

# Second Quarter 2023

Financial Results

## FINANCIAL INDUSTRY SOLUTIONS

**\$14B**

Originated  
Credit  
Portfolios

**100+**

US Financial  
Partners

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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” or the “Company”) 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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## STRATEGIC UPDATE

Strategic Investment  
Simplified Operating Structure  
Expanded Funded Partnerships  
Triad Operating Enhancements

## 2024 CONSOLIDATED FINANCIAL FORECAST

## OPERATING HIGHLIGHTS

Business Services

- Manufactured Housing
- RV & Marine

## CONSOLIDATED FINANCIAL SUMMARY

## CLOSING SUMMARY

# Strategic Update

# Executive Summary

## Strategic review complete; Skyline Partnership will create greatest Shareholder value Skyline strategic investment to drive growth in both Triad independent & Skyline dealers

- Strategic Review was launched on March 7<sup>th</sup> in response to interest received in the Company; ECN engaged CIBC, BMO and Goldman Sachs to act as strategic advisors
- A range of alternatives were evaluated over the past 5 months, including an outright sale of the Company
- ECN determined the best way to create Shareholder value was through a strategic industry partnership vs. a financial investment

### Key deliverables of ECN's Strategic Review process are:

	Deliverable	Key Considerations
1	Strategic Investment	Strategic Investment from Skyline will create the most value for Shareholders relative to the alternative options reviewed by ECN
2	Simplified Operating Structure	Primary focus on manufactured housing; ECN Corp to be renamed Triad & ECN parent eliminated & integrated; RVM alternatives under consideration
3	Expanded Funding Partnerships	New and expanded flow agreements with insurance capital accelerated transition to an institutional investor focused funding model
4	Triad Operating Enhancements	Executive leadership change with Lance Hull assuming role of President to strengthen operating culture & drive new initiative to lead by "service over price"

## Strategic Investment

Simplified Operating Structure

Expanded Funded Partnerships

Triad Operating Enhancements

# Strategic Investment Terms

## Strategic investment at a premium to ECN current share price

Investment structure to be split between 55% common shares and 45% mandatory convertible shares

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- 33.55M common and 27.45M mandatory convertible shares to be issued at C\$3.04
- Net cash proceeds after transaction costs will be used to fund growth in both Triad's independent dealer channel and Skyline's retail network
- Convertible shares carry a 4% coupon and rank pari pasu with ECN's other preferred share series. Skyline can convert these shares to common at any time, with a mandatory conversion on the fifth anniversary date
- **Key terms of Skyline's strategic investment include:**
  - Committed Corporate Simplification including integration of ECN parent into Triad
  - Board representation (1 seat)
  - Standstill of 24-months; including a right to match unsolicited offers
  - Joint decisioning on future acquisitions during Standstill
- ECN Corp Simplification plan provides Skyline opportunity to acquire remaining ~80% interest in the future

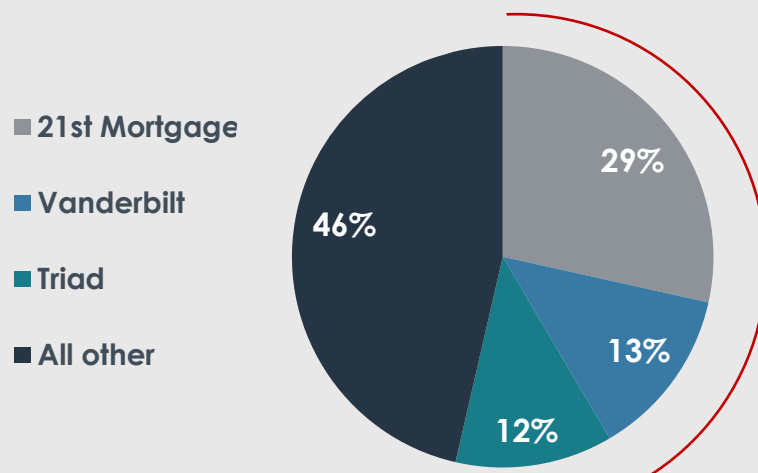


# Strategic Partnership

## ECN pleased to announce Partnership with Skyline, a leading home builder & retailer Independent & captive finance channels will help to grow market share

- Skyline is making a significant financial and operating investment in ECN as a strategic step towards building a financing solution for both customer channels
- Berkshire Hathaway's Clayton Homes, Vanderbilt & 21st Mortgage subsidiaries (3.5x larger than Triad) have experienced growth in aligning independent and captive financing for the manufactured housing industry

### 2022 Top 10 Manufactured Housing Loan Originators<sup>1</sup>



# Strategic Partnership

## Partnership to drive significant value for both Triad and Skyline

Opportunity to meaningfully grow share of home sales & associated financing

### Strong Skyline / Triad Relationship

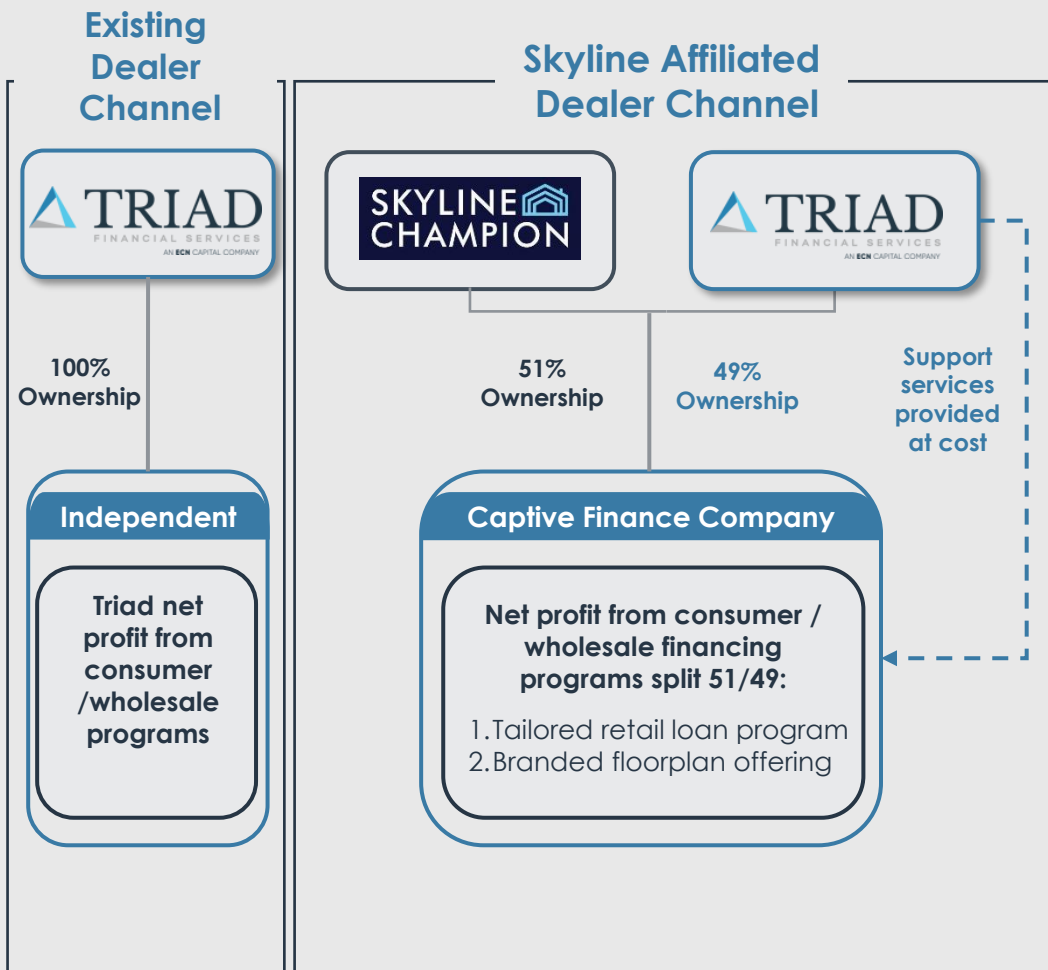


- Triad has financed Skyline-produced homes since 1959
- Triad is one of Skyline's leading retail financing partners
- Triad is also a key floorplan partner for Skyline-owned and independent dealers

