ECN CAPITAL

Service Finance Acquisition

JUNE 8, 2017

Forward Looking Statements/Non-IFRS Measures

Forward-looking Statements

This release includes forward-looking statements regarding ECN Capital Corp. ("ECN") and its business. Such statements are based on the current expectations and views of future events of ECN'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. Forward-looking statements in this press release include those relating to the acquisition of the Service Finance Company LLC ("SFC") business, including expected timing for closing of the acquisition, obtaining of the necessary regulatory approvals and the timing thereof, and the expected benefits and financial impact of the acquisition on ECN's business, the future financial and operating performance of ECN and SFC, including the expected impact on operating income, earnings per share, accretion, originations and equity per share of ECN, the future originations, total managed portfolio, operating income, EBITDA and related financial performance of SFC, the strategic advantages, business plans and future opportunities of ECN and SFC and the ability of ECN transition to a high return originator, asset manager, and servicer of assets. 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, including risks regarding the equipment finance industry, economic factors, and many other factors beyond the control of ECN. 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 this outlook can be found in ECN's Annual Information Form dated March 30, 2017 and ECN's March 31, 2017 MD&A each of which has been filed on SEDAR and can be accessed at 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 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.

Non-IFRS Measures

ECN's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the accounting policies we adopted in accordance with IFRS. In this press release, management has used certain terms, including adjusted EPS and ROE, adjusted operating income, adjusted operating EPS and adjusted ROAE, which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. ECN believes that certain non-IFRS measures can be useful to investors because they provide a means by which investors can evaluate ECN'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.

Acquisition of Service Finance Company

- ECN Capital ("ECN") has entered into a definitive agreement to acquire Service Finance Company, LLC ("Service Finance" or "SFC") for ~C$410M (US$304M) in cash
- Agreement provides for a 5 year performance based deferred purchase plan[2]
- Closing is expected in the third quarter, subject to customary closing conditions
- Purchase Price represents 10.7x 2017 and 5.9x 2018 estimated EBITDA
- Purchase Price represents 12.4x 2017and 7.5x 2018 estimated adjusted net Income after-tax
- The acquisition will be immediately accretive to adjusted EPS and ROE
  - +23.5% accretion to 2017 adjusted net income; +77.8% to 2018; and +100.0% to 2019[1]
- The Service Finance acquisition marks the continuation of ECN Capital's strategic redeployment of capital
  - Sold US C&V business and ECN Commercial Aircraft Management platform to transition ECN to businesses with superior profitability, growth, scalability, and asset management
  - The SFC acquisition represents the first phase of ECN's transition from a balance sheet lender to a high return originator and asset manager

1. See slide on page 8 for detail
2. See Appendix for further explanation

Business Overview

- Founded in 2004, Service Finance Company, LLC utilizes a technology driven platform to originate prime & super-prime retail installment contracts ("RICs" or "financings") to finance home improvement projects
- Originations sourced through **exclusive national vendor programs** with world-class manufacturers and dealers
- Expected originations ~C$1B in 2017 & ~C$1.5B in 2018
- Current ownership structure:
  - 60% - Mark Berch, President and other key members of management
  - 40% - Flexpoint Ford, private equity investor
- SFC does not fund originations on its balance sheet but instead sells production through to FDIC insured institutions without recourse and acts as the servicer for a management fee
  - Financings are originated at a discount to par and sold for a gain
  - SFC receives an ongoing fee for servicing and portfolio management

Business Model

Origination

- Exclusive manufacturer/ vendor sales finance programs
- 75% of current originations through five strategic national partners
- Continuously adding new partners
- Estimated originations of C$1B in 2017; C$1.5B in 2018

Underwriting

- Prime & Super-Prime credit with weighted avg FICO of ~760
- Manufacturer/ vendor promotional financing
- Short duration ~ 29 months
- Right to file UCC lien
- Credit losses ~0.8% annually to the FDIC insured institutions

RIC Purchase & Management

- 13 FDIC insured institutions currently participating
- New relationships in pipeline
- Fee for originating and underwriting
- Ongoing fee for servicing and portfolio management
- C$1.1B currently managed

Capital Reinvested

SFC Investment Rationale

Assessment Criteria	SFC	Comments
Niche Specialty Finance	✓	Complementary to bank counterparties as asset management partner; world-class national vendor partners
Profitability	✓	Exceeds profitability requirements
Stability	✓	Resilient long-term business model
Scalability	✓	Able to build or acquire substantial scale over the mid term
Growth Profile	✓	Niche business with strong organic and add-on growth prospects
Asset Management	✓	Managing/servicing portfolio for bank counterparties
Credit Risk	✓	Low credit risk originated assets sold without recourse or capital commitments

