

First Quarter 2020

Financial Results

FINANCIAL INDUSTRY SOLUTIONS

\$34B

Managed &
Advised Credit
Portfolios

90+

US Bank
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 three-month period ended March 31, 2020. Disclosures related to Covid-19 can be found in ECN Capital's Management Discussion & Analysis for the three month period ended March 31, 2020 and are incorporated herein by reference. ECN Capital's management discussion and analysis for the three-month period ended March 31, 2020 has been filed on SEDAR (www.sedar.com) and is available under the investor section of the ECN Capital's website (www.ecncapitalcorp.com).

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.

Call Agenda

BUSINESS OVERVIEW

OPERATING HIGHLIGHTS

Business Services

- Service Finance
- The Kessler Group
- Triad Financial Services

CONSOLIDATED FINANCIAL SUMMARY

CLOSING SUMMARY

QUESTIONS

BUSINESS OVERVIEW



Business Overview



Origination & Management Services for Financial Institutions

30+ Years Commercial finance experience

\$34B Managed credit portfolios

90+ Financial institution partners

Investment grade rated



Origination & Management of Prime Home Improvement Loans

2004 Founded

\$3B Managed credit portfolios

24+ Bank and life insurance partners

11,000+ Network of home improvement dealers



Origination & Management of Prime Manufactured Housing Loans

1959 Founded

\$2B+ Managed credit portfolios

50+ Bank and Credit union partners

3,000+ Network of manufactured housing dealers



Origination & Advisory Services for Credit Card Portfolios

1978 Founded

\$29B Managed credit card portfolios

25+ Financial Institution partners

6,000+ Credit card partnerships created



Opening Remarks

- The economy and financial markets have been significantly impacted by Covid-19 and actions to mitigate the spread of the virus, including travel restrictions, quarantines, and the forced closure of much of the US economy have created significant near-term uncertainty
- ECN's first priority is to insure the safety and well-being of our employees, customers and Partners
- Disaster recovery plans initiated in March 2020 resulting in substantially all business operations and functions being performed remotely
 - Given our Florida locations, ECN has robust capabilities and protocols in place due to our necessary preparedness for hurricanes resulting in a seamless transition
- ECN and each of our subsidiaries are fully “open for business” with complete functionality, servicing capability and our full suite of core product offerings
- Each of our businesses have shown strong resiliency through this unprecedented time with performance substantially improving through May

Areas of Focus

1. Resilient businesses performing exceptionally through this crisis

- In-line Q1 of \$0.06 including elevated nonrecurring business development expenses
- After an initial pull-back due to Covid-19, improving trends in place over the last several weeks
- Servicing and partnership income providing stability; financial institutions as counterparties
- Quality of credit assets – exceptional performance for our bank partners

2. ECN's proven business model has the liquidity to fund our originations

- Committed funding in place
- Demand for Prime and Super Prime assets remains strong

3. ECN corporate liquidity remains high

- 4 year, \$1Bln committed bank line with major banks; extended to YE 2023 in 2019
- Significant positive cash flow in 2020
- Corp expense reductions in place; significant variable expenses at businesses
- Comprehensive review of balance sheet assets performed

4. Significant opportunity to take share over time

- Well positioned to take share during this economic interruption
- Franchise value increasing as we support customers and partners through this crisis

Short-term range of outcomes due to Covid-19 make precise forecasts difficult so we are withdrawing guidance until Q2, but we expect growth in 2020 possibly to the lower end of previous range

OPERATING HIGHLIGHTS

- Service Finance
- The Kessler Group
- Triad Financial Services





Highlights

- Adjusted operating income before tax in Q1 of \$15.0 million; +43% Y/Y
- 25% Q1 Y/Y growth in originations
- 29% Q1 Y/Y growth in originations excl PACE
 - 42% Q1 Y/Y growth in original flow program originations
- 43% Q1 Y/Y growth in managed portfolios
- Robust dealer growth continues;
 - Increased ~600 dealers YTD 2020