### Opportunity

- ✓ Capture incremental share by offering a comprehensive dealer / customer solution (retail + financing)
- ✓ Enhance the customer experience and generate stronger dealer loyalty
- ✓ Industrial firms with captive subsidiaries demonstrate<sup>1</sup>:
  - Higher profitability
  - Greater market share
  - Lower sales volatility
- ✓ Develop new and innovative products to further drive growth / share

# Two Channel Strategy



## Structure Overview

- Formation of a market-leading manufactured housing captive finance company focused on:
  1. Tailored retail finance loan program for Skyline's retail network
  2. New, branded floorplan offering for Skyline product
- Captive to operate under an asset light model with limited overhead
- Operations will leverage Triad's best-in-class origination/servicing infrastructure and funding capabilities
- All services provided by Triad, including capital usage, will be recovered on a cost basis
- Net profits generated by the captive will be split 51/49 between Skyline and Triad
- Skyline Canadian footprint provides Triad with an opportunity to expand geographically beyond the U.S.

1

# Growth Drivers & Earnings Potential

	Description	Timing	Triad Incremental 2024E Pre-Tax Income
1a Immediate Floorplan Opportunity	<ul style="list-style-type: none"> <li>Shifting Skyline dealers' floorplan financing relationships to Triad                             <ul style="list-style-type: none"> <li>As of June 30<sup>th</sup> Skyline had ~\$349M product under floorplan financing arrangements, ~\$278M of which was to non-Triad lenders</li> <li>Net profit comprised of Net Interest Income less retail rebates</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>H2 2023</li> </ul>	\$2M - \$3M
1b Related Retail Volume	<ul style="list-style-type: none"> <li>Capture 25-30% of retail originations associated with incremental floorplan volume                             <ul style="list-style-type: none"> <li>Net profit based on origination revenue less costs to originate</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>H2 2023 /</li> <li>Q1 2024</li> </ul>	\$4M - \$9M
2 Increased Wallet Share of Skyline Financing Opportunities	<ul style="list-style-type: none"> <li>Captive creates a pathway to increasing wallet share to 15-20% initially and growing thereafter</li> </ul>	<ul style="list-style-type: none"> <li>2024</li> </ul>	\$4M - \$8M
3 Homeowner Upgrades	<ul style="list-style-type: none"> <li>Provide existing industry manufactured home owners the opportunity to upgrade through tailored financing solutions</li> </ul>	<ul style="list-style-type: none"> <li>2024+</li> </ul>	\$2M - \$4M
			<b>\$12M - \$24M</b>

**Strategic Investment**

**Simplified Operating Structure**

**Expanded Funded Partnerships**

**Triad Operating Enhancements**

# Simplified Operating Structure

Board approved corporate simplification plan has three components:

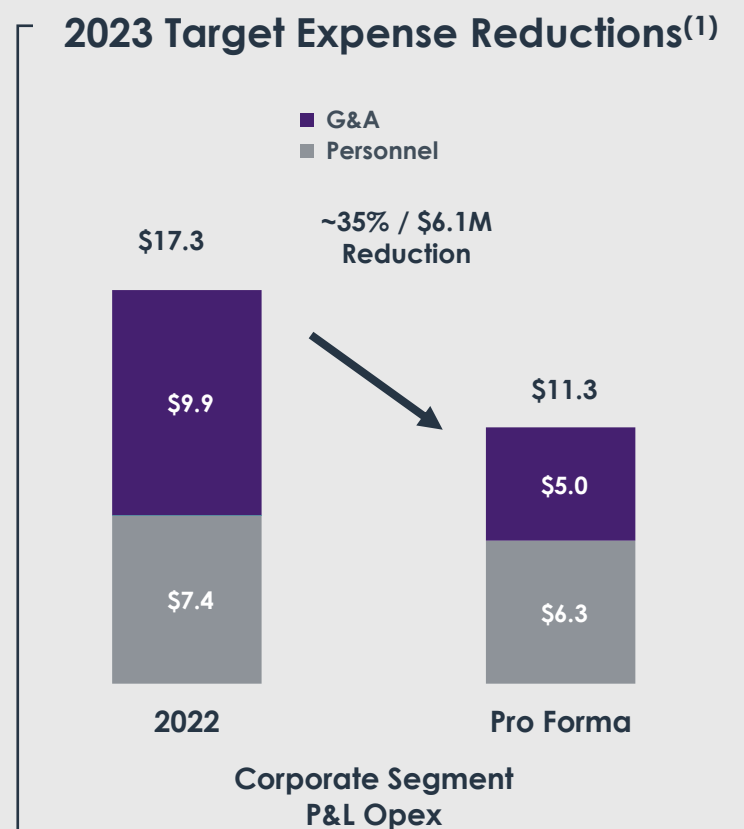
<p><b>1</b></p> <p><b>Eliminate ECN Corp</b></p>	<ul style="list-style-type: none"> <li>• Integrate ECN Corp into Triad's operating structure</li> <li>• ECN Capital Corp to be renamed Triad Financial Services Corporation</li> <li>• Primary focus on manufactured housing finance (existing independent channel and new captive finance company)</li> </ul>
<p><b>2</b></p> <p><b>Reduce Overhead/ Fixed Costs</b></p>	<ul style="list-style-type: none"> <li>• Significant reduction of corporate overhead</li> <li>• First phase to reduce expenses by ~\$6 million completed</li> <li>• Second phase – additional expense reduction following full integration in 2024</li> </ul>
<p><b>3</b></p> <p><b>RV &amp; Marine Business Under Review</b></p>	<ul style="list-style-type: none"> <li>• ECN continues to review various strategic alternatives related to its RV &amp; Marine business; operational improvements, cost reduction and strategic alternatives remain under consideration</li> <li>• Institutional flow funding transition underway with new funding partnerships expected in Q3/Q4 2023</li> </ul>

# Expense Reduction Plan

## Board approved expense reduction plan focused on ECN headcount & overhead

Significant run-rate cost savings have already been achieved, driven by a reduction in personnel & other G&A

- Board approved plan to reduce ~\$6M of ECN overhead expenses substantially complete
- Personnel reductions included several members of senior ECN executive staff
- Real estate footprint has been right sized, reflecting reduced corporate headcount
- Significant reductions in marketing and business development anticipated in H2 2023
- Additional expense reductions of ~\$6 million expected following full elimination of ECN Corp in Q1 24



