ECAPITAL BOND CORP.

Confidential

OFFERING MEMORANDUM

Class A Common Shares and Secured Debentures

June 28, 2024

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted and delivered in connection with this Offering for the purpose of evaluating the securities offered under this Offering Memorandum. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum and any information contained herein. No person – whether from the issuer or other party - has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. Purchasers should read the entire Offering Memorandum for full details about the Offering. <u>This is a risky investment</u>. See ITEM 8 - Risk Factors.

CONFIDENTIAL OFFERING MEMORANDUM

Date:	June 28, 2024
The Issuer:	eCapital Bond Corp.
Address:	155 University Ave., Suite 1220, Toronto, Ontario M5H 3B7
Phone / Fax:	416-240-8310 / 1-866-479-0458
Email:	SMcDonald@ecapital.com
Currently listed or quoted?	No. These securities do not trade on any exchange or market.
Reporting Issuer? / SEDAR Filer?	No. / No.

The Offering

Securities Offered	The Issuer is offering Class A Common Shares, in the capital of the Issuer, issuable in series (the "**Class A Common Shares**"), 8.00% three (3) year secured debentures (the "**8% Secured Debentures**"); five (5) year secured debentures (the "**Series 2 Debentures**"), and negotiable interest six (6) month, one (1) year, eighteen (18) month or thirty-six (36) month secured debentures (the "**Series 4 Debentures**") (collectively, the "**Debentures**", and together with the Class A Common Shares, the "**Securities**") The Securities will be offered in series (each a "**Series**") with each Series having substantially the same rights subject to timing differences related to the date of issuance. Each Series shall correspond to a Closing Date (defined below) and functional currency. **See ITEM 5.1 – Securities Offered.**
Price Per Security	Securities are issuable in multiples of $/€/£1,000 in a functional currency. **See ITEM 5.2 - Subscription Procedure.**
Maximum Offering	Means, in respect of the Debentures, the aggregate principal amount of $500,000,000 in CAD or USD, including without limitation with respect to Debentures offered in GBP and EUR converted into USD or CAD at the Spot Rate of Exchange, whichever is greater as the close of business on the Business Day next preceding each closing and up to $500,000,000 (500,000 Class A Common Shares). The Maximum Offering Amount of Debentures amount provides for an additional 7% in excess of $500,000,000 as a temporary increase to provide for timing differences between maturities of existing Debentures and issuances of new Debentures. For the purposes of determining the availability of Debentures the currency of issuance shall be converted into the relevant currency at the time of issuance and in respect of the Class A Common Shares, currencies, other than CAD, shall be converted into CAD on the date of issuance of such security.
Minimum Offering	**There is no minimum. You may be the only Subscriber.**
Minimum Subscription Amount Per Investor	$/€/£150,000 in a functional currency (150 Securities), or in such other minimum denominations as may be accepted by the Issuer from time to time.
Payment Terms	Payment of the subscription price in full, by wire, certified cheque, or bank draft to be made with the delivery of a duly executed and completed subscription agreement. **See ITEM 5.2 - Subscription Procedure.**
Interest on Debentures	Each Debenture will entitle the Debentureholder to interest payable by the Issuer at the specified percentage per annum with the interest payable with respect of the Series 4 Debentures to be set at the time of subscription. Interest with respect to the 8% Secured Debentures and the Series 4 Debentures shall be payable on a monthly basis, fifteen (15) days in arrears on the 15th of each month of each year during the term of the Debentures. Interest with respect to the Series 2 Debentures shall be payable in arrears on the 15th of each January, April, July and October of each year during the term of the Debentures. There shall be no interest payable on any accrued interest amounts.
Dividends in respect of Class A Common Shares	The Issuer expects to declare a monthly dividend on each Class A Common Share in the amount of 1% of the subscription price (12% annualized), payable on the 15th day of the calendar month following the month in which it is declared. The source of cash to pay such dividends is expected to be the annual interest to be paid to the Issuer in respect of the Secured Subordinated Loans. Such dividends can be paid only when, as and if declared by the board of directors of the Issuer in its discretion and subject to any applicable regulatory requirements. Accordingly, the monthly dividend, if declared, may be more or less than 1%.**See ITEM 5.2 – Terms of Securities.**
Proposed Closing Date(s)	Closings will take place periodically, at the Issuer's discretion (each a "**Closing Date**"). The initial Closing Date of Debentures occurred on January 15, 2015.
Income Tax Consequences	There are important tax consequences to investing in these securities. **See ITEM 6 - Income Tax Consequences**.
Selling Agents	Yes. **See ITEM 7 - Compensation Paid to Sellers and Finders.**
Resale Restrictions	You will not be able to sell these Securities except in very limited circumstances. You may never be able to resell these Securities. However, (i) all Securities are subject to certain redemption or repurchase rights of the Issuer, and (ii) the holders of Class A Common Shares have certain rights to request that eCapital Group purchase certain of their respective Class A Common Shares (in which case eCapital Group may or may not agree to such purchase), but may not require the Issuer to redeem the Class A Common Shares other than upon the occurrence of a Sale Event. **See ITEM 5 – Securities Offered and Purchase Rights**, and **ITEM 10 - Resale Restrictions.**
Purchasers' Rights	You have two (2) business days to cancel your agreement to purchase these Securities. If there is a Misrepresentation (defined herein) in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. **See ITEM 11 - Purchasers' Rights.**

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. Purchasers should read the entire Offering Memorandum for full details about the Offering. <u>This is a risky investment</u>. See ITEM 8 - Risk Factors.

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This Offering is being made pursuant to the "accredited investor" exemption from the prospectus and registration requirements of applicable securities legislation contained in s. 73.3(2) of the *Securities Act* (Ontario) and s. 2.3 of National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and other securities laws applicable in those Provinces and Territories of Canada where the Offering will be made. – **See Item 5.2(b) - Distribution.**

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and only to those persons to whom they may be lawfully offered for sale in the Offering Jurisdictions. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities in any jurisdiction.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted and delivered in connection with this Offering for the purpose of evaluating the securities offered under this Offering Memorandum. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum and any information contained herein. No person – whether from the issuer or other party - has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

NOTE REGARDING FORWARD-LOOKING STATEMENTS
This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Issuer's future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. The Issuer is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in the Issuer's expectations except as otherwise required by applicable securities legislation.

NOTE REGARDING PROPOSED RESTRUCTURING
Group intends to complete a restructuring resulting in the creation of a new wholly owned subsidiary of eCapital Group ("**New Group**") and certain Subsidiaries of eCapital Group, which will result in those Subsidiaries being migrated from Ontario to the State of Delaware in 2024 (the "**2024 Restructuring**"). Following completion of the 2024 Restructuring there will be no changes to the corporate structure of the Issuer, eCapital Holdings or eCapital Group. New Group will enter in to general security agreements similar to the eCapital Group GSA and the eCapital Group Subordinated GSA (which will contain similar restrictions as currently contained in the eCapital Group GSA and eCapital Group Subordinated GSA. The current Subsidiary Loans in place between Group and its Subsidiaries shall be restated to provide for the entities that result from the 2024 Restructuring, however the overall cash flows from the business to the Issuer will not change. The purpose of the 2024 Restructuring is to make the tax reporting obligations of the Group more efficient. There is no overall change to the operations of the Issuer or the business that will result from the 2024 Restructuring. The Issuer does not intend to notify nor seek any consent from Securities Holders to the 2024 Restructuring.

NOTE REGARDING POSSIBLE ENGAGEMENT OF SERVICE PROVIDER
The Issuer is exploring the option to engage an investment fund manager as a service provider (the "**Service Provider**") to oversee the Issuer in support of its compliance obligations. If engaged, the Issuer will enter into a service agreement, pursuant to which the Service Provider will monitor the Issuer's compliance with its various obligations. Pursuant to the agreement the Issuer will be required to pay for the expenses of the Service Provider which will be not be a material expense of the Issuer. The Issuer does not intend to notify nor seek any consent from Securities Holders to the appointment of the Service Provider nor does it intend to update the Offering if the Service Provider is appointed.

NOTE REGARDING USE OF THE ENGLISH LANGUAGE
This Offering Memorandum is provided only in the English language and by their acceptance of this Offering Memorandum recipients expressly agree to the exclusive use of the English language with respect to this Offering Memorandum and all matters related thereto to the fullest extent permissible under applicable laws.

Ce notice d'offre est fourni seulement dans la langue anglaise et en acceptant ce notice d'offre le receveur accepte expressément l'utilisation exclusive de la langue anglaise en ce qui concerne ce notice d'offre et toutes les affaires qui s'y rapportent dans toutes les mesures possibles autorisées par les lois applicables.

GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

“**8% Secured Debentures**” means the 8% three (3) year secured debentures of the Issuer having the terms and conditions set forth in the Trust Indenture.

“Affiliated Companies” means affiliated companies as defined in Section 1(1) of the *Business Corporations Act* (Ontario).

“Ares Facility” means the Credit Agreement dated as of January 31, 2020, among Ares Capital Corporation, as agent for the Lenders identified therein, and certain Affiliated Companies of eCapital Group, as it may be amended, restated or replaced from time to time.

“BOA Facility” means the Second Amended and Restated Credit Agreement dated as of November 18, 2019, among Bank of America, N.A. as agent for the Lenders identified therein, and certain Affiliated Companies of eCapital Group, as it may be amended, restated or replaced from time to time.

“Book-Based Only Debentures” means Debentures issued under the Trust Indenture in a non-certificated form which are held only on a book-based (electronic) register maintained by the Security Trustee.

“**Book-Based Only Class A Common Shares**” means Class A Common Shares issued in a non-certificated form which are held only on a book-based (electronic) register maintained by CDS and the Security Trustee as a transfer agent.

“**Business Day**” means any day other than a Saturday, Sunday or a civic or statutory day in the Province of Ontario.

“CDS” means CDS Clearing and Depository Services Inc.

“Class A Common Shareholder(s)” means the registered holder(s) of the Class A Common Shares.

“Class A Common Shares” means the non-voting Class A common shares of the Issuer, issuable in series offered for sale pursuant to this Offering.

“**Closing Date**” is defined in the summary of this Offering Memorandum.

“Common Shares” means the voting common shares of the Issuer.

“Debentureholder” means a registered holder of one or more Debentures.

“Debentures” means the 8% Secured Debentures, the Series 2 Debentures and the Series 4 Debentures, collectively.

“eCapital EC” means eCapital Enterprises Corp. (formerly, GMF Enterprises USA, Inc.) (**See Item 2.1 – Corporate Structure.**)

“eCapital Group” means eCapital Group Corp. (formerly, Global Merchant Holdings, Corp.) (**See Item 2.1 – Corporate Structure.**)

“eCapital Group Guarantee” means the guarantee provided by eCapital Group, as more particularly described **Item 2.10.7.**

“eCapital Trust Guarantee” means the guarantee provided by eCapital Trust, as more particularly described **Item 2.10.7.**

“**eCapital Group GSA”** means the General Security Agreement executed by eCapital Group in favour of the Issuer in respect of Secured Priority Loans.

“**eCapital Group Subordinated GSA**” means the General Security Agreement executed by eCapital Group in favour of the Issuer in respect of Secured Subordinated Loans.

“eCapital Group Security” has the meaning ascribed hereto in **Item 2.10.7**.

“eCapital Holdings” means eCapital Holdings Corp. (formerly, Global Merchant Fund Corp.) (**See Item 2.2.5 – eCapital Holdings Corp.**)

“**eCapital Trust**” means eCapital Trust Corp. (formerly, Global Merchant Trust Inc.) being the single purpose corporation incorporated under the laws of the Province of Ontario which holds specific eCapital Trust Investments.

“**eCapital Trust Investments**” means the assets owned by eCapital Trust on the date hereof or at any particular time in the future.

“**eCapital Trust GSA”** means the General Security Agreement executed by eCapital Trust in favour of the Issuer in respect of Secured Priority Loans.

“**eCapital Trust Subordinated GSA**” means the General Security Agreement executed by eCapital Trust in favour of the Issuer in respect of Secured Subordinated Loans advanced to eCapital Trust.

"eCapital Trust Note" means the secured promissory note issued by eCapital Trust in favour of the Issuer, as further described in **Item 2.12.8,** evidencing Secured Priority Loans made by the Issuer to eCapital Trust from time to time.

"**eCapital Trust Subordinated Note**" means the secured promissory note issued by eCapital Trust in favour of the Issuer, as further described in **Item 2.12.8**, evidencing Secured Subordinated Loans made by the Issuer to eCapital Trust from time to time.

"eCapital Trust Security" has the meaning ascribed thereto in **Item 2.10.7**.

"EGC Note" means the secured priority promissory note issued by eCapital Group in favour of the Issuer, as further described in **Item 2.12.8.,** evidencing Secured Priority Loans made by the Issuer to eCapital Group from time to time.

"EGC Subordinated Note" means the secured promissory note issued by eCapital Group in favour of the Issuer, as further described in **Item 2.12.8**, evidencing Secured Subordinated Loans made by the Issuer to eCapital Group from time to time.

"**functional currency**" means in respect of Class A Common Shares, CAD, USD, GBP and EUR and in respect of Debentures, CAD, USD, GBP and EUR.

"Global Debentures" means Debentures that are issued to and registered in the name of CDS, or its nominee, for purposes of being held by or on behalf of CDS as custodian for participants in CDS' book-entry only registration system.

"Global Class A Common Shares" means Class A Common Shares that are issued to and registered in the name of CDS, or its nominee, for purposes of being held by or on behalf of CDS as custodian for participants in CDS' book-entry only registration system.

"Group" means eCapital Group and all Subsidiaries of eCapital Group.

"Group Purposes" means the purposes for which eCapital Group or eCapital Trust, as applicable, may employ the proceeds of Secured Priority Loans or Secured Subordinated Loans being (i) in respect of eCapital Group such purposes include, without limitation, making Subsidiary Loans, making acquisitions and increasing working capital as more particularly described in **Item 2.2.6**; and (ii) in respect of eCapital Trust, the acquisition of eCapital Trust Investments as the case may be and context requires.

"Issuer" means eCapital Bond Corp. (formerly, GMF Series III Inc.), a corporation existing under the laws of Ontario and having its head office in the City of Toronto, in the Province of Ontario.

"Issuer Assets" means the Secured Priority Loans, the EGC Note, the eCapital Trust Note, cash and un-deployed proceeds of the sale of Securities, including for avoidance of any doubt the Minimum Liquidity Amount.

"**Management Agreement**" means the Service Level Agreement dated January 1, 2018 between eCapital EC and eCapital Group, as amended from time to time.

"**Material Change**" means (a) a change in the business, operations or capital of the Issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Issuer; or (b) a decision to implement a change referred to in paragraph (a) made by the board of directors or other persons acting in a similar capacity or by senior management of the Issuer who believe that confirmation of the decision by the board of directors or any other person acting in a similar capacity is probable.

"Maximum Offering Amount" means, in respect of the Debentures, the aggregate principal amount of $500,000,000 in CAD or USD, including without limitation with respect to Debentures offered in GBP and EUR converted into USD or CAD at the Spot Rate of Exchange, whichever is greater, as at the close of business on the Business Day next preceding each closing together with the aggregate of $500,000,000 or 500,000 Class A Common Shares. At the discretion of the Issuer, the principal amount of the Debentures may be increased by up to an additional 7% for an aggregate period not to exceed six (6) months in any twelve (12) month period. For the purposes of determining the availability of Debentures the currency of issuance shall be converted into the relevant currency at the time of issuance and in respect of the Class A Common Shares, currencies, other than CAD, shall be converted into CAD on the date of issuance of such security.

"Minimum Liquidity Amount" has the meaning ascribed thereto in Item 2.2.2**.**

"**Monthly Report**" means a report in a form and substance as agreed between the Issuer and the Representative acting reasonably, which the Issuer covenants to cause eCapital Group to issue to the Issuer, the Security Trustee and to the Representative, produced and certified by an officer of eCapital Group as of the last day of each month, to be issued no more than 23 days in arrears thereof, attesting to the Net Assets of the Group and containing a certificate attesting to the Issuer's compliance with the Over-Collateralization Covenant and the Minimum Liquidity Amount.

"Net Assets of the Group" means, as of the date of any particular Monthly Report, the total assets of eCapital Group on a consolidated basis less goodwill and intangible assets, minus the aggregate outstanding principal amount of all Operating Line Debt, minus the principal amount of any client reserves, all as reflected on the then most recent consolidated financial statements of eCapital Group (whether or not audited).

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions*.

"OBCA" means the *Business Corporations Act* (Ontario).

"Offering" means the private offering of up to $500,000,000 USD or CAD aggregate principal amount of Debentures whichever is greater and up to $500,000,000 Class A Common Shares in each case issuable at a subscription price of $/€/£1,000.00 CAD, USD, EUR or GBP per Security (the number and functional currency of the Securities to be determined by each Subscriber) pursuant to the terms of this Offering Memorandum.

"Offering Memorandum" means this document dated September 26, 2022, as it may be amended from time to time.

"**Offering Jurisdictions"** means primarily the Provinces of British Columbia, Alberta, Québec, and Ontario but may include jurisdictions in and outside Canada in which prospectus exempt offering are permissible in accordance with all relevant securities laws.

"Obligations" means the indebtedness of the Issuer under the Trust Indenture, the Offering Memorandum, the Debentures and the Issuer's obligations and covenants under the Trust Indenture, the Offering Memorandum and the Debentures, together with any interest thereon and applicable premium, if any.

"Operating Line Debt" means any secured or unsecured senior indebtedness of one or more members of the Group, without duplication, outstanding under credit facilities issued by third parties, which as at the date hereof include only the Ares Facility, the BOA Facility, the RBS Facility and the Wells Facility but which in the future may include other credit facilities in addition to and/or in replacement of any or all the present Operating Line Debt facilities.

"Operating Subsidiaries" means the downstream members of the Group with active operating businesses in the areas of factoring or asset-based lending.

"Over Collateralization Covenant" means the obligation of the Issuer to cause eCapital Group to ensure that while any Debentures remain outstanding, on the date of any particular Monthly Report, the value of Net Assets of the Group exceeds the then outstanding principal amount of the Secured Priority Loans by at least 10%.

"PPSA" means the *Personal Property Security Act* (Ontario), R.S.O. 1990, c. P.10 as amended.

"RBS Facility" means the Amended and Restated Facility Agreement dated as of December 20, 2018, among RBS Invoice Finance Limited as agent for the Finance Parties identified therein, and certain Affiliated Companies of eCapital Group, as it may be amended, restated or replaced from time to time.

"Regulations" means the Tax Act regulations promulgated under the Tax Act.

"Representative" means a representative appointed by the Debentureholders under the Trust Indenture for the purposes of receiving the Monthly Report and such other reporting specified in the Trust Indenture.

"**Registered Plan**" means a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered education savings plan, registered disability savings plan, or tax-free savings account, each as defined in the Tax Act.

"Sale Event" means in respect of the Issuer the sale of all or substantially all of the Issuer's assets such that the Issuer ceases to carry on business, any merger or consolidation of the Issuer with or into another corporation such that the Issuer or the new corporation formed as a result of such transaction does not thereafter carry on business, any substantive change of control of the Issuer (excluding any reorganization of the Issuer that does not result in any change of ultimate control); a public offering of securities of eCapital Group, or an Affiliated Company thereof involving substantially all of operations of the Group, or a sale of substantially all of the assets of the Group where Group ceases to carry on business excluding any reorganization of Group which does not result in any change of ultimate Control or management of Group.

"Secured Priority Loans" means a secured loan of Debenture proceeds, advanced by the Issuer to eCapital Group or eCapital Trust from time to time and evidenced by the EGC Note or the eCapital Trust Note, as applicable.

"Secured Subordinated Loans" means a secured loan of proceeds from the issuance of Class A Common Shares, advanced by the Issuer to eCapital Group or eCapital Trust from time to time and evidenced by the EGC Subordinated Note or the eCapital Trust Subordinated Note, as applicable.

"Securities Act" means the *Securities Act* (Ontario), as it may be amended from time to time.

"**Series 2 Debentures**" means the five (5) year secured debentures of the Issuer having the terms and conditions set forth in the Trust Indenture.

"Series 4 Debentures" means negotiable interest secured debentures with an interest rate to be set at the time of subscription upon agreement by the Issuer and the subscriber having a maturity of either six (6) months, one (1) year, eighteen (18) months or thirty-six (36) months and having the terms and conditions set forth in the Trust Indenture.

“Spot Rate of Exchange” shall mean in respect of the exchange rate quoted for converting GPB or EUR into either USD or CAD or USD into CAD and CAD into USD quoted by a Schedule “A” Canadian Banking Institution or a corresponding banking institution in the United States.

“Subscriber” means a subscriber for Securities pursuant to this Offering.

“Securities” means the Class A Common Shares and the Debentures collectively.

“Securities Holder” means a registered holder(s) of Securities.

“Security Trustee” means Computershare Trust Company of Canada, a trust company existing under the laws of Canada, having an office in the City of Calgary.

“Subscription Agreement” means the subscription agreement entered into between a Subscriber and the Issuer with respect to the subscription and purchase of Securities by a Subscriber under this Offering. The form of subscription agreement with respect to this Offering is attached hereto as **Schedule** “**A**”.

“Subsidiary” means a subsidiary as defined in Section 1(4) of the Securities Act**.**

“Subsidiary Loans” means unsecured loans made indirectly by eCapital Group through Subsidiaries of eCapital Group to its Operating Subsidiaries from time to time, whose proceeds may be used by the respective Subsidiaries for any purposes connected with their businesses.

“Tax Act” means the *Income Tax Act* (Canada), as it may be amended from time to time.

“Trust Indenture” means the trust indenture, as it may be amended, amended and restated, including by supplemental trust indenture, defined in **Item 2.10.3** of this Offering Memorandum.

“UCC” means the *Uniform Commercial Code*, as enacted in the relevant state.

"**United States**" and “U.S.” mean the United States of America, its territories and possessions, and “State” means any one of the United States or the District of Columbia.

“Wells Facility” means the Fourth Amended and Restated Loan and Security Agreement dated as of April 4th 2022, among Wells Fargo Capital Finance, LLC, as agent for the Lenders identified therein, and certain Affiliated Companies of eCapital Group, as it may be amended, restated or replaced from time to time.

In this Offering Memorandum, references to “**CAD**”, “**dollars**” and “**$**” are to the lawful currency of Canada, USD shall mean U.S. currency, “**EUR**” or “**€**” means the official currency of the Eurozone; and “**GBP**” or “**£**” means the official currency of the United Kingdom.

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ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the available funds of this Offering:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised pursuant to this Offering	$0(4)	$1,000,000,000
B	Selling commissions and fees (1)	$0	$30,000,000
C	Estimated Offering Costs (2)	$0	$280,000
D	Available funds: D = A – (B + C)	$0	$969,720,000
E	Additional sources of funding required (3)	Nil	Nil
F	Working Capital Deficiency	Nil	Nil
G	Total: (D –E - F) = G	$0	$969,720,000

(1) Assuming an aggregate 3% of the gross proceeds of this Offering will be paid as selling commissions and fees with respect to the Debentures and 1% per annum of the gross proceeds of this Offering will be paid as selling commissions and fees with respect to the Class A Common Shares, based upon the Maximum Offering Amount. **See ITEM 7 - Compensation Paid to Sellers and Finders**
(2) Legal, accounting, auditing and due diligence expenses.
(3) The Issuer does not anticipate requiring additional funds to pursue its business objectives.
(4) Assumes a discretionary minimum of $150,000 (150 Securities), or in such other minimum denominations as may be accepted by the Issuer from time to time.

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Issuer will use the available funds of this Offering in the twelve (12) months ensuing from the date of this Offering Memorandum:

Description of intended use of available funds listed in order of priority	Assuming Maximum Offering
The available funds of this Offering of the Debentures shall be used by the Issuer to advance Secured Priority Loans and for operating expenses incurred by the Issuer in the conduct of its business. The available funds of this Offering of Class A Common Shares shall be used to fund the Secured Subordinated Loans with funds to be used for Group Purposes. **See Item 2.2 - Current Business.**	$969,720,000
Total	**$969,720,000**

1.3 Reallocation

The Issuer intends to use the available funds of this Offering as stated herein. The Issuer will reallocate the available funds of this Offering only for sound business reasons. The Issuer has covenanted under the terms of the Trust Indenture to not make loans of Debenture proceeds to Affiliated Companies, other than the Secured Priority Loans, unless (A) such loans are secured by a security interest in the property of any such Affiliated Company in favour of the Issuer and (B) such Affiliated Company guarantees the Obligations and grants a first priority security interest in its property to the Security Trustee.

1.4 Future Cash Calls

An investor in these securities will not be required to make any additional funds available to the Issuer in addition to the subscription amount paid by such investor. The Issuer does not have a working capital deficiency.

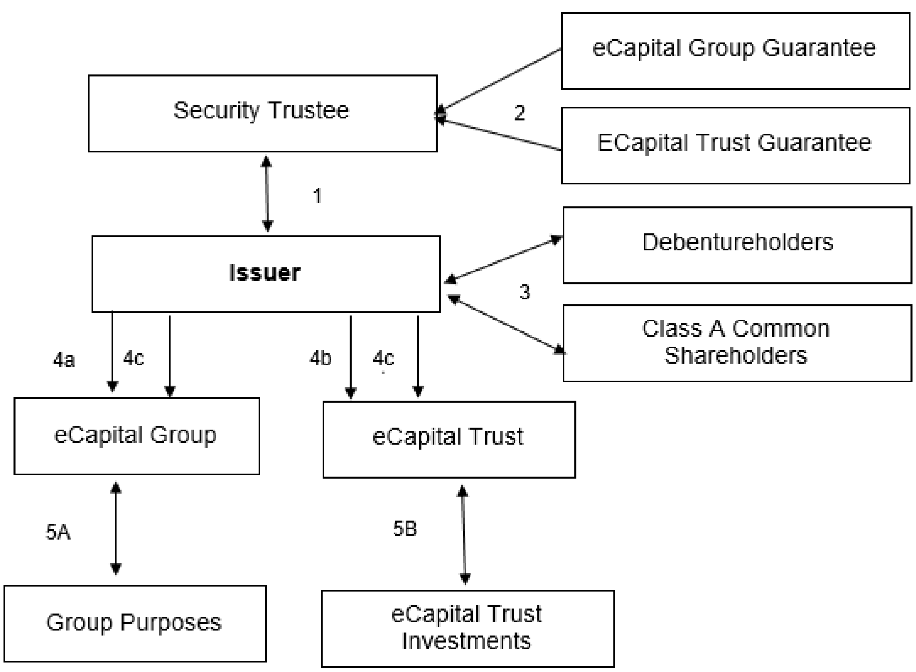
ITEM 2 - BUSINESS OF THE ISSUER

2.1 Corporate Structure

The Issuer, eCapital Bond Corp., was incorporated under the laws of the Province of Ontario (under the OBCA) on December 8, 2014. The Issuer's head and registered office is located at 155 University Ave., Suite 1220, Toronto, Ontario M5H 3B7. The Issuer is a wholly owned subsidiary of eCapital Group, a privately held corporation incorporated under the OBCA. The Issuer is a secured party beneficiary of the security pledged by eCapital Trust. The Issuer is also a secured party beneficiary with respect to assets of eCapital Group. The Issuer changed its name from GMF Series III Inc. to eCapital Bond Corp. in 2020 as part of the Group rebranding.

2.2 Current Business of the Issuer, eCapital Group, eCapital Trust and the Security Trustee

2.2.1. Transaction Structure Diagram



1. The Issuer and the Security Trustee enter into the Trust Indenture. Pursuant to the Trust Indenture the Issuer has pledged all of its asset and undertakings (including Issuer Assets and Secured Subordinated Loans) to the Security Trustee on behalf of Debentureholders as first ranking security for payment of the Debentures.
2. In addition to the assets of the Issuer (described in note 1 above), the Debentureholders benefit from and have recourse against eCapital Group and eCapital Trust pursuant to the terms of the eCapital Group Guarantee and the eCapital Trust Guarantee and have the benefit of the eCapital Group Security and the eCapital Trust Security. Class A Common Shareholders have recourse only against the Issuer for declared, accrued but unpaid dividends after payment of all obligations of the Issuer due in priority. The Issuer has recourse against eCapital Group and the eCapital Trust for amounts advanced as Secured Subordinated Loans and has the benefit of the eCapital Group Subordinated GSA and the eCapital Trust Subordinated GSA and perfected security interests thereunder. **See Item 5.1 (b) for further details.**
3. Debentureholders and Class A Common Shareholders subscribe for Securities in accordance with the terms of this Offering Memorandum and the Subscription Agreement.

4a, b,c. At the request of eCapital Group and/or eCapital Trust, the Issuer advances subscription proceeds of the Debentures to eCapital Group and/or eCapital Trust as Secured Priority Loans (4a and 4b). Subscription proceeds from the Class A Common Shares shall be advanced through Secured Subordinated Loans (4c).