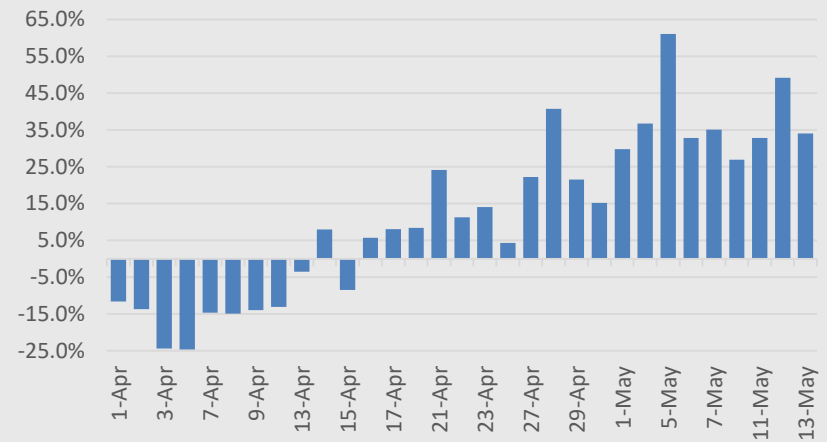
Select Metrics (US\$, 000s)	Q1 2020	Q1 2019
Originations	375.6	301.5
Originations – excluding PACE	375.6	290.3
Period end managed portfolios	2,659.9	1,862.0
Origination revenue	9.9	8.6
Servicing & other revenue	16.2	11.2
Revenue	26.1	19.8
Adjusted EBITDA	15.9	12.4
Adjusted operating income before tax	15.0	10.5



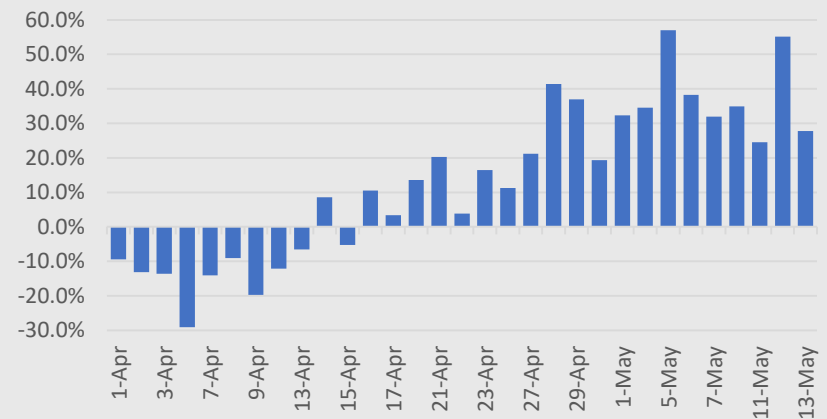
Program Update

- +31% origination growth in March Y/Y; +3% in April Y/Y with shelter in place orders in effect
 - Strong HVAC originations +29.8% Y/Y in Q1 and +45.4% Y/Y in April
 - Lennox volume +27.2% Y/Y in Q1 and +28.9% Y/Y in April
- Applications/approvals have increased since mid-April; through May 13 MTD applications & approvals 35%+ Y/Y
- SFC decision to limit solar production combined with shelter in place has significantly reduced solar originations
 - Solar originations down ~30% YTD through April and were down ~60% in April;
 - ~15% of originations in Q1 2020 compared to ~24% of originations in Q1 2019 and just ~8% in April

Daily Application Volumes¹



Daily Approval Volumes¹



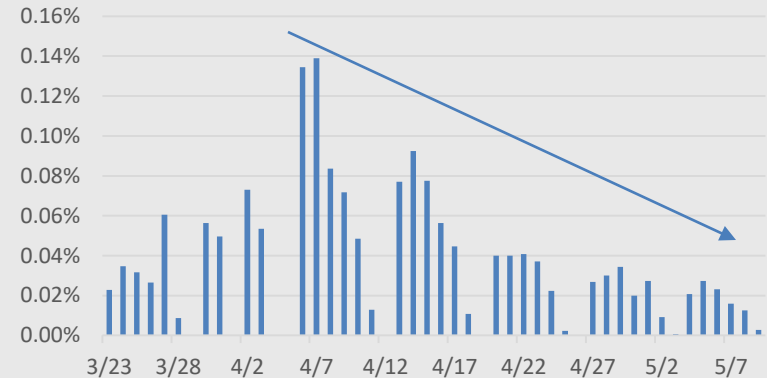
1. 2020 dates corresponding with 2019 business days; excludes weekends