Strategic Investment

Simplified Operating Structure

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# New Funding Agreements

## Significant expansion of institutional investor funding capacity in H2 2023

New and expanded loan programs with leading institutional investors for both MH retail loans and floorplan

- Triad has expanded its longstanding relationship with Blackstone's Asset Based Finance Group
  - Original agreement was upsized to total funding of \$1.14Bn
    - **Retail loans:** \$840M towards a multi product (Chattel, Land Home, Land Plus) and program (Core, Silver, Bronze) strategy
    - **Floorplan:** \$300M targeting a diversified dealer and OEM base
  - All loans to be serviced on Triad's platform
- New funding relationship with Carlyle entered into post quarter end
  - \$150M program focused on super-prime and prime retail loans
  - Insurance and institutional capital supporting Carlyle's investment; rated program is highly capital efficient
  - All loans to be serviced on Triad's platform
  - Further expansion of funding capacity already in process

# Blackstone

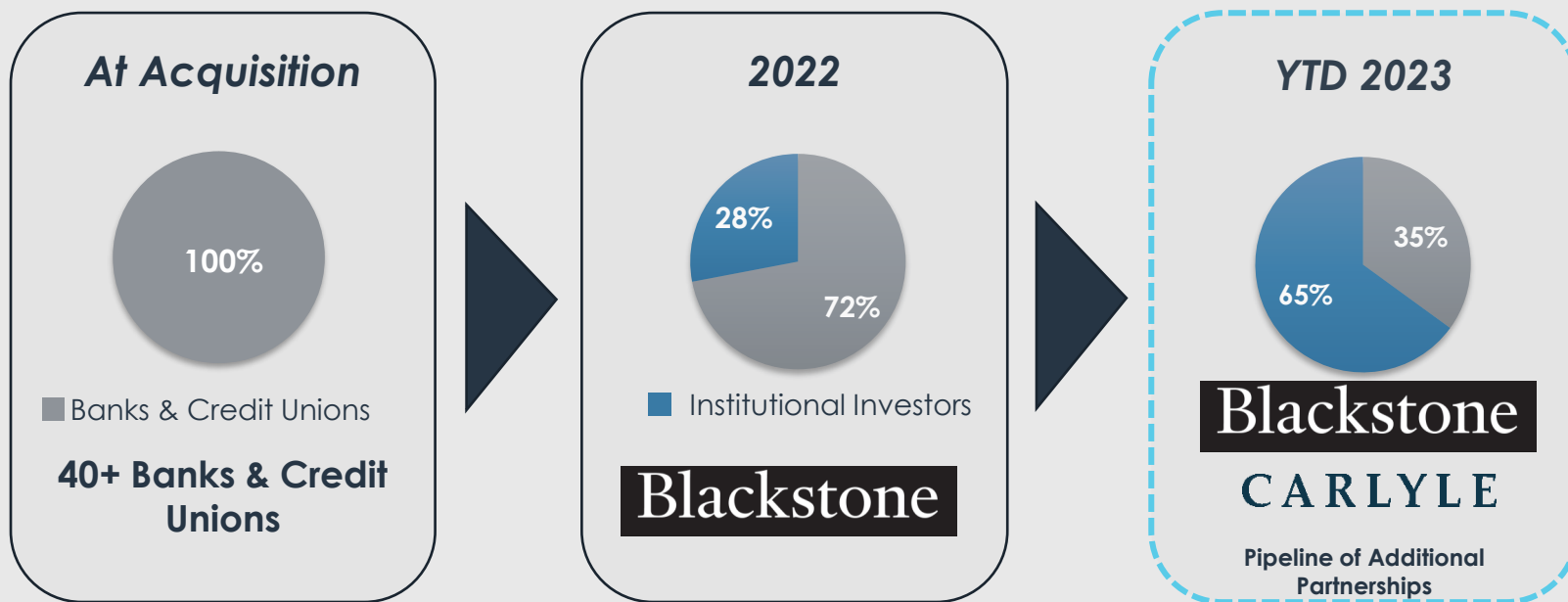
# CARLYLE

3

# Triad's Funding Evolution

## Triad has accelerated its transition to institutional funding

Moving from bank/credit unions to institutional investors provides Triad with term commitments & tighter spreads



- ECN deliberately began the evolution of Triad's funding in 2020 to diversify sources, extend term and have larger and more flexible pools of capital
- In this environment, ECN's decision to expand funding has been invaluable with slower demand from traditional funding partners

**Strategic Investment**

**Simplified Operating Structure**

**Expanded Funded Partnerships**

**Triad Operating Enhancements**

# Triad Operating Enhancements

## New executive leadership at Triad to oversee next phase of growth

### Industry veteran, Lance Hull, named President of Triad

- Lance Hull, a proven leader in manufactured housing with 25+ years experience, will lead Triad as President for its next phase of growth
  - Multiple senior executive roles at Clayton Homes and 21<sup>st</sup> Mortgage, both Berkshire Hathaway (BH) companies
  - Responsible for building BH's industry leading manufactured housing business by integrating numerous manufacturing companies and developing complimentary captive finance programs
  - Demonstrated track record of growing market share through operational improvements focused on sales, service and customer experience
- Lance's primary mandate at Triad will be to improve sales and customer service
  - Triad's historical go-to-market strategy emphasized "rate vs. service"
  - Key future objectives include reducing cycle times, responsiveness and improving customer experience

Lance Hull, President Triad



# 2024 Financial Forecast

# Consolidated 2024 Financial Forecast

## KEY HIGHLIGHTS

- 2024 guidance range including Skyline captive
- Assumes MH Finance grows 15%+ in 2024 excluding one-time 2023 items
- RV & Marine income recovers with new funding commitments/programs driving increased originations
- Elimination of ECN corporate results in materially reduced operating expenses
- Expected annual tax rate of ~26%+ in 2022

1. EPS assumes 279 million shares; Diluted EPS assumes 306 million shares + reduction of preferred dividend; May not add due to rounding

Adjusted Net Income (US\$ millions)	2024	
MH Finance (including Captive)	\$85	\$105
RV & Marine	\$20	\$25
<b>Continuing Ops Adj Op Income before Tax</b>	<b>\$105</b>	<b>\$130</b>
Operating expenses	(\$5)	(\$5)
Depreciation	(\$1.5)	(\$2)
Interest	(\$8)	(\$10)
<b>Adjusted operating income before tax</b>	<b>\$90.5</b>	<b>\$113</b>
Tax (~26%)	(\$23.5)	(\$29)
<b>Adjusted net income</b>	<b>\$67</b>	<b>\$84</b>
<b>Preferred Dividends</b>	<b>(\$8)</b>	<b>(\$8)</b>
<b>Adjusted net income (after pfd)</b>	<b>\$59</b>	<b>\$76</b>
<b>EPS US\$<sup>1</sup></b>	<b>\$0.21</b>	<b>\$0.27</b>
<b>Diluted EPS US\$<sup>1</sup></b>	<b>\$0.19</b>	<b>\$0.25</b>