5A. eCapital Group uses proceeds of Secured Priority Loans and Secured Subordinated Loans for Group Purposes. (**See Item 2.2.6 – eCapital Group**)

5B. If eCapital Trust requests a Secured Priority Loan or Secured Subordinated Loan, it will use the proceeds thereof to acquire eCapital Trust Investments. **(See Item 2.2.3– eCapital Trust)**

2.2.2. eCapital Bond Corp. (the "Issuer")

The Issuer is a special purpose vehicle created for the purposes outlined in this Offering Memorandum. The Issuer will offer Securities for sale to Subscribers. The proceeds from the sale of the Debentures are to be used by the Issuer to fund Secured Priority Loans which shall be used by eCapital Group for Group Purposes and by eCapital Trust to acquire eCapital Trust Investments. The proceeds from the sale of the Class A Common Shares are to be used by the Issuer to fund Secured Subordinated Loans and thereafter be used by recipients for Group Purposes.

In support of its Obligations in relation to the Debentures, the Issuer has pledged all of its rights, assets and undertakings to the Security Trustee on behalf of the Debentureholders, including for the avoidance of doubt, Issuer Assets and its rights under the Secured Subordinated Loans (and the security granted to the Issuer in connection therewith). As additional credit support for the Obligations in relation to the Debentures, eCapital Group has also provided the eCapital Group Guarantee and eCapital Trust has provided the eCapital Trust Guarantee to the Security Trustee, each of eCapital Group and eCapital Trust has executed a general security agreement (the eCapital Trust GSA and the eCapital Group GSA, respectively) in favour of the Issuer and the Security Trustee, and the security interests granted thereby have been perfected under the PPSA.

Each of eCapital Group and eCapital Trust has also executed a general security agreement (the eCapital Trust Subordinated GSA and the eCapital Group Subordinated GSA, respectively) in favour of the Issuer in relation to the Secured Subordinated Loans and the security interests granted thereby have been perfected under the PPSA.

As additional liquidity support in relation to the Debentures issued, the Issuer has also agreed to set aside and maintain at all times for as long as Debentures remain outstanding a minimum liquidity amount (the "**Minimum Liquidity Amount**") in the amount of CAD$5,000,000. The Minimum Liquidity Amount may be held in cash in an interest bearing account by the Issuer or represented by way of a readily liquid investment endorsed in the Issuer's name and issued by a Schedule I bank under the *Bank Act* (Canada). Recourse of Debentureholders will be limited to the Issuer Assets, the Secured Subordinated Loans (and the security granted to the Issuer in connection therewith), the eCapital Group assets, the eCapital Trust assets, the eCapital Group Guarantee and the eCapital Trust Guarantee. If funds are loaned directly to other Affiliated Companies, such funds will be secured by a security interest in the property of any such Affiliated Company and accompanied by a related guarantee similar to the eCapital Trust Guarantee and/or the eCapital Group Guarantee. **(See Item 2.3 – Related Party Matters. See also Item 1.3 – Reallocation)**

The Class A Common Shares and the dividends declared thereon are not secured obligations of the Issuer. Recourse of Class A Common Shareholders for accrued, declared and unpaid dividends is limited to assets of the Issuer (including Issuer Assets, the Secured Subordinated Loans and the security granted to the Issuer in connection therewith) after payments of all amounts due in priority including to Debentureholders In relation to those funds, the Issuer has recourse against each of eCapital Group and eCapital Trust in relation to its Secured Subordinated Loans (after payment of amounts due in priority, including to Debentureholders). On liquidation the Class A Common Shares (together with the Common Shares) are entitled to their pro rata share of any remaining assets of the Issuer and receivables in relation to Issuer Assets and Secured Subordinated Loans (after payment of amounts due in priority, including to Debentureholders). The eCapital Group Subordinated GSA secures the entire principal amount advanced by the Issuer to eCapital Group from subscription proceeds of Class A Common Shares and the eCapital Trust Subordinated GSA secures the entire principal amount advanced by the Issuer to eCapital Trust from subscription proceeds of Class A Common Shares **(See ITEM 8 – Risk Factors (Class A Common Shares)**

The Issuer expects to declare a monthly dividend on each Class A Common Share in the amount of 1% of the subscription price (12% annualized), payable on the 15th day of the calendar month next following the month in which it is declared. The source of cash to pay such dividends is expected to be the annual interest to be paid to the Issuer from the Secured Subordinated Loans. Such dividends can be paid only when, as and if declared by the board of directors of the Issuer in its discretion and subject to any applicable regulatory requirements. Accordingly, the monthly dividend, if declared, may be more or less than 1%. The Issuer expects that the payments of principal and interest to be made to it by eCapital Group on the Secured Subordinated Loans will be sufficient to allow the Issuer to maintain a level of capital surplus sufficient to pay such dividends.

Corporate expenses of the Issuer (other than costs directly incurred in connection with the subscription for and sale of Securities) shall be borne by the Issuer; such expenses may be deducted from subscription proceeds. (**See Item 2.10.5 – Management Agreement**)

Pursuant to the Management Agreement, eCapital EC provides certain management services (**"Management Services"**) to the Issuer. Such services include executive, accounting and legal services, as well as office space and equipment. **(See Item 2.10.5 – Management Agreement)**

Overall Issuer policy is determined by a senior executive team of the Group (the "**Senior Team**"), which includes the two executives who hold the respective offices of President and of Chief Financial Officer of the Issuer; such officers also hold the same or similar offices in most other corporate members of the Group and are directors of other Affiliated Companies. (**See Item 2.4- Senior Team of the Group, the Issuer and eCapital Trust)**

2.2.3. eCapital Trust

eCapital Trust (formerly Global Merchant Trust Inc.) is a wholly owned subsidiary of eCapital Holdings. eCapital Trust is managed by the Senior Team. (**See Item 2.4 - Senior Team of the Group, the Issuer and the eCapital Trust**). eCapital Trust is a single purpose entity in the business of investing in the eCapital Trust Investments.

Pursuant to the eCapital Trust GSA, eCapital Trust has pledged all of its assets and undertakings to the Issuer in order to secure its obligations under the Secured Priority Loans. The eCapital Trust GSA has been perfected by the registration of a financing statement under the PPSA in Ontario.

Pursuant to the eCapital Trust Subordinated GSA, eCapital Trust has pledged all of its assets and undertaking to the Issuer in order to secure its obligations under the Secured Subordinated Loans. The eCapital Trust Subordinated GSA has been perfected by the registration of a financing statement under the PPSA in Ontario. Pursuant to the terms eCapital Trust Subordinated GSA, the security perfected by the eCapital Trust Subordinated GSA shall be junior in all respects and subordinate to the security granted to the Issuer by eCapital Trust pursuant to the eCapital Trust GSA and to the Security Trustee by eCapital Trust pursuant to the eCapital Trust Security.

eCapital Trust has guaranteed the payment and performance of the Obligations pursuant to the eCapital Trust Guarantee and granted the Security Trustee first ranking security pursuant to the eCapital Trust Security. (**See Item 2.10.7 – eCapital Trust Guarantee**). eCapital Trust bears its own corporate expenses, including those related to the ongoing management, sourcing or enforcement of the eCapital Trust Investments. The eCapital Trust Guarantee is unrelated to, and does not guarantee, any dividends that the Issuer may declare on the Class A Common Shares.

On the advice of legal counsel, eCapital Trust may incorporate or acquire certain entities to hold eCapital Trust Investments on its behalf in certain jurisdictions. Such entities may be wholly-owned subsidiaries of eCapital Trust, eCapital Group or the Issuer or an entity in which eCapital Trust has sufficient security or interest in order to perfect the Issuer's interest in the assets held by it. eCapital Trust has agreed to not hold assets of eCapital Trust acquired with proceeds from Secured Priority Loans or Secured Subordinated Loans by a subsidiary of eCapital Trust without perfecting the interest of the Issuer in such assets, which perfection may be satisfied by having the subsidiary execute a guarantee to the Security Trustee of the Issuer's obligations to the Debentureholders.

2.2.4. Computershare Trust Company of Canada (the "Security Trustee")

Computershare Trust Company of Canada will act as trustee for and on behalf of the Debentureholders on the terms and conditions set forth in the Trust Indenture. **(See Item 2.10.3 – Trust Indenture)**

2.2.5. eCapital Holdings Corp. (formerly, Global Merchant Fund Corp.) ("eCapital Holdings")

eCapital Holdings is an Ontario corporation located in Toronto, Ontario. eCapital Holdings is the parent company of eCapital Group, which owns all voting share capital of the Issuer.

2.2.6. eCapital Group Corp. (formerly, Global Merchant Holdings, Corp.) ("eCapital Group")

The Issuer is wholly owned by eCapital Group, an Ontario corporation located in Toronto, Ontario. eCapital Group is a wholly-owned subsidiary of eCapital Holdings.

eCapital Group has guaranteed the payment and performance of the Obligations pursuant to the eCapital Group Guarantee and granted the Security Trustee first ranking security in connection therewith pursuant to the eCapital Group Security. **(See Item 2.10.7 - eCapital Group Guarantee)** The eCapital Group Guarantee is unrelated to, and does not guarantee, any dividends that the Issuer may declare on the Class A Common Shares.

Pursuant to the eCapital Group GSA, eCapital Group has pledged all of its assets and undertakings to the Issuer in order to secure obligations under the Secured Priority Loans. The eCapital Group GSA has been perfected by the registration of a financing statement under the PPSA in Ontario. **(See Item 2.10.1 - eCapital Group GSA)**

Pursuant to the eCapital Group Subordinated GSA, eCapital Group has pledged all of its assets and undertaking to the Issuer in order to secure its obligations under the Secured Subordinated Loans. The eCapital Group Subordinated GSA has been perfected by the registration of a financing statement under the PPSA in Ontario. Pursuant to the terms eCapital Group Subordinated GSA, the security perfected by the eCapital Group Subordinated GSA shall be junior in all respects and subordinate to the security granted to the Issuer by eCapital Group pursuant to the eCapital Group GSA and the eCapital Group Guarantee.

Proceeds of Secured Priority Loans and Secured Subordinated Loans advanced to eCapital Group shall be used for Group Purposes. These Group Purposes include but are not limited to making unsecured intercompany advances to eCapital Group's Subsidiaries and other Operating Subsidiaries by way of Subsidiary Loans, in order to enable them primarily to fund operations, but also to fund acquisitions of new target businesses. Subsidiary Loans are unsecured obligations and rank behind the Operating Line Debt. Subject to certain exceptions, eCapital Group is restricted from assigning its rights under the Subsidiary Loans**.** The Operating Subsidiaries engage in a multitude of financing solutions, either directly or, in the case of eCapital Corp., through its own operating Subsidiaries, including but not limited to: (i) asset-based lending, (ii) factoring of accounts receivable (on a recourse and non-recourse basis); (iii) purchase order financing, and (iv) inventory financing, and (v) fulfillment services for customers and clients. The Operating Subsidiaries are organized into the following divisions: (i) freight factoring, which provides primarily receivables factoring in the transportation, freight and logistics industries, as well as other value-added services to its transportation clients such as discounted fuel cards and collection services; (ii) asset-based lending and (iii) general factoring, which provides non-recourse factoring to clients in diverse industries other than freight. The assets of the Operating Subsidiaries primarily consist of loans that comply with the criteria set forth in the credit facilities comprising the Operating Line Debt. (**See Item 12.2 for the 2023 Audited Consolidated Financial Statements of eCapital Group.**)

Before entering into a transaction with a client, the Operating Subsidiaries conduct appropriate due diligence to verify transaction parties and the substance of such proposed transaction. Such due diligence may include but is not limited to verifying the collateral supporting such transaction and performing due diligence on originators and account debtors.
Operating Subsidiaries may, if appropriate, undertake and utilize a wide variety of risk mitigation tools in order to enhance the credit position in any lending transaction. Such tools include, but are not limited to: (i) the purchase of credit insurance or other insurance from third parties; (ii) personal guarantees or other subordinations from business owners or interested parties; (iii) obtaining real or other collateral security from parties; (iv) providing notice to account debtors; or (v) using blocked account arrangements to secure payment. Notwithstanding any risk mitigation that may be obtained, ultimate repayment of any obligations from parties with whom the Operating Subsidiaries may transact is contingent on factors beyond their control or reasonable market experience (See Risk Factors).

eCapital Group's assets along with the assets of its Subsidiaries, on a consolidated basis, must comply with the Over-Collateralization Covenant as stipulated under the terms of the Trust Indenture. (**See Item 2.10.6 – Over-Collateralization Covenant)**

2.2.7. eCapital Corp.

eCapital Corp. and the Issuer are under common ownership and control. eCapital Corp. is a subsidiary of eCapital Group and is the parent company to the Operating Subsidiaries.

2.2.8. eCapital Enterprises Corp. (formerly, GMF Enterprises USA Inc.) ("eCapital EC")

eCapital EC is a wholly owned subsidiary of eCapital Holdings incorporated under the laws of the State of Florida and is managed by the Senior Team. Under the Management Agreement, eCapital EC acts as a service provider to certain Affiliated Companies, including the Issuer and eCapital Corp.

2.3 Related Party Matters

Certain of the Material Agreements (described below) have been executed by parties that are Affiliated Companies and would therefore be considered related-party transactions.

As the Issuer, eCapital Group and eCapital Trust, and their respective subsidiaries are all under the common ownership of eCapital Holdings, the Secured Priority Loans, the Secured Subordinate Loans and the Subsidiary Loans are considered related-party transactions.

2.4 Senior Team

Michael Weingarten – Chairman of eCapital Holdings

Michael is the current Chairman of eCapital Holdings. Over the past 43 years Michael has owned and operated numerous companies spanning from financial lending to the music industry, point of sale paper product manufacturing, hotel/condo property management IP, consumer electronics, white label goods, computer hardware and the land line long distance telephone space. His strategic mandate has always been to enter a business with the most talented people available and to create a best in class product or service that has repeatable and sustainable characteristics. These values create the best possible conditions for attractive enterprise value metrics allowing for excellent returns for lenders and shareholders.

Marius Silvasan – Chief Executive Officer (CEO) of eCapital Holdings and the Group

Marius is the current CEO of the Group. Marius is a successful entrepreneur with over 20 years of experience in building, buying and selling companies in various industries. Marius has had extensive experience in international finance and was previously CEO and Director of One Bio Corporation, and a founder of Tele Plus World Corporation. Marius holds a BBA and an MBA both earned from HEC University in Montreal. Marius is based in Miami, Florida.

Stephen McDonald – President and Director of eCapital Holdings, the Group and eCapital Trust

Steve joined the organization in 2006 and has been active in the factoring industry since that time. Steve has over 25 years of sales and executive management experience and served as a senior manager for one of the largest telecom infrastructure providers in North America. Since joining the Group, Steve has overseen well over 1,000 credit receivables transactions, involving businesses in 25 different countries, representing over $1 billion of goods and services.

Cris Neely - Chief Finance Officer (CFO), Secretary and Director of eCapital Group and eCapital Trust, Secretary and Director of the Issuer, CFO and Director of eCapital Holdings

Cris has served as CFO of the Group since January 1st, 2018 and previously as CFO of a similar company (or its predecessor entities) since August 11, 2009. Previously, 2006 to 2009, he was CFO of ONE Bio, Corp and TelePlus World, Corp, (NASDAQ: TLPE). From 1999 to 2005, Mr. Neely was the CFO of Siemens Enterprise Networks located in Boca Raton, Florida. He also held various other executive positions with Siemens Enterprise Networks including Senior Vice President Business Transformation, Director Internal Audit, Director of Finance for Wireless Terminals and Area Finance Manager. Mr. Neely has also held management positions with ROLM, IBM and Cisco during his career. After leaving Siemens in 2005, Mr. Neely worked as a consultant for small/medium organizations focusing on Sarbanes-Oxley compliance, revenue recognition and financial/operational business assessment. Mr. Neely holds a Bachelor of Business Administration Finance degree from University of Texas at Arlington, Texas and an MBA from Amberton University in Dallas, Texas. Mr. Neely joined the board of the Issuer on December 26, 2017.

Todd Zarin – Chief Legal Officer of the Group

Todd Zarin currently serves as Chief Legal Officer of the Group. Mr. Zarin has practiced corporate and securities law for 30 years, having held positions at Chadbourne & Parke LLP, Weil, Gotshal & Manges LLP, Day Pitney LLP, Reitler, Kailas & Rosenblatt LLC and BFS Capital. Mr. Zarin is a graduate of Binghamton University, Northwestern University and the Brooklyn Law School.

Tony C. Howard - Chief Compliance Officer (CCO) of eCapital Group, Chief Credit Officer of eCapital Holdings and Chief Credit and Portfolio Officer of the Group

Tony is the current Chief Compliance Officer for the Group and in this capacity directs the credit professionals and assumes responsibility for the Group's portfolio and underwriting functions. Tony has over 20 years of international finance experience in corporate and investment banking and in asset based lending, as well as having served as a turnaround and restructuring practitioner in the middle market. He was formerly Managing Director of CBIZ, a Managing Director at PWC, and a Director with KPMG's

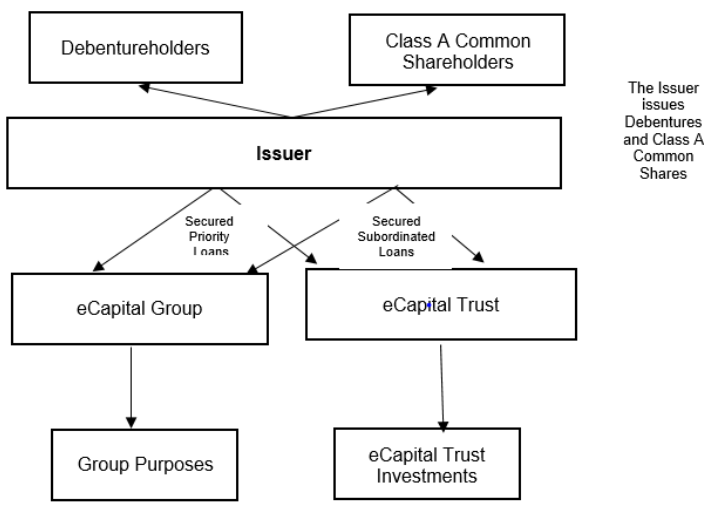
Corporate Finance Group in Atlanta. He held positions of increasing responsibility at both SouthTrust Bank and CIT. Most recently he has conducted a variety of board level finance, credit and risk reviews and assignments targeting growth and corporate renewal across a broad spectrum of companies, working closely with many major banking and commercial finance companies in the US and Canada. He is a graduate of the University of Kentucky.

Peter Dahill - Executive Vice President of Finance of the Group

Peter Dahill is the Executive Vice President of Finance for Group. Prior to joining the Group in 2022, he held the position of Chief Financial Officer at CNH Finance, a healthcare finance company acquired by the Group in 2021, and Chief Compliance Officer at 18North Advisors, a registered investment advisor. He was also Chief Financial Officer at AQR Re Management Ltd., a professional services company serving the insurance industry, and began his career with KPMG serving in assurance and advisory functions. Peter Dahill holds Master of Science and Bachelor of Science degrees from Syracuse University and holds a Certified Public Accountant designation.

2.5 Investment Flow Chart

The following represents the proposed transaction structure and use of the available funds of this Offering (i.e. Debenture and Class A Common Share proceeds net of the costs associated with this Offering as well as certain additional ongoing operational requirements of the Issuer). **(See Item 1.1 Available Funds)**



2.6 Development of Business

The Issuer intends to use the available funds from this Offering to fund Secured Priority Loans and Secured Subordinated Loans directly to eCapital Group or eCapital Trust, with proceeds of such loans to be advanced to Affiliates thereof and used for Group Purposes.

2.7 Long Term Objectives

The Issuer's long-term goal is to raise up to the Maximum Offering Amount in order to fund Secured Priority Loans, and Secured Subordinated Loans from proceeds of the issuance of Securities. The respective amounts of Secured Priority Loans and Secured Subordinated Loans that may be funded are contingent upon the amount of net proceeds raised pursuant to this Offering (among other things). (**See Item 2.2 - Current Business)**

The anticipated costs to be incurred by the Issuer with respect to completion of its long-term objectives are the same as those to be incurred by the Issuer with respect to completion of its short-term objectives and are as set out in Item 2.8 below.

2.8 Short Term Objectives and How the Issuer Intends to Achieve Them

For the period since inception until the date of this Offering Memorandum, the Issuer has closed 114 issuances of Debentures with a total principal amount of CAD$643,134,500.00 and USD$115,134,000.00 of which CAD$89,677,000.00 and USD$60,519,000.00 Debentures are currently outstanding. The Issuer has also closed 19 issuances of Class A Common Shares with a total principal amount of CAD$172,052,000.00 and USD$24,790,000.00. The Issuer anticipates one or more closings on the Offering within the next 12 months. Upon each closing, the Issuer intends to continue to fund Secured Priority Loans and to fund Secured Subordinated Loans, in both cases using the available funds of this Offering as such funds are raised. The Issuer plans to distribute Securities primarily in the provinces of British Columbia, Alberta, Québec and Ontario, through and other agents, who are registered under applicable securities laws to trade in securities in those or other jurisdictions.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Raise up to $1,000,000,000 and use the available funds of this Offering to fund Secured Priority Loans and Secured Subordinated Loans as contemplated	12 months	$30,280,000(1)

(1) The cost to complete depends upon the extent to which selling commissions and fees are paid on the Debentures, as well as upon the principal amount of Securities issued under this Offering and certain related expenses. **See Item 1.1 – Available Funds**

2.9 Insufficient Funds

The available funds raised from this Offering will be committed to the business objectives of the Issuer by making Secured Priority Loans and Secured Subordinated Loans. The Issuer does not intend to hold any significant cash reserves, other than those amounts necessary to pay for all administration and operating expenses incurred by the Issuer in the conduct of its business. However, the Issuer may hold significant cash reserves if either eCapital Group or eCapital Trust borrows Secured Priority Loans or Secured Subordinated Loans in less than the volume now anticipated by the Issuer. The Issuer does not anticipate requiring additional funds to pursue its objectives.

2.10 Material Agreements and Obligations

The following are the material agreements ("**Material Agreements**") which the Issuer, or in certain cases, eCapital Holdings or eCapital Group, has entered into or expects to enter into or which can reasonably be regarded as presently being material to the Issuer or a prospective Subscriber of Securities pursuant to this Offering.

Copies of the Material Agreements and ancillary documentation related to the Offering may be inspected during normal business hours at the offices of the Issuer.

2.10.1. eCapital Trust GSA, the eCapital Group GSA, the eCapital Trust Subordinated GSA and the eCapital Group Subordinated GSA

In connection with the issuance of Debentures, each of eCapital Group and eCapital Trust has executed a general security agreement in favour of the Issuer effective April 14, 2022, perfected by registration, granting the Issuer a general and continuing collateral security interest in its undertakings and assets (the "**eCapital Trust GSA**" and/or the "**eCapital Group GSA**", respectively).
The Issuer under the terms of each of the eCapital Group GSA and the eCapital Trust GSA has agreed to subordinate its interest in the collateral of eCapital Group and eCapital Trust, respectively, in favour of the Security Trustee's security interest pursuant to the eCapital Group Security and the eCapital Trust Security.

In connection with the issuance of Class A Common Shares, and in compliance with the obligations contained in the Trust Indenture, each of eCapital Group has executed the eCapital Group Subordinated GSA and eCapital Trust has executed the eCapital Trust Subordinated GSA in favour of the Issuer effective September 26, 2022, each of which is perfected by registration, granting the Issuer a general and continuing collateral security interest in the undertakings and assets of the respective grantor. The eCapital Trust Subordinated GSA and the eCapital Group Subordinated GSA rank behind the eCapital Trust GSA, eCapital Group GSA, eCapital Group Guarantee and the eCapital Trust Guarantee in all respects and are intended to secure the obligations due to the Issuer solely in connection with the Secured Subordinated Loans.

2.10.2. Subscription Agreement

The Issuer will enter into a Subscription Agreement with each Subscriber for the purchase and sale of Securities. **(See Item 5.2(a)– Subscription Documents)**

2.10.3. Trust Indenture

The Issuer and the Security Trustee entered into a trust indenture, dated January 6, 2015 (as amended, amended and restated and supplemented from time to time, the "**Trust Indenture**"), pursuant to which the Debentures are to be issued.

Pursuant to the Trust Indenture, the Security Trustee will undertake certain activities in relation to the issuance and registration of the Debentures, including but not limited to maintaining a register of Debentureholders. The Security Trustee may call or requisition meetings on the request of Debentureholders representing not less than twenty-five percent (25%) of the aggregate principal amount of Debentures then outstanding.

The Trust Indenture provides that Debentures may be issued as either (i) Global Debentures, (ii) Book-Based Only Debentures registered in the name of CDS, or its nominee, as depository, or (iii) Debentures certified by the Security Trustee. The majority of Debentures issued to date have been issued as Book - Based Only Debentures and the Issuer anticipates that this shall continue for at least the next year.

The Trust Indenture provides for limited reporting by the Issuer; namely, financial statements on an annual and quarterly basis. **See ITEM 8 – Risk Factors (Limited Reporting)**.

The Trust Indenture provides for events of default, including without limitation (i) failure of the Issuer to pay interest for five (5) business days on the Debentures when due, (ii) failure of the Issuer to pay principal on the Debentures when due, and (iii) default in the observance or performance of any covenant or condition of the Trust Indenture by the Issuer or by eCapital Trust under the eCapital Trust Security or eCapital Group under the eCapital Group Security, which remains unremedied (or is not waived) for a period of 20 business days after notice in writing has been given to the Issuer, eCapital Trust or eCapital Group, as applicable, to rectify such default or obtain a waiver for same. Subject to the rights of the Security Trustee and/or Debentureholders to waive a default under the Trust Indenture, the triggering of an event of default under the Trust Indenture may, among other things, result in all monies outstanding under the Trust Indenture immediately becoming due and payable.

The Trust Indenture provides that the Security Trustee may, at its discretion, permit certain activities of the Issuer or supplement the Trust Indentures upon request by the Issuer.

The Debentureholders have limited rights under the Trust Indenture. The exercise of certain rights of the Debentureholders will require the extraordinary consent of Debentureholders representing not less than 66 2/3% of the principal amount of Debentures outstanding, including the modification of the rights of Debentureholders under the Trust Indenture; the power to waive a default under the Trust Indenture; and the power to remove a trustee.

The Trust Indenture provides that the definition of Issuer Assets and Secured Priority Loans shall not be amended and or replaced by the Issuer without the consent of Debentureholders representing not less than 50.01% of the principal balance of all Debentures then outstanding.

The Issuer has granted to the Security Trustee a first ranking security interest in respect of all of its assets and undertakings as security for the performance and/or payment of the Obligations and has perfected such security interest by registration.

The Issuer and the Security Trustee may, as contemplated by the Trust Indenture, on the occurrence and during the continuation of a Force Majeure event (as defined in the Trust Indenture), undertake certain measures, including suspending or delaying the performance of their respective obligations (including, for the avoidance of any doubt, making payments related to the Debentures). Any such measures will be limited in effect to the duration of the Force Majeure event and will not affect any entitlement of applicable parties other than with respect to timing. In accordance with the Trust Indenture, performance times for obligations under the Trust Indenture shall be extended by the time equivalent to the time lost because of any delay arising from such Force Majeure event.

2.10.4. CDS Agreements

The Class A Common Shares may be issued as either (i) Global Class A Common Shares or as Book-Based Only Class A Common Shares registered by the Security Trustee as a transfer agent or in the name of CDS, or its nominee, as depository or (ii) certificated Class A Common Shares.
The Issuer anticipates that the majority of Class A Common Shares and the Debentures will be issued as Book-Based Only Class A Common Shares or Book-Based Only Debentures and that certificated, physical Class A Common Shares or Debentures will not be issued under the CDS agreement. To facilitate its relationship with CDS with respect to Book-Based Only Class A Common Shares, the Issuer enters into CDS' standard BEO Securities Services Agreement and provides CDS with BEO Acknowledgements for each periodic issuance of Class A Common Shares or the Debentures. These documents are standard documents which CDS utilizes in carrying out its book entry only services.

The Issuer anticipates issuing Class A Common Shares and Debentures from time to time up to the maximum permitted amount under this Offering; and to issue the Class A Common Shares or the Debentures as Book-Based Only Class A Common Shares or Book-Based Only Debentures, as applicable, the Issuer requests and obtains a separate ISIN for each periodic issuance of Class A Common Shares or Debentures. Each periodic issuance of Class A Common Shares or Debentures is named as a new series and all Class A Common Shares or Debentures, as applicable, issued in the same currency in that periodic issuance have the same series number and ISIN. In the case of the Debentures, Debentures in the same series also have the same Maturity Date.

2.10.5. Management Agreement

Pursuant to the Management Agreement, eCapital EC provides management services to the Issuer, eCapital Group and certain Affiliated Companies. For the Issuer, such services include executive, accounting and legal services, as well as office space and equipment.

eCapital EC fees for management services are invoiced to and paid by the Issuer from time to time.

2.10.6. Over-Collateralization Covenant

The Over-Collateralization Covenant requires the Issuer to cause eCapital Group to ensure that while the Debentures are outstanding, as evidenced on the date of any particular Monthly Report, the Net Assets of the Group on a consolidated basis exceed the then outstanding aggregate principal amount of the Secured Priority Loans by at least 10%.