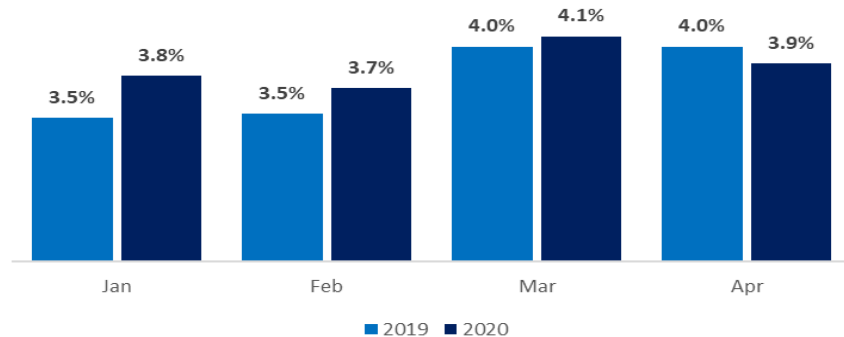
Portfolio Credit Trends

- On behalf of bank partners, Service Finance implemented short term payment deferment programs beginning in March
- After increasing in early April, deferment requests have improved each week and leveled off significantly
- Cumulative deferment requests have flattened at ~1.7% of balances as of May 8
- Performance of servicing portfolio continues to reflect prime and super-prime customer base
- Delinquency improved throughout Q1 across all buckets, 30-60 day, 60-90 day and 90+
 - 30+ delinquency (all buckets) improved from January to March
- No change in loan losses to date
- Monthly payment activity, measured by payments/balances has remained consistent Y/Y

Deferment Requests



% of Loans Making Payments (\$'s Paid/UPB)



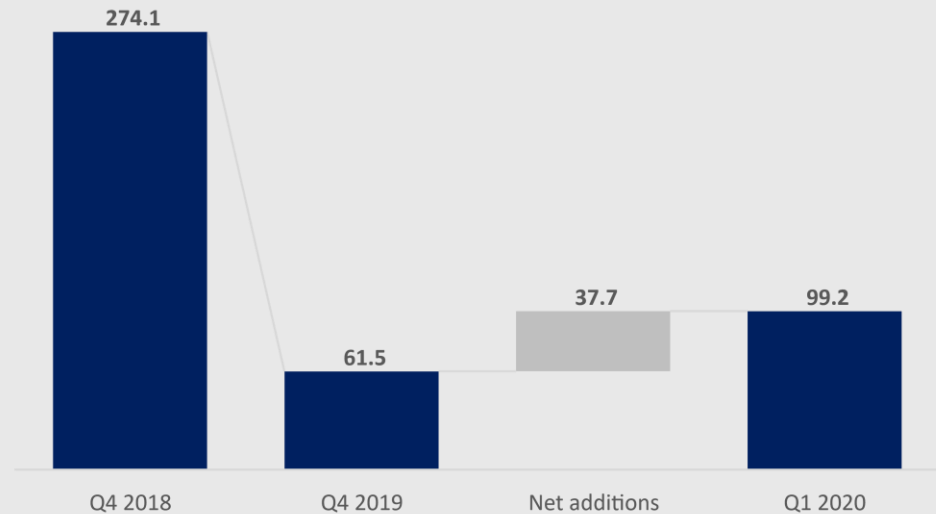


Held-for-Trading Asset Update

- Held-for-trading (“HFT”) assets declined from \$274.1 million in Q4 2018 to \$99.2 million in Q1 2020
- Increased from \$61.5 million in Q4 2019 as expected sales in March were delayed due to Covid-19
- HFT originations primarily related to “Complementary Flow” program with similar credit and return characteristics to our core super-prime program
 - Portfolio performing in line with SFC core portfolio
- Anticipate sales to resume in the coming months as counterparties come back online

HELD-FOR-TRADING FINANCIAL ASSETS

(US\$, millions)





