

Fourth Quarter 2018

Financial Results

FINANCIAL INDUSTRY SOLUTIONS

\$31 B

Managed &
Advised Credit
Portfolios

90+

US Bank &
Credit Union
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.

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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 December 31, 2018. ECN Capital's management discussion and analysis for the three-month period ended December 31, 2018 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
- Triad Financial Services
- The Kessler Group

CONSOLIDATED FINANCIAL SUMMARY

CLOSING SUMMARY

QUESTIONS

BUSINESS OVERVIEW



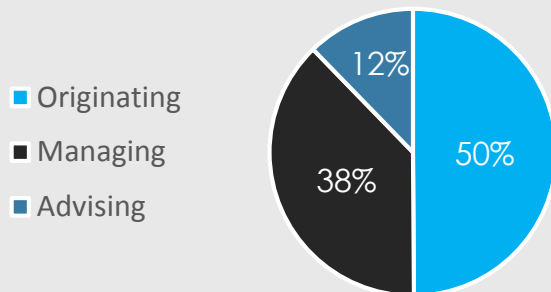
Business Description

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

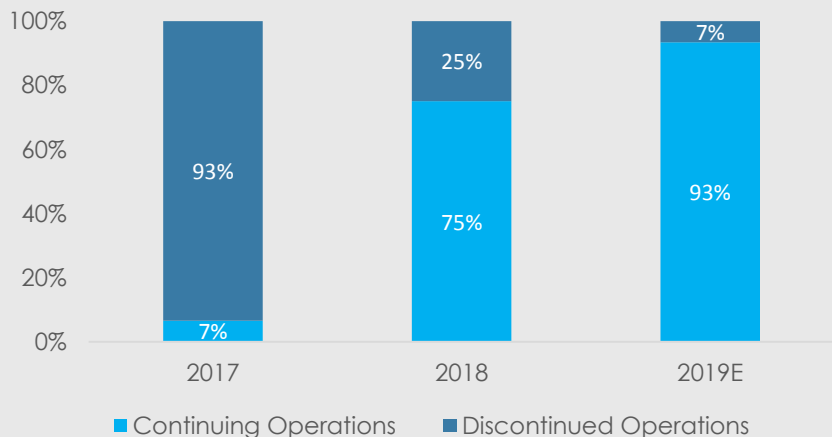


Transition to Asset Light Businesses

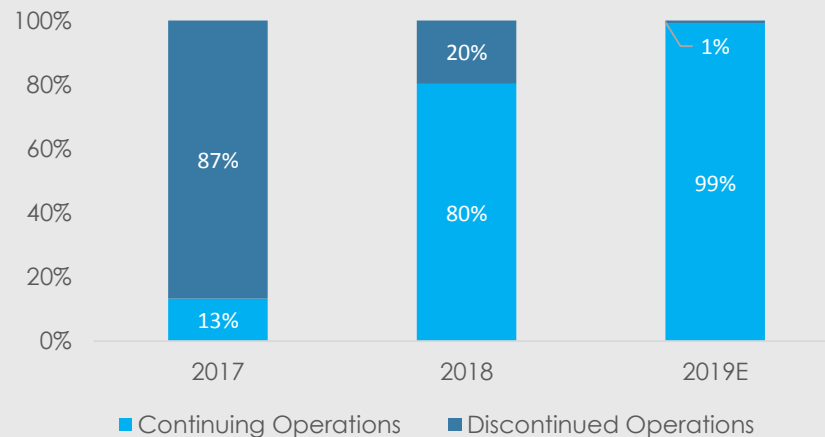
Revenue Composition 2019E¹



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

Capital Reinvestment

ECN has also retired approximately 40% of the total shares outstanding

Capital Reinvestment	Shares Retired (millions)	Average Price (C\$)	Total Consideration (C\$ millions)
NCIB since inception 2017	51	\$3.69	\$189
SIB April 2018	32	\$3.60	\$115
SIB January 2019	71	\$3.75	\$265
Total shares retired	154	\$3.70	\$569
Total Shares Outstanding Pre-buyback	390		
Total Shares Outstanding Current	237		
% shares retired to date	~40.0%		