# Q2 OVERVIEW

# Q2 Overview

## Q2 RESULTS

- Q2 Adj operating EPS to common of \$0.00

## MANUFACTURED HOUSING

- Industry veteran Lance Hull named President of Triad; new leadership to drive future growth
- Triad Q2 originations -8.6% Y/Y; 1H originations flat Y/Y excluding portfolio purchase in Q1 2022
- New programs driving growth; Land home, Silver, Bronze & Rental up more than 80% Y/Y in 1H
- Lower gains on bulk loan sales reduced origination revenue by ~\$5.8 million; Normalizing in 2H 2023
- One-time fair value adjustment taken in Q2 to reflect lower GOS over last several quarters
- Managed assets increased 28% in 2023 to ~\$4.8 billion with 83.8% fully serviced
- Fully funded for 2023 & 2024 with both new and updated funding programs from institutional partners

## MARINE & RV

- Q2 originations of \$274 million; both Marine and RV experienced slowdowns due to changes in consumer shopping behavior, normalization of seasonal buying patterns, and greater incidences of cash purchases
- ECN continues to review various strategic alternatives related to its RV & Marine business

## INVENTORY FINANCE (“IF”)

- \$320 million in total IF balances; Launched IF flow program with Blackstone to flow and manage up to \$300 million of inventory finance assets in Q2 2023; Triad sold ~\$130 million in Q2 and will execute monthly transactions thereafter



# OPERATING HIGHLIGHTS

- Manufactured Housing
- Marine & RV
- Inventory Finance





# Manufactured Housing Highlights

- Adjusted operating income before tax in Q2 of \$9.7 million
  - Q2 originations -8.6% Y/Y
  - Lower pooled gain on sale margins reduced Q2 by ~\$5.8 million
  - Fair-value adjustment taken in Q2 to reflect lower realized GOS in 1H23
- Managed portfolios grew ~29% Y/Y to ~\$4.8 billion
- \$300 million IF flow partner launched in Q2; ~\$130 million sold in Q2 with monthly sales going forward
- Triad fully funded for 2023 & 2024
  - Expanded partnership with Blackstone for ~\$1.15 billion of forward flow commitments for both retail and IF
  - Entered into a \$150 million flow agreement with Carlyle Group Inc for retail loans

Select Metrics (US\$, millions)	Q2 2023	Q2 2022
Originations	348.0	380.7
Period end managed portfolios	4,845.0	3,759.1
Adjusted revenue <sup>1</sup> :		
Origination revenue	19.6	31.1
Servicing & other revenue	24.4	13.0
Total adjusted revenue	44.0	44.1
Adjusted EBITDA	24.1	22.4
Adjusted operating income before tax	9.7	19.0

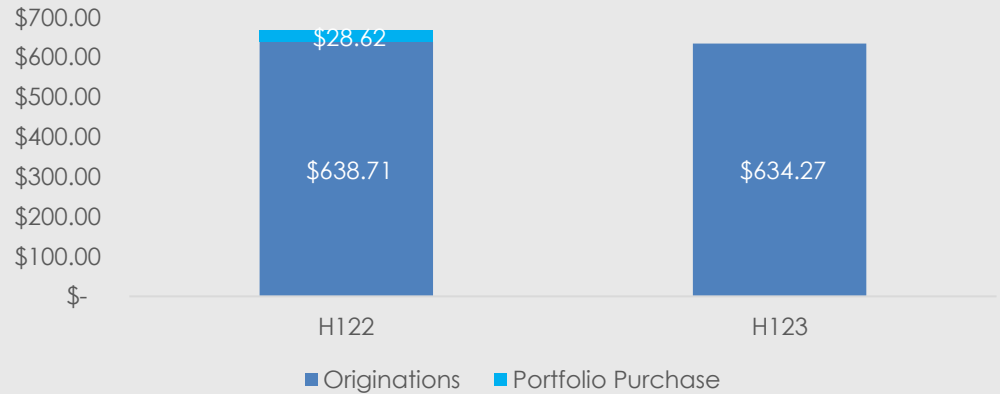


- Q2 2023 Originations -8.6% Y/Y
- H1 2023 Originations flat Y/Y excluding Q122 portfolio purchase
- Triad continues to outperform industry shipments of -29% Y/Y in both Q2 & H1 2023

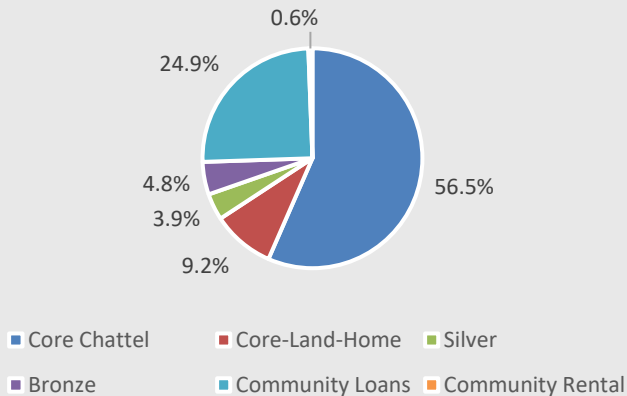
# Retail Originations

## H1 TOTAL ORIGINATIONS

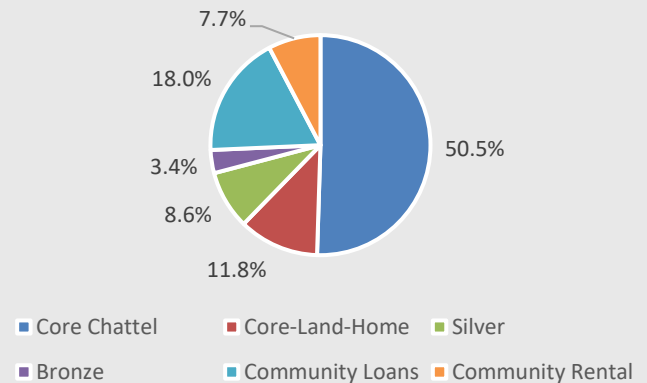
(\$ millions)



## ORIGINATION MIX Q222



## ORIGINATION MIX Q223





# Q2 Program Update

## Q2 slower than anticipated but recent trends showing strong improvement

Approvals normalizing & Core Chattel strengthened materially

### Month-over-Month trends improving

- Apr approvals -29.2% (units) with Core CH -16.3%
- May approvals -17.3% (units) with Core CH +7.9%
- Jun approvals -10.4% (units) with Core CH +18.1%
- Jul approvals +3.0% (units) with Core CH +14.6%