In order to ensure compliance with the Over-Collateralization Covenant, each Monthly Report shall be accompanied by a certificate of an Officer of eCapital Group and the Issuer which attests to eCapital Group's compliance or non-compliance with the Over-Collateralization Covenant and the Minimum Liquidity Amount, as applicable as at the date of such Monthly Report (in USD, converting any CAD into USD at the relevant Spot Rate of Exchange).

eCapital Group has covenanted in the eCapital Group GSA to provide the Monthly Report in a form and substance as agreed between the Issuer and the Representative acting reasonably to the Security Trustee, the Issuer and the Representative, monthly on the 23rd day following the end of the applicable month. Based solely on the certificate contained in the Monthly Report, eCapital Group shall notify the Issuer that the Issuer is either (i) in compliance with the Over-Collateralization Covenant or in breach of the same, or (ii) following a prior failure to comply with the Over-Collateralization Covenant, if the Issuer is now in compliance with the Over-Collateralization Covenant or is in continuing non-compliance with the Over-Collateralization Covenant.

2.10.7. eCapital Group Guarantee and eCapital Trust Guarantee

Pursuant to the eCapital Group Guarantee and the eCapital Trust Guarantee each of eCapital Group and eCapital Trust unconditionally guarantees to the Security Trustee for the benefit of the Debentureholders the performance and the punctual payment in full of the Obligations and grants the Security Trustee first ranking security in connection therewith being the "**eCapital Group Security**" or the "**eCapital Trust Security**" respectively. Each guarantee provides the Security Trustee direct recourse to eCapital Group and/or eCapital Trust in the event of a default by the Issuer. In support of the obligation contained in each of the eCapital Group Guarantee and the eCapital Trust Guarantee, each of eCapital Group and eCapital Trust executed a general security agreement in favour of the Security Trustee. **The eCapital Trust Security and the eCapital Group Security do not secure any dividends that the Issuer may declare on the Class A Common Shares; or the Issuer's obligations with respect to the Class A Common Shares.**

Under the eCapital Trust Guarantee, eCapital Trust also agrees to not hold proceeds or assets of eCapital Trust acquired with proceeds from Secured Priority Loans by a subsidiary of eCapital Trust without having the subsidiary execute a guarantee of the Obligations and provide first ranking security in connection with such guarantee.

2.10.8. EGC Note, eCapital Trust Note, EGC Subordinated Note, and the eCapital Trust Subordinated Note

The EGC Note is the secured promissory note issued by eCapital Group in favour of the Issuer evidencing Secured Priority Loans advanced by the Issuer to eCapital Group. The eCapital Trust Note is the secured promissory note issued by eCapital Trust in favour of the Issuer evidencing Secured Priority Loans advanced by the Issuer to eCapital Trust.

eCapital Group will use the proceeds of its Secured Priority Loans for Group Purposes and eCapital Trust will use the proceeds of its Secured Priority Loans to acquire eCapital Trust Investments. The Secured Priority Loans will be direct obligations of eCapital Group or eCapital Trust, as the case may be, and will be supported by the Over-Collateralization Covenant.

The EGC Subordinated Note is the secured promissory note issued by eCapital Group in favour of the Issuer evidencing Secured Subordinated Loans advanced by the Issuer to eCapital Group. The eCapital Trust Subordinated Note is the secured promissory note issued by eCapital Trust in favour of the Issuer evidencing Secured Subordinated Loans advanced by the Issuer to eCapital Trust.
eCapital Group will use the proceeds of its Secured Subordinated Loans for Group Purposes and eCapital Trust will use the proceeds of its Secured Priority Loans to acquire eCapital Trust Investments. The Secured Subordinated Loans will be direct obligations of eCapital Group or eCapital Trust, as the case may be.

ITEM 3- DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table provides specified information about each director, officer and promoter of the Issuer and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Issuer (a "**Principal Holder**"). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. No compensation with respect to securities has been paid to any party since the Issuer's incorporation:

Name and municipality of principal residence	Position held	Compensation paid by the Issuer since inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of securities held after completion of the Initial Closing	Number, type and percentage of securities held after the completion of the Maximum Offering
eCapital Holdings Toronto, Ontario, Canada	Shareholder	Nil	1,000 Common Shares (100%)	1,000 Common Shares (100%)
Steve McDonald Toronto, Ontario, Canada	President and Director	Nil	Nil	Nil
Cris Neely Miami, Florida, USA	Secretary and Director	Nil	Nil	Nil

3.2 Management Experience

The name and principal occupations of the directors and officers of the Issuer over the past five (5) years is as follows:

Name and Position	Principal Occupation and Related Experience
Stephen McDonald President and Director	Steve is President of both the Issuer and eCapital Group. Steve joined the organizations in 2006 and has been active in the factoring industry for the last sixteen years. Prior to working with the Issuer and eCapital Group, Steve McDonald had 25 years of sales and executive management experience and served as a senior manager for one of the largest telecom infrastructure providers in North America. Since joining the Issuer, Steve has facilitated well over 1,000 credit receivables transactions, involving businesses in 25 different countries, representing over $1 billion of goods and services.

Name and Position	Principal Occupation and Related Experience
Cris Neely Secretary and Director	Cris Neely has served as CFO of eCapital Group since August 11, 2009 and is the current CFO for eCapital Group and the Issuer. Previously, from 2006 to 2009, he was CFO of ONE Bio, Corp and TelePlus World, Corp. (NASDAQ: TLPE). From 1999 to 2005, Mr. Neely was the CFO of Siemens Enterprise Networks located in Boca Raton, Florida. He also held various other executive positions with Siemens Enterprise Networks including Senior Vice President Business Transformation, Director Internal Audit, Director of Finance for Wireless Terminals and Area Finance Manager. Mr. Neely has also held management positions with ROLM, IBM and Cisco during his career. After leaving Siemens in 2005, Mr. Neely worked as a consultant for small/medium organizations focusing on Sarbanes-Oxley compliance, revenue recognition and financial/operational business assessment. Mr. Neely holds a Bachelor of Business Administration Finance degree from the University of Texas at Arlington, Texas and an MBA from the Amberton University, Dallas in Texas. Mr. Neely joined the board of the Issuer on December 26th, 2017.

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties or sanctions by any securities commission, stock exchange or governmental regulatory agency that have been imposed, levied or which have been in effect during the last ten (10) years against an officer, director or control person of the Issuer or against a company of which any of the foregoing was an officer, director or control person. No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten (10) years with regard to those individuals or any companies of which any of those individuals was an officer, director or control person at that time.

3.4 Loans

As of the date of this Offering Memorandum, there are no debentures or loans due to or from any director, officer or promoter of the Issuer or any Principal Holder.

ITEM 4 - CAPITAL STRUCTURE

4.1 Share Capital

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at June 28, 2024	Number outstanding assuming completion of Initial Closing	Number outstanding assuming completion of Maximum Offering
Common Shares	Unlimited	$1.00	1,000	1,000	1,000
Class A Common Shares, Issuable in Series (Series CA1-CA50; Series US1-US50; Series EUR1-EUR50; and Series GBP1-GBP50)	Unlimited	$1,000.00 CAD; $1,000.00 USD; €1,000.00 EUR, or £1,000.00 GBP	187,057	To be determined based on Offering	500,000

Common Shares

The common shares have the following characteristics:

(a) Voting (one (1) vote for each share held);

(b) Entitled to non-cumulative dividends declared by the directors of the Issuer;

(c) No dividends may be declared or paid on the Common Shares without the consent of the Class A Common Shareholders; and

(d) Entitled to participate in the net assets of the Corporation in the event of the liquidation, dissolution or winding-up of the

Corporation.

Class A Common Shares

The Class A Common Shares have the following characteristics:

(a) Non-voting, except as specifically prescribed by the OBCA and in such case the Issuer may vote on such holders behalf, provided that the Issuer shall only exercise such right, on the advice of counsel, and to the extent that such vote does not negatively alter any entitlement of the Class A Common Shareholders as provided herein;

(b) The Issuer expects to declare a monthly dividend on each Class A Common Share in the amount of 1% of the subscription price (12% annualized), payable on the 15th day of the calendar month next following the month in which it is declared. The source of cash to pay such dividends is expected to be the annual interest to be paid to the Issuer in respect of Secured Subordinated Loans. Such dividends can be paid only when, as and if declared by the board of directors of the Issuer, in its discretion. Accordingly, the monthly dividend, if declared, may be more or less than 1%;

(c) Entitled to participate in the distribution of net assets of the Issuer in the event of the liquidation, dissolution or winding-up of the Corporation pro rata with the Common Shares after payment of the subscription price per Class A Common Share plus accrued, declared but unpaid dividends;

(d) Following the third (3rd) anniversary of a Class A Common Shareholder's respective Closing Date under this Offering, such Subscriber may, by a six (6) months' advance written notice, request that eCapital Group purchase all or a portion of its Class A Common Shares. eCapital Group may honor such request, in its sole discretion. Repurchases shall be limited to no more than five percent (5%) of the then total issued and outstanding Class A Common Shares per calendar quarter as determined at the end of such calendar quarter and up to twenty percent (20%) of the total issued and outstanding Class A Common Shares as determined at the end of the relevant calendar year but excluding for purposes of these calculations any Class A Common Shares held by Affiliated Companies. The purchase price payable for each Class A Common Share purchased by eCapital Group shall be equal to the subscription price of the Class A Common Share plus any accrued, declared but unpaid dividends thereon. Subject to the limitations above, where eCapital Group has agreed to purchase Class A Common Shares from more than one such Subscriber, eCapital Group intends to purchase from each such Subscriber a number of Class A Common Shares proportional to such subscriber's percentage of all of the Class A Common Shares requested to be purchased by such Subscribers at such time for the relevant quarter;

(e) Subject to eCapital Group call right (described in this section), the Class A Common Shares are subject to redemption, in whole or in part, by the Issuer at any time. Should the Issuer exercise its right of redemption (i) prior to the first (1st) anniversary of the Class A Common Shareholders' respective Closing Dates under this Offering, the Issuer must redeem the relevant Class A Common Shares at one hundred and six percent (106%) of the subscription price per Class A Common Share, plus accrued, declared but unpaid dividends thereon (such amount being the fair market value of such Class A Common Share at such time); (ii) after the first (1st) anniversary of Class A Common Shareholders' respective Closing Dates under this Offering, the Issuer must redeem the relevant Class A Common Shares at one hundred and three percent (103%) of the subscription price per Class A Common Share, plus accrued, declared but unpaid dividends thereon (such amount being the fair market value of such Class A Common Share at such time). Upon receipt of a notice from the Issuer exercising its right to redeem Class A Common Shares as provided herein, eCapital Group shall have the option (the "**eCapital Group call right**" in this section) to purchase the Class A Common Shares of the Class A Common Shareholder that are the subject of such notice at the same price and under the same terms as set forth in this section "e". In order to exercise such option eCapital Group shall deliver written notice of exercise to the Issuer and to the Class A Common Shareholder on or before the date of purchase. Where the Issuer or eCapital Group proposes to purchase or redeem Class A Common Shares, in whole or in part, it may either (a) solicit proposed sellers directly in the Issuer's discretion; (b) propose a redemption or purchase pro-rata and pari passu across all Class A Common Shareholders; or a combination of (a) and (b) in the Issuer's discretion;

(f) Subject to eCapital Group call right (described in this section), on the occurrence of a Sale Event any Class A Common Shareholder may require the Issuer to redeem its Class A Common Shares at a price per Class A Common Share equal to: (i) one hundred and six percent (106%) of the subscription price per Class A Common Share, plus accrued, declared but unpaid dividends thereon, if such event occurs prior to the first (1st) anniversary of such Class A Common Shareholder's respective Closing Date under this Offering (such amount being the fair market value of such Class A Common Share at such time); or (ii) one hundred and three percent (103%) of the subscription price per Class A Common Share, plus accrued, declared but unpaid dividends thereon, if such event occurs on or after the first (1st) anniversary of such Class A Common Shareholder's Closing Date under this Offering; in each such case in respect of the relevant Class A Common Shares (such amount being the fair market value of such Class A Common Share at such time). Upon receipt of a notice from a Class A Common Shareholder exercising its right to redeem following the occurrence of a Sale Event, eCapital Group shall have the option (the "**eCapital Group call right**" in this section) to purchase the Class A Common Shares of the Class A Common Shareholder that are the subject of such notice at the same price and under the same terms as set forth in this section "f". eCapital Group shall exercise such option by giving written notice to the Issuer and to the Class A Common Shareholder on or before the date of purchase. A

Class A Common Shareholder may only exercise this option once, after which it shall be extinguished;

(g) eCapital Group shall notify any Class A Common Shareholder that makes a request under sections (e) and (f) above of eCapital Group's intention to purchase Class A Common Shares within thirty (30) days after eCapital Group's receipt of such request;

(h) In addition to the foregoing, eCapital Group or the Issuer may purchase any number of Class A Common Shares for cancellation by tender (invitation to tender sent to all Class A Common Shareholders) or by private contract (negotiated with individual Class A Common Shareholders). The purchase amount in these cases cannot be greater than the amount which would be payable to each Class A Common Shareholder under (e) and (f) above; and

(i) The Class A Common Shareholders have no rights other than those enumerated in this Item 4.1.

4.2 Long Term Debt

As of June 28, 2024, the Issuer had $289,677,000.00 in Canadian dollar Debentures and $60,519,000.00 in U.S. dollar Debentures outstanding. The U.S./Canadian dollar exchange rate on June 28, 2024 was $1.3687. Converting the above figures to Canadian dollars, the amount of the aggregate outstanding Debentures was $372,509,355.30, of which $165,134,806.50 was short term debt (due within the next 12 months) and $207,374,548.80 was long term debt (due after June 2024).

Converting all U.S. dollar denominated Debentures to Canadian dollars at the above foreign exchange rate, the Issuer has the following long term debt outstanding as at June 28, 2024:

Description	Interest Rate and Repayment Terms			Total Amount Outstanding at June 28, 2024	Amount Outstanding after Minimum Offering	Amount Outstanding after Maximum Offering*
	8% Secured Debentures	Series 2 Debentures	Series 4 Debentures			
Debentures	$95,925,955.30	$0	$76,583,400.00	$372,509,355.30	not applicable	$1,000,000,000
Short Term Portion of above Debentures	$132,510,806.50	$0	$32,624,000.00	$165,134,806.50		
Long Term Portion of above Debentures	$163,415,148.80	$0	$43,959,400.00	$207,374,548.80		

* The Maximum Offering Amount provides for an additional 7% of the Maximum Offering Amount of Debentures as a temporary increase to provide for timing differences between maturities of existing Debentures and issuances of new Debentures. For U.S. dollar denominated Debentures conversion to Canadian dollars is made as at the date of issuance.

** Certain Short Term18 Month Series 4 Debentures are subject to roll over arrangements which provide that the holder will automatically renew for an additional 18 month term on maturity. As at June 28 2024, all of the Series 4 Debentures were subject to this arrangement.

4.3 Prior Sales

As of June 28, 2024, within the previous twelve (12) months the Issuer has issued the following Debentures and Class A Common Shares to Subscribers pursuant to this Offering as detailed in Item 4.3 (figures below are "net" amounts and Debentures denominated in U.S. dollars are shown in the U.S. dollar amounts stated on the Debentures – not converted to Canadian dollars in the table below)

Date of Issuance	Type and Number of Securities Issued				Price per Security	Total Funds Received
	8% Secured Debentures	Series 2 Debentures	Series 4 Debentures	Class A Common Shares		
July 2023	9,328 475	0 0	0 0	4,155 150	CAD$1,000 U.S.$1,000	CAD$13,483,000 U.S.$625,000
August 2023	0 0	0 0	0 0	18,782 0	CAD$1,000 U.S.$1,000	CAD$18,782,000 U.S.$0
September, 2023	3,686 0	0 0	0 0	3,210 0	CAD$1,000 U.S.$1,000	CAD$6,896,000 U.S.$0
October, 2023	5,070 357	0 0	0 0	4,720 0	CAD$1,000 U.S.$1,000	CAD$9,790,000 U.S.$357,000
November, 2023	2,140 100	0 0	4,250 0	6,920 2,200	CAD$1,000 U.S.$1,000	CAD$13,310,000 U.S.$2,300,000
December, 2023	6,105 0	0 0	1,000 20,000	0 0	CAD$1,000 U.S.$1,000	CAD$7,105,000 U.S.$20,000,000
January, 2024	1,705 850	0 0	5,000 0	4,710 1,420	CAD$1,000 U.S.$1,000	CAD$11,415,000 U.S.$2,270,000
February, 2024	4,624 1,345	0 0	7,200 5,000	0 0	CAD$1,000 U.S.$1,000	CAD$11,824,000 U.S.$6,345,000
March, 2024	5,347 0	0 0	2,850 0	12,927 800	CAD$1,000 U.S.$1,000	CAD$21,124,000 U.S.$800,000
April, 2024	1,440 355	0 0	6,985 7,000	9,075 1,430	CAD$1,000 U.S.$1,000	CAD$17,500,000 U.S.$8,787,000
May, 2024	3,685 455	0 0	0 0	3,950 100	CAD$1,000 U.S.$1,000	CAD$7,635,000 U.S.555,000
June, 2024	7,485 1,275	0 0	5,500 0	7,480 2,305	CAD$1,000 U.S.$1,000	CAD$20,465,000 U.S.3,580,000
Total Issued	50,615 5,212	0 0	32,785 32,000	75,929 8,405	CAD$1,000 U.S.$1,000	CAD$159,329,000 U.S.$45,617,000

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

<u>**Securities:**</u> The securities being offered pursuant to this Offering are senior secured redeemable debentures and Class A Common Shares. The price of each Security is $1,000 CAD, $1,000 USD, €1,000 EUR or £1,000 GBP with the currency to be selected at the option of each Subscriber. The Securities are issuable in amounts denominated in multiples of 1,000 in the relevant currency. There is a minimum of CAD/USD$150,000, EUR €150,000 or GBP £150,000 in respect of each subscription, or such other minimum subscription as may be accepted by the Issuer from time to time. Securities will be issued in series based on the relevant Closing Date and currency and each series of Securities shall rank *pari passu* with all other Securities of the same kind under this Offering and without priority amongst themselves within the same kind of Security.

(a) Terms of Debentures

Obligations Secured: The Issuer's debt obligations represented by the Debentures are secured obligations and will rank side by side, equally and on an equal footing *vis à vis* all other Debentures (i.e., pari passu), and will have priority with respect to any other secured obligations of the Issuer or unsecured claims including without limitation any claims related to the Class A Common Shares or the Common Shares of the Issuer. All Debentures issued pursuant to the Offering rank equally rateably without discrimination, preference or priority between and among themselves except for such preferences as may be provided for under applicable law.

<u>**Maturity:**</u> Subject to the rights of redemption as provided for herein, a Debentureholder's Debentures shall mature as follows:

- **8% Secured Debentures:** on the third anniversary date of the issuance of those Debentures (each such date a "**Maturity Date**" with respect to the 8% Secured Debentures).

- **Series 2 Debentures:** on the fifth anniversary date of the issuance of those Debentures (each such date a "**Maturity Date**" with respect to the Series 2 Debentures).
- **Series 4 Debentures:** on the sixth month, one year, eighteen month or thirty-six month anniversary date of the issuance of the Series 4 Debentures as applicable (each such date a "**Maturity Date**" with respect to the Series 4 Debentures).

On the occurrence of a relevant Maturity Date, where a Debentureholder has expressed its desire to the Issuer to reinvest its Debenture(s) on the terms of the then current Offering for the same term and provided that at the time of the Maturity Date of its Debenture the Issuer's existing Offering Memorandum is not stale dated, the Issuer may at its sole discretion extend the Maturity Date of the applicable Debentures for a period of up to 90 days. This extension period will be to allow the Issuer to issue an updated Offering Memorandum. Upon acceptance of the applicable subscription agreements by the Issuer, the matured and extended Debentures shall be renewed and closed as of the date of acceptance for an additional term equal to the original term at the interest rate which shall be the higher of (i) the interest rate in effect as at the Maturity Date and (ii) the interest rate in effect as at the Closing Date. All other terms shall be as in effect at the Closing Date.

Early Redemption: The Issuer may redeem a Debentureholder's Debentures in part or in full at any time during the term of the specific Debentures by providing the Debentureholder with at least thirty (30) days' prior written notice to the Debentureholder of its intention to do so. To effect such redemption, the Issuer must make payment of the principal amount of such Debentures and all accrued and unpaid interest thereon to the date of payment plus, for the 8% Secured Debentures and the Series 2 Debentures, the lesser of (a) three (3) months of interest and (b) interest owing from the date of redemption to the Maturity Date. The Series 4 Debentures shall be redeemable at any time without penalty upon payment of the principal amount of such Debentures and all accrued and unpaid interest thereon to the date of payment.

Interest: Each Debenture will entitle the holder thereof to the following simple rates of interest from the date of issue:

- **8% Secured Debentures:** The Issuer will pay interest at a rate of 8.00% per annum payable on a monthly basis, fifteen (15) days in arrears on the 15th of each month of each year during the term of the Debentures. The Issuer may from time to time, at its sole and absolute discretion, pay an additional discretionary interest to new subscribers only over and above the interest applicable to the 8% Secured Debentures in an amount agreed upon by the Issuer's board, if the economic conditions and the Bank of Canada interest rate increase warrant the payment of such discretionary interest as a bonus in order to support the viability of this Offering it being recognized that any such increases will apply to the end of the term of the Debentures subscribed for if such an increase is offered by the Issuer at the time of subscription.
- **Series 2 Debentures:** The Issuer will pay interest at a rate of either (i) LIBOR plus 500 bps per annum; or (ii) at the option of the Issuer upon providing the Debentureholder with 15 days prior written notice, a rate of 6.50% per annum on a quarterly basis fifteen (15) days in arrears and in regards to (i) and (ii) above payable in arrears on the 15th of each January, April, July and October of each year during the term of the Debentures.
- **Series 4 Debentures**: The Issuer will pay interest at the rate per annum negotiated at the time of subscription payable on a monthly basis, fifteen (15) days in arrears on the 15th of each month of each year during the term of the Debentures.

Interest payments and repayment of principal of each Debenture shall be in the same currency in which the Debenture is funded on the date of payment or repayment.

Reinvestment Bonus: The Issuer shall pay current Debentureholders a "**reinvestment bonus payment**" in the amount of 0.5% of each Debenture's principal amount reinvested by that Debentureholder in the Issuer's then authorized Debentures provided (a) a properly completed Subscription Agreement is delivered by the Debentureholder to the Issuer at least 90 days prior to the Maturity Date of the Debentures whose principal is to be reinvested and (b) the Issuer, in its sole discretion, accepts the Debentureholder's Subscription Agreement.

Funding of Repayment: Management of the Issuer shall have sole discretion on how the Issuer will fund or finance the repayment of the Debentures. Management may decide to use its existing cash on hand if any, sell assets, raise additional capital or use a combination of the above methods to accomplish the repayment of the Debentures. There is no assurance that any of the above methods of funding the repayment of the Debentures will be successful or if accomplished will raise enough funds to repay all of the Debentures. It is possible that the Issuer may not have the financial ability to repay all or any Debentures upon maturity.

Limited Recourse: Recourse under the Debentures will be limited primarily to the assets of the Issuer (including Issuer Assets, the Secured Subordinated Loans and the security granted in connection therewith) and the assets of eCapital Group and eCapital Trust pursuant to the EGC Note, the eCapital Trust Note, the eCapital Group Guarantee and the eCapital Trust Guarantee, the eCapital Group Security and the eCapital Trust Security.

Currency: The Securities may be funded in any functional currency. Where the Subscriber elects to fund in a functional currency other than CAD the Issuer shall inform the Subscriber of the Spot Rate of Exchange on the date of Subscription. Interest payments and repayment of principal of each Debenture shall be in the same currency in which the Debenture is funded on the date of payment or repayment.

Temporary Increase: At the discretion of the Issuer, the Maximum Offering Amount of Debentures may be increased by up to an additional 7% of the Maximum Offering Amount of Debentures for an aggregate period not to exceed six (6) months in any twelve (12) month period. The purpose of the temporary increase is to provide for timing between maturities of existing Debentures and issuances of new Debentures.

(b) Terms of Class A Common Shares

Dividends on Class A Common Shares: The Issuer expects to declare a monthly dividend on each Class A Common Share in the amount of 1% of the subscription price (12% annualized), payable on the 15th day of the calendar month next following the month in which it is declared. The source of cash to pay such dividends is expected to be the annual interest to be paid to the Issuer from the Secured Subordinated Loans. Such dividends can be paid only when, as and if declared by the board of directors of the Issuer, in its discretion. Accordingly, the monthly dividend, if declared, may be more or less than 1%. Dividend payments are expected to be paid in the same currency in which the Class A Common Shares are funded on the date of payment.

Rights on Equal Footing and Proportional Basis: Other than the Purchase Rights (as defined below), the rights attaching to each Class A Common Share rank side by side, equally and on an equal footing (i.e., pari passu) vis à vis all other Class A Common Shares. Notwithstanding the foregoing, should the Issuer be unable to redeem, or eCapital Group be unable to purchase, all of the Class A Common Shares requested to be redeemed in connection with a Sale Event or purchased by eCapital Group or an Affiliate such Class A Common Shareholders shall be entitled to have their Class A Common Shares redeemed or purchased (as the case may be) on a first-come-first-served basis, based on the date on which the requesting Class A Common Shareholder provided notice of its desire to redeem its Class A Common Shares or requested eCapital Group to purchase such Class A Common Shares.

Non-Voting: The Class A Common Shareholders are not entitled to notice of or to attend any meeting of the holders of Common Shares or any other voting securities, to vote at any such meeting of the holders of Common Shares or other voting securities. To the extent that the Class A Common Shareholders are entitled to vote on certain matters pursuant to the OBCA, the Class A Common Shareholders the Issuer shall cast a vote on such Shareholder's behalf, provided that the Issuer shall only exercise such right, on the advice of counsel, and to the extent that such vote does not negatively alter any entitlement of the Class A Common Shareholders as provided herein.

Purchase by eCapital Group at the option of Class A Common Shareholder: At any time following the third (3rd) anniversary of a Class A Common Shareholder's respective Closing Date, a Class A Common Shareholder may request that eCapital Group purchase all or a portion of its Class A Common Shares (the "**Purchase Rights**"). eCapital Group then may honour such request, in its sole discretion and if it chooses to honour one or more such requests it intends to purchase no more than five percent (5%) of the then total issued and outstanding Class A Common Shares per calendar quarter and twenty percent (20%) of the then total issued and outstanding Class A Common Shares per calendar year as determined at the time of the proposed purchase but excluding for purposes of these calculations any Class A Common Shares held by Affiliated Companies. The Class A Common Shareholder in each such instance shall provide at least six (6) months' advance written notice to eCapital Group and the Issuer, and eCapital Group may purchase the subject Class A Common Shares at the subscription price per Class A Common Share plus any accrued, declared, but unpaid dividends thereon. eCapital Group shall notify each such Class A Common Shareholder of its intention to purchase Class A Common Shares within thirty (30) days of eCapital Group's receipt of such Class A Common Shareholder's notice. The purchase price shall be payable by eCapital Group or the Issuer, as the case may be, by the 15th of the month following the month in which the 6 months' notice period expires or such other date as agreed.

Redemption by Issuer or Purchase by eCapital Group at their Respective Options: Subject to eCapital Group call right (described in this section), at any time, the Issuer may redeem all or some of the Class A Common Shares: (i) prior to the first (1st) anniversary of a Class A Common Shareholder's respective Closing Date under this Offering, by payment of one hundred and six percent (106%) of the subscription price per Class A Common Share, plus declared, accrued but unpaid dividends thereon (such amount being the fair market value of such Class A Common Share at such time); (ii) following the first (1st) of a Class A Common Shareholder's respective Closing Date under this Offering, by payment of one hundred and three percent (103%) of the subscription price per Class A Common Share, plus declared, accrued and unpaid dividends thereon (such amount being the fair market value of such Class A Common Share at such time). Upon notice by the Issuer of its intention to redeem Class A Common Shares above, eCapital Group shall have the option to purchase the Class A Common Shares from the Class A Common Shareholder that are subject to such notice at the same price and under the same terms as set forth in this section (the "**eCapital Group call right**" in this section). In order to exercise such option, eCapital Group shall deliver a written notice to the Class A Common Shareholder on or before the date of purchase. Where eCapital Group proposes to purchase or the Issuer proposes to redeem all or some of the Class A Common Shares it may either (a) solicit sellers directly based on the yield paid to such holders, the size of their holdings, or the tenor of their holdings; (b) propose a redemption or purchase pro-rata and pari-passu across all holders of all Class A Shares; or (c) a combination of (a) and (b) and either case the consideration paid for such Class A Shares shall be as stated above.

The purchase price or redemption amount shall be payable by eCapital Group or the Issuer, as the case may be, by the 15th of the month following the month during which eCapital Group exercises its right to purchase or the Issuer exercises its right to redeem, as the case may be.

eCapital Group shall notify any Class A Common Shareholder of its intention to purchase Class A Common Shares forthwith after eCapital Group receipt of such request.