Significant Events

- Given ECN's improved and growing earnings profile, the Board of Directors has approved an increase in the quarterly dividend to C\$0.02 per share; C\$0.08 annually
 - Implies current payout ratio of ~25% at the midpoint of ECN's recent 2019 EPS guidance of US\$0.23-\$0.25 per share; ECN intends to proactively revisit dividend policy periodically going forward
- ECN extended its 3 year term senior credit facility to a four year facility through December 31, 2022; Right-sized the facility from \$1.4 billion to \$1.0 billion reflecting liquidity requirements of our capital light businesses
 - Reduces ongoing stand-by and commitment fees by ~\$1.5 million annually going forward

OPERATING HIGHLIGHTS

- Service Finance
- Triad Financial Services
- The Kessler Group





Highlights

- 15 funding partners (additional banks and non-banks in due diligence funnel)
- 54% Q4 Y/Y growth in originations
- 58% Q4 Y/Y growth in managed portfolios
- 101% Q4 Y/Y growth in EBITDA
- Robust dealer growth continues
- Held-for-sale asset update
 - Of the \$274 million in SFC held-for-sale assets at YE 2018, ECN has successfully sold ~\$140 million of assets to funding partners subsequent to year-end
 - Remaining held-for-sale assets on track to be sold in Q12019
 - Solar transitioning to a flow program, eliminating use of ECN's balance sheet
 - PACE business has been discontinued

Select Metrics (US\$, MM)	Q4 2017	Q4 2018
Originations	213.4	328.5
Period end managed portfolios	1,122.1	1,768.4
EBITDA	8.7	17.9
Adjusted operating income before tax	8.6	15.9



Originations

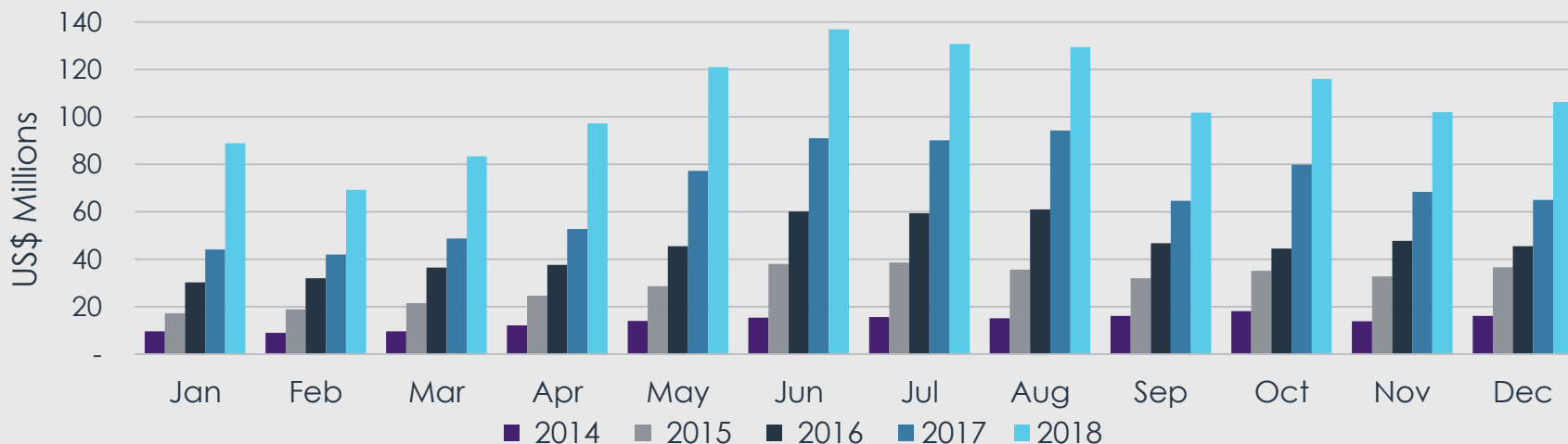
ORIGINATIONS (US\$ Million's)

