

Kessler Transaction

FINANCIAL INDUSTRY SOLUTIONS

\$32B

Managed &
Advised Credit
Portfolios

100+

US Financial
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; expected timing of closing of the Transaction (as defined herein); estimated future earnings of KG (as defined herein); expected impact of the Transaction on ECN Capital’s business and results of operations; expected use of net proceeds from the Transaction; expectations regarding future acquisitions and investments and the availability of investments in the manufactured housing and marine and RV financing businesses; ECN Capital’s ability to manage and maximize returns on investor capital; future cash flows, financial condition, operating performance, financial ratios, projected asset base and capital expenditures; expected 2022 and 2023 earnings per share ranges; expected future tax rates; 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.

By their nature, such forward-looking information and statements are subject to significant risks and uncertainties, which could cause the actual results and experience to be materially different than the anticipated results. Such risks and uncertainties include, but are not limited to, operating performance, regulatory and government decisions, competitive pressures and the ability to retain major customers, rapid technological changes, availability and cost of financing, availability of labor and management resources, the performance of partners, contractors and suppliers.

Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, ECN Capital disclaims any intention and assumes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Disclaimer

This presentation and, in particular the information in respect of ECN Capital's prospective originations, revenues, operating income, adjusted operating income, and adjusted operating income EPS may contain future oriented financial information ("FOFI") within the meaning of applicable securities laws. The FOFI has been prepared by management to provide an outlook on ECN Capital's proposed activities and potential results and may not be appropriate for other purposes. The FOFI has been prepared based on a number of assumptions, including the assumptions discussed above, and assumptions with respect to operating costs, foreign exchange rates, general and administrative expenses and expected originations growth. ECN Capital and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, however, the actual results of operations of ECN Capital and the resulting financial results may vary from the amounts set forth herein and such variations may be material. FOFI contained in this presentation was made as of the date of this presentation and ECN Capital disclaims any intention or obligation to update or revise any FOFI contained in this presentation, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law.

Non-IFRS Measures

ECN Capital's condensed unaudited interim 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 net income, adjusted operating income before tax, adjusted operating income after tax, adjusted operating income after tax earnings per share ("EPS") and adjusted earnings per share 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 three and six-month periods ended June 30, 2022 (the "Q2 MD&A") and the Management Discussion & Analysis that accompanies the financial statements for the year ended December 31, 2021 (the "Annual MD&A"). In particular, please see "Non-IFRS Performance Measures" in the Q2 MD&A and Annual MD&A, which sections are incorporated by reference herein. ECN Capital's Q2 MD&A and Annual MD&A have been filed on SEDAR (www.sedar.com) and are available under the investor section of the ECN Capital's website (www.ecncapitalcorp.com).

References to "\$" or "US\$" are to the lawful currency of the United States of America and references to "C\$" are to the lawful currency of Canada.

Kessler Transaction



Kessler Transaction

KESSLER | GROUP

STONE POINT CAPITAL

- ECN Capital (“ECN”) is announcing the sale of The Kessler Group (“KG”) operating company to funds managed by Stone Point Capital LLC (“Stone Point”) in a \$210 million all-cash transaction (the “Transaction”)
 - Transaction represents a valuation of 1.2x book value and an investment internal rate of return of ~11% since KG’s acquisition in May 2018
 - After adjusting for net Capital One amortization⁽¹⁾ of ~\$13 million (previously paid fees amortized over the life of contract), the Transaction represents a valuation of ~6.7x -8.0x estimated KG 2022 adjusted after-tax operating income
- Expected close late Q3 or early Q4 2022, subject to customary regulatory approvals and conditions

2022 KG Est Adj. Op Income Range (\$M)	\$46	\$52
Capital One Amortization Net of Expenses	-\$13	-\$13
Adj KG Est 2022 Range	\$33	\$39
Adj KG Est After Tax (20%)	\$26	\$31
Transaction Multiple	8.0x	6.7x

Strategic Rationale

TRANSACTION MARKS A CONTINUATION OF ECN'S DISCIPLINE TO MAXIMIZE VALUE

- KG remains an excellent business, but it is no longer a natural fit with ECN's other operating companies; the Transaction is expected to simplify ECN's business model and result in higher earnings/EBITDA multiples over time
- The Transaction is expected to enable a significant redeployment of capital and resources into our other businesses, which we believe provide better growth prospects and higher returns on capital
- ECN believes its best use of capital remains the acceleration of its tuck-in acquisition strategy and continued investment in its manufactured housing and marine and RV platforms
- Given this dynamic and the large pipeline of tuck-in acquisitions – ECN believes the Transaction maximizes shareholder value in respect of KG and puts KG in the best position to thrive in its next phase of growth as a Stone Point portfolio company
- Through our tuck-in acquisition strategy, expanded product set and the continued growth of our other operating companies, ECN is reiterating 2023 adjusted EPS range of \$0.36 - \$0.42

