

# Consolidated Financial Statements

---

**DECEMBER 31, 2025**

## Independent auditor's report

To the Shareholders of  
ECN Capital Corp.

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of ECN Capital Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

#### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Shape the future  
with confidence

### *Goodwill impairment*

As at December 31, 2025, the Company has a goodwill balance of \$127.9 million. Management assesses at least annually, or at any time if an indicator of impairment exists, whether there has been an impairment loss in the carrying value of these assets. Impairment is recognized if the recoverable amount is less than the carrying value of the cash generating unit (“CGU”). Management estimates the recoverable amount using a discounted cash flow model. The Company discloses significant judgments, estimates and assumptions and the result of their analysis in respect of impairment in Note 9 to the consolidated financial statements.

Auditing management’s annual goodwill impairment test was complex, given the degree of judgment and subjectivity in evaluating management’s estimates and assumptions in determining the recoverable amount of each CGU. Significant assumptions included cash flow projections, revenue growth rate, terminal growth rate and discount rate which are affected by expectations about future market and economic conditions.

To test the estimated recoverable amount of each CGU, our audit procedures included, among others:

- With the assistance of our valuation specialists, we evaluated the Company’s model, valuation methodology and certain significant assumptions, including the terminal growth rate;
- With the assistance of our valuation specialists, we assessed the selection and application of the discount rate by evaluating the inputs and mathematical accuracy of the calculation;
- We assessed the historical accuracy of management’s estimates on cash flow projections and revenue growth rate by comparing projections made by management in prior years to actual and historical performance. We also compared the revenue growth rate to current industry, market and economic trends;
- With the assistance of our valuation specialists, we performed sensitivity analysis on significant assumptions, including revenue growth rates, terminal growth rate and the discount rate, to evaluate changes in the recoverable amount of each CGU that would result from changes in the assumptions; and
- We assessed the adequacy of the Company’s disclosures in the accompanying consolidated financial statements in relation to this matter.

### **Other information**

Other information consists of the information included in the Management’s Discussion and Analysis. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated

We obtained Management’s Discussion & Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



Shape the future  
with confidence

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Shape the future  
with confidence

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Robert Farlinger.

*Ernst & Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
February 26, 2026

**Consolidated statements of financial position**

[in thousands of United States dollars]

	December 31, 2025	December 31, 2024
	\$	\$
<b>Assets</b>		
Cash	16,730	15,465
Restricted funds	5,687	1,527
Finance receivables, net [note 5]	466,018	412,975
Accounts receivable	42,424	54,299
Taxes receivable	2,227	8,277
Other assets [note 6]	17,410	18,550
Retained reserve interest [note 10]	53,431	46,284
Continuing involvement asset [note 10]	62,332	72,132
Notes receivable [note 16]	24,933	21,711
Derivative financial instruments [note 18]	470	2,443
Right-of-use and fixed assets, net [note 7]	14,056	17,473
Intangible assets, net [note 8]	140,504	123,406
Deferred tax assets [note 15]	—	14,688
Goodwill [note 9]	127,925	127,925
<b>Total assets</b>	<b>974,147</b>	<b>937,155</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities [note 6]	69,594	50,610
Deferred tax liabilities [note 15]	2,432	—
Continuing involvement liability [note 10]	62,332	72,132
Derivative financial instruments [note 18]	16,617	11,918
Borrowings [note 11]	595,134	576,540
Lease and other liabilities [notes 7 and 19]	11,787	15,053
<b>Total liabilities</b>	<b>757,896</b>	<b>726,253</b>
<b>Equity</b>		
Shareholders' equity	213,905	207,479
Non-controlling interest	2,346	3,423
<b>Total equity</b>	<b>216,251</b>	<b>210,902</b>
	<b>974,147</b>	<b>937,155</b>

See accompanying notes

On behalf of the Board:

(signed) "William W. Lovatt"  


---

 William W. Lovatt  
 Director

(signed) "Steven K. Hudson"  


---

 Steven K. Hudson  
 Director

**Consolidated statements of income**

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

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
<b>Revenues</b>		
Loan originations revenue	141,424	112,061
Servicing revenue	71,800	53,122
Interest income	41,874	55,435
Other revenue [note 14]	18,694	8,624
	<b>273,792</b>	<b>229,242</b>
<b>Operating expenses and other</b>		
Compensation and benefits	83,130	73,029
General and administrative expenses	46,688	42,676
Interest expense	47,269	59,576
Depreciation and amortization [notes 7 and 8]	12,273	9,354
Share-based compensation [note 13]	12,765	13,283
Other expenses [note 14]	31,924	15,247
	<b>234,049</b>	<b>213,165</b>
Income before income taxes	39,743	16,077
Provision for income taxes [note 15]	19,678	8,446
<b>Net income for the year</b>	<b>20,065</b>	<b>7,631</b>
<b>Attributable to:</b>		
Shareholders' equity	20,646	7,625
Non-controlling interest	(581)	6
	<b>20,065</b>	<b>7,631</b>
<b>Earnings per common share</b>		
Basic [note 17]	0.05	—
Diluted [note 17]	0.05	—

See accompanying notes

**Consolidated statements of comprehensive income**

[in thousands of United States dollars]

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
<b>Net income for the year</b>	<b>20,065</b>	7,631
<b>Other comprehensive (loss) income</b>		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedge (loss) income <i>[note 18]</i>	<b>(772)</b>	2,581
Net unrealized foreign exchange income (loss)	<b>639</b>	(2,321)
	<b>(133)</b>	260
Deferred tax (expense) recovery	<b>(161)</b>	33
<b>Total other comprehensive (loss) income</b>	<b>(294)</b>	293
<b>Comprehensive income for the year</b>	<b>19,771</b>	7,924
<b>Attributable to:</b>		
Shareholders' equity	<b>20,352</b>	7,918
Non-controlling interest	<b>(581)</b>	6
	<b>19,771</b>	7,924

See accompanying notes

**Consolidated statements of changes in equity**

[in thousands of United States dollars]

	Common share capital	Preferred share capital	Contributed surplus	Retained earnings (deficit)	Accumulated other comprehensive loss	Total shareholders' equity	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance, December 31, 2023</b>	656,908	124,012	81,952	(624,836)	(28,548)	209,488	—	209,488
Employee stock options expense	—	—	4,161	—	—	4,161	—	4,161
Employee restricted stock unit expense	—	—	156	—	—	156	—	156
Common share issuances <i>[note 12]</i>	1,613	—	—	—	—	1,613	—	1,613
Non-controlling interest	—	—	—	—	—	—	3,417	3,417
Comprehensive income (loss) for the year	—	—	—	7,625	293	7,918	6	7,924
Dividends – preferred shares <i>[note 12]</i>	—	—	—	(7,713)	—	(7,713)	—	(7,713)
Dividends – common shares <i>[note 12]</i>	—	—	—	(8,144)	—	(8,144)	—	(8,144)
<b>Balance, December 31, 2024</b>	658,521	124,012	86,269	(633,068)	(28,255)	207,479	3,423	210,902
Employee stock options expense	—	—	1,420	—	—	1,420	—	1,420
Acquisition of non-controlling interest <i>[note 4]</i>	—	—	—	—	—	—	(496)	(496)
Common share issuance <i>[note 12]</i>	516	—	—	—	—	516	—	516
Comprehensive income (loss) for the year	—	—	—	20,646	(294)	20,352	(581)	19,771
Dividends – preferred shares <i>[note 12]</i>	—	—	—	(7,750)	—	(7,750)	—	(7,750)
Dividends – common shares <i>[note 12]</i>	—	—	—	(8,112)	—	(8,112)	—	(8,112)
<b>Balance, December 31, 2025</b>	659,037	124,012	87,689	(628,284)	(28,549)	213,905	2,346	216,251

See accompanying notes

**Consolidated statements of cash flows**

[in thousands of United States dollars]

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
<b>Operating activities</b>		
Net income for the year	20,065	7,631
Items not affecting cash:		
Share-based compensation <i>[note 13]</i>	12,765	13,283
Depreciation and amortization	12,273	9,354
Amortization of intangible assets	7,731	7,790
Amortization of deferred financing costs	5,074	6,371
Accretion of convertible debenture discount <i>[notes 11 and 18]</i>	1,982	—
Accretion of deferred purchase consideration <i>[note 14]</i>	103	273
Fair value adjustment to convertible debt and convertible debt derivative liability <i>[notes 11 and 18]</i>	(10,224)	—
Fair value adjustment of deferred purchase consideration <i>[note 14]</i>	(514)	—
	<b>49,255</b>	<b>44,702</b>
Changes in operating assets and liabilities:		
Change in finance receivables, net <i>[note 5]</i>	(53,043)	176,199
Change in accounts payable <i>[note 6]</i>	8,155	(18,778)
Change in accounts receivable, net	11,875	42,530
Change in taxes payable/receivable	6,050	2,859
Change in retained servicing rights asset	(32,269)	(22,971)
Other operating assets and liabilities	21,868	(43,679)
<b>Cash provided by operating activities</b>	<b>11,891</b>	<b>180,862</b>
<b>Investing activities</b>		
Acquisitions, net of cash acquired <i>[note 4]</i>	—	(2,522)
Sale of Red Oak <i>[note 4]</i>	—	149,288
Purchase of fixed assets <i>[note 7]</i>	(488)	(1,135)
Acquisition of non-controlling interest <i>[note 4]</i>	(492)	—
(Issuance) repayment of notes receivable	(2,282)	2,116
<b>Cash (used in) provided by investing activities</b>	<b>(3,262)</b>	<b>147,747</b>
<b>Financing activities</b>		
Common share issuances <i>[note 12]</i>	—	1,613
Payments of lease liabilities	(3,249)	(3,469)
Payments of deferred financing costs <i>[note 11]</i>	(2,965)	(3,941)
Issuance (repayment) on term senior credit facility, net <i>[note 11]</i>	43,429	(361,619)
Issuance of convertible senior unsecured debentures <i>[note 11]</i>	57,944	—
Repayment of senior unsecured debentures <i>[note 11]</i>	(54,030)	—
(Repayment) issuance of other borrowings, net <i>[note 11]</i>	(28,471)	48,383
Dividends paid <i>[note 12]</i>	(15,862)	(15,857)
<b>Cash used in financing activities</b>	<b>(3,204)</b>	<b>(334,890)</b>
<b>Net increase (decrease) in cash during the year</b>	<b>5,425</b>	<b>(6,281)</b>
Cash and restricted funds, beginning of year	16,992	23,273
<b>Cash and restricted funds, end of year</b>	<b>22,417</b>	<b>16,992</b>

See accompanying notes

**Consolidated statements of cash flows (continued)**

[in thousands of United States dollars]

	Year ended December 31, 2025	Year ended December 31, 2024
<b>Cash and restricted funds reported in the consolidated statements of cash flows:</b>	<b>\$</b>	<b>\$</b>
Cash	16,730	15,465
Restricted funds	5,687	1,527
<b>Total</b>	<b>22,417</b>	<b>16,992</b>

	Year ended December 31, 2025	Year ended December 31, 2024
<b>Supplemental cash flow information:</b>	<b>\$</b>	<b>\$</b>
Cash taxes paid, net	2,482	11,142
Cash interest paid	40,867	58,053
Cash interest received	41,658	54,047

See accompanying notes

## **ECN Capital Corp.**

### **Notes to consolidated financial statements**

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

December 31, 2025

#### **1. Corporate Information**

ECN Capital Corp. ("ECN Capital" or the "Company") is a leading provider of business services to North American-based institutional investor, insurance company, pension plan, bank and credit union partners (collectively, its "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of its Partners, specifically consumer (manufactured housing and recreational vehicle and marine) loans and commercial (floorplan and rental) loans. Its Partners are seeking high-quality assets to match with their deposits, term insurance or other liabilities. These services are offered through two operating segments: (i) Manufactured Housing Finance, and (ii) Recreational Vehicle and Marine ("RV and Marine") Finance. Headquartered in South Florida and Toronto, the registered office is located at 199 Bay Street, Suite 4000, Toronto, Ontario, Canada. ECN Capital has approximately 740 employees and operates principally in the U.S. The Company is a public corporation and trades on the Toronto Stock Exchange ("TSX") under the symbol "ECN."