	1Q	2Q	3Q	4Q	YTD
2015	58	91	106	105	360
2016	99	143	167	138	547
2017	135	221	249	213	819
2018	242	355	362	329	1,288

YOY ORIGINATION GROWTH

	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%	54.9%	49.7%
2018	79.2%	60.7%	45.4%	54.4%	57.3%

ORIGINATIONS





2019 Guidance

KEY HIGHLIGHTS

- 2019 adjusted operating income before tax in-line with guidance at acquisition
- 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%



Highlights

- 50+ funding partners in 2018
- 13% Q4 Y/Y growth in originations
- 10% Q4 Y/Y growth in managed portfolios
- 103% Q4 Y/Y growth in EBITDA
- The full-serviced portfolio now stands at 36%; up 10% points in 2018
- Managed only program continues to sign new partners and contribute to servicing platform
- Floorplan (FP) outstanding of \$77.9 million at quarter end

Select Metrics (US\$, MM)	Q4 2017	Q4 2018
Originations	119.4	134.6
Period end managed portfolios	1,960.1	2,165.5
EBITDA	2.9	5.9
Adjusted operating income before tax	2.8	5.2



Originations

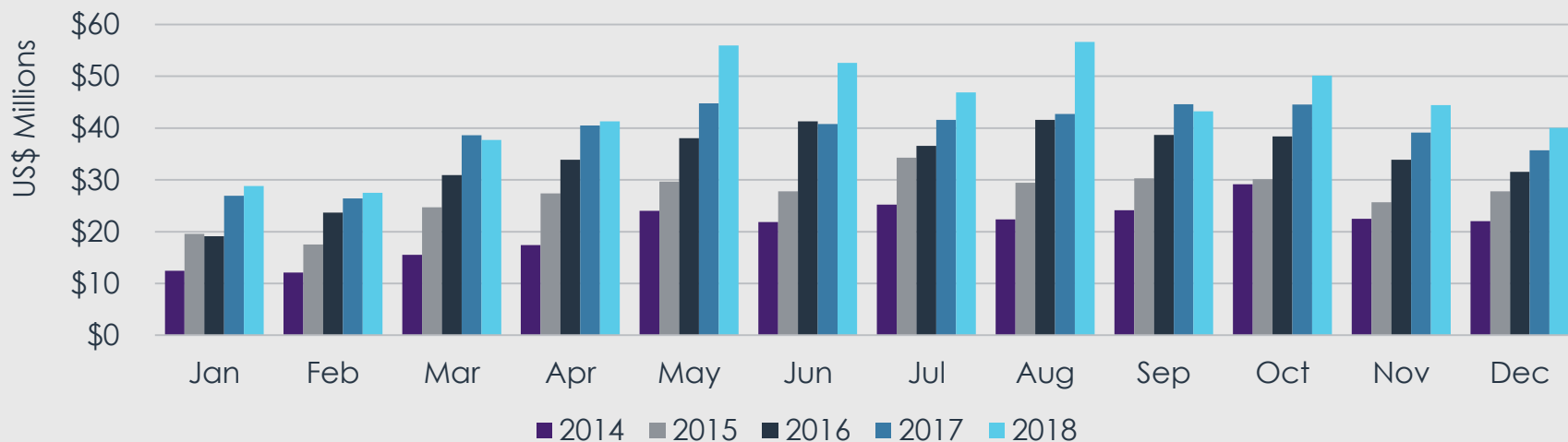
ORIGINATIONS (US\$ Million's)

	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

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%

ORIGINATIONS





2019 Guidance

KEY HIGHLIGHTS

- 2019 operating income before tax in line with acquisition guidance
- 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%