Originations

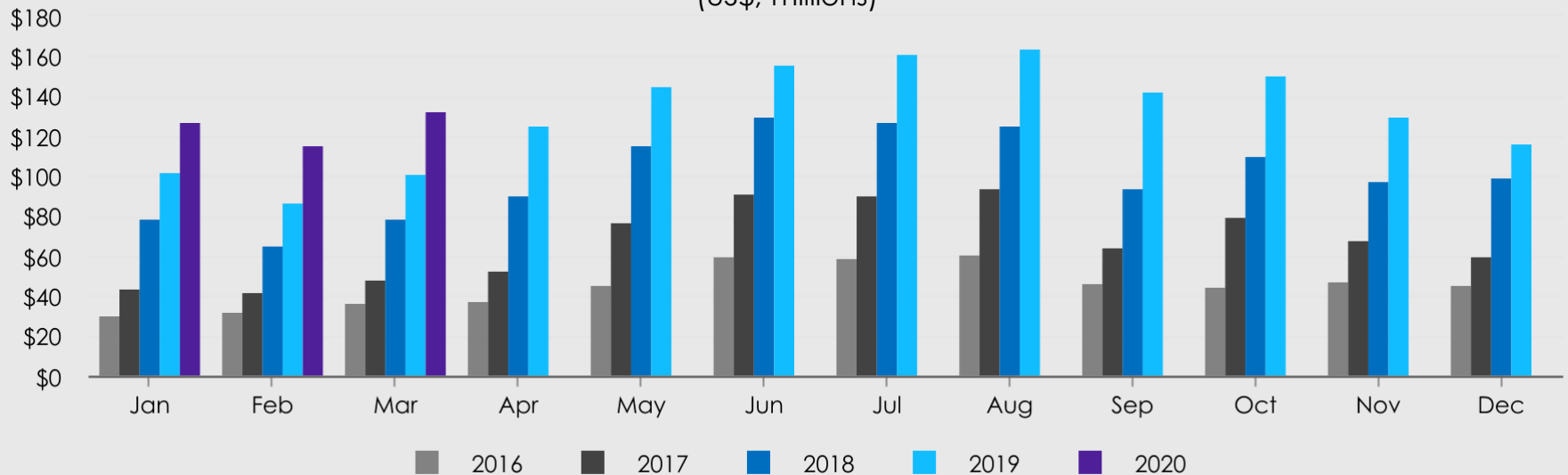
ORIGINATIONS¹
(US\$, millions)

	1Q	2Q	3Q	4Q	YTD
2016	99	143	167	138	547
2017	135	221	249	208	814
2018	222	336	346	307	1,211
2019	290	426	468	397	1,581
2020	376				376

YOY ORIENTATION GROWTH¹

	1Q	2Q	3Q	4Q	YTD
2016	71.4%	56.9%	57.2%	31.7%	52.0%
2017	36.8%	54.2%	49.1%	51.7%	48.9%
2018	64.7%	52.0%	38.8%	46.9%	48.8%
2019	30.5%	26.7%	35.4%	29.5%	30.6%
2020	29.4%				29.4%

ORIGINATIONS¹
(US\$, millions)



1. Excludes PACF

Highlights

- Adjusted operating income of \$10.4 million reflects solid performance for Q1
- Partnership Services revenue +32% Y/Y reflecting increased long-term annuity revenue and credit card investment management fees
- Marketing Services declined slightly as a result of campaign timing differences & a March 2020 slowdown as a result of Covid-19
- Transaction Services revenue down as a result of lower transaction fees from Q1 2019 which included fees from a large transaction
- EBITDA margin of ~61% in Q1 reflects ongoing operating efficiencies and better revenue performance

Select Metrics (US\$, millions)	Q1 2020	Q1 2019
Partnership Services Revenue	13.5	10.2
Marketing Services Revenue	1.8	2.1
Transaction Services Revenue	3.2	11.4
Interest Income & Other Revenue	0.3	0.8
Revenue	18.8	24.6
Adjusted EBITDA	11.5	14.8
Adjusted operating income before tax	10.4	13.9
Adjusted operating income before tax (ECN Capital share) ⁽¹⁾	10.4	13.4

(1) Represents ECN equity ownership of 100% in Q1 2020 and 96% in Q1 2019. Effective December 31, 2019, ECN acquired the remaining 4% non-controlling interest and KG became 100% owned by ECN.

REVENUE MIX SHIFTED TO HIGHER QUALITY RECURRING REVENUE STREAMS

KG Revenue Mix (US\$, millions)	At Transaction	Q1 2020
Partnership Services ⁽¹⁾	54%	73%
Marketing Services	12%	10%
Total Recurring Revenue	66%	83%
Transaction Services	34%	17%
Total Portfolio Revenue	100%	100%

(1) Partnership Services includes credit card investment platform revenues.