Conclusion: Service Finance is an excellent fit for ECN Capital

SFC to C&V (U.S.) Comparison

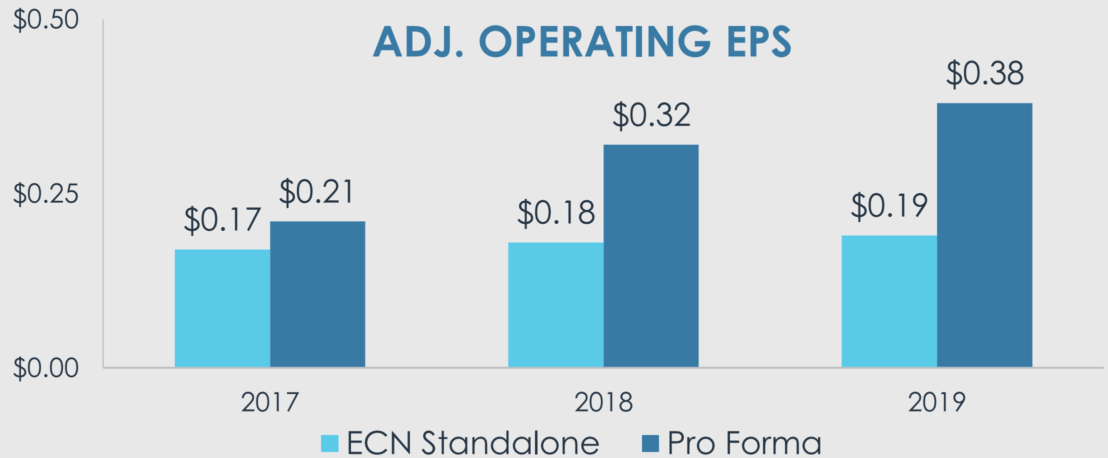
Overview	SFC	C&V (U.S.)	Comments
Invested Equity (mlns)	C$410	C$400	Purchase price SFC/pre-sale equity in US C&V
ROE (pre-tax)	18%	8%	2018 / 2017
Contract Yield	~10%	~6.5%	Higher effective yields
Effective Duration	29 mos	40 mos	Shorter effective duration
Assets			
Owned	N/A	C$1.8B	Pre-sale assets
Managed	C$1.8B	N/A	Assets serviced by YE 2018
Current Origination Projections			
Originations (2017 vs. 2016)	42%	26%[1]	Healthy growth
Originations (2018 vs. 2017)	42%	N/A	
Credit Quality			
Annualized Net Losses	0.8%	1.0%	Low core annualized net losses

Note: Exchange rate of 1.35 USDCAD
1. Projected 2017 growth on sale

Transaction Impact

BASE CASE ESTIMATED PROJECTIONS[1]

In C$ million	2017			2018			2019		
Income Statement	**ECN[2]**	**SFC[3]**	**Pro Forma**	**ECN[2]**	**SFC**	**Pro Forma**	**ECN[2]**	**SFC**	**Pro Forma**
Adj. Net Income (after-tax)	$66	$14	$80	$71	$55	$126	$73	$72	$145
Shares	387	387	387	387	387	387	387	387	387
Adj. EPS (after-tax)	$0.17	$0.04	$ 0.21	$0.18	$ 0.14	$0.32	$0.19	$0.19	$0.38
% Accretion (Dilution)			23.5%			77.8%			100.0%



1. Projections expected to vary +/- 5% and assume exchange rate of 1.35 USDCAD
2. ECN Standalone estimates based on current analyst consensus estimates adjusted for the Series C preferred share issuance
3. 2017 estimates assume SFC acquisition closes in the third quarter

Implied SFC Contribution

Implied Value Contribution[1]

Price to Earnings

Service Finance (C$)		2018		2019
Estimated After-tax Adjusted Operating EPS Contribution	$	0.14	$	0.19
x Market Multiple		12x		12x
Projected Value Contribution per share	$	1.68	$	2.28

ECN Proforma Equity (C$)[2]		2018		2019
ECN 1Q17 Equity per share	$	4.75	$	4.75
(C$410M Purchase Price)	-$	1.06	-$	1.06
Proforma Equity per share	$	3.69	$	3.69

EV to EBITDA

Service Finance (C$)		2018		2019
Estimated EBITDA per share	$	0.18	$	0.25
x Market Multiple		10x		10x
Projected Enterprise Value per share	$	1.78	$	2.45

ECN Proforma Equity (C$)[2]		2018		2019
ECN 1Q17 Equity per share	$	4.75	$	4.75
(C$410M Purchase Price)	-$	1.06	-$	1.06
Proforma Equity per share	$	3.69	$	3.69

Transitioning from balance sheet lender (book value valuation) to asset manager (earnings/EBITDA)

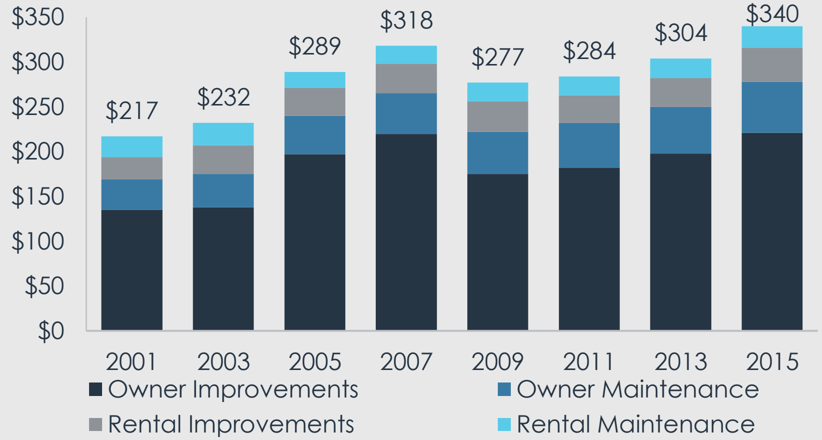
1. 1.35 exchange rate USDCAD
2. Implies ECN standalone at Net Book Value of Equity

