

**FOR IMMEDIATE RELEASE**

## **ECN Capital Provides Notice of Series C Preferred Shares Conversion Right and Announces Reset Dividend Rates**

**TORONTO, ON, June 3, 2022** – ECN Capital Corp. (TSX: ECN) (“**ECN Capital**” or the “**Company**”) announced today that it does not intend to exercise its right to redeem all or any part of the currently outstanding Cumulative 5-Year Minimum Rate Reset Preferred Shares, Series C (the “**Series C Shares**”) (TSX: ECN.PR.C) on June 30, 2022 (the “**Conversion Date**”).

As a result and subject to certain conditions set out in the terms of the Series C Shares as set out in the Company’s articles and summarized in the prospectus supplement of the Company dated May 17, 2017 relating to the issuance of the Series C Shares, the holders of the Series C Shares will have the right to convert all or any of their Series C Shares into Cumulative Floating Rate Preferred Shares, Series D of the Company (the “**Series D Shares**”) on the basis of one Series D Share for each Series C Share on the Conversion Date.

With respect to any Series C Shares that remain outstanding after the Conversion Date, holders thereof will be entitled to receive quarterly fixed cumulative preferential cash dividends, if, as and when declared by the Board of Directors of the Company. The annual dividend rate applicable for the Series C Shares for the five-year period from and including June 30, 2022 to but excluding June 30, 2027 will be 7.93700%, being equal to the five-year Government of Canada bond yield of 2.74700% determined as of May 31, 2022 plus 5.19000%, determined in accordance with the terms of the Series C Shares.

With respect to any Series D Shares that may be issued on the Conversion Date, holders thereof will be entitled to receive quarterly floating rate cumulative preferential cash dividends, if, as and when declared by the Board of Directors of the Company. The dividend rate applicable to the Series D Shares for the three-month period from and including June 30, 2022 to but excluding September 30, 2022 will be 6.66700%, being equal to the annual rate for the most recent auction as of May 31, 2022 of three-month Government of Canada Treasury Bills of 1.47700% plus 5.19000%, determined in accordance with the terms of the Series D Shares (the “**Floating Quarterly Dividend Rate**”). The Floating Quarterly Dividend Rate will be reset every quarter.

As provided in the terms of the Series C Shares, if ECN determines after reviewing all Series C Shares tendered for conversion into Series D Shares that: (i) there would remain outstanding on the Conversion Date less than 500,000 Series C Shares, all remaining Series C Shares shall be converted automatically into Series D Shares on a one-for-one basis effective on the Conversion Date; or (ii) there would remain outstanding on the Conversion Date less than 500,000 Series D Shares, the holders of Series C Shares shall not be entitled to convert their shares into Series D Shares on the Conversion Date. There are currently 3,712,400 Series C Shares outstanding.

The Series C Shares are issued in “book entry only” form and must be purchased or transferred through a participant in the CDS depository service (“**CDS Participant**”). All rights of holders of Series C Shares must be exercised through CDS or the CDS Participant through which the Series C Shares are held. The deadline for the registered shareholder to provide notice of exercise of the right to convert Series C Shares into Series D Shares is 5:00 p.m. (Toronto time) on June 17, 2022. Any notices received after this deadline will not be valid. As such, holders of Series C Shares who wish to exercise their right to convert their shares should contact their broker or other intermediary for more information and it is recommended that this be done well in advance of the deadline in order to provide the broker or other intermediary with time to complete the necessary steps.

If ECN does not receive an election notice from a holder of Series C Shares during the time fixed therefor, then the Series C Shares shall be deemed not to have been converted (except in the case of an automatic conversion). Holders of the Series C Shares and the Series D Shares will have the opportunity to convert their shares again on June 30, 2027, and every five years thereafter as long as the shares remain outstanding.

The Toronto Stock Exchange (TSX) has conditionally approved the listing of the Series D Shares effective upon conversion. Listing of the Series D Shares is subject to ECN fulfilling all the listing requirements of the TSX.

#### **About ECN Capital Corp.**

With managed and advised assets of US\$31 billion, ECN Capital Corp. (TSX: ECN) is a leading provider of business services to North American based banks, credit unions, life insurance companies, pension funds and investment funds (collectively our "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of its Partners, specifically secured loan portfolios and credit card portfolios. Our Partners are seeking high quality assets to match with their deposits or other liabilities. These services are offered through three operating businesses: Triad Financial Services, Source One Financial Services and The Kessler Group.

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#### **Forward-looking Statements**

This press release includes forward-looking statements regarding ECN Capital and its business. Such statements are based on the current expectations and views of future events of ECN Capital's management. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements, including, among others, future conversions, redemptions and dividends on the Series C Shares or Series D Shares. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting ECN Capital, including risks regarding the finance industry, economic factors, and many other factors beyond the control of ECN Capital. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks and assumptions associated with such forward-looking statements or information can be found in ECN Capital's Management's Discussion and Analysis for the year ended December 31, 2021 and 2021 Annual Information Form dated March 30, 2022 which have been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com). Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and ECN Capital does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.