

First Quarter 2019

Financial Results

FINANCIAL INDUSTRY SOLUTIONS

\$32B

Managed &
Advised Credit
Portfolios

90+

US Bank
Partners

Disclaimer

Certain information in this presentation is forward-looking and related to anticipated financial performance, events and strategies. When used in this context, words such as “will”, “anticipate”, “believe”, “plan”, “intend”, “target” and “expect” or similar words suggest future outcomes. Forward-looking statements relate to, among other things, ECN Capital Corp.’s (“ECN Capital”) objectives and strategy; future cash flows, financial condition, operating performance, financial ratios, projected asset base and capital expenditures; anticipated cash needs, capital requirements and need for and cost of additional financing; future assets; demand for services; ECN Capital’s competitive position; expected growth in originations; and anticipated trends and challenges in ECN Capital’s business and the markets in which it operates; and the plans, strategies and objectives of ECN Capital for the future.

The forward-looking information and statements contained in this presentation reflect several material factors and expectations and assumptions of ECN Capital including, without limitation: that ECN Capital will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; ECN Capital’s continued ability to successfully execute on its strategic transition; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax and regulatory regimes; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund its capital and operating requirements as needed; and the extent of its liabilities. ECN Capital believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

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Disclaimer

ECN Capital's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the accounting policies we adopted in accordance with IFRS. In this presentation, management has used certain terms, including adjusted operating income before tax, adjusted operating income after tax, adjusted operating income after tax EPS and managed assets, which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. ECN Capital believes that certain non-IFRS Measures can be useful to investors because they provide a means by which investors can evaluate ECN Capital's underlying key drivers and operating performance of the business, exclusive of certain adjustments and activities that investors may consider to be unrelated to the underlying economic performance of the business of a given period. Throughout this presentation, management used a number of terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. A full description of these measures can be found in the Management Discussion & Analysis that accompanies the financial statements for the quarter ended March 31, 2019. ECN Capital's management discussion and analysis for the three-month period ended March 31, 2019 has been filed on SEDAR (www.sedar.com) and is available under the investor section of the ECN Capital's website (www.ecncapitalcorp.com).