Strategy Results

- Since its launch in 2016, ECN's primary strategic objective has been to manage and maximize return on investor capital in the specialty finance sector
- At appropriate times in 2017 and 2018, ECN sold its commercial and vendor finance businesses and reinvested capital in consumer-focused business services portfolio companies
- In 2021, ECN Capital sold its portfolio company subsidiary Service Finance to Truist for \$2 billion compared to its purchase price of \$309 million and distributed C\$7.50 per common share to shareholders
- In late 2021, ECN Capital embarked on its tuck-in strategy with the acquisition of Source One and continued it in 2022 with its investment in Intercoastal Financial Group Inc. ("IFG"), companies operating in the marine and RV financing business
- The Transaction continues this effort by accelerating ECN Capital's tuck-in strategy and focusing management on our manufactured housing and marine & RV verticals

ECN Capital's strategy has resulted in significant outperformance since October 2016

	Total Return CAGR since Oct 2016 ⁽¹⁾
ECN	~33%
TSX	~9%
S&P 500	~14%
TSX Financials	~10%
S&P Financials	~13%

Tuck-in Acquisition Strategy

ACTIVELY PURSUING TUCK-IN STRATEGY

- Recent IFG transaction follows on ECN's Source One acquisition under our tuck-in strategy
 - Large pipeline of near-term opportunities to consolidate the fragmented, ~\$25 billion+ Marine & RV financing market; accretive tuck-in acquisitions that meet ECN criteria
 - **4 additional platforms currently under LOI; several others in early-stage review**
- Transactions consistent with ECN's proven business model
 - Immediately accretive transactions that enhance franchise value
 - Asset-light, fee-oriented business
 - Prime credit assets in-demand by existing funding partners; non-recourse
 - Partnering with top tier financial institutions
 - Limited integration risk
 - High visibility on driving growth through proven ECN business model
- Focused on businesses where ECN can leverage existing core competencies
 - Leverages Triad's extensive funding partner network and platforms such as floorplan & servicing
 - Complementary products for existing business partners; capability enhancing platforms
 - Current environment presenting prime credit platforms at attractive valuations

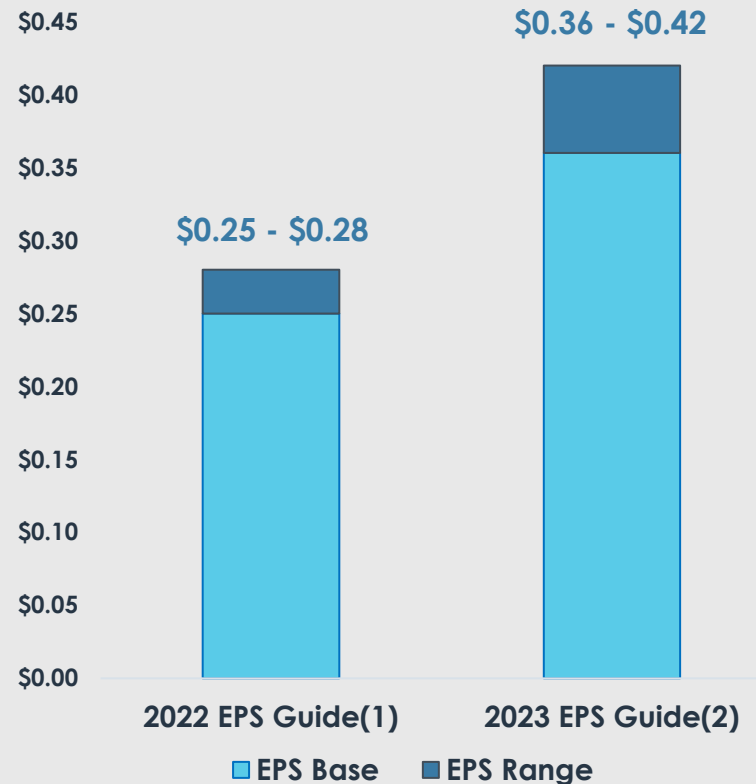
2023 Guidance Confirmed

- Updated 2022 EPS Adjusted EPS estimate⁽¹⁾ of \$0.25-\$0.28 reflecting the sale of KG and raised guidance for Triad & Source One from Q2 and the inclusion of IFG for the balance of the year
- KG will be included in discontinued operations in Q3 2022
- Reiterating initial 2023 Adjusted EPS guidance⁽²⁾ of \$0.36-\$0.42 reflecting the continued growth at Triad and Source One, full year IFG, the roll-out of floorplan and other products across marine & RV and already identified tuck-in opportunities
- Guidance detail to be provided at Investor Day 2023

2023 Assumptions:

- Continued strong growth at Triad & Source One
- Full year of IFG as discussed in Q2
- Full rollout of marine & RV floorplan drives increased prime consumer loans
- Incremental product roll-outs; progress pay etc.
- Identified high probability tuck-ins and incremental M&A
- ~10% expense growth (corporate, depreciation & Interest)
- ~20% tax rate; 247 million shares

Estimated Adjusted EPS Range 2022 - 2023 (US\$)



(1) Estimated Adjusted EPS range reflects expected KG results through September 30, 2022. For reporting purposes, KG will be reclassified as a Discontinued Operation within ECN's Q3 Consolidated Financial Statements

(2) 2023 guidance includes M&A; see Disclaimer on slides 2-3