



ECN Capital Update



SEPTEMBER 14, 2017

ECN BUSINESS OVERVIEW



Strategic Plan Execution

CONSISTENT AND ON MESSAGE

Transition continues from legacy businesses to businesses with higher growth, increased profitability, and those requiring less capital within core expertise

- ✓ Sold US C&V business to PNC Bank
- ✓ Sold commercial aviation business and retained equity upside
- ✓ Sold non-core rail assets
- ✓ Strategic process of harvesting “legacy businesses” ongoing
- ✓ Service Finance acquisition – stellar credit, high returns, significant growth and less capital
- ✓ Disciplined acquisition process continues
- ✓ US focus in both organic and M&A growth strategy
- ✓ Optimizing capital base – NCIB in place

ECN Capital at a Glance

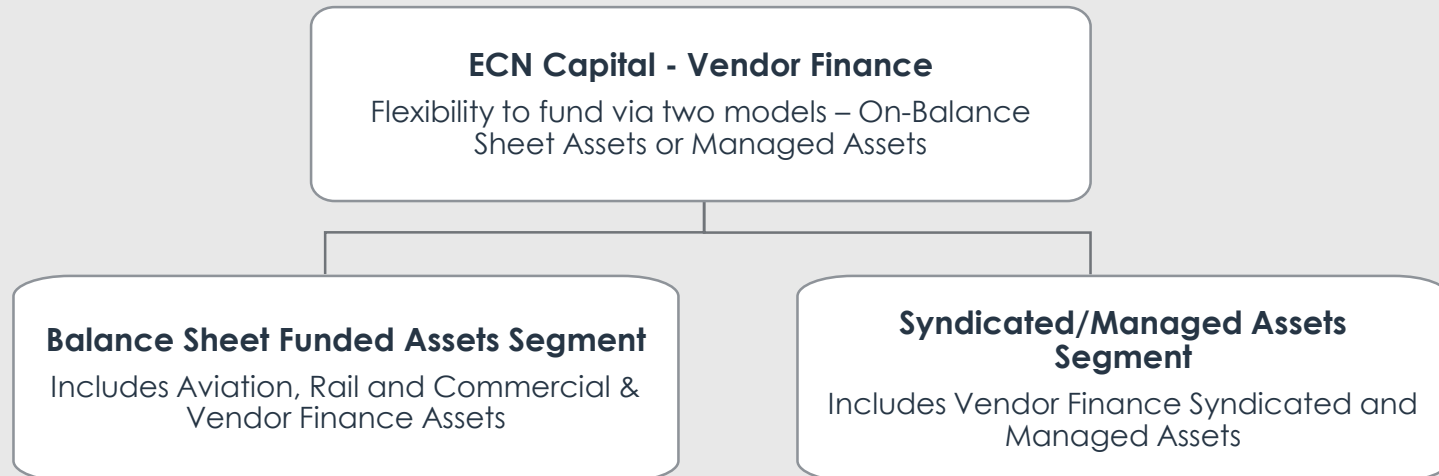
OVERVIEW OF THE COMPANY BY BUSINESS LINE

SYNDICATED/MANAGED ASSETS	BALANCE SHEET FUNDED ASSETS		
VENDOR FINANCE- SYNDICATED/MANAGED	VENDOR FINANCE- BALANCE SHEET	RAIL FINANCE	AVIATION FINANCE
<ul style="list-style-type: none"> • SFC: Provides primarily small balance, prime & super-prime installment contracts to finance home improvement projects in the U.S. • Originations primarily sourced through national vendor programs with top manufacturers and dealers • Installment contracts sold to FDIC insured institutions • High growth & profitability, with excellent credit and scalability 	<ul style="list-style-type: none"> • Cdn C&V business continues to perform well • Strategic options continue to be explored • Long-term option to hold a portion of new vendor originations on ECN Capital's balance sheet 	<ul style="list-style-type: none"> • Rightsized railcar business through recent non-core asset sales • Rail business continues to provide a strong asset base and tax deferral to support new business initiatives; however, will be a smaller component of the company's strategy going forward 	<ul style="list-style-type: none"> • Aviation business run-off execution remains on track