Highlights

- Exceeded original 2018 guidance provided at the acquisition
- Q4 pre-tax operating income of \$11.1 million (ECN share - \$8.5 million) on revenue of \$23.1 million
- In Q4, Kessler successfully de-risked and expanded its contractual relationship with a significant bank client (see page 19)
- KG succession planning is underway
 - As part of this process ECN intends to exercise its option to purchase the minority interest

Select Metrics (US\$, MM)	Q3 2018	Q4 2018
Revenue	33.4	23.1
EBITDA	21.4	11.7
Adjusted operating income before tax	20.7	11.1
Adjusted operating income before tax (ECN Capital share) ¹	16.0	8.5

1. Represents ECN equity ownership of 76% for Q4 2018

De-risked & Expanded Relationship

Situation



- Significant bank client requested an optimization of its existing annuity contract (i.e. de-risked and expanded)

Solution



- De-risked and expanded contractual relationship provides long-term benefits to both parties:
 - Accelerated annuity payments with ~\$83 million received as an upfront cash payment
 - Removal of key-man termination provisions
 - Existing annuity payments converted to annual fixed payments over the term
 - Expanded KG's exclusive advisor on all renewals and divestitures of co-brand portfolios (i.e. incremental annuity flows)

Result



- Right to new co-brand portfolio transactions
- New divestitures awarded - 2 mandates
- Expanded strategic partnership with bank partner, including regular participation in strategic planning related to all of its credit card business

2019 Guidance

KEY HIGHLIGHTS

- Entered into expanded strategic partnership agreement with a significant long-term client
- 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	45	48
Adjusted operating income before tax (100%)	34.3	42	45
Adjusted operating income before tax (ECN share)	26.4	32	34
EBITDA margin	~57%	~52%	~53%

1. 2018 results May 31 through Dec 31

Consolidated Financial Summary



Q4 Consolidated Operating Highlights

From Continuing Operations

SUMMARY

- Total Originations were \$463.1 million for the quarter
- Q4 adjusted EBITDA of \$34.1 million compared to \$38.0 million for Q3
- After-tax adjusted EPS applicable to common shareholders of \$0.05
- Book value per share of \$3.14 (C\$4.14)

Balance Sheet

KEY HIGHLIGHTS

- Total assets decreased by \$662.9 million as a result of our rail divestitures completed in Q4.
- Total finance assets for the current quarter decreased over prior quarter due primarily to the classification of our legacy finance assets as held for sale
- Earning assets - managed and advised at the end of Q4 reflects servicing assets of \$1.8 billion in Service Finance, \$2.2 billion in managed loans in Triad and \$27.2 billion in managed and advisory assets in Kessler.
- Debt from continuing operations of \$335 million decreased by \$515 million compared to Q4 2017, largely reflecting proceeds from the sale of the railcar assets.

Balance Sheet (\$,MM)	Q2 2018	Q3 2018	Q4 2018
Total assets	2,477.7	2,421.5	1,749.4
Total finance assets	1,319.6	667.6	402.4
Earning assets- managed and advisory ⁽¹⁾	28,117.5	28,774.4	31,118.7
Debt	913.5	940.2	335.4
Shareholders' equity	1,343.7	1,252.7	1,107.0
Tangible leverage ratio	1.35:1	1.63:1	0.78:1

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

Consolidated Income Statement

From Continuing Operations

KEY HIGHLIGHTS

- The decrease in adjusted operating income before tax and Adjusted EBITDA primarily due to lower portfolio advisory revenue in our Kessler segment compared to the third quarter, partially offset by higher income in our Service Finance segment. Adjusted EBITDA for Q4 2018 was \$34.1 million.
- Operating expenses increased fourth quarter primarily due to the higher compensation expense at Service Finance as a result of higher operating income.