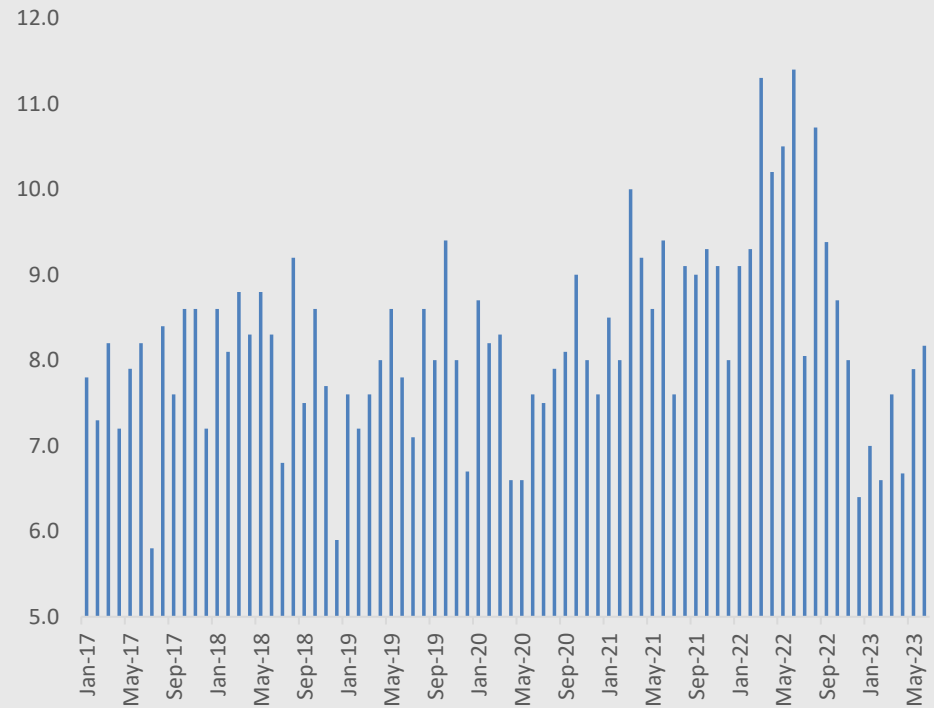
Quarterly Performance Update					
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Approvals (units)	+27.5%	+8.0%	+0.7%	-14.0%	-19.4%
Total Approvals (\$)	+48.0%	+25.4%	+9.8%	-13.6%	-25.6%
Total Originations (\$)	+45.3%	+27.4%	+8.0%	+10.9% <sup>1</sup>	-8.6%

- Q2 approvals -19.4% (units), -25.6% (\$); originations -8.6% (\$)
- Reduced Land Home approvals in 1H23 in order to fully reset program; normalize in 2H23
- Excluding Q1 2022 portfolio purchase, originations flat Y/Y in 1H 2023
- Continued economic pressure on lower income borrowers drove lower Q2 Bronze and COP approvals
- Core CH approvals (units) increased 2.6% Y/Y in Q2



# MH Shipments

**MH SHIPMENTS (UNITS, 000's)**  
Jan 2017 - Jun 2023



Source: US Census Bureau;  
[www.census.gov/data/tables/time-series/econ/mhs/shipments.html](http://www.census.gov/data/tables/time-series/econ/mhs/shipments.html)

- Triad Q2 originations -8.6% significantly outperforming MH shipments
  - Q2 2023 MH shipments -29%
- Q2 shipments continue to be affected by somewhat elevated dealer inventory
  - Expect excess inventory to clear in Q3



# Loan Sales & Q2 Mark

## Q2 Pooled Loan Sales

- Triad sold ~\$149 million of loans at a gain of ~1.8%:
  - GOS effected by same issues from Q1
    - Rapid increases in interest rates in 2022
    - Extended 2022 & early 2023 backlogs
    - Introductory pricing & terms on Land Home
- Forecast return to normalized gain on sale of ~6.5% in H2 23
- Normalized gain on sale would have added ~\$5.8 million revenue/adjusted operating income in Q2

## Q2 Fair Value Adjustment

- As a result of lower premiums received on pooled loan sales, Triad recorded a fair value adjustment of -\$12.5 million in Q2

**Reduced loan sale gains and Q2 fair value adjustment largely attributable to Land-Home originations vs. chattel which has continued to receive full premiums**

## Land home restructured to address future profitable growth

### Leadership & process changes complete

1

#### New Product Launch

- Launched a new strategy in August 2021 designed to gain share in Land Home (“LH”)
- Triad offered limited introductory pricing and special terms
- Internal team built to scale new program

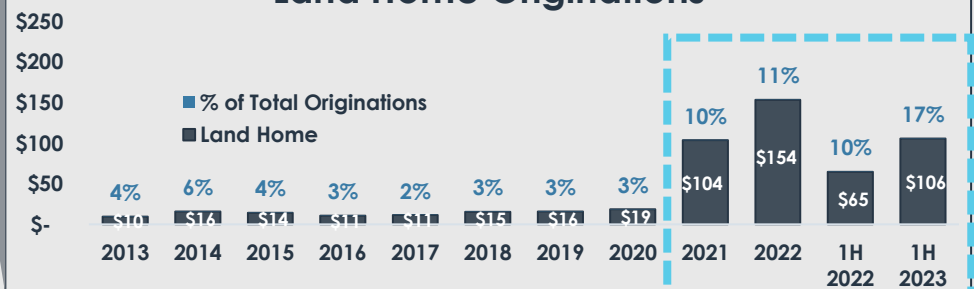
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#### Challenging 2022 Macro Environment

- Unprecedented increase in interest rates
- Manufactured housing industry backlogs extended home completions from ~6 to 12 months
- Resulted in reduced pooled loan sale income in 1H2023
- Normalized margin expected by H2 23

- Triad’s new LH product experienced strong growth in 2021 & 2022; taking significant share
- Introductory pricing and terms + initial structure issues combined with unprecedented 22/23 macro environment resulted lowered GOS & Q2 mark
- Replaced EVP of LH operations with experienced mortgage banker; several other hires and internal transfers
- Restructured product to reduce macro risk – Interest rate lock at approval
- Overall LH opportunity represents 2x Chattel

### Land Home Originations



# Origination Revenue

## Impact to origination revenue expected to be non-recurring due to:

- 1 *Product launch completed and Land Home loans in pipeline<sup>1</sup> priced at full margin*
- 2 *Macro environment of 2022 unlikely to be repeated (interest rate volatility + production challenges)*
- 3 *New funding relationships (and improvements to existing flow agreements) supports future growth of Land Home*
- 4 *New unit management including EVP head of LH & several other experienced hires and internal repositionings*



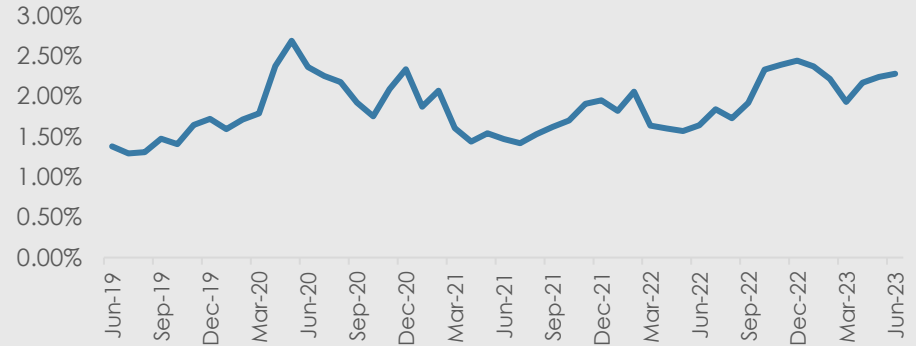


# Portfolio Credit Trends

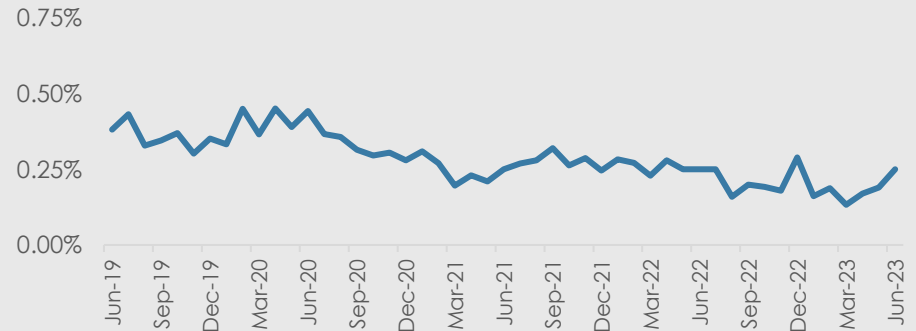
## CONTINUED STRONG CREDIT PERFORMANCE

- Credit performance remains within expectations
- Triad Core portfolios maintaining low 30+ day delinquency levels
- Net charge-offs remain near cyclical lows