Ongoing business transition towards an asset-light model

Investment Grade Commitment

- Ratings of BBB (low) from DBRS and BBB from Kroll; rating agencies updated throughout transition
- Investment Grade Ratings a key competitive advantage and differentiator with vendor partners; driving additional programs
- Diversified funding structures with multiple sources of financing; broad access to matched & committed capital
- US\$2.5B secured revolving credit facility with over US\$2.1B undrawn
- Maintain acceptable levels of on-balance sheet assets as ECN builds asset management funding channel



Focused Vendor Strategy

DOMINANT VENDOR FINANCE BUSINESSES – 30+ YEARS EXPERIENCE

HISTORIC CONTINUITY

- Consistent focus on vendor finance over three decades
- Superior credit management and focus on high quality, relationship driven assets
- Conservative funding model: matched & committed liquidity with broad access to debt & equity capital
- Complimentary to traditional banks: partnering, not competing, with banks
- Adaptive strategy: recognizing and responding to market changes to maximize profitability and scale while maintaining robust risk management

CORE VENDOR PILLARS

- Focus on developing exclusive manufacturer relationships in attractive end market verticals that bring proven dealer networks to drive volume at low cost
- Maintain deep knowledge of chosen asset categories in order to invest capital appropriately; High quality assets promote low credit risk
- Build national platforms in both the U.S. and Canada with broad capabilities and scale
- Utilize I/T driven processes to drive consistency and efficiency

Proven Leader in North American Vendor Finance



JOHN DEERE



RICOH



A long history as a leader in North American Vendor Finance

Disciplined Acquisition Approach

DISCIPLINED ACQUIRER – “RIGHT DEAL AT THE RIGHT TIME”

- Evaluated ~\$65 Billion+ in acquisition targets and stayed disciplined to our strategic plan and proven business model
- Focused on the right fit – returns, credit, growth, & scalability
- Due diligence across specialty finance:

Commercial Finance	Asset Management
Consumer Finance	Home Improvement
Small Business Finance	Structured Finance
Equipment Finance	Venture Lending

- Expect to have more to announce in the coming quarters

SFC OVERVIEW



SFC Business Overview



Overview of the Business

- Founded in 2004, Service Finance Company ("SFC") provides prime & super-prime installment contracts to finance home improvement projects in the U.S.
- Technology driven originations primarily sourced through national vendor programs with top manufacturers and dealers, closely mirroring ECN Capital's go to market strategy
- Management retention addressed with deferred purchase price construct for key executives

Average Installment Contract Characteristics

FICO of ~760

Yield of ~10% (vs. 6.5% for U.S. C&V)

Annualized Net Losses 0.8%

SFC is an Excellent Fit for ECN's US Vendor Business

1

NICHE SPECIALTY FINANCE

- Complementary to banks as asset management partner
- Top-tier national vendor relationships

2

SCALABLE PLATFORM WITH STRONG GROWTH PROFILE

- Niche business with strong organic and add-on growth prospects
- Able to build or acquire substantial scale over the mid-term