Home Improvement

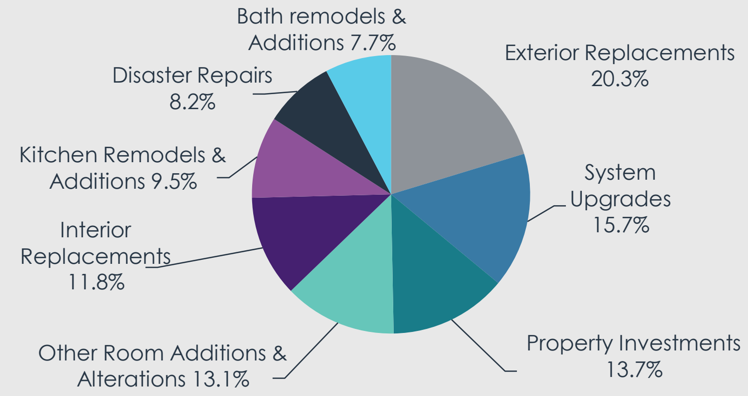
MARKET OVERVIEW

- The home improvement market in the US is now in excess of $350 Billion (2017 estimate)
- 87 million owner occupied homes in the US
  - Represents 82% of all home improvement spend
- 46% of home improvement projects were financed in 2015
- Total credit purchases growing roughly 7% per annum
  - From 2012 to 2015, cash used for home improvement spend decreased 5%, while financing increased by 10%
- Installment contracts are the fastest growing segment of the financing market with approximately 12-14% market share
- Installment contract share is expected to grow to ~20% over the next five years

GROWTH OF HOME IMPROVEMENT SEGMENTS (US$ in billions)