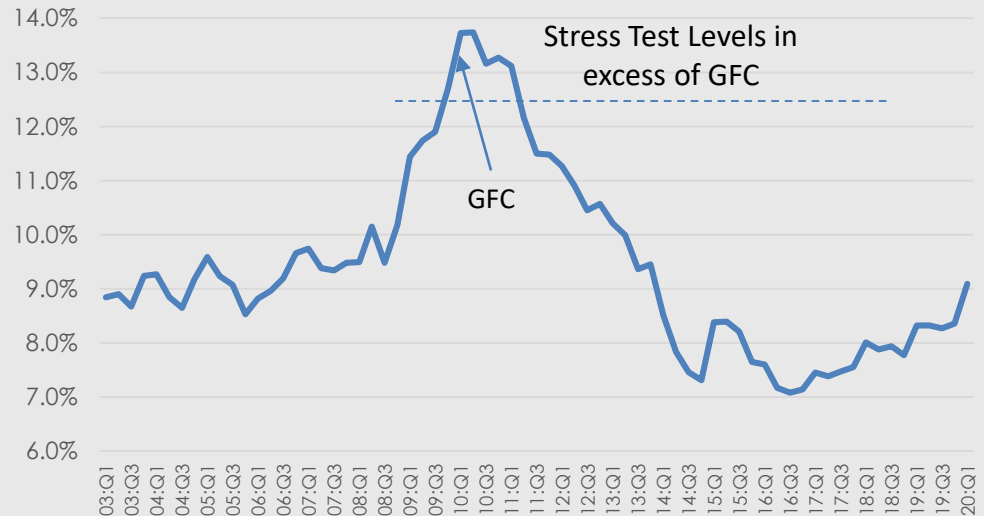
- **Partnership Services** long-term, recurring revenue largely unaffected by Covid-19
- **Marketing Services** revenue will likely be lower than expected for 2020 as bank partners and KG assess timing of marketing campaigns; some programs likely delayed, pushing revenue into 2021
- **Transaction Services** mandates will be delayed until later in 2020 or into early 2021; however distress typically results in more transaction opportunities
 - KG is in active discussions on several new mandates
 - Post Global Financial Crisis (GFC) years 2010/2011 among KG's best transaction services years

Credit Card Investment Platform Update

- KG's four credit card portfolio investments have performed in line with management expectations to date
- Given the impact of Covid-19 and the economic impact on consumers, KG has materially stressed these portfolios to levels in excess of the GFC
- As a result of structural positioning, management fees and other protections including loss caps, KG will recover 100% of capital invested and continues to expect positive investment returns

All Credit Cards - 90+ day Delinquency¹

Q1 2003 – Q1 2020



Source: New York Fed Consumer Credit Panel/Equifax



Highlights

- Adjusted operating income before tax in Q1 of \$5.6 million
- 13.4% Q1 Y/Y growth in originations
- 11.0% Q1 Y/Y growth in managed portfolios
- 33.4% Q1 Y/Y growth in EBITDA
- 5 new credit union partners YTD
 - 3 in 1Q
 - 1 in April
 - 1 in May
- \$10 million portfolio of Triad HFT loans sold on March 17 to a funding partner
- Loans Receivable increased to \$119.1 million as a result of floorplan (FP) growth
 - ~50% of the increase in FP is attributable to completion delays due to Covid-19
 - Fully contracted homes sold to qualified buyers with committed financing
 - FP 30+ Delinquencies 0.1%; losses 0%
 - Short Duration product – WAL of ~7 months
 - Realized yield of ~8.5%+ in Q1

Select Metrics (US\$, millions)	Q1 2020	Q1 2019
Originations	133.4	117.7
Period end managed portfolios	2,478.5	2,233.2
Origination revenue	10.2	8.0
Servicing & other revenue	4.9	3.7
Revenue	15.1	11.6
Adjusted EBITDA	6.9	5.1
Adjusted operating income before tax	5.6	4.1



Program Update

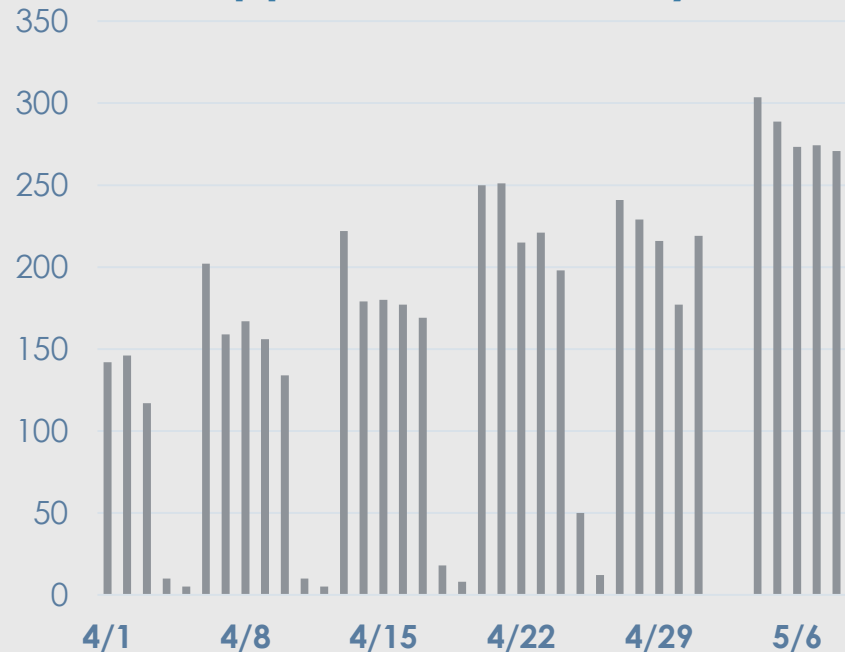
Originations

- After 15% growth in March, April fundings declined ~5% largely due to slower completions as a result of Covid-19
- Applications down ~20% in April Y/Y but improved each week
- Applications up 25%+ in May Y/Y through May 8; traffic improving