3

HIGH CREDIT QUALITY

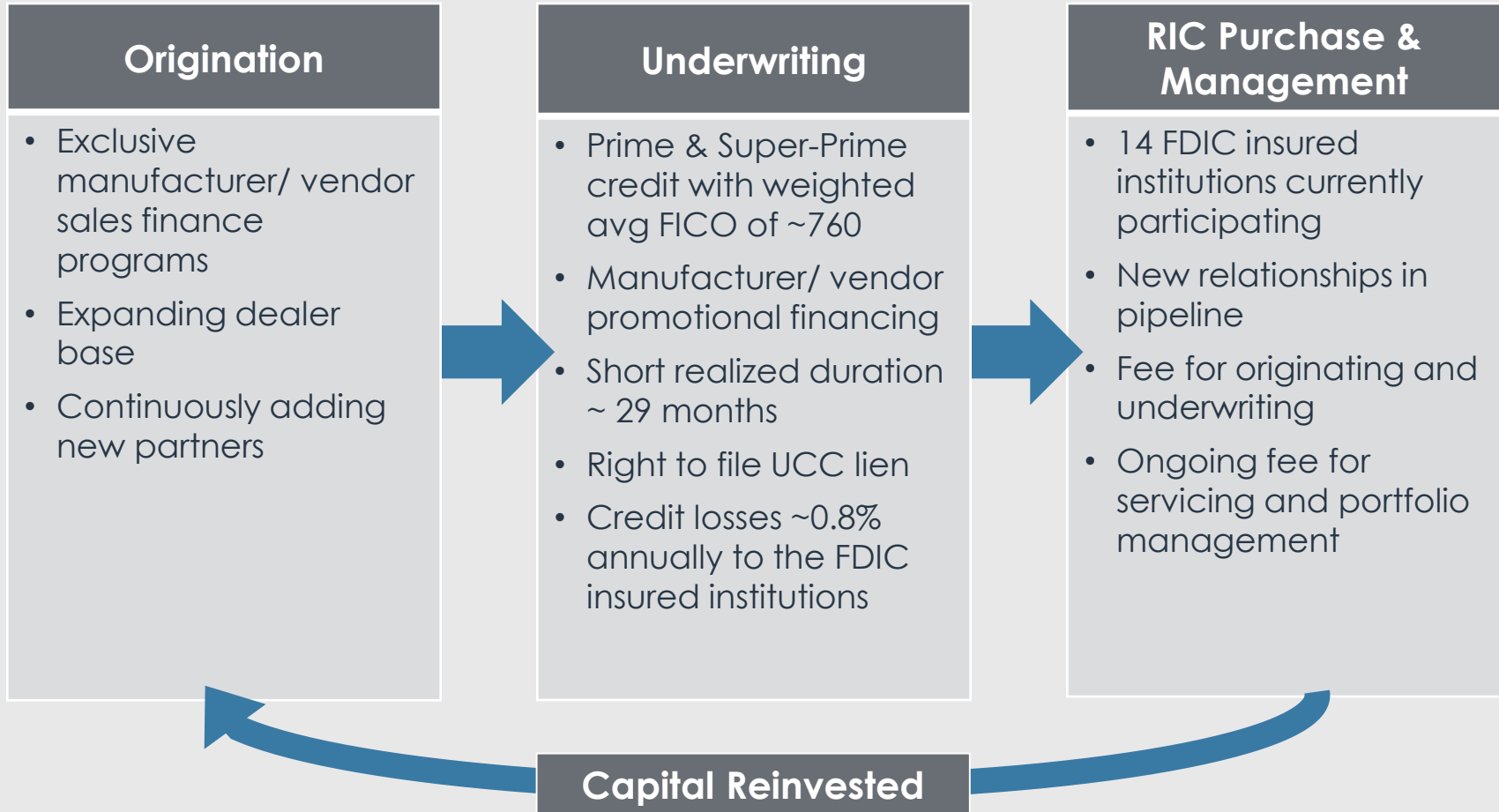
- Focused on originating prime & super-prime installment loans
- 100% of originations have been sold with no recourse
- Estimated annualized net defaults of ~0.8%

4

LONG TERM FUNDING RELATIONSHIPS

- Financings are originated at a discount to par and sold for a gain to FDIC insured institutions
- SFC receives an ongoing fee for servicing and portfolio management

Business Model



Technology Enabled

The image displays a desktop browser window of the Service Finance Company Dealer Pipeline portal. The browser address bar shows the URL `appstest.svcfin.com/dealerportal/DealerPipeLine.aspx`. The page header includes the company logo and a welcome message: "Welcome Dealer: 9999999 Home Improvement Pro". A "Logout" button is visible in the top right.