#### **Acquisition of ECN Capital Corp. led by Warburg Pincus LLC**

On November 13, 2025, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") to be acquired by Sinatra CA Acquisition Corp. (the "Purchaser"), a newly formed acquisition vehicle controlled by an investor group led by investment funds managed by Warburg Pincus LLC (the "Purchaser Group"), in an all-cash transaction that values the Company at an enterprise value of approximately C\$1.9 billion. Pursuant to the Arrangement Agreement, the Purchaser will acquire (i) all of the issued and outstanding common shares of the Company for C\$3.10 in cash per common share, (ii) all of the issued and outstanding cumulative 5-year minimum rate reset preferred shares, Series C of the Company (the "Series C Preferred Shares"), for C\$26.00 in cash per Series C Preferred Share (plus all accrued but unpaid dividends thereon) and (iii) all of the issued and outstanding mandatory convertible preferred shares, Series E of the Company (the "Series E Preferred Shares"), of which Champion Homes, Inc. ("Champion Homes") is the sole beneficial owner, for C\$3.10 in cash per Series E Preferred Share (plus all accrued but unpaid dividends thereon) (the "Arrangement"). The Arrangement will be implemented by way of a statutory plan of arrangement under the Business Corporations Act (Ontario).

Completion of the Arrangement remains subject to customary closing conditions, including the receipt of certain key regulatory approvals. Assuming the timely receipt of such key regulatory approvals, the Arrangement is expected to close in the first half of 2026. Following completion of the Arrangement, it is expected that the Common Shares and the Series C Preferred Shares will be delisted from the TSX.

#### **2. Basis of Presentation and Summary of Material Accounting Policies**

##### **Statement of compliance**

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

## **ECN Capital Corp.**

### **Notes to consolidated financial statements**

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

December 31, 2025

These consolidated financial statements include all the information and disclosures required in annual financial statements.

These consolidated financial statements are presented in thousands of U.S. dollars, which is the functional currency, except where otherwise noted.

These consolidated financial statements were authorized for issuance by the Board of Directors (the "Board") of the Company on February 26, 2026.

#### **Basis of consolidation**

##### ***Subsidiaries***

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries from the dates of their acquisition. Transactions and balances amongst these entities have been eliminated upon consolidation.

Subsidiaries are entities over which the Company has control. The Company controls an entity when (i) it has power over the entity; (ii) it has exposure, or rights, to variable returns from its involvement with the entity; and (iii) it has the ability to use its power over the entity to affect the amount of its returns.

The Company's principal operating subsidiaries are Triad Financial Services, Inc. ("Triad Financial Services"), Source One Financial Services, LLC ("Source One"), Intercoastal Financial Group, LLC, and Paramount Servicing Holdings, LLC, which operates Paramount Capital Group, LLC ("Paramount").

#### **New and amended standards and interpretations**

The following amendment to existing IFRS became effective for annual periods beginning on January 1, 2025:

- Lack of exchangeability Amendments to International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*

Effective January 1, 2025, the Company adopted the IAS 21 amendment regarding non-exchangeable currencies. As Canadian and U.S. currencies are fully exchangeable, the amendment had no material impact on the Company's consolidated financial statements as at December 31, 2025.

## **Notes to consolidated financial statements**

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

December 31, 2025

### **Standards issued but not yet effective**

New and amended standards and interpretations that are issued but not yet effective are being assessed by the Company to determine the impact on the consolidated financial statements.

#### *IFRS 18, Presentation and Disclosure in Financial Statements*

IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), was issued in April 2024 and will be effective for years beginning on January 1, 2027 and is to be applied retrospectively for comparative figures. The standard replaces IAS 1, *Presentation of Financial Statements* ("IAS 1") while carrying forward many elements of IAS 1 unchanged. IFRS 18 introduces three sets of new requirements for the presentation of financial statements and disclosures within financial statements:

- Introduction of a specific structure for statements of income, to include three defined categories of income and expenses: operating, investing and financing activities, with defined subtotals including operating profit and income before financing and income taxes;
- Required disclosure of management-defined performance measures ("MPMs") with a reconciliation between these measures and totals or subtotals specified by IFRS. MPMs are defined as subtotals of income and expenses not specified by IFRS that are used in public communications to communicate management's view of the Company's financial performance; and
- Enhanced guidance on organizing information and determining whether to provide the information in the financial statements or in the notes. IFRS 18 also requires enhanced disclosure of operating expenses based on their characteristics, including their nature, function or both.

The Company is assessing the impact of this standard on its consolidated financial statements.

#### *Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments*

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*. The amendments clarify the classification of financial assets with environmental, social and governance ("ESG") and other contingent features, and clarify the guidance on the derecognition of financial liabilities settled using an electronic payment system. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

This Amendment did not have an impact on the Company's consolidated financial statements as at December 31, 2025.

**Notes to consolidated financial statements**

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

December 31, 2025

**Material accounting policies**

***Equity-accounted investments***

The Company holds equity investments in associates. An associate is an entity over which the Company has significant influence and is neither a controlled subsidiary nor a jointly controlled entity. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies. The Company accounts for equity investments using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and is subsequently increased or decreased to recognize the Company's share of earnings or losses of the associate, and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate is recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings or losses of associates is recognized through net income or loss during the year. Cash distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment in the associate.

***Finance receivables***

Finance receivables are classified as either amortized cost or held-for-trading on the basis of the Company's business model and the intent of management.

Finance receivables are recorded at amortized cost using the effective interest rate method if the related loans were originated to collect contractual cash flows. Interest income is allocated over the expected term of the loan by applying the effective interest rate to the carrying amount of the loan.

Initial direct costs that relate to the origination of the finance receivables are deferred and recognized as yield adjustments using the effective interest rate method over the term of the related financial asset. These costs are incremental to individual loans and comprise certain specific activities related to processing requests for financing, such as the costs to underwrite the transaction and commission payments.

Finance receivables are classified as held-for-trading if the related loans were originated with the intention of selling the instrument in the near term, which is typically a period of one year or less. Held-for-trading financial assets are measured on the consolidated financial statements at fair value through profit and loss.

**Notes to consolidated financial statements**

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

December 31, 2025

***Allowance for credit losses***

Expected credit loss ("ECL") allowances are measured at either: i) 12-month ECL when a loan is performing (Stage 1); or ii) lifetime ECL when finance receivables have experienced a significant increase in credit risk since inception (Stage 2) or when the asset is not performing (Stage 3). The Company utilizes internal risk rating changes, delinquency, and other identifiable risk factors to determine when there has been a significant increase in the credit risk of a finance receivable. The key inputs in the Company's measurement of ECL allowances are: i) probability of default, which estimates the likelihood of default over a given time horizon; and ii) loss given default, which estimates the exposure at a future default date. Forward-looking information is considered when measuring ECLs, including macroeconomic factors such as unemployment rates.

Upon origination of finance receivables, the Company recognizes a 12-month ECL allowance, which represents the portion of lifetime ECL from default events that are considered possible within the next 12 months (Stage 1). If there has been a significant increase in credit risk, the Company recognizes a lifetime ECL allowance resulting from possible default events over the expected life of the finance receivable (Stage 2). A significant increase in credit risk is determined through changes in the lifetime probability of default since the initial origination of the finance receivable, using a combination of borrower-specific and account-specific attributes, and relevant and supportable forward-looking information. The Company uses the rebuttable presumption that credit risk has increased significantly when contractual payments are more than 30 days past due. Criteria for assessing significant changes in credit risk are defined at the individual finance receivable (i.e., contract) level.

Finance receivables with objective evidence of impairment are considered to be impaired, requiring the recognition of lifetime ECL allowances, with interest revenue recognized based on the carrying amount of the asset, net of allowances, rather than its gross carrying amount (Stage 3). Deterioration in credit quality is considered objective evidence of impairment and includes observable data that comes to the attention of the Company, such as significant financial difficulty of the borrower. All finance receivables are considered impaired when they are contractually overdue 90 days or immediately if the account is the subject of a bankruptcy, insolvency, reorganization or repossession (voluntary or involuntary). In order to be classified as a satisfactory account after being delinquent, an account must remain current for a period of 90 days.

Finance receivables are charged off (i.e., written off), either partially or in full, against the related allowance for credit losses when the Company believes there are no reasonable or expected recoveries.

***Accounts receivable***

Accounts receivable represent committed loans receivable, consisting of cash advances paid by the Company on behalf of its Partners, which are generally reimbursed to the Company within two to four days, and in-process construction loans, which are made to provide funding for the cost of building a home during the construction phase. Accounts receivable are measured on the consolidated financial statements at amortized cost, net of an ECL allowance. The ECL allowance was not material as at December 31, 2025 and December 31, 2024.

## **ECN Capital Corp.**

### **Notes to consolidated financial statements**

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

December 31, 2025

#### **Revenue recognition**

Loan originations revenue represent the gain on sale recognized on the disposition of consumer loans originated and closed by the Company and reserve fees earned for originating, underwriting and processing consumer loans that are closed by the Company's Partners. Loan originations revenue are recorded net of related fees paid to the originating dealer or broker as the Company acts as an agent in sourcing loans between the respective dealer or broker and lender. Loan originations revenue also include fair value changes to the retained reserve interest asset.

Servicing revenue represents the fees earned from providing loan servicing activities to Partners and revenue resulting from servicing rights retained upon the sale of originated loans to Partners.

For each of the revenue streams outlined above, revenue is recognized as the related performance obligations are satisfied and services have been transferred to the customer.

Interest income relating to finance receivables is recognized on an accrual basis using the effective interest rate method for loans that are not considered impaired.

#### **Cash and restricted funds**

Cash comprises cash on hand and non-restricted cash deposits.

Restricted funds represent cash deposits that are reserved in accordance with the Company's agreements with its Partners and are not available for general corporate purposes.

#### **Derivative financial instruments and hedge accounting**

The Company utilizes derivatives to manage interest rate risk and foreign currency exposure, as well as equity price risk exposure related to stock compensation plans that are accounted for as liabilities. Derivatives are carried at fair value and are reported as assets if they have a positive fair value and as liabilities if they have a negative fair value.

The Company applies hedge accounting to derivatives that meet the criteria for hedge accounting in IFRS 9, *Financial Instruments* ("IFRS 9"). In order to qualify for hedge accounting, a hedge relationship must be designated and formally documented in accordance with IFRS 9. The Company's documentation, in accordance with the requirements, includes the specific risk management objective and strategy being applied, the specific financial asset or liability or cash flow being hedged, and how hedge effectiveness is assessed. Hedge effectiveness is assessed at the inception of the hedge and on an ongoing basis, which is at least quarterly. Hedge ineffectiveness is recognized immediately in income.

**Notes to consolidated financial statements**

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

December 31, 2025

*Cash flow hedges*

The effective portion of the change in fair value of the derivative instrument is recognized in other comprehensive income (loss) until the forecasted cash flows being hedged are recognized in income in future accounting periods. When forecasted cash flows are recognized in income, an appropriate amount of fair value changes of the derivative instrument in accumulated other comprehensive (loss) ("AOCI") is reclassified to net income (loss). If a forecast issuance of fixed rate debt or a forecast acquisition of fixed rate assets is no longer expected to occur, the related cumulative gain or loss in AOCI is immediately recognized in income.

The Company uses interest rate derivatives and foreign exchange forward agreements to hedge its exposure to changes in future cash flows due to interest rate risk and foreign currency risk in forecasted highly probable transactions. The Company uses total return swaps to hedge its exposure to changes in future cash flows due to changes in the Company's stock price in forecasted obligations related to share-based payments under its stock compensation plans.

***Derecognition of financial assets***

The Company derecognizes a financial asset when the contractual rights to that asset have expired. If substantially all of the risks and rewards of ownership have been transferred, the Company will derecognize the financial asset and recognize separately as assets or liabilities any rights or obligations created or retained in the transfer. If the Company has neither transferred nor retained substantially all of the risks and rewards of ownership, then the Company recognizes an asset to the extent of its continuing involvement.