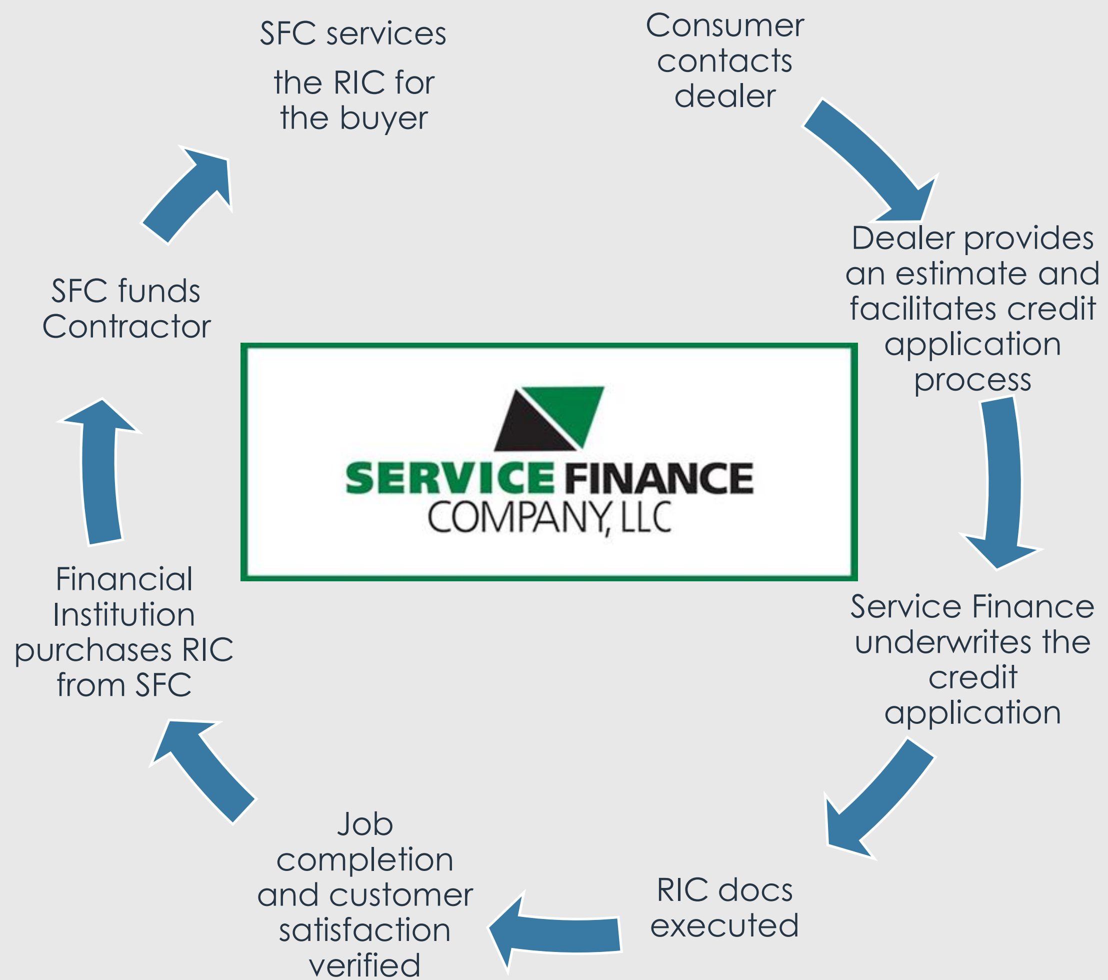


PROJECT TYPE

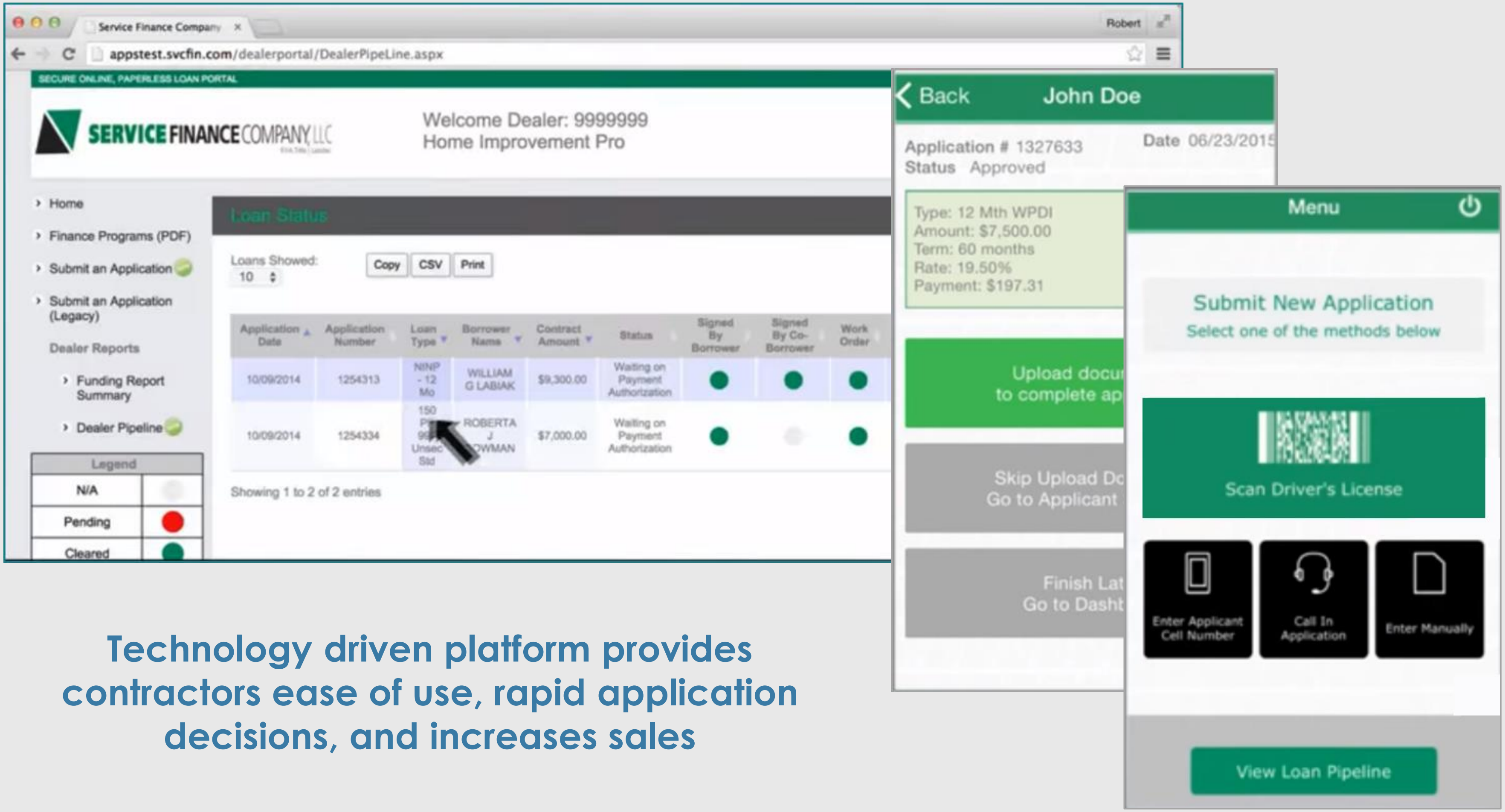


Source: Joint Center for Housing Studies at Harvard University

Business Flowchart



Technology Enabled



Technology driven platform provides contractors ease of use, rapid application decisions, and increases sales

National Vendor Partners

SERVICE FINANCE COMPANY, LLC

Select National Vendor Partners
• Lennox Industries
• Service Experts
• Owens Corning
• Sears Home Improvement
• EGIA
• Rinnai

- Top-tier National Vendor Partners drive origination volume to Service Finance
- More than 7,000 approved contractors
  - Approved contractors have grown at ~25% pace over the last several years
  - Low customer acquisition costs helps create robust margins
- New Vendor pipeline is robust with several national and regional relationships in the works
- ECN has a long and successful history of investing in the vendor finance business