The main content area is titled "Loan Status" and features a table of loan applications. The table has columns for Application Data, Application Number, Loan Type, Borrower Name, Contract Amount, Status, Signed By Borrower, Signed By Co-Borrower, Work Order, Proof of Income, Dealer Payment Auth, and Sale Person Name. Two entries are shown:

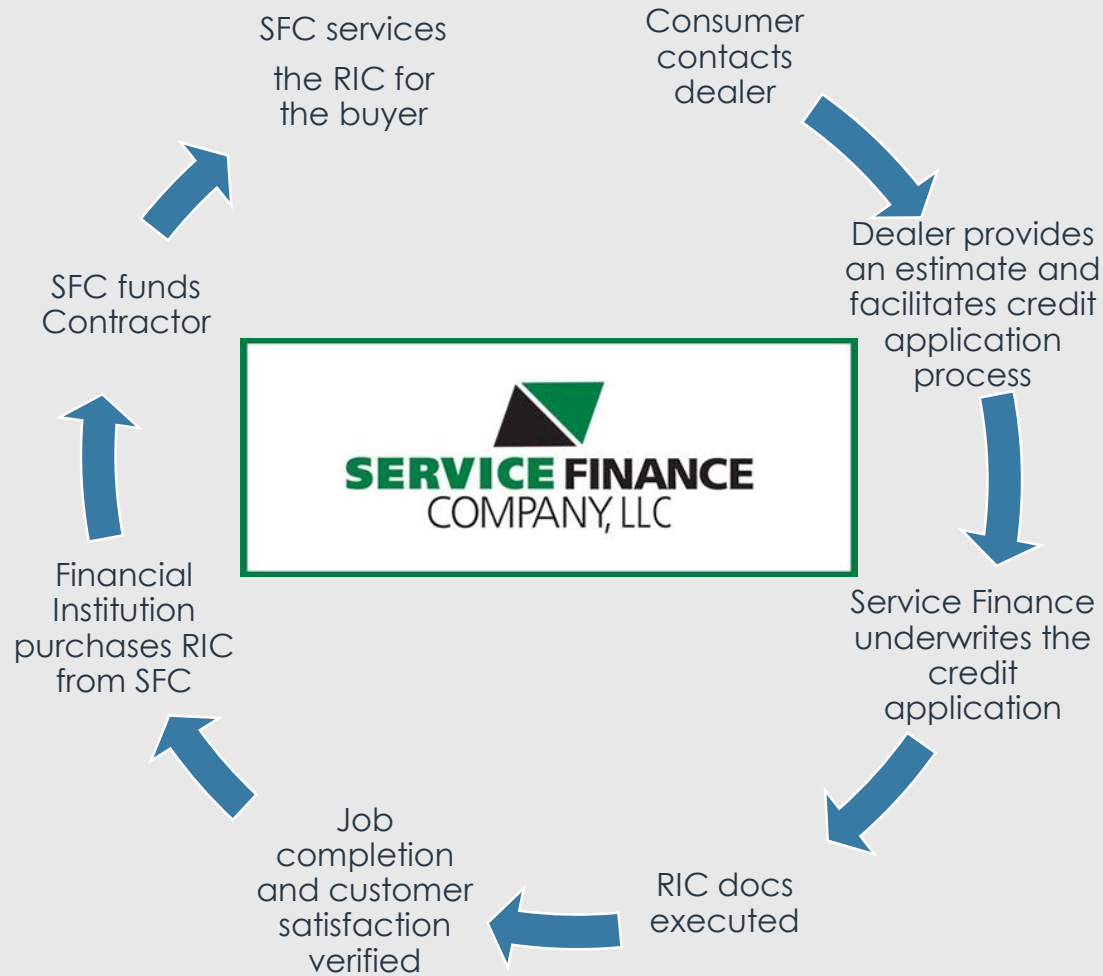
Application Data	Application Number	Loan Type	Borrower Name	Contract Amount	Status	Signed By Borrower	Signed By Co-Borrower	Work Order	Proof of Income	Dealer Payment Auth	Sale Person Name
10/09/2014	1254313	BNP - 12 Mo	WILLIAM G LABIAK	\$9,300.00	Waiting on Payment Authorization	●	●	●	●	Click Here	MATT FRENG
10/09/2014	1254334	150 P Unsec Sid	ROBERTA J COWMAN	\$7,000.00	Waiting on Payment Authorization	●	●	●	●	Click Here	DAVID MCNAUL

Below the table, it says "Showing 1 to 2 of 2 entries". Navigation buttons for "First", "Previous", "1", and "Next" are present. A legend on the left side of the page defines status indicators: N/A (grey circle), Pending (red circle), and Cleared (green circle).