Income Statement (US\$,000)	Q2 2018	Q3 2018	Q4 2018
Portfolio origination services	20,969	22,580	22,261
Portfolio management services	12,114	22,170	27,610
Portfolio advisory services	4,389	18,130	4,255
Interest income	2,837	6,093	7,023
Other revenue	1,225	692	6,226
Operating expenses	22,581	31,626	33,313
Adjusted EBITDA	18,953	38,039	34,062
Depreciation & amortization	589	740	729
Interest expense	7,376	9,751	8,748
Non-controlling interest in Kessler	649	4,700	2,566
Adjusted operating income before tax (1)	10,339	22,848	22,019

1. Excludes share-based compensation

Operating Expenses

KEY HIGHLIGHTS

- The increase in operating expenses compared to the prior quarter is primarily related to Service Finance in line with the increase in revenue.
- Corporate expenses remain elevated but we are confident in our 2019 guidance we delivered at our recent investor day

Operating Expenses (\$, 000)	Q2 2018	Q3 2018	Q4 2018
Service Finance	6,536	5,616	7,388
Triad	6,957	7,281	7,485
Kessler	3,073	12,030	11,396
Corporate	6,015	6,699	7,044
Total operating expenses	22,581	31,626	33,313

Operating Expenses (\$, 000)	Q2 2018	Q3 2018	Q4 2018
Base Corporate	5,125	5,125	5,125
Costs identified for reduction	890	1,574	1,919
M&A Transactions – Closed ¹	1,987	-	-
Total corporate operating expenses ¹	8,002	6,699	7,044

¹ – Prior period numbers restated to exclude depreciation on Corporate fixed assets to correspond with current income statement format

Discontinued Operations Highlights

RAIL

- ~95% of railcar assets divested through 2018 Railcar dispositions
- Final GATX rail sale closed on January 9, reducing YE rail finance assets of \$64.1 million to \$35 million
- Remaining rail assets reclassified as held-for-sale and will be disposed of in due course

AVIATION

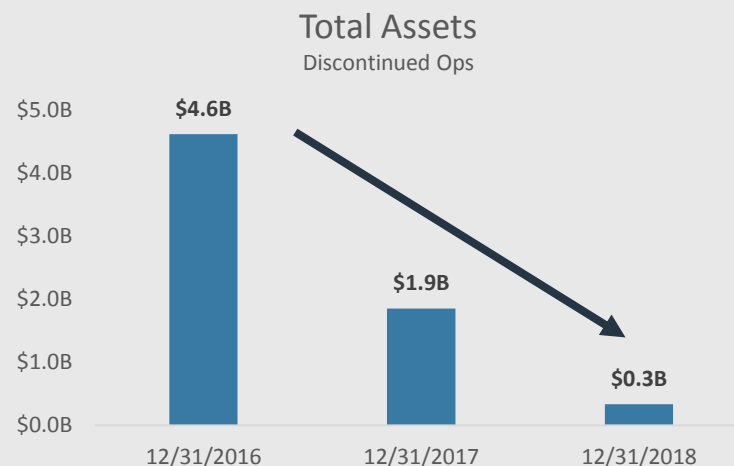
- Total aviation assets declined from \$383 million at Q3 2018 to \$249 million at Q4 2018 reflecting the previously announced \$80 million pre-tax provision, continued asset sales and early customer payouts
- Aviation assets have been reclassified as held-for-sale and the orderly elimination of substantially all these assets is expected by the end of 2019

OTHER

- C&V balances declined to below \$30 million in Q4; will be disposed of in due course
- C&V assets have been reclassified as held-for-sale

Rail (US\$,MM)	Q3 2018	Q4 2018
Adjusted operating income before tax	2.8	0.8

Aviation (US\$,MM)	Q3 2018	Q4 2018
Adjusted operating income before tax	2.2	0.6



Closing Summary



Closing Summary

Successful Operating Results

- Results in-line with previous guidance
- ~97% of Q4 adjusted operating income from new businesses
- Significant growth continuing into 2019
- 2019 EPS guidance of \$0.23-\$0.25 provided at January 29 Investor Day
- Solar launch successful; asset sales on track; flow program in 2019
- Successful renegotiation of significant KG bank relationship; derisked and expanded relationship to benefit KG and the bank

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
- Continuous review of operations and capital to maximize shareholder value over the long term