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Call Agenda

BUSINESS OVERVIEW

OPERATING HIGHLIGHTS

Business Services

- Service Finance
- The Kessler Group
- Triad Financial Services

CONSOLIDATED FINANCIAL SUMMARY

CLOSING SUMMARY

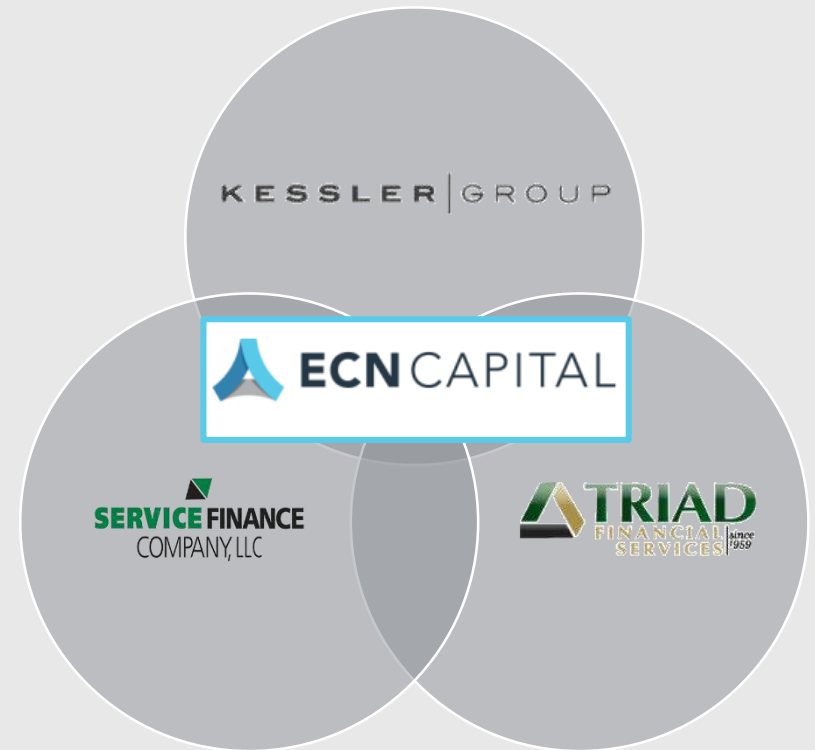
QUESTIONS

BUSINESS OVERVIEW



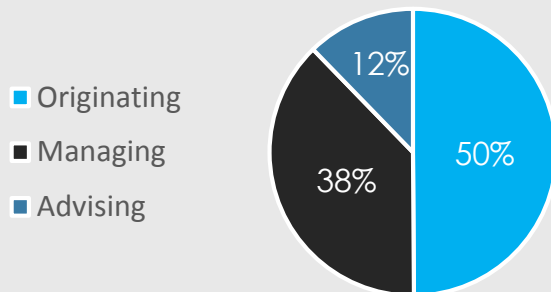
Business Description

- Following its inception in 2016, ECN Capital transitioned from a balance sheet lender to a manager of balance sheet light lending services
- Over the last 2+ years, ECN has divested or wound down its legacy lending assets and acquired three asset light services companies
- **Today, ECN is an asset manager that owns business services providers operating fee-based, asset-light models through which it originates, manages and advises on prime credit portfolios for its bank customers**

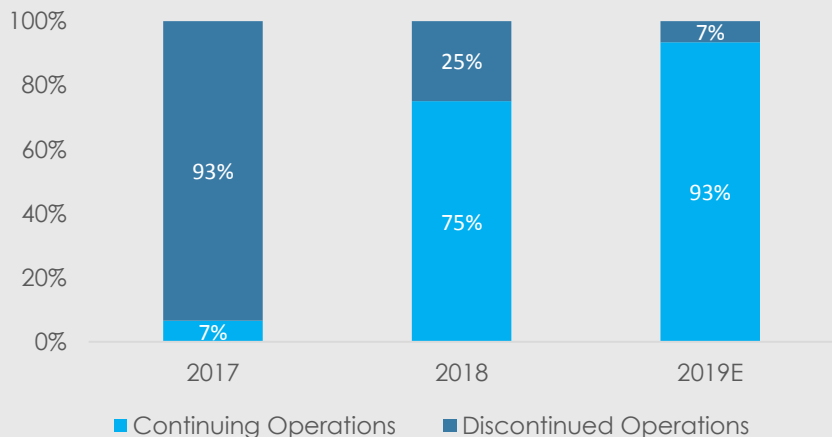


Asset Light & Fee-Based Businesses

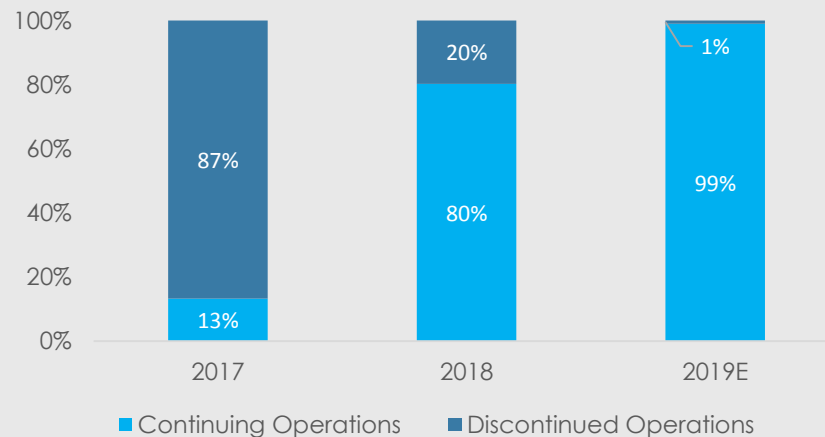
Revenue Composition 2019E¹



Revenue²



Operating Income before Tax²



1. Excludes discontinued operations

2. Includes revenue and operating income from legacy businesses, which will be reported as discontinued operations in 2019

Management & Office Update

ECN Senior Management & Office Transition Complete

- A streamlined management team at ECN corporate and a single main office reduces complexity and lowers expenses
 - Steven Hudson, CEO, has agreed to extend his employment contract through 2023
 - Senior management and staff now located in ECN's South Florida office
- Jim Nikopoulos has elected not to move to Florida and will retire from the company effective May 8, 2019
 - Jim has been instrumental in the transition of ECN, leading the successful exit of ECN's legacy businesses and contributing significantly to the development of ECN
- ECN does not anticipate additional restructuring charges related to these matters
- ECN now expects corporate operating expense of \$19-\$20 million in 2019, down from previous guidance of \$20-21 million