Overlaid on the right side of the desktop view is a mobile application interface. It features a "Menu" header with a power icon. Below the menu is a "Submit New Application" section with the instruction "Select one of the methods below". There are three main options: "Scan Driver's License" (with a QR code icon), "Enter Applicant Cell Number" (with a phone icon), "Call In Application" (with a headset icon), and "Enter Manually" (with a document icon). At the bottom of the mobile interface is a "View Loan Pipeline" button.

Technology driven platform provides contractors ease of use, rapid application decisions, and proven to increase sales

Business Flowchart



Illustrative Example

RIC Expected Cash Flow

Year	1	2	3	4	5	6	7	8
Beginning Unpaid Balance	\$10,000	\$9,126	\$8,164	\$7,106	\$5,942	\$4,661	\$3,253	\$1,704
Principal Payment	\$ 874	\$ 962	\$1,058	\$1,164	\$1,280	\$1,408	\$1,549	\$1,704
Interest Payment	\$1,000	\$913	\$816	\$711	\$594	\$466	\$325	\$170
Principal + Interest	\$ 1,874	\$ 1,874	\$ 1,874	\$ 1,874	\$ 1,874	\$ 1,874	\$ 1,874	\$ 1,874
Ending Unpaid Balance	\$9,126	\$8,164	\$7,106	\$5,942	\$4,661	\$3,253	\$1,704	\$0

SFC Economics

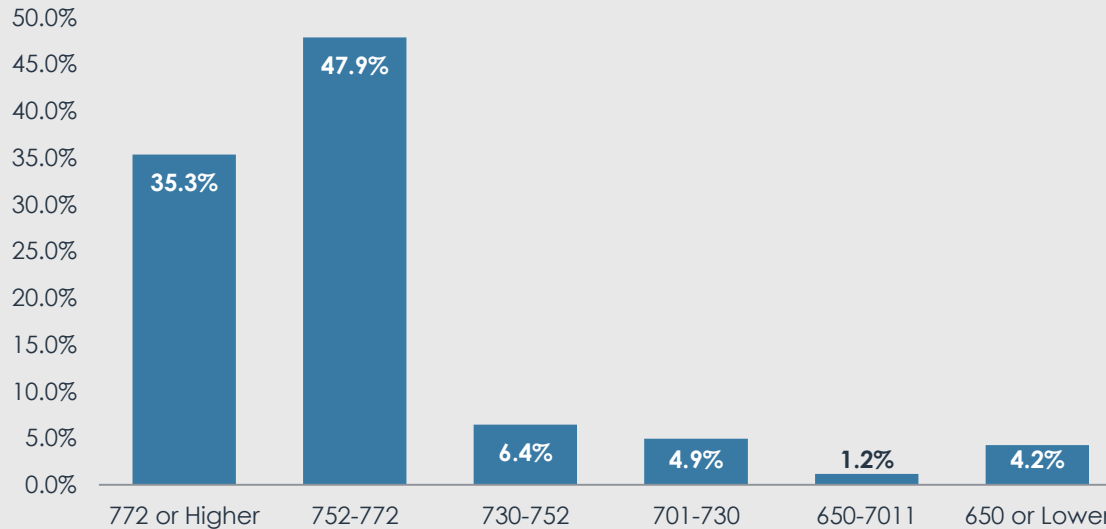
Year		1	2	3	4	5	6	7	8	Total	
Total Financing (RIC)	A		\$10,000								
SFC Purchase Price	B		\$9,250								
SFC sells to FDIC Insured Institution	C		\$9,600								
SFC Gain on Sale	D = (C-B)		\$350							\$350	
SFC Management Fee	E = (2% Avg UPB)		\$191	\$173	\$153	\$130	\$106	\$79	\$50	\$17	\$899
Total SFC Income	F = (E + D)		\$541	\$173	\$153	\$130	\$106	\$79	\$50	\$17	\$1,249