***Borrowings***

Borrowings are recorded at amortized cost using the effective interest rate method. Interest expense is allocated over the expected term of the borrowing by applying the effective interest rate to the carrying amount of the liability. The effective interest rate is the rate that exactly discounts estimated future cash outflows over the expected life of the liability. Transaction costs are applied to the carrying amount of the liability.

Deferred financing costs are presented as a reduction of borrowings and relate to costs incurred to obtain funding agreements that result in these arrangements. These amounts are accreted to income over a period matching the repayment terms of the borrowing obtained during the initial commitment period.

***Right-of-use and fixed assets***

Right-of-use assets are recorded at amortized cost less any accumulated depreciation and impairment charges. Right-of-use assets are recognized at the time that the underlying asset is available for use ("lease commencement date"). The related lease liabilities are measured at the discounted present value of lease payments over the term of the lease and are recorded in other liabilities on the consolidated statements of financial position. Following initial recognition at the time of the lease commencement date, the Company increases the lease liability for accretion and reduces the lease liability for any payments made.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

Fixed assets are recorded at cost and are depreciated on a straight-line basis over the estimated useful lives. The rates of depreciation are as follows:

Leasehold improvements	Lease term
Equipment and others	3-5 years

#### **Goodwill**

Goodwill is initially measured at cost and is calculated as the excess of the purchase price for an acquired business over the fair value of acquired net identifiable assets and liabilities and is allocated to the cash-generating units ("CGUs") to which it relates. Goodwill is not amortized but is evaluated for impairment against the carrying amount of the CGU annually or more often if events or circumstances indicate that there may be an impairment. The carrying amount of a CGU includes the carrying amount of assets, liabilities and goodwill allocated to the CGU and then to the other non-financial assets of the CGU proportionately based on the carrying amount of each asset. Any impairment loss is charged to income in the period in which the impairment is identified. Goodwill is stated at cost less accumulated impairment losses. Subsequent reversals of goodwill impairment are prohibited.

#### **Intangible assets**

The Company's intangible assets primarily include assets acquired as a result of business combinations, which are initially measured at fair value on the date of the business combination, namely: customer relationships, including the value of dealer and bank funding relationships; trade names; and information technology. Intangible assets also include servicing rights retained upon the sale of originated loans to Partners ("retained servicing rights"), which are initially measured at fair value. All of the Company's intangible assets have a finite life, are amortized over their useful economic lives and are assessed for indicators of impairment at each reporting period. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. Impairment and amortization of intangible assets are recognized in the consolidated statements of income.

The rates of amortization are as follows:

Information technology	3-5 years
Customer relationships and trade names	15 years
Retained servicing rights	7-10 years
Other	3 years

**Notes to consolidated financial statements**

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

December 31, 2025

***Share-based payments***

*Stock options*

The Company has established a share option plan for employees and directors whereby the Company's Board may award options to certain employees and directors. The share option plan is intended to promote an alignment of long-term interests between employees, directors and the shareholders of the Company. The Board determines the amount, timing and vesting conditions associated with each award of share options. Each share option has a value that depends on the fair market value of one common share of the Company at the time of the grant determined using the Black-Scholes option valuation model. The cost of these share option grants is recognized on a proportional basis consistent with the vesting of the underlying share options.

*Deferred Share Unit plan*

The Company has established a Deferred Share Unit ("DSU") plan for executives and directors whereby the Company's Board may award DSUs as compensation for services rendered. The DSU plan is intended to promote an alignment of long-term interests between executives and directors and the shareholders of the Company. The Board determines the amount, timing and vesting conditions associated with each award of DSUs. Additionally, directors receive 100% of the annual remuneration in DSUs, which are fully vested on the date of grant.

Each DSU has a value that depends on the fair market value of one common share of the Company, and in the event dividends are paid on the Company's common shares, accrues dividend equivalents in the form of additional DSUs based on the amount of the dividend paid on a common share. DSUs mature upon termination of employment or directorship, whereupon the holder is entitled to receive a cash payment, which reflects the fair market value of the equivalent number of common shares of the Company.

DSUs are recognized on the consolidated statements of financial position as a liability in accounts payable and accrued liabilities and are measured at fair value. Fair value is a function of the number of DSUs outstanding, the value of the Company's common shares and, if applicable, the portion of the associated vesting period that has elapsed.

*Performance and Restricted Share Unit plans*

The Company has established a Performance Share Unit ("PSU") and Restricted Share Unit ("RSU") plan for employees and directors of the Company and its subsidiaries, whereby the Board may award PSUs and RSUs as compensation for services rendered. The PSU and RSU plan is intended to promote an alignment of long-term interests between employees, directors and the shareholders of the Company. The Board determines the amount, timing and vesting conditions associated with each award of PSUs and RSUs.

**Notes to consolidated financial statements**

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

December 31, 2025

Each PSU and RSU has a value that depends on the fair market value of one common share of the Company, and, in the event dividends are paid on the Company's common shares, accrues dividend equivalents in the form of additional PSUs and RSUs based on the amount of the dividend paid on a common share. PSUs and RSUs vest no later than five years from the grant date, and PSUs are subject to performance conditions. On the vesting date, the Board has the discretion to settle PSUs and RSUs either through cash payment, issuance of Company common shares, or some combination of cash and common shares.

PSUs and RSUs are recognized on the consolidated statements of financial position as a liability in accounts payable and accrued liabilities and are measured at fair value. Fair value is a function of the number of PSUs and RSUs outstanding, the value of the Company's common shares and, if applicable, the portion of the associated vesting period that has elapsed as well as expectations with respect to any performance criteria. Until the PSUs and RSUs are settled, the liability is remeasured with a change in the fair value recorded in the consolidated statements of income as an expense in the relevant financial reporting period.

***Earnings per share***

Basic earnings per share is calculated by dividing the net income or loss for the year attributed to common shareholders, adjusted for the cumulative dividends on preferred shares, by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated using the same method as for basic earnings per share and adjusted for the weighted average number of common shares outstanding during the year to reflect the dilutive impact, if any, of:

- Options: Assuming they were exercised for that number of common shares calculated by applying the treasury stock method. The treasury stock method assumes that all proceeds received by the Company when options are exercised will be used to purchase common shares at the average market price during the reported period.
- Convertible senior unsecured debentures: Assuming the outstanding debentures were converted into common shares at the beginning of the reporting period (or at issuance, if later). Under this "if-converted" method, the numerator is adjusted to add back the interest expense, net of tax, recognized during the period related to the convertible debentures.

***Investment in securities***

Investments include debt and equity securities that the Company purchases with the intention of generating earnings in the near term. Investments are measured on the consolidated financial statements at fair value through profit and loss.

## **Notes to consolidated financial statements**

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

December 31, 2025

### ***Other financial instruments***

Other financial instruments held or issued by the Company include cash, restricted funds, finance receivables, accounts receivable, notes receivable, accounts payable and accrued liabilities and borrowings. Except for certain finance receivables classified as fair value through profit or loss [Note 5, *Finance Receivables*], these financial instruments are initially recorded at cost and subsequently measured at amortized cost.

### ***Income taxes***

The Company follows the liability method to provide for income taxes on all transactions recorded in its consolidated financial statements. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are determined for each temporary difference and for unused losses, as applicable, at rates expected to be in effect when the asset is realized or the liability is settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or equity in the period that includes the substantive enactment date. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

### ***Business combinations***

The Company uses the acquisition method of accounting for business combinations, which requires the allocation of the purchase consideration to identifiable assets and liabilities acquired on a fair value basis at the date of acquisition. Any contingent consideration is also measured at fair value at the date of acquisition. Provisional fair values are finalized as the relevant information becomes available, for a period of up to 12 months from the acquisition date. Incremental costs related to acquisitions are expensed as incurred. When the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill.

## **3. Critical Accounting Estimates and Use of Judgements**

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and exercise judgements 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 judgements are made based on information available as at the date the consolidated financial statements are issued. Accordingly, actual results may differ from those recorded amounts. Areas of financial reporting that require management's estimates and judgements are discussed below.

### ***Allowance for credit losses***

Judgement is required as to the timing of establishing an allowance for credit losses and the amount of the required allowance, taking into consideration counterparty creditworthiness, the fair value of underlying collateral, current economic trends and past experience.

## **Notes to consolidated financial statements**

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

December 31, 2025

### **Accounting for income taxes**

The Company is subject to income tax laws in the various jurisdictions that it operates in, and the complex tax laws are potentially subject to different interpretations by the Company and the relevant tax authority. Management's judgement is applied in interpreting the relevant tax laws and estimating the expected timing and the amount of the provision for current and deferred income taxes. A deferred tax asset or liability is determined for each temporary difference based on the tax rates that are expected to be in effect in the period that the asset is realized or the liability is settled. Deferred tax assets are recognized for unused income tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable profits together with future tax planning strategies.

### **Goodwill valuation**

Goodwill is reviewed annually for impairment, or more frequently when there are indicators that impairment may have occurred, by comparing the carrying value of its recoverable amount. Management uses judgement in estimating the recoverable amounts of the Company's CGUs and uses models that consider various factors and assumptions including forecasted cash earnings, growth rates and discount rates. The use of different assumptions and estimates could influence the determination of the existence of impairment and the valuation of goodwill.

### **Derecognition of financial assets**

Management has exercised judgement in the application of its accounting policy with respect to the derecognition of loans.

#### *Continuing Involvement*

The Company's Manufactured Housing Finance segment originates consumer loans for the purchase of manufactured homes and subsequently syndicates and sells these loans to a network of third-party financial institutions. The Company recognizes an asset and a corresponding liability with respect to its continuing involvement, as management has determined that, for a portion of its loans, it has not transferred nor retained substantially all of the risks and rewards of ownership and has retained control. See Note 10, *Continuing Involvement Asset and Liability* for further details on these transactions.

#### *Retained Reserve Interest*

The Company originates consumer loans for the purchase of assets and subsequently sells these loans to a network of third-party financial institutions. Effective January 1, 2021, the Company made the determination that all loans sold qualify for full derecognition as the Company does not exercise control over the loans and has substantially transferred all of the risks and rewards of ownership. The remaining interest of the assets sold and retained by the Company is recognized as retained reserve interest at the date of loan derecognition and subsequently measured at fair value.

## **Notes to consolidated financial statements**

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

December 31, 2025

The fair value of the retained reserve interest is estimated using a discounted cash flow methodology and is based on the Company's expectations with respect to potential loan loss, prepayment rates and discount rates. Judgement is applied in determining the estimated fair value of the retained reserve interest. See Note 21, *Fair Value Measurements* for further details on these transactions.

### **Fair value of retained servicing rights**

The Company estimates the fair value of its retained servicing rights intangible assets using a discounted cash flow approach using assumptions for loan loss charge-off rates, prepayment rates, discount rates and annual market cost to service. Judgement is applied in determining the estimated fair value of the Company's retained servicing rights intangible assets.

### **Fair value of held-for-trading financial assets**

The Company estimates the fair value of its held-for-trading financial assets using valuation techniques and inputs not based on observable market data. The underlying assets are credit-scored and/or valued based on internal models that are not necessarily used in market transactions. The fair value of any of these balances would be affected by a potential buyer's assessment of the transaction's credit quality, payment history, yield, term, documents and other legal matters and other subjective considerations. The value received in a fair market sale transaction would be based on the terms of the sale, the buyer's view of the economic and industry conditions, the Company's and the buyer's tax considerations and other factors. Judgement is applied in determining the estimated fair value of the Company's held-for-trading financial assets.

### **Accounting for litigation**

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

## **4. Business Acquisitions and Disposals**

### **Acquisition of Paramount Servicing Holdings, LLC**

On August 31, 2024, the Company acquired a 54% majority interest in Paramount Servicing Holdings, LLC (formerly Paramount Servicing Group, LLC), which operates Paramount Capital Group, LLC ("Paramount"), a consumer loan servicing company, for total consideration of approximately \$4.6 million, including cash consideration of \$4.2 million and deferred purchase consideration of \$478. This acquisition executes on the Company's strategic objective to establish servicing capabilities for its RV and Marine Finance segment, which strengthens and diversifies the business.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

The Company has recognized 100% of the fair value of the net assets acquired in its consolidated statements of financial position from the date of acquisition. The minority ownership of Paramount is represented as non-controlling interest as a component of total equity.