Redemption by Issuer or Purchase by eCapital Group on Sale Event: Subject to eCapital Group call right (described in this section), any Class A Common Shareholder may require the Issuer to redeem its Class A Common Shares upon the occurrence of a Sale Event by providing at least thirty (30) days' and not more than sixty (60) days' prior written notice to the Issuer and eCapital Group of its intention to do so, at a redemption price of: (i) if the Sale Event occurs prior to the first (1st) anniversary of the Class A Common Shareholder's Closing Date under this Offering, one hundred and six percent (106%) of the subscription price per Class A Common Share, plus declared, accrued and unpaid dividends thereon (such amount being the fair market value of such Class A Common Share at such time), and (ii) if the Sale Event occurs on or after the first (1st) anniversary of the Class A Common Shareholder's Closing Date under this Offering, one hundred and three percent (103%) of the subscription price per Class A Common Share, plus declared, accrued and unpaid dividends thereon (such amount being the fair market value of such Class A Common Share at such time). Each Class A Common Shareholder shall only be entitled to exercise this option once, after which it shall be extinguished. Upon receipt of a notice from a Class A Common Shareholder, eCapital Group shall have the option to purchase the Class A Common Shares from the Class A Common Shareholder that are subject to such notice at the same price and under the same terms as set forth above (the "**eCapital Group call right**" in this section). In order to exercise such option, eCapital Group shall deliver a written notice to the Class A Common Shareholder on or before the date of purchase.

Redemption by Issuer or Purchase by eCapital Group by Tender: eCapital Group may purchase, and the Issuer may purchase for cancellation, the Class A Common Shares in part or in full at any time by tender (invitation to tender sent to all Class A Common Shareholders) or private contract (negotiated with individual Class A Common Shareholders). The purchase amount in these cases cannot be greater than the amount which would be payable to each Class A Common Shareholder under purchase.

Funding of Purchases: Management of eCapital Group shall have sole discretion over whether to purchase Class A Common Shares and how eCapital Group will fund or finance the purchase of the Class A Common Shares.

5.2 Subscription Procedure

(a) Subscription Documents

Each Subscriber will be required to enter into a Subscription Agreement with the Issuer.

Specifically, each Subscriber will make certain representations and/or acknowledgements to the Issuer including, without limitation, the following:

- the Subscriber is duly authorized to purchase the Securities;
- if the Subscriber is an individual, the Subscriber has attained the age of majority and has legal capacity and competence to execute the Subscription Agreement and such other documentation as may be required under the securities laws of the jurisdiction of residence of the Subscriber to lawfully subscribe for Securities and to take all actions required pursuant thereto;
- the Subscriber is purchasing the Securities as principal, for investment and not with a view to resale;
- the Subscriber has made the subscription for Securities in compliance with applicable statutory exemptions from the requirement to provide the Subscriber with a prospectus and from registration requirements in connection with any distribution or trade within the meaning of the applicable securities legislation (including any requirement to sell securities through a person or company registered to sell securities under applicable securities laws); and
- as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws will not be available to the Subscriber.
- **The Subscriber acknowledges that the Subscriber has requested and is satisfied that the Subscription Agreement be drawn up in the English language. Le souscripteur reconnaît qu'il a exigé que ce qui précède soit rédigé et exécuté en anglais et s'en déclare satisfait**.

Reference is made to the Subscription Agreement attached as **Schedule** "**A**" to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Securities, Subscribers must complete, execute and deliver the following documentation to the Issuer at **155 University Ave., Suite 1220, Toronto, Ontario M5H 3B7**:

1. one (1) completed and duly signed copy of the Subscription Agreement (including any schedules attached thereto), as described in clause 3 below;
2. a cheque or bank draft in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable in CAD or USD, EUR or GBP (as applicable)to "**eCapital Bond Corp.**", or as the Issuer may otherwise direct;
3. completed and executed copies of the appropriate investor qualification form/"private issuer" certificate and risk acknowledgment form, the forms of which may vary depending on the Subscriber's place of residence and whether registrants are involved; and
4. such other documentation as may be prescribed by applicable securities legislation.

Subject to applicable securities laws, a subscription for Securities, evidenced by a duly completed Subscription Agreement delivered to the Issuer shall be irrevocable by the Subscriber. **See ITEM 11 - Purchasers' Rights**

Subscriptions for Securities will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Issuer to close, at its sole discretion, the subscription books at any time, without notice. If a subscription for Securities is not accepted, all subscription proceeds will be promptly returned to the Subscribers without interest.

It is anticipated that there will be intermittent closings from time to time in the discretion of the Issuer. If a closing of the Offering is not completed by December 31 of the then current calendar year, or as otherwise contemplated in this Offering Memorandum, such closing may, at the sole discretion of the Issuer, be carried over into the following calendar year or the Offering will be terminated and all amounts received from Subscribers will be promptly returned to them without interest.

It is expected that certificates representing the Securities will be available for delivery within a reasonable period of time after the relevant closing date(s).

The subscription funds will be held until midnight of the second (2^{nd}) business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

(b) **Distribution**

The Securities will be sold subject to applicable securities legislation. Subscribers must comply with criteria for exempt offerings of securities under applicable provincial securities laws.

Specifically, the Offering is being conducted pursuant to the exemption from the prospectus requirement afforded by Section 2.3 of NI 45-106 which is available for distributions by Debentureholders that are purchasing as principals and are "**Accredited Investors**" as defined in s.73.3(2) of the *Securities Act* (Ontario) or in s.2.3 of NI 45-106 (or under any comparable prospectus exemption available in the purchaser's province or territory of residence).

The exemption relieves the Issuer from the provisions of the applicable securities laws which otherwise would require the Issuer to file and obtain a receipt for a prospectus. Accordingly, prospective investors in Securities will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus (for which a receipt has been obtained), including the review of material by securities regulatory authorities.

The Issuer will offer the Securities for sale if, as, and when issued. The Issuer plans to distribute Securities through Westcourt in the jurisdictions in which it operates and other agents from time to time.

ITEM 6- INCOME TAX CONSEQUENCES

6.1 Canadian Federal Income Tax Considerations for Debentures

The following summary is generally applicable to a person who acquires, as beneficial owner, Debentures, including entitlement to all payments thereunder, pursuant to this Offering Memorandum and who, at all relevant times and for purposes of the Tax Act, is or is deemed to be a resident of Canada, holds the Debentures as capital property and (1) deals with the Issuer, eCapital Group and any dealers at arm's length, (2) is not affiliated with the Issuer, eCapital Group or any dealer, and (3) acquires and holds the Debentures as capital property (a "**Holder**").

Generally, the Debentures will constitute capital property to a Holder provided that the Holder does not hold the Debentures in the course of carrying on a business of buying and selling securities and does not acquire them as part of an adventure in the nature of trade. Certain Holders who might not otherwise be considered to hold their Debentures as capital property may, in certain circumstances, be entitled to have them, and all other “Canadian securities” as defined in the Tax Act, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders considering making such an election should consult their own tax advisors regarding their particular circumstances.

This summary does not apply to a Holder (i) that is a “specified financial institution” as defined in the Tax Act; (ii) that is a “financial institution” within the meaning of the “mark-to-market” rules in the Tax Act; (iii) an interest in which constitutes, or for whom a Debenture would be, a “tax shelter investment” within the meaning of the Tax Act; (iv) whose “functional currency” for the purposes of the Tax Act is a currency of a country other than Canada; (v) that is exempt from tax under Part I of the Tax Act; or (vi) that has entered into or will enter into a "synthetic disposition arrangement" or a “derivative forward agreement” (as those terms are defined in the Tax Act) in respect of the Debentures. This summary does not address the deductibility of interest by a Holder who has borrowed money to acquire Units. Such Holders to whom the above applies should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act and the Regulations in force on the date hereof, all specific proposals to amend the Tax Act or the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Prospectus Supplement (the “**Tax Proposals**”) and counsel’s understanding of the current administrative practices and assessing policies of the Canada Revenue Agency (the “**CRA**”) publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted in the form proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in the law or in the administrative practices or assessing policies of CRA, whether by legislative, governmental, administrative or judicial decision or action, nor does it take into account or consider other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only and is not exhaustive of all possible Canadian tax consequences. It is not intended to be and should not be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the Canadian federal income tax consequences to any particular Holder are made. Accordingly, prospective Subscribers of Debentures should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Debentures, having regard to their own particular circumstances, including any consequences of an investment in the offered securities arising under tax laws of any province or territory of Canada or tax laws of any jurisdiction other than Canada.

Canadian Dollar Reporting

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Debentures, including interest, adjusted cost base and proceeds of disposition, must be expressed in Canadian dollars. Amounts denominated in any foreign currency generally must be converted into Canadian dollars based on the relevant exchange rate as determined in accordance with the rules in the Tax Act.

Interest

A Holder that is a corporation, partnership, unit trust or a trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest or amount that is considered for purposes of the Tax Act to be interest on the Debentures that accrued or is deemed to have accrued to it to the end of the year or that became receivable or was received by it before the end of that year, except to the extent that such interest (or amount considered to be interest) was included in such Holder's income for a preceding taxation year.

Any other Holder, including an individual or a trust (other than a trust described in the preceding paragraph), will be required to include in computing its income for a taxation year the amount of any interest on a Debenture (including any amount considered to be interest for purposes of the Income Tax Act) that is received or receivable by such Holder in that year (depending on the method regularly followed by the Holder in computing its income), to the extent that such amount was not included in computing the Holder’s income for a preceding taxation year. In addition, if at any time a Debenture becomes an “investment contract” (as defined in the Income Tax Act) in relation to the Holder, such Holder will be required to include in computing income for a taxation year any interest (including any amount considered to be interest for the purposes of the Income Tax Act) that accrues (or is deemed to accrue) to the Holder on the Debenture to the end of any “anniversary day” (as defined in the Income Tax Act) in that year to the extent such interest was not otherwise included in the Holder’s income for that or a preceding taxation year. For these purposes, the “anniversary day” in respect of a Debenture held by a Holder is the day that is one year after the day immediately preceding the date of issuance of the Debenture, the day that occurs at every successive one-year interval from such day and the day on which the Debenture is disposed of by such Holder.

If a Debenture acquired by a Holder is a "prescribed debt obligation" (as defined for the purposes of the Tax Act and the Regulations), interest may also be deemed to accrue on the Debenture and prescribed amounts may be required to be included in the Holder's income for a taxation year, except to the extent that such amounts were otherwise included in the income of the Holder for that taxation year or a previous taxation year. Holders should consult their own tax advisors regarding the tax characterization of the Debenture for the purposes of the Tax Act.

Any amount paid by the Issuer to a Holder as a penalty or bonus on the repayment of all or part of the Debenture before maturity will be deemed by the Tax Act to be received by the Holder as interest at that time and will be included in computing the Holder's income as described above to the extent that that such amount can be considered to reasonably relate to, and does not exceed, the value at the time of payment of, interest that but for the payment, would have been paid or payable by the Issuer as interest on the Debentures for a taxation year of the Issuer ending after that time. In the event that the Debenture is redeemed prior to maturity in accordance with its terms, the Issuer shall pay, in addition to all other amounts due, all or part of the unearned interest in respect of such Debenture to the date of maturity in accordance with the terms of that particular Debenture. All of part of that additional payment will likely be treated as a penalty or bonus on the payment of the Debenture before maturity and deemed to be interest under the Tax Act. Any portion of that additional payment that is not deemed to be interest under the Tax Act may be taxed as a capital gain in the manner described below under "Dispositions". There are no assurances, however, that the Canada Revenue Agency will accept that such excess amount should be treated as a capital gain and may instead also treat such amount as interest. **Holders should consult their own tax advisors to determine the proper treatment of such an additional payment received on any redemption prior to maturity.**

Disposition

On a disposition or a deemed disposition (which will include redemption or repayment) of a Debenture, a Holder generally will be required to include in computing its income for the taxation year in which the disposition occurs all interest (including an amount that is considered to be interest) that accrued on the Debenture from the date of the last interest payment to the date of disposition, except to the extent that such amount has otherwise been included in such Holder's income for that year or a preceding taxation year.

The Issuer expresses no view regarding the Canadian tax consequences to a Holder of reinvesting its Debentures in other debentures issued by the Issuer, or of any "reinvestment bonus payment" receivable by a Holder in respect of such a reinvestment, as described in *Section 5.1 – Terms of Securities*. Holders should consult their own tax advisors to determine the tax treatment of such a reinvestment and of any "reinvestment bonus payment" so received.

In general, on a disposition or a deemed disposition of a Debenture, a Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the Holder's income as interest and any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Debenture to such Holder immediately before the disposition or deemed disposition.

As currently provided in the Tax Act, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year will be included in computing such Holder's income for that taxation year, and one-half of any capital loss (an "allowable capital loss") realized by a Holder in a taxation year must be deducted from taxable capital gains in accordance with the provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, subject to and in accordance with the provisions of the Tax Act. In its 2024 Budget, Finance announced Proposed Amendments to the Tax Act which would increase the inclusion rate of capital gains and capital losses to two thirds from one-half. These Proposed Amendments would take effect on and after June 25, 2024.

Capital gains realized by a Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act.

Refundable Tax

A Holder that is a "Canadian-controlled private corporation" or a "substantive CCPC" (as defined in the Tax Act) may be subject to an additional refundable tax of 102/3 as currently provided in the Tax Act, % on certain "aggregate investment income" (as defined in the Tax Act), including amounts of interest and taxable capital gains.

Not Qualified Investment for Deferred Income Plans

An investment in the Debentures will not be a qualified investment, as defined under the Tax Act, for registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, or tax free-savings accounts.

Exchange of Tax Information

The Issuer is required to comply with due diligence and reporting obligations imposed under the Tax Act that implemented the Canada-United States Enhanced Tax Information Exchange Agreement. As a result, Holders may be requested to provide information in order to determine whether the Holder is a U.S. person. If the Holder does not provide the requested information, certain information on the Holder's investment in the Issuer may be reported to the Canada Revenue Agency unless the Holder is a Registered Plan. The Canada Revenue Agency is expected to provide that information to the U.S. Internal revenue Service.

6.2 Canadian Federal Income Tax Considerations for Class A Common Shares

Currency Conversion

For the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Class A Common Shares, including amounts relevant to the computation of actual and deemed dividends on the Class A Common Shares and the adjusted cost base, paid-up capital and proceeds of disposition relating to those shares, must be converted into Canadian dollars using the Bank of Canada Noon Rate on the day on which the amount first arose or such other rate of exchange as is acceptable to the Minister of National Revenue.

Dividends on the Class A Common Shares

A Class A Common Shareholder will be required to include in computing its income for a taxation year dividends received or deemed to be received on the Class A Common Shares. In the case of a Class A Common Shareholder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit for dividends designated by the Issuer as "eligible dividends" in accordance with the rules in the Tax Act. There may be limitations on the ability of the Issuer to designate dividends as eligible dividends.

Dividends received or deemed to be received by a Class A Common Shareholder that is an individual (other than certain trusts) may also give rise to a liability for alternative minimum tax under the Tax Act.

In the case of a Class A Common Shareholder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Class A Common Shareholder that is a corporation as proceeds of disposition or a capital gain. Class A Common Shareholders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

A Class A Common Shareholder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Class A Common Shares to the extent such dividends are deductible in computing the Class A Common Shareholder's taxable income for the year. A "subject corporation" is generally a corporation controlled directly or indirectly for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Dispositions of Class A Common Shares

A Class A Common Shareholder who disposes or is deemed to dispose of Class A Common Shares (including to eCapital Group on the exercise of its right to purchase, or on redemption or other acquisition of such shares by the Issuer, but other than a purchase for cancellation) will generally realize a capital gain (or sustain a capital loss) to the extent that the Class A Common Shareholder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the Class A Common Shareholder's adjusted cost base of such shares. The amount of any deemed dividend arising on the redemption or acquisition of such shares by the Issuer (see "—Redemption of the Class A Common Shares" below) will generally be excluded from the Class A Common Shareholder's proceeds of disposition for purposes of computing the Class A Common Shareholder's capital gain or capital loss arising on the disposition of such shares.

If the Class A Common Shareholder is a corporation, in certain circumstances any capital loss may be reduced by the amount of dividends received or deemed to be received on such shares to the extent and in accordance with the rules contained in the Tax Act. Similar rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary.

Redemption of Class A Common Shares

If the Issuer redeems or otherwise acquires or cancels a Class A Common Shareholder's Class A Common Shares (other than by a purchase in the open market in the manner in which such shares are normally purchased by any member of the public in the open market), the Class A Common Shareholder will be deemed to have received a dividend equal to the amount, if any, paid by the Issuer in excess of the paid-up capital of such shares at such time (as computed for purposes of the Tax Act). In the case of a Class A Common Shareholder that is a corporation, in certain circumstances all or part of the amount so deemed to be a dividend may instead be treated as proceeds of disposition and not as a dividend (see "—Dividends on the Class A Common Shares" above). The difference between the amount paid by the Issuer and the amount of the deemed dividend, if any, will be treated as proceeds of disposition for the purposes of computing the Class A Common Shareholder's capital gain or loss arising on disposition of such Class A Common Shares (see "Dispositions of Class A Common Shares" above).

Taxation of Capital Gains and Capital Losses

Generally, as currently provided in the Tax Act, a Class A Common Shareholder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Class A Common Shareholder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Class A Common Shareholder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years. As noted above in Section 6.2 "Dispositions", in its 2024 Budget, Finance announced Proposed Amendments to the Tax Act which would increase the inclusion rate of capital gains and capital losses to two thirds from one-half. These Proposed Amendments would take effect on and after June 25, 2024Capital gains realized by a Class A Common Shareholder that is an individual or a trust (other than certain trusts) may give rise to alternative minimum tax under the Tax Act.

Refundable Tax

A Class A Common Shareholder that throughout the relevant taxation year is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a tax of 10 2/3% (refundable in certain circumstances) on its "aggregate investment income", which is defined to include taxable capital gains.

Eligibility For Investment

The Class A Common Shares will not be a "qualified investment" under the Tax Act for a Registered Plan. Prospective Class A Common Shareholders that intend to hold Class A Common Shares in a trust governed by a Registered Plan are urged to consult their own tax advisors having regard to their particular circumstances.

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

Westcourt shall receive a commission of up to 3% of the gross aggregate principal amount of the 8% Secured Debentures and the Series 4 Debentures on terms to be agreed or amended between the Issuer and Westcourt from time to time. Other agents involved in the sale of the 8% Secured Debentures and the Series 4 Debentures will receive a commission on the gross aggregate principal amount of 8% Secured Debentures or the Series 4 Debentures on terms to be agreed or amended between the Issuer and such agent from time to time. The agent or agents involved in the sale of the Series 2 Debentures shall receive a commission of up to 2% of the gross aggregate principal amount of Series 2 Debentures on terms to be agreed or amended between the Issuer and such agent from time to time. The agent or agents involved in the sale of the Class A Common Shares shall receive a commission of up to 1% per annum of the gross aggregate principal amount of Class A Common Shares on terms to be agreed or amended between the Issuer and such agent from time to time. Affiliated Companies of the Issuer may, in accordance with applicable securities legislation pay a finder's fee to certain persons in connection with the offering of Securities; such payment will not be deducted from the available funds of this Offering.

For any converting shareholder or debentureholder, that were previously preferred shareholders or convertible debentureholders of eCapital Group, Westcourt will receive any commission due in respect of such investors commencing on the 5th anniversary of the investment made into eCapital Bond related to said conversion.

ITEM 8- RISK FACTORS

In addition to factors set forth elsewhere in this Offering Memorandum, potential investors should carefully consider the following risk factors in making a decision to subscribe for Securities. The Issuer advises that prospective investors should consult with their own independent professional legal, tax, investment and financial advisors before purchasing Securities to determine the appropriateness of this investment in relation to their risk tolerance, financial and investment objectives, and in relation to tax consequences of any such investment.

An investment in the Securities is highly speculative. Potential investors should carefully consider a number of risk factors inherent in an investment in the Securities before subscribing for the Securities. This Offering is not suitable for investors who cannot afford to assume significant risks in connection with their investments.

In assessing the risk and rewards of an investment in Securities, potential investors should appreciate that they are relying solely on the good faith, judgment and ability of the directors, officers and employees of the Issuer to make appropriate decisions with respect to the management of the Issuer, and that they will be bound by the decisions of the Issuer's directors, officers and employees. This Offering is only suitable for investors who are willing to rely on these individuals to this extent to purchase Securities.

The purchase of Securities involves a high degree of risk. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective investors should consider the following risks before purchasing Securities. Any or all of these risks, or other as yet unidentified risks, may have a material adverse effect on the Issuer's business and/or the return to the Subscribers.

Investment Risk

Risks that are specific to the Securities being offered under this Offering include the following:

1. **No Review by Regulatory Authorities**: This Offering Memorandum constitutes a private offering of the Securities by the Issuer only in those jurisdictions where and to those persons to whom, they may be lawfully offered for sale under exemptions under applicable securities legislation. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement or public offering of these Securities. Subscribers pursuant to this Offering Memorandum will not have the benefit of a review of the material by any regulatory authority

2. **No Deposit Insurance**: The Securities offered pursuant to this Offering Memorandum are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.

3. **Tax Risk**: The tax consequences associated with an investment in the Securities may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to the Issuer of issuing Securities and/or investors holding or disposing of Securities. As a result, there may be adverse tax consequences to a Subscriber for Securities. Subscribers should seek independent tax advice before participating in the Offering. **See ITEM 6 - Income Tax Consequences**

4. **Changes to the Tax Act**: No assurance can be given that changes in the Tax Act or future court decisions or the implementation of new taxes will not adversely affect the Issuer or fundamentally alter the income tax consequences to the Issuer or holders of Securities with respect to acquiring, holding or disposing of Securities. Investors are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of Securities purchased pursuant to the Offering.

5. **No Management Rights**: The Senior Team, and not the Debentureholders or the Class A Shareholders, will make decisions regarding the management of the Issuer's affairs. Debentureholders and Class A Common Shareholders will have no rights to attend meetings of shareholders or vote in any manner. Subscribers must carefully evaluate the personal experience and business performance of any director or officer of the Issuer. In very limited circumstances, such as an insolvency proceeding, Debentureholders may have a right to vote on such proceeding, but such vote would be limited in scope and, at that time, a return on the investment in Debentures would likely be compromised or could be non-existent. To the extent that the Class A Common Shareholders are entitled to vote on certain matters pursuant to the OBCA, the Class A Common Shareholders shall be bound by a voting trust that authorizes the Issuer to vote on behalf of the Class A Common Shareholders in regard to such matters.

6. **Debt Securities**: The Debentures offered by the Issuer are not a direct investment in any asset of the Issuer (including Issuer Assets or Secured Subordinated Loans (and the security granted therewith)) or any other member of the Group, but only an investment in debt securities of the Issuer. A Debentureholder's recourse is limited to assets of the Issuer (including Issuer

Assets and Secured Subordinated Loans (and the security granted therewith)), and the assets of eCapital Group and eCapital Trust pursuant to the EGC Note, the eCapital Trust Note, the eCapital Group Security, the eCapital Trust Security, the eCapital Group Guarantee and the eCapital Trust Guarantee.

7. **Class A Common Shares:** The Class A Common Shares represent an equity investment in the Issuer and the dividends declared thereon are not secured obligations of the Issuer. Recourse of Class A Common Shareholders is limited to assets of the Issuer (after payment of amounts due in priority, including to Debentureholders) whereas the Issuer will have recourse against each of eCapital Group or eCapital Trust for amounts owing to the Issuer under the Secured Subordinated Loans. Such loans are subordinated in all respects to the securities granted to the Issuer and the Trustee in connection with the Trust Indenture and Secured Priority Loans. In some matters the interests of Debentureholders may be adverse to that of Class A Common Shareholders and decisions may be taken, in respect of the security granted to the Debentureholders or the Security Trustee (on behalf of the Debentureholders) that may result in a negative return to Class A Common Shareholders. The Class A Common Shareholders have no right to vote or attend or demand meetings on any matters (other than as mandated under the OBCA) and have delegated such rights to the Issuer to vote on their behalf. The sole source of income to pay obligations due in respect of the Class A Common Shares is derived from the Secured Subordinated Loans. There are no independent sources of income, or other forms of credit support, to satisfy any obligations due in respect of the Class A Common Shares.

8. **Independent Counsel**: No independent counsel was retained on behalf of the Subscribers with respect to this Offering. There has been no review of this Offering Memorandum by any independent counsel on behalf of the Subscribers of the Offering Memorandum, or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Subscribers by legal counsel.

9. **Illiquidity of Investment**: An investment in the Securities of the Issuer is an illiquid investment. **There is currently no market through which the Securities of the Issuer may be sold**. The Issuer does not expect that any market will develop pursuant to this offering or in the future. Accordingly, an investment in Securities should only be considered by investors who do not require liquidity. The Issuer is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of the Securities.

10. **Restrictions on the Transfer or Assignment of Securities:** The Securities are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, you will not be able to trade the Securities unless such Debentureholders or Class A Common Shareholders comply with an exemption from the prospectus requirements under applicable securities legislation. **See ITEM 10 - Resale Restrictions**

11. **Liquidity Risk:** If the Issuer requires new capital, it may need to raise additional funds or reduce its assets if it is unable to raise such capital. The Issuer does not have access to any liquidity. Accordingly, the Issuer may not be able to fund its obligations if it is unable to realize sufficient liquidity at any time.

12. **Interest and Dividend Rate Risk**: The interest rate returns for each Debenture is fixed for the Debenture term and is not subject to any increase. The dividend rate payable for each Class A Common Share is subject to the profitability of the Issuer and is solely payable from amounts received by the Issuer from Secured Subordinated Loans if, as, and when declared in the Issuer's discretion.

13. **Investment Returns and Dividends**: The Issuer has never paid a dividend nor made a distribution on any equity securities. Accordingly, an investment in the Securities is only appropriate for persons with no expectation of return on such investment over the near and medium term and who understand fully the speculative nature of such investment. The payment of any future dividends by the Issuer will be at the sole discretion of its board of directors.

14. **Possible Dilution**: The Issuer's Articles of Incorporation authorize the board of directors to issue an unlimited number of Common Shares and Class A Common Shares. The power of the board of directors to issue Common Shares or Class A Common Shares is generally not subject to shareholder approval. Accordingly, any time the board of directors determines that it is in the best interests of the Issuer to issue shares, the investment of existing shareholders will be diluted.

15. **Interest of Subscribers are to be Subordinate to Certain Other Interests**: In the event of a bankruptcy, liquidation or reorganization of the Issuer, creditors will generally be entitled to payment of their claims from the assets of the Issuer before any assets are made available for distribution to the shareholders. The interest of Class A Common Shareholders will be subordinated to all of the other indebtedness and liabilities of the Issuer other than the holders of Common Shares.

Issuer Risk

Risks that are specific to the Issuer include the following:

1. **Limited Reporting**: The Issuer engages U.S. and Canadian Certified Public Accountants to audit its financial statements on an annual basis. The Issuer will provide copies of the following financial statements for the Issuer to the then current Debentureholders: (i) audited annual financial statements (within 45 days of receipt of same by the Issuer from the Issuer's auditors); and (ii) management prepared quarterly financial statements (within 45 days of each fiscal quarter-end of the Issuer). The quarterly financial statements shall consist of a statement of income or loss and comprehensive income or loss, a statement of changes in equity and a statement of cash flows for the quarterly period, as well as a statement of financial position as at the end of the quarterly period. **See ITEM 9– Reporting Obligations**

2. **Limited Working Capital**: The Issuer will have a limited amount of working capital as the available proceeds of this Offering are to be used to fund Secured Priority Loans and Secured Subordinated Loans, the proceeds of which are to be used by eCapital Group for Group Purposes and by eCapital Trust to acquire eCapital Trust Investments.

3. **Repayment Risk**: There can be no assurance that if additional funding is required by the Issuer to repay any or all of the Debentures, such financing will be available on terms satisfactory to the Issuer, or at all. If the Issuer does not have sufficient funds on hand to repay any or all of the Debentures and cannot secure financing, it will not be able to repay any or all of the Debentures. The same is applicable to accrued, declared and unpaid dividends.

4. **Funding by eCapital Group and eCapital Trust and affiliates thereof (as applicable):** There can be no assurance that either eCapital Group or eCapital Trust will be able to perform their obligations under the respective Secured Priority Loans, the Secured Subordinated Loans, the eCapital Group Guarantee and/or the eCapital Trust Guarantee, respectively. The obligations of eCapital Group pursuant to the eCapital Group Guarantee are secured and only subject to claims superior by operation of applicable law and are wholly dependent on income derived from the Subsidiary Loan which may be subject to competing and/or superior claims by creditors of Subsidiaries, including holders of Operating Line Debt. The obligations of eCapital Trust pursuant to the eCapital Trust Guarantee are secured and only subject to claims superior by operation of applicable law and are wholly dependent on income derived from its operations. The obligations pursuant to any Secured Subordinated Loan are subject to superior claims, including without limitation in relation to its Debentureholders or by operation of applicable law. If the Issuer does not have sufficient funds on hand to meet its obligations to the Debentureholders or its dividend payments to its Class A Common Shareholders as such obligations come due, and if it cannot secure financing to do so, or if eCapital Group and/or eCapital Trust are not in a position to meet their obligations to the Issuer under the Secured Priority Loans, the Secured Subordinated Loans, or if neither eCapital Group nor eCapital Trust is in a position perform its obligations under the eCapital Group Guarantee or the eCapital Trust Guarantee, respectively, then the Issuer will not be able to perform its obligations to the Debentureholders or pay dividend to its Class A Common Shareholders under this Offering and, at that time, a return on the investment in the Debentures or the Class A Common Shares would likely be compromised or could be non-existent.