Note: Assumes 8 year financing at 10% interest rate

Credit Quality

- Service Finance focuses on originating prime & super-prime installment loans
 - 100% of originations have been sold with no recourse
- Annualized net defaults are expected to average ~0.8% to the bank purchaser
 - High FICO borrowers; averaging ~760 FICO
 - Register a UCC lien on the home when account goes into arrears

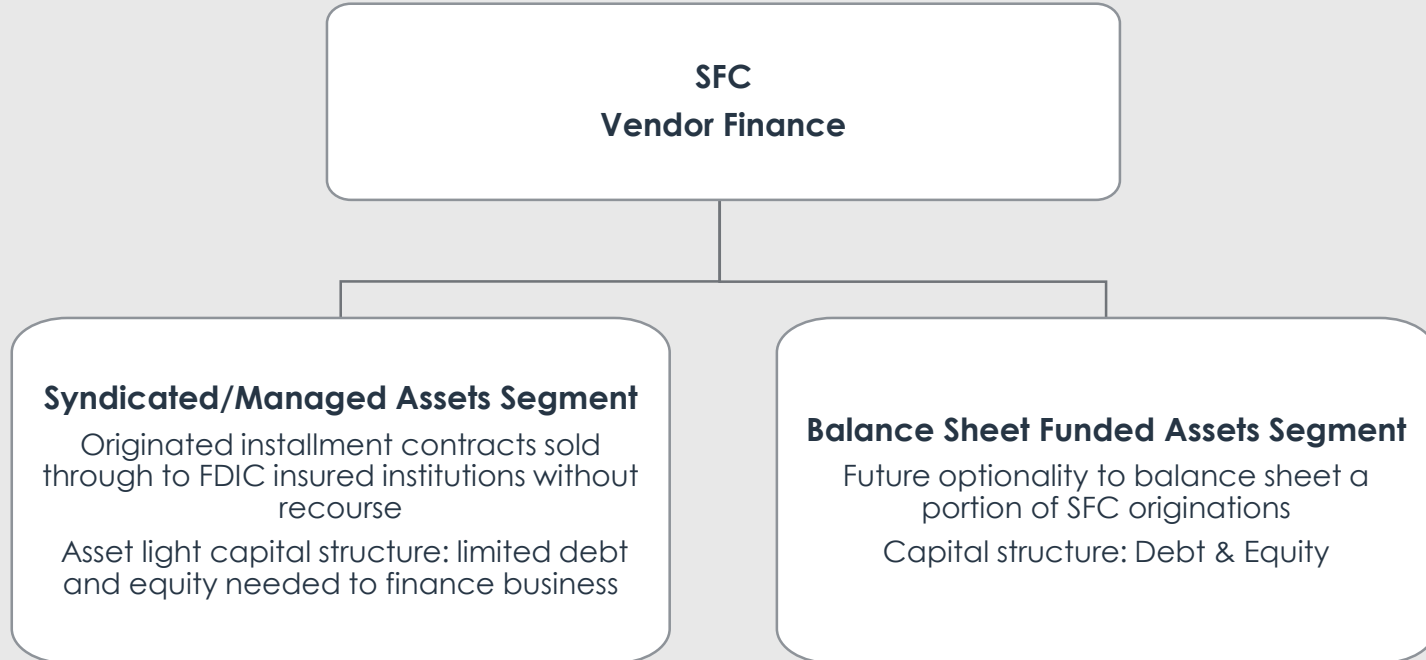
SFC FICO DISTRIBUTION¹



1. Originations below 660 FICO are sold to non-bank counterparty

Funding Flexibility - SFC

FLEXIBILITY TO FUND VIA TWO MODELS – ON BALANCE SHEET OR SYNDICATED/MANAGED ASSETS:



Service Finance Update

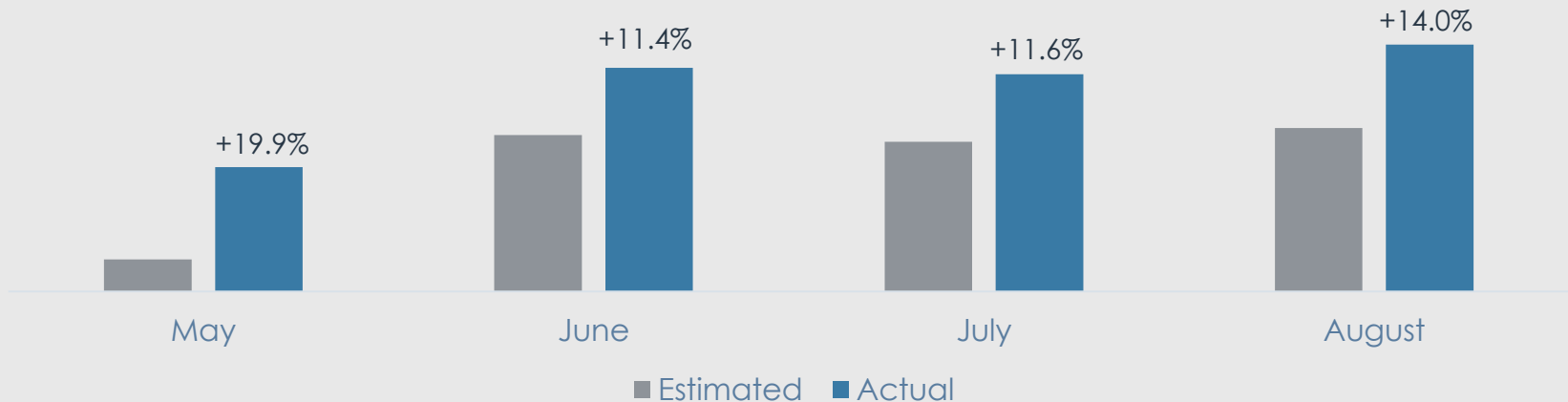


- Acquisition closed on September 7, 2017
- Exceeding expectations across the business
 - Originations exceeding plan
 - Robust dealer growth continues
- Bank network demand continues to be strong
 - Recently added 14th FDIC insured institution to bank group
- Combination of SFC & ECN resulting in more vendor wins
 - New wins in both solar and windows driven by Investment Grade Rating
 - Recent remodeling wins help reduce origination seasonality

Service Finance Update

- Service Finance originations continue to exceed expectations
 - Positive operating leverage – EBITDA grows faster than originations
 - Strong results since last update – More than 7,700 dealers, adding 150+ per month
 - Currently not changing projections but remain on pace to exceed estimates

ORIGINATIONS
ORIGINAL ESTIMATES VS ACTUAL
(% ABOVE ESTIMATES)



Service Finance Update

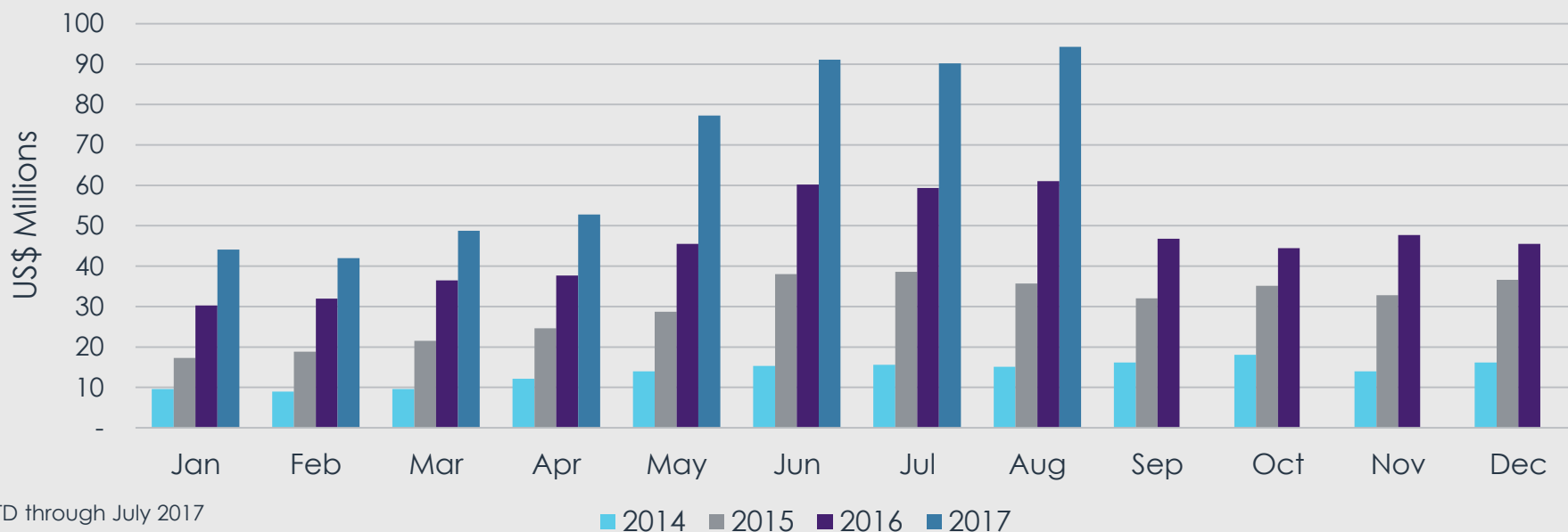
ORIGINATIONS (US\$ Million's)