The table below presents the final allocation of fair values to the net assets acquired.

**Consideration:**

Cash	\$	4,160
Fair value of deferred purchase consideration		<u>478</u>
<b>Total consideration</b>		<b><u>4,638</u></b>

**Fair value of identifiable assets and liabilities:**

Cash	257
Restricted cash	1,925
Accounts receivable and other assets	2,594
Intangible assets	6,570
Goodwill	627
Accounts payable and other liabilities	(3,918)
Non-controlling interest	<u>(3,417)</u>
<b>Net assets acquired</b>	<b><u>4,638</u></b>

The Company has agreed to a deferred purchase price earn-out plan that is based on achievement of prescribed earnings. The fair value of the contingent purchase consideration of \$478 has been recorded as a liability at the date of acquisition. Subsequent changes in the estimated fair value of the liability are recorded in the consolidated statements of income.

On September 5, 2025, the Company acquired an additional 7% interest in Paramount from a non-controlling shareholder for cash consideration of \$492, increasing its interest from 54% to 61%. On the initial acquisition of Paramount, this non-controlling interest was recorded as a component of equity and as such the purchase of this 7% interest has been recorded as a reduction of equity.

Acquisition-related costs were \$1,924, including advisory fees, legal, accounting, due diligence and other transaction-related expenses. The allocation to goodwill of \$627 is primarily attributable to senior management's ability to support the continued growth of the business. The Company expects all of the goodwill will be deductible for tax purposes.

Operating results attributable to Paramount are included in the Company's consolidated statements of income from the date of acquisition, August 31, 2024. Paramount contributed approximately \$9,710 and \$2,740 in total revenues and (\$1,418) and \$14 in net (loss) income for the years ended December 31, 2025 and December 31, 2024, respectively. The minority interest portion of the net (loss) income for the years ended December 31, 2025 and December 31, 2024, of (\$581) and \$6, respectively, was a (decrease) increase to non-controlling interest and a corresponding increase (decrease) to net income attributable to shareholders' equity.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### Acquisition of First Approval Source, LLC

On March 28, 2024, the Company acquired all of the outstanding equity interests in First Approval Source, LLC ("FAS"), an RV and marine finance company, for total consideration of \$800, including cash consideration of \$670 and deferred purchase consideration of \$130. This acquisition expands the Company's reach in its RV and Marine Finance segment and acquires a front-end and underwriting technology platform.

The table below presents the final allocation of fair values to the net assets acquired. Adjustments to the preliminary purchase price allocation were not material.

#### Consideration paid:

Cash	\$ 670
Fair value of deferred purchase consideration	130
<b>Total consideration</b>	<b>800</b>

#### Fair value of identifiable assets and liabilities:

Cash	44
Accounts receivable	82
Intangible assets	348
Goodwill	461
Accounts payable and other liabilities	(135)
<b>Net assets acquired</b>	<b>800</b>

The Company has agreed to a deferred purchase price earn-out plan that is based on achievement of prescribed origination volumes. The fair value of the contingent purchase consideration of \$130 was recorded as a liability at the date of acquisition.

The allocation to goodwill of \$461 is primarily attributable to senior management's ability to maintain and grow its dealer and funding relationships in support of the continued growth of the business. The Company expects all of the goodwill will be deductible for tax purposes.

Operating results attributable to FAS are included in the Company's consolidated statements of income from the date of acquisition and were not material to the Company's consolidated operating results for the years ended December 31, 2025 and December 31, 2024.

#### Sale of Red Oak RV and Marine Inventory Finance platform

During the year ended December 31, 2023, the Company committed to a plan to sell its Red Oak RV and Marine Inventory Finance platform ("Red Oak"), which operated through Triad Financial Services, to redeploy capital to its Manufactured Housing Finance business. On February 21, 2024, the Company completed the sale of Red Oak to a third-party investor for cash proceeds of \$153.3 million, representing the then-current carrying value of Red Oak. Accordingly, no gain or loss was recorded for the years ended December 31, 2025 and December 31, 2024.

**Notes to consolidated financial statements**

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

December 31, 2025

**5. Finance Receivables**

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	\$	\$
Commercial (floorplan and rental) loans	227,877	186,867
RV and Marine loans	17,749	9,594
<b>Gross finance receivables at amortized cost</b>	<b>245,626</b>	196,461
Allowance for credit losses	(894)	(721)
<b>Net finance receivables at amortized cost</b>	<b>244,732</b>	195,740
<b>Held-for-trading financial assets</b>	<b>221,286</b>	217,235
<b>Total finance receivables, net</b>	<b>466,018</b>	412,975

**Commercial (floorplan and rental) loans**

Commercial loans are comprised entirely of secured loans issued by Triad Financial Services to finance manufactured housing dealer inventory and community-owned manufactured housing rental units. Floorplan loans to dealers are secured by first priority, fully perfected liens in the underlying units. Triad Financial Services is also the beneficiary of a full manufacturer's repurchase guarantee on each financed unit. Rental loans to communities are also secured by a first priority lien in the underlying unit and Triad Financial Services receives an assignment of each rental contract. Commercial loans are recorded at amortized cost, as the Company originates these loans with the intent to hold the loans to collect the contractual cash flows.

**RV and Marine loans**

RV and Marine loans are primarily comprised of high-quality retail RV and Marine loans that are secured by first priority, fully perfected liens in the underlying financed units. These loans include the Company's participating interest in securitized RV and Marine loans as well as loans made to consumers to finance the build of a new marine vessel, for the purpose of expanding the Company's relationships with marine retail loan originators. RV and Marine loans are recorded at amortized cost, as the Company originates these loans with the intent to hold the loans to collect the contractual cash flows.

**Notes to consolidated financial statements**

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

December 31, 2025

**Held-for-trading financial assets**

The loans balance as at December 31, 2025 includes \$162.4 million (December 31, 2024 - \$144.0 million) in manufactured housing loans and \$58.9 million (December 31, 2024 - \$73.3 million) in RV and Marine loans, which are classified as held-for-trading. Finance receivables are classified as held-for-trading if the related loans were originated with the intention of selling the instrument in the near term, which is typically a period of one year or less. The Company's determination of this classification is based on the existence of Partner agreements, or likelihood of entering into a new Partner agreement in the near term, and the Company's experience of selling consumer loans with like characteristics. Held-for-trading financial assets are measured on the consolidated financial statements at fair value through profit or loss. These loans are considered Level 3 assets. The Company measures the fair value of these loans based on a valuation model using internal inputs. Upon origination, the Company's internal valuation may determine a fair value that is in excess of the origination or transaction value of the loan. In these circumstances, the Company will not recognize such gains until the fair value estimated by the internal model is substantiated by a market-observable event such as an executed sales contract. See Note 21, *Fair Value Measurements*, for further details.

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

	December 31, 2025		December 31, 2024	
	\$	%	\$	%
31 - 60 days past due	467	0.19	—	—
61 - 90 days past due	2,199	0.90	—	—
Greater than 90 days past due	252	0.10	394	0.20
Total past due	2,918	1.19	394	0.20
Current	242,708	98.81	196,067	99.80
<b>Total investment</b>	<b>245,626</b>	<b>100.00</b>	<b>196,461</b>	<b>100.00</b>

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

	December 31, 2025	December 31, 2024
Gross finance receivables at amortized cost	\$ 245,626	\$ 196,461
Weighted average interest rate	9.46 %	10.30 %

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

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

December 31, 2025				
	Stage 1	Stage 2	Stage 3	Total
	(Performing)	(Under-performing)	(Non-performing)	
	\$	\$	\$	\$
Low risk	81,369	12	—	81,381
Medium risk	161,085	69	—	161,154
High risk	226	2,613	—	2,839
Default	—	—	252	252
<b>Gross carrying amount</b>	<b>242,680</b>	<b>2,694</b>	<b>252</b>	<b>245,626</b>

December 31, 2024				
	Stage 1	Stage 2	Stage 3	Total
	(Performing)	(Under-performing)	(Non-performing)	
	\$	\$	\$	\$
Low risk	86,568	—	—	86,568
Medium risk	109,223	17	—	109,240
High risk	189	70	—	259
Default	—	—	394	394
<b>Gross carrying amount</b>	<b>195,980</b>	<b>87</b>	<b>394</b>	<b>196,461</b>

**Low risk:** Loans that have below average probability of default with credit risk that is lower than the Company's risk appetite and risk tolerance levels. While the Company does originate loans under this category, these loans may have lower yield due to high credit quality.

**Medium risk:** Loans that have an average probability of default with credit risk that is within the Company's risk appetite and risk tolerance. The Company actively originates loans under this category due to higher yields.

**High risk:** Loans that were originated within the Company's risk appetite but have subsequently experienced an increase in credit risk that is outside of the Company's typical risk appetite and risk tolerance levels. The Company will generally not originate loans in this category.

**Default:** Loans that are over 90 days past due or loans for which there is objective evidence of impairment.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### Allowance for credit losses

The following table presents the Company's allowance for credit losses:

	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
	\$	\$	\$	\$
<b>Balance as at December 31, 2023</b>	204	—	1,280	1,484
Provision for credit losses	123	38	356	517
Charge-offs, net of recoveries	—	—	(1,280)	(1,280)
Stage transfers	(2)	(36)	38	—
<b>Balance as at December 31, 2024</b>	325	2	394	721
Provision for credit losses	<b>364</b>	<b>178</b>	<b>(50)</b>	<b>492</b>
Charge-offs, net of recoveries	—	(1)	(318)	(319)
Stage transfers	<b>(68)</b>	<b>(13)</b>	<b>81</b>	—
<b>Balance as at December 31, 2025</b>	<b>621</b>	<b>166</b>	<b>107</b>	<b>894</b>

#### 6. Other Assets and Accounts Payable and Accrued Liabilities

The following table presents the assets reported in other assets:

	December 31, 2025	December 31, 2024
	\$	\$
Investments in securities	2,768	4,420
Prepaid expenses	8,397	9,086
Other assets <sup>[1]</sup>	6,245	5,044
<b>Total</b>	<b>17,410</b>	18,550

[1] Other assets include \$1.8 million and \$0.4 million of outstanding receivables due from officers of the Company as at December 31, 2025 and December 31, 2024, respectively.

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

	December 31, 2025	December 31, 2024
	\$	\$
Accrued payroll and share-based compensation liabilities	36,280	29,798
Accounts payable	19,631	11,005
Accrued other liabilities	13,683	9,807
<b>Total</b>	<b>69,594</b>	50,610

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

Accrued other liabilities of \$13,683 as at December 31, 2025 include a provision of \$793 related to restructuring costs recognized in connection with the Company's previously announced corporate simplification.

Changes in the provision for the years ended December 31, 2025 and December 31, 2024 were as follows:

	December 31, 2025	December 31, 2024
	\$	\$
<b>Balance, beginning of year</b>	1,513	6,619
Additions	6,732	—
Settlements	(7,452)	(5,106)
<b>Balance, end of year</b>	<b>793</b>	1,513

## 7. Right-of-Use and Fixed Assets

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

	December 31, 2025	December 31, 2024
	\$	\$
Right-of-use assets, net	9,754	12,385
Fixed assets, net	4,302	5,088
<b>Total</b>	<b>14,056</b>	17,473

### Right-of-use assets

Right-of-use assets consist primarily of real estate leases related to the Company's office spaces and generally have terms ranging from 3 to 10 years.