5. **Assets of the Issuer.** The only revenue generating assets of the Issuer are the EGC Note, the eCapital Trust Note, the EGC Subordinated Note and the eCapital Trust Subordinated Note. The Issuer's ability to repay amounts due under the Debentures or in relation to dividend payments with respect to the Class A Common Shares is wholly dependent on Subsidiaries of eCapital Group and on eCapital Trust remaining current in their payment obligations under the Secured Priority Loans and the Secured Subordinated Loans in compliance with the their obligations under the Operating Line Debt.

6. **eCapital Group and eCapital Trust Assets.** eCapital Group's ability to satisfy its obligations under the Secured Priority Loans or Secured Subordinated Loans is reliant on the ability of the members of the Group, to generate sustained earnings and cash flows. eCapital Trust's ability to satisfy its obligations under the Secured Priority Loans or Secured Subordinated Loans is reliant on its ability to generate income from its assets.

7. **Operating Subsidiaries.** Loans by eCapital Group to the Operating Subsidiaries are unsecured. There is a risk that such Operating Subsidiaries may not be able to generate the cash flow necessary to service their debt obligations in relation to Secured Priority Loans or Secured Subordinated Loans. Operating Subsidiaries are also not restricted from increasing the quantum of their secured Operating Line Debt which ranks in priority to any loans made to such by eCapital Group. In the event of an insolvency, liquidation, reorganization, dissolution, winding up of any Operating Subsidiary, that Operating Subsidiary's secured creditors would be entitled to payment in full out of that company's assets before eCapital Group would be entitled to any payment on account of the Subsidiary Loans and the Subsidiary Loans rank equally with all of such Operating Subsidiary's other existing and future unsecured indebtedness. The same would be applicable if funds are loaned to other Affiliated Companies of eCapital Group or reallocated to other Affiliated Companies of the Issuer.

8. **Change of Directors**: The issued Common Shares of the Issuer are held by eCapital Holdings. Pursuant to the OBCA and the constating documents of the Issuer, the holders of the Issuer's Common Shares have the exclusive right to elect, change and remove the directors of the Issuer. No contract restricts eCapital Holdings' power to change the directors of the Issuer and no mechanism is available to ensure that Stephen McDonald and Cris Neely will remain directors of the Issuer.

9. **Director Attention**: The directors and officers of the Issuer do not and will not devote all of their time and effort to the affairs of the Issuer; they devote and will continue to devote much of their time and effort to the affairs of the Group and its other Affiliated Companies, and also to unrelated business interests of their own.

10. **Conflict of Interest**: There are other potential conflicts of interest to which the directors and officers of the Issuer may be subject in connection with the operations of the Issuer. Situations may arise where the directors and officers will be in direct competition or other conflict of interest with the Issuer. Conflicts, if any, will be subject to the procedures and remedies under the OBCA.

11. **Management Ability**: The success of the Issuer's business strategy depends to a certain extent on the efforts and abilities of the Senior Team and on external factors out of the Issuer's control such as, amongst other things; the general political and economic conditions that may prevail from time to time.

12. **Operating History**: Although the Issuer does not directly engage in the business of lending (other than the Secured Priority Loans and Secured Subordinated Loans), the Issuer is indirectly subject to all risks associated with operating businesses, including: losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature the business of the Group. There can be no assurance that any member of the Group, or the Senior Team will be successful in doing what is required in order to overcome these risks. No assurance can be given that these business activities will be successful.

13. **Leverage Risk:** While the Issuer may not utilize an operating line and or third-party financing to assist in the financing of the Issuer's operational cash flow, certain of its Affiliated Companies do use third party financing in their operations on whose success the ability of the Issuer and of eCapital Group to meet their respective obligations indirectly but ultimately depends. Such Affiliated Companies' ability to meet their direct or indirect obligations to the Issuer and/or to eCapital Group may be subject to competing creditor claims which may limit recoveries to holders of Securities.

14. **Enforcement of Security Interests:** Where the net realizable proceeds from the enforcement of the security interest in the assets of eCapital Group are reduced by competing and/or superior priority claims and/or liens or trusts in respect of Subsidiaries (for eCapital Group) or by operation of applicable law, Debentureholders may receive less than their principal amount invested. The net realizable proceeds from the enforcement of the security interest in the assets of eCapital Trust can also be reduced by statutory liens or trust created by operation of applicable law. The same would apply with respect to the Issuer's ability to enforce its security interest in relation to the eCapital Group Subordinated GSA and the eCapital Trust Subordinated GSA.

15. **Regulatory Risk:** Securities regulators in Canada as part of their overall mandate to oversee and instill confidence in the capital markets and to protect, safeguard and regulate the markets, its investors and participants, have the power to consult with, request information from, audit, investigate, and take regulatory and enforcement action against, market participants and their securities offerings. Notwithstanding the ultimate outcome of such investigations or any enforcement activity, publicity of such matters (authorised or unauthorised) may negatively affect the Issuer's ability to raise funds and carry on operations which could impair the ability of the Issuer to pay its obligations as they fall due.

16. **Investment Strategy Risk**: The Issuer's strategy is to rely on the judgment and ability of the Senior Team and the management of the Operating Subsidiaries, to make sound investments and acquisitions. No assurances can be given that the information provided to the Group and/or eCapital Group and/or eCapital Trust and their respective managements' ability and judgment will result in a successful investment strategy.

17. **Economic Slow Down and Worldwide Crisis.** General adverse economic conditions globally, disruptions to the credit and financial markets in Canada and worldwide and local economic turmoil in areas where the Issuer, the Operating Subsidiaries and eCapital Trust (including without limitation their customers) are located or conduct business, may adversely affect the Issuer, including its ability to raise funds and carry on operations which could ultimately impair the ability of the Issuer to pay its obligations as they fall due. Such events may also adversely affect the business of the Operating Subsidiaries and eCapital Trust, including their ability to carry on operations which could impair their ability to pay their obligations as they fall due. In addition, the current worldwide financial and credit crisis has reduced the availability of liquidity and credit to fund the continuation and expansion of industrial business operations worldwide. The

shortage of liquidity and credit combined with recent substantial losses in worldwide equity markets may lead to an extended worldwide economic recession. Disruptions, uncertainty or volatility in the financial markets may limit the Issuer's, the Operating Subsidiaries' or eCapital Trust's access to capital or impair their respective operations.

Operational and Industry Risk

1. **Fraud and Commercial Risk**: In the conduct of their business, the Operating Subsidiaries and eCapital Trust rely on third-party databases, industry experience and internal sources for due diligence which are in turn may be dependent on information provided by customers of Operating Subsidiaries or eCapital Trust. In the event that the information provided by such entities is false or misleading, the Issuer may be indirectly at risk for losses as a result of fraud. Although the Operating Subsidiaries and eCapital Trust perform such due diligence as they believe adequate to protect against such risk, there are no guarantees that the results of these process are completely accurate.

2. **Currency Foreign Exchange Risk**: The Issuer does not purposely seek to hedge or balance the denomination of its assets and liabilities and therefore, risk exists if there is a rapid adverse change in the exchange rate between the base currency of the investment and the currency of the asset.

3. **Ongoing Deployment of Funds**: Despite a business plan developed by the Group and eCapital Trust to grow its business, there is no guarantee that the Issuer will have the capacity to continuously deploy all of the Securities proceeds.

4. **Insurance**: As disclosed, the Group or eCapital Trust may rely on insurance arranged through reputable carriers as a form of credit enhancement. Recoveries under insurance policies are subject to the credit quality of such carrier and the ability of a claimant to successfully enforce claims made under such policies. There is no assurance that, if disputed by the carrier, such claims will be successful and where a claimant is successful the insurer will be able to satisfy such claims.

5. **Local Market Risk.** The Operating Subsidiaries and eCapital Trust may acquire assets from customers resident in jurisdictions with under-developed legal systems or with limited personal property security regimes. Enforcement of the rights by the Operating Subsidiaries or eCapital Trust in these jurisdictions might be a timely and expensive undertaking.

8. **COVID-19:** Starting in early 2020 and continuing into 2021 and 2022, the COVID-19 pandemic has had a great effect on the global economy. Governmental authorities in Canada and the US have addressed the COVID-19 pandemic with various public health regulations and recommendations to limit the spread of the virus. In the short term, the COVID-19 pandemic has had a severe impact on the global economy, caused large delays to the global supply chain, and has limited domestic and international travel.

   The long-term effects of the COVID-19 pandemic cannot be determined at this time and the economic impact of public health measures could continue to affect the Canadian and US economies for an indefinite period of time. Importantly, continued disruptions and volatility in the global capital markets may adversely impact the Issuer's ability to maintain profitability. The Issuer may be adversely affected by effects of COVID-19 on the global economy for an indeterminate period of time and as such, the COVID-19 may constitute a Force Majeure event.

9. **Systemic Risk.** Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which eCapital Trust, the Operating Subsidiaries and their customers interact on a daily basis.

10. **Cyber Security Risk.** The Issuer's and its service providers' use of internet, technology, and information systems may expose the Issuer to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or assets, or cause the Issuer and/or its service providers to suffer data corruption or lose operational functionality.

Enforcement Risks

1. **Limited Recourse:** There is no assurance that in the event of a default or loss arising from an asset of any Operating Subsidiary or eCapital Trust that the Issuer will be able to recover any amount due to it pursuant to the Secured Priority Loans, the eCapital Group Guarantee or the eCapital Trust Guarantee or the Secured Subordinated Loans. The Class A Common Shareholders have no direct recourse to any assets of the Issuer and returns on such shares are limited to assets of the Issuer after satisfaction of all obligations in priority.

2. **Priorities**: Although the Debentures are secured, the Operating Line Debt ranks in priority to the Operating Subsidiaries' obligations to eCapital Group under their respective loans and may limit or reduce the ability of eCapital Group to repay its debts to the Issuer under the Secured Priority Loans or the Secured Subordinated Loans. Payment of any amounts due and payable under the *Income Tax Act* (Canada), which are either (A) secured by a lien in favour of a governmental authority, and (B) for which the directors of the Issuer may be held personally liable, provided that such amounts are not being contested in good faith by appropriate proceedings will be paid in priority to payments to be made to the Debentureholders.

3. **Co-dependencies between Group Entities:** The value of the collateral securing the Debentures may not be sufficient to satisfy the Issuer's obligations under the Debentures. The Issuer may not be able to realize on its security in relation to the Secured Priority Loans or Secured Subordinated Loans and repayment to the Debentureholders and payment of accrued, declared and unpaid dividends is dependant on the ability of the Operating Subsidiaries and eCapital Trust and its subsidiaries to fund their direct or indirect obligations. Dividends, if and when declared, on the Class A Common Shares are not secured obligations of the Issuer.

4. **Insolvency Law Risk:** Applicable insolvency laws may impact the Security Trustee's ability to enforce remedies under the Trust Indenture by requiring court approval for a restructuring proposal to be binding, allowing a court to grant a stay in insolvency proceedings in favour of the Issuer and/or allowing a debtor or creditor to use the insolvency legislation as a mechanism to effect a sale of all, or part of the Debtor's business, property and/or assets.

ITEM 9- REPORTING OBLIGATIONS

9.1 Reporting to Debentureholders and Class A Shareholders

Except as specifically provided for herein, the Issuer is not required to send you any documents on an annual or ongoing basis.

The Issuer is not a reporting issuer in any jurisdiction. Except as provided for herein, the Issuer is not required to send the Subscribers any documents on an annual or ongoing basis. Specifically, the Issuer is not required to disclose Material Changes which occur in its business and affairs, nor is it required to file with the securities regulatory authorities audited interim financial statements or audited year-end financial statements.

The Issuer engages Certified Public Accountants to audit its financial statements on an annual basis. The Issuer will provide copies of the following financial statements of the Issuer to the then current Debentureholders: (i) audited annual financial statements (within 45 days of receipt of same by the Issuer from the Issuer's auditors); and (ii) management prepared quarterly financial statements (within 45 days of each fiscal quarter-end of the Issuer). The quarterly financial statements shall consist of a statement of income or loss and comprehensive income or loss, a statement of changes in equity and a statement of cash flows for the quarterly period, as well as a statement of financial position as at the end of the quarterly period.

ITEM 10- RESALE RESTRICTIONS

10.1 General Statement

The Securities will be subject to a number of resale restrictions, including a restriction on trading, as prescribed by applicable securities laws. Until the restriction on trading expires, you will not be able to trade the Securities unless you comply with an exemption from the prospectus and registration requirements under applicable securities legislation.

Subscribers should seek independent legal advice in respect of the resale restrictions applicable to the Securities.

10.2 Restricted Period

Unless permitted under applicable securities legislation, you cannot trade the Securities before the date that is four (4) months and a day after the date the Issuer becomes a reporting issuer in any province or territory of Canada.

The Issuer does not intend to become a reporting issuer in any province or territory of Canada.

Subscribers should seek independent legal advice in respect of the restricted periods applicable to the Debentures.

ITEM 11 - PURCHASERS' RIGHTS

<u>If you purchase the Securities, you will have certain rights, some of which are described below. For complete information about your rights, you should consult a lawyer.</u>

11.1 Two (2) Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Securities. To do so, you must send a notice to the Issuer before midnight on the second Business Day after you sign the applicable Subscription Agreement in respect of the Securities.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the jurisdiction which Securities are offered for sale to persons (collectively the "**Offering Jurisdictions**" and each an "**Offering Jurisdiction**") provides that Subscribers have or must be granted rights of rescission or damages, or both, where an offering memorandum (such as this Offering Memorandum) and any amendment or supplement thereto contains a Misrepresentation. As used herein, "**Misrepresentation**" means: (a) in the case of all jurisdictions except Québec, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made; and (b) in the case of Québec, any misleading information on a material fact as well as any omission of a material fact. A "**material fact**" is generally defined under applicable securities legislation as a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Securities. A Subscriber who acquires Securities offered under this Offering Memorandum shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase of the Securities.

These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the Subscriber within the time limits prescribed by applicable securities legislation. The rights discussed below are in addition to and without derogation from any other right or remedy which Subscribers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

The following summaries are subject to the express provisions of the applicable securities statutes and instruments in the Offering Jurisdictions and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions. By its execution of the Subscription Agreement, the Issuer will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors. Each Subscriber should refer to the applicable securities laws of their Offering Jurisdiction for particulars of any rights which may be available to them or consult with a legal advisor.

Rights for Subscribers in the Province of Ontario

Section 130.1 of the *Securities Act* (Ontario) (the "**Ontario Act**") provides that every purchaser of securities pursuant to an offering memorandum (such as this Offering Memorandum) shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in the event that the offering memorandum contains a Misrepresentation. A Subscriber resident in the Province of Ontario who purchases Securities offered by this Offering Memorandum or any amendment thereto during the period of distribution has, without regard to whether or not the Subscriber relied upon the Misrepresentation, a statutory right of action against the Issuer and any selling security holder for damages or, alternatively, while still the owner of the Securities, for rescission against the Issuer and any selling security holder, provided that:

(a) if the Subscriber elects to exercise its right of rescission, the Subscriber shall cease to have a right of action for damages as against the Issuer and the selling security holders, if any;

(b) the Issuer and the selling security holders, if any, will not be liable if it proves that the Subscriber acquired the Securities with knowledge of the Misrepresentation;

(c) in the case of an action for damages, no person or company shall be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Securities as a result of the Misrepresentation relied upon;

(d) in no case shall the amount recoverable in any action exceed the price at which the Securities were offered under this Offering Memorandum; and

(e) no person or company shall be liable for a Misrepresentation in forward-looking information if the person or company proves that:

    (i) the document containing the forward-looking information contained, proximate to that information,

        (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and

        (B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and

    (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Section 138 of the Ontario Act provides that no action shall be commenced to enforce the foregoing rights more than:

(a) in an action for rescission, 180 days from the date of purchase of the Securities; or

(b) in the case of an action for damages, the earlier of: (i) 180 days after the date that the Subscriber first had knowledge of the Misrepresentation; or (ii) three (3) years after the date of purchase of the Securities.

This Offering Memorandum may be delivered in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the "accredited investor exemption"). The rights referred to in Section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a Subscriber in connection with a distribution made in reliance on the accredited investor exemption if the Subscriber is:

(a) a Canadian financial institution, meaning either:

    (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under that Act;

    (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(c) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

This summary is subject to the express provisions of the Ontario Act and the regulations and rules made under it, and Subscribers resident in Ontario should refer to the complete text of those provisions or consult with a legal advisor. Such provisions may contain additional limitations and statutory defences on which the Issuer may rely. The rights of action for damages or rescission discussed above are in addition to, and without derogation from, any other right or remedy which Subscribers may have at law.

Rights for Subscribers in the Province of Alberta

Section 204 of the *Securities Act* (Alberta) (the "**Alberta Act**") provides that if an offering memorandum (such as this Offering Memorandum) contains a Misrepresentation, a Subscriber of Securities pursuant to this Offering Memorandum who is a resident in Alberta is deemed to have relied on the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action (a) for damages against (i) the Issuer, (ii) every director of the Issuer at the date of the Offering Memorandum, and (iii) every person or company who signed the Offering Memorandum, and (b) for rescission against the Issuer ,provided that:

(a) if the Subscriber elects to exercise its right of rescission, the Subscriber shall cease to have a right of action for damages against any person or company referred to above;

(b) no person or company referred to above shall be liable if it proves that the Subscriber acquired the Securities with knowledge of the Misrepresentation;

(c) other than with respect to the Issuer, no person or company referred to above will be liable if it proves that the Offering Memorandum was sent to the Subscriber without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the knowledge and consent of the person or company;

(d) other than with respect to the Issuer, no person or company referred to above will be liable if it proves that the person or company, on becoming aware of the Misrepresentation in the Offering Memorandum, withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(e) other than with respect to the Issuer, no person or company referred to above will be liable if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have reasonable grounds to believe and did not believe that:

    (i) there had been a Misrepresentation; or

    (ii) the relevant part of the Offering Memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

(f) other than with respect to the Issuer, no person or company will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:

  (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or

  (ii) believed or had reasonable ground to believe that there had been a Misrepresentation;

(g) a person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

  (i) this Offering Memorandum contains, proximate to that information:

    i. reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

    ii. a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

  (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;

(h) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Securities as a result of the Misrepresentation;

(i) in no case shall the amount recoverable in any action exceed the price at which the Securities were acquired by the Subscriber under this Offering Memorandum.

Section 211 of the Alberta Act provides that no action may be commenced to enforce the foregoing rights more than:

(a) in the case of an action for rescission, 180 days after the date of purchase of the Securities; or

(b) in the case of any other action, other than an action for rescission, the earlier of: (i) 180 days after the Subscriber first had knowledge of the Misrepresentation; or (ii) three (3) years after the date of purchase of the Securities.

The foregoing summary is subject to the express provisions of the Alberta Act and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain additional limitations and statutory defences on which the Issuer may rely. The rights of action for damages or rescission discussed above are in addition to, and without derogation from, any other right or remedy which Subscribers may have at law.

Rights for Subscribers in the Provinces of British Columbia

Section 132.1 of the *Securities Act* (British Columbia) (the "**British Columbia Act**") provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum) contains a Misrepresentation, a Subscriber resident in British Columbia to whom this Offering Memorandum has been delivered to and who purchases the Securities shall be deemed to have relied on the Misrepresentation and shall have at law a statutory right of action (a) for damages against (i) the Issuer, (ii) every director of the Issuer at the date of this Offering Memorandum, and (iii) every person who signed this Offering Memorandum, and (b) for rescission against the Issuer, provided that:

(a) if the Subscriber elects to exercise its right of rescission, the Subscriber shall cease to have a right of action for damages as against any person or company referred to above;

(b) no person or company referred to above shall be liable if it proves that the Subscriber acquired the Securities with knowledge of the Misrepresentation;

(a) other than with respect to the Issuer, no person or company will be liable if it proves that this Offering Memorandum was sent or delivered to the Subscriber without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable notice to the Issuer that it was delivered without the person's or company's knowledge or consent;

(b) other than with respect to the Issuer, no person or company will be liable if it proves that after delivery of this Offering Memorandum and after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) other than with respect to the Issuer, no person or company referred to above will be liable if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have reasonable grounds to believe and did not believe that:

  (i) there had been a Misrepresentation; or

  (ii) the relevant part of the Offering Memorandum did not fairly represent the expert's report, opinion or statement, or was a fair copy of, or an extract from, an expert's report, opinion or statement;

(d) other than with respect to the Issuer, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority or not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:

  (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or

  (ii) believed or had reasonable grounds to believe that there had been a Misrepresentation;

(a) a person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

  (i) this Offering Memorandum contains, proximate to that information:

    (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

    (B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

  (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;

(e) in the case of an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Securities as a result of the Misrepresentation relied upon; and

(f) in no case will the amount recoverable in any action exceed the price at which the Securities were offered to the Subscriber under this Offering Memorandum.

Section 140 of the British Columbia Act provides that no action shall be commenced to enforce the foregoing rights more than:

(a) in the case for an action for rescission, 180 days after the date of purchase of the Securities; or

(b) in the case of an action for damages, the earlier of: (i) 180 days after the date that the Subscriber first had knowledge of the Misrepresentation; or (ii) three (3) years after the date of purchase of the Securities.

The foregoing summary is subject to the express provisions of the British Columbia Act and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the Issuer may rely. The rights of action for damages or rescission discussed above are in addition to, and without derogation from, any other right or remedy which Subscribers may have at law.

Rights for Purchasers in Québec

In addition to any other right or remedy available to the Subscriber at law, if this Offering memorandum, together with any amendments hereto, is delivered to a Subscriber of Securities resident in Québec and contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Securities by such Subscriber, the Subscriber will be deemed to have relied upon the Misrepresentation and will have a statutory right of action under Québec legislation.

Statutory rights of action available to Subscribers resident in Québec are outlined in Section 221 of the *Securities Act* (Quebec). Section 221 provides that the rights of action established under Section 217 to 219, which deal with Misrepresentation contained in a prospectus, also apply to Subscribers of Securities under an offering memorandum (such as this Offering Memorandum) prescribed by regulation. In the event that a Subscriber who has acquired Securities pursuant to this Offering Memorandum contains a Misrepresentation, the Subscriber may apply to have the contract rescinded or the price revised, without prejudice to a claim for damages. The right of action for rescission or for revision of the purchase price is prescribed by the lapse of three (3) years from the date of transaction. The defendant may defeat the application only if it is proved that the Subscriber had acquired the Securities with knowledge of the Misrepresentation.

The Subscriber may claim damages from the Issuer, the directors of the Issuer at the date of this Offering Memorandum, and every person who signed this Offering Memorandum. Additionally, the Subscriber may claim damages from the expert, if applicable, whose opinion, containing a Misrepresentation, appeared, with his consent, in this Offering Memorandum. The right of action for damages is prescribed by the lapse of three years from knowledge of the facts giving rise to the action, to a maximum of five years from the filing of the Offering Memorandum with Autorité des marchés financiers. In the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Securities as a result of the Misrepresentation relied upon.

11.3 Contractual Right of Action in the Event of a Misrepresentation

If the securities legislation of the Offering Jurisdiction in which the Subscriber is resident does not provide Subscribers with a comparable statutory right of action in the event of a Misrepresentation in this Offering Memorandum or any amendment or supplement thereto, the Subscriber shall have a contractual right against the Issuer for rescission or damages whether or not it relied on the Misrepresentation, provided that:

(a) in no case shall the amount recoverable in any action exceed the price at which the Securities were offered to the Subscriber under this Offering Memorandum;

(b) in an action for damages, the Issuer shall not be liable for all or any portion of the damages that do not represent the depreciation in value of the Securities as a result of the Misrepresentation relied upon;

(c) the contractual right of action is in addition to, and without derogation from, any other right or remedy which the Subscriber may have at law.

A Subscriber that intends to enforce the foregoing rights shall commence the action, as they case may be, by delivering a notice to the Issuer:

(a) in the case of an action for rescission, no more than 180 days from the date of purchase of the Securities;

(b) in the case of an action for damages, within the earlier of (i) 180 days after the Subscriber first had knowledge of the Misrepresentation; and (ii) three (3) years after the date of purchase of the Securities.

GENERAL

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

It is recommended that subscribers consult with their own legal advisers with respect to their rights and the remedies available to them. Subscribers should pay particular attention to any time limits prescribed by the relevant securities legislation. The rights discussed above are in addition to and without derogation from any other rights or remedies, which subscribers may have at law.

The Subscriber acknowledges that he/she/it has requested and is satisfied that this Offering Memorandum and all documentation related thereto be drawn up in the English language. Le souscripteur reconnaît qu'il a exigé que cette notice d'offre ainsi que toutes les autres documents qui s'y rattachent soit rédigé et exécuté en anglais et s'en déclare satisfait.

ITEM 12 – AUDITED ANNUAL FINANCIAL STATEMENTS

12.1 Audited Annual Financial Statements for the Years Ended December 31, 2023 and 2022 for the Issuer.

12.2 Audited Consolidated Annual Financial Statements for the Years Ended December 31, 2023 and 2022 for eCapital Group.

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ECAPITAL BOND CORP.

Financial Statements
(Expressed in United States Dollars)

December 31, 2023 and 2022
(With Independent Auditors' Report Thereon)

Independent Auditors' Report

To the Board of Directors
eCapital Bond Corp.:

Opinion

We have audited the financial statements of eCapital Bond Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the related statements of income, changes in equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit, which includes relevant ethical requirements of the United States of America. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for disclosing, as applicable, matters relating to going concern; and to use the going concern basis of accounting unless management 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.

Mayer Hoffman McCann P.C.
140 Fountain Parkway North
Suite 410
St. Petersburg, FL 33716

Phone: 727.572.1400
Fax: 727.571.1933
mhmcpa.com

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mayer Hoffman McCann P.C.

April 17, 2024
St. Petersburg, Florida

ECAPITAL BOND CORP.

Statements of Financial Position
(Expressed in United States Dollars)

December 31, 2023 and 2022

		2023	2022
Assets			
Current assets:			
Cash and cash equivalents	$	23,748,990	15,238,290
Other receivables		745	745
Notes receivable from related parties		335,993,344	217,861,669
Prepaid expenses		16,342	-
Accrued interest on notes receivable from related parties		26,724,570	15,180,382
Total current assets		386,483,991	248,281,086
Other assets:			
Deferred tax assets, net		763,759	-
Total assets	$	387,247,750	248,281,086
Liabilities and Equity			
Current liabilities:			
Accrued expenses and other liabilities	$	5,265,583	2,059,635
Debentures payable, net - current portion		108,881,450	31,399,292
Total current liabilities		114,147,033	33,458,927
Debentures payable, net - non-current portion		161,641,420	198,778,464
Deferred tax liabilities, net		-	256,911
Total liabilities		275,788,453	232,494,302
Equity (deficit):			
Common shares		115,941,553	15,090,390
Cumulative foreign currency translation reserve		19,053	19,053
Deferred tax share capital issuance		467,181	-
Retained earnings (accumulated deficit)		(4,968,490)	677,341
Total equity		111,459,297	15,786,784
Total liabilities and equity	$	387,247,750	248,281,086

See accompanying independent auditors' report and notes to financial statements.

ECAPITAL BOND CORP.

Statements of Income
(Expressed in United States Dollars)

Years Ended December 31, 2023 and 2022

	2023	2022
Finance income:		
Interest income	$ 26,027,713	20,887,401
Finance costs:		
Interest expense	21,812,877	17,774,822
Amortization of debt issuance costs	2,033,985	1,891,543
Total finance costs	23,846,862	19,666,365
Net finance income	2,180,851	1,221,036
Expenses:		
General and administrative	555,657	1,080,872
Total expenses	555,657	1,080,872
Earnings before foreign exchange income	1,625,194	140,164
Realized foreign exchange gain (loss)	381,361	(1,436,794)
Unrealized foreign exchange gain	236,350	3,526,026
Total foreign exchange gain	617,711	2,089,232
Net income before income taxes	2,242,905	2,229,396
Income taxes (benefit):		
Current income tax (benefit) expense	(372,067)	199,960
Deferred income tax (benefit) expense	(389,556)	436,541
Income tax (benefit) expense	(761,623)	636,501
Net income	$ 3,004,528	1,592,895

See accompanying independent auditors' report and notes to financial statements.

ECAPITAL BOND CORP.