	1Q	2Q	3Q ¹	4Q	YTD
2015	58	91	106	105	360
2016	99	143	167	138	547
2017	135	221	185	-	541

YOY ORIENTATION GROWTH

	1Q	2Q	3Q ¹	4Q	YTD
2015	104.1%	120.3%	126.5%	116.8%	118.3%
2016	71.4%	56.9%	57.2%	31.7%	52.0%
2017	36.5%	54.3%	53.2%	-	49.1%

ORIGINATIONS - FUNDED



Service Finance Update

- More than 7,700 dealers, adding 150+ per month
- Robust and maturing dealers lead to predictable origination growth



Service Finance Update

Disaster Recovery Plan Tested

- Hurricane Irma proved to be a successful test of SFC's comprehensive disaster recovery plan
- Business continued with no operational disruptions
- Houston and Florida natural disasters will result in significant rebuilding demand over time

Management and Board of Directors

Mark E. Berch, President, Board Member:

- 20+ years as a principal founder and operator in several home improvement companies
- Previous management positions at San Diego Carpet Care, International Chemical and Supply, and United Restoration, LLC
- Member of the executive advisory board of the National Association of Professionally Accredited Contractors (NAPAC)

Stephen M. Miner, General Counsel, Board Member:

- Manages SFC's legal affairs including contractual relationships between SFC and its bank counterparties and principal vendors
- Responsible for regulatory compliance and assists the president in the day-to-day operations of the business
- Previous management positions at Teknion, a designer and manufacturer of high-end office furniture, and Rose Miner & Podolsky PA, a law firm where he practiced tax and corporate law for 10+years

Ian M. Berch, COO, Board Member:

- Previous management positions at United Restoration, LLC, Superior Security Systems, and Satisfaction Carpet Care

Eric M. Berch, CFO:

- 20 years as Controller/CFO for several family owned businesses, focused on the home improvement industry

Danny Wall, Board Member

- Retired as President of Morgan Stanley Bank, N.A.
- Former Chairman and CEO of Capmark Bank, formerly GMAC Commercial Mortgage Bank
- Former Chairman of the Federal Home Loan Bank Board (FHLBB), Federal Savings and Loan Insurance (FSLIC), and Federal Home Loan Mortgage (Freddie Mac)
- Majority and Minority Staff Director of the US Senate, Committee on Banking and Housing and Urban Affairs

Wallace M. Jensen, Board Member

- Former President of Centennial Bank (Panama City, Florida)
- Previously at G.E. National Financial Bank, where he served as Secretary, Vice President, Chief Lending, Compliance, & CRA Officer
- Formerly at AT&T Universal Bank, where he served as President and CEO, and Citibank, N.A. as unit President and CEO of the Utah banking operations