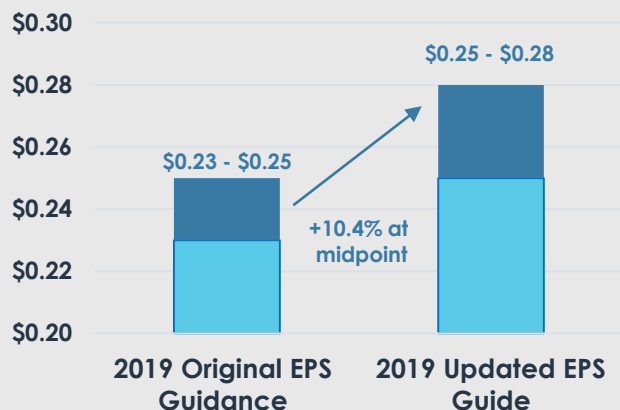
Kessler Group Update

Business Transitioned from Legacy Entrepreneurial to Disciplined Corporate Culture

- Scott Shaw successfully transitioned to CEO of the Kessler Group
 - 27+ years with KG; 30+ years industry experience
- As previously discussed, ECN has acquired the 20% non-controlling interest held by Howard Kessler and retired his employment contract
- Mr. Kessler is now Chairman Emeritus and founder and will continue to help manage key client relationships
- Mr. Shaw as the new CEO, undertook a detailed operations review, which resulted in the elimination of eight positions and the reduction of annual compensation costs by ~\$5 million
- KG 2019 adjusted operating income before tax to \$44 million to \$48 million from original guidance of \$42 million to \$45 million (100% basis)
 - ECN's share (96%) to be in the range of \$42 million to \$46 million compared to \$32 million to \$34 million (76%) previously

Updated Guidance Summary

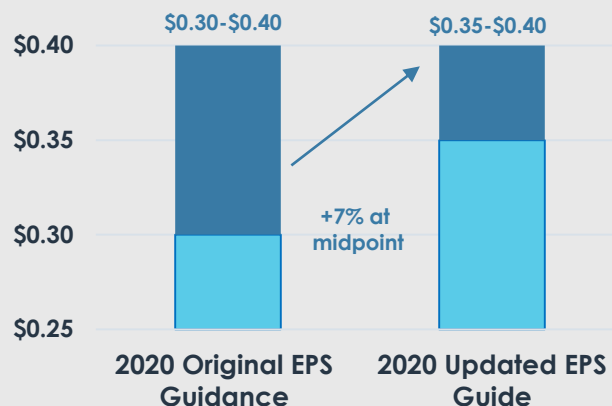
2019 EPS Guidance Update



2019 Guidance Update

- Now \$0.25-\$0.28 (+10.4% at the midpoint)
- SFC/Triad guidance reiterated; solid Q1
- Kessler guidance increased for minority interest acquisition, cost savings and better operating results
- Corp opex declines from cost savings initiatives

2020 EPS Range Update



2020 Range Update

- Now \$0.35-\$0.40 (+7.1% at the midpoint)
- As a result of improved 2019 guidance, ECN is updating our range for 2020 EPS initially given at the 2019 Investor Day

OPERATING HIGHLIGHTS

- Service Finance
- The Kessler Group
- Triad Financial Services





Highlights

- Q1 results in line with internal budget expectations; reiterating 2019 forecast
- Robust dealer growth continues
- Total originations of \$302 million in Q1, in line with budget; ~\$290 million originations excluding PACE
- 24.7% Q1 Y/Y growth in originations
- 30.5% Q1 Y/Y growth in originations excluding PACE
- 52.9% Q1 Y/Y growth in managed portfolios
- 39.5% Q1 Y/Y growth in EBITDA

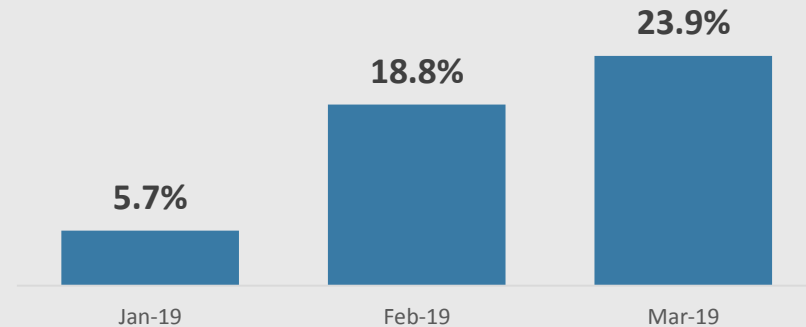
Select Metrics (US\$, millions)	Q1 2018	Q1 2019
Originations	241.7	301.5
Originations – excluding PACE	222.4	290.1
Period end managed portfolios	1,217.8	1,862.0
Revenue	14.8	19.8
EBITDA	8.8	12.3
Adjusted operating income before tax	8.4	10.5