Changes in right-of-use assets were as follows:

	December 31, 2025	December 31, 2024
	\$	\$
<b>Right-of-use assets, beginning of year</b>	12,385	14,971
Additions	76	1,300
Disposals	—	(858)
Write-offs	—	(69)
Depreciation charge for the year	(2,707)	(2,959)
<b>Right-of-use assets, end of year</b>	<b>9,754</b>	12,385

During the years ended December 31, 2025 and December 31, 2024, the Company recognized income of \$320 and \$139, respectively, from subleasing right-of-use assets, which is included in Other Revenue.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### Lease liabilities

Changes in the related lease liabilities included in other liabilities on the consolidated statements of financial position were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	\$	\$
<b>Lease liabilities, beginning of year</b>	<b>14,429</b>	17,149
Additions	<b>76</b>	1,246
Accretion of interest	<b>452</b>	593
Payments	<b>(3,262)</b>	(3,501)
Disposals	<b>—</b>	(1,058)
<b>Lease liabilities, end of year</b>	<b>11,695</b>	14,429

Maturities of the lease liabilities as at December 31, 2025 were as follows:

	<u>December 31, 2025</u>
	\$
Less than one year	<b>2,796</b>
One to five years	<b>9,760</b>
More than five years	<b>100</b>
<b>Undiscounted future lease payments</b>	<b>12,656</b>
Discount	<b>(961)</b>
<b>Lease liabilities as at December 31, 2025</b>	<b>11,695</b>

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### Fixed assets

The changes in fixed assets were as follows:

	December 31, 2025		
	Leasehold improvements	Equipment and other	Total
	\$	\$	\$
<b>Cost</b>			
<b>As at December 31, 2024</b>	5,956	5,801	11,757
Additions	73	415	488
Disposals	(31)	(107)	(138)
<b>As at December 31, 2025</b>	<b>5,998</b>	<b>6,109</b>	<b>12,107</b>
<b>Accumulated depreciation</b>			
<b>As at December 31, 2024</b>	3,308	3,361	6,669
Depreciation charge for the year	571	688	1,259
Disposals	(31)	(92)	(123)
<b>As at December 31, 2025</b>	<b>3,848</b>	<b>3,957</b>	<b>7,805</b>
<b>Net carrying value</b>	<b>2,150</b>	<b>2,152</b>	<b>4,302</b>
	December 31, 2024		
	Leasehold improvements	Equipment and other	Total
	\$	\$	\$
<b>Cost</b>			
<b>As at December 31, 2023</b>	5,561	2,594	8,155
Additions	406	3,220	3,626
Disposals	(9)	(13)	(22)
Foreign exchange rate adjustments	(2)	—	(2)
<b>As at December 31, 2024</b>	<b>5,956</b>	<b>5,801</b>	<b>11,757</b>
<b>Accumulated depreciation</b>			
<b>As at December 31, 2023</b>	2,625	1,772	4,397
Depreciation charge for the year	683	1,589	2,272
Disposals	(1)	—	(1)
Foreign exchange rate adjustments	1	—	1
<b>As at December 31, 2024</b>	<b>3,308</b>	<b>3,361</b>	<b>6,669</b>
<b>Net carrying value</b>	<b>2,648</b>	<b>2,440</b>	<b>5,088</b>

## Notes to consolidated financial statements

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

December 31, 2025

### Short-term leases

The Company applies the short-term lease recognition exemption to its leases that have a lease term of 12 months or less. During the years ended December 31, 2025 and December 31, 2024, the Company recognized expenses of \$155 and \$118, respectively, related to short-term leases.

## 8. Intangible Assets

The changes in intangible assets were as follows:

	Customer relationships and trade names	Retained servicing rights	Information technology	Other	Total
	\$	\$	\$		\$
<b>Gross carrying value</b>					
<b>As at December 31, 2023</b>	102,499	17,575	4,638	5,699	130,411
Additions	6,657	22,971	3,620	268	33,516
Disposals	—	—	(7)	(169)	(176)
<b>As at December 31, 2024</b>	109,156	40,546	8,251	5,798	163,751
Additions	—	<b>32,269</b>	<b>858</b>	—	<b>33,127</b>
Disposals	—	—	—	—	—
<b>As at December 31, 2025</b>	<b>109,156</b>	<b>72,815</b>	<b>9,109</b>	<b>5,798</b>	<b>196,878</b>
<b>Accumulated amortization</b>					
<b>As at December 31, 2023</b>	17,314	2,617	3,350	2,081	25,362
Amortization	6,985	3,272	2,743	2,036	15,036
Disposals and other adjustments	—	—	—	(53)	(53)
<b>As at December 31, 2024</b>	24,299	5,889	6,093	4,064	40,345
Amortization	<b>7,277</b>	<b>6,027</b>	<b>1,178</b>	<b>1,547</b>	<b>16,029</b>
Disposals	—	—	—	—	—
<b>As at December 31, 2025</b>	<b>31,576</b>	<b>11,916</b>	<b>7,271</b>	<b>5,611</b>	<b>56,374</b>
<b>Net carrying value</b>					
<b>December 31, 2024</b>	84,857	34,657	2,158	1,734	123,406
<b>December 31, 2025</b>	<b>77,580</b>	<b>60,899</b>	<b>1,838</b>	<b>187</b>	<b>140,504</b>

## 9. Goodwill

Goodwill is initially measured at cost and is calculated as the excess of the purchase price for an acquired business over the fair value of the acquired net identifiable assets and liabilities. During the year ended December 31, 2024, the Company recognized goodwill on the acquisitions of Paramount and FAS. See Note 4, *Business Acquisitions and Disposals*, for further details.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

Changes in the Company's goodwill balance for the years ended December 31, 2025 and December 31, 2024 were as follows:

	December 31, 2025	December 31, 2024
	\$	\$
<b>Balance, beginning of year</b>	<b>127,925</b>	126,837
Additions from acquisitions	—	1,088
<b>Balance, end of year</b>	<b>127,925</b>	127,925

Goodwill outstanding as at December 31, 2025 and December 31, 2024 has been allocated to the CGUs below as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Triad Financial Services	<b>48,475</b>	48,475
RV and Marine Finance	<b>79,450</b>	79,450
	<b>127,925</b>	127,925

Management exercises judgment in estimating the recoverable amounts of the Company's CGUs and uses models that consider various factors and assumptions including forecasted cash earnings, growth rates and discount rates, taking into consideration historical and anticipated future results and general economic and market conditions, as well as the impact of planned business or operational strategies. Changes in judgments and projections could result in significantly different estimates of recoverable value for one or both CGUs, potentially resulting in impairment of goodwill. Additionally, adverse changes to the key valuation assumptions could result in an impairment of goodwill.

The Company conducted its annual goodwill impairment analysis as at October 31, 2025. The impairment analysis involved comparing the carrying amount of each CGU's assets and liabilities to their respective recoverable amounts. The recoverable amount was determined using the fair value less cost of disposal approach measured by discounting the future expected cash flows of the CGUs. The discounted future cash flow models were based on the Company's forecasts over a five-year period, as approved by management. Beyond the initial five-year period, cash flows were estimated to grow at perpetual annual rates of 3%. The pre-tax discount rates used in the future cash flow models were specific to each CGU and ranged from 16% to 25%.

Based on the analysis performed, the recoverable values of each of the Company's CGUs were determined to exceed the carrying values and no goodwill impairment charge was required in either of the Company's CGUs. Management believes the factors considered to estimate the recoverable values for each CGU are reflective of the risks inherent in their business models and respective industries. However, significant assumptions may change in the future.

**Notes to consolidated financial statements**

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

December 31, 2025

**10. Continuing Involvement Asset and Liability**

The Company originates secured loans and sells these loans to third-party purchasers. At the time of the sale, the purchaser pays the face value of the loan plus a spread. For certain purchasers, a specified proportion of the spread is held in a trust account under the purchaser's control (the "reserve account"). When prepayments or defaults occur on the underlying loans, the purchaser receives make-whole payments from the reserve account. To the extent that such payments are ultimately not required, the excess will revert to the Company. The balance of the reserve account is the Company's maximum exposure to the loans sold.

The Company has recorded a retained reserve interest asset of \$53,431 as at December 31, 2025 (December 31, 2024 - \$46,284) representing the estimated fair value of the amount that the Company ultimately expects to recover from the reserve account. The fair value of the retained reserve interest is estimated using a discounted cash flow methodology and is based on the Company's expectations with respect to potential loan loss, prepayment rates and discount rates. The following table presents the estimated impact of a change in each of these key assumptions on the fair value of the retained reserve interest asset as at December 31, 2025.

Assumption	December 31, 2025	
	Change	
	basis points	Amount
	#	\$
Charge-off rate	5	4,002
Prepayment rate	100	5,045
Discount rate	100	4,577

The Company also has recorded a continuing involvement liability on its consolidated statements of financial position of \$62,332 as at December 31, 2025 (December 31, 2024 - \$72,132) representing the extent of its continuing involvement in its Triad Financial Services sold loans. This liability is offset by a continuing involvement asset, which is comprised of the balance of the reserve account. The average maturity of the continuing involvement asset and liability is approximately 16 years as at December 31, 2025. The continuing involvement asset and liability cannot be netted on the consolidated statements of financial position, except for the continuing involvement asset and liability of \$178,960 as at December 31, 2025 (December 31, 2024 - \$192,378) where the Company has determined it has not retained control of the sold loans.

**Notes to consolidated financial statements**

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

December 31, 2025

**11. Borrowings**

Borrowings consist of the following as at December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
	\$	\$
Term senior credit facility	424,560	378,424
Senior unsecured debentures	105,221	150,780
Convertible senior unsecured debentures	46,209	—
Other secured borrowings	19,144	47,336
<b>Total</b>	<b>595,134</b>	<b>576,540</b>

**Term senior credit facility**

The Company is party to a \$770 million term senior credit facility, amended effective October 22, 2024, which is syndicated to a group of six Canadian, U.S. and international banks with a maturity date of October 22, 2027. The facility bears interest at the prime rate plus 1.0% or one-month Canadian Overnight Repo Rate Average ("CORRA") plus 2.0% plus a CORRA adjustment of 0.3% per annum on outstanding Canadian dollar-denominated balances and U.S. base rate plus 1.0% per annum or one-month Secured Overnight Financing Rate ("SOFR") plus 2.0% plus a Term SOFR adjustment of 0.10% per annum on outstanding U.S. dollar-denominated balances. The term senior credit facility is secured by a general security agreement in favour of the lenders consisting of a first priority interest on all property.

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

	December 31, 2025		December 31, 2024	
	Balance outstanding	Weighted average interest rate <sup>[1]</sup>	Balance outstanding	Weighted average interest rate <sup>[1]</sup>
	\$	%	\$	%
Term senior credit facility	430,000	5.83	386,571	6.51
Deferred financing costs	(5,440)		(8,147)	
<b>Total term senior credit facility borrowings</b>	<b>424,560</b>		<b>378,424</b>	

[1] Represents the weighted average stated interest rate of outstanding debt at year end, excludes amortization of deferred financing costs, premiums or discounts and stand-by fees.

As at December 31, 2025, the unutilized balance of the facility is \$340,000 (December 31, 2024 - \$383,429).

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### Senior unsecured debentures

As at December 31, 2025, the Company has listed senior unsecured debentures with an aggregate principal of C\$146.25 million (the "Debentures"), consisting of:

- C\$86.25 million of debentures due December 31, 2026, which bear interest at a rate of 6.0% per annum; and
- C\$60.0 million due December 31, 2027, which bear interest at a rate of 6.25% per annum.

The Company has the option to satisfy its obligations to repay the principal and accrued interest of each of the debentures, at redemption or maturity, by issuing and delivering common shares of the Company in accordance with the terms of the respective indentures.

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

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

	December 31, 2025	December 31, 2024
	\$	\$
6.00% senior unsecured debentures due 2025	—	52,140
6.00% senior unsecured debentures due 2026	62,842	59,961
6.25% senior unsecured debentures due 2027	43,716	41,712
	<b>106,558</b>	153,813
Deferred financing costs	(1,337)	(3,033)
<b>Total senior unsecured debentures</b>	<b>105,221</b>	150,780

#### Convertible senior unsecured debentures

On March 19, 2025, the Company issued C\$75.0 million (\$52.4 million) aggregate principal amount of listed convertible senior unsecured debentures due April 30, 2030 (the "Convertible Debentures") at a price of C\$1,000 per debenture. The Convertible Debentures bear interest at a rate of 6.50% per annum, payable semi-annually in arrears on April 30 and October 31 of each year, commencing October 31, 2025. The Company also granted the syndicate of underwriters, on the same terms and conditions, an option to purchase up to an additional C\$11.25 million aggregate principal amount of Convertible Debentures for a period of 30 days following the issue date, which was exercised in part for C\$8 million (\$5.6 million) on April 1, 2025, bringing the total proceeds to C\$83.0 million (\$58.0 million).