Statements of Changes in Equity (Deficit)
(Expressed in United States Dollars)

Years Ended December 31, 2023 and 2022

	Common Shares		Cumulative Foreign Currency Translation Reserve	Deferred Tax Share Capital Issuance	Retained Earnings/ (Accumulated Deficit)	Total Equity
	Shares	Capital				
Balance, January 1, 2022	1,000	$ 745	19,053	-	(607,415)	(587,617)
Issuance of Class A common shares, net	20,705	15,089,645	-	-	-	15,089,645
Dividends	-	-	-	-	(308,139)	(308,139)
Net income	-	-	-	-	1,592,895	1,592,895
Balance, December 31, 2022	21,705	15,090,390	19,053	-	677,341	15,786,784
Issuance of Class A common shares, net	131,940	100,920,339	-	398,005	-	101,318,344
True up of deferred tax share capital	-	(69,176)	-	69,176	-	-
Dividends	-	-	-	-	(8,650,359)	(8,650,359)
Net income	-	-	-	-	3,004,528	3,004,528
Balance, December 31, 2023	153,645	$ 115,941,553	19,053	467,181	(4,968,490)	111,459,297

See accompanying independent auditors' report and notes to financial statements. 5

ECAPITAL BOND CORP.

Statements of Cash Flows
(Expressed in United States Dollars)

Years Ended December 31, 2023 and 2022

		2023	2022
Cash provided by operations:			
Net income	$	3,004,528	1,592,895
Items not affecting cash:			
Deferred income taxes		(1,020,670)	436,541
Amortization of debt issuance costs		2,033,985	1,891,543
Gain on foreign currency exchange		(236,350)	(3,526,026)
Write-off of income tax receivable		-	568,567
		3,781,493	963,520
Net changes in working capital:			
Accrued interest on notes receivable from related parties		(11,544,188)	(7,362,065)
Prepaid expenses		(16,342)	-
Accrued expenses and other liabilities		2,041,858	189,119
		(5,737,179)	(6,209,426)
Financing:			
Proceeds from issuance of debentures payable		44,574,123	64,185,648
Repayment of debentures payable		(12,395,250)	(53,051,030)
Debt issuance costs paid		(2,033,957)	(2,060,345)
Payments under notes receivable from related parties		(66,868,945)	(12,045,154)
Common shares issued		59,868,380	15,524,713
Common share issuance costs		(1,410,203)	(435,068)
Dividends paid		(7,486,269)	(171,255)
		14,247,879	11,947,509
Net change in cash		8,510,700	5,738,083
Cash, beginning of year		15,238,290	9,500,207
Cash, end of year	$	23,748,990	15,238,290
Supplemental disclosures of cash flow information:			
Cash paid for interest	$	21,553,842	17,663,228
Supplemental disclosure of financing information:			
Accrued dividends	$	1,164,090	136,884
Debenture issuance to be repaid through notes receivable from related parties	$	3,389,758	13,417,332
Exchange of Trust Receivables and other for notes receivable from related parties	$	-	201,138,951
Non-cash common shares issued	$	42,860,167	-

See accompanying independent auditors' report and notes to financial statements.

(1) Nature of Operations

eCapital Bond Corp. (the "Company") (was incorporated under the Business Corporations Act (Ontario) on December 8, 2014. The Company is a special purpose vehicle created for the purposes of raising capital through the issuance of debentures and sale of common shares. The proceeds of which are intended to be used to fund Secured Priority Loans and Secured Subordinated Loans. The Company's fiscal year-end is December 31.

On December 31, 2017, Global Fund Holdings, Corp., the former parent company of the Company, sold 100% the Company's common stock to eCapital Holdings Corp., which became the new parent company of the Company as of December 31, 2017. These financial statements do not include any adjustments related to this acquisition.

On June 1, 2018, eCapital Holdings Corp. sold 100% of the Company's common stock to eCapital Group Corp. (the "Parent Company"), which became the new parent company of the Company as of June 1, 2018. These financial statements do not include any adjustments related to this acquisition.

On May 22, 2020, the shareholders/directors authorized an amendment to change the name of the company from GMF Series III Inc. to eCapital Bond Corp.

(2) Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They have been prepared under the assumption that the Company operates on a going concern.

The financial statements for the years ended December 31, 2023 and 2022 were approved and authorized for issuance by the Board of Directors on April 17, 2024 and March 30, 2023, respectively.

(b) Functional Currency

The functional currency of the Company's books and records are maintained in United States Dollar ("USD").

(2) Significant Accounting Policies - Continued

(c) Use of Estimates and Key Judgments

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. The key sources of estimation uncertainty and judgment that have a significant risk that may cause a material adjustment to the accounts recognized in the financial statements are:

(i) Income Taxes

Significant judgment is required in determining the provision for income taxes, including the probability of recovery of deferred tax assets, when applicable. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

(ii) Fair Value of Financial Instruments

The estimated fair values of financial liabilities, by their nature, are subject to measurement uncertainty.

(iii) Allowance for Expected Credit Losses

IFRS 9 - *Financial Instruments,* requires an expected credit loss ("ECL") impairment model applicable to all debt instruments within financial assets classified as amortized cost or at fair value through income ("FVTOCI"), as well as certain off-balance sheet loan commitments. The general principle of the ECL model is to reflect the pattern of deterioration or improvement in the credit quality of the associated financial instruments. The calculated allowance is designed to be an unbiased and probability-weighted amount that has been determined by: evaluating possible outcomes; the time value of money; reasonable and supportable information about past events; and current and forecasted economic conditions.

The IFRS 9 ECL approach has three stages:

Stage 1 - Includes financial instruments that have not had a significant increase in credit risk since initial recognition, or that have low credit risk at the reporting date; An ECL equal to expected credit losses resulting from default events over the next 12 months is recognized and interest revenue is calculated on the assets' gross carrying amounts.

(2) Significant Accounting Policies - Continued

(c) Use of Estimates and Key Judgments - Continued

(iii) Allowance for Expected Credit Losses - Continued

Stage 2 - Includes financial instruments that have had significant increase in credit risk since initial recognition, but for which there is no objective evidence of impairment at the reporting date; An ECL equal to expected credit losses resulting from default events over the assets' lifetime ("lifetime ECL") is recognized and interest revenue is calculated on the assets' gross carrying amounts. In general, an asset's lifetime is considered to be its remaining contractual lifetime.

Stage 3 - Includes financial instruments that have objective evidence of impairment at the reporting date; The lifetime ECL is recognized and interest revenue is calculated on the assets' net carrying amounts, which are determined as the asset amount net of their lifetime ECL.

(iv) Provisions and Contingencies

Management judgement is required to assess whether provisions and contingencies should be recognized or disclosed and at what amount. Management bases its decisions on past experiences and other factors it considers to be relevant on a case-by-case basis.

(v) Offsetting Financial Assets and Liabilities

Management is required to apply judgment in determining whether the Company can offset financial assets and liabilities based on the terms of agreements relating to the financial assets and liabilities.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash, money market accounts and all liquid debt instruments purchased with a maturity of three months or less.

(e) Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consists primarily of trust receivables and other, notes receivable from related parties, accrued interest receivable, income taxes refundable, deferred tax assets, and cash and cash equivalents. The Company places its cash and cash equivalents with what management believes to be high credit quality financial institutions.

(2) Significant Accounting Policies - Continued

(f) Revenue Recognition

The Company earns interest income, fee income and other income as determined by each agreement or the trust agreement with eCapital Trust Corp. or the "Trust", a related party under common ownership. Interest income is accrued on the unpaid principal balance of note receivables with related parties and the unpaid principal balance of the asset or trade financed receivables held through the Trust.

(g) Transaction Costs

Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs include fees and commission paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Transaction costs should be included in the initial measurement of financial assets and financial liabilities other than those at fair value through profit or loss. For financial assets not measured at fair value through profit or loss, transaction costs are added to the fair value at initial recognition. For financial liabilities, transaction costs are deducted from the fair value at initial recognition.

For financial instruments that are measured at amortized cost, transaction costs are subsequently included in the calculation of amortized cost using the effective interest method, and in effect, amortized through profit or loss over the life of the instrument. The Company amortized its debt issuance costs to interest expenses over the life of the related debentures.

For financial instruments that are measured at fair value through profit and loss, transaction costs are recognized immediately as an expense.

(h) Income Taxes

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax expense is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

(2) Significant Accounting Policies - Continued

(h) Income Taxes - Continued

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the statement of financial position and their corresponding tax bases used in the computation of taxable income. Deferred tax assets and liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Deferred tax is calculated using tax rates and laws that have been enacted or substantially enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The Company recognizes accrued interest, when applicable, related to unrecognized tax benefits and penalties in general and administrative expenses. At December 31, 2023 and 2022, there was no impact to the financial statements relating to accounting for uncertainty in income taxes.

(i) Financial Instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Under IFRS 9, such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial Assets

The Company classifies its financial assets into three categories, depending on the cash flow characteristics of the assets and the business objective for managing the assets. Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. The Company's accounting policy for each category is as follows:

Amortized Cost - Assets are held within a business model with the objective of collecting their contractual cash flow; and the contractual cash flows consist solely of payments of principal and interest. They are recognized initially at fair value plus directly attributable transaction costs, and subsequently measured at amortized cost less cumulative impairment losses. A gain or loss on a debt investment is recognized in profit and loss when the asset is derecognized or impaired.

(2) Significant Accounting Policies - Continued

(i) Financial Instruments - Continued

Financial Assets - Continued

Fair Value Through Other Comprehensive Income ("FVTOCI") - Assets are held within a business model that includes both hold to collect their contractual cash flow and sell the assets; and the contractual cash flows consist solely of payments of principal and interest. For debt instruments measured at FVTOCI, interest income, foreign currency gains or losses and impairment gains or losses are recognized directly in profit or loss. The cumulative fair value gains or losses recognized in other comprehensive income ("OCI") are reclassified to profit or loss when the asset is derecognized. An election may be made to classify an equity investment that is neither held for trading nor represents contingent consideration recognized by an acquirer in a business combination, as held at FVTOCI. The option to designate an equity instrument at FVTOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in OCI except dividend income which is recognized in profit or loss.

Fair Value Through Profit and Loss ("FVTPL") - Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a financial asset measured at FVTPL that is not part of a hedging relationship is recognized in profit and loss and presented on a net basis in the period in which it arises. IFRS 9 contains an option to designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial asset at FVTPL is available at initial recognition and is irrevocable.

Financial assets should be reclassified when and only when an entity changes its business model for managing financial assets. Any such reclassifications are applied prospectively from the date of the reclassification.

Financial Liabilities

Under IFRS 9, financial liabilities are primarily classified at amortized cost with limited exceptions. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. The Company's accounting policy for each category is as follows:

FVTPL - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term, and certain financial liabilities that were designated at FVTPL from inception.

IFRS 9 contains an option to designate a financial liability as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial liability at FVTPL is available at initial recognition and is irrevocable.

(2) Significant Accounting Policies - Continued

(i) Financial Instruments - Continued

Financial Liabilities - Continued

Amortized Cost - Financial liabilities are recognized initially at fair value net of directly attributable transaction costs. They are subsequently recognized at amortized cost using effective interest method with interest expense recognized on an effective yield basis.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

(j) Fair Value Hierarchy

IFRS 7 - *Financial Instruments: Disclosures*, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of the financial assets and liabilities at December 31, 2023 and 2022 is as follows:

Financial Instrument	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Other receivables	Amortized cost
Notes receivable from related parties	Amortized cost
Accrued interest receivable	Amortized cost
Accrued expenses and other liabilities	Amortized cost
Debentures payable	Amortized cost

The Company's financial assets and liabilities consisting of the other receivables, notes receivable due from related parties, accrued interest on notes receivable from related parties, accrued expenses and other liabilities, and debentures payable, approximate fair value.

(2) Significant Accounting Policies - Continued

(k) Share Capital

Common shares are classified as equity. Under IFRS 9, *Financial Instruments*, transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The Company records costs directly attributable to the issuance of shares as a deduction from the value of common shares issued within the accompanying statement of equity.

Dividends declared during the year are recognized as reduction of retained earnings (accumulated deficit) within the accompanying statement of equity.

(l) Foreign Currency Transactions

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At each reporting date, monetary assets and liabilities denominated in currencies other than the USD were translated into USD at the exchange rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency were translated using the exchange rates on the date of transactions.

Non-monetary items that are measured at fair value in a foreign currency were translated using the exchange rate at the date when the fair value was measured. Revenue and expenses were translated into USD at the average exchange rates prevailing during the period. All resulting exchange differences are recognized in profit or loss.

(m) Future Accounting Pronouncements

IAS 1 - Presentation of Financial Statements

On October 31, 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)* to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024. The Company does not expect the adoption of the standard to have a significant impact on the Company's financial statements.

IAS 21 - The Effects of Changes in Foreign Exchange Rates

On August 15, 2023, the IASB issued *Lack of Exchangeability (Amendments to IAS 21)* to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. The Company does not expect the adoption of the standard to have a significant impact on the Company's financial statements.

(3) Notes Receivable from Related Parties

On April 14, 2022, the Company entered into a grid promissory note ("Trust Note") with the Trust (the "Borrower"), for the principal sum of $250,000,000. The note carries a variable interest rate (8.18% at December 31, 2022) and payment is due and payable upon the earlier of the Company's demand for repayment or December 31, 2022. The principal amount of the note at December 31, 2022 is $116,209,267 and the related accrued interest is $4,261,570.

On January 1, 2023, the Trust Note was replaced by a new promissory note with the Trust for principal sum of $200,000,000. The promissory note carries a 9% interest rate per annum and is payable upon demand. The principal amount of the note at December 31, 2023 is $120,078,693 and the related accrued interest is $10,453,983.

On November 1, 2022, the Company entered into a grid promissory note ("Group Note") with the Parent Company, for the principal sum of $150,000,000. Interest on the principal amount outstanding **is payable at 9% per annum. Payment on the note is due upon the Company's demand for. The** principal amount of the note at December 31, 2022 is $101,642,402 and the related accrued interest is $10,918,812.

On April 1, 2023, the Group Note was replaced by a new promissory note with the Parent Company for principal sum of $250,000,000. The promissory note carries a 9% interest rate per annum and is payable upon demand. The principal amount of the note at December 31, 2023 is $215,914,651 and the related accrued interest is $16,270,587.

(4) Debentures Payable, Net

Debentures payable, net at December 31, 2023 and 2022, consists of:

		2023	2022
Denominated in U.S. dollars	$	56,949,000	35,465,000
Denominated in Canadian dollars translated into U.S. dollars		216,976,505	198,115,422
		273,925,505	233,580,422
Less transaction costs		(3,402,635)	(3,402,666)
	$	270,522,870	230,177,756

The Company filed an Offering Memorandum ("OM") on May 9, 2023, offering debentures at 3 year and 5 year terms and negotiable interest six month, one year or eighteen month secured debentures. The debentures issued by the Company as part of the 2023 OM are secured obligations which bear interest at 8% per annum for the 3 year issuance term. Debentures with negotiable interest rate are set at the time of subscription.

(Expressed in United States Dollars)

(4) Debentures Payable, Net - Continued

The Company filed an OM on September 23, 2022, offering debentures at 3 year and 5 year terms. The debentures issued by the Company as part of the 2022 OM are secured obligations which bear interest at 8% per annum for the 3 year issuance term. The debentures are not convertible at any time into any securities of the Company. No debentures with 5 year terms were outstanding as of December 31, 2023 and 2022.

The face value of all debentures outstanding at December 31, 2023 and 2022, consists of the following:

	2023	2022
One year term	$ 1,000,000	-
Eighteen month term	3,969,525	-
Three year term	268,955,980	233,580,422
	$ 273,925,505	233,580,422

The future minimum payment commitment for the debentures at December 31, 2023 for the next three years, are approximately, as follows:

Year Ending December 31,	
2024	$ 110,171,000
2025	98,449,000
2026	65,306,000

Debt issuance costs incurred for the years ended December 31, 2023 and 2022, amounted to approximately $2,034,000 and $2,060,000, respectively. Amortization of approximately $2,034,000 and $1,892,000, respectively, was recorded during the years ended December 31, 2023 and 2022, and included in amortization of debt issuance costs in the accompanying statements of income.

Accrued interest payable as December 31, 2023 and 2022, amounted to approximately $1,902,000 and $1,643,000 respectively, and is included in accrued expenses and other liabilities in the accompanying statements of financial position.

(5) Share Capital

Share consists of the following:

- Common shares, 1 par value (CAD), authorized, issued and outstanding 1,000 shares, non-cumulative dividends as declared by the Board of Directors;
- Class A common shares, 1,000 par value (CAD, USD, EUR or GBP), authorized 200,000 shares, dividends are declared monthly in the amount of 1% of the subscription price, payable on the 15th day of the calendar month next following the month in which it was declared.

(Expressed in United States Dollars)

(5) Share Capital - Continued

Share capital breakdown at December 31, 2023 and 2022 is as follows:

	Shares		Cost	
	2023	2022	2023	2022
Common shares	1,000	1,000	$ 745	745
Class A common shares	152,645	20,705	115,940,808	15,089,645
	153,645	21,705	$ 115,941,553	15,090,390

During the year ended December 31, 2023, the Company declared the following dividends:

Common shares	$ -
Class A common shares	8,650,359
	$ 8,650,359

As at December 31, 2023, the Company has accrued for $1,164,000 in declared dividends which is recorded within the accrued expenses and other liabilities within the accompanying 2023 balance.

(6) Related Party Transactions

As disclosed in Note 3, the Company has two related party notes receivables with accrued interest and interest income.

(7) Financial Risk Management

The Company is exposed to various financial risks as a result of its operations as disclosed below. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify, analyze, limit control and monitor the risks faced by the Company. Risk management policies and systems are reviewed regularly to reflect changes in the risk environment faced by the Company.

(a) Credit Risk

Credit risk is the risk of financial loss to a company if a customer or counterparty to a financial instrument fails to meet its financial obligations. In the Company's case, credit is concentrated with notes receivable from related parties and in turn with their respective long-term investments. The Company manages credit risk on cash by depositing cash in reputable Canadian financial institutions, which may at times, exceed the Canadian Deposit Insurance Corporation ("CDIC") limit of $100,000 (CAD) per bank. The Company has never experienced any losses related to these balances. At December 31, 2023 and 2022, the Company had approximately $23,310,000 and $15,164,000 in excess of CDIC limits.

(7) Financial Risk Management - Continued

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal obligations are accrued expenses and other liabilities and debentures payable. To meet liquidity needs, the Company may raise additional funds or reduce if it is unable to raise such funds.

The contractual maturities of the Company's financial liabilities at December 31, 2023 and 2022, are as follows:

December 31, 2023:	Carrying Amount	Contractual Cash Flows	0 to 12 Months	After 12 Months
Accrued expenses and other liabilities	$ 5,265,583	5,265,583	5,265,583	-
Debentures payable	270,522,870	270,522,870	108,881,450	161,641,420
	$ 275,788,453	275,788,453	114,147,033	161,641,420
December 31, 2022:	**Carrying Amount**	**Contractual Cash Flows**	**0 to 12 Months**	**After 12 Months**
Accrued expenses and other liabilities	$ 2,059,635	2,059,635	2,059,635	-
Debentures payable	230,177,756	230,177,756	31,399,292	198,778,464
	$ 232,237,391	232,237,391	33,458,927	198,778,464

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Company's income or the value of its financial instruments. The objective of managing market risk is to control market risk exposures within acceptable parameters, while optimizing the return on risk.

(d) Foreign Currency Risk

The Company is exposed to fluctuations in foreign exchange rates as at December 31, 2023 and 2022, as there were some balances stated in CAD. The Company is subject to currency risk arising from these financial instruments in the normal course of business. The Company manages exposure to foreign currency risk through a combination of normal operating and financing activities and occasionally through derivative financial instruments such as foreign currency options contracts.

(7) Financial Risk Management - Continued

(d) Foreign Currency Risk - Continued

At December 31, 2023 and 2022, the Company had foreign currency denominated amounts as follows:

(in Canadian Dollars)	**2023**	**2022**
Cash	$ 6,677,182	7,780,824
Due from related parties	314,070,170	213,278,178
Accrued Interest receivable	20,035,974	6,571,329
Accounts payable	(4,792,760)	(2,157,710)
Debentures payable	(286,968,000)	(268,340,000)
	$ 49,022,566	(42,867,379)

A fluctuation of +/- 1% provided as an indicative range in currency movement, on financial instruments that are denominated in foreign currency other than USD, with, all other things being equal, have an effect on the results from operations and income or loss of approximately \$371,000 USD and (\$316,000) USD, respectively, for the years ended December 31, 2023 and 2022.

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument might be adversely affected by a change in interest rates. It is management's opinion that the Company is not exposed to any significant cash flow risk as most of its debentures payable are at fixed rates.

The fair value of debentures having fixed rates of interest could fluctuate because of changes in market interest rates. Other financial instruments are not exposed to significant interest rate risk.

(8) Capital Maintenance

The Company considers its capital structure to include shareholder's equity and debt (principally debentures payable totaling approximately \$270,523,000 and \$230,178,000, respectively, at December 31, 2023 and 2022). The **Company's objectives when managing capital are to: (a)** maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (b) maintain a capital structure that allows the Company to finance its growth using internally generated cash flow and debt capacity; and (c) optimize the use of its capital to provide an appropriate investment return to its shareholder commensurate with risk.

(Expressed in United States Dollars)

(8) Capital Maintenance - Continued

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may from time to time increase shareholder's capital by way of normal course issuer bids, issue new shares or reduce liquid assets to repay debt.

(9) Income Taxes

(a) Income Tax Expense

The following table reconciles income taxes calculated at Canadian federal/provincial tax rates with the income tax expense in the financial statements:

		2023	2022
Net income before income taxes	$	2,242,905	2,229,396
Statutory rate		26.50%	26.50%
Expected income tax expense		594,370	590,790
Increase (decrease) resulting from:			
Part VI dividend adjustment		(119,526)	-
Capital loss carry forward adjustment		(668,680)	-
Net operating loss carryback refund adjustment		(373,237)	-
Other		(194,550)	45,711
Income tax expense (benefit)	$	(761,623)	636,501
Allocation of expense (benefit):			
Current	$	(372,067)	199,960
Deferred		(389,556)	436,541
Income tax expense (benefit)	$	(761,623)	636,501

(Expressed in United States Dollars)

(9) Income Taxes - Continued

(b) Deferred Income Taxes

At December 31, 2023 and 2022, the Company has net deferred tax assets (liabilities), net comprised of the following:

		2023	2022
Deferred tax asset (liability):			
Debt issuance costs and other	$	283,526	248,746
Share issuance cost		467,181	-
Unrealized foreign exchange (gain)/loss		(943,792)	(884,504)
Capital loss carry forward on realized foreign exchange (gain)/loss		947,480	360,420
Net operating loss		9,364	18,427
	$	763,759	(256,911)

(10) Commitment and Contingencies

From time to time, the Company is involved in lawsuits and claims incidental in the ordinary course of business. Management does not believe the outcome of any litigation against the Company would have a material adverse effect on the Company's financial position or results of operations.

(11) Subsequent Events

The Company has evaluated subsequent events through April 17, 2024, which is the date these financial statements were available to be issued.

ECAPITAL GROUP CORP. AND SUBSIDIARIES

Consolidated Financial Statements
(Expressed in United States Dollars)

December 31, 2023 and 2022
(With Independent Auditors' Report Thereon)

Independent Auditors' Report

To the Board of Directors
eCapital Group Corp. and Subsidiaries:

Opinion

We have audited the consolidated financial statements of eCapital Group Corp. and Subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2023 and December 31, 2022, and the related consolidated statements of income and comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits, which include relevant ethical requirements in the United States of America. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance of the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for disclosing, as applicable, matters related to going concern; and to use 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 Group's financial reporting process.

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KRESTON GLOBAL

Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- 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. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

- 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 audit of the Company. We remain solely responsible for our audit opinion.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Mayer Hoffman McCann P.C.

May 15, 2024
St. Petersburg, Florida

ECAPITAL GROUP CORP. AND SUBSIDIARIES

Consolidated Statements of Financial Position (Expressed in United States Dollars)

December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 92,447,589	81,450,657
Financed receivables, net	1,647,301,013	1,490,389,376
Due from related parties, net	262,985,257	234,929,042
Accrued interest receivable	24,358,185	4,261,570
Other receivables	126,066	640,709
Prepaid expenses, deferred charges and other assets	5,070,880	4,724,965
Total current assets	2,032,288,990	1,816,396,319
Other assets:		
Property and equipment, net	21,799,841	12,053,965
Right-of-use assets, net	6,576,655	7,240,619
Intangibles, net	22,349,377	35,950,256
Goodwill	128,026,337	127,560,647
Deferred tax assets, net	29,183,146	21,080,735
Total assets	$ 2,240,224,346	2,020,282,541
Liabilities and Equity		
Current liabilities:		
Accrued expenses and other liabilities	$ 47,411,935	42,128,963
Client reserves, net	250,502,229	273,393,019
Banking facility and loans payable, net - current portion	1,043,274,508	906,667,752
Debentures and promissory notes payable, net - current portion	196,879,062	102,385,541
Lease liability - current portion	1,976,065	1,959,452
Income taxes payable	14,087,184	12,429,508
Deferred fee revenue	6,863,217	5,132,147
Total current liabilities	1,560,994,200	1,344,096,382
Banking facility and loans payable, net - non-current portion	233,822,284	212,676,710
Debentures and promissory notes payable, net - non-current portion	332,306,538	401,851,487
Lease liability - non-current portion	5,449,884	6,094,796
Deferred tax liability	3,305,257	8,926,263
Total liabilities	2,135,878,163	1,973,645,638
Equity:		
Share capital	137,546,009	74,887,481
Cumulative foreign currency translation reserve	981,824	(551,452)
Deferred tax share capital issuance	545,644	-
Accumulated other comprehensive loss	(317,629)	(611,284)
Accumulated deficit	(44,341,840)	(42,473,969)
Stockholders' equity	94,414,008	31,250,776
Non-controlling interest	9,932,175	15,386,127
Total equity	104,346,183	46,636,903
Total liabilities and equity	$ 2,240,224,346	2,020,282,541

See accompanying independent auditors' report and notes to consolidated financial statements. 3

ECAPITAL GROUP CORP. AND SUBSIDIARIES

Consolidated Statements of Income and Comprehensive Income
(Expressed in United States Dollars)

Years Ended December 31, 2023 and 2022

	2023	2022
Finance income:		
Interest income	$ 125,479,441	60,809,230
Fee and other income	165,857,661	172,596,781
Total finance income	291,337,102	233,406,011
Finance costs:		
Interest expense	145,414,812	91,544,368
Amortization of debt issuance costs	3,843,950	3,859,238
Total finance costs	149,258,762	95,403,606
Net finance income	142,078,340	138,002,405
Expenses:		
Compensation and benefits	65,465,199	70,696,397
General and administrative	32,995,149	33,688,099
Management fees	1,168,338	1,164,360
Divisional cost share	14,307	17,825
Depreciation and amortization	18,736,812	17,801,679
Provisions for credit losses	6,794,453	6,114,303
	125,174,258	129,482,663
Income before other income and expenses	16,904,082	8,519,742
Realized foreign exchange gain (loss)	3,442,515	(526,474)
Unrealized foreign exchange (loss) gain	(5,536,180)	7,400,426
	(2,093,665)	6,873,952
Net income before income taxes	14,810,417	15,393,694
Income taxes (benefit):		
Current income taxes	11,832,905	21,266,086
Deferred income tax benefit	(12,048,565)	(11,148,520)
Income tax (benefit) expense	(215,660)	10,117,566
Net income	15,026,077	5,276,128
Other comprehensive income (loss):		
Foreign currency translation gain (loss)	293,655	(603,974)
Net income and comprehensive income	15,319,732	4,672,154
Less net income and comprehensive income attributable to non-controlling interest	2,323,621	3,880,636
Net income and comprehensive income attributable to eCapital Group Corp. and subsidiaries	$ 12,996,111	791,518

See accompanying independent auditors' report and notes to consolidated financial statements. 4

ECAPITAL GROUP CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
(Expressed in United States Dollars)

Years Ended December 31, 2023 and 2022

	Share Capital		Cumulative Foreign Currency Translation	Accumulated Other Comprehensive	Deferred Tax Share Capital	Accumulated	Non-controlling	
	Shares	Capital	Reserve	Loss	Issuance	Deficit	Interest	Total
Balance, December 31, 2021	95,221	$ 73,812,936	584,429	(7,310)	-	(30,428,996)	13,941,884	57,902,943
Issuance of preferred shares, net	20,705	15,089,645	-	-	-	-	-	15,089,645
Redemption of preferred shares, net	(20,150)	(14,015,100)	-	-	-	(1,043,360)	-	(15,058,460)
Repurchase and adjustment of non-controlling interest	-	-	1,367,276	-	-	(3,004,215)	(2,436,393)	(4,073,332)
Dividends	-	-	-	-	-	(9,392,890)	-	(9,392,890)
Net income and comprehensive (loss) income	-	-	(2,503,157)	(603,974)	-	1,395,492	3,880,636	2,168,997
Balance, December 31, 2022	95,776	74,887,481	(551,452)	(611,284)	-	(42,473,969)	15,386,127	46,636,903
Issuance of common shares, net	131,940	100,920,339	-	-	398,005	-	-	101,318,344
Repurchase of common shares, net	(100)	(301,351)	-	-	-	-	-	(301,351)
Redemption of preferred shares, net	(47,848)	(37,812,821)	-	-	-	(191,250)	-	(38,004,071)
True up of deferred tax share capital	-	(147,639)	-	-	147,639	-	-	-
Repurchase and adjustment of non-controlling interest	-	-	-	-	-	(2,222,427)	(7,777,573)	(10,000,000)
Dividends	-	-	-	-	-	(12,156,650)	-	(12,156,650)
Net income and comprehensive income	-	-	1,533,276	293,655	-	12,702,456	2,323,621	16,853,008
Balance, December 31, 2023	179,768	$ 137,546,009	981,824	(317,629)	545,644	(44,341,840)	9,932,175	104,346,183

See accompanying independent auditors' report and notes to consolidated financial statements.