### 30+ DELINQUENCY



### NCO's

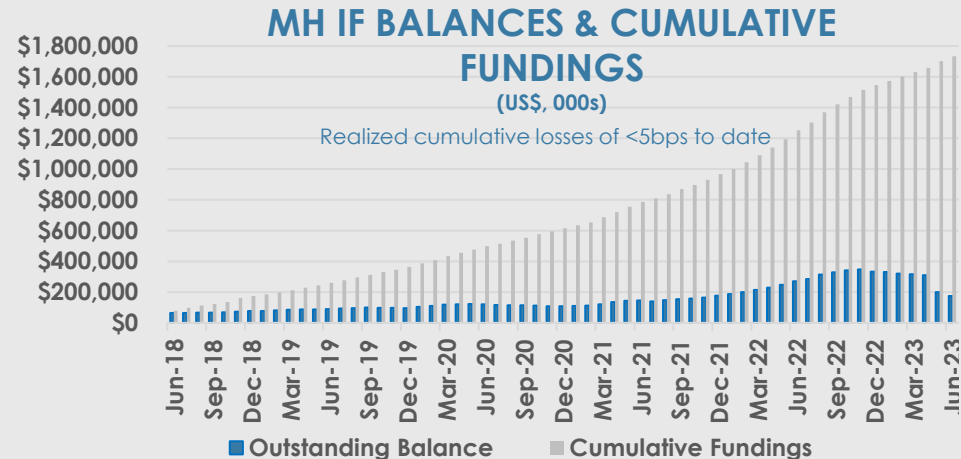
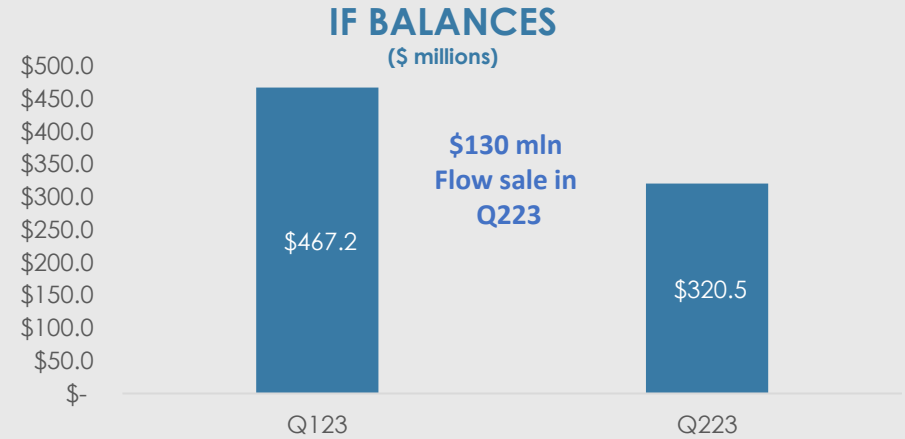
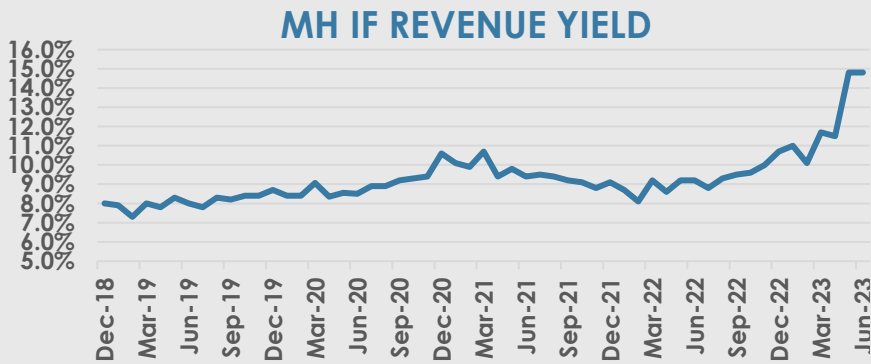




# Commercial

**Fully developed inventory finance business flowing assets to select funding partners**

- Inventory Finance balance of \$320.5 million
- Q2 IF Originations of \$171 million
- MH IF average revenue yield of ~13%+ in Q2; monthly floating rate product indexed to SOFR
- Leverages 6,500+ dealers & select manufacturers
- Drives dealer engagement and retail flow
- Launched \$300 million flow program with institutional partner; Sold \$130 million in Q2



# Originations

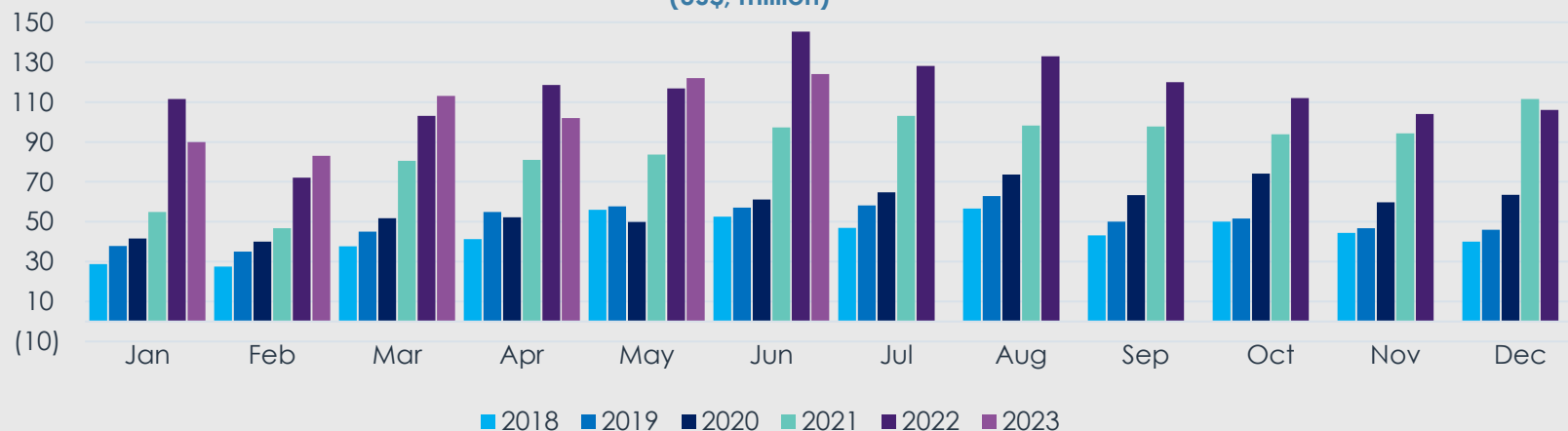
## ORIGINATIONS (US\$, millions)