Program Updates

- Q1 continued to be affected by the Lennox recovery but monthly volume growth accelerated each month in the quarter; expect full recovery for the heavy selling season in Q2 & Q3
- As expected SFC signed its first Life Insurance partner in Q1 and the first funding occurred in April
- While there has been no deterioration in partners credit metrics, we expect that portfolio credit performance will improve going forward as a result of:
 - Prudently raised FICO scores on solar originations
 - Origination mix skewing to HVAC as Lennox growth resumes
 - Minimal originations from an origination partner that declared bankruptcy last year

Lennox Origination Volumes
Y/Y Growth

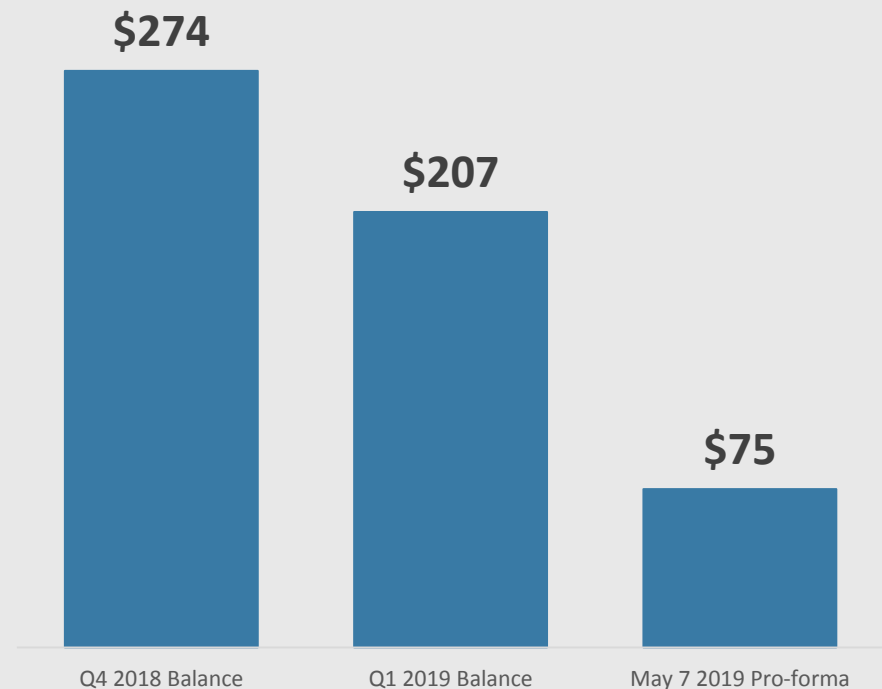




Held for Trading Asset Update

- Held-for trading (“HFT”) assets declined from ~\$274 million last quarter to ~\$207 million at Q1 2019
- Originated ~\$65 million HFT assets in Q1 prior to flow program launch throughout March/April
- Subsequent to quarter end, additional completed and pending sales have reduced HFT assets to ~\$75 million
- Remaining HFT assets to be sold in due course

Held-for-Trading Financial Assets
(\$millions)





Originations

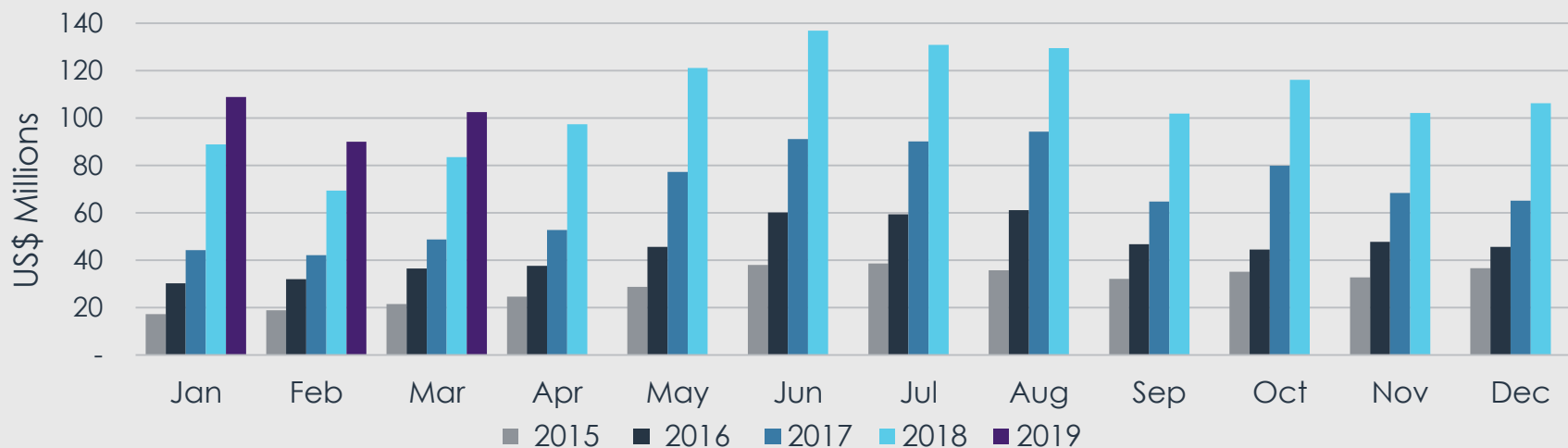
ORIGINATIONS¹ (US\$ million's)