Originations

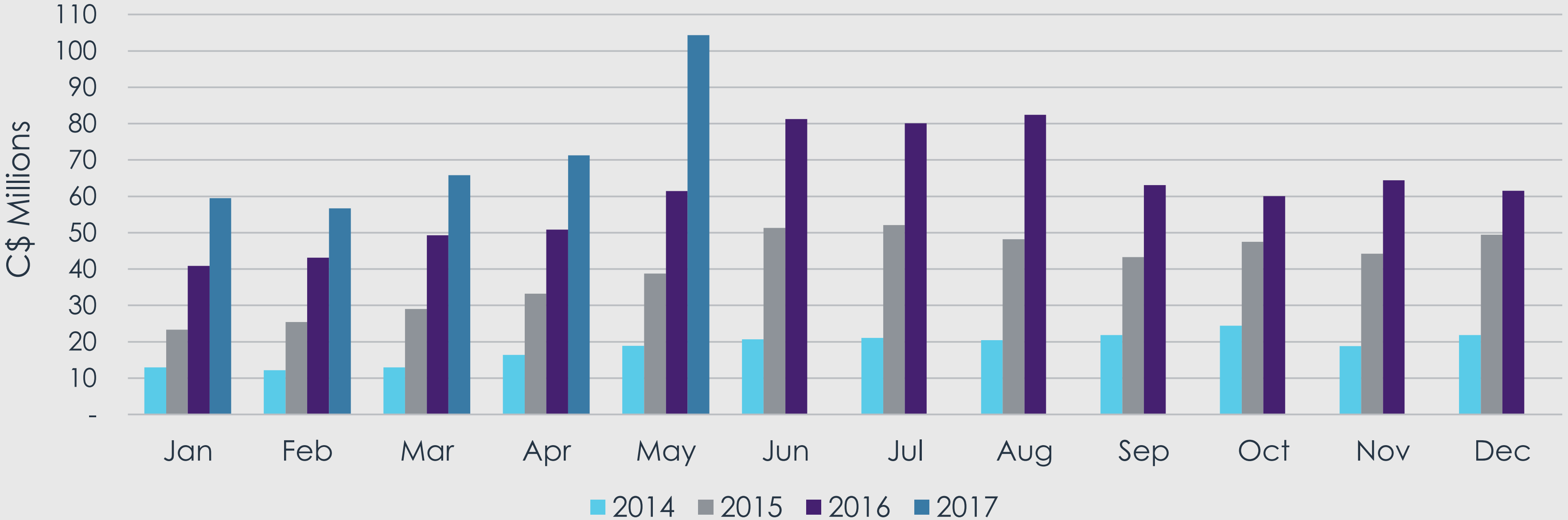
ORIGINATIONS (C$ Million's[1])

	1Q	2Q[2]	3Q	4Q	YTD
2015	78	123	144	141	486
2016	133	194	226	186	738
2017	182	176	-	-	358

YOY ORIGINATION GROWTH

1Q	2Q[2]	3Q	4Q	YTD
104.1%	120.3%	126.5%	116.8%	118.3%
71.4%	56.9%	57.2%	31.7%	52.0%
36.5%	56.3%			45.6%

ORIGINATIONS - FUNDED



1. 1.35 USDCAD
2. QTD 2017 Through May

Seasonality due primarily to HVAC/Solar selling seasons in the Summer and Fall

Origination Diversity

ORIGINATIONS BY CATEGORY

Home Improvement Category	% of Originations (LTM)
HVAC	56.6%
Solar	14.7%
Roofing	10.2%
Remodeling	7.3%
Windows & Doors	5.7%
Siding	2.0%
Plumbing	1.1%
Top 10	99.0%
Top 20	99.9%

ORIGINATIONS BY STATE

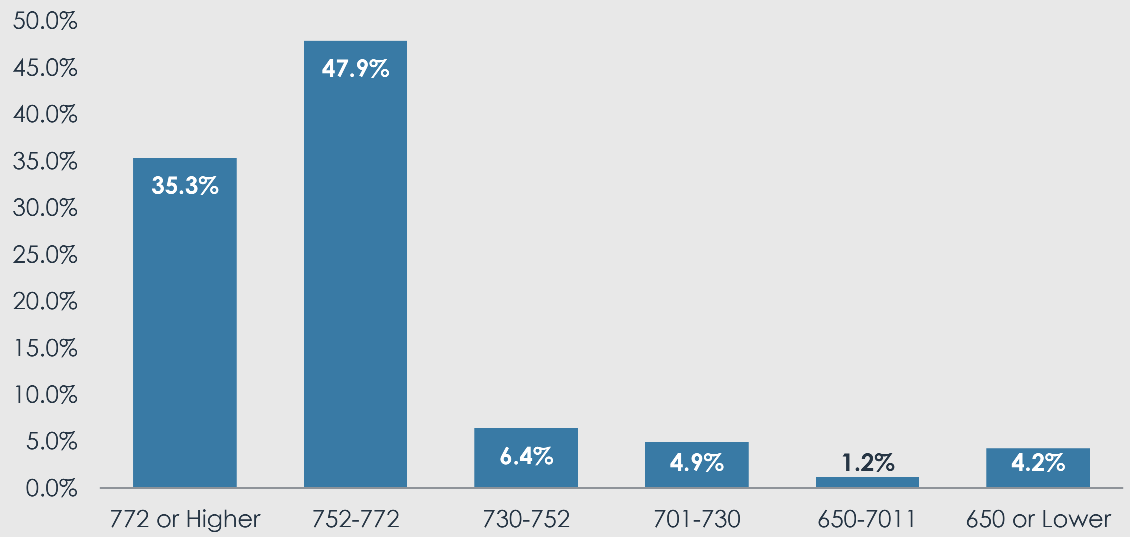
State	% of Originations (LTM)
Texas	14.0%
Florida	9.4%
California	7.2%
Pennsylvania	4.9%
New Jersey	4.7%
Maryland	4.2%
Virginia	3.7%
Top 10	58.4%
Top 20	83.7%

Fully licensed to conduct business in all 50 states

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 DISTRIBUTION[1]