Questions



Appendix



Consolidated 2019 Financial Forecast

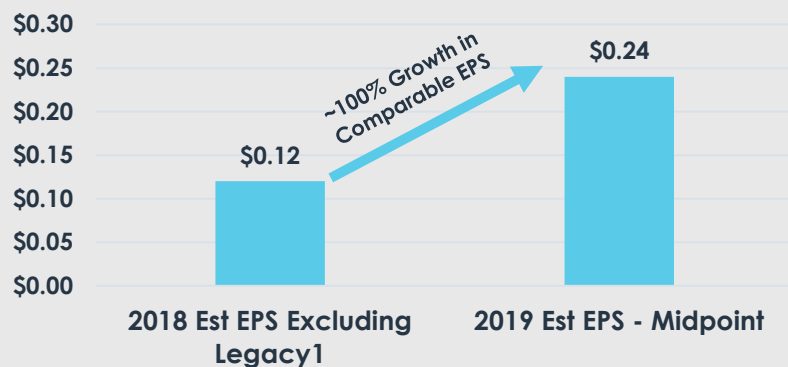
KEY HIGHLIGHTS

- 2019 EPS range of \$0.23-\$0.25
- Adjusted operating income before tax from continuing ops expected to grow ~20% compared to previous forecast for 2018
- Corporate interest charges will decline as legacy assets winddown; majority of corporate interest expense is now standby and commitment fees
- Expected annual tax rate of 22% in 2019; No cash taxes paid in 2019

Adjusted Net Income (US\$ millions)	2019	
Service Finance	\$62	\$66
Triad	\$22	\$25
Kessler (76%)	\$32	\$34
Continuing Ops Adj Op Income before Tax	\$116	\$125
Corporate operating expenses	(\$20)	(\$21)
Corporate depreciation	(\$2)	(\$2)
Corporate interest	(\$8)	(\$10)
Total ECN adjusted operating income before tax	\$86	\$92
Tax – Non-Cash	(\$19)	(\$20)
Total ECN adjusted net income	\$67	\$72
Preferred Dividends	(\$13)	(\$13)
Adjusted net income (after pfds)	\$54	\$59
EPS US\$	\$0.23	\$0.25

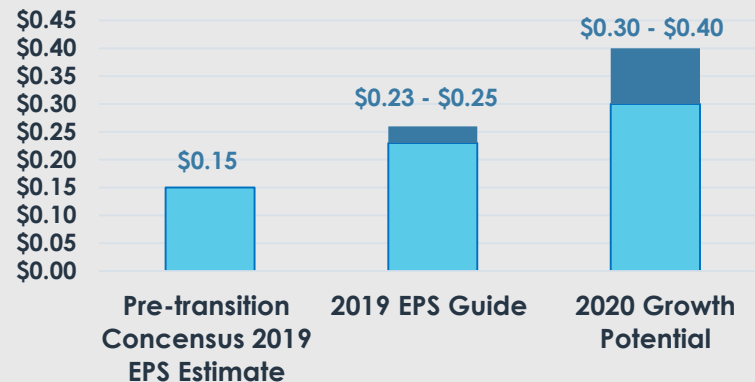
EPS Comparison

Comparable EPS (US\$)



- Excluding EPS from legacy businesses, ECN's core business is expected grow ~100% in 2019
- ECN successfully transitioned its managed portfolio from a slow growth, legacy model to a high growth, high ROE, balance sheet light business model

EPS Transition (US\$)



- Prior to the Service Finance transaction, the consensus EPS estimate for 2019 was US\$0.15
- As legacy businesses successfully wound down, the \$0.15 of EPS effectively went to \$0.00
- ECN acquired Service Finance, Triad and Kessler and retired ~40% of the outstanding shares
- Current base case EPS guidance of \$0.24 is ~60% higher than the pre-SFC consensus
- ECN core businesses will continue to grow both organically and via new business opportunities

1. Assumes KG owned for the full year of 2018



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