	1Q	2Q	3Q	4Q	YTD
2015	58	91	106	105	360
2016	99	143	167	138	547
2017	135	221	249	208	814
2018	222	336	346	307	1,211
2019	290				290

YOY ORIENTATION GROWTH¹

	1Q	2Q	3Q	4Q	YTD
2015	104.1%	120.3%	126.5%	116.8%	113.8%
2016	71.4%	56.9%	57.2%	31.7%	52.0%
2017	36.8%	54.2%	49.1%	51.7%	48.9%
2018	64.7%	52.0%	38.8%	46.9%	48.8%
2019	30.5%				30.5%

ORIGINATIONS¹



1. Excludes PACE originations

- Q1 results significantly ahead of expectations
- Strong pipeline for the remainder of 2019
- Raising 2019 adjusted operating income forecast to \$42-\$46 million from \$32-\$34 million as a result of ownership increase to 96% from 76%, cost-savings from the Q1 operations review and better operating performance
- EBITDA margin increased to 58.5% in Q1 from 50.6% in Q4; realized operating efficiencies and better revenue performance
- Credit card asset management opportunity continues to develop
- Expanded client relationship discussed in Q4 has resulted in several mandates and is ahead of internal expectations
- KG succession planning is complete

Select Metrics (US\$, millions)	Q4 2018	Q1 2019
Revenue	23.1	24.6
EBITDA	11.7	14.4
Adjusted operating income before tax	11.1	13.9
Adjusted operating income before tax (ECN Capital share) ¹	8.5	13.4

1. Represents ECN equity ownership of 76% in Q4 2018 and 96% in Q1 2019



Highlights

- Q1 results ahead of internal budget expectations; reiterating 2019 forecast
- 50+ funding partners
- 25.2% Q1 Y/Y growth in originations
- 11.5% Q1 Y/Y growth in managed portfolios
- 94.1% Q1 Y/Y growth in EBITDA
- Floorplan (FP) outstanding of \$84.6 million at quarter end

Select Metrics (US\$, millions)	Q1 2018	Q1 2019
Originations	94.0	117.7
Period end managed portfolios	2,003.8	2,233.2
Revenue	8.5	11.6
EBITDA	2.5	4.9
Adjusted operating income before tax	2.4	4.1



Originations

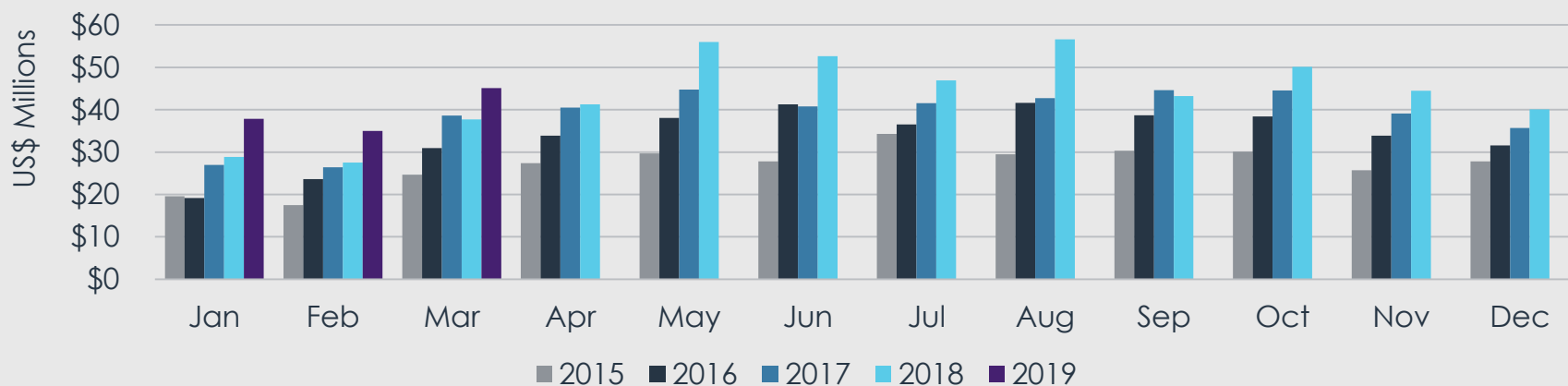
ORIGINATIONS (US\$ million's)