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

Regulatory Oversight

BANK REGULATION

- An approved FHA Title I lender (annual audit submitted to HUD)
- SFC has sold and continues to sell installment contracts to FDIC insured institutions without objection or negative comment during formal examination by and through our bank counterparties

CONSUMER REGULATION

- Fully licensed lender/servicer authorized to conduct business in all 50 states including D.C.
- Routine exams by various state regulators; most recently New York, New Hampshire, Pennsylvania, Illinois and Massachusetts without material findings
- Registered with the CFPB (Consumer Financial Protection Bureau)
- SFC has never had an FDCPA infraction or license revocation since its founding in 2004

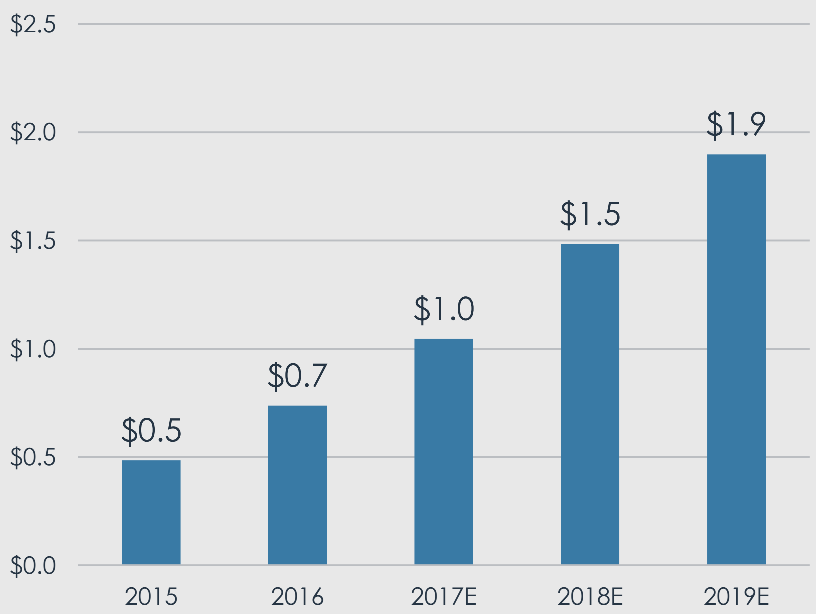
Service Finance Risk Management

- **Contractors** – all contractors approved prior to a credit application
  - Reviews done on trade references, financial statements, credit reports and Better Business Bureau reviews
  - Contractors are subject to ongoing monitoring of loan performance for FICO scores, delinquency, and charge off rates
  - Contractors must be recertified with SFC annually
- **Installment Contracts** All applications are subject to the SFC's standard underwriting process which includes:
  - FICO Verification
  - Dealer Work Order
  - Property Ownership
  - Debt-to-Income (DTI) Ratio
  - Product Type Limitations
  - Income Estimator
  - Bankruptcy Score
  - Payment to Income (PTI) Ratio
  - Revolving Debt Usage
  - Unsecured Debt to Credit Ratio
- **Credit** – SFC purchases installment contracts on the secondary market from approved home improvement dealers; immediately sells contracts to FDIC insured institutions without recourse and retains the right to file a UCC lien upon delinquency on their bank counterparty's behalf

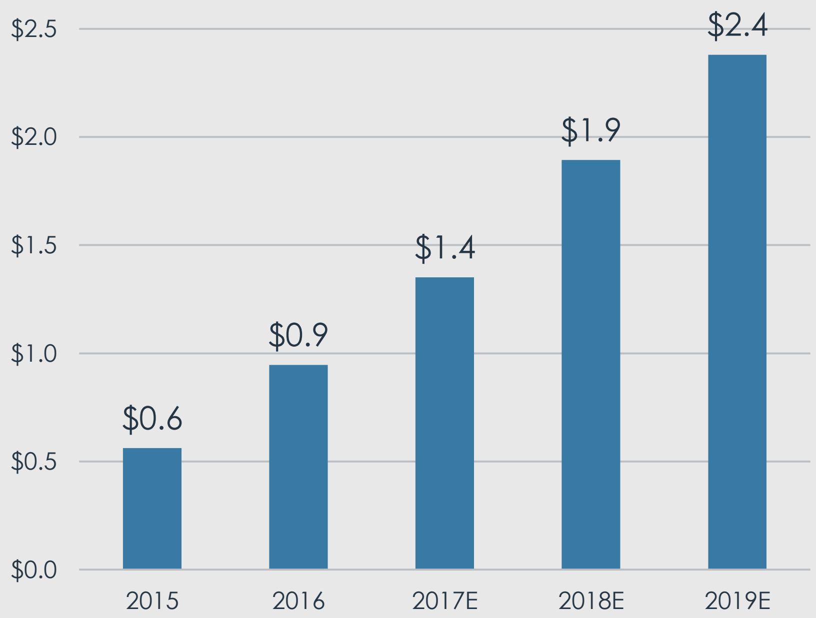
Service Finance Base Case Projections

Service Finance's existing vendor relationships and robust pipeline are expected to continue to lead to healthy origination growth, which results in a growing managed servicing portfolio