	1Q	2Q	3Q	4Q	YTD
<b>2018</b>	94	150	147	135	525
<b>2019</b>	118	170	171	144	603
<b>2020</b>	133	63	202	197	696
<b>2021</b>	182	262	299	300	1,043
<b>2022</b>	287 <sup>1</sup>	381	381	323	1,372
<b>2023</b>	286	348			634

## YOY ORIGINATION GROWTH

	1Q	2Q	3Q	4Q	YTD
<b>2018</b>	2.2%	19.0%	14.0%	13.4%	12.7%
<b>2019</b>	25.2%	13.2%	16.3%	7.3%	14.8%
<b>2020</b>	13.4%	(3.8%)	18.0%	36.6%	15.4%
<b>2021</b>	36.6%	60.6%	48.2%	51.8%	49.9%
<b>2022</b>	57.3%	45.3%	27.4%	7.9%	31.5%
<b>2023</b>	(0.2%)	(8.6%)			(5.1%)

Originations  
(US\$, million)



# Marine & RV Highlights

- Q2 adjusted operating income before tax of \$3.3 million
- Q2 originations of \$274 million
- Originations slowed due to:
  - Overall economic uncertainty
  - Continued inventory shortage
  - Consumers adjusting purchasing behavior to the higher rate environment
  - Greater percentage of cash buyers
  - Normalization of seasonal buying patterns
- Added 200+ dealers in Q2; 3,500+ total dealers
- Expenses reflect continued investments to build the premier marine & RV finance platform; expense reductions in Q3/Q4
- HFT assets expected to be sold in H2 2023
- ECN continues to review various strategic alternatives related to its Marine & RV business

Select Metrics (US\$, millions)	Q2 2023	Q2 2022
Originations	273.9	232.3 <sup>1</sup>
Origination revenue	6.2	7.3
Interest & Other	1.0	0.04
Total revenue	7.2	7.3
Adjusted EBITDA	4.2	5.3
Adjusted operating income before tax	3.3	5.3

# Growth Playbook

## Groundwork Laid to Execute ECN Growth Playbook

Implemented the same growth playbook that has been successful at both Triad & Service Finance

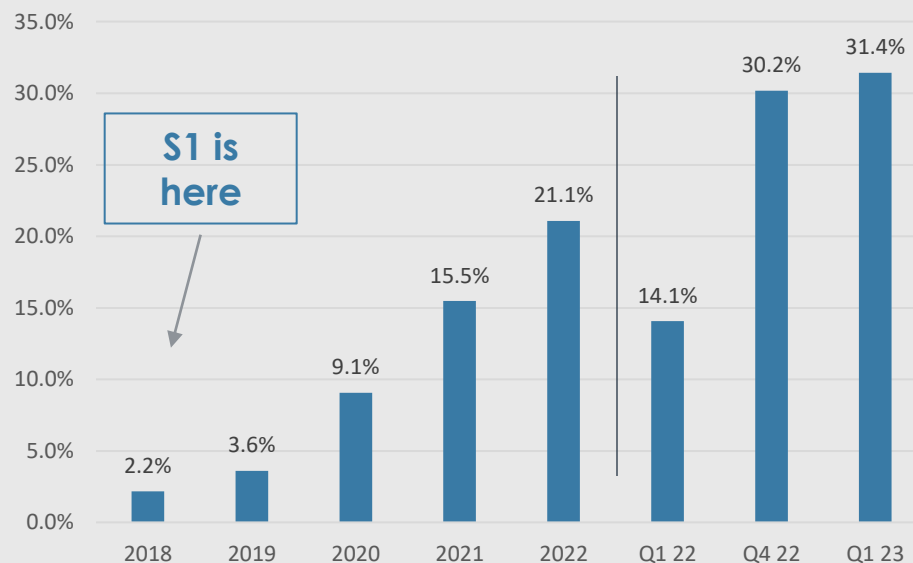
### Year 1

- ✓ Licensing in 46+ states
- ✓ Established Servicing capability
- ✓ Geographic expansion – added over 700 new dealers largely in new territories – 3,500+ total
- ✓ Inventory Finance – successfully launched
- ✓ IT & systems investments to support growth

### Year 2

- New Funding partners – New partner launch now expected in Q3/Q4
- Investments in dealer education & training
- Process Improvements – Reduce turnaround times
- Rating – Securing KBRA rating for insurance capital
- New Program – Launching Silver & Bronze with new partner

### Triad New Products % of Total Originations<sup>1</sup>



1. Land home, Silver, Bronze, Rental & CLP

**S1 has \$1B+ in turned down applications to launch Silver & Bronze**

# Q2 Program Update

	Quarterly Performance Update <sup>1</sup>				
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Approvals (\$)	+42.1%	+48.5%	+10.3%	-3.8%	-9.6%
Total Originations (\$)	+15.2%	+21.2%	-10.9%	-26.9%	-34.3%

- Q2 approvals (\$) -9.6% due to tighter underwriting and originations (\$) declined ~34% Y/Y due to several factors including (i) normalization of seasonal purchasing patterns (ii) increase in cash buyers (iii) purchase hesitation due to increased rates
- Attendance levels during H1 2023 show season remained high with continued strong interest in the RV & boating lifestyle
- RV inventory has mostly normalized to pre-COVID levels; marine inventory issues broadly improving but remain below pre-COVID levels; acute issues remain in specific categories (e.g., wake boats) and specific components
- Growing presence in new and strategically important regions
- Expected new large flow partner for Source One now to launch in Q3/Q4; several other advanced discussions underway
- Launch of Silver & Bronze in Q3/Q4

