	128	128	**512**	256
Asset disposal, litigation and corporate restructure costs	**4,372**	975	3,044	**24,011**	3,044
Provision for assets held-for-sale	**—**	4,000	—	**4,000**	—
Transaction and strategic review costs	**4,240**	2,464	321	**11,520**	5,953
Fair value adjustment	**14,612**	4,693	—	**31,835**	—
Provision for income taxes	**9,863**	(12,084)	3,548	**5,127**	10,538
Adjusted operating income before tax	**(14,333)**	2,328	6,804	**(5,961)**	44,613
Adjusted operating income before tax comprised of:					
Manufactured Housing Finance Segment	**396**	7,892	15,592	**29,197**	68,215
RV and Marine Finance Segment	**96**	2,311	1,310	**7,462**	13,671
Corporate	**(14,825)**	(7,875)	(10,098)	**(42,620)**	(37,273)
	(14,333)	2,328	6,804	**(5,961)**	44,613
Reconciliation of adjusted EBITDA:					
Adjusted operating (loss) income before tax	**(14,333)**	2,328	6,804	**(5,961)**	44,613
Interest expense	**18,057**	19,727	15,834	**76,146**	43,652
Depreciation & amortization	**1,791**	2,005	1,928	**7,246**	7,031
Adjusted EBITDA	**5,515**	24,060	24,566	**77,431**	95,296
Reconciliation of adjusted revenue:					
Total revenue	**25,592**	45,690	52,461	**157,055**	199,012
Fair value adjustment	**14,612**	4,693	—	**31,835**	—
Adjusted revenue	**40,204**	50,383	52,461	**188,890**	199,012
Reconciliation of adjusted net income and adjusted net income attributable to common shareholders:					
Adjusted operating (loss) income before tax	**(14,333)**	2,328	6,804	**(5,961)**	44,613
Provision for taxes applicable to adjusted operating income [1]	**(2,866)**	466	1,361	**(1,192)**	8,923
Adjusted (loss) net income	**(11,467)**	1,862	5,443	**(4,769)**	35,690
Cumulative preferred share dividends during the period	**1,998**	1,378	1,357	**6,124**	5,036
Adjusted net (loss) income attributable to common shareholders	**(13,465)**	484	4,086	**(10,893)**	30,654
Per share information					
Weighted average number of shares outstanding (basic)	**279,947**	247,008	245,383	**254,702**	246,497
Adjusted net (loss) income per share (basic)	**($0.04)**	$0.01	$0.02	**($0.02)**	$0.14
Adjusted net (loss) income applicable to common shareholders per share (basic)	**($0.05)**	$0.00	$0.02	**($0.04)**	$0.12

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

Accounting and Internal Control Matters

Critical Accounting Policies and Estimates and Use of Judgments

The Company's significant accounting policies are described in note 2 of our 2023 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 2023 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 21, 2024, the Company had 279,946,742 common shares, 9,198,155 options, 3,712,400 Series C preferred shares, and 27,450,000 Series E preferred shares issued and outstanding.

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