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

The Convertible Debentures are convertible at the option of the holder into common shares of the Company at an initial conversion price of C\$3.77 per common share, being a conversion ratio of approximately 265.2520 common shares for each C\$1,000 principal amount of debentures, subject to adjustment in certain circumstances. The Company has the option to satisfy its obligations to repay the principal and accrued interest of the Convertible Debentures at redemption or maturity by issuing and delivering that number of common shares in the capital of the Company in accordance with the terms of the indenture.

The Convertible Debentures are comprised of a debt host liability and a conversion option relating to an embedded derivative liability. The conversion option associated with the Convertible Debentures was determined to be an embedded derivative as the value of the conversion option changes in response to foreign exchange movements. The embedded derivative liability is a financial liability measured at its estimated fair value with changes in value being recorded in the consolidated statements of income. See Note 18, *Derivative Financial Instruments*, for further details. The embedded derivative was recognized as a discount to the debt host liability upon issuance. The discount is accreted through the effective interest method over the term of the debt host liability. Total accretion recognized for the year ended December 31, 2025 was \$1,982.

The following table summarizes the changes in the balance of the Company's Convertible Debentures for the year ended December 31, 2025:

	<u>December 31, 2025</u>
	<u>\$</u>
<b>Balance, beginning of year</b>	—
Principal value at issuance	57,944
Fair value of embedded derivative at issuance	(11,770)
Fair value gain on issuance	(858)
Accretion of discount and foreign exchange	3,465
<b>Balance, end of year</b>	<b>48,781</b>
Deferred financing costs	(2,572)
<b>Total convertible senior unsecured debentures</b>	<b>46,209</b>

#### Other secured borrowings

Other secured borrowings of \$19,144 as at December 31, 2025 consist of revolving credit facilities at Triad Financial Services and Source One used to purchase participating interests in manufactured housing commercial loans and RV and marine retail loans, and to fund the warehousing of RV and marine retail loans. These facilities are secured by either pledged loans or the Company's participating interest in securitized loans.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

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

	December 31, 2025		December 31, 2024	
	Balance outstanding	Weighted average interest rate <sup>[1]</sup>	Balance outstanding	Weighted average interest rate <sup>[1]</sup>
	\$	%	\$	%
Source One facility due December 2026 <sup>[2]</sup>	—	5.2	16,005	5.8
Source One facility due March 2027 <sup>[3]</sup>	11,739	5.7	—	N/A
Triad Financial Services facility due July 2028 <sup>[4]</sup>	8,173	5.6	32,378	6.5
Deferred financing costs	(768)		(1,047)	
<b>Total other secured borrowings</b>	<b>19,144</b>		<b>47,336</b>	

[1] Represents the weighted average stated interest rate of outstanding debt at year end, excludes amortization of deferred financing costs, premiums or discounts and stand-by fees.

[2] Facility bears interest at the SOFR plus 1.50%. The Company fully repaid the balance outstanding on this facility in October 2025.

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

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

As at December 31, 2025, the unutilized balances of the Company's other revolving facilities are \$209,588 (December 31, 2024 - \$180,164).

The Company is in compliance with all financial and reporting covenants with all of its lenders as at December 31, 2025.

## 12. Share Capital

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

### Common shares

The following table summarizes the Company's outstanding common shares:

	Common shares	
	Shares	Amount
	#	\$
<b>Balance, December 31, 2023</b>	279,946,742	656,908
Exercise of options and share units	1,195,903	1,613
<b>Balance, December 31, 2024</b>	<b>281,142,645</b>	<b>658,521</b>
<b>Balance, December 31, 2024</b>	281,142,645	658,521
Exercise of options and share units	<b>590,805</b>	<b>516</b>
<b>Balance, December 31, 2025</b>	<b>281,733,450</b>	<b>659,037</b>

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### Common share dividends

The Company's common share dividends are designated to be eligible dividends for income tax purposes.

The following table summarizes the Company's common share dividends:

	Year ended	
	December 31, 2025	December 31, 2024
Common share dividends	\$ 8,112	\$ 8,144
Dividend per share in C\$	0.04	0.04

#### Preferred shares

The following table summarizes the Company's outstanding preferred share capital:

	Series C Preferred Shares		Series E Preferred Shares	
	Shares #	Amount \$	Shares #	Amount \$
Balance, December 31, 2024	3,712,400	67,052	27,450,000	56,960
Balance, December 31, 2025	3,712,400	67,052	27,450,000	56,960

On September 26, 2023, the Company issued 27,450,000 Series E Preferred Shares on a private placement basis in connection with the strategic partnership entered into with Champion Homes. See Note 16, *Related Party Transactions*, for further details.

The Series E Preferred Shares are initially convertible on a one-for-one basis into an aggregate of 27,450,000 common shares based on an initial liquidation preference and conversion price equal to the share issue price, which are subject to customary anti-dilution adjustments. The Series E Preferred Shares are convertible at any time at the option of Champion Homes, are redeemable at the option of the Company in connection with a change of control of the Company and will automatically convert into common shares on the fifth anniversary of closing of the private placement, in each case subject to a conversion cap in the event that, as a result of any conversion, Champion Homes would hold in excess of 19.9% of outstanding common shares.

The holder of the Series E Preferred Shares is entitled to receive cumulative cash dividends at a rate of 4.0% per annum on the liquidation preference, payable semi-annually, vote on an as-converted basis for all matters on which holders of common shares vote and will vote together as a single class with the common shares. The Series E Preferred Shares will not be transferable other than to affiliates of Champion Homes or with the prior approval of the Board of the Company.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

The Company's outstanding Series C Preferred Shares are redeemable by the Company in whole or in part at their par value of C\$25.00 per share on June 30, 2027 and on June 30 of every fifth year thereafter. Holders of Series C Preferred Shares are entitled to receive a fixed annual cash dividend at a rate of 7.937%.

#### Preferred share dividends

The Company's preferred share dividends are designated to be eligible dividends for income tax purposes. The following table summarizes the Company's preferred share dividends:

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Series C preferred dividends	<b>5,306</b>	5,337
Dividend per share in C\$	<b>1.98425</b>	1.98425
Series E preferred dividends	<b>2,444</b>	2,376
Dividend per share in C\$	<b>0.1216</b>	0.1216

#### Normal Course Issuer Bids

On September 19, 2024, the TSX approved the renewal of the Company's Normal Course Issuer Bid (the "Common Share Bid") for common shares of the Company and the Company's Normal Course Issuer Bid (the "Preferred Share Bid" and, together with the Common Share Bid, the "NCIBs") for the Company's Series C Preferred Shares for commencement on September 23, 2024. Pursuant to the NCIBs, the Company may repurchase up to 15,472,849 common shares and 371,240 Series C Preferred Shares, representing approximately 10% of the public float of each of the common shares and Series C Preferred Shares, respectively. The NCIBs ended on September 22, 2025.

During the years ended December 31, 2025 and December 31, 2024, the Company did not purchase any of its common shares or Series C Preferred Shares pursuant to the NCIBs.

**Notes to consolidated financial statements**

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

December 31, 2025

**13. Share-Based Compensation**

Changes in the share-based compensation expense for the years ended December 31, 2025 and December 31, 2024 were as follows:

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Performance share units and restricted share units	7,325	7,167
Deferred share units	2,201	1,958
Stock options	1,420	4,158
Foreign exchange loss <sup>[1]</sup>	1,819	—
<b>Share-based compensation</b>	<b>12,765</b>	<b>13,283</b>

[1] For the year ended December 31, 2024, foreign exchange gains related to share-based compensation of \$3,189 were recorded in Other Revenue.

**(a) Deferred Share Units, Performance Share Units and Restricted Share Units**

The Company adopted a DSU plan that allows the Board to grant DSUs to designated executives and directors. The Board will determine whether the DSU award will be settled in cash, Company common shares, or a combination of both. Under the terms of the DSU plan, the number of DSUs received will be calculated by dividing the portion of the eligible compensation by the volume weighted average price of the Company's common shares on the TSX for the 10 preceding days on which they were traded before the grant date. If and when the Company pays cash dividends to common shareholders, participants will be granted additional DSUs equivalent to the dividends that would have been paid had the DSUs been common shares.

The Company also has a Share Unit Plan that allows the Board to grant both PSUs and RSUs to employees and directors. The Company's PSUs and RSUs will vest no later than five years from the grant date, and PSUs will be subject to performance conditions. The PSU performance multiplier may range from 0% to 200% depending on actual performance. On the vesting date, the Board has the discretion to settle PSUs and RSUs either through cash payment, issuance of Company common shares, or some combination of cash and common shares. If and when the Company pays cash dividends to common shareholders, participants will be granted additional PSUs and RSUs equivalent to the dividends that would have been paid had the share units been common shares.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

Changes in the number of PSUs, DSUs and RSUs for the years ended December 31, 2025 and December 31, 2024 were as follows:

	Performance Share Units	Restricted Share Units	Deferred Share Units	Total
	#	#	#	#
<b>Outstanding, December 31, 2023</b>	10,476,764	899,124	5,271,946	16,647,834
Granted	6,026,151	215,265	844,942	7,086,358
Redeemed	(2,085,037)	(857,860)	—	(2,942,897)
Reinvested	274,645	8,805	134,667	418,117
Forfeited	(2,010,760)	(29,669)	—	(2,040,429)
<b>Outstanding, December 31, 2024</b>	12,681,763	235,665	6,251,555	19,168,983
Granted	<b>5,044,957</b>	<b>26,555</b>	<b>528,045</b>	<b>5,599,557</b>
Redeemed	<b>(1,599,728)</b>	<b>(265,020)</b>	—	<b>(1,864,748)</b>
Reinvested dividend units	<b>176,004</b>	<b>2,879</b>	<b>95,185</b>	<b>274,068</b>
Forfeited	<b>(4,295,387)</b>	<b>(79)</b>	—	<b>(4,295,466)</b>
<b>Outstanding, December 31, 2025</b>	<b>12,007,609</b>	<b>—</b>	<b>6,874,785</b>	<b>18,882,394</b>

#### (b) Stock options

The Company has a stock option plan to allow participants to purchase Company shares at a specified exercise price within a specified period of no later than five years from the vesting date. The exercise price will be established by the Company's Board at the time of the grant but shall be no less than the closing price of the Company's common shares on the last trading day before the grant date. The maximum number of Company options granted will not exceed 8% of the issued and outstanding Company common shares.

During the year ended December 31, 2025, the Company did not grant any stock options. Changes in the number of stock options for the years ended December 31, 2025 and December 31, 2024 were as follows:

	Number of options	Weighted average exercise price	Weighted average exercise price
	#	\$	C\$
<b>Outstanding, December 31, 2023</b>	9,198,155	2.67	3.47
Granted	10,675,517	1.45	2.08
Forfeited	(807,291)	3.35	4.82
Exercised	(166,669)	1.66	2.38
<b>Outstanding, December 31, 2024</b>	18,899,712	1.83	2.64
Forfeited	<b>(1,656,709)</b>	<b>2.50</b>	<b>3.43</b>
Exercised	<b>(1,516,408)</b>	<b>1.64</b>	<b>2.25</b>
<b>Outstanding, December 31, 2025</b>	<b>15,726,595</b>	<b>1.89</b>	<b>2.59</b>

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

As at December 31, 2025, the following stock options were outstanding:

Range of exercise prices	Weighted average remaining life	Vested	Unvested	Total
	(in years)	#	#	#
C\$2.00 to C\$3.00	5.26	7,956,125	6,257,273	14,213,398
C\$3.01 and over	4.21	1,513,197	—	1,513,197
	5.16	9,469,322	6,257,273	15,726,595

#### Defined contribution retirement plan expense

The Company operates a defined contribution retirement plan for qualifying employees. During the years ended December 31, 2025 and December 31, 2024, the Company recognized expenses of \$1,499 and \$1,389, respectively, related to its specified contributions to the defined contribution retirement plan.