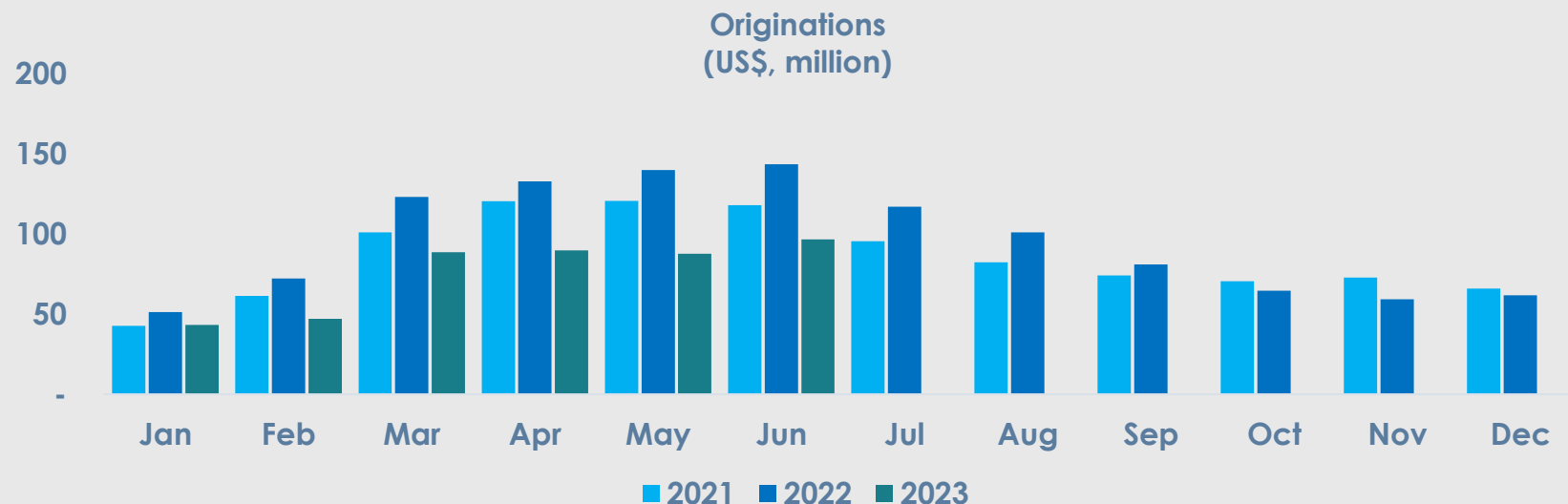
# Originations

## ORIGINATIONS<sup>1</sup> (US\$, millions)

	1Q	2Q	3Q	4Q	YTD
2020	164	294	311	169	938
2021	205	359	252	209	1,025
2022	247	416	306	186	1,155
2023	179	274			453

## YOY ORIENTATION GROWTH

	1Q	2Q	3Q	4Q	YTD
2020	-	-	-	-	-
2021	24.7%	22.2%	(19.0%)	23.8%	9.2%
2022	20.3%	15.9%	21.4%	(11.3%)	12.6%
2023	(27.4%)	(34.2%)			(31.6%)



# Consolidated Financial Summary



# Q2 Consolidated Operating Highlights

## SUMMARY

- Total Originations were \$622.0 million for the quarter, including \$348.1 million of originations from Manufactured Housing Finance and \$273.9 million from RV & Marine Finance
- Q2 adjusted EBITDA of \$24.5 million compared to \$25.7 million for Q2 2022
- Q2 adjusted operating income before tax of \$2.6 million compared to operating income before tax of \$15.6 million for Q2 2022
- Q2 adjusted net income applicable to common shareholders was \$0.7 million or \$0.00 per share compared to adjusted net income of \$11.3 million or \$0.05 per share for Q2 2023

# Balance Sheet

## KEY HIGHLIGHTS

- Total assets of \$1.3 billion compared to Q1 2023 total assets of \$1.4 billion
- Triad managed assets of \$4.8 billion at the end of Q2
- Total debt of \$956.7 million compared to Q1 2023 total debt of \$1.03 billion

Balance Sheet (US\$, millions)	Q2 2023	Q1 2023	Q2 2022
Total assets	1,291.1	1,417.9	1,353.3
Debt - senior line & other	795.3	873.5	653.8
Debt - senior unsecured debentures	161.4	157.6	164.5
Total debt	956.7	1,031.1	818.3
Shareholders' equity	141.1	172.1	228.9
Equity for senior line covenant purposes <sup>(1)</sup>	302.5	329.7	393.4
Accounts receivable - continuing operations <sup>(2)</sup>	172.4	200.7	140.4
Finance assets - continuing operations	626.0	701.4	380.5
Total loans awaiting funding	798.4	902.1	520.9
Total Debt	956.7	1,031.1	818.3
Net debt, excluding loans awaiting funding	158.3	129.0	297.4

*(1) Includes shareholders' equity and the balance of the senior unsecured debentures. In accordance with the terms of the indentures, the Company has the option to satisfy its obligations to repay the principal and interest of the debentures by issuing common shares in the capital of the Company.*

*(2) Includes accounts receivable at our Manufactured Housing Finance segment, which is primarily comprised of loans awaiting funding.*

# Income Statement

## KEY HIGHLIGHTS

- Q2 adjusted EPS from continuing operations of \$0.00 per share compared to Q2 2022 adjusted EPS of \$0.05
- Adjusted EBITDA from continuing operations of \$24.5 million compared to \$25.7 million in Q2 2022, reflecting lower corporate revenues, partially offset by lower Manufactured Housing Finance and corporate operating expenses

Income Statement (US\$, thousands)	Q2 2023	Q2 2022
<b>Adjusted revenue:</b>		
Loan origination revenues	25,857	38,362
Servicing revenues	6,902	5,207
Interest income	18,987	7,864
Other (expense) revenue	(1,286)	2,576
<b>Total adjusted revenue</b>	<b>50,460</b>	<b>54,009</b>
Operating expenses	26,006	28,344
<b>Adjusted EBITDA</b>	<b>24,454</b>	<b>25,665</b>
Interest expense	20,141	8,463
Depreciation & amortization	1,747	1,646
<b>Adjusted operating income before tax <sup>(1)</sup></b>	<b>2,566</b>	<b>15,556</b>
<b>Adjusted net income applicable to common shareholders per share (basic)</b>	<b>—</b>	<b>0.05</b>

(1) Excludes share-based compensation

# Operating Expenses

## KEY HIGHLIGHTS

- Lower business segment operating expenses is primarily attributed to lower variable expenses associated with lower originations at our Manufactured Housing Finance segment, partially offset by an increase in RV and Marine operating expenses
- Corporate operating expenses of \$3.0 million compared to \$4.7 million in Q2 2022
- \$7.3 million in asset disposal, litigation and corporate restructure costs will result in operating cost, depreciation expense and interest expense reductions of approximately \$10 million - \$13 million on an annualized basis once fully implemented in the third quarter of 2023

Operating Expenses (US\$, thousands)	Q2 2023	Q2 2022
Manufactured Housing Finance	19,928	21,665
RV & Marine Finance	3,049	1,955
<b>Business segment operating expenses</b>	<b>22,977</b>	<b>23,620</b>
Corporate	3,029	4,724
<b>Total operating expenses</b>	<b>26,006</b>	<b>28,344</b>

# Closing Summary



# Closing Summary

## SIGNIFICANT FRANCHISE VALUE – MH, MARINE RV & INVENTORY FINANCE

- Three unique platforms originating and managing high quality credit assets on behalf of funding partners
- ECN is the only available source for these assets at scale

## OFFICIAL REVIEW OF STRATEGIC ALTERNATIVES CONCLUDED

- Strategic investment from Skyline creates the most value for shareholders
- Drives material growth potential across products through both Triad independent and Skyline dealers
- Corporate simplification initiative to integrate ECN parent into Triad & materially reduce expenses
- Fully funded for 2023 & into 2024 with new and updated funding programs with institutional partners

## Q2 OPERATING RESULTS

- Q2 2023 Adj operating EPS of \$0.00
- **MH** Q2 originations -8.6% excluding Q1 2022 portfolio purchase
  - MH remains the most affordable housing choice = continued long term strong MH demand
- **Marine & RV** Q2 originations \$274 million; industry conditions slowly improving
  - Building the premier platform in Marine & RV – growth initiatives on track

## CAPITAL MANAGEMENT

- Q2 quarterly dividend of C\$0.01