ECAPITAL GROUP CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(Expressed in United States Dollars)

Years Ended December 31, 2023 and 2022

		2023	2022
Cash provided by operations:			
Net income	$	15,026,077	5,276,128
Items not affecting cash:			
Debt issuance expense		145,414,812	91,079,356
Debt interest paid		(143,081,856)	(87,941,200)
Deferred income taxes		(13,723,417)	(5,144,390)
Amortization of debt issuance costs		3,843,950	3,859,238
Depreciation and amortization		18,736,812	17,801,679
Provision for credit losses		6,794,453	6,114,303
Gain on foreign currency exchange		1,591,051	16,829,730
		34,601,882	47,874,844
Net changes in working capital:			
Financed receivables, net		(163,706,639)	(236,842,470)
Prepaid expenses, deferred charges and other assets		169,277	2,190,061
Accrued expenses and other liabilities		1,785,926	386,663
Client reserves		(22,890,790)	51,385,039
Due from related parties, net		(21,485,278)	6,704,661
Income taxes payable		1,657,676	2,287,128
Deferred fee revenue		1,731,070	4,054,089
		(168,136,876)	(121,959,985)
Investing:			
Purchase of property and equipment		(13,478,737)	(5,945,007)
Asset acquisitions		-	(8,039,067)
Acquisition of business, net of cash acquired		-	(140,700,000)
		(13,478,737)	(154,684,074)
Financing:			
Proceeds from issuance of debentures and promissory notes, net		24,806,217	8,682,874
Debt issuance costs paid		(3,505,689)	(7,221,716)
Net increase in banking facility		157,325,590	300,984,341
Repayment of lease		(1,833,097)	(1,623,949)
Class A common share issuances		59,868,380	15,524,713
Common share issuance costs		(1,410,204)	(435,068)
Preferred shares capital redemption, net		(21,646,092)	(15,058,460)
Repurchase of non-controlling interest		(10,000,000)	(4,073,332)
Dividends paid		(10,992,560)	(9,256,006)
		192,612,545	287,523,397
Net change in cash		10,996,932	10,879,338
Cash, beginning of year		81,450,657	70,571,319
Cash, end of year	$	92,447,589	81,450,657

See accompanying independent auditors' report and notes to consolidated financial statements.

(1) Nature of Operations

(a) Description of Business

eCapital Group Corp. ("Group") was incorporated under the Business Corporations Act (Ontario) on June 1, 2018. Group operates as a holding company and through its subsidiaries, offers alternative financial solutions primarily catered towards middle-market companies located in the United States, Canada and the United Kingdom through short-term financing and asset-based lending ("ABL"). Group offers directly, or through its subsidiaries, an all-inclusive financing solution to its clients allowing them to leverage all asset classes to maximize working capital. Group's fiscal year-end is December 31.

The consolidated financial statements as at and for the years ended December 31, 2023 and 2022, comprise the accounts of eCapital Group Corp. and its subsidiaries (collectively, the "Company").

(2) Significant Accounting Policies

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). They have been prepared under the assumption that the Company operates on a going concern.

The consolidated financial statements for the years ended December 31, 2023 and 2022, were approved and authorized for issuance by the Board of Directors on May 15, 2024, and May 9, 2023, respectively.

(b) Basis of Consolidation

The consolidated financial statements include the accounts of eCapital Group Corp. and its wholly-owned subsidiaries:

- eCapital Bond Corp. ("Bond")

(2) Significant Accounting Policies - Continued

(b) Basis of Consolidation - Continued

- eCapital Corp. ("ECORP") and its wholly-owned subsidiaries:
  - eCapital Finance Corp ("EFC") and wholly-owned subsidiaries eCapital Factoring Corp., eCapital Staff Factoring Corp., eCapital Commercial Finance Holdings Corp. ("Commercial Finance"), eCapital Commercial Finance Staff Corp., and eCapital Freight Factoring East Corp.
  - **EFC's wholly**-owned subsidiary eCapital Factoring (Holding) Corp. ("EFHC"), and its subsidiaries eCapital Commercial Financing Corp. ("ECFC"), eCapital Commercial Finance Corp., eCapital Commercial Finance (Canada) Corp., eCapital Healthcare Servicing Corp. ("EHSC"), eCapital Healthcare Holdings Corp. ("EHC"), eCapital Healthcare Corp., and eCapital RE Corp.
  - **EFC's wholly**-owned subsidiary GFH Corp. and its subsidiaries eCapital Asset Based Lending Corp. ("EABLC"), and GTF Equity Corp.
  - Global Merchant Finance, Inc. ("GMF"), and its four wholly-owned subsidiaries GMF-HCA-1, LLC ("HCA-1"), GMF-HCA-2, LLC ("HCA-2"), GMF-HCA-3, LLC ("HCA-3"), and GMF Solutions LLC ("GMFS"). HCA-1, HCA-2, and HCA-3 were dissolved in September 22, 2023.
  - **EFC's wholly**-owned subsidiary eCapital Freight Factoring (Holdings) Corp. and its wholly-owned and majority owned subsidiaries eCapital Freight Factoring Inc. ("EFFI"), eCapital Equipment Leasing, Inc., eCapital Freight Factoring Corp., Capital Partners Services Corp., Accutrac Capital Inc., eCapital Freight Factoring LTD., eCapital Freight Factoring ITC Inc., and eCapital Innovations, Inc. (together considered "Freight Factoring").
  - **EFC's wholly**-owned subsidiary eCapital Commercial Finance Holdings UK Limited and its majority owned subsidiaries Hamsard 3414 Limited ("ECFUK"), Hamsard 3415 Limited, Advantedge Commercial Finance (North) Limited (UK), Advantedge Commercial Finance Limited (UK) and Factor 21 Limited (UK).

All significant inter-company transactions and balances are eliminated upon consolidation.

(c) Functional Currency

The functional currency of Group and its subsidiaries eCapital Corp. and eCapital Bond Corp, along with eCapital Factoring (Holding) Corp, Global Merchant Finance, Inc., GFH Corp, eCapital Freight Factoring Corp., eCapital Staff Factoring Corp. and eCapital Finance Corp is the US dollar (USD).

The functional currency of certain eCapital Freight Factoring (Holding) Corp.'s subsidiaries is the Canadian dollar (CAD). At December 31, 2023 and 2022, all balance sheet account balances were translated to USD using the spot rate of $1 CAD to $0.756 and $0.738 USD, respectively.

(2) Significant Accounting Policies - Continued

(c) Functional Currency - Continued

The functional currency of eCapital Commercial Finance Holdings UK Limited and its subsidiaries is the British pounds (GBP). At December 31, 2023 and 2022, all balance sheet account balances were translated to USD using the spot rate of $1 GBP to $1.273 and $1.209 USD, respectively.

(d) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition-related transaction costs are expensed as incurred. Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair values at the date of acquisition. The excess of the purchase consideration over the fair value of identifiable net assets acquired is goodwill.

For entities that are consolidated, but not 100% owned, a portion of the income or and corresponding equity is allocated to owners other than the Company. The aggregate of the income and corresponding equity that is not owned by the Company or its subsidiaries included in non-controlling interests in the accompanying consolidated financial statements.

(e) Use of Estimates and Key Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. The key sources of estimation uncertainty and judgment that have a significant risk that may cause a material adjustment to the accounts recognized in the consolidated financial statements are:

Income Taxes

Significant judgment is required in determining the provision for income taxes, including the probability of recovery of deferred tax assets and the estimate of tax rates used. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

Fair Value of Financial Instruments

The estimated fair values of financial liabilities, by their nature, are subject to measurement uncertainty.

(2) Significant Accounting Policies - Continued

(e) Use of Estimates and Key Judgements - Continued

Allowance for Expected Credit Losses

IFRS 9 - *Financial Instruments*, requires an expected credit loss ("ECL") impairment model applicable to all debt instruments within financial assets classified as amortized cost or at fair value through other comprehensive income ("FVTOCI"), as well as certain off-balance sheet loan commitments. The general principle of the ECL model is to reflect the pattern of deterioration or improvement in the credit quality of the associated financial instruments. The calculated allowance is designed to be an unbiased and probability-weighted amount that has been determined by evaluating possible outcomes; the time value of money; reasonable and supportable information about past events; and current and forecasted economic conditions.

The IFRS 9 ECL approach has three stages:

Stage 1 - Includes financial instruments that have not had a significant increase in credit risk since initial recognition, or that have low credit risk at the reporting date. An ECL equal to expected credit losses resulting from default events over the next 12 months is recognized and interest revenue is calculated on the assets' gross carrying amounts;

Stage 2 - Includes financial instruments that have had significant increase in credit risk since initial recognition, but for which there is no objective evidence of impairment at the reporting date. An ECL equal to expected credit losses resulting from default events over the assets' lifetime ("lifetime ECL") is recognized and interest revenue is calculated on the assets' gross carrying amounts. In general, an asset's lifetime is considered to be its remaining contractual lifetime;

Stage 3 - Includes financial instruments that have objective evidence of impairment at the reporting date. The lifetime ECL is recognized, and interest revenue is calculated on the assets' net carrying amounts, which are determined as the asset amount net of their lifetime ECL.

Provisions and Contingencies

Management judgement is required to assess whether provisions and contingencies should be recognized or disclosed and at what amount. Management bases its decisions on past experiences and other factors it considers to be relevant on a case-by-case basis.

Compound Financial Instruments

Management is required to apply judgment in determining the classification of the components of compound financial instruments between liability, embedded derivative liabilities, and equity components. Factors considered in making these judgments include but are not limited to the terms and conditions of conversion features or incentive equity instruments granted in conjunction with the financial instrument.

(2) Significant Accounting Policies - Continued

(c) Use of Estimates and Key Judgements - Continued

Compound Financial Instruments - Continued

Convertible debentures may contain both a liability component and an embedded derivative conversion liability component (represented by the conversion feature). Convertible debentures are separated into their liability and derivative liability components, when not closely related to the economic characteristics and risks of the host liability, on the consolidated statement of financial position. The derivative conversion liability component is initially measured at the fair value of the conversion feature. The value of the host liability component is accounted for at the time of issue as the residual amount after deducting the value of the derivative conversion liability component from the face value of the instrument. The fair value of the host liability component is accreted to the original face value of the debt over the respective terms of the debt instrument and charged to operations as interest and accretion expense based on the effective interest method.

Valuation of Compound Financial Instruments

When a financial instrument contains an embedded derivative conversion liability component (represented by a conversion feature), in order to determine the appropriate allocation between the liability component and derivative liability component of the financial instrument, Management must determine the fair value of a conversion feature, which requires the use of highly subjective assumptions.

Principal or Agent

Management is required to apply judgment in determining if the Company is acting as a principal or agent with respect to revenue arrangements.

Offsetting Financial Assets and Liabilities

Management is required to apply judgment in determining whether the Company can offset financial assets and liabilities based on the terms of agreements relating to the financial assets and liabilities.

Fair Value of Assets Acquired and Liabilities Assumed

At acquisition, provisional fair values under the acquisition method are based on **management's best estimate using established methodologies of the fair value of the assets** acquired and liabilities assumed. Provisional values are reassessed under the applicable measurement period and adjusted retrospectively, as applicable.

(2) Significant Accounting Policies - Continued

(e) Use of Estimates and Key Judgements - Continued

Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash, money market accounts and all liquid debt instruments purchased with a maturity of three months or less.

(g) Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consists primarily of finance receivables, net and cash and cash equivalent. The Company places its temporary cash investments with high credit quality financial institutions.

(h) Revenue Recognition

Interest Income

The Company earns interest income as determined by each client's credit agreement or the trust agreement with eCapital Trust Corp. (the "Trust"). Interest income is accrued on the unpaid principal balance of the asset or financed receivables.

Fees and Other Income

Revenue is generated by factoring commissions, under IFRS 9, *Financial Instruments*, and is calculated as a discount percentage of customer invoices purchased and measured at the fair value of the consideration received. Revenue relating to factoring fees are accrued monthly based on a percentage of the accounts receivable that have been purchased for its clients. Certain other income and fees, including administration fees, origination fees, amendment and forbearance fees, unused line fees, and fuel sales, are recognized under IFRS 15, *Revenue from Contracts with Customers*.

(2) Significant Accounting Policies - Continued

(i) Transaction Costs

Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs include fees and commission paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Transaction costs should be included in the initial measurement of financial assets and financial liabilities other than those at fair value through profit or loss. For financial assets not measured at fair value through profit or loss, transaction costs are added to the fair value at initial recognition. For financial liabilities, transaction costs are deducted from the fair value at initial recognition.

For financial instruments that are measured at amortized cost, transaction costs are subsequently included in the calculation of amortized cost using the effective interest method, and in effect, amortized through profit or loss over the life of the instrument. The Company amortized its debt issuance costs to interest expense over the contractual life of the related debentures.

For financial instruments that are measured at fair value through other comprehensive income, transaction costs are recognized in other comprehensive income as part of a change in fair value at the next measurement period.

For financial instruments that are measured at fair value through profit and loss, transaction costs are recognized immediately as an expense.

(j) Income Taxes

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax expense is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable income. Deferred tax assets and liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Deferred tax is calculated using tax rates and laws that have been enacted or substantially enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

(2) Significant Accounting Policies - Continued

(j) Income Taxes - Continued

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The Company recognizes interest accrued related to unrecognized tax benefits and penalties in general and administrative expenses. At December 31, 2023 and 2022, there were no known uncertainties in income taxes.

(k) Financed Receivables, Net

Financed receivables, net consist of asset-based lending, short-term trade financing and factoring from which the Company derives interest and fee and other income in the ordinary course of business. Financed receivables, net are reported at their principal amount outstanding including accrued interest, less unearned income and the allowances for credit losses. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The allowance for credit losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the receivables in light of historical experience, changes in the composition and risk characteristics of the financed receivable, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. The allowance for possible credit losses is increased by provisions charged to earnings and reduced by charge-offs, net of recoveries.

(l) Credit Quality

The Company has policies in place to maintain the credit quality of its financed receivables, which include limiting the amounts the Company will lend to any single borrower, groups of related borrowers or borrowers in portfolio segments as well as credit insurance. The Company relies on an internal rating system to monitor, evaluate and manage the principal risks associated with its financed receivables.

(2) Significant Accounting Policies - Continued

(m) Property and Equipment, Net

Property and equipment, net are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method or double declining method over the estimated useful lives of the related assets or the remaining terms of the leases, whichever is shorter. Upon sale or retirement, the cost and related accumulated depreciation and amortization are eliminated from the respective accounts and any gain or loss is credited or charged to income. Assets in process are stated at cost; no useful life is assigned to the assets in process until they are completed and put into use. Maintenance and repairs are charged to expense when incurred; expenditures for renewals and betterments are capitalized.

(n) Intangible Assets, Net and Goodwill

Customer lists, trade-names, non-compete agreements, intellectual property, websites, and right-of-use asset acquired in business combinations are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

Estimated useful lives ranges from 3.5 to 5 years for customer lists, 2 to 3 years for trade names, 3 to 8 years for non-compete agreements, and 2 years for intellectual property, and are based on the economic benefit expected to be realized. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Goodwill represents the purchase price in excess of the fair value of the net assets acquired and liabilities assumed in a business combination is measured as described in Note 2(e). Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Impairment Test for Goodwill

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units ("CGU") that are expected to benefit from the business combination in which the goodwill arose.

Goodwill is monitored by management at the subsidiary level (see Note 2(b)) and has allocated the goodwill to each applicable CGU for impairment analysis.

For the years ended December 31, 2023 and 2022, the recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

(Expressed in United States Dollars)

(2) Significant Accounting Policies - Continued

(n) Intangible Assets, Net and Goodwill - Continued

Impairment Test for Goodwill - Continued

For the year ended December 31, 2023, the following table sets out the key assumptions utilized within the analysis of goodwill by CGU:

	ECFHC	ECFUK	ECFFH	EABLC	EHC
Sales volume (% annual growth rate)	(1) - 15%	7 - 21%	3 - 15%	13 - 41%	10 - 34%
Earnings before taxes (%)	21 - 37%	34 - 39%	12 - 28%	26 - 28%	38 - 41%
Incremental working capital (%)	(23) - 10%	7 - 17%	(19) - 5%	8 - 15%	3 - 11%
Discount rate (%)	11.97%	10.69%	11.96%	11.97%	11.97%

For the year ended December 31, 2022, the following table sets out the key assumptions utilized within the analysis of goodwill by CGU:

	ECFHC	ECFUK	ECFFH	EABLC	EHC
Sales volume (% annual growth rate)	7 - 45%	12 - 23%	9 - 24%	13 - 35%	9 - 98%
Earnings before taxes (%)	26 - 40%	23 - 28%	12 - 28%	17 - 33%	29 - 45%
Incremental working capital (%)	0 - 11%	0 - 8%	8 - 15%	0 - 2%	0 - 12%
Discount rate (%)	9.13%	9.27%	8.78%	9.05%	9.05%

For the years ended December 31, 2023 and 2022, management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach Used to Determine Values
Sales volume	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Earnings before taxes	Based on past performance and management's expectations for the future.
Incremental working capital	Management's expectations of incremental costs to support the anticipated revenue growth of the CGU. Value included above is a percentage of revenue growth over the five-year forecast period.
Discount rate	Reflect specific risks relating to the relevant segments and the countries in which they operate.

Based on analysis performed, incorporating the above assumptions, no impairment of goodwill was recorded for the years ended December 31, 2023 and 2022.

(2) Significant Accounting Policies - Continued

(o) Client Reserves, Net

Client reserves, net consist of timing differences due to payments received from debtors that have not been applied to the corresponding invoice, cash reserves that are due to customers' net of management fees, and accrued reserves which represent a percentage of the factored receivable that is held as collateral. Client reserves include contra balances for over advances which are receivables from clients.

(p) Marketing and Advertising Costs

The Company expenses marketing and advertising costs as they are incurred. Marketing and advertising expense for the years ended December 31, 2023 and 2022, totaled approximately $247,000 and $850,000, respectively.

(q) Financial Instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Under IFRS 9, such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial Assets

The Company classifies its financial assets into three categories, depending on the cash flow characteristics of the assets and the business objective for managing the assets. Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. The Company's accounting policy for each category is as follows:

Amortized Cost - Assets are held within a business model with the objective of collecting their contractual cash flow; and the contractual cash flows consist solely of payments of principal and interest. They are recognized initially at fair value plus directly attributable transaction costs, and subsequently measured at amortized cost less cumulative impairment losses. A gain or loss on a debt investment is recognized in profit and loss when the asset is derecognized or impaired.

Fair Value Through Other Comprehensive Income (FVTOCI) - Assets are held within a business model that includes both hold to collect their contractual cash flow and sell the assets; and the contractual cash flows consist solely of payments of principal and interest. For debt instruments measured at FVTOCI, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses are recognized directly in profit or loss. The cumulative fair value gains or losses recognized in other comprehensive income ("OCI") are reclassified to profit or loss when the asset is derecognized. An election may be made to classify an equity investment that is neither held for trading nor represents contingent consideration recognized by an acquirer in a business combination, as held at FVTOCI. The option to designate an equity instrument at FVTOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in OCI except dividend income which is recognized in profit or loss.

(2) Significant Accounting Policies - Continued

(q) Financial Instruments - Continued

Financial Assets - Continued

Fair Value Through Profit and Loss (FVTPL) - Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a financial asset measured at FVTPL that is not part of a hedging relationship is recognized in profit and loss and presented on a net basis in the period in which it arises. IFRS 9 contains an option to designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial asset at FVTPL is available at initial recognition and is irrevocable.

Financial assets should be reclassified when and only when an entity changes its business model for managing financial assets. Any such reclassifications are applied prospectively from the date of the reclassification.

Financial Liabilities

Under IFRS 9, financial liabilities are primarily classified at amortized cost with limited exceptions. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. The Company's accounting policy for each category is as follows:

FVTPL - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term, and certain financial liabilities that were designated at FVTPL from inception.

IFRS 9 contains an option to designate a financial liability as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial liability at FVTPL is available at initial recognition and is irrevocable.

Amortized Cost - Financial liabilities are recognized initially at fair value net of directly attributable transaction costs. They are subsequently recognized at amortized cost using effective interest method with interest expense recognized on an effective yield basis.

Financial assets and liabilities are offset, and the net amount is presented in the consolidated statement of financial position when the Company has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

(2) Significant Accounting Policies - Continued

(r) Fair Value Hierarchy

IFRS 7 - *Financial Instruments; Disclosures*, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of the financial assets and liabilities at December 31, 2023 and 2022, is as follows:

Financial Instrument	Classification Under IFRS 9
Cash and cash equivalents	Amortized cost
Financed receivables, net	Amortized cost
Accrued interest receivable	Amortized cost
Accrued expenses and other liabilities	Amortized cost
Client reserves	Amortized cost
Banking facility and loans payable	Amortized cost
Debentures and promissory notes payable, net	Amortized cost

The Company's financial assets and liabilities above approximate fair value primarily due to their market rates of interest.

(s) Derivative Financial Instruments

Derivative financial instruments are financial instruments or other contracts with three characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date.

(2) Significant Accounting Policies - Continued

(s) Derivative Financial Instruments - Continued

Derivative financial instruments are recognized on the consolidated statements of financial position at fair value with changes in fair value recognized in income (loss).

For the years ended December 31, 2023 and 2022, the Company's derivative financial instruments include forward exchange contracts.

(t) Share Capital

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Preferred shares are classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Preferred shares are classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in income (loss) as accrued.

(u) Foreign Currency Transactions

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At each reporting date, monetary assets and liabilities denominated in currencies other than the USD were translated into USD at the exchange rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency were translated using the exchange rates on the date of transactions.

Non-monetary items that are measured at fair value in a foreign currency were translated using the exchange rate at the date when the fair value was measured. Revenue and expenses were translated into USD at the average exchange rates prevailing during the period. All resulting exchange differences are recognized in income.

Financial statements of the subsidiaries for which the functional currency is not the USD were translated into USD, the presentation currency, as follows: all asset and liability accounts were translated at the year-end exchange rate and all earnings and expense accounts, and cash flow statement items were translated at prevailing exchange rates at the transaction rate when settled. All resulting exchange differences arising from the translation are included as a separate component in accumulated loss.

(2) Significant Accounting Policies - Continued

(v) Leases

The Company leases various offices, equipment, and vehicles. Rental contracts are typically made for fixed periods.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From January 1, 2019 leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the group under residual value guarantees;
- The exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(2) Significant Accounting Policies - Continued

(v) Leases - Continued

During 2023 and 2022, the Company recorded right-of-use assets and related lease liabilities under IFRS 16 at acquisition date, commencement, or amendment for the below:

- Approximately $542,000 in January 2022 and derecognized $360,000 in November 2023 with the amendment of an existing office lease for EFFI;
- Approximately $916,000 in September 2022 at the inception of a new office space lease for EFFI;
- Approximately $187,000 in September 2022 with the amendment of an existing office lease for a Bibby entity.
- Approximately $1,500,000 with the continuation of an existing office lease for CPSC.

(w) Reclassification

Certain reclassifications have been made to the prior year's consolidated financial statement presentation to correspond to the current year's format. These reclassifications have no effect on the prior year's reported consolidated income or consolidated equity.

(3) Future Accounting Pronouncements

A number of new accounting standards and amendments to standards and interpretations are effective in future years, and consequently, have not been applied in preparing these consolidated financial statements. These include:

IAS 1 - Amendments on Classifications and Disclosure of Accounting Policies

On October 31, 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024. The Company does not expect the adoption of the **standard to have a significant impact on the Company's consolidated financial statements.**

IAS 21 - The Effects of Changes in Foreign Exchange Rates

On August 15, 2023, the IASB issued Lack of Exchangeability (Amendments to IAS 21) to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. The Company does not expect the adoption of the standard to have a significant impact on the **Company's financial statements. The Company does not expect the adoption of the standard to have a significant impact on the Company's consolidated financial statements.**

(Expressed in United States Dollars)

(4) Business Combinations

(a) Acquisition of CNH Finance, L.P. and CNHF Services LLC

On May 2, 2022, eCapital Factoring (Holding) Corp. entered into a share purchase agreement to purchase 100% of the issued and outstanding shares of CNH Finance, L.P., and CNHF Services LLC, for a total consideration of approximately $103,103,000. The acquisition has been accounted for as a business combination with PHG consolidating 100% of the results of the operations of CNH Finance, L.P. and CNHF Services LLC from the date of acquisition.

The assets and liabilities of CNH Finance, L.P. and CNHF Services LLC are included in the consolidated financial statements.

The estimated fair values of the acquired assets and liabilities assumed at May 2, 2022 were as follows:

Purchase consideration:	
Cash paid	$ 93,334,000
Contingent consideration	9,796,000
Total consideration	103,130,000
Cash and cash equivalents	11,315,000
Financed receivables, net	296,160,000
Accrued interest receivable	1,783,000
Prepaid expenses, deferred charges and other assets	3,056,000
Property and equipment	352,000
Intangible assets	16,097,300
Goodwill	50,001,700
Total assets acquired	378,765,000
Bank indebtedness	(200,621,000)
Participation loan	(16,459,000)
Escrow liabilities	(3,059,000)
Accrued expenses and other liabilities	(2,426,000)
Deferred tax liability	(4,185,000)
Total liabilities assumed	(226,750,000)
Preference units	(48,885,000)
Total cash consideration	$ 103,130,000

As a result of the acquisition, the Company incurred approximately $86,000 of transaction costs related to legal, accounting, and consulting services.

Post- acquisition, all preference units were redeemed via a note payable with EFHC. The note payable and receivable eliminate in consolidation.

(Expressed in United States Dollars)

(5) Financed Receivables, Net

Financed receivables, net, at December 31, 2023 and 2022, consists of:

		2023	2022
Asset based financed receivable	$	854,723,246	603,316,518
Trade financed receivables		8,451,751	25,239,321
Factored receivables		796,745,850	870,240,285
		1,659,920,847	1,498,796,124
Plus advances and accrued discounts		3,561,252	4,768,880
Less allowance for credit losses		(16,095,106)	(12,861,610)
Less unearned income		(85,980)	(314,018)
Financed receivables, net	$	1,647,301,013	1,490,389,376

(6) Loan Modifications

EABLC seeks to assist a customer that is experiencing financial difficulty by renegotiating loans within lending regulations and guidelines. EABLC makes loan modifications primarily utilizing internal renegotiation programs via direct customer contact, that manage customer's debt exposures held only by EABLC. During 2018, concessions were granted to a certain borrower which included extending the payment due dates and reducing the customer's debt face or maturity value. The outstanding recorded investment was $8,589,463 prior to modification and $3,600,000 after modification. During 2023 and 2022, further concessions were granted by extending the payment due dates.

Once modified in a troubled debt restructuring, a loan is generally considered impaired until its contractual maturity. At the time of the restructuring, the loan is evaluated for an asset-specific allowance for credit losses. EABLC and the Company continue to specifically re-evaluate the loan in subsequent periods, regardless of the borrower's performance under the modified terms. If a borrower subsequently defaults on the loan after it is restructured, the Company provides an allowance for credit losses for the amount of the loan that exceeds the value of the related collateral. As of December 31, 2023 and 2022, the Company believes that any potential impairment of these loans is covered under the allowance for credits losses.

(7) Derivative Financial Instruments

The Company must recognize derivative financial instruments as either assets or liabilities at fair value in the consolidated statement of financial position. There were no significant collateral deposits on derivative financial instruments at December 31, 2023 and 2022.

EABLC enters into forward exchange contracts on behalf of clients in order to secure favorable exchange rates for future purchases made through EABLC by its clients. Any income (loss) incurred on these contracts is billed to the clients as provided for in the loan and credit agreement and is not recorded on the consolidated statement of income and comprehensive income (loss). At December 31, 2022, Gerber has open forward exchange contracts for ZAR 100,714,000 (South African Rand) (approximately $5,926,000) with maturity dates ranging from January 3, 2023 through June 21, 2023. At December 31, 2023, EABLC had open forward exchange contracts for ZAR 64,297,544 (South African Rand) (approximately $3,353,000) with maturity dates ranging from January 2, 2024 through April 29, 2024.