## 14. Other Revenue and Other Expenses

Other revenue consists of the following for the years ended December 31, 2025 and December 31, 2024:

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Income on investments, net	8,649	3,053
Unrealized gain on interest rate swap	—	2,840
Fair value adjustment to convertible debt and convertible debt derivative liability <sup>[1]</sup>	10,224	—
Foreign exchange and other (loss) revenue <sup>[2]</sup>	(179)	2,731
<b>Total other revenue</b>	<b>18,694</b>	<b>8,624</b>

[1] Includes the fair value gain on issuance of \$858 and fair value adjustment to the convertible debt derivative liability of \$9,366 (see Notes 11 and 18).

[2] For the year ended December 31, 2024, foreign exchange gains related to the share-based compensation of \$3,189 were recorded in Other Revenue.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

Other expenses consist of the following for the years ended December 31, 2025 and December 31, 2024:

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Amortization of intangible assets	7,731	7,790
Accretion of convertible debenture discount	1,982	—
Deferred purchase consideration	(411)	273
Restructuring costs	6,732	—
Transaction, corporate development and other costs	15,890	7,184
<b>Total other expenses</b>	<b>31,924</b>	<b>15,247</b>

Restructuring costs of \$6,732 for the year ended December 31, 2025 relate to the Company's previously announced corporate simplification plan.

Transaction costs, corporate development and other costs of \$15,890 for the year ended December 31, 2025, primarily reflect costs related to financial advisory and legal fees incurred in connection with the Arrangement. Transaction, corporate development and other costs of \$7,184 for the year ended December 31, 2024 primarily reflect costs related to the acquisition of FAS, other business development initiatives and the Company's review of strategic alternatives.

## 15. Income Taxes

The major components of income tax expense for the years ended December 31, 2025 and December 31, 2024 were as follows:

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
<b>Consolidated statements of income</b>		
Current income tax expense	2,719	13,675
Deferred income tax expense (recovery)	16,959	(5,229)
<b>Income tax expense reported in the consolidated statements of income</b>	<b>19,678</b>	<b>8,446</b>
<b>Income tax expense (recovery) reported in the consolidated statements of changes in total equity</b>	<b>161</b>	<b>(33)</b>

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

The following table provides a reconciliation of the Company's effective tax rate for the years ended December 31, 2025 and December 31, 2024:

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Income before income taxes	39,743	16,077
Combined statutory Canadian federal and provincial tax rate	26.50 %	26.50 %
Income tax based on statutory rate	10,532	4,260
Income tax adjusted for the effect of:		
Non-deductible, non-taxable items and other	471	9,631
Unrecognized deferred tax assets (valuation allowance)	8,143	(5,863)
Impact of foreign rate differential and changes to legislation	532	418
<b>Total income tax expense</b>	<b>19,678</b>	<b>8,446</b>

#### (a) Deferred taxes

The Company has recognized deferred tax liabilities in excess of deferred tax assets:

	December 31, 2025	December 31, 2024
	\$	\$
<b>Deferred tax assets</b>		
Tax loss carry forwards	80,223	88,066
Share-based compensation	4,153	5,476
Finance receivables, accrued liabilities and others	18,985	8,436
	103,361	101,978
Unrecognized assets (valuation allowance) <sup>[1]</sup>	(83,861)	(75,718)
Total deferred tax assets	19,500	26,260
<b>Deferred tax liabilities</b>		
Intangible assets	(21,932)	(11,572)
Total deferred tax liabilities	(21,932)	(11,572)
<b>Net deferred tax asset (liability) position</b>	<b>(2,432)</b>	<b>14,688</b>

[1] Represents the value attributable to the Canadian deferred tax assets that have been derecognized for accounting purposes.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### (b) Reconciliation of net deferred tax (liability) asset

The following table provides a reconciliation of net deferred tax (liability) assets for the years ended December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
	\$	\$
<b>Balance, beginning of year</b>	<b>14,688</b>	9,413
Tax (expense) benefit recognized in profit or loss	<b>(16,959)</b>	5,242
Tax (expense) benefit recognized in other comprehensive income	<b>(161)</b>	33
<b>Balance, end of year</b>	<b>(2,432)</b>	14,688

There are \$235,753 in unused tax losses or temporary differences that have not been recognized as at December 31, 2025 primarily related to the Company's legacy Canadian businesses (December 31, 2024 - \$232,629).

As at December 31, 2025, a recognized gross deferred tax asset of \$73,852 (net \$19,500) has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The amount of the deferred tax asset considered realizable, however, could be adjusted if the estimates of future taxable income in the Company's Canadian entities during the carryforward period are reduced or increased or if the objective negative evidence in the form of cumulative losses is no longer present.

## 16. Related Party Transactions

### Strategic partnership and investor rights agreement with Champion Homes

On September 26, 2023, the Company completed a transaction pursuant to which Champion Canada Holdings, Inc., a wholly owned subsidiary of Champion Homes has made an approximately \$138 million (C\$185 million) equity investment in ECN Capital on a private placement basis (the "Private Placement") in exchange for 33,550,000 common shares and 27,450,000 Series E Preferred Shares. Following closing, Champion Homes owned an approximately 19.9% indirect equity interest in ECN Capital (assuming the conversion of all Series E Preferred Shares).

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

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### Notes receivable

Notes receivable of \$24,933 as at December 31, 2025 (December 31, 2024 - \$21,711) represent loans to certain employees and officers of the Company primarily granted in order to finance the purchase of the Company's shares. Interest is accrued on the loans based on applicable U.S. interest rates, and the principal is payable on demand in the event of non-payment of interest. The notes receivable are secured by ECN Capital shares purchased with full recourse to the employee/officer.

The changes in notes receivable for the years ended December 31, 2025 and December 31, 2024 were as follows:

	December 31, 2025	December 31, 2024
	\$	\$
<b>Notes receivable, beginning of year</b>	<b>21,711</b>	24,631
Additions <sup>[1]</sup>	<b>2,500</b>	1,375
Interest income	<b>364</b>	328
Repayments (interest and principal)	<b>(218)</b>	(3,491)
Foreign exchange	<b>576</b>	(1,132)
<b>Notes receivable, end of year</b>	<b>24,933</b>	21,711

[1] Addition of \$2,500 for the year ended December 31, 2025 reflects a loan granted as relocation assistance to an executive.

#### Compensation of directors and key management

The remuneration of directors and key management personnel of the Company was as follows for the years ended December 31, 2025 and December 31, 2024:

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Salaries, bonuses and benefits	<b>6,575</b>	5,243
Share-based compensation	<b>6,300</b>	4,300
	<b>12,875</b>	9,543

#### Other related party transactions

The Company is party to a five-year lease agreement, expiring September 30, 2027, with a member of management of a subsidiary company to lease office space for use in the normal course of business. Payments under the lease agreement were approximately \$0.4 million and \$0.3 million for the years ended December 31, 2025 and December 31, 2024, respectively.

As at December 31, 2025, an officer of the Company held a portfolio of \$1,279 of loans from the Company through a participation interest in a flow agreement on the same market terms as a third-party investor.

## Notes to consolidated financial statements

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

December 31, 2025

### 17. Earnings per Share

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
<b>Basic:</b>		
Net income attributable to common shareholders	20,646	7,625
Cumulative dividends on preferred shares	7,750	7,713
<b>Net income (loss) attributable to common shareholders for basic earnings</b>	<b>12,896</b>	<b>(88)</b>
Weighted average number of common shares outstanding - basic <sup>[1]</sup>	281,449,391	280,804,946
<b>Basic earnings per share</b>	<b>\$ 0.05</b>	<b>\$ —</b>
<b>Diluted:</b>		
Net income (loss) attributable to common shareholders for diluted earnings	12,896	(88)
Weighted average number of common shares outstanding - diluted <sup>[1][2][3]</sup>	284,553,694	280,804,946
<b>Diluted earnings per share</b>	<b>\$ 0.05</b>	<b>\$ —</b>

[1] Convertible preferred shares were excluded from the calculation of earnings per share because the conversion conditions had not been satisfied as at December 31, 2025.

[2] Potentially dilutive Convertible Debenture common shares of 17,235,565 were excluded from the computation of diluted earnings per share as their effect would have been anti-dilutive for the year ended December 31, 2025.

[3] Dilutive stock options of 3,104,303 were included in the computation of diluted earnings per share for the year ended December 31, 2025. Additionally, potentially dilutive stock options of 1,171,059 were excluded from the computation of diluted loss per share for the year ended December 31, 2024 because their effect would have been anti-dilutive.

### 18. Derivative Financial Instruments

In the normal course of business, and consistent with its risk management program, the Company enters into interest rate derivatives to manage interest rate risk, foreign exchange forward agreements to manage foreign currency exposure and total return swaps to manage the variability in cash flows associated with forecasted future obligations on vesting of DSUs, RSUs and PSUs attributable to changes in the Company's stock price.

The Company also has outstanding Convertible Debentures, which are hybrid financial instruments consisting of a debt host liability and a conversion option which is an embedded derivative. See Note 11, *Borrowings*, for further details.

#### Cash flow hedges

The Company's interest rate derivative agreements, foreign exchange forward agreements and total return swaps are designated in hedging relationships and, as such, the gains or losses of the hedging derivative are offset by the gains or losses of the hedged item. There is an economic relationship between the hedged items and the hedging instruments as the terms of the contracts match the terms of the forecasted transactions.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

The following table presents the fair value changes related to the cash flow hedges included in the Company's results for the years ended December 31, 2025 and December 31, 2024:

	Year ended	
	December 31, 2025	December 31, 2024
	\$	\$
Fair value (loss) income recorded in loan originations revenue	(5,225)	2,107
Fair value (loss) income recorded in other comprehensive (loss) income	(772)	2,581

In addition to the designated hedging instruments disclosed above, the Company enters into derivative contracts that serve as economic hedges but are not designated in a qualifying hedge accounting relationship. Consequently, changes in the fair value of these instruments are recognized directly in the consolidated statements of income in the period in which they arise. During the years ended December 31, 2025 and December 31, 2024, the fair value (loss) gain of these non-designated economic hedging instruments was \$(1,145) and \$3,809, respectively.

#### Convertible Debentures Derivative Liability

The conversion option of the Company's Convertible Debentures is a derivative liability measured at fair value through profit or loss. Changes in respect of the fair value of the Convertible Debentures derivative liability for the year ended December 31, 2025 was as follows:

	December 31, 2025
	\$
<b>Balance, beginning of year</b>	—
Issuances	11,770
Change in fair value included in earnings <sup>[1]</sup>	(9,366)
Foreign currency	417
<b>Balance, end of year</b>	<b>2,821</b>

[1] For the year ended December 31, 2025, the change in fair value included in earnings primarily relates to the valuation of the cash change-of-control provision pursuant to the Arrangement (see Note 1).

**Notes to consolidated financial statements**

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

December 31, 2025

**Notional amounts and fair values of derivative instruments**

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

	December 31, 2025		December 31, 2024	
	Notional principal	Fair value <sup>[1]</sup>	Notional principal	Fair value
	\$	\$	\$	\$
Derivative assets				
Interest rate contracts	395,747	470	297,900	2,432
Foreign exchange agreements	—	—	78,637	11
	<b>395,747</b>	<b>470</b>	<b>376,537</b>	<b>2,443</b>
Derivative liabilities				
Interest rate contracts	55,500	287	25,000	21
Foreign exchange agreements	170,674	677	81,489	57
Total return swaps	45,473	12,811	46,879	11,840
	<b>271,647</b>	<b>13,775</b>	<b>153,368</b>	<b>11,918</b>

[1] The table above excludes the convertible debentures derivative liability of \$2,842.

**Maturity and rate**

The Company's foreign exchange forward agreements are reset on a continuous basis to manage changes in foreign currency exposure. The Company's total return swaps have a maturity of approximately one year with the option to terminate prior to maturity or to extend to manage changes in its exposure related to the underlying units. The Company's interest rate derivative instruments have varying maturity dates ranging from September 26, 2025 to December 23, 2026 with the option to terminate prior to maturity.

The following table provides the average rate of the Company's derivatives.

Derivative instrument	December 31, 2025		December 31, 2024	
		Average rate		Average rate
Foreign exchange forwards	CAD-USD	\$1.37	CAD-USD	\$1.44
Interest rate contracts	USD	3.96%	USD	4.27%
Total return swaps	CAD	\$4.19	CAD	\$4.20

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

## 19. Capital Disclosures

The Company's objectives when managing capital are to ensure sufficient liquidity to support its financial objectives and strategic plans, to ensure its financial covenants are met and to maximize shareholder value.