ORIGINATIONS



TOTAL MANAGED PORTFOLIO

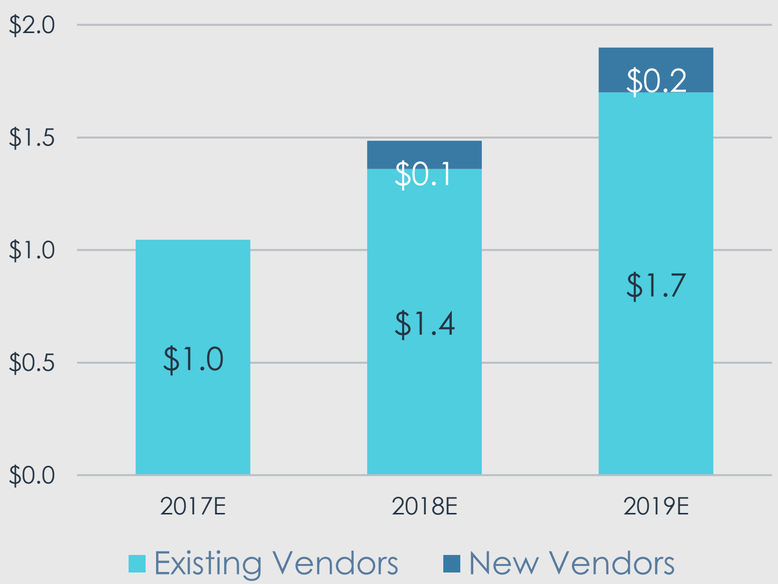


Note: C$ in Billions and 1.35 USDCAD

Growth Drivers

Current new vendor pipeline accounts for ~10% of projected originations

ORIGINATIONS



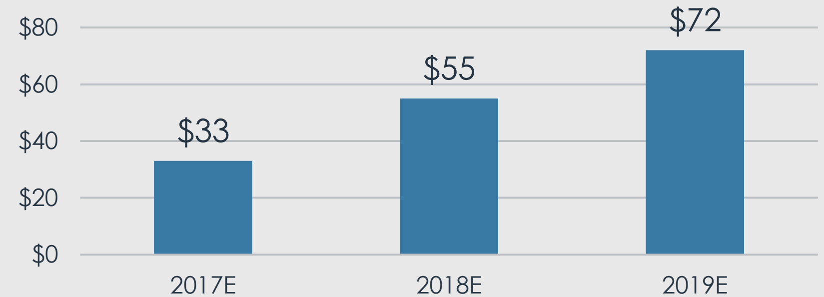
- Consistent business model for existing and new vendors
- No changes to credit or funding
- Continuous technology/systems improvement; ~C$7M - C$10M investment spend projected over time
- Long-term management incentives backend loaded

Note: C$ in Billions and 1.35 USDCAD

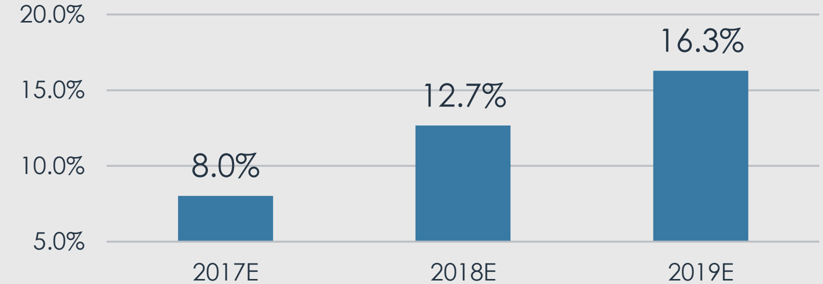
Service Finance Base Case Projections

Low cost to originate from vendor relationships with a growing approved dealer network results in healthy and growing margins

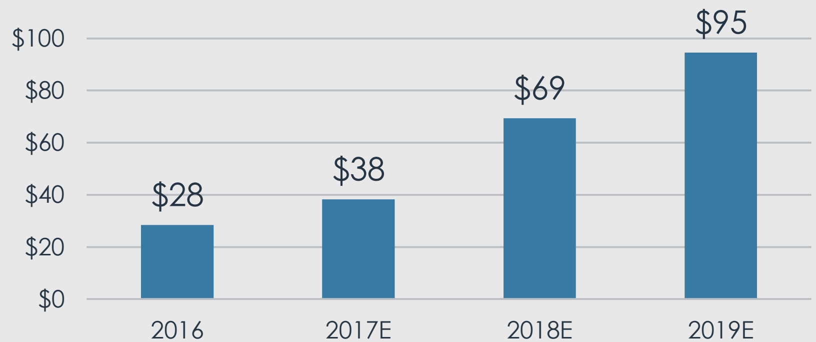
ADJ AFTER-TAX NET INCOME[1]



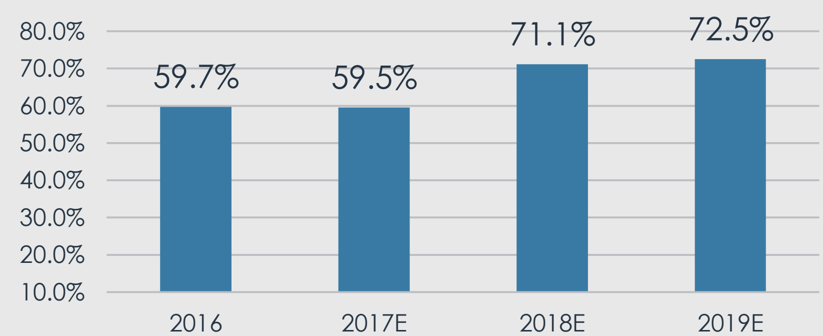
ADJ ROAE[1]