	1Q	2Q	3Q	4Q	YTD
2015	59	84	93	87	323
2016	74	113	117	104	408
2017	92	126	129	119	466
2018	94	150	147	135	525
2019	118				118

YOY ORIENTATION GROWTH

	1Q	2Q	3Q	4Q	YTD
2015	54.0%	34.1%	31.1%	13.6%	30.4%
2016	19.4%	33.5%	24.2%	24.2%	25.7%
2017	24.7%	11.3%	10.3%	15.0%	14.4%
2018	2.2%	19.0%	14.0%	13.4%	12.7%
2019	25.2%				25.2%

ORIGINATIONS



Consolidated Financial Summary



Q1 Consolidated Operating Highlights

From Continuing Operations

SUMMARY

- Total Originations were \$419.2 million for the quarter compared to \$335.7 million in originations in Q1 '2018
- Q1 adjusted EBITDA of \$26.7 million compared to \$6.5 million for Q1 '2018
- After-tax adjusted EPS applicable to common shareholders of \$0.05
- Tangible leverage of 2.84:1, up from 0.78:1 at year-end
- Book value per share of \$3.07 (C\$4.10), compared to \$3.14 (C\$4.28) at year-end

Balance Sheet

KEY HIGHLIGHTS

- Total assets decreased by \$12.4 million from Q4.
- Total finance assets decreased by \$57.0 million from Q4 due primarily sales of held for trading assets at Service Finance.
- Earning assets - managed and advised at the end of Q1 reflects servicing assets of \$1.9 billion in Service Finance, \$2.2 billion in managed loans in Triad and \$27.8 billion in managed and advisory assets in Kessler.
- Debt of \$585.9 million increased by ~\$250 million compared to Q4, reflecting the draw on the senior credit facility to fund the SIB in January and the purchase of 20% non-controlling interest in The Kessler Group in March.

Balance Sheet (\$,MM)	Q1 2018	Q4 2018	Q1 2019
Total assets	2,095.5	1,749.4	1,737.0
Total finance assets	1,259.5	402.4	345.4
Earning assets- managed and advisory ⁽¹⁾	3,221.5	31,118.7	31,861.3
Debt	543.7	335.4	585.9
Shareholders' equity	1,441.6	1,107.0	880.0
Tangible book equity (excluding preferred shares)	877.8	284.3	61.1
Tangible leverage ratio	0.53:1	0.78:1	2.84:1

1. Reflects off-balance sheet portfolios of Service Finance, Triad and Kessler.

Consolidated Income Statement

From Continuing Operations

KEY HIGHLIGHTS

- The increase in adjusted operating income before tax and EBITDA compared to the first quarter of 2018 primarily reflects the growth of our Service Finance and Triad Financial Services businesses and the inclusion of Kessler Group.
- Operating expenses increased compared to the first quarter of 2018 primarily due to the inclusion of Kessler Group partially offset by corporate cost reduction initiatives that were executed in the first quarter of 2019.

Income Statement (US\$,000)	Q1 2018	Q4 2018	Q1 2019
Portfolio origination services	13,432	22,261	18,140
Portfolio management services	8,580	27,610	19,088
Portfolio advisory services	-	4,255	11,956
Interest income	1,480	7,023	6,449
Other revenue	1,899	6,226	985
Operating expenses	18,897	33,313	29,882
Provision for credit losses	-	-	-
EBITDA	6,494	34,062	26,736
Depreciation & amortization	504	729	610
Interest expense	5,379	8,748	6,298
Non-controlling interest in Kessler	-	2,566	546
Adjusted operating income before tax (1)	611	22,019	19,282

1. Excludes share-based compensation

Operating Expenses

KEY HIGHLIGHTS

- The increase in operating expenses compared to the first quarter of 2018 is primarily related to the inclusion of Kessler Group partially offset by corporate cost reduction initiatives that were executed in the first quarter of 2019.
- As a result of the completion of the transition of the senior leadership team to South Florida, we now expect total corporate operating expenses to be in the range of \$19 million to \$20 million on an annualized basis.