The Company's capitalization is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Borrowings on term senior credit facility and other	443,704	425,760
Accounts payable and accrued liabilities	69,594	50,610
Lease and other liabilities <sup>[1]</sup>	11,787	15,053
	<b>525,085</b>	491,423
Senior unsecured debentures <sup>[2]</sup>	105,221	150,780
Convertible senior unsecured debentures	46,209	—
Total equity	216,251	210,902
	<b>892,766</b>	853,105

[1] Other liabilities primarily include a \$92 (December 31, 2024 - \$691) deferred purchase consideration liability related to the acquisition of Paramount and FAS, and a \$11.7 million (December 31, 2024 - \$14.4 million) lease liability.

[2] In accordance with the terms of the indentures, the Company has the option to satisfy its obligations to repay the principal and interest of its Senior Unsecured Debentures and Convertible Debentures by issuing common shares in the capital of the Company.

## 20. Financial Instruments

### (a) Financial instruments risk

#### *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 with 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 with 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, 2025 and December 31, 2024 is the carrying amounts as disclosed on the consolidated statements of financial position.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### *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 by the Company's Partners. The Company mitigates this risk by maintaining a diversified group of Partners, including banks, credit unions, life insurance companies, pension funds and investment funds, as well as maintaining excess funding capacity for the following 12 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, Triad Financial Services securitization debt and Source One securitization debt after consideration of floating rate finance receivables. Based on its exposure as at December 31, 2025, considering the effect of hedging instruments, the Company estimates that a hypothetical 100 basis point increase in interest rates would decrease net income before taxes by approximately \$0.1 million.

The Company also experiences 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 when the Company can sell the finance contracts through to third-party financial institutions. Based on its exposure as at December 31, 2025, considering the effect of hedging instruments, the Company estimates that a hypothetical 50 basis point increase in interest rates may result in a decrease of approximately \$0.8 million in the carrying value of its unhedged 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, 2025, the Company did not have a significant unhedged exposure to this type of foreign currency risk.

**Notes to consolidated financial statements**

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

December 31, 2025

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.

**(b) Valuation of financial instruments**

*Finance receivables*

The carrying value of finance receivables approximates fair value. The assertion that the carrying value of the finance receivables approximates fair value requires the use of estimates and significant judgment. Finance receivables are classified as Level 3 financial instruments. The finance receivables were credit-score based on an internal model, which is not used in market transactions. The fair value of any receivable would be affected by a potential buyer's assessment of the transaction's credit quality, payment history, yield, term, documents and other legal matters and other subjective considerations. The value received in a fair market sale transaction would be based on the terms of the sale, the buyer's views of the economic and industry conditions, the Company's and the buyer's tax considerations and other factors.

*Notes receivable*

The carrying value of the notes receivable approximates their fair value, as the interest rates on these assets are commensurate with market interest rates for this type of asset with similar duration and credit risk. Notes receivable are classified as Level 2 financial instruments, whereby fair value is determined using valuation techniques and observable inputs.

**21. Fair Value Measurements**

IFRS 13, *Fair Value Measurement*, requires disclosure of a three-level hierarchy for fair value measurement based upon transparency of inputs used in the valuation of an asset or liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in an active market for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs other than quoted prices that are observable for the asset or liability. Level 3 inputs are not based on observable market data.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### a) Assets and liabilities measured at fair value on a recurring basis

The following tables present the level within the fair value hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	16,730	—	—	16,730
Restricted funds	5,687	—	—	5,687
Held-for-trading financial assets	—	—	221,286	221,286
Investments in securities	—	2,768	—	2,768
Retained reserve interest	—	—	53,431	53,431
Derivative financial instruments, net	—	(16,147)	—	(16,147)
<b>Total</b>	<b>22,417</b>	<b>(13,379)</b>	<b>274,717</b>	<b>283,755</b>

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	15,465	—	—	15,465
Restricted funds	1,527	—	—	1,527
Held-for-trading financial assets	—	—	217,235	217,235
Investments in securities	—	4,420	—	4,420
Retained reserve interest	—	—	46,284	46,284
Derivative financial instruments, net	—	(9,475)	—	(9,475)
<b>Total</b>	<b>16,992</b>	<b>(5,055)</b>	<b>263,519</b>	<b>275,456</b>

Transfers between levels of the fair value hierarchy are recognized at the date of the event that caused the transfer. There were no transfers between levels of the fair value hierarchy for the year presented.

#### *Retained reserve interest*

The fair value of the retained reserve interest asset represents the present value of the amount the Company expects to recover from the amounts placed on deposit in a reserve account with respect to loans sold by Triad Financial Services. The fair value of the retained reserve interest asset represents the present value of the contractual cash flows the Company expects to receive from borrowers at Source One Financial Services. The Company estimates the fair values using a discounted cash flow approach using assumptions for loan loss and prepayment rates and discount rates, which are all Level 3 inputs. A significant increase or decrease in loan loss assumptions, prepayment rates, or discount rates would result in a lower or higher, respectively, fair value measurement of the retained reserve interest asset.

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

#### *Held-for-trading financial assets*

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

The assertion that the carrying value of held-for-trading financial assets approximates fair value requires the use of estimates and significant judgment. The underlying assets are credit-scored and/or valued based on internal models that are not necessarily used in market transactions. The fair value of any of these balances would be affected by a potential buyer's assessment of the transaction's credit quality, payment history, yield, term, documents and other legal matters and other subjective considerations. The value received in a fair market sale transaction would be based on the terms of the sale, the buyer's views of the economic and industry conditions, the Company's and the buyer's tax considerations and other factors.

The fair value of finance receivables classified as assets held-for-trading is determined based on bids received on these loans in a private market. A significant increase or decrease in market interest rates and/or yields on comparable finance assets would result in a lower or higher, respectively, fair value measurement of held-for-trading financial assets.

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

The changes in the Company's Level 3 assets measured at fair value on a recurring basis for the years ended December 31, 2025 and December 31, 2024 were as follows:

	<b>Held-for-trading financial assets</b>	<b>Retained reserve interest</b>
	\$	\$
<b>Balance, December 31, 2023</b>	440,398	38,000
Issues	1,062,629	12,318
Sales	(1,267,006)	—
Settlements	(22,074)	(9,684)
Change in fair value included in earnings	3,288	5,650
<b>Balance, December 31, 2024</b>	<b>217,235</b>	<b>46,284</b>
<b>Balance, December 31, 2024</b>	217,235	46,284
Issues	<b>1,798,895</b>	<b>10,466</b>
Sales	<b>(1,786,032)</b>	—
Settlements	<b>(12,725)</b>	<b>(10,057)</b>
Change in fair value included in earnings	<b>3,913</b>	<b>6,738</b>
<b>Balance, December 31, 2025</b>	<b>221,286</b>	<b>53,431</b>

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

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

##### *Retained servicing rights*

The fair value of the Company's retained servicing rights intangible asset represents the present value of the amount the Company expects to earn from servicing loans it has originated and sold to Partners with servicing rights retained. The Company estimates the fair value of its retained servicing rights using a discounted cash flow approach using assumptions for loan loss charge-off rates, prepayment rates, discount rates and annual market cost to service per loan, which are all Level 3 inputs. The following table presents the range of each of these key assumptions used in the fair value calculation of the Company's retained servicing rights during the year ended December 31, 2025.

<b>Assumption</b>	<b>Unit</b>	<b>2025</b>
Charge-off rate	%	0.55 - 7.95
Prepayment rate	%	3.50 - 7.50
Discount rate	%	10.00
Market cost to service	\$	150 - 200

## 22. Subsidiaries

### List of significant subsidiaries

The table below provides details of the significant subsidiaries of the Company, all of which are wholly owned:

	<b>Principal place of business</b>
Triad Financial Services, Inc.	U.S.
Intercoastal Financial Group, LLC	U.S.
Source One Financial Services, LLC	U.S.
ECN (US) Holdings Corp.	U.S.
ECN Platinum LLC	U.S.

### Subsidiaries with restrictions

The Company has no significant restrictions on its ability to access or use its assets and settle its liabilities within the subsidiaries.

**Notes to consolidated financial statements**

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

December 31, 2025

**23. Segmented Information**

**Operating segments**

ECN Capital's operating results of continuing operations are categorized into two core operating segments and a Corporate segment. The Company's core operating segments consist of: (i) Manufactured Housing Finance; and (ii) RV and Marine Finance. The Company's Chief Operating Decision Maker, the CEO, reviews the operating results, assesses performance and makes capital allocation decisions at the business segment level. Therefore, each of the Company's business segments is an operating and reporting segment for financial reporting purposes.

The financial reporting of ECN Capital's two core business segments is consistent with the manner in which management currently evaluates the operating segment performance.

During the year ended December 31, 2025, the Company has allocated all corporate revenues and expenses, with the exception of revenue and expenses related to the senior unsecured debentures and corporate transaction costs, to the Manufactured Housing Finance and RV and Marine Finance segments. These allocations align with the Company's previously announced corporate simplification. See Note 14, *Other Revenue and Other Expenses*, for further details.

The consolidated statements of income by segment for the years ended December 31, 2025 and December 31, 2024 are presented in the following tables:

	Year ended December 31, 2025			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	\$	\$	\$	\$
<b>Revenues</b>				
Loan originations revenue	113,322	28,102	—	141,424
Servicing revenue	56,076	15,724	—	71,800
Interest income	30,838	11,036	—	41,874
Other revenue	8,046	424	10,224	18,694
Total revenue	<u>208,282</u>	<u>55,286</u>	<u>10,224</u>	<u>273,792</u>
<b>Operating expenses and other</b>				
Compensation and benefits	62,369	20,761	—	83,130
General and administrative expenses	33,775	12,913	—	46,688
Interest expense	25,182	8,434	13,653	47,269
Depreciation and amortization	8,907	3,366	—	12,273
Share-based compensation	9,367	3,398	—	12,765
Other expenses	7,210	6,842	17,872	31,924
	<u>146,810</u>	<u>55,714</u>	<u>31,525</u>	<u>234,049</u>
<b>Income (loss) before income taxes</b>	<u>61,472</u>	<u>(428)</u>	<u>(21,301)</u>	<u>39,743</u>

## ECN Capital Corp.

### Notes to consolidated financial statements

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

December 31, 2025

	Year ended December 31, 2024			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	\$	\$	\$	\$
<b>Revenues</b>				
Loan originations revenue	90,416	21,645	—	112,061
Servicing revenue	48,026	5,096	—	53,122
Interest income	46,025	8,203	1,207	55,435
Other revenue	7,562	313	749	8,624
Total revenue	192,029	35,257	1,956	229,242
<b>Operating expenses and other</b>				
Compensation and benefits	54,832	14,425	3,772	73,029
General and administrative expenses	29,554	6,473	6,649	42,676
Interest expense	28,701	5,119	25,756	59,576
Depreciation and amortization	5,794	2,175	1,385	9,354
Share-based compensation	2,342	2,626	8,315	13,283
Other expenses	1,240	6,823	7,184	15,247
	122,463	37,641	53,061	213,165
<b>Income (loss) before income taxes</b>	69,566	(2,384)	(51,105)	16,077

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

	December 31, 2025			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	\$	\$	\$	\$
<b>Total assets</b>	711,046	263,101	—	974,147
<b>Total liabilities</b>	512,212	91,412	154,272	757,896

	December 31, 2024			
	Manufactured Housing Finance	RV and Marine Finance	Corporate	Total
	\$	\$	\$	\$
<b>Total assets</b>	618,191	262,651	56,313	937,155
<b>Total liabilities</b>	298,612	94,898	332,743	726,253

**Notes to consolidated financial statements**

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

December 31, 2025

**24. Subsequent Event**

**Purchase of Remaining Minority Interest in Paramount**

On January 31, 2026, the Company acquired the remaining 39% interest in Paramount from a non-controlling shareholder for cash consideration of \$1.7 million, increasing its interest from 61% to 100%.