EBITDA



EBITDA MARGIN



Note: C$ in Millions and 1.35 USDCAD

1. Excludes deferred purchase plan, amortization of intangibles and expenses from acquisition

Summary Highlights

- Home improvement market growing, with increased financing penetration
- SFC's national vendor partners and pipeline are expected to continue to result in healthy origination, managed assets, and EBITDA growth
- Vendor relationships and growing approved dealer network enables low cost to originate, supporting healthy margins
- Robust and growing funding relationships with FDIC insured institutions
  - SFC has proven there is a strong demand for this high return product
  - ECN's Bank Group and Rating Agencies are supportive
- Prime & Super-Prime originator of high FICO assets with no recourse
- Transaction confirms ECN transition to primarily service model business
  - Management and Board remain committed to harvesting and redeploying capital
  - Update to follow

QUESTIONS

APPENDIX

Appendix 1: 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

Appendix 2: Deferred Purchase Plan

- The purchase consideration has two components:
  - Cash consideration of C$410M (US$304M) which is shared by Flexpoint Ford and management shareholders
  - A deferred purchase plan for management shareholders
- Deferred Purchase Plan structured to incentivize management retention while maintaining performance and risk mitigation requirements
  - Structured as a percentage payout above minimum ROE thresholds
  - 5 year duration has escalating targets to ensure continued growth while still delivering profitability
  - Applies to senior members of Service Finance management team and key employees

Appendix 3: SFC Statistics

Overview	SFC	Comments
Originations 2017 est	C$1.0B	42% base case growth forecast
Originations 2018 est	C$1.5B	42% base case growth
Managed Portfolio 2017 est	C$1.4B	
Managed Portfolio 2018 est	C$1.9B	
Avg Loan Size	C$12,535	Small ticket job, specific installment contracts
Realized Duration	~29 months	Short effective duration
Revenue on Avg Portfolio	5% to 6%	As a % of average managed assets
Operating Expenses	~1.5%-2.0%	As a % of average managed assets

Appendix 4: Comparables

	Price	Market Value	Enterprise Value	Profitability: Return on Equity 2018	Return on Equity 2019	EBITDA Margin 2018	EBITDA Margin 2019	Valuation: Price to Book Value Actual	Price to Earnings 2018	Price to Earnings 2019	Enterprise Value/ EBITDA 2018	Enterprise Value/ EBITDA 2019
Consumer Finance												
Alliance Data Systems	$ 321.44	$ 17,897	$ 42,290	52.1%	46.1%	25.2%	25.7%	9.9	12.8	11.1	15.9	14.1
Synchrony Financial	$ 37.03	$ 30,024	$ 41,763	13.9%	15.6%	27.4%	29.4%	1.6	10.5	8.6	9.3	8.0
			Average	**33.0%**	**30.9%**	**26.3%**	**27.6%**	**5.7**	**11.7**	**9.9**	**12.6**	**11.1**
Technology-Based Lending												
Bankrate	$ 14.39	$ 1,294	$ 1,445	8.8%	9.4%	25.0%	25.2%	1.4	15.2	13.0	8.5	7.6
LendingTree	$ 224.35	$ 2,679	$ 2,533	--	--	18.3%	19.3%	8.3	57.9	40.1	19.1	15.2
			Average	**8.8%**	**9.4%**	**21.6%**	**22.2%**	**4.9**	**36.6**	**26.5**	**13.8**	**11.4**
Broker												
CBRE Group A	$ 47.94	$ 16,197	$ 19,924	25.7%	25.3%	11.4%	11.6%	3.8	14.7	13.8	9.3	8.7
HFF A	$ 43.37	$ 1,673	$ 2,562	30.7%	27.0%	26.5%	26.5%	6.3	14.7	14.9	12.6	12.5
Jones Lang LaSalle	$ 158.49	$ 7,178	$ 9,365	11.4%	11.5%	9.0%	9.4%	1.9	14.9	13.2	10.2	9.3
Walker & Dunlop	$ 65.82	$ 2,057	$ 3,961	17.6%	15.1%	33.9%	33.9%	2.3	11.2	11.0	12.8	12.0
			Average	**21.3%**	**19.7%**	**20.2%**	**20.3%**	**3.6**	**13.9**	**13.2**	**11.2**	**10.6**
Asset Manager												
Affiliated Managers Group	$ 217.59	$ 12,316	$ 16,561	42.8%	42.3%	47.4%	48.8%	2.7	11.0	9.9	11.2	10.1
BlackRock	$ 560.48	$ 90,605	$ 90,824	14.7%	16.5%	44.3%	45.0%	2.3	19.1	17.0	12.7	11.6
Legg Mason	$ 51.40	$ 5,029	$ 7,919	6.2%	6.8%	21.6%	22.2%	0.9	13.7	11.8	9.1	8.7
T. Rowe Price Group	$ 96.67	$ 23,324	$ 21,828	30.7%	29.4%	46.9%	44.9%	3.5	13.7	13.8	7.5	7.6
			Average	**23.6%**	**23.7%**	**40.1%**	**40.2%**	**2.4**	**14.4**	**13.1**	**10.1**	**9.5**

Source: Factset; Fiscal Period 03/31/2017