Operating Expenses (\$, 000)	Q1 2018	Q4 2018	Q1 2019
Service Finance	5,952	7,388	7,477
Kessler	-	11,396	10,128
Triad	5,941	7,485	6,755
Corporate	7,004	7,044	5,522
Total operating expenses	18,897	33,313	29,882

Discontinued Operations Highlights

RAIL

- Rail assets of \$35 million at Q1
- Remaining rail assets are classified as held-for-sale and will be disposed of following the completion of scheduled retrofits (lessee responsible)

AVIATION

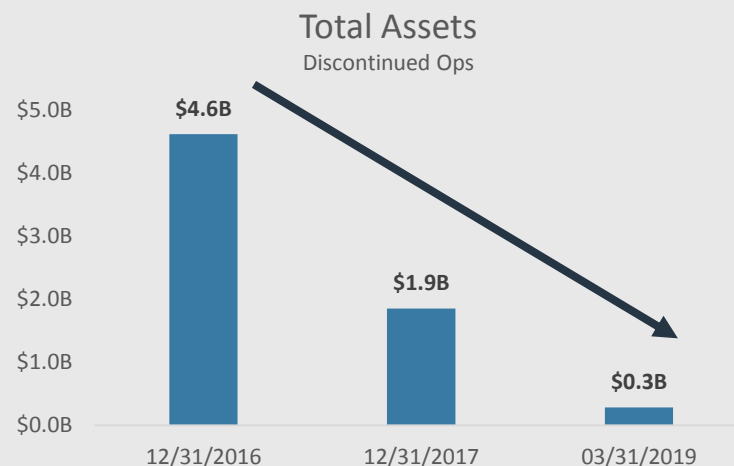
- Total aviation assets declined from \$249 million at Q4 2018 to \$221 million at Q1 2019 reflecting continued asset sales and early customer payouts; Since quarter end assets have been further reduced to \$206 million
- Aviation assets are classified as held-for-sale and the orderly elimination of substantially all of these assets in 2019 remains on track

OTHER

- C&V balances were \$21.7 million at end of Q1 and meaningful pay-downs are expected to occur during Q2
- C&V assets are classified as held-for-sale and will be disposed of in due course

Rail (US\$,millions)	Q4 2018	Q1 2019
Adjusted operating income before tax	0.8	-1.6

Aviation (US\$,millions)	Q4 2018	Q1 2019
Adjusted operating income before tax	0.6	-1.2



Closing Summary



Closing Summary

Successful Operating Results

- Q1 2019 EPS of \$0.05 exceeded previous guidance of \$0.02-\$0.03
- 2019 EPS guidance raised to US\$0.25-US\$0.28 from US\$0.23-US\$0.25 provided at Investor Day
- 2020 EPS guidance range raised to US\$0.35-US\$0.40 from US\$0.30-US\$0.40
- Steve Hudson extended employment agreement until 2023
- ECN Senior Management in place and in new Florida headquarters
- KG transition complete; Scott Shaw named CEO; cost savings realized; guidance raised
- SFC Solid Q1; Lennox recovery continues; Asset sales on track
- Triad ahead of plan; 25% origination growth in Q1

Active Capital Management

- C\$265 million SIB completed in January at \$3.75 repurchasing 71 million shares or ~ 23% of outstanding shares; Total share repurchases have reduced shares outstanding by ~40%
- Dividend increase announced on Q4 EPS; ongoing review of dividend policy
- Acquisition of KG minority interest immediately accretive low risk capital deployment

Questions



Appendix





2019 Guidance

KEY HIGHLIGHTS

- Reiterate guidance from 2019 Investor Day
- Forecast 2019 total originations to increase ~32% at the midpoint
 - 2019 addressable home improvement market of more than \$130B
 - 2019 expected originations of \$1.7B at the midpoint represents 1.3% of the addressable market
 - Top 5 originators, including SFC represent just ~8% of the addressable market; enormous market opportunity
- 2019 adjusted operating earnings before tax forecast increase by ~25% at the midpoint