(8) Property and Equipment

Property and equipment, net at December 31, 2023 and 2022 for the Company consists of:

	2023	2022	Estimated Useful Life
Computer equipment and software	$ 25,957,987	13,119,312	3 - 10 years
Office equipment and furniture	3,151,063	3,351,174	3 - 10 years
Leasehold improvements	1,911,703	1,746,506	5 - 10 years
Vehicles	70,626	68,963	7 years
	31,091,379	18,285,955	
Less accumulated depreciation/amortization	(9,291,538)	(6,231,990)	
	$ 21,799,841	12,053,965	

Depreciation and amortization of property and equipment was approximately $3,257,000 and $1,929,000, respectively, for the years ended December 31, 2023 and 2022.

(9) Right-of-Use Assets, Net

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

(Expressed in United States Dollars)

(9) Right-of-Use Assets, Net - Continued

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Right-of-use asset, net consists of the following at December 31, 2023:

	Beginning Cost	Additions	Accumulated Amortization	Net Carrying Amount
Office building	$ 11,195,196	1,232,090	(5,855,314)	6,571,972
Furniture	101,748	-	(97,065)	4,683
Equipment	172,895	-	(172,895)	-
Total	$ 11,469,839	1,232,090	(6,125,274)	6,576,655

For the year ended December 31, 2023 amortization on the right-of-use assets was approximately $1,806,000.

Right-of-use asset, net consists of the following at December 31, 2022:

	Beginning Cost	Additions	Amortization	Net Carrying Amount
Office building	$ 9,540,445	1,654,751	(3,969,016)	7,226,180
Furniture	101,748	-	(87,309)	14,439
Equipment	172,895	-	(172,895)	-
Total	$ 9,815,088	1,654,751	(4,229,220)	7,240,619

For the year ended December 31, 2022 amortization on the right-of-use assets was approximately $1,569,000.

(10) Intangible Assets, Net

Intangible assets, net at December 31, 2023 consists of:

	Prior Year Cost	Additions	Accumulated Amortization	Intangible Assets, Net
Customer list	$ 61,329,560	-	(40,814,310)	20,515,250
Intellectual property	1,134,800	-	(1,134,800)	-
Non-compete	3,836,700	-	(2,002,573)	1,834,127
Trade-name	1,365,100	-	(1,365,100)	-
Total	$ 67,666,160	-	(45,316,783)	22,349,377

(Expressed in United States Dollars)

(10) Intangible Assets, Net - Continued

Intangible assets, net at December 31, 2022 consists of:

		Prior Year Cost	Additions	Accumulated Amortization	Intangible Assets, Net
Customer list	$	38,830,387	22,499,173	(27,427,375)	33,902,185
Intellectual property		1,134,800	-	(1,134,800)	-
Non-compete		2,178,400	1,658,300	(1,788,629)	2,048,071
Trade-name		1,365,100	-	(1,365,100)	-
Total	$	43,508,687	24,157,473	(31,715,904)	35,950,256

Amortization of intangibles was approximately $13,672,000 and $14,318,000 for the years ended December 31, 2023 and 2022, respectively.

Future amortization expense is expected to be as follows:

Years Ending December 31,		
2024	$	12,271,024
2025		9,106,337
2026		285,197
2027		215,355
Thereafter		471,464
	$	22,349,377

(11) Banking Facility and Loans Payable

Banking facility and loans payable at December 31, 2023 and 2022, consists of:

		2023	2022
Banking facility - current portion	$	1,043,129,365	906,452,525
Loans payable - current portion		145,143	215,227
		1,043,274,508	906,667,752
Banking facility - non-current portion		233,822,284	212,676,710
		233,822,284	212,676,710
Total banking facility and loans payable	$	1,277,096,792	1,119,344,462

(11) Banking Facility and Loans Payable - Continued

(a) Banking Facility

EABLC maintained a banking facility with a financial institution for working capital loans, banker's acceptances, opening of letters of credit, execution of foreign exchange transactions and for other purposes. Letters of credit are opened on behalf of clients to purchase merchandise for resale. EABLC Borrowings under the facility are based on a borrowing base formula, as defined within the agreement. Borrowings under the banking facility bear interest at various rates, as defined. The banking facility was paid in full and closed during 2022.

HCC entered into a revolving line of credit with a financial institution, which has been amended over time. During November 2022, the agreement was amended to joinder in the EABLC loan portfolio as eligible borrower under the facility (jointly the "ABL Borrowers"). The ABL Borrowers are allowed to borrow up to the maximum amount available under borrowing base, which is calculated based upon the ABL Borrowers underlying financed receivables portfolio. The line is secured against the ABL Borrowers' financed receivables portfolio.

The agreement, as amended in 2023, provides for up to a $815,000,000 revolving line of credit with a maturity date of July 26, 2025 and bears an interest rate equal to 2.075% above SOFR on the drawn portion of the line. In addition, The ABL Borrowers pays certain amounts on any unused portion of the revolving line of credit as well as administrative and agent fees.

As of December 31, 2023 and 2022, the ABL Borrowers were in compliance with their various banking covenants set forth in the agreement. The outstanding balance of the line of credit at December 31, 2023 and 2022 was $549,909,635 and $338,550,101, respectively.

EFFI entered into a revolving line of credit with a financial institution, which has been amended over time. During 2021, the agreement was amended to joinder in ECFC, and eCapital Commercial Finance (Canada) Corp. as eligible borrowers under the facility (jointly the "Factoring Borrowers"). The Factoring Borrowers are allowed to borrow up to the maximum amount available under the borrowing base, which is calculated based upon the Factoring Borrower's underlying financed receivable portfolio.

The agreement, as amended in 2023, provides for up to $605,000,000 USD and $100,000,000 CAD revolving line of credit with a maturity of April 4, 2025, and bears an interest rate equal to 1.875% above SOFR on the drawn portion of the line. In addition, The Factoring Borrowers pay certain amount on any unused portion of the revolving line of credit as well as administrative and agent fees.

As of December 31, 2023 and 2022, the Factoring Borrowers were in compliance with their various banking covenants set forth in the banking facility. The outstanding balance of the line of credit at December 31, 2023 and 2022, was $353,583,801 and $410,772,840, respectively.

(11) Banking Facility and Loans Payable - Continued

(a) Banking Facility - Continued

ECFUK entered into a revolving line of credit facility with a financial institution, which has been amended over time. ECFUK are allowed to borrow up to the maximum amount available under the borrowing base, which is calculated based upon the ECFUK underlying financed receivables portfolio.

The agreement, as amended in 2023, provides for up to 160,000,000 GBP revolving line of credit with a maturity date of April 8, 2025, and bears an interest rate equal to 1.9% above UK Base Rate on the drawn portion of the line. In addition, The ECFUK pay certain amounts on any unused portion of the revolving line of credit as well as administrative and agent fees.

As of December 31, 2023 and 2022, in Factoring Borrowers were in compliance with their various banking covenants set forth in the banking facility. The outstanding balance of the line of credit at December 31, 2023 and 2022, was $142,614,133 and $141,147,971, respectively.

(b) Loans Payable, Net

During January 2020, EFC along with ECORP entered into a credit facility which included a Term Loan and Delayed Draw Term Loan with a financial institution, which has been amended over time. The credit facility provides the opportunity for additional financial institutions to participate in future funding. The credit facility bears interest at 7.75% above SOFR and SOFR Adjustment of 0.1% as well as certain administrative fees. At December 31, 2023 and 2022, the interest rate were 13.16% and 11.16% respectively.

As of December 31, 2023 and 2022, EFC was in compliance with their various banking covenants set forth in the credit facility. The outstanding balance of the banking facility as of December 31, 2023 and 2022, was $234,400,000 and $216,400,000, respectively. The maturity date of the facility is January 31, 2025.

During the years ended December 31, 2023 and 2022, loans payable issuance and amendment costs of approximately $1,204,000 and $5,028,000, respectively, were incurred during the years. During the years ended December 31, 2023 and 2022 the Company recorded amortization of approximately $4,221,000 and $1,305,000, respectively, and included in amortization of debt issuance costs in the accompanying consolidated statements of income and comprehensive income.

(12) Debentures and Promissory Notes Payable, Net

Debentures and promissory notes payable, net at December 31, 2023 and 2022, consists of:

		2023	2022
Debentures payable - current portion, net	$	108,881,450	44,409,268
Promissory notes payable - current portion, net		87,997,612	57,976,273
		196,879,062	102,385,541
Debentures payable - non-current, net		161,641,420	205,328,270
Promissory notes payable - non-current, net		170,665,118	196,523,217
		332,306,538	401,851,487
Total debentures and promissory notes payable, net	$	529,185,600	504,237,028

(a) Debentures Payable, Net

Debentures payable, net at December 31, 2023 and 2022, consists of:

		2023	2022
Denominated in U.S. dollars	$	56,949,000	40,865,000
Denominated in Canadian dollars translated into U.S. dollars		216,976,505	212,383,070
		273,925,505	253,248,070
Less transaction costs		(3,402,635)	(3,510,532)
	$	270,522,870	249,737,538

Corp filed Offering Memoranda ("OM") on December 15, 2020 offering debentures at 1, 2, and 3 year terms. Within prior OM's the Company offered a discretionary redeemable debenture option where the terms would be negotiated between the issues and debenture holder. Approved redeemable debenture holders could convert their debentures into preferred shares with attached profit-sharing units ("preferred share units"). Each preferred share would have one profit sharing unit attached. The debentures were convertible at the option of the debenture holder at a rate of $1,000 per preferred share unit, however, the Company has the option whether to accept any conversion submitted to the Company by the debenture holder. During 2020, this conversion option was no longer offered within the filed offering memorandum. For the years ended December 31, 2023 and 2022, no debentures were converted into preferred share units. All outstanding debentures issued under this OM matured and were settled before December 31, 2023.

(Expressed in United States Dollars)

(12) Debentures and Promissory Notes Payable, Net - Continued

(a) Debentures Payable, Net - Continued

Bond Corp filed an Offering Memorandum ("OM") on May 9, 2023, offering debentures at 3 year and 5 year terms and negotiable interest six month, one year or eighteen month secured debentures. The debentures issued by the Company as part of the 2023 OM are secured obligations which bear interest at 8% per annum for the 3 year issuance term. Debentures with negotiable interest rate are set at the time of subscription.

Bond Corp filed an OM on September 23, 2022, offering debentures at 3 year and 5 year terms. The debentures issued by the Company as part of the 2022 OM are secured obligations which bear interest at 8% per annum for the 3 year issuance term. The debentures are not convertible at any time into any securities of the Company. No debentures with 5 year terms were outstanding as of December 31, 2023 and 2022.

The face value of all debentures outstanding at December 31, 2023 and 2022, consists of the following:

		2023	2022
One year term	$	1,000,000	3,802,245
Two year term		3,969,525	-
Three year term		268,955,980	233,580,422
Five year term		-	15,865,403
	$	273,925,505	253,248,070

Debt issuance costs incurred for the years ended December 31, 2023 and 2022, amounted to approximately $3,363,000 and $2,170,000, respectively. Amortization of approximately $6,433,000 and $2,152,000, respectively, was recorded during the years ended December 31, 2023 and 2022, and included in amortization of debt issuance costs in the accompanying consolidated statements of income and comprehensive income.

Accrued interest payable as at December 31, 2023 and 2022, amounted to approximately $10,063,053 and $3,954,000, respectively, and is included in accrued expenses and other liabilities in the accompanying consolidated statements of financial position.

(12) Debentures and Promissory Notes Payable, Net - Continued

(a) Debentures Payable, Net - Continued

The future minimum payment commitment for the debentures at December 31, 2023 for the next five years, are approximately, as follows:

Year Ending December 31,	
2024	$ 110,171,000
2025	98,449,000
2026	65,306,000
	$ 273,926,000

(b) Promissory Notes Payable, Net

Promissory notes payable, net at December 31, 2023 and 2022, consists of:

	2023	2022
Denominated in U.S. dollars	$ 193,318,751	183,803,045
Denominated in euros translated into U.S. dollars	4,188,893	5,563,970
Denominated in British pounds translated into U.S. dollars	18,813,009	10,232,487
Denominated in Canadian dollars translated into U.S. dollars	42,383,186	54,899,988
	258,703,839	254,499,490
Less promissory notes issuance costs	(41,109)	-
	$ 258,662,730	254,499,490

The various unsecured promissory notes bore interest at rates between 7.0% and 10.625% per annum.

Amortization of promissory notes issuance costs of approximately $178,000 and $400,000, was recorded during the years ended December 31, 2023 and 2022, respectively, and included in amortization of debt issuance costs in the accompanying consolidated statements of income and comprehensive income.

(13) Leasing Arrangements

The Company, through its subsidiaries, leases various offices and furniture and equipment. Rental contracts are typically made for fixed periods up to 10 years but may have extension options.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of office space for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

As discussed in Note 2, the Company adopted IFRS 16 using the modified retrospective approach. Prior to adoption, leases of office space and equipment were classified as either finance leases or operating leases. Subsequent to adoption of IFRS 16, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(Expressed in United States Dollars)

(13) Leasing Arrangements - Continued

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, which does not have recent third-party financing; and
- Makes adjustments specific to the lease, e.g., term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

For the years ended December 31, 2023 and 2022, total interest expense charged on financial leases was approximately $325,000 and $326,000, respectively.

The future maturities of the lease liabilities are as follows:

Year Ending December 31,		Finance Leases
2024	$	1,992,375
2025		2,392,781
2026		2,130,140
2027		714,610
2028		536,370
Thereafter		453,943
Total lease payments		8,220,219
Less interest		(794,270)
Present value of lease liabilities	$	7,425,949

(Expressed in United States Dollars)

(14) Share Capital

Share capital consists of the following:

- Authorized;
- Unlimited common shares, voting;
- Unlimited redeemable at the sole discretion of the Company, at $1,000 per share, non-voting, 9.6% cumulative dividend, Class A preferred shares;
- Unlimited redeemable at the sole discretion of the Company, $1,000 per share, non-voting, 9.6% cumulative dividend, Class A Series II preferred shares (all shares redeemed during 2021);
- Unlimited redeemable at the sole discretion of the Company, in part or full, $1,000 per share, issuable in series, non-voting, 10% cumulative dividend, Series 1-16 preferred shares;
- Maximum of 100,000 redeemable at the sole discretion of the Company, in part or full, after 3 years from the issuance date, $1,000 per share, non-voting, 8.0% cumulative dividend, Series 6 preferred shares;
- Unlimited Class A common shares, non-voting and;
- Unlimited Class B common shares, voting.

Share capital breakdown at December 31, 2023 and 2022 is as follows:

	Shares		Cost	
	2023	**2022**	**2023**	**2022**
Common shares	900	1,000	$ 2,955,767	3,257,118
Class A preferred shares	9,909	9,909	7,424,228	7,424,228
Series 1 - 16 preferred shares	16,314	64,162	11,225,206	49,116,490
Class A common shares	152,645	20,705	115,940,808	15,089,645
	179,768	**95,776**	**$ 137,546,009**	**74,887,481**

Dividends

During the years ended December 31, 2023 and 2022, the Company declared and paid the following dividends:

	2023	2022
Class A preferred shares	$ 719,036	700,510
Class A common shares	8,650,359	308,139
Series 1- 16 preferred shares	2,787,255	8,384,241
	$ 12,156,650	9,392,890

(Expressed in United States Dollars)

(15) Due from Related Parties, Net

The Company shares operating expenses with various affiliates through a cost allocation agreement with eCapital Enterprises Corp. The percentage allocation is calculated based on each entity's average assets outstanding and adjusted based on management's best estimate for the time involvement required to support each entity and each entity's degree of interdependence with the group.

As part of the funding of its operations and acquisitions, the Company has borrowed, via signed promissory notes from eCapital Holding Corp., the Company's parent, and the Trust. Interest on the promissory notes ranges between 7.75% - 10% annually, and is included in interest expense in the consolidated statements of income and comprehensive income.

		2023	2022
Promissory notes due from eCapital Holdings Corp.	$	65,413,832	48,043,682
Promissory notes due from eCapital Trust Corp.		186,736,879	182,867,453
Receivable due to eCapital Trust Corp.		-	978,440
Receivables due from eCapital Enterprises Corp.		11,108,500	3,062,608
Other payables		(273,954)	(23,141)
Due from related parties, net	$	262,985,257	234,929,042

All related party transactions are considered properly recorded and disclosed within the due from related parties, net within the consolidated statement of financial position.

(16) Financial Risk Management

The Company is exposed to various financial risks as a result of its operations as disclosed below. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify, analyze, limit control and monitor the risks faced by the Company. Risk management policies and systems are reviewed regularly to reflect changes in the risk environment faced by the Company.

(a) Credit Risk

Credit risk is the risk of financial loss to a company if a customer or counterparty to a financial instrument fails to meet its financial obligations. In the Company's case, credit risk arises with respect to the various financed receivables, net and the Trust receivables and other as detailed in Notes 5 and 7. To mitigate its credit risk exposure, the Company invests in investments which are protected by third party credit insurance or backed by assets acceptable to the Company. The Company manages credit risk on cash by depositing cash in reputable Canadian and United States banks. However, at times, balances in United States financial institutions may exceed Federal Deposit Insurance Corporation ("FDIC") insured limits of $250,000 (USD) per bank and balances in Canadian financial institutions may exceed Canadian Deposit Insurance Corporation ("CDIC") of $100,000 (CAD) per bank.

(Expressed in United States Dollars)

(16) Financial Risk Management - Continued

(a) Credit Risk - Continued

The Company has never experienced any losses related to these balances. At December 31, 2023 and 2022, the Company had approximately $83.4 million and $77.2 million, respectively, in deposit balances at various financial institutions which were in excess of FDIC and CDIC limits.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal obligations are its banking facility, debentures payable, promissory notes payable, loans payable, client cash collateral, and accounts payable and accrued liabilities.

The contractual maturities of the Company's financial liabilities at December 31, 2023 and 2022, are as follows:

December 31, 2023:	Carrying Amount	Contractual Cash Flows	0 to 12 Months	After 12 Months
Accrued expenses and other liabilities	$ 47,411,935	47,411,935	47,411,935	-
Client reserves, net	250,502,229	250,502,229	250,502,229	-
Banking facility and loans payable, net	1,277,096,792	1,277,096,792	1,043,274,508	233,822,284
Debentures and promissory notes payable, net	529,185,600	529,185,600	196,879,062	332,306,538
	$ 2,104,196,556	2,104,196,556	1,538,067,734	566,128,822

December 31, 2022:	Carrying Amount	Contractual Cash Flows	0 to 12 Months	After 12 Months
Accrued expenses and other liabilities	$ 42,128,963	42,128,963	42,128,963	-
Client reserves, net	273,393,019	273,393,019	273,393,019	-
Banking facility and loans payable, net	1,119,344,462	1,119,344,462	906,667,752	212,676,710
Debentures and promissory notes payable, net	504,237,028	504,237,028	102,385,541	401,851,487
	$ 1,939,103,472	1,939,103,472	1,324,575,275	614,528,197

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Company's income or the value of its financial instruments. The objective of managing market risk is to control market risk exposures within acceptable parameters, while optimizing the return on risk.

(16) Financial Risk Management - Continued

(d) Foreign Currency Risk

The Company is exposed to fluctuations in foreign exchange rates as at December 31, 2023 and 2022, as there were some balances stated in CAD, GBP and EURO. The Company is subject to currency risk arising from these financial instruments in the normal course of business.

At December 31, 2023 and 2022, the Company had foreign currency denominated amounts as follows:

(In Canadian Dollar)		**2023**	**2022**
Cash	$	6,951,201	134,714
Trust receivables		206,140,697	206,586,585
Due (to) from affiliates, net *		32,502,444	31,126,644
Accounts payable		(5,929,267)	(11,809,849)
Debentures payable		(286,968,000)	(287,665,000)
Promissory notes payable		(56,055,000)	(74,360,000)
	$	(103,357,925)	(135,986,906)

*Foreign currency exposure fixed at historical rate per agreement among parties.

A fluctuation of +/- 1% provided as an indicative range in currency movement, on financial instruments that are denominated in foreign currency other than USD, with, all other things being equal, have an effect on the results from operations and comprehensive income of approximately +/-$781,000 USD and +/-$1,004,000 USD, respectively, for the years ended December 31, 2023 and 2022.

(In British Pounds)		**2023**	**2022**
Cash	$	500,838	684,720
Investment portfolio		5,000,000	5,000,000
Accounts payable		(126,312)	(965,772)
Debentures payable		-	(8,458,000)
Promissory notes payable		(14,775,001)	-
	$	(9,400,475)	(3,739,052)

A fluctuation of +/- 1% on financial instruments that are denominated in foreign currency other than USD, with, all other things being equal, have an effect on the results from operations and comprehensive loss of approximately +/-$119,000 USD and +/-$45,000 USD for the year ended December 31, 2023 and 2022, respectively.

(16) Financial Risk Management - Continued

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument might be adversely affected by a change in interest rates. It is management's opinion that the Company is not exposed to any significant cash flow risk as all its debentures and promissory notes payable and most of its loans payable are at fixed rates. Three loans bear interest at one month Term SOFR plus applicable margin related to variable rate loans, and as such, is subject to interest rate cash flow risk resulting from market fluctuations in interest rates.

The fair value of debentures and promissory notes payable and loans payable having fixed rates of interest could fluctuate because of changes in market interest rates. Other financial instruments are not exposed to significant interest rate risk.

(17) Capital Maintenance

The Company considers its capital structure to include stockholders' equity and debt (principally debentures payable, promissory notes payable, loans payable, and banking facility totaling approximately $1,917,000,000 and $1,686,000,000, at December 31, 2023 and 2022. The Company's objectives when managing capital are to: (a) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (b) maintain a capital structure that allows the Company to finance its growth using internally generated cash flow and debt capacity; and (c) optimize the use of its capital to provide an appropriate investment return to its shareholder commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may from time to time increase shareholders' capital by way of normal course issuer bids, issue new shares or reduce liquid assets to repay debt.

(Expressed in United States Dollars)

(18) Income Taxes

(a) Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian and U.S. federal/provincial tax rates with the income tax expense in the consolidated financial statements for the year ended December 31, 2023:

		Entities Filing Taxes in Canada	Entities Filing Taxes in the U.S.	Entities Filing Taxes in UK	Total
Net income (loss) before income taxes	$	(7,210,291)	8,710,666	13,310,042	14,810,417
Statutory rate		26.50%	25.01%	23.50%	
Expected income tax expense (benefit)		(1,910,725)	2,178,538	3,127,860	3,395,673
Increase (decrease) resulting from:					
Non-deductible expenses		(93,274)	(3,295,212)	(153,249)	(3,541,735)
Net operating loss adjustments		(108,326)	-	-	(108,326)
Part VI dividend adjustment		(119,526)	-	-	(119,526)
Capital loss carry forward adjustment		(668,680)	-	-	(668,680)
Net operating loss carryback refund adjustment		(373,237)	-	-	(373,237)
Debenture issuance costs		(367,940)	1,526,745	235,917	1,394,721
Other		(194,550)	-	-	(194,550)
Income tax expense (benefit)	$	(3,836,259)	410,071	3,210,528	(215,660)
Allocation of expense (benefit):					
Current	$	1,103,867	6,514,610	4,214,428	11,832,905
Deferred		(4,940,126)	(6,104,539)	(1,003,900)	(12,048,565)
Income tax expense (benefit)	$	(3,836,259)	410,071	3,210,528	(215,660)

The following table reconciles income taxes calculated at combined Canadian and U.S. federal/provincial tax rates with the income tax expense in the consolidated financial statements for the year ended December 31, 2022:

		Entities Filing Taxes in Canada	Entities Filing Taxes in the U.S.	Entities Filing Taxes in UK	Total
Net income (loss) before income taxes	$	(5,896,051)	12,415,494	8,874,251	15,393,694
Statutory rate		26.50%	25.35%	18.04%	
Expected income tax expense (benefit)		(1,562,453)	3,147,328	1,601,238	3,186,113
Increase (decrease) resulting from:					
Non-deductible expenses		4,762,637	1,716,938	704,852	7,184,427
Non-capital loss		693,917	(1,046,447)	5,913	(346,617)
Debenture issuance costs		13,819	-	-	13,819
Other		79,824	-	-	79,824
Income tax expense	$	3,987,744	3,817,819	2,312,003	10,117,566
Allocation of expense (benefit):					
Current	$	14,123,095	4,830,988	2,312,003	21,266,086
Deferred		(10,135,351)	(1,013,169)	-	(11,148,520)
Income tax expense	$	3,987,744	3,817,819	2,312,003	10,117,566

(Expressed in United States Dollars)

(18) Income Taxes - Continued

(b) Deferred Income Taxes

At December 31, 2023, the Company has net deferred tax assets and liabilities comprised of the following:

	Entities Filing Taxes in Canada	Entities Filing Taxes in the U.S.	Entities Filing Taxes in UK	Total
Deferred tax asset:				
Net operating loss	$ 19,971,557	119,120	-	20,090,677
Allowance for credit loss	288,881	646,640	-	935,521
Deferred compensation	-	-	-	-
Deferred revenue	-	491,774	-	491,774
Deferred interest expense	-	1,843,736	-	1,843,736
Lease	-	72,894	-	72,894
Debt issuance costs	1,295,926	-	-	1,295,926
Acquired intangibles	-	1,205,853	-	1,205,853
Other	114,942	1,435,307	1,696,516	3,246,765
	$ 21,671,306	5,815,324	1,696,516	29,183,146
Deferred tax liability:				
Fixed assets	$ 770,746	262,213	-	1,032,959
Acquired intangibles	335,511	1,479,149	-	1,814,660
Other	262,081	195,557	-	457,638
	$ 1,368,338	1,936,919	-	3,305,257

At December 31, 2022, the Company has net deferred tax assets and liabilities comprised of the following:

	Entities Filing Taxes in Canada	Entities Filing Taxes in the U.S.	Entities Filing Taxes in UK	Total
Deferred tax asset:				
Net operating loss	$ 15,519,893	349,547	-	15,869,440
Allowance for credit loss	55,353	362,961	-	418,314
Deferred compensation	-	212,825	-	212,825
Lease	716,322	242,926	-	959,248
Debt issuance costs	650,492	-	-	650,492
Other	1,861,888	476,720	631,808	2,970,416
	$ 18,803,948	1,644,979	631,808	21,080,735
Deferred tax liability:				
Fixed assets	$ 1,654,321	-	-	1,654,321
Acquired intangibles	325,228	4,289,823	-	4,615,051
Other	2,606,402	50,489	-	2,656,891
	$ 4,585,951	4,340,312	-	8,926,263

Deferred tax assets arising from net operating loss carry-forwards for entities filing taxes in Canada are reported based upon the probable expectation of utilizing the available net operating losses against future taxable income over the remaining 18-year carry-forward period.

(18) Income Taxes - Continued

(b) Deferred Income Taxes - Continued

Deferred tax assets arising from net operating loss carry-forwards for entities filing taxes in the U.S. have been offset by a corresponding valuation allowance resulting from the expectation of the future tax reporting of the entity.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

(19) Benefit Plans

The Company, through it's affiliate eCapital Enterprises Corp., has a defined contribution 401(k) plan for eligible employees of the following subsidiaries: EFFC, Bibby, EHC, and EABLC. Employees of the previously noted subsidiaries may contribute up to 100% of their compensation subject to certain limits based on federal laws. The total employer contributions charged against operations amounted to approximately \$654,000 and \$680,000, respectively for the year ended December 31, 2023 and 2022.

Advantedge has a defined contribution pension plan for eligible salaried employees. During 2023 and 2022, Advantedge contributed approximately \$566,000 and \$501,000, respectively to the plan.

(20) Commitments and Contingencies

(a) Trade Guarantees and Letters of Credit

A subsidiary of the Company issues trade guarantees and letters of credit on behalf of clients. These trade guarantees and letters of credit are payable against shipment of goods to clients by their suppliers. Amounts payable under these trade guarantees and letters of credit are fully chargeable to clients.

At December 31, 2023 and 2022, trade guarantees and letters of credit with off-statement of financial position risk totaled approximately \$348,000 and \$2,911,000, respectively.

(b) Employment Agreements

EABLC entered into employment agreements that contain deferred compensation and annual **guaranteed bonus of a percentage of EABLC's adjusted net profit.** Additionally, one employee was granted 7,500 equity appreciation units (**"EAU's"**), which shall be equal to **1/1000th of a 1% share of any future growth in EABLC's reported shareholder equity above** the shareholder equity base. The plans have been discontinued. For the year ended December 31, 2022, there was approximately \$1,168,000, accrued under these agreements. During 2022, early distributions were paid from the deferred compensation arrangement in the amount of approximately \$184,000.

(20) Commitments and Contingencies - Continued

(c) Contingent Liabilities

From time to time, the Company is involved in lawsuits and claims incidental in the ordinary course of business. Management does not believe the outcome of any litigation against the Company would have a material adverse effect on the Company's consolidated financial position or results of operations.

(21) Subsequent Events

The Company has evaluated subsequent events through May 15, 2024, the date these consolidated financial statements were available to be issued.

DATE AND CERTIFICATE

Dated: June 28, 2024

This Offering Memorandum does not contain a misrepresentation.

ON BEHALF OF THE DIRECTORS AND OFFICERS OF ECAPITAL BOND CORP.

Stephen McDonald
President

SCHEDULE "A" – FORM OF SUBSCRIPTION AGREEMENT

Form of Subscription Agreement between Issuer and each Subscriber