Industry

- Manufacturers temporarily closed ~50% of plants in response to quarantines¹
 - Most plants have reopened by late April/early May
- Most dealers remain open with improving traffic

Applications Per Day



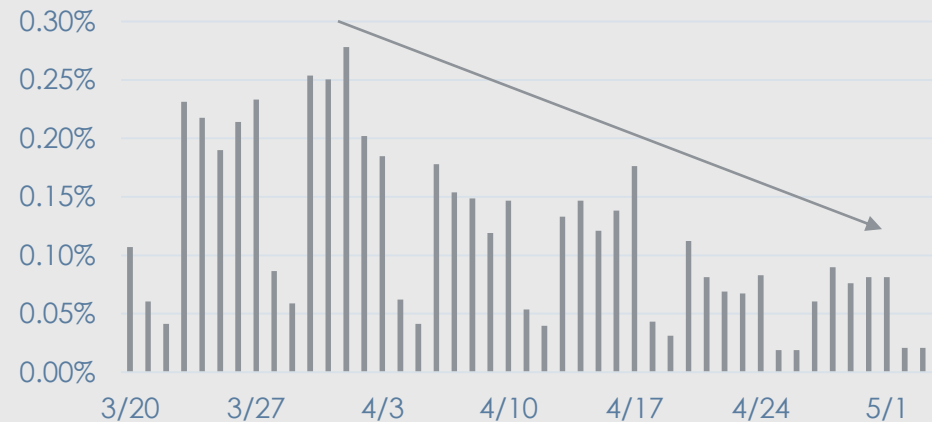
1. Triad estimate



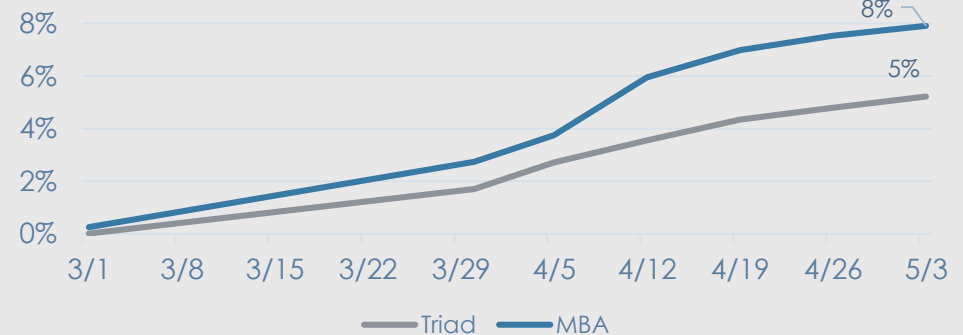
Portfolio Credit Trends

- On behalf of bank partners, Triad implemented short-term payment deferment plans beginning in March
 - Typically a 2-3 month extension, which is added to the end of the loan
- After spiking initially, deferment requests have improved each week and leveled off significantly
- Cumulative deferment requests represent ~5% of loans compared to ~8% for traditional mortgages per the MBA¹
- 30+ day delinquency has increased by ~1% since YE 2019
- No change in loan losses to date
 - Most bank partners have suspended repossessions for the time being

Deferment Requests



Forbearance Requests Triad vs. MBA¹



1. Source: Mortgage Bankers Association – www.mba.org



Originations

ORIGINATIONS (US\$, millions)