Select Metrics (US\$ millions)	2018	2019 Forecast Range	
Originations	1,288	1,600	1,800
Managed & advised portfolio (period end)	1,768	2,500	2,700
Income Statement (US\$ millions)	2018	2019 Forecast Range	
Revenues	82.0	96	101
EBITDA	56.1	66	70
Adjusted operating income before tax	51.3	62	66
EBITDA margin	68%	~69%	~69%

2019 Guidance

KEY HIGHLIGHTS

- Guidance raised reflecting Q1 operations review and improved operating results
- Expanded strategic partnership agreement with significant long-term client performing ahead of expectations
- Expect Strategic Partnership vertical to continue to add new relationships and long-term contracts given current pipeline
 - KG ongoing total contracted annuity income ~\$200 million
- Portfolio advisory off to a great start in 2019 with a strong pipeline for the remainder of the year
- Risk-based marketing funding expected to generate net revenue of ~\$15 million in 2019

Income Statement (US\$ millions)	2018 ¹	2019 Forecast Range	
Revenue	62.2	86	90
EBITDA	35.7	46	49
Adjusted operating income before tax (100%)	34.3	44	48
Adjusted operating income before tax (ECN share)	26.4	42	46
EBITDA margin	~57%	~53%	~54%

1. 2018 results May 31 through Dec 31



2019 Guidance

KEY HIGHLIGHTS

- Reiterate guidance from 2019 Investor Day
- Originations projected to grow ~16% in 2019 at the midpoint
- Floorplan initiatives showing progress on increased core MH market share
- Manufactured Housing Industry positioned for increasing shipment rates as an affordable housing solution
- Servicing penetration continues to rise leading to increased ongoing revenue streams
- Adjusted operating income growth of ~18% in 2019 at the midpoint
- Positioned to scale – margins continue to expand
- Financial partner demand continues to increase

Select Metrics (US\$ millions)	2018	2019 Forecast	
Total originations	525	600	620
Floorplan line utilized	78	100	110
Managed & advised portfolio (period end)	2,166	2,500	2,600
Income Statement (US\$ millions)	2018	2019 Forecast	
Revenue	49.6	55	60
EBITDA	21.9	26	30
Adjusted operating income before tax	19.9	22	25
EBITDA margin	44%	~47%	~50%

Updated Consolidated 2019 Financial Forecast

KEY HIGHLIGHTS

- Updated 2019 EPS range to \$0.25-\$0.28; +10% at the midpoint
- Service Finance and Triad guidance reiterated
- KG ownership to 96%; raising guidance to \$42-\$46 million reflecting cost savings from Q1 operations review and better operating performance
- ECN management streamlining and operating efficiencies drive reduced corporate opex
- Corporate interest increases due to line usage primarily to acquire the minority interest in KG
- Expected annual tax rate of 22% in 2019; No cash taxes paid in 2019
- After further tax planning, ECN did not owe the Part VI tax in Q1. If Part VI tax eliminated for full year it would add ~\$0.01 to 2019 guidance

Adjusted Net Income (US\$ millions)	2019	
Service Finance	\$62	\$66
Kessler Group (96%)	\$42	\$46
Triad Financial Services	\$22	\$25
Continuing Ops Adj Op Income before Tax	\$126	\$137
Corporate operating expenses	(\$19)	(\$20)
Corporate depreciation	(\$2)	(\$2)
Corporate interest	(\$11)	(\$13)
Total ECN adjusted operating income before tax	\$94	\$102
Tax – Non-Cash	(\$21)	(\$23)
Total ECN adjusted net income	\$74	\$80
Preferred Dividends	(\$13)	(\$13)
Adjusted net income (after pfds)	\$61	\$67
EPS US\$	\$0.25	\$0.28



Business Model Recap

- Non-recourse origination fees are earned with no risk of adjustments for loan performance, interest rate changes, prepayment, etc.
- Recurring, high margin servicing revenue
- Efficient and scalable business models drive high margins
- SFC directly licensed in all 50 states – not using bank pre-emption
- Triad operates and is directly licensed in 44 states
- Model is suitable and growing originations for all project types and durations including HVAC, solar, windows, doors, roofing, etc.

	ECN Business Services Companies
Clawback on Origination Fee/Transaction Fee	None
Servicing Fee Contribution	Significant & Growing
Recourse:	
- Interest Rates	None
- Prepayment	None
- Loan Losses	None
Dealer Processing Fees	None
Loan Types	Variety of rate, payment, and duration options
Project Types	All
Licensing	Nationally licensed