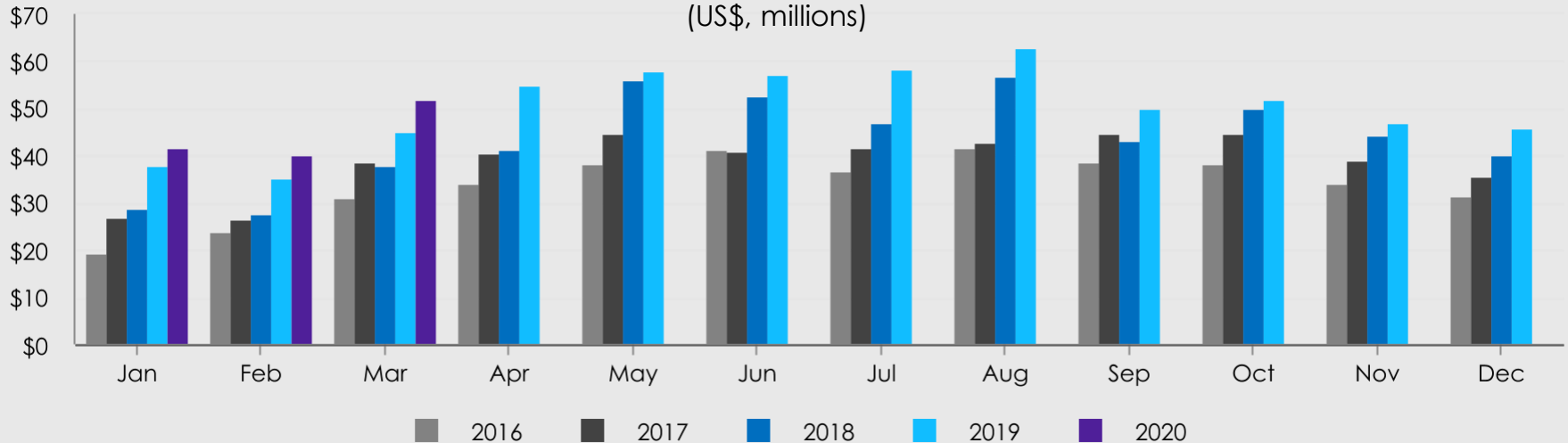
	1Q	2Q	3Q	4Q	YTD
2016	74	113	117	104	408
2017	92	126	129	119	466
2018	94	150	147	135	525
2019	118	170	171	144	603
2020	133				133

YOY ORIGINATION GROWTH

	1Q	2Q	3Q	4Q	YTD
2016	20.1%	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%
2019	25.2%	13.2%	16.5%	7.3%	14.8%
2020	13.4%				13.4%

ORIGINATIONS

(US\$, millions)



Consolidated Financial Summary



Q1 Consolidated Operating Highlights

SUMMARY

- Total Originations were \$509.0 million for the quarter compared to \$419.2 million for Q1 2019
- Q1 adjusted EBITDA of \$27.7 million compared to \$27.6 million for Q1 2019
 - Q1 2019 included elevated transaction fees at KG
- Q1 adjusted operating income before tax of \$21.0 million compared to \$19.3 million for Q1 2019
- Q1 adjusted net income applicable to common shareholders was \$14.5 million or \$0.06 per share

Balance Sheet

KEY HIGHLIGHTS

- Total assets decreased by \$6.4 million compared to Q4 2019
- Earning assets - managed and advised of \$34 billion at the end of Q1 reflects:
 - Servicing assets of \$2.7 billion at Service Finance
 - Managed loans of \$2.5 billion at Triad
 - Managed and advisory assets of \$28.5 billion at KG
- Debt increased by \$64.2 million compared to Q4 2019, primarily reflecting the increased investments in finance assets at Service Finance and Triad

Balance Sheet (US\$, millions)	Q1 2020	Q4 2019	Q1 2019
Total assets	1,717.8	1,724.1	1,828.4
Total finance assets	362.9	313.2	345.4
Earning assets- managed and advisory ⁽¹⁾	33,629.6	33,598.4	31,861.3
Debt	494.7	430.5	585.9
Shareholders' equity	843.1	879.0	880.0
Total Debt to Equity ratio	0.59	0.49	0.67

(1) Reflects off-balance sheet portfolios of Service Finance, Triad Financial Services and KG.

Income Statement

KEY HIGHLIGHTS

- Adjusted EBITDA of \$27.7 million compared to \$27.6 million in Q1 2019; adjusted operating income before tax of \$21.0 million, up from \$19.3 million
 - Increase in adjusted EBITDA reflects growth of Service Finance and Triad, partially offset by lower earnings at KG due elevated transaction fee revenue in the prior year quarter
 - Increase in adjusted operating income reflects lower interest expense and purchase of KG non-controlling interest
- Q1 adjusted EPS of \$0.06 per share in line with our guidance range

Income Statement (US\$, thousands)	Q1 2020	Q1 2019
Portfolio origination services	20,193	16,564
Portfolio management services	29,475	19,843
Portfolio advisory services	3,175	11,399
Marketing services	1,827	2,133
Interest income	5,538	6,098
Other revenue	670	581
Operating expenses	33,169	29,033
Adjusted EBITDA	27,709	27,585
Depreciation & amortization	1,621	1,306
Interest expense	5,070	6,451
Non-controlling interest in KG	—	546
Adjusted operating income before tax ⁽¹⁾	21,018	19,282
Adjusted net income applicable to common shareholders per share (basic)	0.06	0.05

(1) Excludes share-based compensation

Operating Expenses

KEY HIGHLIGHTS

- Higher business segment operating expenses at Service Finance and Triad, partially offset by lower operating expenses at KG
- Higher corporate operating expenses due to non-recurring business development and other expenses related to the pursuit of growth opportunities

Operating Expenses (US\$, thousands)	Q1 2020	Q1 2019
Service Finance	10,200	7,364
KG	7,240	9,803
Triad Financial Services	8,275	6,491
Corporate	7,454	5,375
Total operating expenses	33,169	29,033

Expense Reductions

Corporate Expense Reductions due to Covid-19

- Corporate expense reductions run rate \$4-\$5 million annually; expect corporate operating expenses to be ~\$4m per quarter for the remainder of the year
- Executive salary reductions
 - CEO – 50%
 - Senior executives – 25%
 - Executives – 20%
- Board of Directors fees reduced by 25%
- Business development, travel & entertainment and professional fees reduced by approximately 30%

Business Level Review Ongoing

- Temporarily reduced some headcount; employees furloughed with benefits
- While each of our businesses is run efficiently, each business is undergoing a review of current cost structures to identify areas of excess costs and appropriately size expenses for the current environment. We will update our progress in the coming quarters.

Discontinued Operations Highlights

RAIL

- Rail assets of ~\$34 million at Q1

Rail (US\$,millions)	Q1 2020	Q1 2019
Adjusted operating income before tax	-3.3	-1.6

AVIATION

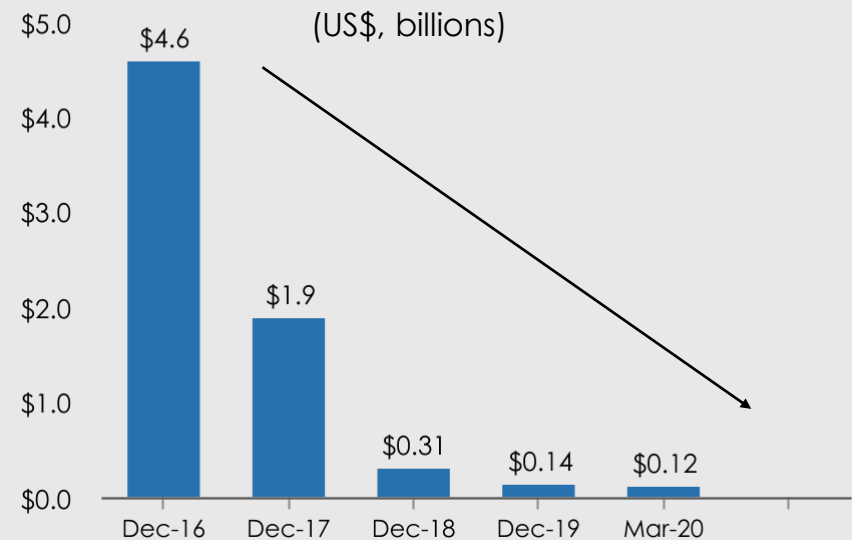
- Total aviation assets of ~\$78 million at Q1; decrease of \$19 million from Q4 2019 due to asset dispositions

Aviation (US\$,millions)	Q1 2020	Q1 2019
Adjusted operating income before tax	-0.2	-1.2

OTHER

- C&V balances of \$9 million at Q1

TOTAL ASSETS - DISCONTINUED OPS



Closing Summary



Closing Summary

SUCCESSFUL OPERATING RESULTS

- Q1 2020 EPS of \$0.06 in line with guidance of \$0.06-\$0.07
- Covid-19 has impacted our businesses but we are seeing substantial recovery
- 2020 guidance withdrawn due to wide range of possible outcomes
- However, growth still expected and lower end of previous range potentially achievable
- High quality products and services; Business is not lost – only delayed
- Resilient & recurring businesses with exceptional growth opportunities
- Committed funding and robust liquidity
- Prime & super prime focus produces assets with exceptional credit quality even through stressful environments

CAPITAL MANAGEMENT

- Quarterly dividend remains at C\$0.025 (C\$0.10 annually) which was raised Q3 2019

Questions

